ABLIVA

ANNUAL REPORT 2022

Delivering mitochondrial health

Abliva aims to improve the lives of patients suffering from mitochondrial disease

Abliva discovers and develops medicines for the treatment of mitochondrial diseases. These rare and often very severe diseases occur when the cell's energy provider, the mitochondria, do not function properly. The company has prioritized two projects. KL1333, a powerful regulator of the essential co-enzymes NAD^+ and NADH, has entered late-stage development. NV354, an energy replacement therapy, has completed 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 impacted and the number of dysfunctional mitochondria in that organ. Historically viewed as clinical syndromes, our knowledge about the various mutations underlying mitochondrial diseases has increased, improving our ability to identify and treat these patients. It is estimated that 125 persons per million have a primary mitochondrial disease.

Abliva's discovery projects focus on gaining a deeper understanding of the mechanisms underlying primary mitochondrial diseases in order to enable us to design new molecules and develop the next-generation compounds for primary mitochondrial diseases.

2022 in brief

- In June, Abliva conducted a directed issue of approximately SEK 150 million to several life science specialist and institutional investors and a preferential rights issue of approximately SEK 50 million. In total, the company received approximately SEK 180 million after issue costs.
- In December, Abliva initiated the company's global, potentially registrational Phase 2 study with KL1333 (the FALCON study)

Events after the end of the year

- Abliva appointed Dag Nesse as Vice President of Clinical Operations. Mr. Nesse has joined the company's management team.
- The U.S. Patent and Trademark Office granted a composition of matter patent for the NV354 compound.
- Abliva's Nomination Committee announced it proposes Edwin Moses as a new Board member and incoming Chair of the Board of Directors at upcoming General Meetings.
- Abliva held an Extraordinary General Meeting on March 8, 2023.

Reading instructions

The figures in brackets, unless otherwise specified, refer to 2021 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

Financing Secured, FALCON Took Flight

2022 was a landmark year for the company with an important financing successfully completed in June and the start of the potentially pivotal FALCON study with KL1333 in December. With both milestones achieved, the Abliva team will now focus on executing the FALCON study to reach the key interim analysis point in the first half of 2024. In addition, the company will continue to look for opportunities to progress NV354 and generate value from the portfolio.

FINANCING ROUND RAISES SEK 200 MILLION

An important focus of the first half of 2022 was financing. The round, closed in June, brought in SEK 200 million, and comprised a directed share issue (SEK 150M) and a rights issue (SEK 50M). Completed in very challenging market conditions, the raise was, according to the well-renowned industry publication BioWorld, one of the top ten European company secondary offerings and PIPEs in Q2/2022. The raise enabled the commencement of the FALCON study, provided 24 months of runway, and attracted a syndicate of new, long-term, life science investors. Hadean Ventures, our lead investor, also reconfirmed their commitment to the company by participating in the share issue and converting their loan.

FALCON TAKES FLIGHT

Financing secured, the team focused on the initiation of our global, potentially pivotal, Phase 2 FALCON study. This study will assess the efficacy of KL1333 in adult patients with mitochondrial disease, focusing on patients who suffer from chronic fatigue and muscle weakness. A unique feature in the design of the study is that we will evaluate both fatigue and muscle weakness as primary 'alternative' endpoints, which means that a statistically significant result on either endpoint will result in a positive study (provided the other endpoint is not contradictory).

We started the FALCON study in December and are now working to activate clinical sites across Europe and the U.S. Upon activation, sites will begin to identify potential patients for the study by pre-screening medical records. When they find a patient who fulfils the inclusion criteria, the study physician will discuss the study requirements with the patient. Next, they will 'screen' the patient to ensure that the patient has the fatigue and muscle weakness required to enter the study. This 'screening period' for each patient takes place over 8-12 weeks. At the conclusion of this screening period the patient will be re-assessed and patients fulfilling the study inclusion criteria will be enrolled in the study and dosed with KL1333 or placebo. Our current goal is to dose our first patient in the second quarter of 2023 and recruit up to 40 patients to enable us to complete the interim analysis in the first half of 2024. Upon completion of the interim analysis, we will receive information from the blinded Review Committee that will inform, based on the interim data, the required full size of the study. Once we have these data we should be able to confirm the timeline to study readout and potential NDA submission.

LOOKING FORWARD TO 2023

In 2023, our primary focus will be supporting our clinical sites, physicians, and patients as we work to recruit the FALCON study. We will also continue to develop our pipeline to build shareholder value wherever we have the opportunity.

Thank you for your support in 2022!
-Ellen

DR. ELLEN DONNELLY
CEO

"With both milestones achieved, Abliva will now focus on executing the FALCON study to reach the pivotal interim analysis in the first half of 2024."

Strategic focus: mitochondrial diseases

Abliva is focused on becoming the leading biotech company in mitochondrial medicine, developing therapeutics for mitochondrial diseases, orphan indications of high unmet medical need. The company intends to build a fully integrated research, development, and commercial organization, developing innovative therapeutics and taking them directly to the patients.

Building the Premier Mitochondrial Medicine Company

Abliva's long-term goal is to become the leading global biotech company focused on the discovery of therapeutics for mitochondrial diseases. Abliva has the foundation to do this with a clear strategy, a strong portfolio of assets, a research and development organization, and a team that has over two decades of experience in mitochondrial medicine as well as decades of experience in drug development.

Over the next five years we will focus on the delivery of our portfolio to the market. We aim to augment our strong research and development capabilities and build a commercial organization. We will bring new innovative therapeutics to the patients and fuel our pipeline with new candidates from discovery. We will attract and retain talented colleagues with a passion for drug development. We will build a strong network of experts that will complement, enhance, and support our efforts across development that will include patients, physicians, researchers, regulators, payers and technical experts. We will generate future revenues through two paths: sales revenue for the drugs Abliva intends to bring to market, and revenue from out-licensing assets (through milestone payments and royalties).

Addressing Primary Mitochondrial Diseases

Mitochondria function as the powerhouses of our cells and are crucial for the cells' energy metabolism. Primary mitochondrial diseases are rare orphan diseases where the energy metabolism in the cells is impaired, causing deterioration that leads to multifaceted disorders and great suffering for patients. The symptoms worsen over time, and, in many cases, the diseases lead to premature mortality. Mitochondrial medicine has become an area of increasing focus for the pharmaceutical industry as there are currently no effective treatment options. Through Abliva's research and development, we have an opportunity to improve the quality of life for these patients.

Delivering a Portfolio of First-in-Class Therapies

Abliva's in-house R&D capabilities have been instrumental in creating and delivering a portfolio that includes several projects with mechanisms of action suitable for a wide range of mitochondrial diseases.

KL1333 restores the levels of the coenzymes NAD^+ and NADH, creating new mitochondria and improved energy levels. KL1333 has completed a number of key Phase 1 studies, enabling the start of a potentially registrational Phase 2 study start in 2022. KL1333 is protected by both a composition of matter patent as well as Orphan Drug Designation (ODD) in the U.S. and in Europe. The commercial opportunity is significant with even conservative estimates exceeding USD 1 billion per year in annual sales[1].

NV354, an energy replacement therapy, is a pro-drug of succinate. The drug was invented by Abliva scientists affiliated with Lund University and is supported by a strong group of patents. NV354 is being developed for the mitochondrial disease Leigh Syndrome initially with potential to expand to other indications that have a dysfunctional complex I in the electron transport chain. Further, Abliva has additional efforts ongoing in discovery that are focused on the regulation and stabilization of the mitochondrion's energy production.

