ABLIVA

Delivering mitochondrial health

Abliva AB

Annual Report 2020

Abliva strives to improve the lives of patients with primary mitochondrial diseases

Abliva develops medicines for the treatment of primary mitochondrial diseases. These rare and often very severe diseases occur when the cell's energy provider, the mitochondria, do not function properly. The company is focused on two projects. KL1333, a powerful regulator of the essential co-enzyme NAD^+, is in clinical development and has been granted orphan drug designation in Europe and the US. NV354, a succinate, energy replacement therapy, is in preclinical development. Abliva is based in Lund, Sweden.

What is primary mitochondrial disease?
Primary mitochondrial diseases are metabolic diseases that affect the cells' ability to convert energy. The diseases can manifest very differently depending on the organs in which the genetic defects are located and have historically been viewed as clinical syndromes, and more recently as disease spectra caused by genetic defects affecting mitochondrial function. It is estimated that 125 persons per million have a primary mitochondrial disease.

Abliva's discovery projects focus on deeper understanding of the mechanisms for our unique chemistry platforms, and the development of next-generation compounds for primary mitochondrial diseases.

2020 in brief

Our projects

- Positive feedback in July from the US Food and Drug Administration (FDA), and in November from the UK MHRA, on the KL1333 clinical development plan.
- Decision in September to conduct a cohesive registrational Phase 2/3 study starting in the second half of 2021.
- The first primary mitochondrial disease patients in the KL1333 Phase 1a/b clinical study were dosed in October.
- The first healthy volunteers in the drug-drug interaction study (DDI study) were dosed in November.

Financing

- A preferential rights issue in May raised approximately SEK 67 million before deduction of issue costs.
- Directed issue of SEK 20 million to Nordic life science investor Hadean Ventures in June. Dr Roger Franklin, partner at Hadean Ventures was elected as Director of Abliva's Board.

Other

- Change of company name to Abliva (formerly NeuroVive Pharmaceutical) in May.

Events after the end of the year

- Ellen Donnelly was appointed new CEO February 3, 2021.
- In March 2021, Abliva carried out a directed issue of 106,666,666 shares to several Swedish and international qualified investors, including Hadean Ventures
- In March 2021, all participants in the KL1333 Phase 1a/b study had completed the study.

Reading instructions
The figures in brackets, unless otherwise specified, refer to 2019 operations. Swedish kronor (SEK) are used throughout. SEK million is shortened SEK m.

This Annual Report is published in Swedish and English. In the event of any difference between the English version and the Swedish original, the Swedish version shall prevail.

CONTENT

CEO statement

Mitochondrial medicine is an area of increasing focus for the pharmaceutical industry as there are currently no effective treatment options for patients that suffer from mitochondrial diseases. Through our research and development, Abliva has an opportunity to improve the quality of life for these patients. The KL1333 team has recently completed the important Phase 1a/b study with results expected later this year.

KL1333 IS FIRST ON OUR AGENDA

The first priority of our team is the KL1333 program. The team received positive feedback from the FDA late last year when the FDA suggested that a single Phase 2/3 study would be sufficient for approval (versus the more traditional path involving sequential Phase 2 and Phase 3 studies). This feedback means that this single study may now be used for registration, meaning that we may move forward to request marketing approval following a positive study readout. The development program has been enhanced to meet the FDA requirements and the team has already initiated the requested studies. Ongoing studies, such as the Phase 1a/b study and the drug-drug interaction (DDI) study, will report results in the summer and it is our goal to launch the Phase 2/3 study in the second half of this year.

In other good news, the FDA also supported the main aspects of our proposed qualitative study, which is designed to generate evidence regarding primary mitochondrial disease patients' experiences with fatigue. The study will validate the use of a patient-reported outcome assessment as the primary endpoint in the upcoming KL1333 Phase 2/3 study. For more detailed information on the KL1333 project, see page 11.

EXPANDING OUR REACH TO PATIENTS, PHYSICIANS AND PARENTS

At the moment, the KL1333 drug candidate is our focus as we strive to bring new medicines to patients. To fully realize this project's potential, we will look to expand our horizons internationally, working to enlist physicians and thought leaders to help us review our upcoming data readouts and confirm our Phase 2/3 study design in order to ensure the highest likelihood of success. We are looking forward to learning more about the patient needs in this area through our patient-reported outcomes validation study and patient registry study (both of which are ongoing) and by increasing our interactions with mitochondrial disease patient groups.

EXPANDING OUR GEOGRAPHIC REACH AND FINANCIAL RESOURCES

In March, Abliva also completed a directed share issue which will raise SEK 80m gross proceeds, SEK 55.5m of which is contingent on the authorisation of additional share capital at an EGM on 29 April. The directed issue is an important step on our journey to make Abliva a well-known and recognized world leader in mitochondrial medicine, and will allow us to readout the ongoing studies with our lead candidate KL1333 and to finalize the preparations for the upcoming global registrational Phase 2/3 study. I would like to thank the investors for their important contribution.

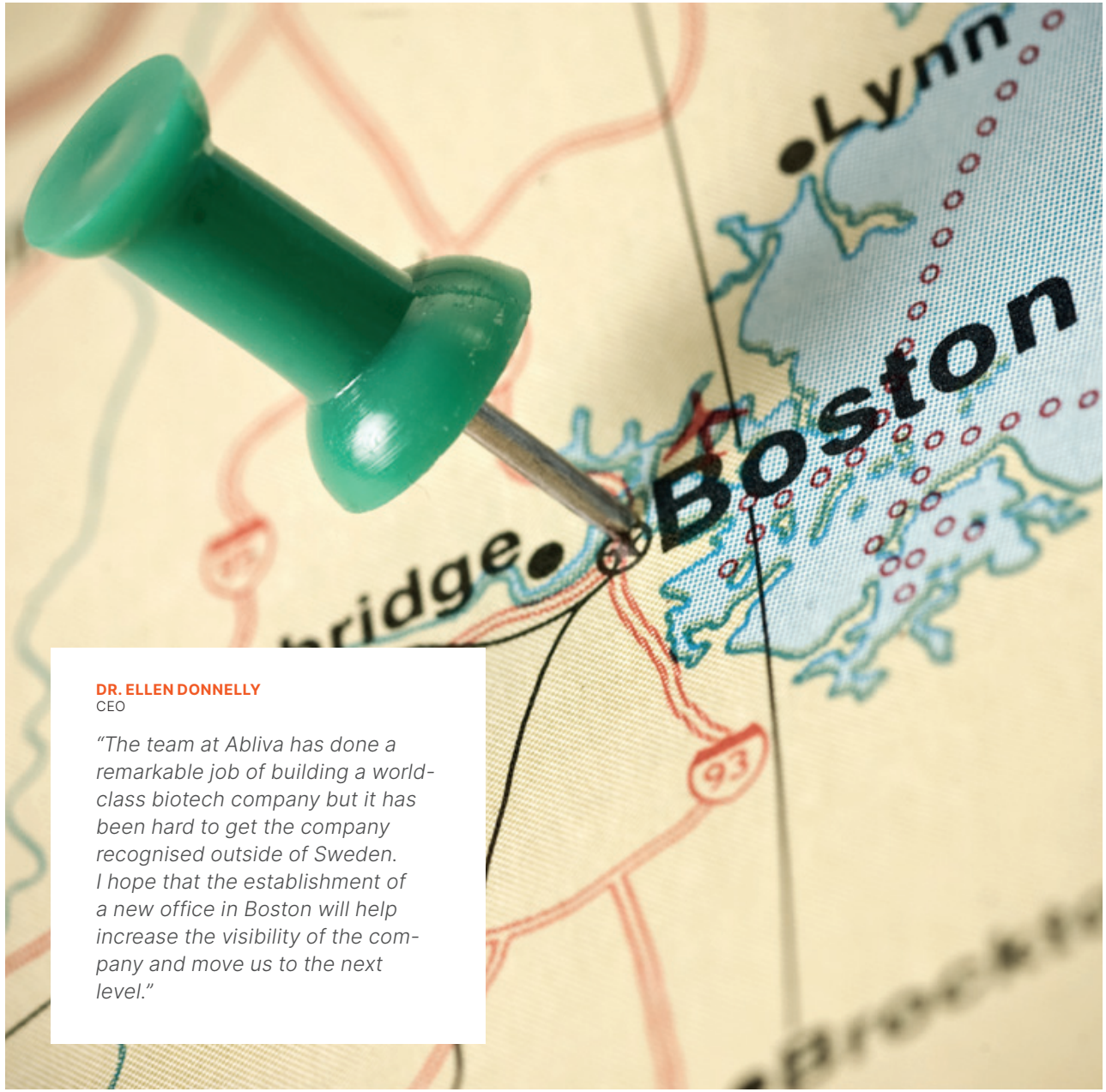
In order to secure the additional financing to run the KL1333 registrational Phase 2/3 study, we will increase our interactions with European and American specialist and institutional investors.

To realize our ambition to become a global player, Abliva also needs to expand its geographical footprint. To support this expansion, we signed the Certificate of Incorporation for Abliva Inc. on March 3, 2021, establishing a presence for Abliva in Cambridge, MA, the biotech hub in the U.S. This is just a first step in our build to become the premier mitochondrial disease company. Our intention is not to increase costs with unnecessary infrastructure, but to establish ourselves in the U.S. to allow easier access to patients, physicians, sites and capital.

There are many benefits to establishing a U.S. presence. First, it brings us closer to the U.S. capital market. In 2021 we will need to strengthen the company's financial resources quite substantially to support the global Phase 2/3 study, and the American capital market offers many opportunities for biotech companies like Abliva with a compelling value proposition. Second, and equally import-

DR. ELLEN DONNELLY
CEO

"I am passionate about the development of new therapies for patients with rare diseases and Abliva has a lot to offer from this perspective with its focus on primary mitochondrial diseases, which is an area with great commercial potential. The project portfolio includes potentially life-changing therapies and the company's development team has the knowledge and experience needed to bring our therapies to market."



DR. ELLEN DONNELLY
CEO

"The team at Abliva has done a remarkable job of building a world-class biotech company but it has been hard to get the company recognised outside of Sweden. I hope that the establishment of a new office in Boston will help increase the visibility of the company and move us to the next level."

ant, our U.S. presence will facilitate the communication with sites, physicians and patients as we prepare for, and commence, our Phase 2/3 study. Finally, as we prepare for the potential launch of KL1333 to the market, Boston is likely to become the center of our commercial operations.

BUILDING ON OUR STRENGTHS

We will continue to build on our strong scientific research efforts which remain at the core of our organization. KL1333 is the project that has progressed the furthest, and NV354, our second program in the portfolio and one that was developed within Abliva, is continuing in preclinical development. In addition to these two projects, we have a number of projects in discovery phase which are very promising.

Ellen Donnelly
CEO

The science behind Abliva's success

The Abliva research team has been instrumental in identifying new opportunities for medicines to treat mitochondrial disease. One day in the laboratory in Lund, a discovery was made. The research group had examined mitochondria in blood cells from a child with a primary mitochondrial disease. Mitochondria worked better when the endogenous substance succinate, which is important for mitochondria's ability to produce energy, was added directly into the cells.

The discovery led to the ambition of developing drugs for the treatment of primary mitochondrial diseases, that is, congenital disorders of the body's ability to produce energy. Today's standard treatment still consists mostly of supplements and vitamins as well as relief of various symptoms when they occur.

NAD+ AND THE IMPORTANCE OF EQUILIBRIUM

The coenzyme NAD+ (nicotinamide adenine dinucleotide) is a naturally occurring metabolite in the body's cells. The NAD family of molecules drives many vital chemical processes in the body and the relationship between the different forms of NAD plays a crucial role in metabolism.

The relationship between the molecules NAD+ and NADH is mainly regulated by the activity of mitochondria, where these molecules are key players when mitochondria produce the energy the body needs. Studies show that aging and diseased mitochondria can give rise to low levels of NAD+ and a disturbed balance between the levels of NAD+ and NADH.

Abliva's drug candidate KL1333 – a powerful regulator of NAD+ levels

In 2017, Abliva in-licensed the drug candidate KL1333 for primary mitochondrial diseases from South Korean pharmaceutical company Yungjin Pharm.

Yungjin had shown that KL1333 increases the activity of the enzyme NQO1, which is found in the body's cells. NQO1 catalyses the conversion of NADH to NAD+. KL1333 thus has the ability to restore the NAD+/NADH ratio to a more normal level in cells with diseased mitochondria.

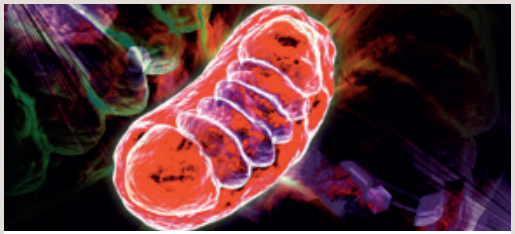
In 2018, researchers at Yungjin Pharm and Yonsei University College of Medicine in Seoul published for the first time their results from experimental research on the molecule KL1333 in a peer-reviewed scientific journal, Frontiers in Neurology. In the article, Kang-Sik Seo and his co-researchers showed how KL1333 in cell cultures from patients with mitochondrial diseases improves the function of mitochondria and in energy metabolism, including an increased production of the energy molecule ATP and a reduced production of harmful free radicals and lactate. In addition, the report showed that KL1333 stimulates the generation of new mitochondria, a process called mitochondrial biogenesis, through increased levels of NAD+ in the cells.[1)]

Independent studies in humans have confirmed that muscle weakness in primary mitochondrial diseases is associated with reduced levels of NAD+ and demonstrated that an increase in NAD+ levels represents an improvement in bodily functions.[2)]

SUCCINATE IS MITOCHONDRIAL "FOOD"

The endogenous substance succinate is formed via the metabolism inside the mitochondria. After that, succinate enters the respiratory chain, where it helps to power complex II, one of the five protein complexes in mitochondria needed to form energy.

One of the most common causes of primary mitochondrial diseases is a lack of function in the first of the five protein complexes, essential for effective energy conversion – complex I. Since succinate is used by complex II, it can thus bypass a sick or dysfunctional complex I.



MITOCHONDRIA – THE POWERHOUSE OF CELLS

Inside almost all the cells in the body are the mitochondria. Their origin is believed to be a bacterium, which in exchange for the ability to form a large amount of energy, received nutrition and protection from an early form of cell. This symbiosis expanded and the bacterium became the vital mitochondria that we know of today. Both the egg cell and the sperm contain mitochondria. However, during fertilization, the mitochondria of the sperm are broken down. Therefore, the mitochondria are inherited only from the mother. The mitochondria also have their own genome, the mitochondrial DNA.

Mitochondria have many tasks in the body but are often referred to as the powerhouse of cells. Using composite protein structures (complex I – IV and ATP synthase), they convert the food we eat and the oxygen we breathe into biochemical energy. This event is commonly referred to as the respiratory chain. The energy, in the form of the molecule ATP, is then used to drive all processes in the body. Our muscles contain lots of mitochondria and the more we exercise, the more mitochondria we get. More mitochondria means more energy. It is not difficult to imagine that congenital defects in the structure or function of mitochondria can give rise to severe disease.

1. Seo et al., 2018. KL1333, a Novel NAD+ Modulator, Improves Energy Metabolism and Mitochondrial Dysfunction in MELAS Fibroblasts
2. Pirinen et al., 2020. Niacin Cures Systemic NAD+ Deficiency and Improves Muscle Performance in Adult-Onset Mitochondrial Myopathy.

PRIMARY MITOCHONDRIAL DISEASES

Primary mitochondrial diseases are metabolic diseases that affect the ability of cells to convert energy. The disorders can manifest differently depending on the organs affected and have historically been viewed as clinical syndromes, and more recently as disease spectra caused by genetic defects affecting mitochondrial function. An estimated 125 in every 1,000,000 people suffer from a primary mitochondrial disease. The diseases often present in early childhood and lead to severe symptoms, such as mental retardation, fatigue, myopathy, heart failure and rhythm disturbances, diabetes, movement disorders, stroke-like episodes, and epileptic seizures.

Abliva's candidate substance NV354 – treatment with energy replacement

In 2016, a scientific paper was published in the reputable journal Nature Communications. In the article, with researchers at Abliva and Lund University at the forefront, the developed first-generation cell permeable prodrugs of succinate are presented and how the substances in experimental models of complex I deficiency can fully or partially restore mitochondrial function.[3)]

The prodrugs deliver succinate to the cell using small molecules attached to the side of the succinate molecule. With the help of the small molecules, the prodrug makes its way through the cell membrane and into the cell. The side molecules are then cleaved with the help of naturally occurring enzymes, while the succinate moves on to mitochondria and props up the formation of energy.

At the end of 2017, the candidate substance NV354 was selected for further development. The substance is now being developed towards a treatment for children with the severe mitochondrial disease Leigh syndrome, which often involves severe neurological symptoms. NV354 has been shown to have very good properties in experimental and preclinical models. The results show that NV354 is well tolerated and can be administered orally with good uptake. In addition, it has the ability to get into many different organs, especially the brain.

3. Ehinger et al., 2016. Cell-permeable succinate prodrugs bypass mitochondrial complex I deficiency

Interview about orphan drugs with Frank J. Sasinowski, M.S., M.P.H., J.D

Hi Frank! You have a solid background in both regulatory matters and rare diseases. Can you tell us a little bit about your background?
Hi! Yes. I worked for the U.S. Food and Drug Administration - FDA when the Orphan Drug Act became law in the United States. Everyone at the FDA thought it would be enormously impactful, but it wasn't. Therefore, I was asked to investigate it and research it to find out why it did not have the expected impact. My research led to the 1984 and 1985 amendments to the 1983 law, which made it work. I was then asked to write the implementing regulations so that sponsors and patients would understand how to use it and how it would be implemented.

During your time at the FDA, you both implemented and updated the Orphan Drug Act. Would you say that there are any advantages for mitochondrial diseases in the law?
Yes. In fact, the law's original author Henry Waxman - a well-known author and former congressman - later wrote in his book documenting all of his efforts as a lawmaker in the U.S. Congress - that he saw the Orphan Drug Act as one of his most important achievements.

When Waxman wrote the law, he believed that the tax credits would be the main incentive for encouraging companies to invest in therapies for rare diseases. But it turned out that the real incentive was seven years of market exclusivity. For seven years, the government would maintain a monopoly to prevent others from developing the same therapy for the same condition. The seven-year government-forced monopoly was an incentive to invest in the area, including in mitochondrial diseases.

Market exclusivity meant that those who worked in drug development for mitochondrial diseases did not have to rely on the patent protection that they themselves had to actively maintain by finding those who might be violating that patent and bring them to justice. You never know what the outcome will be in court. Here, the state served as a shield against potential competitors, which was a great incentive.

In your current role as an advisor, do you have any advice for companies like Abliva when it comes to communicating with authorities?
The pharmaceutical industry tends to see regulators - such as the FDA and EMA - as the enemy and as someone who denies an opportunity to provide a therapy to the patients who need them. One must bear in mind that they too aim to promote public health. But their starting point is different. Consider that they have a different responsibility even though their objectives are the same as yours. It is a question of tripartite cooperation. First, we have the patients, we have the industry and the investors who are going to develop the therapies, and then there's the regulator. You can think of it as a three-legged stool. Each part is important to the process.

The United States has drug laws dating back to 1906, over 100 years. These laws did not include the word patient until 2012, as it was considered that the patient was the one who would benefit from all the research and development carried out by industry and researchers who understood the disease together with the regulators. The patient was only seen as the recipient of all this activity. I've been working for a change in attitude to make the patient part of the process. The patient's voice is crucial.

Are there any specific benefits that come into play when it comes to KL1333?
First, the very concept that the FDA is willing to accept that Abliva can study something as broad as primary mitochondrial disease is huge, and a good example of how flexible the FDA is in its efforts to make it easier for patients suffering from these rare diseases.

Secondly, the FDA gave advice to Abliva this summer, after which Abliva asked for clarifications. Within less than a month, the FDA returned with guidance and clarification. "We are challenging you to do everything in one study."

That the regulator tells the industry, which of course has a responsibility to shareholders to get the drug out as quickly as possible, that they have to work faster and also suggests procedures... this is counterintuitive. That is not the way you imagine cooperation with the authorities. It's yet another example of how regulators recognize how important this is and how they work to make things easier for companies like Abliva.

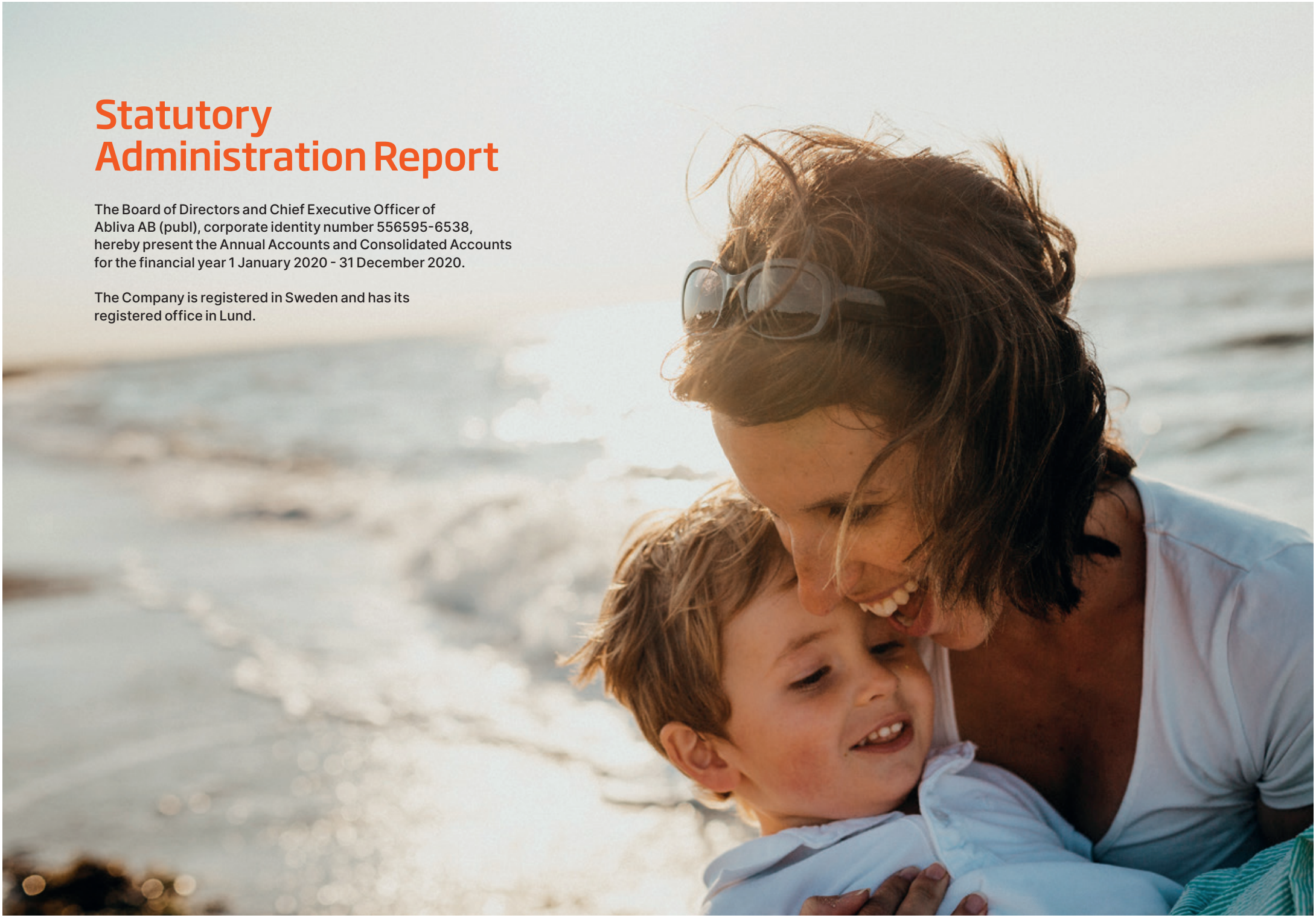
FRANK J. SASINOWSKI
M.S., M.P.H., J.D., NEW YORK, USA.
ABLIVA'S U.S. REGULATORY CONSULTANT

Frank Sasinowski was Deputy Director of Health Policy at the FDA when the Orphan Drug Act became law in the United States. His research led to the amendments that were made, which made it work. After that, he started working at the law firm where he is still today. During these 33 years, he has helped manufacturers and patients understand and navigate the Orphan Drug Act in order to bring new drugs to those suffering from rare diseases.

Statutory Administration Report

The Board of Directors and Chief Executive Officer of Abliva AB (publ), corporate identity number 556595-6538, hereby present the Annual Accounts and Consolidated Accounts for the financial year 1 January 2020 - 31 December 2020.

The Company is registered in Sweden and has its registered office in Lund.



Strategic focus: primary mitochondrial diseases (PMD)

Abliva is focused on primary mitochondrial diseases, which are orphan indications. The company aims to take their projects to market authorization and commercialize them either on their own or together with a partner.

FOCUS ON KL1333 AND NV354

Abliva focus on primary mitochondrial diseases and the company is concentrating financial and personnel resources on the KL1333 and NV354 drug candidates.

- KL1333, a powerful NAD^+ regulator, is in clinical phase and the company is planning the start of a registrational Phase 2/3 study in 2021.
- NV354, an energy replacement (succinate) therapy, currently in the preclinical stage of development, will move towards clinical start with the preparation of the regulatory documentation in late 2021.

HIGH UNMET MEDICAL NEED IN PRIMARY MITOCHONDRIAL DISEASES

Primary mitochondrial diseases often cause great suffering for both patients and family members. The symptoms worsen over time and, in many cases, the diseases lead to premature mortality. Today, a very limited number of treatment options are available, which means there are major unmet medical needs.