Leveraging Opportunities in Rare Diseases

Abliva is continually working to take advantage of the opportunities afforded to companies working in the rare disease space. The company requested, and was granted, orphan drug designation (ODD) for KL1333 in both the US and EU. ODD is a regulatory designation that provides sponsors with several advantages including more regulatory assistance and scientific advice during the development process, lower development costs, attractive pricing, and market exclusivity (10 years in the EU and 7 years in the US). The outlook for reaching the market is also better than for traditional medicines [2,3].

In addition, we have sought scientific advice for KL1333 from pharmaceutical regulators across the U.S., U.K. and Europe. This advice has been extremely important to the company, as is clearly demonstrated with the advice from the FDA that led us to move to a single, potentially registrational Phase 2 study, allowing us to get to market more quickly. We have also received valuable and positive feedback from the U.K. regulatory agency on our NV354 program, validating its potential to move into studies in humans.

Building a World Class Organization

The key to the success of any company is the people who work there, and the leadership at Abliva is committed to attracting and retaining a group of bright, innovative scientists, clinicians, and drug development experts. We will continue to support development opportunities for our colleagues and ensure that they have the tools and resources available to deliver on our goals. We will continue to complement our organization with a network of specialists, physicians, advisors and others who will bring their expertise to our programs.

Accessing Capital to Finance the Vision

Abliva is a public company traded on NASDAQ Stockholm (ABLI, Small cap). The company appreciates the continued commitment of our shareholders and looks to attract new investors as we advance our portfolio and build the company. The investment of Hadean Ventures in 2020 was the first step to bringing specialist investors into the company; 2022 brought investment from life science specialist IP Group plc and Norweigan institutional investor Oslo Pensionsförsäkringar. The company aims to continue to attract new specialist and institutional investors across Sweden, Europe, and America.

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.
3) Gorman et al., Prevalence of Nuclear and Mitochondrial DNA Mutations Related to Adult Mitochondrial Disease, 2015.

KL1333
Innovative therapy in late-stage development

KL1333 is being developed as a treatment for adult patients with primary mitochondrial disease who suffer from many symptoms, including chronic fatigue and myopathy. At the end of 2022, the company initiated a global clinical study to evaluate KL1333's ability to improve the lives of these patients.

Abliva's lead candidate, KL1333, is being developed as a treatment for a subset of adult primary mitochondrial disease patients suffering from multiple debilitating symptoms, including chronic fatigue and myopathy (muscle weakness). Diagnoses can include MELAS-MIDD and KSS-CPEO spectrum disorders as well as MERRF syndrome. The drug candidate is intended for long-term oral treatment, and its development is facilitated by orphan drug designation in both the U.S. and Europe.

The KL1333 compound is a potent modulator of the cellular levels of NAD^+ and NADH, central co-enzymes in the cell's energy metabolism. This modulation leads to the formation of new mitochondria and improved energy levels.

The company has previously conducted a Phase 1a/b study. The study included a cohort of patients with mitochondrial diseases where the patients receiving KL1333 showed signs of improvement both in terms of symptoms of fatigue as well as muscle function.

THE FALCON STUDY INITIATED

In December 2022, the company's clinical efficacy study with KL1333, the FALCON study, was initiated.

The FALCON study is a global, randomized, placebo-controlled, potentially registrational, Phase 2 study with KL1333. on primary mitochondrial disease in adult patients with mitochondrial DNA mutations, with a focus on chronic fatigue and muscle weakness which are the most common and debilitating disease expressions in these patients. The company will recruit 120 – 180 patients, in two waves, who will be given KL1333 or placebo twice daily for 12 months. An interim analysis will take place after the completion of Wave 1 and will give important statistical information on safety and powering in Wave 2.

BLOCKBUSTER POTENTIAL

The orphan drug designtation and the possibility to run a registrational Phase 2 study brings significant benefits to the KL1333 program, and Abliva's intention is to apply for marketing approvalat the conclusion of the study. 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.

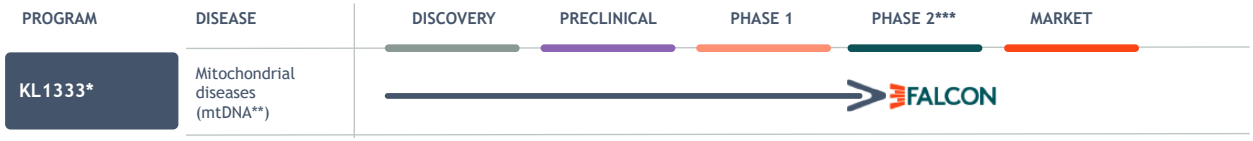
1) Gorman et al., Prevalence of Nuclear and Mitochondrial DNA Mutations Related toAdult Mitochondrial Disease, 2015

OBJECTIVES FOR 2023

- Full recruitment of Wave 1 of the FALCON study.
- Preparation of sites and documentation for Wave 2 of the FALCON study.

FIA ENCE
CLINICAL PROJECT MANAGER

"Now we are in full swing with the FALCON study, and several clinical sites have been activated. I would like to take this opportunity to thank the patients who are participating in the study and the clinical staff who make it all possible. Now an exciting journey awaits where the end goal may be life changing ."



*Orphan drug designation in the US and Europe.
**mtDNA-related mitochondrial disorders caused by mutation(s) in mitochondrial DNA (as opposed to nuclear DNA).
***Given that mitochondrial diseases are orphan diseases, a Phase 2 study in these patients, if successful, has the potential to be considered registrational.

NV354
First-in-class therapeutic approach targeting high unmet medical need

NV354 is being developed for the treatment of Leigh syndrome, a severe primary mitochondrial disease that mainly affects children. The project has undergone necessary preclinical pharmacology and safety studies and is being prepared for clinical development.

Abliva's drug candidate 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 typically die before age 5. Symptoms include developmental delay, psychomotor regression and hypotonia, and there are currently no approved medicines. The drug candidate is intended for chronic oral treatment.

In Leigh syndrome and related mitochondrial diseases, the first step in energy production (complex 1) does not work properly. NV354, a succinate prodrug, bypasses this deficiency and can restore the energy to the cell.

The unique mechanism of action and high brain uptake also support the development of NV354 for the treatment of the mitochondrial disease MELAS in children and adolescents with neurological symptoms, and in LHON, a mitochondrial disease affecting the optic nerve.

ISSUANCE OF A NEW U.S. PATENT

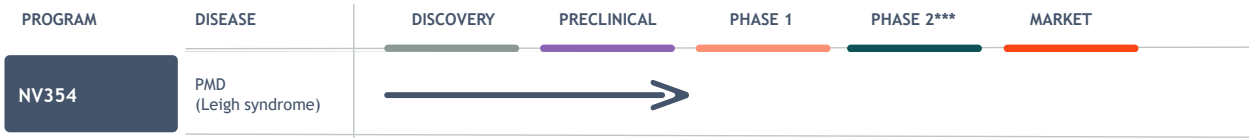
In January, 2023, the patent "Succinate Prodrug, Compositions Containing the Succinate Prodrug and Uses Thereof" was issued by the U.S. Patent Court as Patent No 11,565,998. The patent covers isolated forms of NV354. This patent further increases the level of protection for NV354 in addition to previously granted patents for a broader group of NV354-related compounds.

HIGH UNMET MEDICAL NEED

Given the rarity of these conditions and the lack of any therapeutic options for these patients, NV354 is expected to have an expedited path to market and a substantial commercial opportunity. Internal analyses suggest a launch in Leigh syndrome followed by expansion in LHON and MELAS has blockbuster sales potential.

OBJECTIVES FOR 2023

- Given the prioritization of KL1333, the progression of NV354 to Phase 1 continues at a reduced speed.



***Given that mitochondrial diseases are orphan diseases, a Phase 2 study in these patients, if successful, has the potential to be considered registrational.

MAGNUS HANSSON
CHIEF MEDICAL OFFICER & VP PRECLINICAL AND CLINICAL DEVELOPMENT

"Our second program, NV354, targets the severe disease Leigh syndrome. The symptoms in these children are, above all, neurological. NV354 has the ability to enter the brain, so we are optimistic that we will be able to treat both Leigh syndrome and also other mitochondrial diseases that affect the brain".

Non-core asset

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 discussions with the TRACK-TBI network regarding a potential collaboration within the scope of the Pre-cision Medicine project[1)2)] for a Phase 2 study of traumatic brain injury with NeuroSTAT. TRACK-TBI has updated its timelines, hence the study, if authorized by US Department of Defense (DOD), would commence in 2023 at the earliest, 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 has operations in both research and development, both in-house and in collaboration with international partners in Europe, Asia and North America. These partnerships include pre-clinical development work and clinical trials at well renowned universities and hospitals throughout the world.

WELL-EDUCATED PERSONNEL

The average number of employees in the Group during the year was 8 (9), of which 6 (6) are women. The number of employees at year-end was 2 (2) part-time employees and 6 (8) full-time employees. Of a total of 8 (10) employees, 6 (7) were women and a total of 5 (7) were active in the Company's research and development activities.

The company's in-house resources comprise 8 full and part-time employees. All have university or college-level education and four have a Doctor of Medical or Natural Sciences degree whereof two are Associate Professors. Furthermore, two are medical specialists. Three employees are engaged in preclinical work, and two in the company's clinical activities. Further, Abliva collaborates with several external companies and institutions. In 2022 the company invested SEK 61 (88) million in clinical phase research and SEK 4(8) million in preclinical phase research, including personnel expenses. During the year, the company's employees were based in Sweden except for the Company's CEO based in Boston, MA, US.

ACADEMIC AND COMMERCIAL PARTNERSHIPS

Because of its unique research, Abliva has established good relationships with the academic, medical and business communities across the world, enabling 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 Pharm on the clinical development of the KL1333 project for the treatment of primary mitochondrial disorders.

U.K.-based Isomerase is one of Abliva's key partners, providing chemistry expertise and new novel compounds to the Abliva discovery portfolio 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, the Isomerase team brings valuable insights and expertise to Abliva's projects.

Through the NeuroVive 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 and Contract Manufacturing Organizations, such as ICON Clinical Research Limited, Labcorp Drug Development, Patheon and Symeres.

Abliva also has entered into a partneragreement 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) in the U.K.

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. On 30 December 2022 Abliva had 13,231 shareholders.

SHARE PRICE DEVELOPMENT AND TURNOVER

Since January 1, 2022, 356,487,797 shares were traded with a value of SEK 101,474,475. Ablivas's share price was SEK 0.18 at the end of the year, representing a decrease of 70 percent compared to previous year-end. The highest price paid for the year was SEK 0.76 on January 14 2022, and the lowest price paid was SEK 0.16 on October 28 2022. Market capitalization was SEK 189,077,551 at year-end, compared to SEK 240,998,065 at the previous year-end.

SHARE CAPITAL

Abliva had 1,056,299,165 shares on 30 December 2022 and the share capital amounted to SEK 52,814,958.25 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 directed new issue and the conversion of convertible loans in June and the rights issue in July increased the number of shares in the company to 1,056,299,165 shares and the share capital to SEK 52,814,958.25. More information on the issue can be found on Ablivas's website. The table on page 11 shows the development of the number of shares.

OWNERSHIP

The number of shareholders at the end of the year amounted to 13,231 (13,196), which means an increase of 0.3 percent during the year.

DIVIDEND

The Board of Directors proposes that no dividend be paid for 2022

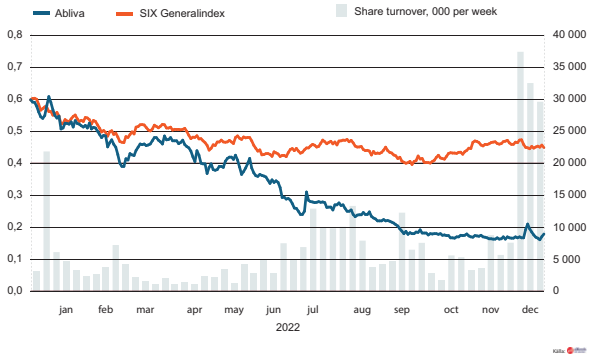
SHAREHOLDER VALUE

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.

SHARE PRICE AND VOLUME 2022



THE ABLIVA SHARE

Market Place	Nasdaq Stockholm
Ticker Symbol	ABLI
Sector	Health Care
ISIN-code	SE0002575340
Higesth price paid 2022	0.76
Lowest price paid 2022	0.16
Closing price 2022	0.18
Market Capitalization 30 December 2022 (SEK)	189,077,551
Number of Shares	1,056,299,165

DEVELOPMENT SHARE CAPITAL

Date	Event	Number of Shares
December 31, 2021	Opening balance	403,006,798
June, 2022	Private placement	429,714,285
June, 2022	Convertible loan	77,030,158
July, 2022	Rights Issue	146,547,924
December 31, 2022	Closing balance	1,056,299,165

SHAREHOLDINGS AS OF DECEMBER 31, 2022

Shareholding	No. of Owners	No. of Shares	Holding, (%)	Votes, (%)
1-1000	4,898	1,689,216	0.16	0.16
1001-5000	3,417	8,894,142	0.84	0.84
5001-20000	2,588	27,941,806	2.65	2.65
20001-100000	1,612	72,085,672	6.83	6.83
100001-500000	523	106,497,989	10.08	10.08
500001-5000000	112	154,988,112	13.36	13.36
5000001-	15	684,202,228	66.08	66.08

LARGEST SHAREHOLDERS AS OF DECEMBER 31, 2022

Name	No of shares (pcs.)	Votes and capital (%)
Hadean Capital I AS*	163,105,724	15.44
Oslo Pensjonsforsikring AS**	157,142,857	14.88
BNP Paribas Sec Services Paris, W8IMY (GCS)***	85,714,988	8.11
Hventures Capital I AB*	73,924,433	7.00
Avanza Pension	42,509,377	4.02
MP Pensjon PK**	28,571,428	2.70
SEB AB, Oslo branch, W8IMY	28,571,428	2.70
Fällström, John	25,072,202	2.37
Jeansson, Theodor	19,000,000	1.80
Liljenberg, Stefan	13,662,792	1.29
Other owners (approx. 13,000 shareholders)	419,023,936	39.69
In total	**1,056,299,165**	**100**

Källa: EuroClear Sweden AB

*Fund managed by Hadean Ventures

**Capital Insurance

***Includes holdings of IP Group Plc of 85,714,288 shares corresponding to an ownership of 8.1%.

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 2022- 31 December 2022.

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

Operations

Abliva, based in Lund, Sweden, is a clinical-stage biotech company that conducts research and clinical development to identify new treatments for patients suffering from 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 has a number of programs focused on the development of treatments for primary mitochondrial diseases.

The company has prioritized two projects. KL1333, a powerful regulator of the essential co-enzymes NAD^+ and NADH, has entered late-stage development. NV354, an energy replacement therapy, has completed preclinical development. Abliva is listed on Nasdaq Stockholm, Sweden (ticker: ABLI) since 2013.