Abliva's objective is to improve life for patients suffering from primary mitochondrial diseases. The company's portfolio includes several projects with mechanisms of action suitable for different target patient populations.

SIGNIFICANT ADVANTAGES FOR COMPANIES DEVELOPING ORPHAN DRUGS

Medicines developed for rare diseases are well placed to obtain orphan drug designation. The authorities' objective with orphan drug designation is to promote the development of treatments specifically for rare diseases by providing better support during the development process. The outlook for reaching the market is also better than for traditional medicines[1]. Medicines that receive orphan drug status after market authorization are given market exclusivity for 10 years in the EU and 7 years in the US.

KL1333 has obtained orphan drug designation and NV354 also has the potential to receive orphan drug designation. An orphan drug designation generally offers several positive benefits, including:

- regulatory assistance and scientific advice from pharmaceutical regulators
- efficient development
- lower development costs
- greater chance of regulatory approval compared with drug candidates that lack orphan drug designation
- attractive pricing compared with drug candidates that lack orphan drug designation[1)2)]

Abliva has requested advice from pharmaceutical regulators in the US, UK and Europe on several occasions. In 2020, a recommendation on KL1333 from the FDA, led to the decision to plan for a single registrational Phase 2/3 study instead of separate Phase 2 and 3 efficacy studies.

Abliva collaborates continuously with world-class consultants in the field of orphan drugs, who assist the company in its dialogue with regulators. Abliva has also established partnerships and a continuous dialogue with some of the world's leading clinical centers for the treatment of primary mitochondrial diseases.

DISCOVERY-PHASE PROJECTS

Abliva has a number of discovery-phase projects focused on the regulation and stabilization of the mitochondrion's energy production.

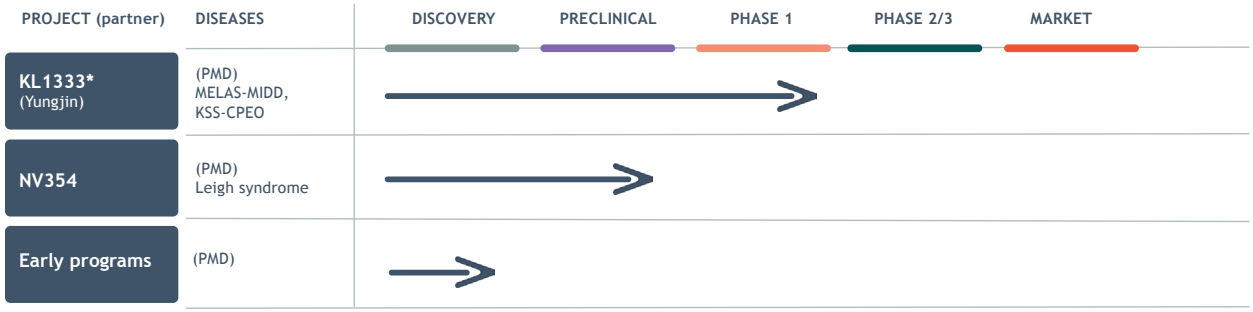
MARKET

The main customers of Abliva's future products include, in addition to patients, specialist healthcare and institutions that pay for medicines. Primary prescribers of Abliva's future drugs include highly specialized physicians at national and regional centers. In other words, the future customers are a relatively concentrated group of specialists, decision makers and patients.

FUTURE REVENUE

Abliva intends to generate future revenues through two paths: sales revenue for the drugs the company intends to bring all the way to market, and revenue from out-licensing, milestone payments and royalties from out-licensed drug candidates.

1) Jayasundra et al. Orphanet J of Rare Dis. Estimating the clinical cost of drug development for orphan versus non-orphan drugs. 2019.
2) EvaluatePharma, Orphan Drug Report 2019.



*Orphan drug designation in the US and Europe

KL1333
Blockbuster candidate heading to registrational Phase 2/3 study

The drug candidate KL1333 is being developed for the treatment of adult PMD patients with the severe MELAS-MIDD and CPEO-KSS spectrum diseases. KL1333 is finalizing a clinical Phase 1 study and has received orphan drug designation in Europe and the US.

Patients suffering from MELAS-MIDD and CPEO-KSS are affected by a wide range of severe symptoms, in particular chronic fatigue, and have a shortened life expectancy. KL1333 has the ability to restore the balance of NAD^+ and NADH, thereby leading to the formation of new mitochondria, and improved energy levels. KL1333 is intended for chronic oral treatment.

SIGNIFICANT PROGRESS IN 2020

In 2019, Abliva started a Phase 1a/b clinical trial in the UK. The third part of the study, where KL1333 was given to patients for the first time, was initiated in the third quarter of 2020. All participants have now completed the study. A drug-drug Interaction (DDI) study was also initiated in the third quarter. In total, 116 subjects have been dosed with KL1333. The registrational Phase 2/3 study is scheduled to start in the second half of 2021.

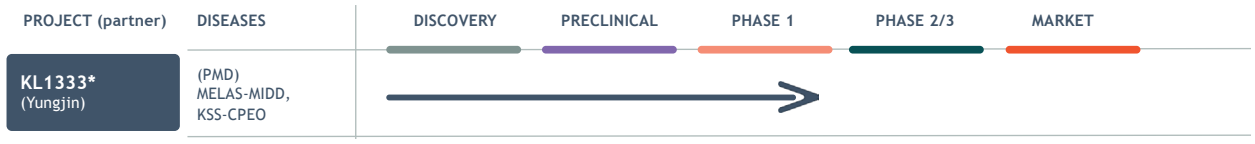
Positive feedback from the FDA. In the third quarter, the FDA gave positive feedback on the KL1333 clinical development program. The FDA recommendation means that Abliva can conduct a single, registrational Phase 2/3 study instead of separate sequential studies. This means significant benefits in terms of shorter development time and lower costs for the KL1333 project. The guidance from the FDA thus indicates that the time to market approval is shortened.

MARKET WITH BLOCKBUSTER POTENTIAL

The recommendation from the FDA to make a coherent, registrational Phase 2/3 study brings significant benefits to the KL1333 project, and Abliva's intention is to apply for market approval during 2024. The number of patients in the target group for treatment with KL1333 is approximately 40,000[1)] in Europe and the US. At typical orphan drug pricing, this translates into a blockbuster opportunity.

OBJECTIVES FOR 2021

- Complete DDI study and report results
- Complete the Phase 1a/b study and report results
- Preparatory activities for the Phase 2/3 study:
  - conduct patient registry study
  - conduct endpoint validation study
  - initiate long-term toxicological studies
- Start registrational clinical Phase 2/3 efficacy study



DR. MAGNUS HANSSON
CHIEF MEDICAL OFFICER

"In our meetings with patient organizations, it has become clear that patients living with mitochondrial disease struggle with many different difficulties in daily life. If we can counteract or even remove their biggest obstacles, that would be a huge success."

1 Gorman et al., Prevalence of Nuclear and Mitochond- rial DNA Mutations Related to Adult Mitochondrial Disease, 2015

NV354
First-in-class therapeutic approach heading towards clinical development

The drug candidate NV354 is being developed for the treatment of Leigh syndrome. The project is in late preclinical phase with ongoing safety studies. In parallel with the final preclinical studies, the project is being prepared for initial clinical studies.

NV354 is being developed for the treatment of Leigh syndrome, a severe primary mitochondrial disease that usually debuts at one to two years of age. The disease is fatal and children usually die before age 5. Symptoms include developmental delay, psychomotor regression, and hypotonia. There are currently no approved medicines.

In a second step, NV354 may also be developed for the treatment of MELAS in children and adolescents with neurological symptoms, and for the treatment of LHON, a disease affecting the optic nerve. MELAS is a very serious disease with symptoms such as muscle weakness, epilepsy, other severe neurological effects, and shortened life span. LHON is a disease that causes sudden severe permanent visual impairment and can lead to blindness on both eyes. The drug candidate is intended for chronic oral treatment.

FOCUS ON THE CONCLUSION OF THE PRECLINICAL PROGRAM DURING 2020

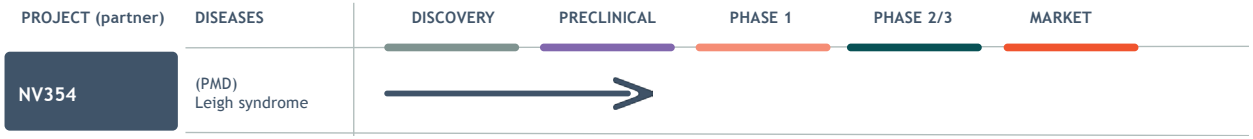
In 2020, Abliva has focused on the final parts of the preclinical program, in particular the pharmacology and safety studies. In parallel, the company has also started preparations for the clinical program. Abliva aims to complete regulatory documentation during the second half of 2021 to support clinical entrance and subsequently initiate a clinical trial.

LARGE POTENTIAL MARKET

25 per 1,000,000 children are estimated to be born with Leigh Syndrome. MELAS and LHON could also be treated with NV354. There are approximately 25,000 people with LHON in Europe.[1)]

OBJECTIVES FOR 2021

- Complete preclinical pharmacology and safety studies
- Produce NV354 clinical trial material for clinical studies
- Complete regulatory documentation to support clinical entrance



1 Gorman et al., Prevalence of Nuclear and Mitochond- rial DNA Mutations Related to Adult Mitochondrial Disease, 2015

PROF. ESKIL ELMÉR
CHIEF SCIENTIFIC OFFICER

"Parents of children with Leigh syndrome live with a constant worry about the future. The course of the disease is often devastating and there are no drugs to treat the disease. The hope is that we will be able to give these families their lives back."

Non-core asset

The company has been seeking a strategic partner for the continued development of NeuroSTAT. It has preliminary discussions with the TRACK-TBI network on a potential collaboration for a Phase 2 traumatic brain injury study with NeuroSTAT under the Precision Medicine project[1) 2)] funded by the U.S. Department of Defense.

NEUROSTAT – FOR TREATMENT OF TBI

Traumatic brain injury (TBI) is caused by external force to the head resulting in immediate damage to nerve cells. The damage continues to worsen for several days after the acute trauma.

Treatment objective

The aim for NeuroSTAT, targeting the mitochondria, is to counteract the emergence of neurological and functional secondary brain damage after a traumatic injury, and thereby establish a therapy that will lead to increased survival, improved quality of life and preserved neurological function.

Project status

NeuroSTAT has shown favorable properties in a Phase 1b/IIa clinical study and in advanced experimental TBI models at the University of Pennsylvania (Penn). NeuroSTAT has orphan drug designation in Europe and the US as well as an IND approval and Fast Track designation for clinical development in the US.

Abliva continues in preliminary discussions with the TRACK- TBI network regarding a potential collaboration within the scope of the Precision Medicine project[1) 2)] for a Phase 2 study on traumatic brain injury with NeuroSTAT. The study, if authorized by US Department of Defence (DOD), would commence in 2022, contingent upon DOD's approval of earlier steps of the project.

With a potential agreement with TRACK-TBI as a partner, the company will review possible options that may enable developing the NeuroSTAT program further.

1 Precision Medicine grant: TRACK-TBI Precision Medicine is a DOD-funded project run by the leading traumatic brain injury (TBI) clinical trial network TRACK-TBI in the US. The aim of the project is to validate novel imaging and blood -based biomarkers for moderate/severe TBI to enable precision medicine TBI clinical trials with a focus on specific disease pathologies and enriched study populations.

2 The views expressed regarding the Precision Medicine project are those of the company/authors and may not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.

Organization and expertise



Abliva conducts research and development work. This work is done both in-house and in collaboration with international partners in Europe, Asia and North America. These partnerships cover pre-clinical development work and clinical trials at renowned hospitals.

WELL-EDUCATED PERSONNEL

The average number of employees in the Group during the year was 9 (9), of which 5 (4) are women. The number of employees at year-end was 2 (5) part-time employees and 7 (7) full-time employees. Of a total of 9 (12) employees, 5 (5) were women and a total of 7 (9) were active in the Company's research and development activities.

The company's in-house resources comprise 12 full and part-time employees. All have university or college-level education and five have a Doctor of Medical Science degree whereof three are Associate Professors. Furthermore, three are medical specialists. Five employees are engaged in preclinical work, and two in the company's clinical activities. Abliva also collaborates with several external companies and institutions. In 2020, the company invested SEK 26 (25) million in preclinical phase research and SEK 9 (22) million in clinical phase research, including personnel expenses. During the year, the company's employees were based in Sweden.

ACADEMIC AND COMMERCIAL PARTNERSHIPS

Because of its unique research, Abliva has established good relationships with the academic and business community across the world, in Europe, Asia and the US, which has created great potential for successful partnerships.

Abliva cooperates with experts who are very important for the company's way forward. Their specialist competences include regulatory issues, statistics, and CMC (Chemistry, Manufacturing and Controls).

Abliva collaborates with the Korean pharmaceutical company Yungjin Pharma around the clinical development of the KL1333 project for the treatment of primary mitochondrial disorders.

Isomerase is one of Abliva's key partners. This collaboration focuses primarily on development of Abliva's chemistry platforms within Abliva's projects for treating primary mitochondrial disorders. The collaboration between the two companies' researchers is also a creative hotbed for identifying new development platforms in the same area, and with its drug development expertise, Isomerase offers valuable backing for Abliva's projects.

Through the NeuroVive Pharmaceutical Asia Ltd. subsidiary in Hong Kong, Abliva has partnerships with the Chinese pharmaceutical company Sihuan Pharmaceutical, and with Sanofi in South Korea. Abliva also partners with a range of contract research organizations, such as Covance and Patheon.

Abliva has also entered into a commercial partnership with Oroboros Instruments in Austria.

In addition to these partners, Abliva collaborates with a range of academic institutions all over the world, including CHOP (Children's Hospital of Philadelphia), Newcastle University and University College London (UCL).

The Abliva share

The Abliva share was listed on Nasdaq Stockholm in April 2013. The share is included in the Small Cap segment and the Health Care index. Before its Nasdaq listing, Abliva (former NeuroVive) was quoted on the Aktietorget marketplace. On 30 December 2020 Abliva had 12,810 shareholders. Shares are also traded on the US marketplace OTC Pink List.

SHARE PRICE DEVELOPMENT AND TURNOVER

During 2020, 1,074,262,353 shares were traded with a value of SEK 1,167,682,619. Ablivas's share price was SEK 0.76 at the end of the year, representing a decrease of 43 percent compared to previous year-end. The highest price paid for the year was SEK 1.57 on June 2, 2020 and the lowest price paid was SEK 0.5 on March 12, 2020. Market capitalization was SEK 226,700,201 at year-end, compared to SEK 249,176,472 at the previous year-end.

SHARE CAPITAL

Abliva had 296,340,132 shares on 30 December 2020 and the share capital amounted to SEK 14,817,006.60 with a quotient value of SEK 0.05. All shares have equal entitlement to dividends and each share has equal voting rights. Each share has one vote at the AGM. The rights issue completed in May 2020 increased the number of shares to 269,673,466 and the share capital to SEK 13,483,673.30. The private placement completed in July 2020 increased the number of shares to 296,340,132 and the share capital to SEK 14,817,006.60. The table on page 16 shows the development of the number of shares.

OWNERSHIP

The number of shareholders at the end of the year amounted to 12,810 (10,502), which means an increase of 22 percent during the year.

DIVIDEND

The Board of Directors proposes that no dividend be paid for 2020.

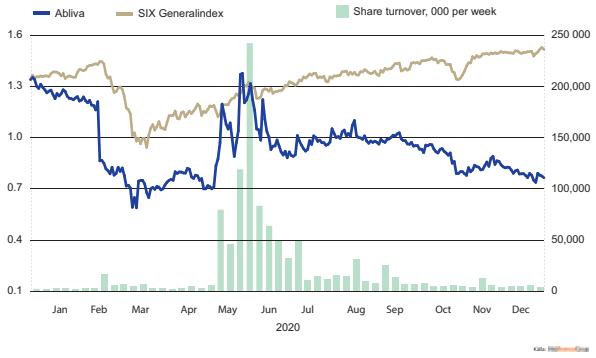
SHAREHOLDER VALUE

Abliva continuously seeks to develop and improve the financial information provided about the company, with the aim of ensuring a sound basis for an accurate valuation by existing and future shareholders. This includes actively participating at meetings with investors, the media and analysts.

SHAREHOLDER INFORMATION ON ABLIVA'S WEBSITE

Abliva's website, www.abliva.com, continuously publishes information on Abliva, progress of the Abliva share, financial reports and contact information. A new rights issue was completed in May 2020, a private placement was completed in July 2020. More information on the issue can be found on Ablivas's website.

SHARE PRICE AND VOLUME 2020



THE ABLIVA SHARE

Market Place	Nasdaq Stockholm
Ticker Symbol	ABLI
Sector	Health Care
Market Place, US	OTC Pink list
Ticker Symbol, US	NEVPF:US
ISIN-code	SE0002575340
Higesth price paid 2020	1.57
Lowest price paid 2020	0.5
Closing price 2020	0.765
Market Capitalization 30 December 2020 (SEK)	226,700,201
Number of Shares	296,340,132

DEVELOPMENT SHARE CAPITAL

Year	Event	Total No. of Shares	Total Share Capital
2000	Incorporation	1,000	100,000.00
2003	New Issue	1,025	102,500.00
2004	New Issue	1,100	110,000.00
2007	New Issue	1,313	131,300.00
2007	New Issue	1,433	143,300.00
2008	Offset Issue	1,493	149,300.00
2008	New Issue	1,576	157,600.00
2008	Bonus Issue	1,576	591,000.00
2008	Share Split	11,820,000	591,000.00
2008	New Issue	13,075,000	653,750.00
2010	New Issue	14,942,857	747,142.85
2012	New Issue	19,159,046	957,952.30
2013	Private Placement	21,659,046	1,082,952.30
2014	Rights Issue	27,788,093	1,389,404.65
2015	Rights Issue	29,088,093	1,454,404.65
2015	New Issue	30,735,152	1,536,757.60
2016	Non-Cash Consideration	31,473,685	1,573,684.25
2016	Rights Issue	49,458,645	2,472,932.25
2017	Warrants	49,481,973	2,474,098.65
2017	Warrants	49,485,942	2,474,297.10
2017	Private Placement	50,566,197	2,528,309.85
2017	Private Placement	52,326,197	2,616,309.85
2018	Rights Issue	91,570,841	4,578,542.05
2018	Warrants	91,697,076	4,584,853.80
2019	Rights Issue	163,358,124	8,167,906.20
2019	Rights Issue	165,054,737	8,252,736.85
2019	Private Placement	185,952,591	9,297,629.55
2020	Rights Issue	269,673,466	13,483,673.30
2020	Private Placement	296,340,132	14,817,006.60

SHAREHOLDINGS AS OF DECEMBER 31, 2020

Shareholding	No. of Owners	No. of Shares	Holding, (%)	Votes, (%)
1-500	3,580	654,677	0.22	0.22
501-1000	1,484	1,209,152	0.41	0.41
1001-5000	3,458	9,131,292	3.08	3.08
5001-10000	1,467	11,249,131	3.80	3.80
10001-15000	672	8,508,385	2.87	2.87
15001-20000	458	8,314,870	2.81	2.81
20001-	1,691	257,272,625	86.82	86.82

LARGEST SHAREHOLDERS AS OF DECEMBER 31, 2020

Name	No of shares (pcs.)	Votes and capital (%)
Avanza Pension Försäkrings AB ***	26,717,392	9.02
Hadean Capital I AS*	18,345,570	6.19
Fällström, John	10,943,254	3.69
Hventures Capital I AB*	8,321,096	2.81
Danske Bank International S.A.**	5,879,117	1.98
Nordnet Pensionförsäkring AB***	4,883,000	1.65
EuroClear Bank S.A/N.V, W8-IMY (registered holding on behalf of Maas Biolab, LLC and Marcus Keep and others with US domicile)****	4,586,944	1.55
Handelsbanken Liv försäkringsaktiebolag	4,148,277	1.4
Berger, Gunvald	3,573,944	1.21
Liljenberg, Stefan	3,115,339	1.05
Other owners (approx. 10,500 shareholders)	205,826,199	69.45
In total	**296,340,132**	**100.00**

Source: EuroClear Sweden AB

*Fund managed by Hadean Ventures

**Trustee of Rothesay Limited

***Capital insurance

****Maas Biolab, LLC ("Maas") together with other owners residing in the US. Maas owned 3,875,000 shares in Abliva per 30 December 2020 and Maas had at this point 45 shareholders. Maas was owned to 47.98 % by founder Marcus Keep and 16.50 % by CSO Eskil Elmér.

Operations

Abliva is a pharmaceutical company based in Lund, that conducts research and development of drugs focusing on primary mitochondrial diseases. These congenital, rare and often very severe diseases occur when the cell's energy provider, the mitochondria, do not function properly. The company is conducting several projects in primary mitochondrial diseases.

The company has one project in clinical phase 1, KL1333, which aims to restore the balance of NAD^+ and NADH, for long-term treatment of primary mitochondrial diseases, and one project, in preparation for clinical trials, NV354, for treatment of primary mitochondrial diseases with Complex I deficiency. The R&D portfolio also consists of early projects for primary mitochondrial disease. The non-core asset NeuroSTAT for traumatic brain injury (TBI) is ready to enter a clinical Phase 2 efficacy study. Abliva is listed on Nasdaq Stockholm, Sweden (ticker: ABLI) since 2013.

Abliva's overall vision and objective is to develop effective therapies for PMD to meet the extensive unmet medical need in this area, for which there are currently no effective treatments.

THE GROUP

The Group's legal structure consists of the Parent Company, whose operations include drug development and Group-wide functions. The Group's subsidiary is the Hong Kong-registered company NeuroVive Pharmaceutical Asia Ltd., which holds the Asian license rights for NeuroSTAT and agreements with the Chinese pharmaceutical company Sihuan Pharmaceutical and with Sanofi in South Korea. Abliva AB owns approximately 82.47 percent of the subsidiary. The remaining 17.53 percent is owned by Abliva's partner Foundation Asia Pacific Ltd.

SIGNIFICANT EVENTS IN 2020

February

NeuroVive proposed a 90 percent guaranteed rights issue of SEK 74m in order to ensure that the Company will have financial resources for its prioritized primary mitochondrial disease programs, primarily the continued clinical development of KL1333.

March

NeuroVive announced that it intends to initiate activities with the aim to transfer the rights to develop and commercialize its NeuroSTAT program into a new wholly-owned company based in the US, subject to funding.

Extraordinary General Meeting was held in Lund on 17 March. The Board of Director's proposition on a preferential rights issue was approved.

NeuroVive announced that the overall work on the company's study program is continuing and reports on the preparations being made to minimize delays in its various projects and other activities, in light of the impact of COVID-19.

April

NeuroVive decided upon a directed issue, supported by the authorization granted at the Annual General Meeting on April 25, 2019, of shares totaling around SEK 20m to Hadean Ventures. Hadean Ventures had undertaken, on certain conditions, to subscribe for the new shares and invest up to SEK 20m. The subscription price for the shares was in the SEK 0.70 to SEK 0.75 range determined by the volume weighted average price during the period June 1 to June 12, 2020. Hadean Ventures is a leading Nordic life science investor that intends to be an active owner in NeuroVive including board representation by Roger Franklin.

May

NeuroVive announced that the new share issue with preferential rights for existing shareholders, approved by the Extra General Meeting on March 17, 2020, has been completed. In the Rights Issue, 26.2 percent of the Rights Issue, were subscribed for with the use of subscription rights. In addition, 0.3 percent of the Rights Issue, were subscribed for without the use of subscription rights and 63.5 percent of the Rights Issue, were subscribed for by share issue guarantors. In total, the Rights Issue was subscribed to 90.0 percent, which implies that NeuroVive raises approximately SEK 67m before deduction for issue costs.

Annual General Meeting in Abliva is held on 20 May 2020 in Lund, Sweden.

NeuroVive Pharmaceutical AB changes its name to Abliva AB.

June

Abliva completeded the directed issue of SEK 20m before issue costs to Hadean Ventures. The Board decided to allocate a total of 26,666,666 shares to Hadean Ventures with the prescription price SEK 0.75, of which Hadean Capital I AS has subscribed for, and been allotted, 18,345,570 shares and HVentures Capital I AB has subscribed for, and been allotted, 8,321,096 shares. The dilution from the Directed Issue amounts to approximately 9 percent.

Abliva arranged virtual Capital Markets Day on 23 June. The theme was the Company's strategic focus on primary mitochindrial diseases, the most important pharmaceutical projects and market potential.

July

Abliva received positive feedback from the US Food and Drug Administration ("FDA") on its KL1333 clinical development plan for the treatment of primary mitochondrial disease (PMD) at a pre-Investigational New Drug ("pre-IND") meeting. Feedback was received on the existing KL1333 documentation to date and the remaining development plan, including the design of the clinical efficacy program in primary mitochondrial disease patients.

September

Abliva announced that the company's Board of Directors has decided to accelerate the KL1333 clinical program, with the intention to start a registrational Phase 2/3 clinical study, during H2 2021. The decision follows the recent positive feedback received from the US Food and Drug Administration ("FDA").

Abliva ran a Mitochondria Day in September. The purpose of the day was to increase understanding of the enormous medical need within primary mitochondrial diseases, treatments under development, as well as the growing interest in investments in the area.

October
Magnus Persson left the Board of Directors of Abliva AB to focus on his role as founding partner in Eir Ventures.

November
Abliva announced that the first primary mitochondrial disease patient in the company's ongoing KL1333 Phase 1a/b study has been dosed. In this third part of the study, the pharmaceutical properties of KL1333 will, for the first time, be evaluated in patients.

Abliva announced dosing in the first healthy volunteers in the company's drug-drug interaction (DDI) study with KL1333, the study recommended by the US Food and Drug Administration (FDA), which will assist the program to move directly into a registrational Phase 2/3 study in patients with primary mitochondrial disease in 2021.