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

THE GROUP

The Group's consists of the Parent Company, whose operations include drug development and Group-wide functions. The Group has three wholly owned subsidiaries: Abliva Inc (registered in the USA where the company's CEO is employed), Abliva Incentive AB (registered in Sweden to manage the Group's option program), and 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.

SIGNIFICANT EVENTS IN 2022

January

An extraordinary general meeting was held on 14 January 2022. The meeting approved the board's decision from 20 December 2021 on a directed convertible issue. The convertible loan, which was converted to shares in June 2022, added approximately net SEK 24 million to the company.

June

Abliva conducted a directed issue of approximately SEK 150 million to several life science specialist and institutional investors and a preferential rights issue of approximately SEK 50 million. In total, the company received approximately SEK 180 million after issue costs.

December

Abliva initiated the company's global, potentially registrational Phase 2 study with KL1333 (the FALCON study).

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 26-27. At the AGM on May 20, 2020 the following guidelines were adopted. Guidelines adopted in 2020 apply until further notice.

These guidelines cover the persons who are members of Abliva AB's Group Management. Group management currently consists of four positions. The guidelines do not cover remuneration resolved by the Annual General Meeting, such as fees to Board members or share-related incentive programs.

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)

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 long-term incentive program shall apply in addition to the annual variable remuneration according to the above.

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.

INCENTIVE PROGRAMS/SHARE WARRANTS

Stock option program 2021/2025
The AGM on May 20, 2021, decided on a four-year incentive stock option program 2021/2025 for the Company's CEO. For further information please see page 27 and Note 12 on page 51.

PROSPECTS FOR 2023

KL1333 Innovative therapy in late-stage development

- Full recruitment of Wave 1 of the FALCON study
- Preparation of sites and documentation for Wave 2 of the FALCON 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:

The Board of Directors proposes that unappropriated retained earnings of SEK 188,227,603 be carried forward. Accordingly, no dividend is proposed.

Share premium reserv	174,660,884
Ackumulated profit/loss	97,762,536
Profit/loss for the year	-84,195,817
Total	**188,227,603**

Financial information

REVENUE AND RESULTS OF OPERATIONS

Consolidated sales 2022 amount to SEK 31,000 (151,000) and are mainly revenues from research compunds sold by the partner Orobo-ros. Other operating income during 2022 SEK 1,716,000 (0) pertain to net exchange rate gains. Otherwise, the Company has not generated revenue.

Operating expenses amounted to SEK 84,937,000 (123,633,000). Other external costs 68,298,000 (103,695,000) have decreased compared with the previous year, mainly due to less development costs. Costs relating to pre-clinical and clinical phase development projects have affected earnings for the period by SEK -58,884,000 (-90,690,000), excluding personell costs, of which 57,890,000 (85,481,000), relates to projects in clinical phase. Lower development costs for 2022 compared to 2021 are mainly due to a lower development rate during the first half of 2022 pending financing.

Personnel expenses 2022 amount to SEK 14,028,000 (16,844,000). These expenses are lower compared to 2021 since the number of employees are less in 2022, and since salary during the notice period and severance pay to the former CEO were included in 2021. Other operating expenses amount to, SEK 0 (330,000) and pertained in 2021 to net exchange-rate losses. The consolidated operating profit/loss was SEK -83,190,000 (-123,482,000). Net financial income/expense was SEK -2,073,000 (-12,000) and refers mainly to interest costs for the convertible loan. The profit/loss for the period was SEK -85,264,000 (-123,498,000).

FINANCIAL POSITION

Consolidated total assets were SEK 183,829,000 (58,918,000) of which intangible assets were SEK 20,004,000 (21,503,000). Other short-term recivables amounts to 78,949 (0) and refer to the investment of surplus liquidity. Cash and cash equivalents at year-end were SEK 66,392,000 (22,339,000). Equity at year-end was SEK 164,287,000 (41,528,000), and share capital was SEK 52,815,000 (20,150,000). The equity ratio was 89 percent (70) at the end of the period. Equity per share with no non-controlling interest was SEK -0.12 (-0.33). The group has no interest-bearing liabilities.

CASH FLOW

Consolidated cash flow for the year was SEK 43,952,000 (-39,372,000), with cash flow negatively affected by operating activities of SEK 159,560,000 (114,075,000) and from investments, of SEK 905,000 (1,089,000). Cash flow from financing activities was SEK 204,417,000 (75,792,000) and was mainly sourced from the rights issues consummated June 2022 and July 2022 and the convertible loan in January 2022.

INVESTMENTS

Total fixed assets amounted to SEK 34,013,000 (34,664,000) as of 31 December 2022. The change, of SEK -651,000 (-1,136,000) is due to the fact that depreciation have been higher than investments. Investments in tangibles, refers to computors, amounted to SEK 22,000 (65,000) in 2021.

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 31,000 (151,000). In 2021, the parent company had no other operating income, SEK 1,716,000 (0). Parent Company's Operating expenses amounts 83,894,000 (123,223,000). Interest expenses includes internally interest of SEK 0 (0). At year-end other short-term recivables amounts to 78,949 (0) and refer to the investment of surplus liquidity and cash and cash equivalents were SEK 65,123,000 (21,696,000).

Five-year summary

(SEK 000) if nothing else is specified

INCOME STATEMENT	2022	2021	2020	2019	2018
Net sales	31	151	216	134	5
Other operating income 1)	1,716	-	1,648	3,500	2,461
Operating expenses	-84,937	-123,633	-61,935	-80,709	-75,826
Depreciation and amortization	-2,610	-2,764	-2,558	-2,379	-4,771
Operating income 1)	-83,190	-123,482	-60,071	-77,075	-73,360
Net financial income/expense	-2,073	-12	77	75	-134
Profit/loss before tax 1)	-85,264	-123,494	-59,994	-77,000	-73,494
Net profit for the year	-85,264	-123,498	-59,994	-77,000	-73,494

BALANCE SHEET	2022	2021	2020	2019	2018
Intangible assets	20,004	21,503	22,315	74,686	73,440
Tangible assets	908	60	384	786	140
Other current assets	4,475	1,915	1,514	1,600	2,676
Cash and cash equivalents	66,392	22,339	61,643	58,319	25,951
Assets	183,829	58,918	98,957	148,492	115,308
Equity	164,287	41,528	88,656	127,795	97,012
Short-term liabilities	19,007	17,390	10,209	20,336	18,296
Equity and liabilities	183,828	58,918	98,957	148,492	115,308

CASH FLOW STATEMENT	2022	2021	2020	2019	2018
Cash flow from operating activities before changes in working capital	-79,172	-120,326	-57,436	-74,620	-68,256
Changes in working capital	-80,388	6,251	-10,122	2,208	4,626
Cash flow from investing activities	-905	-1,089	-1,407	-2,695	-4,072
Cash flow from financing activities	204,417	75,792	72,295	107,471	64,656
Cash flow for the period	43,952	-39,372	3,330	32,364	-3,046
Change in cash and cash equivalents	44,053	-39,304	3,324	32,368	-3,041
Cash and cash equivalents at beginning of year	22,339	61,643	58,319	25,951	28,992
Cash and cash equivalents at end of year	66,392	22,339	61,643	58,319	25,951

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.