Abliva announced it has received positive feedback from the UK Medicines and Healthcare products Regulatory Agency (MHRA) on the accelerated clinical development plan of KL1333 in primary mitochondrial disease (PMD). The feedback positions Abliva for a clinical trial approval also in the UK, of its registrational clinical Phase 2/3 study, planned to start in the second half of 2021.

REMUNERATION

The Annual General Meeting (AGM) resolves on the remuneration of the Chairman of the Board and other Board members. The AGM also resolves on remuneration policies for the CEO and other senior executives. For more information about remuneration paid during the year, refer to Note 11 and the Corporate Governance Report on pages 31-32. At the AGM on May 20, 2020 the following guidlines were adopted. Guidlines adopted in 2020 apply until further notice:

Annual variable remuneration (STI bonus)
From time to time, senior executives and other key individuals may be offered variable remuneration. Such variable remuneration shall be on market terms and shall be based on the outcome of predetermined financial and operational targets. Variable remuneration shall be based on the fulfilment of Abliva's targets for project results and value growth divided in personal targets for the financial year. The terms and conditions and basis of computation of variable remuneration shall be determined for each financial year. The targets promotes the Company's business strategy, long-term interests and sustainability by linking the remuneration to senior executives to the Company's project- and growth development.

The measurement period for variable remuneration is generally based on performance over a period of approximately 12 months. To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. At the annual review, the Remuneration Committee, or when applicable, the Board of Directors, may adjust the targets and/or the remuneration with regards to both positive and negative extraordinary events, reorganisations and structurual changes.

The basic principle is that the annual variable portion of pay may be a maximum of 30 percent of basic annual salary to the CEO, maximum 20 percent of the basic annual salary to the management team and maximum 10 percent of the basic annual salary to key personnel. Variable compensation may either be paid as salary or as a lump-sum pension premium. Payment as a lump-sum pension premium is subject to indexation so the total cost for Abliva is neutral.

Variable remuneration with incentive to acquire Abliva shares (LTI program)
In order to incentivize senior executives and other key individuals on a longer term and to encourage investment in Abliva shares, a cash bonus share savings opportunity has been implemented (the "LTI Bonus"). The LTI Bonus is a cash program in which the participants commit to use the cash paid out by the Company to acquire shares in the Company. The shares are acquired by the participants on the stock market. The LTI applies in addition to the STI Bonus.

The decision regarding the annual amount available as LTI Bonus is built into the yearly bonus appraisal process to link yearly achievements to long term goals, to build employee shareholding in Abliva, which creates incentatives to promote the Company's business strategy, long-term interests and sustainability, and to retain employees. The amount of possible LTI Bonus will depend on the employee's position and the ability to influence the performance of Abliva.

The participants are required to use the full amount of the LTI Bonus, net after income tax to acquire Abliva shares on the stock market. The company will pay the social security costs.

The shares acquired for the LTI Bonus will be locked in for a period of 3 years after the acquisition. An employee who resigns, is terminated or otherwise leaves the Company will be obliged to hold the shares acquired within the LTI Bonus for the full period of 3 years after acquisition notwithstanding the termination of their employment. In the event an employee or former employee breaches the terms of the LTI Bonus program, such as for example by failing to provide information on the status of their shareholding or prematurely disposing of their shareholding they will be subject to contractual sanctions including a penalty equal to the full amount of the LTI Bonus (including income tax, but excluding social security contributions thereon).

The board shall decide on the amount of LTI Bonus. The maximum amount in the LTI Bonus is capped at an amount corresponding to 15 percent of the fixed annual compensation for the current year for the CEO, 10 percent to the management team and 5 percent to other key personnel:

General principles for STI and LTI
When determining variable remuneration to management payable in cash, the Board of Directors shall consider introducing restrictions that,

- disqualification from future LTI Bonus in relation to an individual who sells his/her shares during the three year qualification period,
- making payment of a predetermined portion of such remuneration conditional so the performance on which vesting is based is demonstrably sustainable over time, and

- offers the Company the opportunity to reclaim such remuneration paid on the basis of information that subsequently proves manifestly erroneous.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

Dr. Ellen Donnelly was appointed new CEO February 3, 2021 as Abliva enters a new stage in its development.

The company has carried out a directed issue of 106,666,666 shares to several Swedish and international qualified investors, including Hadean Ventures. The Board of Directors resolved to issue a total of 106,666,666 shares, whereof 32,601,360 shares are issued based on the authorization granted by the Annual General Meeting held on May 20, 2020, and 74,065,306 shares are issued subject to the approval by an upcoming Extraordinary General Meeting to be held on April 29, 2021. The subscription price in the Directed Issue, which was determined through an accelerated bookbuilding procedure, is SEK 0.75 per share. Abliva thus receives a gross payment of SEK 80.0 million through the Directed Issue, whereof SEK 24.5 million is received by the Company immediately and SEK 55.5 million is received by the Company provided that the Extraordinary General Meeting approves the Board of Directors' issue resolution. Existing shareholders, that includes Hadean Ventures, together representing 14.2 percent of the votes in the Company, have indicated their intention to vote in favour of Tranche 2 on the Extraordinary General Meeting.

The license agreement with Fortify Therapeutics, regarding a development of a local treatment for Leber's Hereditary Optic Neuropathy (LHON), was terminated.

DISPUTES

Abliva is not involved in any disputes.

OBJECTIVES FOR 2021

KL1333 - disease modifying treatment for primary mitochondrial diseases

- Conclude the drug-drug interaction study and report results
- Conclude the clinical Phase 1a/b study and report results
- Preparatory activities for registration-based Phase 2/3 study
  - conduct patient registry study
  - validation study of efficacy measures and clinical dosing study
  - initiate long-term toxicological studies
- Initiate registrational clinical Phase 2/3 efficacy study

NV354 - alternative energy source in primary mitochondrial disease

- Complete preclinical toxicology studies
- Initiate clinical natural history study
- Initiate Phase 1 study

PROPOSED ALLOCATION OF THE COMPANY'S UNAPPROPRIATED RETAINED EARNINGS

The following amounts in Swedish kronor (SEK) are at the disposal of the Annual General Meeting:

Share premium reserv	67,044,727
Ackumulated profit/loss	126675579
Profit/loss for the year	-59,960,761
Total	**133,759,545**

The Board of Directors proposes that unappropriated retained earnings of SEK 133,759,545 be carried forward. Accordingly, no dividend is proposed.

Financial information

REVENUE AND RESULTS OF OPERATIONS

Consolidated sales 2020 amounts to SEK 216,000 (134,000) and are mainly revenues from research compunds sold by the partner Oroboros. The Group's other operating income of SEK 1,648,000 (3,500,000) relates mainly to research grants from Vinnova for the project NV354. Otherwise, the Company has not generated revenue.

Operating expenses amounted to SEK 61,934,000 (80,708,000). Other external costs 63,133,000 (46,072,000) have increased compared with the previous year, mainly due to increased development costs. Costs relating to pre-clinical and clinical phase development projects have affected earnings for the period by SEK 29,510,000 (45,093,000), excluding personell costs, of which 22,817,000 (25,860,000), relates to projects in clinical phase.

Personnel expenses 2020 amounts to SEK 13,305,000 (14,872,000). Other operating expenses were SEK 0 (325,000) and related 2019 to exchange losses. The consolidated operating profit/loss was SEK -60,071,000 (-77,074,000). Net financial income/expense was SEK 77,000 (75,000). This amount mainly relates to result from other securities and receivables related to non current assets. The profit/loss for the period was SEK -59,994,000 (-77,000,000).

FINANCIAL POSITION

Consolidated total assets were SEK 150,663,000 (148,492,000) of which intangible assets were SEK 74,022,000 (74,686,000). Cash and cash equivalents at year-end were SEK 61,643,000 (58,319,000). Equity at year-end was SEK 140,362,000 (127,796,000), and share capital was SEK 14,817,000 (9,298,000). The equity ratio was 93 percent (86) at the end of the period. Equity per share with no non-controlling interest was SEK -0.24 (-0.45). The group has no interest-bearing liabilities.

CASH FLOW

Consolidated cash flow for the year was SEK 3,330,000 (32,364,000), with cash flow negatively affected by operating activities of SEK 67,558,000 (72,412,000) and from investments, of SEK 1,407 (2,695). Cash flow from financing activities was SEK 72,295,000 (107,471000) and was mainly sourced from the preferential rights issue consummated May 2020 and the directed rights issue consummated July 2020.

INVESTMENTS

Total fixed assets amounted to SEK 87,506,000 (88,573,000) as of 31 December 2020. The change, of SEK -1,067,000 (1,892,000) is due to the fact that depreciation have been higher than investments. No investments in tangibles were made during 2020, SEK 0 (69,000) last year refers to equipment.

PARENT COMPANY

Most of the group's operations are conducted by parent company Abliva AB. During the year, the parent company had net sales of SEK 216,000 (134,000). Other operating income of SEK 1,648,000 (3,500,000) relates mainly to research contributions from Vinnova. Parent Company's Operating expenses amounts 61,931,000 (80,702,000). Interest income includes internally interest of SEK 0 (0). Cash and cash equivalents at year end were SEK 61,634,000 (58,272,000).

CATHARINA JOHANSSON
DEPUTY CEO AND CFO

"We are building our specialist investor base. In our new owner Hadean Ventures, we have gained a more stable shareholder base and a valuable resource for our Board of Directors."

Five-year summary

(SEK 000) if nothing else is specified

INCOME STATEMENT	2020	2019	2018	2017	2016
Net sales	216	134	5	27	14
Other operating income[1)]	1,648	3,500	2,461	248	104
Operating expenses	-61,935	-80,709	-75,826	-71,363	-72,228
Depreciation and amortization	-2,558	-2,379	-4,771	-1,595	-1,121
Operating income[1)]	-60,071	-77,075	-73,360	-71,088	-72,110
Net financial income/expense	77	75	-134	-515	265
Profit/loss before tax[1)]	-59,994	-77,000	-73,494	-71,603	-71,845
Net profit for the year	-59,994	-77,000	-73,494	-71,603	-71,845

BALANCE SHEET	2020	2019	2018	2017	2016
Intangible assets	74,021	74,686	73,440	74,315	71,151
Tangible assets	384	786	140	162	274
Other current assets	1,514	1,600	2,676	3,535	2,821
Cash and cash equivalents	61,643	58,319	25,951	28,992	93,251
Assets	150,663	148,492	115,308	120,106	180,717
Equity	140,363	127,795	97,012	105,846	168,304
Short-term liabilities	10,209	20,336	18,296	14,260	12,413
Equity and liabilities	150,663	148,492	115,308	120,106	180,717

CASH FLOW STATEMENT	2020	2019	2018	2017	2016
Cash flow from operating activities before changes in working capital	-57,436	-74,620	-68,256	-58,260	-49,543
Changes in working capital	-10,122	2,208	4,626	496	-7,843
Cash flow from investing activities	-1,407	-2,695	-4,072	-15,279	-25,135
Cash flow from financing activities	72,295	107,471	64,656	9,145	77,332
Cash flow for the period	3,330	32,364	-3,046	-64,258	-5,180
Change in cash and cash equivalents	3,324	32,368	-3,041	-64,259	-3,411
Cash and cash equivalents at beginning of year	58,319	25,951	28,992	93,251	96,662
Cash and cash equivalents at end of year	61,643	58,319	25,951	28,992	93,251

1) Abliva presents certain financial measures in the annual report that are not defined in accordance with IFRS, alternative key figures. For more information, see Definitions at the back of this report.

MATILDA HUGERTH, R.PH
DIRECTOR CLINICAL AND REGULATORY AFFAIRS

"It has been an inspiring and labor-intensive year with many preparatory activities and interactions with authorities that led to the positive decision that we move directly to a registrational Phase 2/3 study with our KL1333 project."

Risk factors

A research company like Abliva has high operational and financial risk, because the projects are in preclinical and clinical phases. A number of parameters affect the likelihood of commercial success. The likelihood of a drug candidate reaching the market increases as the project passes the various development phases. Expenses also rise markedly in later development phases. Before commercialization can begin, up-scaling and production need to be finalized.

Accordingly, drug development is generally associated with very high risk, and this also applies to Abliva's drug development process. Abliva is focused on developing new pharmaceuticals, but has yet to achieve any approved products for sale. The company has been operating at a loss to date and Abliva estimates that commercialization of projects on selected markets, and Abliva judges that at present, commercialization of products on selected markets could occur no earlier than in 2024. A risk mitigation plan is included below.

RISKS SPECIFIC TO THE COMPANY

BUSINESS AND OPERATIONAL RISKS

Risks related to preclinical and clinical studies

Before a treatment can be launched on the market, safety and efficacy in human subjects and patients must be demonstrated in clinical studies. In March 2021, Abliva completed the Phase 1a/b clinical study that evaluated the safety and pharmacokinetics for KL1333, both in healthy volunteers and in patients with primary mitochondrial diseases ("PMD"). No serious adverse events have been reported and study data will be evaluated in spring and early summer 2021 to enable the start of the upcoming registrational Phase 2/3 study in the second half of 2021. The Company also continued the preclinical development of NV354 with the aim of starting a Phase 1 clinical trial in 2022.

Since Abliva's compounds have only been validated or are still in the early clinical or preclinical phase, the continued development work is associated with great uncertainty and the following risks regarding supply and results in the studies. Results from preclinical studies may not always be consistent with results from more extensive clinical studies. Therefore, there is a risk that the planned studies will not indicate sufficient safety and efficacy for treatments to be able to obtain the necessary regulatory approvals to enable the launch of the drug. If Abliva or its partners cannot, through clinical studies, adequately demonstrate that a drug is safe and effective, this may result in non-regulatory approvals and thus have a high impact on the Company's earning capacity and ability to commercialize any of its drug projects.

Impact of COVID-19 on the Company's clinical trials

Due to COVID-19 Abliva's ongoing Phase 1a/b study with KL1333 was delayed, since healthcare authorities and healthcare providers prioritized available resources, care locations and healthcare professionals to better meet the influx of COVID-19 patients. However, the study could be resumed in the autumn and the last patient was dosed in March 2021. The Company estimates that COVID-19 will not have an impact of the start of the upcoming registrational Phase 2/3 study, which is expected to start in the second half of 2021. The preclinical safety studies required to support the further development of NV354 are currently not considered to be affected by the COVID-19 pandemic.

COVID-19 may, among other things, cause delays in the Company's clinical studies, but it is currently difficult to assess all the potential effects that COVID-19 may have on the Company. In light of the fact that the pandemic is not over, there is a material risk that COVID-19 may negatively affect the Company's operations.

Partners, out-licensing and manufacturing process

Abliva is collaborating with Korean pharmaceutical company Yungjin Pharm on the clinical development of the KL1333 project for PMD. The Company cooperates with consultants who are very important for the company's way forward. Their specialist competences include regulatory issues in the US, statistics, and CMC (Chemistry, Manufacturing and Controls). In addition to these partners, Abliva collaborates with a range of academic institutions all over the world, including CHOP (Children's Hospital of Philadelphia), Newcastle University and University College London (UCL) in the UK.

Abliva has ongoing cooperation with the British company Isomerase, which is one of Abliva's most important partners. The collaboration mainly includes chemistry development for Abliva's early development projects with the opportunity to scale up production to medium-sized volumes, but also cooperation on strategic issues and business development regarding the early projects. Furthermore, Abliva has collaborations with various contract research organizations (CROs) for preclinical evaluations of the early development projects and other actors who specialize in regulatory issues and balances in the preclinical and clinical work.

The company has been seeking a strategic partner for the continued development of NeuroSTAT. It has initiated preliminary discussions with the TRACK-TBI network on a potential collaboration for a Phase 2 traumatic brain injury study with NeuroSTAT under the Precision Medicine project1) 2) funded by the U.S. Department of Defense. The study, if authorized by US Department of Defence (DOD), would commence in 2022, contingent upon DOD's approval of earlier steps of the project. There is a risk that the TRACK-TBI network will not enter into a collaboration with NeuroSTAT and that Abliva will not find another appropriate partner within a reasonable time or that such a partner cannot be identified at all with delayed or non-development of NeuroSTAT as a result.

In addition to the partners described above, the Company will in the future depend on collaborations in connection with the out-licensing of drug candidates for major clinical trials and/or in marketing and sales of medicines. On top of the opportunities available for traditional licensing, Abliva's management is continuously evalu-

ating various types of collaborations with major pharmaceutical companies and/or CRO partners. There is a risk that the Company's current and/or future business partners, suppliers and manufacturers will not fully meet the quality requirements set by the Company or otherwise fully meet its obligations to Abliva or that such agreements may not be concluded on terms favorable to the Company. If existing collaborations work unsatisfactorily or are terminated, the Company may be forced to seek out other partners, which may have a medium high impact on the Company's costs and/or take longer than the Company estimates. Such a scenario may have a high impact on the Company's ability to continue to develop the product candidates according to a fixed timetable, which may result in reduced or missing revenues and higher costs than expected.

Recruitment of healthy subjects and patients

Abliva intends to enter into agreements with several different providers of services for clinical trials at clinics and hospitals. An important element of these agreements is the provision of recruitment of healthy subjects and patients to the clinical trials. The extent of recruitment has a relatively large impact on the schedule for the clinical trials. Should such recruitment take longer than planned, this could cause the Company's clinical studies to be delayed and the development of the Company's drug candidates to become more costly than planned. In the event that one or more of these suppliers terminate the collaboration agreements and that these cannot be replaced by agreements with other suppliers, this could also lead to delays in the clinical trials and thus a delay in registration of the Company's drug candidates. Such a delay could in turn lead to additional costs as well as expected revenues being deferred in the future.

Dependence on key personnel and qualified personnel

Abliva has built up an organization with qualified people to create the best possible conditions for the development of the Company's projects. However, Abliva is still run by a relatively small organization and the Company's future growth is largely dependent on the knowledge, experience and commitment of the management and other key personnel. This group consists of seven people working within the management group or with preclinical, clinical or regulatory issues. The Company may fail to retain these key personnel and recruit new qualified personnel in the future, which could have a medium to high impact on the Company's ability to commercialize any of the drug candidates and thereby affect the Company's profitability and future earning capacity. New recruits could also take a long time to hire. If any of the Company's key employees terminate their employment, this could cause delays or interruptions in Abliva's operations and continued development, which could have a high impact on the Company's future sales and earning capacity. In this context, it is especially important that the staff believe Abliva to be a professional and stimulating employer. To succeed in this, among other things, requirements will be set for professional board work, professional management, the fulfillment of forecasting development and that the Company applies market-based financial incentive systems.

Patents and other intellectual property rights

Patents are an important part of Abliva's assets. There is a risk that existing and/or future patent portfolios and other intellectual property rights held by the Company will not constitute adequate commercial protection. If Abliva is forced to defend its patent rights against a competitor, this could entail significant costs and have an impact on Abliva's ability to further develop the projects according to plan. Furthermore, there is a risk that Abliva may infringe or allegedly infringe upon third-party patents. Other parties' patents may also limit the possibility for one or more of the Company's future partners to freely use the affected drug or production method. The uncertainty associated with patent protection means that the outcome of such disputes is difficult to predict. Negative outcomes of intellectual property disputes could result in lost protection, a prohibition on continuing to use the current right or the obligation to pay damages. In addition, the cost of a dispute, even one where the outcome is in favor of Abliva, could be significant.

The above could present difficulties or delays in the commercialization of future medicines and thus also difficulties in generating revenue. The same also applies to other intellectual property rights, such as trademarks. Abliva is also to a certain extent dependent on know-how and corporate secrets, which are not protected by legislation in the same way as intellectual property rights. The Company uses confidentiality agreements and thus strives for far-reaching protection of sensitive information. There is a risk that the Company will not be able to effectively protect its know-how and business secrets, which could be detrimental to Abliva and its continued development of the clinical projects.

Risks associated with impairment of intangible assets

Abliva's intangible assets are central to the Company's business and its value. As of December 31, 2020, the Company had intangible assets valued at SEK 74,021,000. These intangible assets consist of capitalized expenses for product development, patents and other intangible assets. Abliva continuously reviews the value of the intangible assets. In the event that the results of ongoing and future studies of the Company's drug candidates do not meet the Company's expectations or if the Company fails to finance its drug candidates according to plan via external parties and non-dilutive financing or by any other means, there is a risk that the Company will be forced to impair the carrying amount of the affected intangible assets. An example of this would be that the Company fails to find an external party willing to finance NeuroSTAT. In addition, certain assumptions have been made in the impairment test. If these assumptions were to prove inaccurate or if the Company for other reasons has to impair its intangible assets, it could have a material negative impact on the Company's financial position.

There is a risk of side effects and subsequent product liability

Of the two ongoing projects in PMD, only KL1333 has been tested in humans to date. There is a risk that healthy subjects or patients who either participate in clinical studies of Abliva's drug candidates or otherwise come into contact with Abliva's products could suffer from serious side effects. The consequences of such potential side effects may delay or stop the continued development of the product and limit or prevent the commercial use of the products and thus lead to increased costs and thus have a medium to high impact on Abliva's earning capacity. There is also a risk that Abliva may be sued by healthy volunteers or patients suffering from side effects, whereby Abliva may be liable for damages. This would have a high impact on the Company's costs and limit possible future earning capacity. With every planned study, there will probably be limitations in the scope of insurance coverage and its amount limits.

Therefore, there is a risk that the Company's insurance cover may not fully cover any future legal requirements, which could have a high negative impact on the Company's costs.

Part-owned development projects

Abliva runs development projects with a research group at Lund University where collaborative partners are joint owners of the projects and are entitled to a share of future income. The contractual allocation of any future revenue from the project is based on how much Abliva and each partner has invested in each project. It is Abliva's intention, to the extent possible for the Company, to drive the development and commercialization of the projects that are currently contracted and thus gain a greater share of any future revenue. However, there is a risk that this will not be the case, which would lead to lower revenues than would otherwise be expected.

INDUSTRY-RELATED RISKS

COMPETITORS IN THE MARKET

Research and development of new drugs are highly competitive and are characterized by rapid technological development. The Company's competitors can be both large multinational companies and smaller research companies operating in areas where Abliva operates. Within the Company's main focus area, primary mitochondrial diseases (PMD), there is currently an approved competing drug, Raxone, developed by Santhera Pharmaceuticals for the treatment of the eye disease LHON. Raxone thus has a different disease direction within PMD than those Abliva focuses on and has until now only received approval in the EU and Israel. In addition to Santhera Pharmaceuticals, the Company is aware of a handful of drug development companies with clinical phase projects. If any of these competitors, or future competitors, succeed in developing and launching an effective and safe drug in the areas Abliva develops drugs within, this could have a high negative impact on Abliva's future sales potential and profitability.

FINANCIAL RISKS

Future financing needs

Abliva has not yet, either individually or through partners, launched any treatment and thus has limited revenue from sales while the Company's continued development plans for the drug projects entail increased costs for the Company. Drug development and drug product development are normally capital-intensive and Abliva will continue to be dependent on receiving financing for its projects in the future. Both the size and timing of the Company's future capital needs depend on a number of factors, including the opportunities for success in research and development projects and for entering into collaborative and distributor agreements. There is a risk that any additional capital may not be raised on favorable terms, or that such capital raised will not be sufficient to fund the Company's development, or that such capital may not be raised at all. This may mean that the development is temporarily halted or that the Company is forced to run the business at a lower rate than desired, which could lead to delayed or non-commercialization and thus, to a large extent, adversely affect the Company's future earning capacity. Abliva is thus dependent on the fact that in the future capital can be raised to the extent required. Possible delays in clinical trials may mean that cash flow is generated later than planned and thus have a medium to high negative impact on Abliva's costs and earning capacity.

LEGAL AND REGULATORY RISKS

Authorization and registration

In order to be able to market and sell drugs, permits must be obtained and registered with the relevant authority in each market, such as the Food and Drug Administration ("FDA") in the United States, the European Medicines Agency ("EMA") in Europe and the China Drug Administration ("CDA") in China. In the event that Abliva fails to obtain or maintain the necessary permits and registrations from authorities, the Company may be adversely affected in the form of reduced or missing revenue. Comments on the Company's proposed plans for future studies may also lead to delays and/or increased costs for Abliva. The rules and interpretations that currently apply may also change in the future, which may affect the Company's ability to meet the requirements of different authorities. Permits and registrations may be withdrawn after the Company or its partners have received them, which would have a high negative impact on the Company's future opportunities for commercialization and its earning capacity.

Tax losses

As of December 31, 2020, the Group had recognized an accumulated loss of SEK 618,957,000. However, the Company has not recognized any value regarding these deficits in the balance sheet. The accumulated deficits may in the future reduce the Company's possible taxable profits and thus reduce the corporate tax that arises in the event of future profits. The tax effect of the accumulated deficits could then possibly be recognized in the balance sheet. The Company's ability to utilize fiscal deficits in the future may be limited or lost due to future changes in Swedish tax legislation or, as per current rules, as a result of changes in ownership. If the loss carryforwards cannot be used to reduce future profits, this would have a high negative impact on the Company's future tax costs

RISKS RELATED TO THE SHARE

FUTURE NEW ISSUES MAY DILUTE OWNERSHIP INTERESTS AND ADVERSELY AFFECT THE SHARE PRICE

Abliva is still in the early clinical development phase and has not yet generated any significant revenue. It is difficult to predict in advance when the Company may become profitable. To enable continued development of the Company's pharmaceutical project, Abliva needs additional funding. If additional financing is arranged through equity, further new issues of shares for current shareholders, unless they participate in such potential issues, will dilute their ownership interest in Abliva. Since the timing and terms for any future new issues will depend on Abliva's situation and market conditions at that time, the Company cannot anticipate or estimate the amount, timing or other conditions for such new issues. Depending on what the conditions look like for any further new issues, such issues may have a negative impact on Abliva's share price to a moderate extent.