Risk factors

Abliva, focused on the development of therapeutics for the treatment of primary mitochondrial diseases, faces the high operational and financial risks inherent in biotech drug development. Operational risks are high throughout all phases of development with possible discontinuation of a candidates' development due to lack of appropriate drug properties, safety, or efficacy. Although the probability of technical and regulatory success increases throughout development, the expenses also rise as, global clinical studies must be run at the same time drug scale-up and production are done and a sales force is prepared - all of which are done at risk. Operations at Abliva have been conducted at a loss to date, and Abliva currently estimates commercialization of the latest-stage asset, KL1333, could occur in select markets no earlier than 2026. A review of the risks identified by the company and the measures taken to limit risk follows.

RISKS SPECIFIC TO THE COMPANY

BUSINESS AND OPERATIONAL RISKS

Preclinical and clinical development

In order to establish the data necessary to support marketing approval and commercialization of the products (and thus a revenue stream), safety and efficacy must be demonstrated in both preclinical and clinical studies and the data must be deemed sufficient by the regulators to support marketing approval. If Abliva cannot, through clinical studies, adequately demonstrate that a drug is safe and effective, the drug may be delayed or not approved, a result that would have a large impact on the Company's earning potential and revenue stream. During the year, Abliva successfully progressed two compounds in development. First, the Company completed a clinical phase 1a/b study testing KL1333 in primary mitochondrial diseases and initiated a potential registrational Phase 2 study for KL1333 with the intention to dose the first patient in beginning of 2023.

The progression of NV354 to Phase 1 continues at a reduced speed, given the prioritization of KL1333.

The progression of programs through development requires a large number of vendors, consultants, personnel and partners to ensure quality and standards across all aspects of the program. In many cases one activity depends on another, and timelines can quickly become altered if one part of the process is delayed. In addition, when the programs enter clinical development, site participation and engagement and patient recruitment become a critical factor in timeline prediction and an unrelated problem at the site can dramatically impact timelines. For this reason, delays often occur in drug development.

Abliva has processes and protocols in place to regularly evaluate the programs and the associated risk in an effort to minimize the impact of these risks.

Operational Impacts of COVID-19

Although Covid-19 has decreased in severity and frequency, the impact of the pandemic is still felt in many geographies across many industries, especially with the prioritization of resources and staffing due to workforce shortages and supply chain issues. The future impact of Covid-19 on the Company's operations (clinical trials, manufacturing, vendors) is unknown but there is a risk that continued outbreaks could impact the global FALCON study of KL1333 and/or the forward progression of NV354.

The company's ability to influence this risk is limited. The company follows the development of COVID-19 and the guidelines issued by the authorities and works to limit any potential negative effects.

Partners, out-licensing and manufacturing process

Abliva's lead asset, KL1333, has been in-licensed from the Korean pharmaceutical company Yungjin Pharm and this partnership is critical for the further development and commercialization of KL1333. NV354 is a partnership 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 projects is based on how much Abliva and each partner has invested in each project.

Abliva has ongoing cooperation with the British company Isomerase Therapeutics Ltd, which is one of Abliva's most important partners. The collaboration includes chemistry support for Abliva's early development projects, intellectual property support and intellectual partnership on strategic issues and business development opportunities. Furthermore, Abliva has collaborations with other vendors, academic groups and contract organizations (contract research organizations (CROs) or contract manufacturing organizations (CMOs)), who provide insights, guidance and operational support across the portfolio.

The company has been seeking a strategic partner for the continued development of NeuroSTAT. It has continued 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 funded by the U.S. Department of Defense. The study, if authorized by US Department of Defence (DOD), would commence in 2023, 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 additional collaborations and partnerships (for general support of the portfolio, in connection with the out-licensing of drug candidates and/or in marketing and sales of medicines). On top of the opportunities available for traditional licensing, Abliva's management is continuously evaluating a variety of strategic 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.

Abliva strives to limit this risk through close and strategic partnerships.

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.

Abliva limits this risk through close collaboration with the clinicians and patient associations in the applicable countries. The studies have been designed to be both site- and patient-friendly to encourage active participation by all of the sites.

Maintenance of key personnel and qualified personnel

Abliva has built an organization of experienced drug development personnel to ensure the best possible conditions for the development of the Company's programs. However, Abliva is still a 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 four people working within the management group and four additional people supporting the management. The Company may fail to retain these personnel, requiring the recruitment of new qualified personnel in the future, causing a medium to high impact on the timeline and the Company's ability to commercialize any of the drug candidates. 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 feel that Abliva is a professional employer promising stimulating work and growth opportunities.

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. Abliva colleagues have a broad network to canvas should the need arise to hire new colleagues and good relationships with recruitment firms experienced in identifying and hiring top talent.

Patents and other intellectual property rights

The patent estate is the most valuable asset in any biotech company and the same is true at Abliva. There is a risk that existing and/or future patent portfolios and other intellectual property rights held by the Company will not provide 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 or other intellectual property rights. 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. 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.

To reduce the risk the Company continues to grow the patent portfolio, uses confidentiality agreements and limits the dissemination of confidential information and thus strives for far-reaching protection of sensitive information.

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/or limit or prevent the commercial use of the products. These impacts could 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.

Abliva strives to decrease the risk of side effects through comprehensive, well-designed preclinical and non-clinical experiments, strong rationale for dose selection in the clinical studies and evaluation of clinical strategies (such as split daily dosing) to improve tolerability.

INDUSTRY-RELATED RISKS

COMPETITIVE LANDSCAPE

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. In addition, 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.

Abliva is thus conducting innovative projects with so-called "first in class" drug candidates (which means that the projects will probably be complementary to competitors' strategies). Abliva's strategy is to seek Orphan Drug Designation (ODD) which limits competitors with the same mechanism of action in the same therapeutic area.

FINANCIAL RISKS

Future financing needs

Abliva has no commercialized products and hence revenue, however the Company continues to spend money to support the development of the portfolio. Drug product development is a capital-intensive activity and Abliva will continue to be dependent on receiving financing for the portfolio. Both the size and timing of the Company's future capital needs depends on a number of factors, including the success of the programs, the ability of the company to enter into partnerships (research, devlopment or commercial) and the opportunity to identify distributor agreements.Local and global market conditions can impact the ability to raise capital, and the ongoing war in the Ukraine has caused unfavorable market conditions.

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 delays 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 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.

Abliva is continuously interacting with investors, potential parters and well-networked industry leaders to identify new opportunities and identify backup plans.

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 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.

Abliva has a strategy of seeking regulatory input and guidance early and often in order to ensure incorporation of feedback in a timely manner and keep development programs on track.

Tax losses

As of December 31, 2022 the Group had recognized an accumulated loss of SEK 810,020,000. 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

SHARE PRICE DEVELOPMENT

Current and potential investors should realize that an investment in Abliva is associated with risk with potential for the share price to both rise and fall. This means that there is a risk that an investor may lose all or part of his invested capital. During the period January 1, 2022 through December 31, 2022, the Company's share price ranged from SEK 0.16 to SEK 0.76. The share price may fluctuate as a result of, amongst other things, communication by the Company pertaining to the advancement or delay in the portfolio, perception of the information contained in the Company's interim reports and the general stock market environment. Limited liquidity in the share can amplify such fluctuations in the share price. The share price may thus be affected by factors that are partially or completely 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.

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.

Limited liquidity of the share and equity-related securities
During 2022, an average of approximately 1.4 million shares have been traded per day in Abliva, corresponding to an average daily turnover of approximately SEK 0.4 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.

Macroeconomic and geopolitical factors
The Russian invasion of Ukraine in Febraury 2022 has worsened the political security situation in the rest of the world and created significant uncertainty in the financial markets, which may affect the company. The company has no direct business in, nor does it conduct any preclinical or clinical studies in Ukraine or Russia, but sees a risk that the company eventually will suffer from increased raw material and energy prices, which are likely to translate into both increased prices for goods and services as well as a change in strategy by investors and potential partners.

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 is the chief decision-making body. The Annual General Meeting is planned and held to enable shareholders to exercise their influence over the Company optimally. Resolutions reached at the Annual General Meeting 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 Annual General Meeting, and who have informed Abliva of their intention to attend by no later than the date indicated in the invitation to the Annual General Meeting, are entitled to participate in the Annual General Meeting and to vote according to the number of shares held

Initiatives from shareholders

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

Nomination Committee

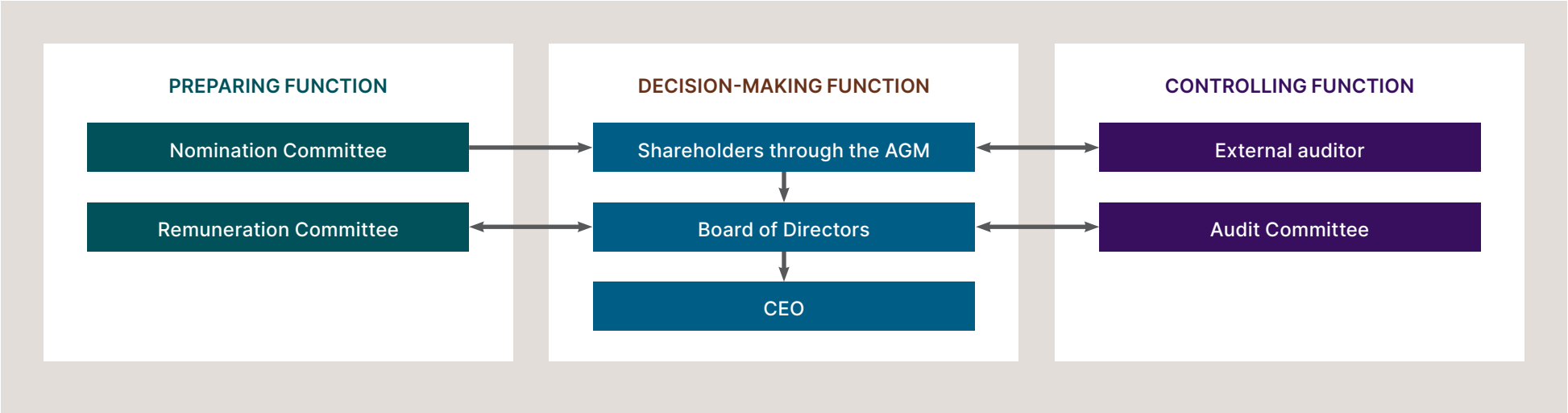
The Company shall have a Nomination Committee comprising one member of each the three largest shareholders in terms of voting rights based on ownership statistics maintained by Euroclear Sweden AB.

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 Annual General Meeting and are elected for a period until the end of the next Annual General Meeting.

Chair of the Board

The Annual General Meeting 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 Annual General Meeting. 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.

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 Annual General Meeting 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 13,231 registered shareholders as of 30 December 2022. According to EuroClear Sweden AB, Hadean Capital I AS was the largest owner with a holding of 163,105,724 shares, corresponding to some 15.44 percent of the shares and votes. Oslo Pensjonsforsikring AS was the second largest shareholder with 157,142,857 shares, corresponding to some 14.88 percent of the shares and votes. The third largest shareholder according to EuroClear register was BNP Paribas SA Paris, W8IMY (GCS) holding 85,714,988 shares, corresponding some 8.11 percent of the shares and votes.

Hadean Ventures, which manages Hadean Capital I AS and Hventures Capital I AB, are the largest individual shareholders in Abliva with a total holding of 22.44 percent. Oslo Pensjonsforsikring AS is Abliva's second largest individual owner with a total holding of 14.88 percent. IP Group Ipc is the third largest individual owner with a total holding of 8.10 percent. Hadean Ventures holds more than one-fith 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 52,814,958.25 divided between 1,056,299,165 shares as of 30 December 2022. 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 Annual General Meeting.

ANNUAL GENERAL MEETING

The Annual General Meeting is the chief decision-making body in a limited company and the shareholders exercise their decision-making rights at the Annual General Meeting. The Annual General Meeting is planned and held to enable shareholders to exercise their influence over the Company optimally. The invitation to the Annual General Meeting and other information provided is designed to allow shareholders to reach well-founded decisions on the issues addressed at the Annual General Meeting. Resolutions reached at the Annual General Meeting shall adhere to the Swedish Companies Act's regulations on majority requirement. In accordance with the Articles of Association, the invitation to the Annual General Meeting 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 Annual General Meeting, and who have informed Abliva of their intention to attend by no later than the date indicated in the invitation to the Annual General Meeting, are entitled to participate in the Annual General Meeting and to vote according to the number of shares held.

Initiatives from shareholders

Shareholders wishing to raise a matter at the Annual General Meeting must submit a written request to the Board of Directors by no later than seven weeks prior to the Annual General Meeting. 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 Annual General Meeting as justified. Abliva's website contains information on the Company's previous Annual General Meetings as well as information on shareholders' rights to raise matters at the Annual General Meeting and the cut-off date for Abliva receiving such requests.

SHAREHOLDERS' MEETINGS

Extraordinary General Meeting

The EGM was held on 14 January 2022, 5 shareholders attended the Extra General Meeting, in person or through representatives. These shareholders represented 15.18 percent of the shares and votes of Abliva.

The EGM 2022 adopted the following resolutions:

- Resolution to issue of convertibles with diviation from the shareholders' preferential rights.

Annual General Meeting 2022

The Annual General Meeting was held on 20 May 2022, 10 shareholders attended the Annual General Meeting, in person or through representatives. These shareholders represented 15.4 percent of the shares and votes of Abliva.

The Annual General Meeting 2022 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 remuneration to the Board of Directors, Auditors and Committee members,
- Elected the Board of Directors and Auditor,
- Adopted guidelines for the Nomination Committee,
- Resolution on amendment of the Articles of Association to amend the limits of the share capital and the number of shares,
- Adopted a resolution to sanction the Board of Directors to authorize further new issues, warrants and/or convertibles,

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

Annual General Meeting 2023

Abliva's Annual General Meeting 2023 will be held on 5 May 2023, at 10 am at Medicon Village, Scheeletorget 1, in Lund, Sweden. Shareholders wishing to attend the Annual General Meeting must notify the Company in advance. Information on how to apply and how to raise a matter at the Annual General Meeting is on the Company's website. Information about the date and place of the Annual General Meeting was uploaded to the company's website 24 October, 2022.

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 Annual General Meeting. The Nomination Committee's duty is to propose the Chair of the Annual General Meeting, 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 Annual General Meeting 2023 was announced at the company's website 17 October, 2022. The Nomination Committee for the Annual General Meeting 2023 consists of the following members, Ingrid Teigland Akay (Chair) appointed by Hadean Ventures, Sam Williams, appointed by IP Group Plc and Ryan El Hussein, appointed by Oslo Pensjonsforsikring.

THE BOARD OF DIRECTORS

Composition of the Board of Directors

Abliva's Annual General Meeting on 20 May 2022 re-elected board members David Laskow-Pooley, David Bejker, Roger Franklin, Denise Goode and Jan Törnell. David Laskow-Pooley was re-elected Chair of the Board. 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 on page 25.