SHARE PRICE DEVELOPMENT

Current and potential investors should take into account that an investment in Abliva is associated with risk and the share price may both rise and fall. This entails a risk that an investor may lose all or part of his invested capital. During the period January 1, 2020 through December 31, 2020, the Company's share price was a minimum of SEK 0.50 and a maximum of SEK 1.57. The share price may

fluctuate as a result of, among other things, performance variations in the Company's interim reports, the general economic situation and changes in the stock market's interest in the Company and its shares. Limited liquidity in the share can in turn help to amplify such fluctuations in the share price. The share price may thus be affected by factors that are completely or partially outside the Company's control. An investment in shares in Abliva should therefore be preceded by a thorough analysis of the Company, its competitors and the outside world, general information about the industry, the general economic situation and other relevant information. There is a risk that Abliva shares may not be sold at a price acceptable to the shareholder at any time.

LIMITED LIQUIDITY OF THE SHARE AND EQUITY-RELATED SECURITIES

Over the past twelve months, an average of approximately 4,6 million shares have been traded per day in Abliva, corresponding to an average daily turnover of approximately SEK 4,3 million. There is a risk that an efficient and liquid market for the Company's shares and equity-related securities will not develop, which may cause difficulties for a shareholder to change his or her holding of shares at the desired time and price. A limited liquidity entails a risk that the quoted purchase and selling prices for the Company's shares will not fairly represent the value that a larger shareholding corresponds to. Liquidity in the share is affected by a number of factors, some of which are investor-specific, such as the size of securities holdings in relation to turnover in the share. If active and liquid trading of Abliva's share does not develop or prove sustainable, this may cause difficulties for shareholders to sell their shares at the time desired by the shareholder or at price levels that would prevail had the liquidity of the share been good.

Corporate Governance Report

Abliva AB (publ) (Abliva or the Company) is a Swedish public limited company with corporate identity number 556595-6538. Abliva's registered office is in the Municipality of Lund and the Company is listed on Nasdaq Stockholm. This Corporate Governance Report has been prepared by Abliva's Board of Directors in compliance with the Annual Accounts Act and the Swedish Code of Corporate Governance (the Code). The Corporate Governance Report is part of the Statutory Administration Report and the Company's Auditors have conducted their statutory review of the Report

ABLIVA GOVERNANCE

Annual General Meeting

The Annual General Meeting (AGM) is the chief decision-making body. The AGM is planned and held to enable shareholders to exercise their influence over the Company optimally. Resolutions reached at the AGM shall adhere to the Swedish Companies Act's regulations on majority requirement

Entitlement to participate at the Annual General Meeting

All shareholders listed in the share register maintained by Euroclear Sweden AB on the record date prior to the AGM, and who have informed Abliva of their intention to attend by no later than the date indicated in the invitation to the AGM, are entitled to participate in the AGM and to vote according to the number of shares held

Initiatives from shareholders

Shareholders wishing to raise a matter at the AGM must submit a written request to the Board of Directors by no later than seven weeks prior to the AGM.

Nomination Committee

The Company shall have a Nomination Committee comprising one member of each the three largest shareholders in terms of voting rights based on ownership statistics maintained by Euroclear Sweden AB.

The Board of Directors

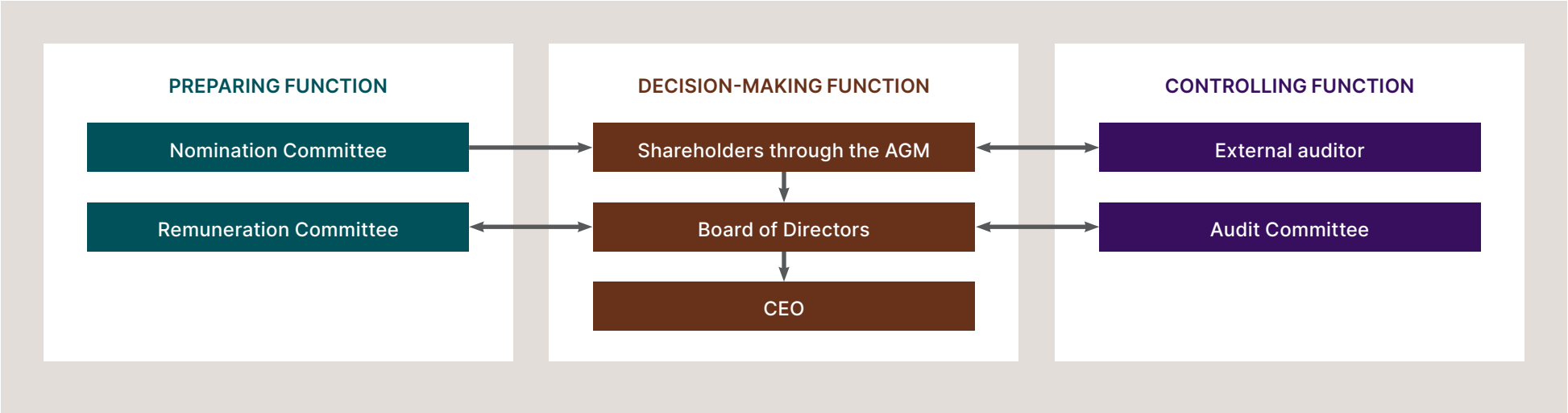
The Board of Directors shall have a minimum of three and a maximum of eight members. Board members are appointed annually by the AGM and are elected for a period until the end of the next AGM.

Chair of the Board

The AGM appoints the Chair. The Chair leads the Board's work, monitors the work and assumes responsibility for the Board completing its duties according to applicable legislation, the Articles of Association, the Swedish Code of Corporate Governance and the Board of Director's rules of procedure. The Chair shall monitor the Company's progress through contact with the CEO, consult with the CEO on strategic matters and ensure that strategic considerations are recorded and addressed by the Board of Directors

The Board of Directors' duties and responsibilities

The Board of Directors is the highest administrative body at the AGM. The Board of Directors' primary duty is to manage overall and long-term issues and matters of major significance to the Com-



pany. The Board of Directors assumes overall responsibility for the Company's operations and management and for ensuring that the accounting and fund management are controlled satisfactorily. The Board of Directors is responsible for ensuring that the Company follows applicable legislation, stipulations and the Swedish Code of Corporate Governance and that the Company is subject to satisfactory internal control procedures and formalized routines that safeguard adherence to set principles for financial reporting and internal control.

Remuneration Committee
To assist the Board in salaries and remuneration issues, the Board has established a Remuneration Committee which shall consist of at least three Board members. The Remuneration Committee shall assist the Board in matters of salary and remuneration on issues relating to salary and remuneration. The Remuneration Committee's duties include:

- consulting on the Board of Director's decisions on matters relating to remuneration principles, remuneration and other terms of employment of management,
- monitoring and evaluating ongoing and concluded (during the year) programs for variable remuneration for the corporate management, and
- monitoring and evaluating the application of guidelines for remuneration to senior executives that the AGM is legally obliged to resolve on, and applicable remuneration structures and remuneration levels in the Company.

Audit Committee
The members of the Audit Committee are appointed by the Company's Board of Directors at the Board meeting following election and shall consist of a minimum of three Board members. The Audit Committee shall contribute to sound financial reporting that maintains market confidence in the Company by specifically monitoring and controlling the Company's accounting principles, financial administration, risk management and the structure of internal control, resources, ongoing work and annual reporting. The Audit Committee also reviews the Auditor's non-affiliation to the Company.

CEO
The CEO is appointed by the Board of Directors. The CEO's work follows the written instructions adopted annually by the Board of Directors at the Board meeting following election.

The instructions for the CEO regulates customary areas such as the CEO's undertaking in relation to the Company and the Board of Directors, including responsibility for presenting expedient reports to the Board of Directors relevant to the Board's completion of its evaluation of the Company.

The CEO shall ensure that ongoing planning, including business plans and budgets, is completed and presented to the Board of Directors for resolution.

When departure from these plans and special events of a significant nature are feared, the CEO must inform the Board of Directors through the Chair immediately.

APPLICATION OF AND DEPARTURE FROM THE SWEDISH CODE OF CORPORATE GOVERNANCE

The Code applies to all Swedish companies whose shares are listed on a regulated marketplace in Sweden and shall be applied fully at the first Annual General Meeting held following initial public offering. The Company is not obliged to adhere to all the regulations of the Code, and is free to adopt alternative solutions deemed more suitable to its circumstances, provided that potential departures are reported, the alternative solution described and the reasons explained (Comply or Explain principle) in the Corporate Governance Report

Abliva has applied the Swedish Code of Corporate Governance since 8 June 2012, and this Corporate Governance Report has been prepared in accordance with the Code.

ORGANIZATION OF CORPORATE GOVERNANCE

Abliva's internal controls and corporate governance are ased on applicable legislation/regulations and on sector-specific parameters considered significant to the Company. The control system encompasses all applicable regulatory frameworks as well as the specific demands Abliva places on its operations.

The internal control and corporate governance tool provides overall control of all critical stages relating to the Company. This provides Abliva's Board of Directors and management with the conditions required to control and govern operations in order to satisfy the stringent demands of the Company, the market, the stock market, the shareholders and the authorities.

The following legislation/regulations as well as the Company's own constitutional documents form the basis of Abliva's corporate governance:

External Regulations
- The Swedish Companies Act,
- Applicable accounting legislation,
- IFRS,
- The Swedish Code of Corporate Governance,
- Nasdaq Stockholm's regulatory framework for issuers.

Internal constitutional documents
- The Articles of Association,
- Instructions and rules of procedure for the Board of Directors, Committees and CEO,
- Guidelines for remuneration to senior executives,
- Information and communication policy,
- Ethical guidelines,
- Financial administration guidelines.

OWNER STRUCTURE

Abliva had some 12,810 registered shareholders as of 30 December 2020. Avanza Pension Försäkring AB was the largest owner with a holding of 26,717,392 shares, corresponding to some 9.02 percent of the shares and votes. Hadean Capital I AS was the second largest shareholder with 18,345,570 shares, corresponding to some 6.19 percent of the shares and votes. John Fällström was the third biggest shareholder with 10,943,254 shares, corresponding to some 3.69 percent of the shares and votes.

Hadean Hventures, which manages Hadean Capital I AS and Hventures Capital I AB, are the largest individual shareholders in Abliva with a total holding of 9.0 percent. John Fällström is Abliva's second largest individual owner with a total holding of 3.69 percent. Rothesay Ltd is the third largest individual owner with a total hold-

ing of 1.98 percent. There were no shareholders with a holding of more than one-tenth of the total number of shares and votes in the Company at year-end.

SHARE CAPITAL AND VOTING RIGHTS

Abliva's share capital totaled SEK 14,817,006.60 divided between 296,340,132 shares as of 30 December 2020. There is only a single share class. All shares have a quotient value of SEK 0.05 and one vote, and confer equal entitlement to the Company's assets and profits. Abliva's Articles of Association have no limitations regarding the number of votes each shareholder may cast at the AGM.

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) is the chief decision-making body in a limited company and the shareholders exercise their decision-making rights at the AGM. The AGM is planned and held to enable shareholders to exercise their influence over the Company optimally. The invitation to the AGM and other information provided is designed to allow shareholders to reach well-founded decisions on the issues addressed at the AGM. Resolutions reached at the AGM shall adhere to the Swedish Companies Act's regulations on majority requirement. In accordance with the Articles of Association, the invitation to the AGM and Extraordinary General Meetings are published in Post- och Inrikes Tidningar and on the Company's website. An announcement that a Meeting has been convened is published in Swedish daily newspaper Svenska Dagbladet.

Entitlement to participate at the Annual General Meeting

All shareholders listed in the share register maintained by Euroclear Sweden AB on the record date prior to the AGM, and who have informed Abliva of their intention to attend by no later than the date indicated in the invitation to the AGM, are entitled to participate in the AGM and to vote according to the number of shares held.

Initiatives from shareholders

Shareholders wishing to raise a matter at the AGM must submit a written request to the Board of Directors by no later than seven weeks prior to the AGM. Given the Company's ownership structure and financial circumstances, Abliva does not consider simultaneous interpretation into other languages and translation of all of or part of the documentation relating to the AGM as justified. Abliva's website contains information on the Company's previous AGMs as well as information on shareholders' rights to raise matters at the AGM and the cut-off date for Abliva receiving such requests.

SHAREHOLDERS' MEETINGS

Extra General Meeting

The EGM was held on 17 March 2020, at Scheelevägen 2 in Lund, Sweden. 10 shareholders attended the AGM, in person or through representatives. These shareholders represented 13.11 percent of the shares and votes of Abliva.

The EGM 2020 adopted the following resolutions:

- Resolution to issue shares with preferential rights for existing shareholders

Annual General Meeting 2020

The AGM was held on 20 May 2020, at Scheelevägen 2 in Lund, Sweden. 9 shareholders attended the AGM, in person or through representatives. These shareholders represented 7.29 percent of the shares and votes of Abliva. The CEO Erik Kinnman, David Laskow-Pooley (Chair), Board members, David Bejker, Denise Goode, Magnus Persson and Jan Törnell and the company's Auditor in Charge, Michael Olsson and Lawyer Annika Andersson, Cirio Lawfirm attended the AGM via video link.

The AGM 2020 adopted the following resolutions:

- Adopted the Balance Sheet and Income Statement and Consolidated Balance Sheet and Income Statement,
- Resolution regarding discharging the Board of Directors and CEO from liability,
- Resolution regarding amendment of Articles of Association
- Resolution regarding remuneration to the Board of Directors, Auditors and Committee members,
- Elected the Board of Directors,
- Adopted guidelines for remuneration to senior executives,
- Adopted guidelines for the Nomination Committee,
- Adopted a resolution to sanction the Board of Directors to authorize further new issues, warrants and/or convertibles,
- Resolution on amendment of company name

Documentation relating to the AGM, such as invitations to meetings, minutes and the basis of decisions, is at Abliva's website, www.Abliva.com.

Annual General Meeting 2021

Abliva's AGM 2021 will be held on 20 May 2021. Shareholders wishing to attend the AGM must give notice of participation by submitting their postal vote. Information on how to apply and how to raise a matter at the AGM is on the Company's website. Information about the date of the AGM was uploaded to the company's website 19 October 2020.

Nomination Committee

The Company shall have a Nomination Committee comprising one member of each of the three largest shareholders in terms of voting rights based on ownership statistics maintained by Euroclear Sweden AB. If a shareholder does not exercise its right to appoint a member, entitlement to appoint a member of the Nomination Committee shall transfer to that member who is the second largest shareholder in terms of voting rights. The Chair of the Board convenes the meetings and can be co-opted to the Nomination Committee when required. Neither the CEO nor any other member of management is permitted to be members of the Nomination Committee, nor shall Board members be a majority of the Nomination Committee members. A majority of the Nomination Committee's members shall be non-affiliated to the Company and management, if more than one Board member is included in the Nomination Committee, a maximum of one can be affiliated to the Company's major shareholders. A minimum of one of the Nomination Committee's members shall be non-affiliated to the Company's largest shareholder or group of shareholders collaborating on the Company's administration. No remuneration is payable to any of the members of the Nomination Committee.

The Nomination Committee initiates the appraisal of the incumbent Board of Directors once it has been completed. The Committee's work shall feature openness and discussion, in order to ensure a well-balanced Board of Directors. The Nomination Committee then nominates members to Abliva's Board of Directors for the coming period of office, who are subsequently proposed to the AGM. The Nomination Committee's duty is to propose the Chair of the AGM, the Chair of the Board and Board members, the number of Board

members, remuneration to Board members and Committee members as well as the election of, and remuneration to, the Auditors. The Nomination Committee also has the duty of proposing guidelines for appointing members of the Nomination Committee and the assignments of the Nomination Committee.

The composition of the Nomination Committee for the AGM 2021 was announced at the company's website 23 October, 2020. The Nomination Committee for the Annual General Meeting 2021 consists of the following members, Florian Eckhard (Chair) appointed by Hadean Ventures, Kristina Ingvar, appointed by John Fällström and Andreas Inghammar, appointed by Rothesay Ltd.

THE BOARD OF DIRECTORS

Composition of the Board of Directors

Abliva's AGM on 20 May 2020 re-elected board members David Laskow-Pooley, David Bejker, Magnus Persson, Denise Goode and Jan Törnell. Roger Franklin was elected new Board member and he assumed office on July 9, 2020. David Laskow-Pooley was re-elected Chair of the Board. Magnus Persson resigned at his own request on October 8, 2020. None of the Board members are members of the Company's management.The Board members' non-affiliation to the Company, the Company's management and the Company's major shareholders are indicated in the table below.

Chair

The AGM appoints the Chair. The Chair represents the Board of Directors externally and internally. The Chair leads the Board's work, monitors the work and assumes responsibility for the Board completing its duties according to applicable legislation, the Articles of Association, the Swedish Code of Corporate Governance and the Board of Director's rules of procedure.

The Chair shall monitor the Company's progress through contact with the CEO, consult with the CEO on strategic matters and ensure that strategic considerations are recorded and addressed by the Board of Directors. The Chair shall also ensure that the Board of Directors, through the CEO's agency, receives information on the Company on an ongoing basis in order to enable analysis of the Company's position.

The Board of Directors' duties and responsibilities

The Board of Directors is the highest administrative body under the AGM. The work of Abliva's Board of Directors is regulated by applicable legislation and recommendations, and by the Board of Directors' rules of procedure, which are adopted annually. The rules of procedure contain stipulations regulating the division of responsibilities between the Board of Directors and the CEO, financial reporting and audit matters. At the Board meeting following election, the Board of Directors adopts other requisite rules of procedure, policies and guidelines that form the basis for the Company's internal regulatory framework.

The Board of Directors' primary duty is to manage overall and long-term issues and matters of major significance to the Company. The Board of Directors assumes overall responsibility for the Company's operations and management and for ensuring that the accounting and fund management are controlled satisfactorily. The Board of Directors is responsible for ensuring that the Company follows applicable legislation, stipulations and the Swedish Code of Corporate Governance and that the Company is subject to satisfactory internal control procedures and formalized routines that safeguard adherence to set principles for financial reporting and internal control, and that the Company's financial reporting is prepared in accordance with statutory requirements, applicable accounting standards and other demands placed on listed companies.

According to the Board of Directors' rules of procedure, the Board of Directors normally meets on seven occasions annually, including the Board meeting following election. The Board of Directors held 12 meetings during the year. Regular Board meetings covered matters such as reviewing and adopting financial reports, the business plan, budget and funding as well as strategic issues. The Board of Directors also monitors the progress of the Company's current pharmaceutical projects and financial situation continuously. The final ordinary Board meeting of the year included an appraisal of the Board of Directors and the work of the Board. Additional meetings during the year dealt with matters such as decision on new share issues, financing strategy and allocation of shares under the new issues.

BOARD WORK 2020

February. Resolution on allocation of new shares in preferential rigts issue. Year-End Report, Audit matters, determining salary and remunerations matters including variable remuneration, the Board of Directors discussion with the company's Auditor without the CEO or other members of Management being present.
March. Extra General Meeting
April. Resolution on allocation of new shares in directed rigts issue. Audit matters, Annual Report, AGM and Corporate Governance Report, evaluation of variable remuneration, prospectus.
May. Review and authorization of Q1 Interim Report. Annual General Meeting. Corporate Governance Policy, Rules of Procedure for the Board of Directors, Rules of Procedure for the Audit and Remuneration Committees and instructions for the CEO. Appointing members of Board Committees. Determining other policies and guidelines.
June. Resolution on subscription price and allotment of shares in rights issue.
August. Review and authorization of Q2 Interim Report.
September. Follow up on the company's strategy.
October. Review of Corporate Governance, determining operational objectives and strategy
November. Review and authorization of Q3 Interim Report, financing matters, matters relating to Year-end Report, budget, audit matters, evaluating the Board of Directors' and senior executives' work in the year. The company's Auditor was present due to the review of the Interim Report.

The Board members' non-affiliation and attendance are indicated in the table above. For a presentation of Board members, page 34 of the Annual Report.

Evaluation of the Board of Directors' work.
Board members have completed an evaluation document produced specifically to perform a structured evaluation of the Board's work in accordance with the guidelines in the Swedish Code of Corporate Governance. The evaluation has been presented by the Chairman to the Board of Directors at a regular Board meeting.

Evaluation of the CEO
The Board of Directors went jointly through the evaluation document produced specifically to perform a structured evaluation in with accordance with the guidelines in the Swedish Code of Corporate Governance regarding evaluating the CEO's work. The evaluation has been presented by the Chairman to the Board of Directors at a regular Board meeting.

Board member	Elected in	Board of Directors (attendence)	Audit committee (attendence)	Remunerations-committee (attendence)	Non affiliated[1]
David Laskow-Pooley, Chair	2016	15/15		Member (3/3)	Yes
David Bejker	2017	15/15	Chair (5/5)		Yes
Roger Franklin*	2020	4/4			Yes
Denise Goode	2018	15/15	Member (5/5)	Chair (3/3)	Yes
Magnus Persson**	2019	11/13	Member (4/4)		Yes
Jan Törnell	2017	15/15	Member (5/5)	Member (3/3)	Yes

[1] According to the definition in the Swedish Code of Corporate Governance
*Roger Franklin was elected to the Board of Directors May 20, 2020, assuming office on July 9, 2020.
**Magnus Persson resigned at his own request in October 2020.

REMUNERATION COMMITTEE

The Board of Directors has established a Remuneration Committee to assist the Board on issues relating to salary and remuneration. The Remuneration Committee's duties include:

- Consulting on the Board of Director's decisions on matters relating to remuneration principles, remuneration and other terms of employment of management,
- monitoring and evaluating ongoing and concluded (during the year) programs for variable remuneration for the corporate management, and
- monitoring and evaluating the application of guidelines for remuneration to senior executives that the AGM is legally obliged to resolve on, and applicable remuneration structures and remuneration levels in the Company.

After consultation within the Remuneration Committee, the Board of Directors takes decisions on remuneration. As a sub-committee of the Board of Directors, the Remuneration Committee has limited decision-making powers. The Committee's Rules of Procedure are determined annually by the Board of Directors at the statutory Board meeting, and indicate the tasks and decision-making powers delegated by the Board to the Committee, and the methods for reporting back to the Board of Directors.

The Remuneration Committee presents ongoing reports on its work to the Board of Directors at regular Board meetings, and presents an annual report on the members' attendance at Committee meetings to the Board of Directors.

Abliva's Remuneration Committee is appointed by the Company's Board of Directors at the Board meeting following election and comprises Denise Goode (Chairman), David Laskow-Pooley and Jan Törnell.

AUDIT COMMITTEE

The members of the Audit Committee are appointed by the Company's Board of Directors at the Board meeting following election and shall consist of a minimum of three Board members. The Board of Directors appoints the Chair of the Audit Committee, who may not be the Chair of the Board. A majority of the Committee's members shall be non-affiliated to the Company and management. At least one member who is non-affiliated to the Company and .management shall also be non-affiliated to the Company's major shareholders.

The Audit Committee has been established to facilitate the Board of Directors' supervisory responsibility. As a subcommittee of the Board of Directors, the Audit Committee has limited decision-making powers. The Committee's rules of procedure are adopted annually at the Board meeting following election and indicate the decision-making powers the Board of Directors has delegated to the Committee and the manner in which the Committee shall report to the Board of Directors. The Audit Committee reports its work to the Board of Directors on an ongoing basis at regular meetings and also reports its work and members' attendance at Audit Committee meetings to the Board of Directors once annually.

The Audit Committee shall contribute to sound financial reporting that maintains market confidence in the Company by specifically monitoring and controlling the Company's accounting principles, financial administration, risk management and the structure of internal control, resources, ongoing work and annual reporting. The Audit Committee also reviews the Auditor's non-affiliation to the Company.

The Committee shall consult on matters relating to the choice of Auditor and remuneration to external Auditors, and maintain close contact with the Nomination Committee for its proposals to the

AGM relating to election of Auditors and determining the Audit fee. The Audit Committee's contact with the Nomination Committee is handled and maintained by the Chair of the Audit Committee.

Abliva's Audit Committee is appointed at the Board meeting following election and comprises David Bejker (Chair), Denise Goode and Jan Törnell for the current period.

CEO AND OTHER SENIOR EXECUTIVES

The CEO is appointed by the Board of Directors. The CEO's work follows the written instructions adopted annually by the Board of Directors at the Board meeting following election.

The instructions for the CEO regulates customary areas such as the CEO's undertaking in relation to the Company and the Board of Directors, including responsibility for presenting expedient reports to the Board of Directors relevant to the Board's completion of its evaluation of the Company. The CEO shall ensure that ongoing planning, including business plans and budgets, is completed and presented to the Board of Directors for resolution. The CEO shall exercise good leadership in the management of operations to ensure that the Company progresses according to plan and follows the strategies and policies adopted. When departure from these plans and special events of a significant nature are feared, the CEO must inform the Board of Directors through the Chair immediately. The CEO shall ensure that the Company's operations, including its administration, are organized so that they satisfy market requirements, and shall ensure efficient and secure organizational control of operations.

Within the framework of the directives provided by the Board of Directors for the Company's operations, management deals with consultation regarding, and monitoring of, strategies and budgets, the distribution of resources, the monitoring of operations and preparation for Board meetings.

In the period January to Februray 2020 the members of management were CEO Erik Kinnman, Catharina Jz Johansson, Eskil Elmér, Magnus Hansson and Mark Farmery. In the period March to December 2020 the members of management were CEO Erik Kinnman, Catharina Jz Johansson, Eskil Elmér and Magnus Hansson. Management meets every two weeks and minutes are taken at all meetings.

REMUNERATION TO THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Remuneration to Board members

The AGM 2020 resolved that fees of SEK 400,000 should be paid to the Chair and SEK 250,000 to each of the remaining Board members.

The AGM 2020 resolved on remuneration of SEK 100,000 to the Chair of the Audit Committee and SEK 50,000 to each of the remaining members of the Audit Committee. Furthermore, a resolution was made regarding remuneration of SEK 40,000 to the Chair of the Remuneration Committee and SEK 20,000 to each of the remaining members of the Remuneration Committee.

Board member Roger Franklin has waived his fee.

Remuneration to senior executives

Following a proposal from the Board of Directors, the AGM 2020 reached a resolution regarding guidelines for remuneration to senior executives.

The guidelines for remuneration and other terms of employment applying to management mainly imply that the Company shall offer its senior executives remuneration on market terms, that this remuneration shall be determined by a dedicated Remuneration Committee governed by the Board of Directors, and that the criteria for remuneration shall be based on the responsibilities, role, competence and position of the relevant senior executive. Remuneration to senior executives is decided by the Board of Directors, excluding any Board members affiliated to the Company and management. The guidelines shall apply to new agreements, or revisions to existing agreements reached with senior. executives after the guidelines were determined, and until new or revised guidelines have become effective

Senior executives shall be offered fixed compensation on market terms and based on the managers' responsibilities, role, competencies and position. Fixed compensation shall be reviewed annually.

From time to time, senior executives and other key individuals may be offered variable remuneration. Such variable remuneration shall be on market terms and shall be based on the outcome of predetermined financial and operational targets. Variable remuneration shall be based on the fulfilment of Abliva's targets for project results and value growth divided in personal targets for the financial year. The terms and conditions and basis of computation of variable remuneration shall be determined for each financial year. The targets promotes the Company's business strategy, long-term interests and sustainability by linking the remuneration to senior executives to the Company's project- and growth development.

The measurement period for variable remuneration is generally based on performance over a period of approximately 12 months. To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. At the annual review, the Remuneration Committee, or when applicable, the Board of Directors, may adjust the targets and/or the remuneration with regards to both positive and negative extraordinary events, reorganisations and structurual changes.

The basic principle is that the annual variable portion of pay may be a maximum of 30 percent of basic annual salary to the CEO, maximum 20 percent of the basic annual salary to the management team and maximum 10 percent of the basic annual salary to key personnel. Variable compensation may either be paid as salary or as a lump-sum pension premium. Payment as a lump-sum pension premium is subject to indexation so the total cost for Abliva is neutral.

In order to incentivize senior executives and other key individuals on a longer term and to encourage investment in Abliva shares, a cash bonus share savings opportunity has been implemented (the "LTI Bonus"). The LTI Bonus is a cash program in which the participants commit to use the cash paid out by the Company to acquire shares in the Company. The shares are acquired by the participants on the stock market. The LTI applies in addition to the STI Bonus.

The decision regarding the annual amount available as LTI Bonus is built into the yearly bonus appraisal process to link yearly achievements to long term goals, to build employee shareholding

in Abliva, which creates incentatives to promote the Company's business strategy, long-term interests and sustainability, and to retain employees. The amount of possible LTI Bonus will depend on the employee's position and the ability to influence the performance of Abliva.

The participants are required to use the full amount of the LTI Bonus, net after income tax to acquire Abliva shares on the stock market. The company will pay the social security costs.

The shares acquired for the LTI Bonus will be locked in for a period of 3 years after the acquisition. An employee who resigns, is terminated or otherwise leaves the Company will be obliged to hold the shares acquired within the LTI Bonus for the full period of 3 years after acquisition notwithstanding the termination of their employment. In the event an employee or former employee breaches the terms of the LTI Bonus program, such as for example by failing to provide information on the status of their shareholding or prematurely disposing of their shareholding they will be subject to contractual sanctions including a penalty equal to the full amount of the LTI Bonus (including income tax, but excluding social security contributions thereon).

The board shall decide on the amount of LTI Bonus. The maximum amount in the LTI Bonus is capped at an amount corresponding to 15 percent of the fixed annual compensation for the current year for the CEO, 10 percent to the management team and 5 percent to other key personnel:

When determining variable remuneration to management payable in cash, the Board of Directors shall consider introducing restrictions that,

- disqualification from future LTI Bonus in relation to an individual who sells his/her shares during the three year qualification period,
- making payment of a predetermined portion of such remuneration conditional so the performance on which vesting is based is demonstrably sustainable over time, and
- offers the Company the opportunity to reclaim such remuneration paid on the basis of information that subsequently proves manifestly erroneous.

Senior executives are entitled to pension solutions on market terms in accordance with collective agreements and/or with Abliva. All pension commitments shall be premium-based. Salary differentials can be utilized to increase pension provisions through lump-sum pension premiums, provided that the total cost to Abliva remains neutral.

The CEO has a maximum notice period of six months from Abliva's side and the maximum notice period for other senior executives is six months. The notice period is a minimum of six months from the CEO's side and the minimum notice period is three months for other senior executives. In addition to this notice period, severance pay subject to a maximum of six months' salary plus benefits may be payable to the CEO.

The Board of Directors is entitled to depart from the above guidelines if the Board considers there are special reasons to justify such departure in individual cases.

SHARE-BASED INCENTIVE PROGRAM

There are currently no active incentive programs.

AUDITORS

The Auditors shall examine the Company's annual accounts and accounting records, and the Board of Directors' and CEO's administration. The Auditors shall present an Audit Report and a Consolidated Audit Report to the AGM at the end of each financial year. The Company's Auditors shall be appointed for a at the AGM. The AGM 2020 re-elected Mazars AB as the Company's Auditors until the 2021 AGM. Michael Olsson is Auditor in Charge. In order to ensure that the standards applying to the Board of Directors relating to information and control are satisfied, the Auditors regularly report to the Audit Committee on accounting matters and potential misstatements or suspected improprieties. In addition, the Auditors attend most of the Audit Committee's meetings and Board meetings as required. At least once a year, the Auditors present a report to the Board of Directors without the CEO or other members of the Company's operational management attending.

Remuneration to the Auditors

The AGM 2020 resolved on remuneration to the Auditors on the basis of approved account and customary debiting practice. Audit assignments are defined as reviewing the annual accounts and accounting records, as well as the Board of Directors' and CEO's administration, any other duties incumbent on the Company's Auditor and consultancy or other assistance arising from observations made in connection with such review or performance of other such duties. During control activities in the year, the Audit Committee concluded that the Auditors are non-affiliated to the Company. Information on Audit fees is in Note 9 on page 53. The Interim Report for the period January-September 2020 has been subject to a summary review by the Auditor.

PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES

Persons discharging managerial responsibilities are defined as members of the Board of Directors and management. All these persons has regular access to inside information and the authority to make managerial decisions affecting the future development and business prospects. Such individuals are obliged to notify any changes in their holdings of financial instruments in Abliva in accordance with The Act concerning Reporting Obligations for certain Holdings of Financial Instruments.

Listed companies are required to keep electronic insider list, logbook. The obligation comprises of keeping a logbook of all events where people have access to insider information (eventdriven logbook). This can include persons discharging managerial responsibilities, but also other individuals with access to insider information without being a person discharging managerial responsibilities. Abliva keeps a logbook for each event where the information could affect the share price.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The overall aim of internal controls is to ensure, to a reasonable extent, that the Company's operational strategies and targets are monitored and that the owners' investments are protected. Internal controls should also secure reasonable assurance that external financial reporting is accurate and has been prepared in accordance with generally accepted accounting practice, that applicable legislation and stipulations are followed and that requirements made on listed companies are satisfied. The internal control environment mainly comprises the following five components: control

environment, risk assessment, control activities, information and communication and follow-up.

Control environment
Abliva's control environment includes its organizational structure, decision-paths, responsibilities and authorizations, which are clearly defined in a number of constitutional documents. The constitutional documents have been adopted by the Board of Directors to ensure an effective control environment.

The Company's control environment consists of collaborative initiatives between the Board of Directors, the Audit Committees, the CEO, the CFO, internally appointed staff and the Company's Auditor. Control is also exercised through the reporting procedures adopted in the Company's finance manual, including financial reporting to the Board of Directors, and a yearly report to the Board of Directors on completed internal control procedures.

The Audit Committee has overall responsibility for ensuring that the internal control regarding financial reporting and reporting to the Board of Directors is effective. The Audit Committee performs quarterly reconciliation with the company's CEO and Auditor. In addition, the documentation produced for Management's evaluation of the company's internal control is reviewed and evaluated annually.

Risk assessment
Risks assessment includes identifying risks that may arise if the fundamental standards of financial reporting in the group are not satisfied. A review takes place to ensure that the Company has an infrastructure that enables effective and expedient control, and an assessment of the Company's financial position and significant financial, legal and operational risks. The company identifies and evaluates the risks on a regularly basis, that may arise, in a risk assessment model

Pharmaceuticals development is associated with risks and is a capital-intensive process. The risk factors judged to be of particular significance to Abliva's future progress are the outcome of clinical studies, measures taken by regulatory authorities, competition and pricing, collaboration partners, liability risk, patents, key staff and future capital requirement.

Control environment
Control activities limit identified risks and ensure accurate and reliable financial reporting. The Audit Committee and the Board of Directors are responsible for the internal control and monitoring of management. This is achieved through internal and external control activities and by reviewing the Company's constitutional documents governing risk management. The results of internal controls are compiled and a report presented to the Board of Directors and the Audit Committee annually.

Information and communication
The Company has information and communication paths intended to promote the accuracy of financial reporting and ensure reporting and feedback from operations to the Board of Directors and management, through means including constitutional documents such as internal policies, guidelines and instructions relating to financial reporting being made available and presented to the relevant staff.

Monitoring
Abliva monitors the observance of the Company's constitutional documents and routines relating to internal controls. Management reports to the Audit Committee on internal controls at each meeting. The Board of Directors is regularly updated on the Company's financial position and profit/loss against budget as well as on development projects in relation to the relevant project budgets. The CEO presents a written report at each regular Board meeting, or when the need arises, directly to the Board of Directors on the monitoring and status of the Company's ongoing projects and drug candidates.

Special evaluation of the requirement for internal audit
Abliva does not conduct an internal audit. The Board of Directors evaluates the need for this function annually and judges that, given the Company's size with relatively few employees and limited transactions, there is no need to institute a formal internal audit function.

Compliance with Swedish stock market regulations and accepted stock market practice
Abliva has not been subject to any ruling by Nasdaq Stockholm's disciplinary commission or statements by the Swedish Securities Council relating to breaches of Nasdaq's regulatory framework for issuers or good accounting practice on the stock market in the financial year 2020.

Abliva's Board

DAVID LASKOW-POOLEY

Chairman
(2017, elected 2016)

Born: 1954

Education: BSc Pharmacy (1st), Pharmaceutical/ Chemical engineering specialty and QP., Sunderland School of Pharmacy.

Other ongoing assignments: Director of the Board of Marker Therapeutics Inc. (England), Pharmafor Ltd, England, and LREsystem Ltd, (England).

No. of shares in Abliva: 45 828

Other: Non-affiliated to the Company, the management and to major owners.

DAVID BEJKER

Director (2017)

Born: 1975

Education: M.Sc. (Econ.), Stockholm School of Economics.

Other ongoing assignments: Director of the Board of LIDDS AB and Amylonix AB, CEO of Affibody Medical AB.

No. of shares in Abliva: 75 000

Other: Non-affiliated to the Company, the management and to major owners.

DENISE GOODE

Director (2018)

Born: 1958

Education: Institute of Chartered Accountants in England and Wales Chartered Accountant. B.Sc. Zoology from The University of Manchester (UK).

Other ongoing assignments: Director of the Board of Dechra Pharmaceuticals PLC. Director of the Board and CEO of QED Life Sciences Limited. VP Business Development of AnaMar AB.

No. of shares in Abliva: –

Other: Non-affiliated to the company, the management, and to major owners.

ROGER FRANKLIN

Director (2020)

Born: 1979

Education: M.Biochem (1st class), Molecular & Cellular Biochemistry, University of Oxford (UK), PhD, MRC Laboratory of Molecular Biology from University of Cambridge (UK).

Other ongoing assignments: Partner at Hadean Ventures, Director at Gesynta Pharma AB, Deputy Director at SAGA Diagnostics AB, and Board observer at Step Pharma SAS and Pipeline Therapeutics Inc.

No. of shares in Abliva: –

Other: Non-affiliated to the company, the management, and to major owners.

JAN TÖRNELL

Director (2017)

Born: 1960

Education: MD and PhD in physiology, University of Gothenburg.

Other ongoing assignments: CEO and Director the Board of Innoext AB, Chairman of the Board of LIDDS AB and Glactone Pharma AB, Director of the Board of Diaprost AB, and Deputy Director of the Board of LIDDS Pharma AB.

No. of shares in Abliva: 45 828

Other: Non-affiliated to the Company, the management and to major owners.

SECRETARY

CATHARINA JOHANSSON

Born: 1967. M.Sc. in Business and Economics. Deputy CEO and Chief Financial Officer of Abliva AB.
Secretary in Abliva's Board since 2016
No. of shares in Abliva: 100,000

COMMITTEES

Remuneration committee
Denise Goode (chair), David Laskow-Pooley, Jan Törnell

Audit committee
David Bejker (chair), Denise Goode, Jan Törnell

AUDITOR

Mazars AB

MICHAEL OLSSON
BORN 1974. Authorized Public Accountant
Other assignments:
No. of shares in Abliva: -

Information regarding individuals' own and related parties' shareholdings pertains to the situation on December 31, 2020.

Abliva's Management

ELLEN DONNELLY

CEO

Born: 1974

Education: Ph.D. in Pharmacology from Yale University.

Previous experience: Almost ten years at Pfizer in leading positions, and CEO of Modus Therapeutics AB (Sweden), Souvien Therapeutics (US), and of the Epigenetics Division of Juvenescence (UK).

Employed since: 2021.

ESKIL ELMÉR

Chief Scientific Officer

Born: 1970

Education: Associated professor of experimental neurology at Lunds University, Doctors degree .

Previous experience: Researcher, Associate Professor and Adjunct Professor at the Department of Clinical Neurophysiology at Lund University . Specialist physician at the neurophysiological clinic at Skåne University Hospital .

Employed since: 2000

No. of shares in Abliva: 621,487 Privately owned shares (including family) and 17.09 percent of Maas Biolab, LLC.

MAGNUS HANSSON

Chief Medical Officer

Born:1976

Education: PhD in Experimental brain research from Lund University, Doctors degree .

Previous experience: Consultant physician and associate professor in medical imaging and physiology at Skåne University Hospital, Sweden .

Employed since: 2008

No. of shares in Abliva: 559 639 shares (including family)

CATHARINA JZ JOHANSSON

Deputy CEO and CFO

Born:1967

Education: M .Sc . in Business and Economics . Previous experience: More than 15 years of experience from senior financial positions . Interim CFO for medical device company Cellavision, and Accounting Manager for Bong and Alfa Laval Europe .

Employed since: 2013

No. of shares in Abliva: 100,000 shares .

Information regarding individuals' own and related parties' shareholdings pertains to the situation on December 31, 2020.

Consolidated Statement of

Comprehensive Income

(SEK 000)	Note	2020	2019
Net sales	6	216	134
Other operating income	7	1,648	3,500
Operating expenses	9,10	-46,072	-63,133
Personnel cost	11	-13,305	-14,872
Depreciation and write-down of tangible and intangible assets		-2,558	-2,379
Other operating expenses	8	0	-325
		-61,935	**-80,709**
Operating income	5	**-60,071**	**-77,075**
Profit/loss from financial items			
Result from other securities and receivables related to non current assets		107	121
Financial income	12	0	0
Financial costs	13	-30	-46
			75
Profit/loss before tax		**-59,994**	**-77,000**
Income tax	14	-	-
Profit/loss for the period		**-59,994**	**-77,000**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Translation differences on foreign subsidiaries		-3	3
Total other comprehensive income, net after tax		**-3**	**3**
Total comprehensive income for the period		**-59,997**	**-76,997**
Loss for the period attributable to:			
Parent company shareholders		-59,989	-76,994
Non-controlling interests		-5	-6
		-59,994	**-77,000**
Total comprehensive income for the period			
Parent company shareholders		-59,992	-76,991
Non-controlling interests		-5	-6
		-59,997	**-76,997**
Earnings per share before and after dilution (SEK) based on average number of shares	15	-0.24	-0.45

Consolidated Statement of

Financial Position

(SEK 000)	Note	12/31/2020	12/31/2019
ASSETS			
Non-current assets			
Intangible assets			
Development costs	16	51,706	51,706
Patents	17	20,971	21,501
Other intangible assets	18	1,344	1,479
		74,021	**74,686**
Tangible assets			
Equipment	19	41	99
Right of use assets lease		343	687
		384	**786**
Financial Assets			
Other non-current receivables	21	13,101	13,101
		13,101	**13,101**
Total non-current assets		**87,506**	**88,573**
Current assets			
Other receivables		928	1,141
Prepaid expenses and accrued income	22	586	459
Cash and cash equivalents	23	61,643	58,319
		63,157	**59,919**
TOTAL ASSETS		**150,663**	**148,492**

Consolidated Statement of

Financial Position

(SEK 000)	Note	12/31/2020	12/31/2019
EQUITY AND LIABILITIES			
Equity attributable to the shareholders of the parent company			
Share capital	24	14,817	9,298
Additional paid in capital	25	660,025	592,980
Translation reserve	26	616	619
Retained earnings	27	-535,096	-475,107
Total equity attributable to the shareholders of the parent		**140,363**	**127,790**
Non-controlling interests		0	5
Total equity		**140,363**	**127,795**
Long-term liabilities			
Other long-term liabilities		92	361
		92	**361**
Short-term liabilities			
Accounts payable		4,201	14,234
Other liabilities		675	811
Accrued expenses and deferred income	28	5,333	5,291
		10,209	**20,336**
Total liabilities		**10,301**	**20,697**
TOTAL EQUITY AND LIABILITIES		**150,663**	**148,492**

Consolidated Statement of

Changes in Equity

(SEK 000)

	Equity attributable to the shareholders of the parent company						
	Share capital	Additional paid-in capital	Translation reserve*	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance, 1 January 2019	**4,585**	**489,913**	**616**	**-398,113**	**97,002**	**11**	**97,012**
Comprehensive profit/loss for the period	-	-	-	-	-	-	-
Profit/loss for the period	-	-	-	-76,994	-76,994	-6	-77,000
Other comprehensive income:	-	-	-	-	-	-	-
Translation differences	-	-	3	-	3	-	3
Other comprehensive profit/loss for the period, net after tax	-	-	3	-	3	-	3
Total comprehensive profit/loss	**-**	**-**	**3**	**-76,994**	**-76,991**	**-6**	**-76,997**
Transactions with shareholders:	-	-	-	-	-	-	-
New share issue**	4,713	103,067	-	-	107,780	-	107,780
Total transactions with shareholders	**4,713**	**103,067**	**-**	**-**	**107,780**	**-**	**107,780**
Closing balance, 31 December 2019	**9,298**	**592,980**	**619**	**-475,107**	**127,791**	**5**	**127,795**
	-						
Opening balance, 1 January 2020	**9,298**	**592,980**	**619**	**-475,107**	**127,791**	**5**	**127,795**
Comprehensive profit/loss for the period	-	-	-	-	-	-	-
Profit/loss for the period	-	-	-	-59,989	-59,989	-5	-59,994
Other comprehensive income:	-	-	-	-	-	-	-
Translation differences	-	-	-3	-	-3	-	-3
Other comprehensive profit/loss for the period, net after tax	-	-	-3	-	-3	-	-3
Total comprehensive profit/loss	**-**	**-**	**-3**	**-59,989**	**-59,992**	**-5**	**-59,997**
Transactions with shareholders:	-	-	-	-	-	-	-
New share issue**	5,519	67,045	-	-	72,564	-	72,564
Total transactions with shareholders	**5,519**	**67,045**	**-**	**-**	**72,564**	**-**	**72,564**
Closing balance, 31 December 2020	**14,817**	**660,025**	**616**	**-535,095**	**140,363**	**-0**	**140,362**

* Relates to translation reserve, i.e. translation difference on conversion from foreign subsidiaries

**Total equity includes funds from the May 20, 2020 ompleted rights issue with SEK 54,064,000 less expenses and guranties SEK 12,913,000 and the directed rights issue completed in July 2020 with SEK 18,500,000 less expenses SEK 1,500,000.

Consolidated Statement of

Cash Flows

(SEK 000)	Note	2020	2019
Cash flow from operating activities			
Operating income		-60,071	-77,074
Adjustments for non-cash items:			
Depreciation		2,558	2,379
Result from other securities and receivables related to non current assets		107	121
Interest paid		-30	-46
Net cash from operating activities before changes in working capital		**-57,436**	**-74,620**
		-	-
Changes in working capital		**-**	**-**
Increase/decrease of other current assets		86	1,077
Increase/decrease of other short-term liabilities		-10,208	1,131
		-10,122	**2,208**
Cash flow from operating activities		**-67,558**	**-72,412**
Investing activities			
Acquisition of intangible assets	17.18	-1,407	-2,626
Acquisition of tangible assets	19	-	-69
Increase in other financial assets	20	-	-
Cash flow from investing activities		**-1,407**	**-2,695**
Financing activities			
New share issue	24	72,564	107,780
Amortization lease liabilities		-269	-309
Cash flow from financing activities		**72,295**	**107,471**
Cash flow for the period		**3,330**	**32,364**
Cash and cash equivalents at the beginning of the period		58,319	25,951
Effect of exchange rate changes on cash		-6	4
Cash and cash equivalents at end of period	23	**61,643**	**58,319**

Parent Company

Income Statement

(SEK 000)	Note	2020	2019
Net sales	5	216	134
Other operating income	7	1,648	3,500
		1,864	**3,634**
Operating expenses			
Other external expenses	9,10	-46,411	-63,469
Personnel cost	11	-13,305	-14,872
Depreciation and write-down of tangible and intangible assets		-2,215	-2,036
Other operating expenses	8	-	-325
		-61,931	**-80,702**
Operating income	5	**-60,067**	**-77,068**
Profit/loss from financial items			
Result from other securities and receivables related to non current assets		107	122
Interest income and other similar profit items	12	-	-
Interest expenses and other similar loss items	13	-1	-1
		106	**121**
Profit/loss before tax		**-59,962**	**-76,947**
Income tax	14	-	-
Profit/loss for the period		**-59,962**	**-76,947**

Parent Company

Statement of Comprehensive Income

(SEK 000)	Note	0	2017
Profit/loss for the period		-59,961	-76,947
Other comprehensive income		0	0
Total comprehensive profit/loss for the period		**-59,961**	**-76,947**

Parent Company

Balance Sheet

(SEK 000)	Note	12/31/2020	12/31/2019
ASSETS			
Non-current assets			
Intangible assets			
Development costs	16	51,706	51,706
Patents	17	20,971	21,501
Other intangible assets	18	1,344	1,479
		74,021	**74,686**
Tangible assets			
Equipment	19	41	99
		41	**99**
Financial assets			
Shares in subsidiaries	20	-	23,625
Other non-current receivables	21	23,625	13,101
		36,726	**36,726**
Total non-current assets		**110,788**	**111,511**
Current assets			
Short term receivables			
Receivables from group companies		-	-
Other receivables		926	1,138
Prepaid expenses and accrued income	22	585	459
		1,511	**1,597**
Cash and bank balances	23	61,634	58,272
Total current assets		**63,145**	**59,869**
TOTAL ASSETS		**173,933**	**171,380**

Parent Company

Balance Sheet

(SEK 000)	Note	12/31/2020	12/31/2019
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	24	14,817	9,298
Statutory reserve		1,856	1,856
Development expenditure reserve		13,576	14,106
		30,249	**25,260**
Unrestricted equity			
Share premium reserve		67,045	103,067
Retained earnings		126,676	100,026
Profit/loss for the period		-59,961	-76,947
		133,760	**126,146**
Total equity		**164,009**	**151,406**
Short-term liabilities			
Accounts payable		4,201	14,234
Other liabilities		406	467
Accrued expenses and deferred income	28	5,317	5,273
		9,924	**19,974**
TOTAL EQUITY AND LIABILITIES	29	**173,933**	**171,380**

Parent Company

Changes in Equity

(SEK 000)	Restricted Equity			Unrestricted Equity		
	Share capital	Statutory reserve	Fund Development costs	Share premium reserve	Retained earnings	Total Equity
Opening balance 1 January 2019	**4,585**	**1,856**	**12,725**	**62,687**	**38,719**	**120,572**
Comprehensive profit/loss for the period						
Disposition according to AGM	-	-	-	-62,687	62,687	-
Profit/loss for the period	-	-	-	-	-76,947	-76,947
Total comprehensive profit/loss	**-**	**-**	**-**	**-62,687**	**-14,260**	**-76,947**
	-	-	-	-	-	-
Transactions with shareholders						
New share issue	4,713	-	-	103,067	-	107,780
Total transactions with shareholders	**4,713**	**-**	**-**	**103,067**	**-**	**107,780**
Development expenditure reserve	-	-	1,381	-	-1,381	-
Closing balance, 31 December 2019	**9,298**	**1,856**	**14,106**	**103,067**	**23,079**	**151,406**
Opening balance 1 January 2020	**9,298**	**1,856**	**14,106**	**103,067**	**23,079**	**151,406**
Comprehensive profit/loss for the period						
Disposition according to AGM	-	-	-	-103,067	103,067	-
Profit/loss for the period	-	-	-	-	-59,961	-59,961
Total comprehensive profit/loss	**-**	**-**	**-**	**-103,067**	**43,106**	**-59,961**
Transactions with shareholders						
New share issue	5,519	-	-	67,045	-	72,564
Total transactions with shareholders	**5,519**	**-**	**-**	**67,045**	**-**	**72,564**
Development expenditure reserve	-	-	-530	-	530	-
Closing balance, 31 December 2020	**14,817**	**1,856**	**13,576**	**67,045**	**66,715**	**164,009**

Parent Company

Statement of Cash Flows

(SEK 000)	Note	2020	2019
Cash flow from operating activities			
Operating income		-60,067	-77,068
Adjustments for non-cash items:			
Depreciation		2,215	2,036
Impaired value		-	-
Result from shares in associated company		107	122
Interest received		-	-
Interest paid		-1	-
Net cash from operating activities before changes in working capital		**-57,746**	**-74,911**
Changes in working capital			
Increase/decrease of other current assets		86	1,077
Increase/decrease of other short-term liabilities		-10,135	1,150
		-10,049	**2,227**
		-	-
Cash flow from operating activities		**-67,795**	**-72,684**
Investing activities			
Acquisition of intangible assets		-1,407	-2,626
Acquisition of tangible assets		-	-69
Change in other financial assets		-	-
Cash flow from investing activities		**-1,407**	**-2,695**
Financing activities			
New share issue		72,564	107,780
Cash flow from financing activities		**72,564**	**107,780**
Cash flow for the period		3,362	32,401
Cash and cash equivalents at the beginning of the period		58,272	25,871
Cash and cash equivalents at end of period	23	**61,634**	**58,272**

Note 1 – General Information

Abliva AB (publ), with corporate identity number 556595- 6538, is a limited company registered in Sweden, with its registered office in Lund. The address of the head office is Medicon Village, Scheelevägen 2, 223 81 Lund, Sweden. The company and its subsidiary (the "group") develops medicines for the treatment of primary mitochondrial diseases. These congenital, rare and often very severe diseases occur when the cell's energy provider, the mitochondria, do not function properly. The company is focused on two projects. KL1333, a powerful NAD+ regulator, is in clinical development and has been granted orphan drug designation in Europe and the US. NV354, an energy replacement (succinate) therapy, is in preclinical development. The Company changed name from NeuroVive Pharmaceutical AB to Abliva AB on May 27, 2020. "Abliva" or "The Company" refers to Abliva AB (publ).