Chair

The Annual General Meeting 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 Annual General Meeting. 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 18 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 meet-

BOARD WORK 2022

January. Extra General Meeting.
February. Funding. 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. Funding.
April. Audit matters, Annual Report, Corporate Governance Report, evaluation of variable remuneration.
May. 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. Review and authorization of Q1 Interim Report. Resolution on directed rights issue, and resolution on a Preferential rights issue.
June. Resolution on subscription price and allotment of shares in rights issue. Prospectus. Resolution on allotment of shares in Preferential rights Issue.
August. Review and authorization of Q2 Interim Report.
October. Review of Corporate Governance, follow up business objectives and strategies, funding.
November. Review and authorization of Q3 Interim Report, matters relating to Year-end Report, budget, audit matters, evaluating the Board of Directors' and senior executives' work in the year.

ings during the year dealt with matters such as decision on new share issues, financing strategy and allocation of shares under the new issues.

The Board members' non-affiliation and attendance are indicated in the table above. For a presentation of Board members, see page 29.

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.

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 Annual General Meeting 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.

Board member	Elected in	Board of Directors (attendence)	Audit committee (attendence)	Remunerations-committee (attendence)	Non affiliated[1]
David Laskow-Pooley, Chair	2016	18/18		Member (3/3)	Yes
David Bejker	2017	18/18	Chair (5/5)		Yes
Roger Franklin	2020	15/18			No
Denise Goode	2018	18/18	Member (5/5)	Chair (3/3)	Yes
Jan Törnell	2017	17/18	Member (5/5)	Member (3/3)	Yes

[1] According to the definition in the Swedish Code of Corporate Governance

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 Annual General Meeting 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 December 2022, the members of management were CEO Ellen Donnelly, Catharina 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 Annual General Meeting 2022 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 Annual General Meeting 2022 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.

Remuneration to senior executives

Following a proposal from the Board of Directors, the Annual General Meeting 2020 reached a resolution regarding guidelines for remuneration to senior executives. The guidelines adopted in 2020 apply until further notice.

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.

From Abliva's side, the maximum notice period shall be six months for the CEO and a maximum of six months for other senior executives. The notice period from the CEO's side shall be a minimum of six months, and from other senior executives' side, shall be a minimum of three months. 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 may temporarily resolve to derogate from the above Guidelines, in whole or in part, if in a specific case there is special cause motivating the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Remuneration Committee´s tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the Guidelines.

SHARE-BASED INCENTIVE PROGRAM

The Annual General Meeting 2021, decided on a four-year incentive stock option program 2021/2025 for the Company's CEO. The incentive stock option program entitles the holder to a new ordinary share in Abliva AB up to a maximum of 4,600,000 ordinary shares. The redemption price amounts to 0.725 öre. The program is vested at 25% per year on June 1, 2022, June 1, 2023, June 1, 2024 and June 1, 2025. Latest redemption date is December 31, 2025.

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 Annual General Meeting at the end of each financial year. The Company's Auditors shall be appointed for a at the Annual General Meeting. The Annual General Meeting 2022 elected Ernst & Young AB as the Company's Auditors until the 2023 Annual General Meeting. Oskar Wall 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 Annual General Meeting 2022 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 50. The Interim Report for the period January-September 2022 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 2022.

Abliva's Board

	DAVID LASKOW-POOLEY	DAVID BEJKER	ROGER FRANKLIN	DENISE GOODE	JAN TÖRNELL	EDWIN MOSES
						
	Chairman (2017, elected 2016)	Director (2017)	Director (2020)	Director (2018)	Director (2017)	Director (2023)
Born	1954	1975	1979	1958	1960	1954
Education	BSc Pharmacy (1st), Pharmaceutical/Chemical engineering specialty and QP., Sunderland School of Pharmacy.	M.Sc. (Econ.), Stockholm School of Economics.	M.Biochem (1st class), Molecular & Cellular Biochemistry, University of Oxford (UK), PhD, MRC Laboratory of Molecular Biology from University of Cambridge (UK).	Institute of Chartered Accountants in England and Wales Chartered Accountant. B.Sc. Zoology from The University of Manchester (UK).	MD and PhD in Physiology, University of Gothenburg.	Ph.D. in Chemistry from the University of Sheffield (UK) and a Post-Doctoral Fellowship in Biophysical Chemistry from the University of Regensburg (Germany).
Other ongoing assignments	Director of the Board of Marker Therapeutics Inc., USA, Pharmafor Ltd., and LREsystem Ltd. Chairman of the Board of OSPT Ltd., UK.	Director of the Board of LIDDS AB, Affibody AB, and Amylonix AB, CEO of Affibody Medical AB.	Partner at Hadean Ventures. Director at Gesynta Pharma AB, Crosslanes Holding AB and TargED Biopharmaceuticals B.V. Deputy Director at HVentures AB, HVentures Capital I AB and HVentures Capital II AB. Board observer at Step Pharma SAS, Pipeline Therapeutics Inc, Emergence Therapeutics AG, and Cardior Pharmaceuticals GmbH.	Director of the Board and CEO of QED Life Sciences Limited. Director of the Board at Alligator Bioscience, and VP Business Development at AnaMar AB.	CEO and Director of the Board of Innoext AB. Chairman of the Board of LIDDS AB, and Glactone Pharma AB. Deputy Director of the Board of LIDDS Pharma AB.	Chair of the Board at Achilles Therapeutics, Avantium, and LabGenius.
Previous assignments in the last five years	QP in HMR Ltd.	-	Deputy Director at Saga Diagnostics AB.	Director of the Board of Dechra Pharmaceuticals PLC and OBN Ltd. (UK).	Chairman of the Board of Isofol Medical, Director of the Board of Hammars Bryggförening, Diaprost AB and Stayble Therapeutics AB. CEO of Oncorena AB. Partner in P.U.L.S. AB.	Chair of the Board at Evox Therapeutics, Virion Biotherapeutics, Sensorion, and Oak Hill Bio. CEO of Ablynx and Operating Partner at Keensight Capital. Member of GIMV Life Sciences Advisory Board.
No. of shares	45,828	136,360	237,030,157 (owned by legal entities related to the director).	–	62,492	–
Other	Non-affiliated to the Company, the management and to major owners. The Boards Remuneration committee.	Non-affiliated to the Company, the management and to major owners. The Boards Audit committee (Chair).	Non-affiliated to the company and the management, but not to major owners.	Non-affiliated to the Company, the management and to major owners. The Boards Remuneration committee (Chair). The Boards Audit committee.	Non-affiliated to the Company, the management and to major owners. The Boards Remuneration committee. The Boards Audit committee.	Non-affiliated to the Company, the management and to major owners.

Information regarding individuals' own and related parties' shareholdings pertains to the situation on December 31, 2022.

Abliva's Management

	ELLEN DONNELLY	ESKIL ELMÉR	MAGNUS HANSSON	CATHARINA JOHANSSON	DAG NESSE
					
	CEO	Chief Scientific Officer	Chief Medical Officer	Deputy CEO and Chief Financial Officer	Vice President Clinical Operations
Born	1974	1970	1976	1967	1966
Education	Ph.D. in Pharmacology from Yale University.	Associated professor of experimental neurology at Lunds University, Doctors degree.	PhD in Experimental brain research from Lund University, Doctors degree.	M. Sc. in Business and Economics.	Registered nurse from the Universitu of South-East Norway (Vestfold), a Business Intelligence degree from the Norwegian Business School and a degree in Sociology from the University of Oslo (Norway).
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).	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.	Consultant physician and associate professor in medical imaging and physiology at Skåne University Hospital, Sweden.	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.	Director, Clinical Operations at EpiEndo, Head of Clinical Operations at Calliditas Therapeutics AB, and Head of Clinical Operations at Modus Therapeutics AB.
Employed since	2021	2000	2008	2013	2023
Holdings in Abliva	374,652 shares and 4,600,000 employee stock options of series 2021/2025.	735,155 Privately owned shares (including family) and 16.20 percent of Maas Biolab, LLC.which owns 0.96% of Abliva.	837,855 shares (including family).	314,994 shares.	21,650 shares.
Other				Secretary of the Board.	