Note 2 – Critical accounting policies

Grounds of preparation of the reports

The consolidated financial statements have been prepared in accordance with the Annual Accounts Act, RFR's (Rådet för finansiell rapportering, the Swedish Financial Reporting Board) recommendation RFR 1, Supplementary Accounting Rules for Groups and the International Financial Reporting Standards (IFRS) and interpretation statements from the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the EU.

Basis of preparation of the financial statements

The group's functional currency is the Swedish krona (SEK), which is also the company's presentation currency. Unless otherwise stated, financial reports are in SEK. Unless otherwise stated, all amounts are rounded to the nearest thousand.

Assets and liabilities are recognized at historical cost, except from some financial assets and liabilities, which are valued at fair value.

The preparation of the financial statements in compliance with IFRS requires the Board of Directors and management to make judgments and estimates in the appropriate application in applying the accounting policies and reported amounts of assets, liabilities, income and expenses. These judgments and estimates are based on historical experience and know-how of the sector in which Abliva is active and that are believed to be reasonable under the circumstances. The results of the judgments and estimates are used to determine the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these judgments and estimates. The judgments and estimates are reviewed on an on-going basis and revisions are recognized in the Income Statement. Judgments made by the Board of Directors and management when applying the accounting principles in accordance with IFRS that could have a significant impact on the financial statements, and judgments that could imply significant adjustments to financial statements for ensuing years are presented in more detail under Note 3.

The group's accounting policies described below have been applied consistently to all periods presented in the Group's financial reports, unless otherwise stated below, unless otherwise stated.

New and amended standards applied by the Group

No other standards to be applied by the Group for the first time for fiscal years beginning January 1, 2020 have had or are expected to have any impact on the Group's accounting policies or disclosures.

New standards and interpretations not yet adopted by the Group

No new standards and interpretations that may have an impact on the Group's financial statements will come into effect for the financial year beginning after January 1, 2021.

No other IFRS or IFRIC-interpretations, which not yet has entered into force, is estimated to have any major impact on the Group.

Consolidated accounts

Subsidiaries are defined as all companies where the company has a controlling influence. The group is judged to control a company when it is exposed to or becomes entitled to variable returns on its holding in the company and is able to influence such returns as a result of its influence in the company. Subsidiaries are included in the consolidated financial statements from the date the controlling influence is transferred to the group. They are deconsolidated from the date when the controlling influence ceases.

The acquisition method is applied for recognizing the group's business combinations. The purchase price for acquiring a subsidiary consists of the fair value of transferred assets, liabilities that the group takes over from the previous owner of the acquired company, and those shares issued by the group. The purchase price also includes the fair value of all assets or liabilities that are a result of an agreement on conditional purchase price. Identifiable acquired assets and liabilities taken over in a business combination are initially recognized at fair value on the acquisition date. Acquisition-related costs are expensed when they arise. For each acquisition, the Group decides whether non-controlling interests in the acquired company are reported at fair value or at the holding's proportionate share in the carrying amount of the acquired company's identifiable net assets.

For each acquisition—i.e. acquisition by acquisition—the group decides whether non-controlling interests in the acquired companies should be recognized at fair value or at the holding's proportional share of the carrying amount of the acquired company's identifiable net assets. Acquisition-related costs are expensed immediately.

The group's profit or loss and components of other comprehensive income are attributable to the parent company's equity holders and to non-controlling interests, even if this results in a negative value of noncontrolling interests. The accounting policies of the subsidiary are adjusted as required for consistency with the group's accounting policies. All intragroup transactions, balances and unrealized gains and losses attributable to intra-group transactions are eliminated in the preparation of the consolidated accounts. Transactions with non-controlling interests. Changes to parent company holdings in a subsidiary that do not cause a loss of controlling influence are recognized as equity transactions (i.e. transactions with the group's equity holders). Any difference between the amounts by which non-controlling interests are restated and the fair value of the compensation received or paid are recognized directly in equity and allocated to the parent company's equity holders.

For information about which subsidiaries are included in the group and financial information about the most significant non-controlling interests in subsidiaries, see Note 21 of the Parent Company financial statements.

Operating segments

An operating segment is a part of a Company that conducts business operations from which it can receive revenues or incur expenses, whose operating earnings are regularly reviewed by the Company's chief operating decision-maker, and for which there is independent financial information available. Abliva's reporting of operating segments is consistent with its internal reporting to the chief operating decision-maker. The chief operating decision-maker is that function that judges the profit or loss of operating segments and decides on the allocation of resources. Abliva's judgment is that the CEO is the chief operating decision-maker. Profit or loss for the group as a whole is stated in the regular internal reporting to the CEO. The CEO does not regularly review profit or loss at a lower level to take decisions on the allocation of resources or for judging the profit or loss of different parts of the group. Accordingly, the group is considered to consist of a single operating segment.

Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be mainly recovered through sale and not through continuous usage. To satisfy this criterion it has to be very likely that the sale will occur and the asset (or disposal group) should be available for immediate sale in its current condition. Non-current assets (or disposal groups) classified as held for sale are recognized at the lower of carrying amount and fair value with a deduction for selling expenses. At present, the group does not have any non-current assets held for sale.

Revenue recognition

The company's revenues comprise the fair value of the consideration received for the sale of goods and services in Abliva's operations. Revenues are recognized without VAT, and with elimination of intra-Group sales. Abliva recognizes a revenue when the customer obtains control of the promised good or service and is able to use and obtain the benefits from the good or service. Future contracts for revenue will be evaluated prior to decisions related to whether revenue is recognized over time, or at a point in time. The following description is an overview of the elements that may be involved in the generation of future revenue.

Upfront fees.

Upfront fees may be received upon contract inception and are non-refundable. An upfront fee where the company has outstanding performance obligations is normally considered an advance payment. Revenue recognition of an up-front payment can vary depending on contract conditions and may be "at a point in time" or "over time". The method used is dependent on the performance obligations included in the contract and when these are carried out.

Milestone payments. Any agreed milestone payments are recognized as revenue when the contractual parties have satisfied the agreed criteria under the existing contracts i.e. over time.

Royalties. Any future royalties will be recognized as revenue in accordance with the performance obligations described in the contracts, which may be both over time and at a point in time.

Revenue from the sale of goods. Future sales of developed drugs may also comprise the sale of goods. These revenues will be recognized when ownership and control of the asset have been transferred to the buyer i.e. at a specific point in time.

Dividend and interest income. Dividend income is recognized when the shareholder's right to receive payment has been determined. Interest income is recognized and allocated over its term by applying the effective interest method. Effective interest is the interest that makes the present value of all future payments made and received during the fixed interest period equal to the carrying amount of the receivable.

Leases

When signing leases, a right-of-use asset and a lease liability are recognized in the balance sheet. Cost comprises the discounted remaining lease payments for non-cancellable lease terms. Potential extension periods are included if the Group is reasonably certain that these will be utilized. In discounting, the company's incremental borrowing rate is applied, which is currently 5%.

The lease could be changed during the lease term, upon which remeasurement of the lease liability and the right-of-use asset is carried out.

Lease payments are distributed between amortization of the lease liability and payment of interest. The Group's material leases comprise the rental of office premises.

The company applies exemption rules for leases when the underlying asset is of low value and has a short lease. These leases are recognized as a cost in the period in which use occurs.

Foreign currency

Items recognized in the financial statements of the various units of the group are recognized in the currency used in the primary economic environment where each unit mainly conducts operations (functional currency). In the consolidated accounts, all amounts are translated to Swedish kronor (SEK) which is the parent company's functional currency and the group's reporting currency. Transactions in foreign currency are translated in each unit to the functional currency of that unit at the rate of exchange ruling on the transaction date. Monetary items in foreign currency are translated at closing day rates. Nonmonetary items, measured at fair value in a foreign currency, are translated at the rate of exchange ruling on the date when fair value is determined. Non-monetary items measured at historical cost in a foreign currency are not translated.

Exchange rate differences are recognized in profit or loss for the period when they occur. When preparing the consolidated accounts, foreign subsidiaries' assets and liabilities are translated to Swedish kronor at the closing day rate. Revenue and expense items are translated at average rates of exchange for the period, unless the rate of exchange fluctuated significantly in this period, when instead, the rate of exchange ruling on the transaction date is utilized. Potential translation differences arising are recognized in other comprehensive income and transferred to the group's translation reserve. When disposing of a foreign subsidiary, such translation differences are recognized in profit or loss as a part of the capital gain.

Borrowing costs

Borrowing costs Directly attributable to the purchase, construction or production of an asset that requires significant time for completion for intended use or sale are included in the cost of an asset until the time when the asset is completed for its intended usage or sale. Interest income from the temporary investment of borrowed funds for the aforementioned assets are deducted from the borrowing costs that may be included in the cost of the asset. Other borrowing costs are recognized in profit or loss in the period they arise.

Government grants

Government grants are recognized at fair value when it is reasonably certain that the Company will satisfy the conditions associated with the grant and the grant will be received. Government grants are recognized systematically in profit or loss over the same period as the grants are intended to compensate for. Grants that relate to purchases of assets are recognized as a reduction of the fair value of the assets, which means that the grant is recognized in profit or loss during the depreciable asset's useful life in the form of lower

depreciation. Grants relating to profit or loss are recognized in other operating income in the Statement of Comprehensive Income.

Employee benefits

Employee benefits in the form of salaries, bonuses, vacation pay, paid sickness absence, etc. as well as pensions should be recognized as they are accrued. Pensions and other benefits after terminated employment are classified as defined contribution or defined benefit pension plans. The group has defined contribution pension plans only.

Defined contribution plans. For defined contribution plans, the Company pays predetermined fees to a separate independent legal entity and has no obligation to pay any further contributions. The group's profits or loss is charged for expenses as benefits accrue, which is normally coincident with the timing of when premiums are paid.

Taxes

The tax expense is the total of current tax and deferred tax.

Current tax. Current tax is computed on taxable profit or loss for the period. Taxable profit differs from reported profit or loss in the Statement of Comprehensive Income because it has been restated for non-taxable income and non-deductible expenses and for revenue and expenses that are taxable or tax deductible in other periods. The group's current tax liability is computed using the tax rates that are enacted or substantively enacted on the reporting date.

Deferred tax. A deferred tax liability is recognized for the taxable temporary differences relating to investments in subsidiaries, apart from those cases the group can control the timing of reversal of the temporary differences and it is likely that such reversal would not occur within the foreseeable future. The deferred tax receivables that relate to deductible temporary differences regarding such investments should only be recognized to the extent it is likely that amounts can be used against future taxable surpluses, and it is likely that such usage will occur within the sustainable future. The carrying amount of deferred tax receivables is tested at each reporting date and reduced to the extent it is no longer likely that sufficient taxable surpluses will be available to be used wholly or partly against the deferred tax receivable. Deferred tax is computed using the tax rates expected to apply for the period when the asset is recovered or the liability is settled, based on the tax rates (and tax laws) enacted or substantively enacted on the reporting date. Deferred tax assets and tax liabilities are offset when they relate to income taxes charged by the same authority, and when the group intends to settle the tax with a net amount.

Current and deferred tax for the period. Current and deferred tax is recognized as an expense or revenue in profit or loss, apart from when tax relates to transactions recognized in other comprehensive income or directly against equity. In such cases, tax should also be recognized in other comprehensive income, or directly against equity. In current and deferred tax arising on recognition of business combinations, the tax effect should be recognized in the acquisition analysis.

Tangible fixed assets

Tangible fixed assets are recognized at historical cost after deducting for accumulated depreciation and potential impairment. Historical cost consists of the purchase price, expenditure directly related to the asset to bring it to the place and condition for use and estimated expenditure for disassembly and removal of the asset and restoration of the site of its location. Additional expenditure is only included in the asset or recognized as a separate asset if it is likely that future economic benefits that relate to the item will flow to the group and the historical cost for the item can be measured reliably. All other expenses for repairs and maintenance and additional expenditure is recognized in profit or loss in the period when it arises. Depreciation of tangible fixed assets is expensed so that asset value less estimated residual value at the end of the useful life is depreciated on a straight-line basis over its estimated useful life, which is estimated at:

Equipment 3-5 yrs.

Estimated useful lives, residual values and depreciation methods are reconsidered at least at the end of each accounting period, with the effect of potential changed assessments recognized prospectively. The carrying amount of a tangible fixed asset is de-recognized from the Statement of Financial Position on disposal or sale, or where there are no future economic benefits expected from usage or disposal/sale of the asset. The gain or loss arising on the disposal or sale of the asset consists of the difference between potential net revenues on sale and its carrying amount, recognized in profit or loss in the period when the asset is de-recognized from the Statement of Financial Position.

Intangible assets

Separately acquired and self-generated intangible assets. Intangible assets with definite useful lives that are acquired separately are recognized at historical cost less deductions for accumulated amortization and potential accumulated impairment. Amortization is on a straight-line basis over the asset's estimated useful life. Estimated useful lives and amortization methods are reconsidered at least at the end of each financial year, with the effect of potential changed ssessments recognized prospectively. Estimated useful lives essentially correspond to the terms of the patents. Term extensions have not been included. Estimated useful lives of intangible assets are estimated at:

Patents 10-30 yrs.
Other intangible assets 5-20 yrs.

Accounting policies for research and development. Development expenses are normally not capitalized until a development project enters market approval. For information on which phase the development projects lie in, refer to page 10.

Expenditure for research designed to obtain new scientific or technological knowledge is recognized as an expense when it arises. Expenditure for development, where research results or other knowledge are applied to achieve new or improved products or processes, is recognized as an asset in the Statement of Financial Position only if the following conditions are satisfied:

- It is technically possible to complete the intangible asset and use or sell it,
- The Company intends to complete the intangible asset and use or sell it,
- The conditions to use or sell the intangible asset are in place,
- The Company demonstrates how the intangible asset will generate likely future economic benefits,
- There are adequate technological, economic and other resources to complete development and to use or sell the intangible asset, and
- The expenditure relating to the intangible asset during its development can be measured reliably

Because the period when the Company's research and development projects are expected to be registered as pharmaceuticals lies a long way in the future, it is highly uncertain when the probable future economic benefits will flow to the Company. All of the above criteria can normally be considered satisfied for Abliva's projects relating to pharmaceuticals when development projects enter market approval.

Other development expenditure that does not satisfy these criteria is expensed when it arises. Development expenditure previously expensed is not recognized as an asset in subsequent periods.

Directly related expenditure that is capitalized mainly consists of expenditure from subcontractors and expenses for employees.

After first-time reporting, capitalized development expenditure is recognized at cost after deducting for accumulated amortization and potential accumulated impairment. Amortization of capitalized expenditure for product development has not yet commenced.

Disposal and sale. An intangible asset is deducted from the Statement of Financial Position on disposal or sale, or when no future economic benefits are expected from the use or disposal/sale of the asset. The gain or loss arising when an intangible asset is de-recognized from the Statement of Financial Position consists of the difference between the amount received on sale and the asset's carrying amount, and is recognized in profit or loss when the asset is deducted from the Statement of Financial Position.

Impairment of tangible fixed assets and intangible assets

The group analyses the carrying amounts of tangible and intangible assets at each reporting date to determine whether there is any indication that the value of these assets has decreased. If so, the asset's recoverable amount is computed to be able to determine the value of potential impairment. When it is not possible to compute the recoverable amount of an individual asset, the group computes the recoverable amount of the cash-generating unit that the asset belongs to. Intangible assets with indefinite useful lives and intangible assets that are not yet ready for use should be tested for impairment yearly, or when there is an indication of impairment. Accordingly, capitalized expenditure for product development is subject to impairment tests at least yearly. The recoverable amount is the greater of the fair value less selling expenses and value in use. When computing value in use, estimated future cash flow is discounted to present value using a discount rate before tax that reflects the current market estimate of the time value of money and the risks associated with the asset. If the recoverable amount of an asset (or cash generating unit) is set at a lower value than the carrying amount, the carrying amount of the asset (or the cash-generating unit) is impaired to the recoverable amount. Impairment should be immediately expensed in profit or loss. When an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is revalued to the recoverable amount, but the increased carrying amount may not exceed the carrying amount that would have been determined if no impairment had been made on the asset (the cash-generating unit) in previous years. A reversal of an impairment is recognized immediately in profit or loss.

Financial instruments

A financial asset or liability is recognized on the balance sheet when the company becomes a party to the contractual provisions of the instrument. A financial asset or part thereof is derecognized when its contractual rights are realized, expire or when the company loses control of the asset. A financial liability or part thereof is deducted when the contractual obligations are fulfilled or otherwise extinguished.

Classification and measurement

Abliva's principles for classifying and measuring financial assets is based on an assessment of both the company's business model for managing its financial assets, and the contractual cash flow characteristics of the financial asset. Financial instruments are measured initially at fair value, including transaction costs, except for derivatives and instruments belonging to the category of financial assets at fair value through profit or loss, which are measured excluding transaction costs. For reported financial years, Abliva has the following categories of financial instruments.

Financial assets measured at amortized cost

Here, Abliva recognizes the assets held within a business model whose objective is to hold assets in order to collect contractual cash flows, and that the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortized cost are included in current assets, except for those items with maturities of more than 12 months after the balance-sheet date, which are classified as fixed assets. After the acquisition date, the asset is measured at amortized cost less any provision for loan losses. The Group's loan losses have been negligible to date, which is why no provisions had been made at December 31, 2020.

Financial assets at fair value through other comprehensive income

Abliva holds shares in companies. Since these shares are not intended to be held for sale, the Group has elected to recognize changes in fair value in other comprehensive income. This decision is irrevocable.

Here, Abliva recognizes its holding in the unlisted company, Note 22. The holdings were recognized at cost since this, in the absence of sufficient information, was considered the best estimate of their fair value.

Other financial liabilities

In this category there are all liabilities in Abliva. Liabilities in this category are reported at amortized cost.

Amortized cost. Amortized costs means the amount at which the asset or liability was initially reported less amortization, additions or deductions for accumulated accruals according to the effective interest method of the initial difference between the amount received/paid and the amount to be paid/received on maturity, and with deductions for impairment.

Effective interest is the interest that results in the initial carrying amount of the financial asset or financial liability after discounting all future expected cash flows over the expected term.

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

Cash and cash equivalents. Cash and cash equivalents include cash funds and bank balances and other short-term, liquid investments that can be readily converted to cash and are subject to an insignificant risk of value fluctuations. For classification as cash and cash equivalents, maturities may not exceed three months from the time of acquisition. Cash funds and bank balances are categorized as "financial assets at accrued acquisition," which means measurement at amortized cost. Because bank balances are payable on demand, amortized cost corresponds to nominal amount.

Other receivables. Other short-term receivables that are financial are characterized as "loan receivables and accounts receivable," which means measurement at amortized cost. However, the expected maturity of these receivables is short, and accordingly, they are recognized at nominal amount without discounting. There is a deduction for debt considered doubtful. Impairment of receivables is recognized in operating expenses.

Accounts payable. Accounts payable are categorized as "other financial liabilities," which means measurement at amortized cost. However, the expected maturity of accounts payable is short, so these liabilities are recognized at nominal amount without discounting.

Liabilities to credit institutions and other loan liabilities. Interest-bearing bank borrowings, overdraft facilities and other loans are categorized

as "other financial liabilities" and measured at amortized cost according to the effective interest method. Any differences between the loan amount received (net of transaction expenses) and repayment or amortization of loans is recognized over the loan term in accordance with the group's accounting policy on borrowing costs (see above).

Provisions

Provisions are recognized when the group has an existing obligation (legal or informal) as a result of an event that has occurred, it is likely that an outflow of resources will be required to satisfy the obligation and the amount can be measured reliably. The amount provisioned is the best estimate of the amount necessary to satisfied the existing obligation on the reporting date, considering the risks and uncertainties associated with the obligation. When a provision is computed by estimating the payments expected to be required to satisfy the obligation, the carrying amount should correspond to the present value of these payments. When part or all of the amount necessary to settle a provision is expected to be replaced by a third party, this reimbursement should be recognized separately as an asset in the Statement of Financial Position when it is essentially certain that it will be received if the company satisfies the obligation and the amount can be measured reliably. Abliva is not reporting any provisions as of 31 December 2019 or 31 December 2018.

Equity

Transaction expenses directly attributable to the issue of new ordinary shares or options are reported in equity as a deduction from the issue proceeds, net of tax.

Accounting policies for the parent company

The parent company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The application of RFR 2 means that as far as possible, the parent company applies all IFRS as endorsed by the EU within the auspices of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act and considering the relationship between accounting and taxation. The differences between the parent company's and the group's accounting policies are reviewed below:

Classification and presentation. The parent company's Income Statement and Balance Sheet are presented in accordance with the Swedish Annual Account Act's format. The difference against IAS 1, Presentation of Financial Statements, applied on the presentation of the Consolidated Financial Statements, primarily relates to the recognition of financial revenues and expenses, equity and the incidence of provisions as a separate heading. The parent company also presents a separate Statement of Comprehensive Income, separately from the Income Statement.

Subsidiaries. Participations in subsidiaries are recognized at cost after deduction of any impairment in the parent company's financial statements. Acquisition-related expenses for subsidiaries, which are expensed in the consolidated accounts, are part of the cost of participations in subsidiaries.

Financial instruments. The parent company does not apply IAS 39, Financial Instruments: Recognition and Measurement. The parent company applies a cost-based method, pursuant to the Swedish Annual Accounts Act.

Leases. The Parent Company uses the exception regarding the application of IFRS 16 Leasing Agreement, which means that all leases are recognized as a cost on a straight-line basis over the lease period.

Note 3 – Critical estimates and judgments

Important sources of uncertainty and estimates

The most important assumptions regarding the future and other important sources of uncertainty estimates as of the reporting date that involve a significant risk of material restatements to carrying amounts of assets and liabilities in following financial years are reviewed below.

Impairment testing of intangible assets. Because amortization of the Company's capitalized expenditure on product development has not yet commenced, impairment testing of them is conducted at least yearly. Other intangible and tangible non-current assets are subject to impairment tests if there is any indication that they are impaired. Impairment tests are based on a review of recoverable amounts, which are estimated based on assets' value in use. Management computes future cash flows in accordance with internal business plans and forecasts. This review also uses estimates of items including the discount rate and future growth rates beyond predetermined budgets and forecasts. The carrying amounts of intangible assets amount to SEK 74,021,000 (74,686,000), of which capitalized expenditure for product development represents SEK 51,706,000 (51,706,000). Changes to the assumptions made by management for impairment tests would have a significant impact on the Company's results of operations and financial position. Management does not consider that there was any impairment of the group's intangible assets as of 31 December 2020. For further information see "Timing of capitalization of expenditure for product development" below and note 16.

Contingent consideration. On 1 May 2017, the company in-licensed the KL1333 substance from YungJin Pharm under a collaboration agreement. The license covers all rare conditions associated with mitochondrial dysfunction. Under the agreement, the parties will be responsible for clinical development, regulatory processes, launch, marketing, distribution and sales of KL1333 in their respective markets, which for Abliva means the entire world except for South Korea and Japan. Payments will be made in conjunction with the successful achievement of various clinical milestones (a total of USD 12 million), and of milestones linked to marketing authorization, pricing and reimbursement (a total of USD 42 million). In addition, Yungjin Pharm is entitled to payments linked to various regulatory and sales milestones and incremental, from single to low double-digit, royalty rates on future net sales. The agreement is to a certain extent exclusive, which entails that Abliva does not have the possibility of making equivalent agreements with other parties. Due to the uncertainty related to future payments, the company has made no provisions for any future payments.

Critical judgments when applying the group's accounting policies

The following section reviews critical judgments, apart from those involving estimates (see above), made by management when applying the group's accounting policies, and that have the most significant effect on carrying amounts in the financial statements.

Timing of capitalization of expenditure for product development. Development expenses are normally not capitalized until a development project enters market approval. Capitalized costs amount to KSEK 51,706 and pertain to development cost of the company's project NeuroSTAT. This project develops according to plan and is in preparation for the transition to a phase 2 efficacy studies. The Group analyses the carrying amounts of tangible and intangible assets at each balance sheet date, to determine whether there is any indication that these assets have decreased in value. Intangible assets with indefinite useful lives and intangible assets that are not yet ready for use

shall be tested annually for any impairment requirement, or when there is an indication of impairment. Capitalized expenditure on product development is therefore tested for possible impairment at least annually.

The company's assessment is that the NeuroSTAT project meets the requirements for capitalization as the project has probable future economic benefits and there is a future opportunity to finance the project. Other activation requirements are also deemed to be met. The project is at a stage where divestment is possible. Furthermore, the company has initiated discussions with the TRACK-TBI network about a potential collaboration within the framework of the Precision Medicine project for a Phase 2 study in traumatic brain injury with NeuroSTAT.

Note 4 – Financial risk management and financial instruments

Through its operations, the group is exposed to various types of financial risks such as market, liquidity and credit risks. Market risks primarily consist of interest risk and currency risk. The Company's Board of Directors is ultimately responsible for the exposure, management and monitoring of the group's financial risks. The Board of Directors sets the framework that applies to the exposure, management and monitoring of the financial risks and this framework is evaluated and revised yearly. The Board can decide on temporary departures from its predetermined framework. For all financial assets and liabilities, the carrying amount is considered a reasonable estimate of their fair value, unless otherwise specified in the related notes.

Market risks

Currency risks. Currency risks means the risk that the fair value of future cash flows fluctuate because of changed exchange rates. Exposure to currency risk is primarily sourced from payment flows in foreign currency, termed transaction exposure, and from the translation of balance sheet items in foreign currency, as well as upon the translation of foreign subsidiaries' income statements and balance sheets to the group's reporting currency, which is Swedish kronor, called balance exposure. The group's outflows mainly consist of Swedish kronor, EUR and USD and to some extent DKK and GBP. Currently, the group does not generate any inflows in foreign currency. Accordingly, the group's exposure to currency risk is limited. The group does not hedge its transaction exposure.

Foreign entities represent an insignificant share of the group's total assets, and accordingly, translation exposure resulting from the translation of foreign entities is limited. A 5% change in the exchange rate of the EUR,USD and GBP against the Swedish krona could affect profit or loss and equity by SEK 217,000 (620,000).

Interest risks. Interest risk means the risk that fair value or future cash flows fluctuates as a result of changed market interest rates. The group has no loans, and accordingly, any exposure to interest risk is limited. A 1% change in the group's interest on bank balances would mean that profit or loss and equity would change by SEK 580,000 (861,000).

The Group's exposure to the euro and USD at the reporting date is illustrated by the table below:

The Group exposure of Euro, USD and GBP at the time of reporting

	Euro		USD		GBP	
(000)	2020	2019	2020	2019	2020	2019
Assets/Liabilities	-3837	-703	6	-58	-511	-374

Liquidity and financing risk

Liquidity risk means the risk that the group encounters difficulties in satisfying commitments related to the group's financial liabilities. Financing risk means the risk that the group is unable to arrange sufficient finance for a reasonable cost. The group is financed through equity and has no financial borrowings. Current liabilities amount to SEK 19,209,000 (20,336,000) and mature within one year. The group's current receivables that become due within one year amount to SEK 1,514,000 (1,600,000). The group has cash and cash equivalents of SEK 61,643,000 (58,319,000).

Categories of financial assets and financial liabilities

	Group		Parent company	
	2020	2019	2020	2019
Financial Assets by category				
Financial assets recognized at fair value through income statement				
Other long-term securities	13,101	13,101	13,101	13,101
Financial assets at accrued acquisition				
Other recivables	928	1,141	926	1,138
Cash and cash equivalents	61,643	58,319	61,634	58,272
Total financial assets	**75,672**	**72,561**	**75,660**	**72,511**
Financial liability				
Financial liabilities at accrued acquisition				
Other financial liabilities				
Accounts payable	4,201	14,234	4,201	14,234
Other current liabilities	675	811	406	467
Accrued Expenses	2,713	2,069	2,713	2,069
Total financial liabilities	**7,588**	**17,114**	**7,319**	**16,770**

Credit and counterparty risk

Credit risk means the risk that a counterparty in a transaction generates a loss for the group by being unable to satisfy its contracted obligations. The group's exposure to credit risk mainly relates to other current receivables, which are insignificant amounts, and accordingly any credit risk in other current receivables is limited.

Credit risk also arises when the Company's surplus liquidity is invested in various types of financial instrument. The Board of Directors' predetermined framework stipulates that surplus liquidity may be invested in interest-bearing bank accounts or fixed-income securities. The credit risk in investing surplus liquidity should be reduced by investing only with counterparties with very high credit ratings. The group's and parent company's maximum exposure to credit risk is judged to be covered by the carrying amounts of all financial assets. The credit risk is judged to be limited.

Categories of financial assets and financial liabilities

Carrying amounts of financial assets and financial liabilities divided by measurement category in accordance with IFRS 9 are indicated in the following table. There were no reclassifications between the measurement categories in the period. Interest income on cash and cash equivalents is stated in note 12. Net gains/losses from other financial assets and liabilities are insignificant.

Maturity analysis regarding contractual payments for financial liabilities

Note that the amounts refer to undiscounted values.

Group 2020-12-31	Within one year	Between one and five years	After more than five years
Lease liabilities	372	-	-
Accounts payable	4,201	-	-
Other liabilities	303	-	-
Total	**4,875**	**-**	**-**

Group 2019-12-31	Within one year	Between one and five years	After more than five years
Lease liabilities	372	372	-
Accounts payable	14,234	-	-
Other liabilities	439	-	-
Total	**15,045**	**372**	**-**

Measurements of financial instruments at fair value

Carrying amounts are considered a close approximation of the fair values of financial assets and financial liabilities due to their maturities and/or fixed interest periods being short, which means discounting based on applicable current market conditions are not considered to have any significant effect.

Capital

The group's aim for managing its capital is to ensure the group's capacity to continue its operations to generate a reasonable return to shareholders and benefit other stakeholders. The group is funded through equity, which amounts to SEK 140,363,000 (127,795,000). The group's current policy is not to pay any dividend. A proposal on dividend to shareholders will not be possible until the Company achieves long-term profitability.

Note 5 Intragroup transactions

Purchases within the same group amount to SEK 0 (0) and sales within the same group amount to SEK 0 (0). The parent company reports interest income of SEK 0 (0) relating to loans to the subsidiary.

Note 6 Segment information

The financial information reported to the chief operating decision-maker (CEO), as a basis for allocating resources and judging the group's profit or loss, is not divided into different operating segments. Accordingly the group constitutes a single operating segment.

Revenues from products and services and information on major customers
The group's net sales consist of no larger products or services during 2020 and 2019.

Revenues and non-current assets divided by geographical region
The group's sales relatea to the parent company in 2020 and 2019.

The group conducts its operations in mainly one geographical region—Sweden (the Company's domicile). Equipment in the parent company in Sweden totals SEK 87,163,000 (87,886,000).

Note 7 Other operating income

	Group		Parent company	
	2020	2019	2020	2019
Sick pay compensation	45	-	45	-
Research grants from Vinnova	1,500	3,500	1,500	3,500
Exchange rate gains relating to operations	103	-	103	-
Total	**1,648**	**3,500**	**1,648**	**3,500**

Note 8 Other operating expenses

	Group		Parent company	
	2020	2019	2020	2019
Exchange rate losses relating to operations	-	325	-	325
Total	**-**	**325**	**-**	**325**

Note 9 Disclosure on audit fees and reimbursement

	Group		Parent company	
	2020	2019	2020	2019
Mazars AB				
auditing	455	405	455	405
audit work in addition to statutory audit	95	95	95	95
tax consulting	-	-	-	-
other	-	-	-	-
Kaizen Certified Public Accountants Limited				
auditing	13	13	-	-
audit work in addition to statutory audit	-	-	-	-
tax consulting	-	-	-	-
other	-	-	-	-
Total	**563**	**513**	**550**	**500**

Auditing means fees for the statutory audit, i.e. work necessary to present an Audit Report, and audit advisory services rendered coincident with auditing.

Note 10 Leasing

All leasing agreements are recognized in the balance sheet, except for short-term leasing and minor value leasing. As of the year-end, the Group has leases for office premises in the balance sheet that are reported as Rights of use assets lease.The leasing fees have been calculated at present value, using the Group's marginal loan rate, which amounted to 5%.

* The premises rent contract runs for a period of 6 months at a time. The company has adopted an extension period of 36 months.

Costs from leasing agreements	12/31/2020	12/31/2019
Depreciation of right of use assets lease	343	343
Interest expenses for leasing liabilities	29	45
Costs attributable to low value lease agreements	109	156
Amounts recognized in profit or loss	**481**	**544**

The total cash flow for leasing contracts in 2020 amounted to SEK 481,000 (528,000).

Note 11 Number of employees, salaries, other benefits and social security contributions

Average number of employees	No. of employees	2020 Of which no. of men	No. of employees	2019 Of which no. of men
Parent company, Sweden	9	4	9	5
Subsidiary, Taiwan	-	-	-	-
Total, group	9	4	9	5

Division of senior executives on reporting date	Group 12/31/2020	Group 12/31/2019	Parent company 12/31/2020	Parent company 12/31/2019
Board members	8	8	5	5
of which men:	6	6	4	4
Other employees in management, incl. CEO	4	5	4	5
of which men:	3	4	3	4
Total	**12**	**13**	**9**	**10**

Pensions

The group's and parent company's expense for defined contribution pension plans is SEK 1,500,000 (1,600,000).

Remuneration to senior executives and employees

Guidelines for remuneration for senior executives

The AGM 2020 resolved on the following guidelines for remuneration for senior executives:
Salary and other employment terms and potential share-related incentive programs should be on market terms. Senior executives should be offered basic salary on market terms based on responsibilities, roles, competence and position. Senior executives can be offered variable salary. Such variable salary should be on market terms and based on achievement of predetermined financial and operationell targets and constitute a maximum of 30 percent of basic annual salary. In order to incentivize senior executives and other key individuals on a longer term and to encourage investment in Abliva shares, a cash bonus share savings opportunity is implemented (the "LTI Bonus"). The LTI bonus is based on predetermined share related targets. The LTI Bonus is a cash program in which the participants commit to use the cash paid out by the Company to acquire shares in Abliva AB. The employee is required to keep shares purchased for compensation in the LTI bonus for at least three years.

The notice periods of senior executives shall be a minimum of three months, and for the CEO, six months. The Board of Directors' Remuneration Committee evaluates the need for a share-related incentive program yearly, and where necessary, proposes that the Board submits a proposal for resolutions by the AGM for a well-judged share-related incentive program for senior executives and/or other employees.

Pension benefits and compensation in the form of financial instruments, etc. to the CEO and other senior executives are payable as part of total compensation.

All Directors' fees resolved by the AGM on 20 May 2020 were charged to profit or loss for 2020.

Salaries and benefits for the year – group and parent company	2020 Board & CEO	2020 Other	2019 Board & CEO	2019 Other
Parent company	4,587	6,399	4,138	6,898
Subsidiary	-	-	-	-
Total	**4,587**	**6,399**	**4,138**	**6,898**

Social security costs and pension costs	Board & CEO	Other	Board & CEO	Other
Parent company				
Pension cost	482	969	473	1,126
Other socieal security costs	1,466	2,241	1,410	2,420
Subsidiary				
Pension cost	-	-	-	-
Other socieal security costs	-	-	-	-
Total	**1,948**	**3,209**	**1,883**	**3,546**

Salaries and benefits for the year Group and parent company 2020	Directors' fee	Basic salary	Variable remuneration	Pension expense	Other benefits	Social Security contributions	Total
David Laskow-Pooley, Chair	430	-	-	-	-	44	474
David Bejker, Board Member	350	-	-	-	-	110	460
Roger Franklin, Board Member, July-December	-	-	-	-	-	-	-
Denise Goode, Board member	330	-	-	-	-	104	434
Jan Törnell, Board member	320	-	-	-	-	101	421
Magnus Persson, Board member January-September	225	-	-	-	-	71	296
Total, Board	**1,655**	**-**	**-**	**-**	**-**	**429**	**2,084**
Erik Kinnman, CEO	-	2,265	661	482	6	1,036	4,450
Other senior executives (CSO 40%, CFO 100%, CMO 100%, VP Business Development 38%)	-	2,959	534	655	13	1,256	5,417
Total CEO and other senior executives	**-**	**5,223**	**1,195**	**1,137**	**19**	**2,293**	**9,867**
Total	**1,655**	**5,223**	**1,195**	**1,137**	**19**	**2,721**	**11,951**

Salaries and benefits for the year Group and parent company 2019	Directors' fee	Basic salary	Variable remuneration	Pension expense	Other benefits	Social Security contributions	Total
David Laskow Pooley, Chair	407	-	-	-	-	128	534
David Bejker, Board member	317	-	-	-	-	99	416
Denise Goode, Board member	287	-	-	-	-	90	377
Magnus Persson, Board member April-December	200	-	-	-	-	63	263
Jan Törnell, Board member	287	-	-	-	-	90	377
Total Board	**1,497**	**-**	**-**	**-**	**-**	**470**	**1,967**
Erik Kinnman, CEO	-	2,185	441	473	15	940	4,054
Other senior executives (CSO 40%, CFO 100%, CMO 100%, VP Business Development 100%)	-	3,525	357	768	36	1,406	6,092
Total CEO and other senior executives	**-**	**5,710**	**798**	**1,241**	**51**	**2,346**	**10,146**
Total	**1,497**	**5,710**	**798**	**1,241**	**51**	**2,816**	**12,113**

Fees for board and committee work are payable to the Chair of the Board and Board members in accordance with AGM on 20 May resolution. Board Member Roger Franklin has waived his fee.

Other senior executives:
There are four other senior executives during the period of January to May 2020. There are three other senior executives during the period of June to December. The amount stated in the basic salary column corresponding to 2.9 (3.4) full-time equivalents for 2020.
Eskil Elmer, CSO, did not receive any other compensation apart from basic salary and variable compensation and other benefits stated in the amount for other senior executives.

Catharina Jz Johansson, CFO, did not receive any other compensation apart from basic salary and variable compensation stated in the amount for other senior executives.

Magnus Hansson, CMO, did not receive any other compensation apart from basic salary, variable compensation and other benefits stated in the amount for other senior executives.

Mark Farmery, Vice President Business Development did not receive any other compensation apart from basic salary stated in the amount for other senior executives.

Other benefits include mileage allowance and compensation, to Eskil Elmér and Magnus Hansson, within the framework of agreement for mitochondrial energy regulation projects, for 2020 (2019). Compensation to related parties, within the framework of the agreement for mitochondrial energy regulation projects, is reported as Other external costs in the income statement.

Pensions
There is no contracted retirement age for the CEO or other senior executives. The pension premium for the CEO and other senior executives is calculated on the basis of a premium plan for occupational pension as applicable from time to time. The pension plan is defined-contribution, which means that the company's only commitment is to pay the premium according to the premium plan. Pensionable salary means monthly salary multiplied by 12.2.

Severance pay
There is a mutual notice period of six months between the Company and the CEO. In addition severance pay of six months salary and fringe benefits is included. A mutual notice period of three to six months applies between the Company and other senior executives.

Note 12 Financial income

	Group		Parent company	
	2020	2019	2020	2019
Exchange rate gains	-	-	-	-
Total financial income	**-**	**-**	**-**	**-**

All interest income relates to financial assets measured at amortized cost.

Note 13 Financial costs

	Group		Parent company	
	2020	2019	2020	2019
Interest costs	-1	-1	-1	-1
Exchange rate loss	-29	-45	-	-
Total financial costs	**-30**	**-46**	**-1**	**-1**

All interest costs relate to financial liabilities measured at amortized cost.

Note 14 Tax

Tax for the year	Group		Parent company	
	2020	2019	2020	2019
Current tax on profit/loss for the year	-	-	-	-
Deferred tax relating to temporary differences	-	-	-	-
Total reported tax expense	**-**	**-**	**-**	**-**

Income tax in Sweden is computed at 21,4% (21,4%) on taxable profits for the year. Tax in other jurisdictions is computed at the tax rates applying in each jurisdiction. A reconciliation between reported profit or loss and the year's tax expense follows:

Tax for the year	Group		Parent company	
	2020	2019	2020	2019
Profit/loss before tax	-59,994	77,000	-59,961	-76,947
Tax revenue for the year				
Tax computed at Swedish tax rate	12,839	16,478	12,832	16,467
Tax effect of non-deductible expenses	-18	-22	-18	-22
Tax effect of non-taxable revenues	-	-1	-	-
Tax effect operations/impairment shares in subsidary	-	-	-	-
Tax effect divest business/shares in subsidary	-	-	-	-
Tax effect of deductible expenses and taxable revenues reported directly against equity	3,084	4,165	3,084	4,165
Difference in tax rates between Sweden and foreign subsidiary	-33	-36	-	-
Tax effect of deficits for which no deferred tax receivable is reported	-15,872	-20,585	-15,898	-20,610
Total	**-**	**-**	**-**	**-1**
Adjustments recognized in the current year for previous year's current tax	-1	-1	-1	-1
Reported tax expense for the year	**-**	**-**	**-**	**-1**

Deductible deficit.
Because the Company is loss making, management cannot specify when tax loss carry-forwards may be utilized. Accordingly, deferred income taxes recoverable relating to loss carry-forwards have been reported to the extent they can be offset against deferred tax liabilities. Loss carry-forwards can be utilized without time limitation.

Both companies have accumulated loss carry-forwards that have no time limitation, and accordingly, may reduce future profits.

Loss carry-forwards	Group		Parent company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Loss carry-forwards for which no deferred tax receivable has been recognized	618,957	544,635	593,098	518,809
Total loss carry-forwards	**618,957**	**544,635**	**593,098**	**518,809**

Note 15 Earnings per share

Basic and diluted earnings per share.
The following profit or loss and weighted average number of ordinary shares have been used to compute basic and diluted earnings per share

	Group	
	2020	2019
Profit/loss for the year attributable to equity holders of the parent (SEK)	-59,988,500	-76,993,700
Weighted average number of ordinary shares before dilution	250,321,204	171,575,031
Basic earnings per share, SEK	**-0.24**	**-0.45**

Diluted earnings per share
There were no equity-based remuneration programs that could give rise to dilution effects at the end of the financial year.

Note 16 Capitalized product development expenditure

	Group		Parent company	
	2020	2019	2020	2019
Opening cost	51,706	51,706	51,706	51,706
Sales	-	-	-	-
Closing accumulated cost	**51,706**	**51,706**	**51,706**	**51,706**
Closing carrying amount	**51,706**	**51,706**	**51,706**	**51,706**

Of total capitalized expenditure for product development, 100 % (100) relates to NeuroSTAT. For other projects, the requirements for capitalization are deemed not to be met, no other capitalization has taken place. For further information see Note 3.

Depreciation has not begun. Capitalized expenditure for product development is subject to impairment tests at least yearly. These tests compute the recoverable amount based on the value in use of the intangible asset, which is then compared to carrying amount. The assessment is based on the assumption of market, growth rate, pricing and gross margin. If carrying amount exceeds value in use, the impairment is taken in profit or loss. The impairment test as of 31 December 2020 indicated that there was no impairment. WACC of 13% (13%) has been used and in addition, project-specific risk supplements have been made. The overall level of risk is on par with previous years.

The total amount of expenditure for research and development expensed during the year, including personell costs, was SEK 35,349,000 (50,953,000).

Note 17 Patents

	Group		Parent company	
	2020	2019	2020	2019
Opening cost	32,279	29,107	32,279	29,107
Purchases during the year	1,492	3,172	1,492	3,172
Closing accumulated cost	**33,771**	**32,279**	**33,771**	**32,279**
	-	-	-	-
Opening amortization	-10,778	-8,986	-10,778	-8,986
Amortization for the year	-2,022	-1,792	-2,022	-1,792
Closing accumulated amortization	**-12,800**	**-10,778**	**-12,800**	**-10,778**
	-	-	-	-
Closing carrying amount	**20,971**	**21,501**	**20,971**	**21,501**

The amortization of patents is recognized as amortization of intangible assets. Depreciation occurs continuously on all patents in accordance with the life time of the patent. The following patent families are included in the company's patent portfolio; Prodrugs of succinate for energy regulation, Formulation patents for ciclosporine emulsion, Patents for cyclophiline inhibitors. In addition, the Company also has patent protection for cyclophiline inhibitors through the patents for macrocyclic compositions and methods for its production, "novel gene cluster" for sanglifehrin and new dosage form for sanglifehrin.

Note 18 Other intagible assets

	Group		Parent company	
	2020	2019	2020	2019
Opening cost	2,864	2,864	2,820	2,820
Purchases during the year	-	-	-	-
Closing accumulated cost	**2,864**	**2,864**	**2,820**	**2,820**
Opening amortization	-1,385	-1,251	-1,342	-1,208
Amortization for the year	-135	-134	-135	-134
Closing accumulated amortization	**-1,520**	**-1,385**	**-1,477**	**-1,342**
Closing carrying amount	**1,344**	**1,479**	**1,344**	**1,479**

Refers to software, acquired in 2011, for compiling documentation for use in a future application for drug registration and part of the Biotica acquisition completed in 2013.

Note 19 Equipment

	Group		Parent company	
	2020	2019	2020	2019
Opening cost	1,479	1,410	1,479	1,410
Purchases during the year	-	69	-	69
Closing accumulated cost	**1,479**	**1,479**	**1,479**	**1,479**
	-	-	-	-
Opening depreciation	-1,380	-1,270	-1,380	-1,270
Depreciation for the year	-58	-110	-58	-110
Closing accumulated depreciation	**-1,438**	**-1,380**	**-1,438**	**-1,380**
	-	-	-	-
Closing carrying amount	**41**	**99**	**41**	**99**

Note 20 Right of use assets lease

	Group	
	2020	2019
Opening cost	1,030	1,030
Purchases during the year	-	-
Closing accumulated cost	**1,030**	**1,030**
Opening depreciation	-343	-
Depreciation for the year	-344	-343
Closing accumulated depreciation	**-687**	**-343**
Closing carrying amount	**343**	**687**

For further information regarding the transition to IFRS 16 Leasing agreements, please see Note 2 Significant accounting principles and Note 10 Leasing agreements.

Note 21 Participations in subsidiaries

	Parent company	
	2020	2019
Opening cost	23,625	23,625
Closing cost	23,625	23,625

Subsidiaries

	NeuroVive Pharmaceutical Asia, Inc.
Domicile	Hong Kong
Share of equity, %	82.47%
Share of votes, %	82.47%
Book value	23,625

Abliva AB's subsidiary NeuroVive Pharmaceutical Asia, Ltd. has non-controlling holdings of 17,53%. The share of the votes is identical to the share of ownership. Non-controlling holdings total SEK 0 (5,000). The subsidiary, NeuroVive Pharmaceutical Asia Ltd., holds the Asian territorial licensing rights for NeuroSTAT and the agreements with the Chinese pharmaceutical company Sihuan Pharmaceutical and Sanofi Korea. The Hong Kong company is owned by Abliva AB 82.47% and Foundation Asia Pacific Ltd. 17.53%.

Financial information in summary for subsidiaries with non-controlling holdings.

The following information relates to the subsidary NeuroVive Pharmaceutical Asia Ltd, and relates to amounts before intra-group eliminations. The intangible assests was impaired during 2018.

Summary, Balance Sheet	2020	2019
Intangible assets	-	-
Current assets	3	3
Cash and bank balances	9	47
Total assets	**12**	**50**
	-	-
Current liabilities	-	19
Total liabilities	**-**	**19**
Net assets	**12**	**31**

Summary, earnings and comprehensive income	2020	2019
Revenue	-	-
Net profit for the year	-33	-36
Comprehensive income for the year	**-33**	**-36**
Total comprehensive income attributable to non-controlling holdings	**6**	**-6**

Summary Cash Flow Statement	2020	2019
Cash flow from operating activities		-
Cash flow from operating activities	-33	-35
Interest received	-	-
Interest paid	-	-
Income tax paid	-	-
Internal group transactions	-	-
Cash flow from operating activities	**-33**	**-35**
Cash flow from investing activities	**-**	**-**
Cash flow from financing activities	**-**	**-**
Change in cash and cash equivalents	**-33**	**-35**
Cash and cash equivalents at beginning of year	47	80
Exchange rate difference in cash and cash equivalents	-5	2
Cash and cash equivalents at end of year	**9**	**47**

Not 22 Other long-term securities

	Group		Parent company	
	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019
Isomerase Therapeutics	13,101	13,101	13,101	13,101
Total	**13,101**	**13,101**	**13,101**	**13,101**

In June 2013, the company entered into a cooperation agreement with Isomerase Therapeutics Ltd. The purpose of the holding is to promote the business of Abliva by creating a lasting connection with Isomerase. Abliva does not have any influence in the company, neither a significant nor a joint influence. The financial effects that arise as a result of ownership are that Abliva receives dividends based on our shareholding and that Abliva reimburses Isomerase Therapeutics Ltd. for the work they do in accordance with concluded consulting agreements. In order to strengthen the cooperation between Abliva and Isomerase and to ensure that Abliva's project continues to develop with the highest priority, in January 2016, the Company entered into an acquisition agreement with the shareholders in Isomerase regarding the acquisition of a share of Isomerase. Abliva owns 84,444 shares in Isomerase, which corresponds to approximately 10 per cent of the total number of shares in Isomerase.

Abliva has no board representation or management function in Isomerase, but has the right to take part of the company's earnings and balance sheet twice a year. The shares have been valued at fair value in other comprehensive income. Carrying amount is considered a good estimate of fair value. The shares are classified as financial assets at fair value through other comprehensive income. The carrying amount that corresponds to the acquisition value has been deemed to be a good estimate of fair value, which means that no change in value has yet been reported.

Note 23 Prepaid expenses and accrued income

	Group		Parent company	
	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019
Other prepaid expenses	586	459	585	459
Total	**586**	**459**	**585**	**459**

Note 24 Cash and cash equivalents/cash and bank balances

	Group		Parent company	
	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019
Cash and bank balances	61,643	58,319	61,634	58,272
Tota	**61,643**	**58,319**	**61,634**	**58,272**

Note 25 Share capital

	Parent company and group		
	No. of shares	Quotient value, SEK	Share capital, SEK
Opening share capital, 1 Jan. 2019	91,697,076	0.05	4,584,854
New share issue	94,255,515	0.05	4,712,776
Closing share capital, 31 Dec. 2019	185,952,591	0.05	9,297,629
Opening share capital, 1 Jan. 2020	185,952,591	0.05	9,297,629
New share issue	110,387,541	0.05	5,519,378
Closing share capital, 31 Dec. 2020	296,340,132	0.05	14,817,007

All shares of the same class, are fully paid-up and are entitled to one vote. No shares are reserved to the transfer pursuant to option or other agreements.

A new issue of 83,720,875 shares raising a total of SEK75,063,705.40 (after issue expenses of SEK 12,912,994.60) was completed in May 2020. The new issue increased share capital by SEK 4,186,043.75 with the remaining amount of SEK 49,911,516.65 recognized against other paid-up capital/share premium reserve. A rights issue of 26,666,666 shares raising a total of SEK 18,500,354.50 (after issue expenses of SEK1,499,645.00) was completed in July 2020. The rights issue increased share capital by SEK 1,333,333.30 with the remaining amount of SEK 17,167,021.20 recognized against other paid-up capital/share premium reserve.

Allocation Retained Earnings	
Share premium reserves	67,044,727
Accumulated profit/loss	126,675,579
Profit/loss for the year	-59,960,761
Total	**133,759,545**

The Board of Directors proposes that unappropriated retained earnings of SEK 133,759,545 be carried forward. Accordingly, no dividend is proposed.

Note 26 Other paid-up capital – group

Other paid-up capital consists of the share premium reserve, amounts originally reported in the share premium reserve that were subsequently transferred to accumulated profit or loss, as well as the statutory reserve and shareholders' contributions.

The share issue completed May 2020, and July 2020, increased other paid-up capital by SEK 66,044,727 (103,067,284) after deducting issue expenses of SEK 14,412,495 (19,464,885).

Note 27 Reserves – group

Reserves means the translation reserve, i.e. currency translation differences on translating foreign operations to SEK, which are recognized in other comprehensive income.

Note 28 Retained earnings – group

Retained earnings consist of accumulated profit or loss and comprehensive income for the year.

Note 29 Accrued expenses and deferred income

	Group		Parent company	
	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019
Accrued salary including social security contributions	2,076	1,280	2,076	1,280
Accrued vacation pay liability including social security contributions	1,197	1,514	1,197	1,514
Accrued Directors' fees incl. social security contributions	298	379	298	379
Accrued pension expenses	338	410	338	410
Other accrued expenses	1,424	1,708	1,408	1,689
Total	**5,334**	**5,291**	**5,317**	**5,273**

Note 30 Pledged assets and contingent liabilities

The Company has no pledged assets or contingent liabilities.

Note 31 Transactions with related parties

Transactions between the Parent Company and its subsidiary, which is closely related to the Company, have been eliminated on consolidation and accordingly, disclosures on these transactions are not presented in this note. Disclosures on transactions between the group and other related parties are presented below.

During 2020 compensation based on sales has been paid under the agreement, in relation to mitochondrial energy regulation projects, with the Research Group at Lund University, which includes CSO Eskil Elmér and CMO Magnus Hansson. Apart from compensation within the framework of the agreement for mitochondrial energy regulation projects, and remuneration to senior executives, no transactions with related parties have occured during 2020 (2019). Disclosures on remuneration of senior executives and other related parties are presented in note 11.

The company has no outstanding receivables from, or liabilities to, related parties.

Note 32 Dividend

No dividend was paid in 2020 or 2019. No dividend will be proposed to the AGM on 20 May, 2021.

Note 33 Adoption of financial statements

These consolidated accounts and annual accounts were adopted by the Board of Directors for issuance on April 27, 2021.

Note 34 Post-balance sheet events

Other

Dr. Ellen Donnelly was appointed new CEO February 3, 2021 as Abliva enter a new stage in its development.

In March 2021, the company carried out a directed issue of 106,666,666 shares to several Swedish and international qualified investors, including Hadean Ventures. The Board of Directors resolved to issue a total of 106,666,666 shares, of which 32,601,360 shares are issued based on the authorization granted by the Annual General Meeting held on May 20, 2020, and 74,065,306 shares are issued subject to the approval by an upcoming Extraordinary General Meeting to be held on April 29, 2021. The subscription price in the Directed Issue, which was determined through an accelerated bookbuilding procedure, is SEK 0.75 per share. Abliva thus receives a gross payment of SEK 80.0 million through the Directed Issue, of which SEK 24.5 million was received by the Company immediately and SEK 55.5 million is received by the Company provided that the Extraordinary General Meeting approves the Board of Directors' issue resolution. Existing shareholders, that includes Hadean Ventures, together representing 14.2 percent of the votes in the Company, have indicated their intention to vote in favour of Tranche 2 on the Extraordinary General Meeting.

The license agreement with Fortify Therapeutics, regarding a development of a local treatment for Leber's Hereditary Optic Neuropathy (LHON), was terminated.

For further information, please see Statutory Administration Report, page 19.

Board of Directors' declaration

The Board of Directors and Chief Executive Officer declare that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and give a true and fair view of the group's financial position and results of operations. The annual accounts have been prepared in accordance with generally accepted accounting principles, and give a true and fair view of the parent company's financial position and results of operations.

The Statutory Administration Report of the group and parent company gives a true and fair view of the progress of the group's and parent company's operations, financial position and results of operations, and states significant risks and uncertainty factors facing the parent company and the companies included in the group.

The Income Statements and Balance Sheets will be submitted to the Annual General Meeting on May 20, 2021 for adoption.

Lund April 27, 2021

David Laskow-Pooley
Chair of the Board

David Bejker
Board member

Denise Goode
Board member

Roger Franklin
Board member

Jan Törnell
Board member

Ellen Donnelly
CEO

Our Audit Report was presented on April 27, 2021

Mazars AB

Michael Olsson

Authorized Public Accountant

Auditor's report

TO THE GENERAL MEETING OF THE SHAREHOLDERS OF ABLIVA AB (PUBL), CORPORATE IDENTITY NUMBER 556595-6538

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of Abliva AB (publ) for the year 2020. The annual accounts and consolidated accounts of the company are included on pages 9-62 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of December 31st 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31st 2020, and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts, and the corporate governance statement is in accordance with the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group. Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

BASIS FOR OPINIONS

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

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

KEY AUDIT MATTERS

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

INTANGIBLE ASSETS

See note 16-18 of intangible assets, note 2 on accounting principles and note 3 on critical estimates and judgments in the financial statements for detailed information and description of the area.

Description of key audit matter

The Company's intangible assets primarily consist of capitalized product development expenditure and patents.

The Company's operations primarily consist of research and development of targeted drug candidates. Capitalized costs may over time be affected by disposals / out-licensing of development projects, impairment / amortization of active projects and reclassifications of ongoing projects. The area includes estimates of allocation of expenditure for various projects as well as the valuation of capitalized expenditure.

The Company capitalizes patent costs. Capitalized patent costs are amortized over the life of the patent. The area includes assessments of the accuracy as well as the valuation of capitalized expenditure.

How the area has been considered in the audit

Our audit has included, but not been limited to, the following areas: examination of supporting documents for expensed as well as capitalized development and patent expenditure, examination and assessment of the company's internal controls for expenditure allocation / classification, examination and assessment of procedures for impairment testing, examination and assessment of the significant factors that the impairment tests are based on and examination and assessment of the information given in the notes to the financial statements.

FUNDING

The Company describes and informs about this area in the Directors' Report, page 19, in this annual report.

Description of key audit matter

The Company's development activities require funding. Cash and cash equivalents amounted to SEK 62 million on December 31st, 2020. In March 2021 the Board performed a directed share issue, partly depending on approval from an Extraordinay General Meeting in April 2021. The rights issue will generate SEK 80 million before issue costs.

How the area has been considered in the audit

Our audit has included, but not been limited to, the following areas: examination and evaluation of the actions taken by the Company to ensure the Company's future funding through the new share issue

and review and evaluation of the Company's assessment of funding requirement to ensure going concern for the next 12 months.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-8, 66-70. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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

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

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Abliva AB (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

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

BASIS FOR OPINIONS

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

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

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

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 26-35 has been prepared in accordance with the Annual Accounts Act. Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevU 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions. A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Mazars AB was appointed auditors of Abliva AB (Publ) by the general meeting of the shareholders on May 20, 2020 and has been the Company's auditor since June 8, 2012.

Stockholm, April 27, 2021
Mazars AB

Michael Olsson
Authorized Public Accountant

Definitions alternative performance measures

Alternative Performance Measures (APM) are key figures not defined in financial reports prepared according to IFRS. Of the below key figures, only the key figure Earnings per share before and after dilution is mandatory and defined according to IFRS. Of the other key figures, net sales, earnings per share before and after dilution, cash flow from operating activities and cash flow for the period are defined according to IFRS.

The following key figures are used:	Definition	Reason for use
Net revenues	Revenue from goods and services sold that are part of the company's normal operations	
Other operating income	Income from secondary activities in ordinary activities such as grants received	
Operating income	Net sales and other revenues minus expenses for other external costs, personnel costs, depreciation and impairment and other expenses	Measures the result in the operations
Profit/loss before tax	Operating income after profit/loss from finacial items and allocations	Measures the result in the business after profit/loss from financial items and allocations
Earnings per share before dilution(SEK) based on average number of shares	Profit/loss for the period divided by average number of shares before dilution at the end of the period	
Earnings per share after dilution(SEK) based on average number of shares	Profit/loss for the period divided by average number of shares after dilution at the end of the period	
Cash flow from operating activities	Cash flow from operating activities, including cash flow from working capital, ie changes in current liabilities and current receivables	Measures total cash flow generated in the business
Cash flow for the period	The company's total cash flow from operating activities, investment activities and financing activities	Measures total cash flow generated in the business including investment activities and financing activities
Average number of shares before and after dilution	Average number of shares before and after dilution	Measures the average number of shares during the period before and after dilution. As the Group's earnings are negative, there is no dilution
Equity Ratio %	Equity as a percentage of total assets	Shows how much of the company's assets are financed with equity and shows the company's ability to pay
Liquidity Ratio (%)	Current assets divided by current liabilities	Shows on the company's short-term ability to pay

Glossary

Active compound. A pharmaceutical active ingredient in a pharmaceutical product.
Candidate drug. A particular compound which is selected during the preclinical phase. The candidate drug is subsequently tested in humans in clinical studies.
Clinical study. The examination of healthy or unhealthy humans to study the safety and efficacy of a pharmaceutical or treatment method. Clinical trials are divided into different phases, termed Phase 1, Phase 2, Phase 3. Phase 2 is usually divided into an early phase (Phase 2a) and a later phase (Phase 2b). See also "phase (1,2 and 3)".
Drug-drug interaction study. A clinical study in healthy volunteers to investigate the drug-drug interactions when co-administering a (candidate) drug with other drugs. Drug-drug interactions can lead to changed systemic exposure, resulting in variations in drug response of the co-administered drugs.
Fatigue. Extreme tiredness. Often includes muscle fatigue with exercise intolerance.
FDA. The United States Federal Food and Drug Administration.
Hypotonia. An abnormally low level of tension, important for posture, in the resting muscle.
Indication. A disease condition requiring treatment, such as traumatic brain injury or fatty liver, NASH.
In vivo/in vitro. In vivo are scientific studies in animal models. In vitro are scientific studies carried out outside of the living body, for example in cells in test tubes.
KSS. Mitochondrial disease, Kearns-Sayre's syndrome. The disease debuts before the age of 20 and is characterized by eye related symptoms with pigment retention in the retina and paralysis of the outer eye muscles, as well as the effects on the cardiac retinal system and the cerebellum with disorders in the coordination of muscle movements (ataxia).
Leigh syndrome. Leigh syndrome is a serious condition with characteristic changes to the brain that usually affects small children. This disease is caused by faults in energy-producing mitochondria and is also known as subacute (fast onset) necrotizing (tissue destroying) encephalomyopathy (a disease of the brain and muscles).
LHON. Mitochondrial disease, Leber Hereditary Optic Neuropathy. Affects the retina and the optic nerve, but in rare cases symptoms can be found in other parts of the central nervous system. There is no cure, but treatments are focused primarily on compensating for the visual impairment.
Liver fibrosis/cirrhosis. Liver fibrosis is the formation of fibrous tissue (scar tissue) in the liver as a result of, for example, infection. May lead to liver cirrhosis.
MELAS. MELAS is an acronym of mitochondrial encephalomyopathy (brain and muscle disease) with lactic acidosis (increased lactic acid levels in the blood) and strokelike episodes.
MHRA. The UK Medicines and Healthcare products Regulatory Agency.
MIDD. Maternally Inherited Diabetes and Deafness
Mitochondria. That part of each cell that provides effective energy production in the form of conversion of oxygen and nutrients in the body into chemical energy.
Mitochondrial medicine. Field of research and development of pharmaceuticals that protect the mitochondria.
Mitochondrial myopathy. Primary mitochondrial disease which affects the muscles.
NAD^+/NADH. A coenzyme involved in metabolism. NAD^+ and NADH have central roles in cell- and mitochondrial metabolism and energy production.
NAFLD. Non-Alcoholic Fatty Liver Disease.
NASH. Non-alcoholic steatohepatitis, inflammatory fatty liver disease.
ODD. Orphan Drug Designation. Facilitates development and commercialization, and may, upon receiving marketing authorization, provide orphan drug status with seven or ten years of market exclusivity (in the US and Europe, respectively).
PEO/CPEO. Mitochondrial disease. Progressive External Ophthalmoplegia/Chronic Progressive External Ophthalmoplegia.
Pharmacokinetics. Describes how the body affects a specific drug after administration.
Phase (1,2 and 3). The various stages of trials on the efficacy of a pharmaceutical in humans. See also "clinical trial." Phase 1 examines the safety on healthy human subjects, Phase 2 examines efficacy in patients with the relevant disease and Phase 3 is a large-scale trial that verifies previously achieved results. In the development of new pharmaceuticals, different doses are trialed and safety is evaluated in patients with relevant disease, Phase 2 is often divided between Phase 2a and Phase 2b.
Preclinical. That stage of drug development that occurs before a candidate drug is trialed on humans.
Primary mitochondrial diseases. Metabolic diseases that affect the ability of cells to convert energy. An estimated 12 in every 100,000 people affected. Often present in early childhood and lead to severe symptoms, such as mental retardation, heart failure and rhythm disturbances, dementia, movement disorders, severe diabetes, stroke-like episodes, deafness, blindness, limited mobility of the eyes, vomiting and seizures.
Psychomotor regression. When the development of the ability to perform will-driven movements is initially normal but deteriorates during infancy or early childhood.
TBI. Traumatic Brain Injury. An injury to the brain where some nerve cells are subjected to immediate damage. The injury then continues to exacerbate several days after the incident, which significantly impacts the final extent of damage.

Milestones

1993-1994
- Eskil Elmér and his colleagues discover that ciclosporin A is a powerful neuroprotectant.

1995
- Patent application filed and original discovery published.

1997
- Marcus Keep and Eskil Elmér founded Maas Biolab, LLC in the US.

1999
- The US Patent and Trademark Office granted the patent underlying NeuroVive's first project portfolio.

2000
- NeuroVive was founded under the name of NeuroPharma i Sverige AB.

2004
- NeuroVive in-licensed formulation patent for NeuroSTAT from German company CicloMul-sion AG.

2008
- IPO on Aktietorget.

2010
- Results from the NeuroSTAT trial demonstrate bioequivalence and a superior safety profile to comparative preparation Sandimmune® Injection.

2012
- Agreement with Fresenius Kabi enabling expansion to full-scale production of NeuroSTAT and CicloMulsion.
- Collaboration agreement with Sihuan Pharmaceutical for the development and commer-cialization of CicloMulsion and NeuroSTAT for theChinese market.

2013
- Acquisition of new potent cyclophilin inhibitors from Biotica Ltd.
- Listing on Nasdaq Stockholm.
- First patient enrolled in Phase 2 CHIC trial at the Copenhagen University Hospital intended to evaluate NeuroSTAT's pharmacokinetics and safety in traumatic brain injury.
- Collaboration agreement with Isomerase Therapeutics for product development and com-mercialization of the molecules acquired from Biotica Ltd.

2014
- NeuroVive establishes a subsidiary in Taiwan (NeuroVive Pharmaceutical Asia, Inc.) to ma-nage operating activities on-site in the Asian region.

2015
- Start-up of the Phase 2 CiPRICS trial with CicloMulsion as a pre-treatment for acute kidney injury in patients undergoing open heart surgery.
- The Phase 3 CIRCUS (CicloMulsion for the indication of myocardial infarction) trial did not reach its primary endpoint.

2016
- NeuroVive's share in the United States was upgraded to the OTC Market Group's Best Mar-ket, OTCQX.
- Results from the exploratory Phase 2 clinical CiPRICS trial (for the indication of acute kidney injury) did not show the expected effect. As a consequence, the development of CicloMuls-ion was discontinued.
- The licensing agreement with Arbutus Biopharma (formerly OnCore Biopharma Inc.) was terminated and all rights to the NV556 substance were returned to NeuroVive.

2017
- NeuroVive phased out its Asian subsidiary in Taiwan in January, 2017, and reallocated rese-arch resources and activities in the Taiwan-based subsidiary to the parent company, Neuro-Vive Pharmaceutical AB. NeuroVive and its partner Foundation Asia Pacific Ltd. reacquired the Hong Kong-based the subsidiary, NeuroVive Pharmaceutical Asia Ltd.
- NeuroVive in-licensed the KL1333 project for genetic mitochondrial disorders from Yungjin Pharm, and obtained global rights for the development and commercialization of KL1333, with the exception of South Korea and Japan.
- NeuroVive decided to continue the clinical development of its NeuroSTAT TBI project following positive results both in its own preclinical studies, and in clinical trials of TBI at the University of Pennsylvania, US, and Copenhagen University Hospital in Denmark.
- NeuroVive and Yungjin Pharm began clinical development of the KL1333 project for genetic mitochondrial disorders.

2018
- NeuroVive´s KL1333 received FDA Orphan Drug designation for treatment of mitochondrial diseases.
- The Company announced a partnership with TRACK-TBI, a network of US-based world-leading TBI clinicians and researchers.
- NeuroVive and Yungjin reported positive KL1333 Phase 1 clinical study results paving the way for further clinical development.
- BridgeBio entered into an exclusive licensing agreement for a subset of succinate prodrug chemistry under NeuroVive's NVP015 program. BridgeBio launched a subsidiary company, Fortify Therapeutics, to further develop this chemistry for local treatment of Leber's Hereditary Optic Neuropathy (LHON).
- Successful completion of biomarker analyses of samples from clinical study in severe traumatic brain injury patients (the CHIC study) using the company's investigational compound NeuroSTAT. The results provided an early signal of efficacy derived from time-based changes in biomarker levels that correlate with NeuroSTAT drug administration.

2019

- NeuroVive announced the outcome of the preferential rights issue of shares, approved at the Extraordinary General Meeting on January 17, 2019. The Rights Issue has been subscribed to approximately SEK 74.5m, corresponding to a subscription ratio of approxima-tely 60.2 percent, which meant that approximately 19.8 percent of the total volume of the Rights Issue was allocated to guarantors. Through the Rights Issue, NeuroVive thus raised approximately SEK 99.0m before issue expenses.
- The company successfully conducted a directed new issue of shares, which raised proceeds to NeuroVive of SEK 28.2 million before issue costs. These proceeds will be used primarily to accelerate clinical development activities.
- The first healthy volunteer in the company's KL1333 Phase 1a/b study was screened and will be enrolled into the study. First subject first visit in NeuroVive's KL1333 Phase 1a/b study was completed on 18 March 2019. The main aim of this second clinical KL1333 study is to further examine the safety profile of KL1333 and how the drug is metabolized following multiple doses in healthy volunteers and genetic mitochondrial disease patients. In addition, possible efficacy endpoints will be explored.
- The US Food and Drug Administration, FDA, approved NeuroVive's IND (Investigational New Drug) application, enabling clinical studies in the US with the company's drug candidate NeuroSTAT in development for treatment of moderate to severe traumatic brain injury, TBI.
- The company initiated the second part in its ongoing Phase 1a/b clinical study with KL1333, NeuroVive's candidate drug for chronic treatment of genetic mitochondrial diseases, following successful completion of the first part. The first cohort of the study, in which the effect of food intake on the uptake of KL1333 after a single dose was assessed in healthy volunteers, had been successfully completed. Based on the review of that data it was decided to continue the second part of the study, where multiple ascending doses in healthy volunteers are evaluated.
- The company's candidate drug NeuroSTAT, in development for treatment of moderate to severe traumatic brain injury, TBI, received Fast Track designation from the US Food and Drug Administration, FDA, facilitating its clinical development and path forwards to market.
- The Company announced that it has fully and finally settled the dispute with CicloMulsion AG regarding certain pharmaceutical technology. NeuroVive and CicloMulsion AG have now fully and finally settled the dispute. The settlement meant that NeuroVive shall not make any payments to CicloMulsion for the claims made in the arbitration. The ownership of the technology shall remain with NeuroVive, who shall thus have exclusive rights thereto, and NeuroVive shall not be liable for any future royalties relating to the technology. The arbitration shall be terminated, and each party shall bear its own costs in the arbitration.
- NeuroVive announced the completed recruitment of healthy volunteers in the second part of the company's ongoing Phase 1a/b clinical study with candidate drug KL1333, in development for chronic oral treatment of primary mitochondrial disease.

2020

February

- NeuroVive proposes a 90 percent guaranteed rights issue of SEK 74m in order to ensure that the Company has financial resources for its prioritized primary mitochondrial disease programs, primarily the continued clinical development of KL1333.

March

- NeuroVive announces that it intends to initiate activities with the aim to transfer the rights to develop and commercialize its NeuroSTAT program into a new wholly-owned company based in the US, subject to funding.
- Extraordinary General Meeting is held in Lund on 17 March. The Board of Director's proposition on a preferential rights issue is approved.
- NeuroVive announces that the overall work on the company's study program is continuing and reports on the preparations being made to minimize delays in its various projects and other activities, in light of the impact of COVID-19.

April

- NeuroVive decided upon a directed issue, supported by the authorization granted at the Annual General Meeting on April 25, 2019, of shares totaling around SEK 20m to Hadean Ventures. Hadean Ventures has undertaken, on certain conditions, to subscribe for the new shares and invest up to SEK 20m. The subscription price for the shares will be in the SEK 0.70 to SEK 0.75 range determined by the volume weighted average price during the period June 1 to June 12, 2020. Hadean Ventures is a leading Nordic life science investor that intends to be an active owner in NeuroVive including board representation.

May

- NeuroVive announced that the new share issue with preferential rights for existing shareholders, approved by the Extra General Meeting on March 17, 2020, has been completed. In the Rights Issue, 26.2 percent of the Rights Issue, were subscribed for with the use of subscription rights. In addition, 0.3 percent of the Rights Issue, were subscribed for without the use of subscription rights and 63.5 percent of the Rights Issue, were subscribed for by share issue guarantors. In total, the Rights Issue was subscribed to 90.0 percent, which implies that NeuroVive raises approximately SEK 67m before deduction for issue costs.
- Annual General Meeting in Abliva is held on 20 May 2020 in Lund, Sweden.
- NeuroVive Pharmaceutical AB changes its name to Abliva AB.

June

- Abliva completeded the directed issue of SEK 20m before issue costs to Hadean Ventures. The Board decided to allocate a total of 26,666,666 shares to Hadean Ventures with the prescription price SEK 0.75, of which Hadean Capital I AS has subscribed for, and been allotted, 18,345,570 shares and HVentures Capital I AB has subscribed for, and been allotted, 8,321,096 shares. The dilution from the Directed Issue amounts to approximately 9 percent.
- Abliva arranges virtual Capital Markets Day on 23 June.

July

- Abliva received positive feedback from the US Food and Drug Administration ("FDA") on its KL1333 clinical development plan for the treatment of primary mitochondrial disease (PMD) at a pre-Investigational New Drug ("pre-IND") meeting. Feedback was received on the existing KL1333 documentation to date and the remaining development plan, including the design of the clinical efficacy program in primary mitochondrial disease patients.

September

- Abliva announced that the company's Board of Directors has decided to accelerate the KL1333 clinical program, with the intention to start a pivotal Phase 2/3 clinical study, during H2 2021. The decision follows the recent positive feedback received from the US Food and Drug Administration ("FDA").
- Abliva ran a Mitochondria Day in September. The purpose of the day was to increase understanding of the enormous medical need within primary mitochondrial diseases, treatments under development, as well as the growing interest in investments in the area.

October

- Magnus Persson left the Board of Directors of Abliva AB to focus on his role as founding partner in Eir Ventures.

November

- Abliva announced that the first primary mitochondrial disease patient in the company's ongoing KL1333 Phase 1a/b study has been dosed. In this third part of the study, the pharmaceutical properties of KL1333 will, for the first time, be evaluated in patients.
- Abliva announced dosing in the first healthy volunteers in the company's drug-drug interaction (DDI) study with KL1333, the study recommended by the US Food and Drug Administration (FDA), which will assist the program to move directly into a pivotal Phase 2/3 study in patients with primary mitochondrial disease in 2021.
- Abliva announced it has received positive feedback from the UK Medicines and Healthcare products Regulatory Agency (MHRA) on the accelerated clinical development plan of KL1333 in primary mitochondrial disease (PMD). The feedback positions Abliva for a clinical trial approval also in the UK, of its pivotal clinical Phase 2/3 study, planned to start in the second half of 2021.