AUDITOR
Ernst & Young AB
OSKAR WALL
Authorized Public Accountant

Information regarding individuals' own and related parties' shareholdings pertains to the situation on December 31, 2022.

Consolidated Statement of

Comprehensive Income

(SEK 000)	Note	2022	2021
Net sales	6	31	151
Other operating income	7	1,716	-
Operating expenses	9,10	-68,298	-103,695
Personnel cost	11.12	-14,028	-16,844
Depreciation and write-down of tangible and intangible assets		-2,610	-2,764
Other operating expenses	8	-	-330
		-84,937	**-123,633**
Operating income	5	**-83,190**	**-123,482**
Profit/loss from financial items			
Result from other securities and receivables related to non current assets		298	-
Financial income	13	392	-
Financial costs	14	-2,764	-12
			-12
Profit/loss before tax		**-85,264**	**-123,494**
Income tax	15	-	-4
Profit/loss for the period		**-85,264**	**-123,498**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Translation differences on foreign subsidiaries		147	71
Total other comprehensive income, net after tax		**147**	**71**
Total comprehensive income for the period		**-85,117**	**-123,427**
Loss for the period attributable to:			
Parent company shareholders		-85,262	-123,492
Non-controlling interests		-2	-6
		-85,264	**-123,498**
Total comprehensive income for the period			
Parent company shareholders		-85,117	-123,420
Non-controlling interests		-	-7
		-85,117	**-123,427**
Earnings per share before and after dilution (SEK) based on average number of shares	16	-0.12	-0.33

Consolidated Statement of

Financial Position

(SEK 000)	Note	12/31/2022	12/31/2021
ASSETS			
Non-current assets			
Intangible assets			
Patents	17	18,928	20,293
Other intangible assets	18	1,075	1,210
		20,004	**21,503**
Tangible assets			
Equipment	19	49	60
Right of use assets lease	20	859	-
		908	**60**
Financial Assets			
Other non-current receivables	22	13,101	13,101
		13,101	**13,101**
Total non-current assets		**34,013**	**34,664**
Current assets			
Other receivables		849	912
Prepaid expenses and accrued income	23	3,626	1,003
Övriga kortfristiga placeringar - Engelsk översättning behövs!		78,949	-
Cash and cash equivalents	24	66,392	22,339
		149,816	**24,254**
TOTAL ASSETS		**183,829**	**58,918**

Consolidated Statement of

Financial Position

(SEK 000)	Note	12/31/2022	12/31/2021
EQUITY AND LIABILITIES			
Equity attributable to the shareholders of the parent company			
Share capital	25	52,815	20,150
Additional paid in capital	26	905,221	730,560
Translation reserve	27	833	688
Retained earnings	28	-794,582	-709,879
Total equity attributable to the shareholders of the parent		**164,287**	**41,519**
Non-controlling interests		-	9
Total equity		**164,287**	**41,528**
Long-term liabilities			
Other long-term liabilities		534	-
		534	**-**
Short-term liabilities			
Accounts payable		4,860	9,616
Other liabilities		548	277
Accrued expenses and deferred income	29	13,599	7,497
		19,007	**17,390**
Total liabilities		**19,541**	**17,390**
TOTAL EQUITY AND LIABILITIES		**183,828**	**58,918**

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 2021	**14,817**	**660,025**	**616**	**-586,802**	**88,656**	**0**	**88,656**
Comprehensive profit/loss for the period							
Profit/loss for the period	-	-	-	-123,492	-123,492	-6	-123,498
Other comprehensive income:							
Translation differences	-	-	72	-	72	-1	71
Other comprehensive profit/loss for the period, net after tax	-	-	72	-	72	-1	71
Total comprehensive profit/loss	**-**	**-**	**72**	**-123,492**	**-123,420**	**-7**	**-123,427**
Transactions with shareholders:							
Rights Issue	5,333	70,535	-	-	75,868	-	75,868
Share based payment	-	-	-	415	415	-	415
Shareholder contribution	-	-	-	-	-	16	16
Total transactions with shareholders	**5,333**	**70,535**	**-**	**415**	**76,283**	**16**	**76,299**
Closing balance, 31 December 2021	**20,150**	**730,560**	**688**	**-709,879**	**41,519**	**9**	**41,528**
Opening balance, 1 January 2022	**20,150**	**730,560**	**688**	**-709,879**	**41,519**	**9**	**41,528**
Comprehensive profit/loss for the period							
Profit/loss for the period	-	-	-	-85,262	-85,262	-2	-85,264
Other comprehensive income:		-					
Translation differences	-	-	145	-	145	2	147
Other comprehensive profit/loss for the period, net after tax	-	-	145	-	145	2	147
Total comprehensive profit/loss	**-**	**-**	**145**	**-85,262**	**-85,117**	**-**	**-85,117**
Transactions with shareholders:							
Rights Issue*	32,665	174,661	-	-	207,326	-	207,326
Share-based payment	-	-	-	551	551	-	551
Change of ownership in share issue	-	-	-	9	9	-9	-
Total transactions with shareholders	**32,665**	**174,661**	**-**	**560**	**207,886**	**-9**	**207,877**
Closing balance, 31 December 2022	**52,815**	**905,221**	**833**	**-794,581**	**164,288**	**0**	**164,287**

*Total equity includes funds from the June 9th completed directed share issue with net SEK 137,362,000 less expenses SEK 13,038,000, and from the July 13th completed preferential rights issue, with net SEK 43,003,000 less expenses of SEK 8,289,000 wherof SEK 6,155,000 constituted compensation to the guarantors, and the conversion of the convertible loan to Hadean amounting to SEK 26,961,000.

Consolidated Statement of

Cash Flows

(SEK 000)	Note	2022	2021
Cash flow from operating activities			
Operating income		-83,190	-123,482
Adjustments for non-cash items:			
Depreciation		2,610	2,660
Currency differences on intercompany items		192	-7
Impaired value patents		-	104
Share based payments		551	415
Result from other securities and receivables related to non current assets		298	-
Interest received		392	-
Interest paid		-25	-12
Tax paid		-	-4
Net cash from operating activities before changes in working capital		**-79,172**	**-120,326**
Changes in working capital			
Increase/decrease of other current assets		-81,506	-400
Increase/decrease of other short-term liabilities		1,118	6,651
		-80,388	**6,251**
Cash flow from operating activities		**-159,560**	**-114,075**
Investing activities			
Acquisition of intangible assets	17,18	-882	-1,024
Acquisition of tangible assets	19	-23	-65
Cash flow from investing activities		**-905**	**-1,089**
Financing activities			
Shareholder contribution subsidiary		-	16
New share issue	25	180,364	75,868
Amortization lease liabilities		-170	-92
Increase/decrease of long-term liabilities		24,223	-
Cash flow from financing activities		**204,417**	**75,792**
Cash flow for the period		**43,952**	**-39,372**
Cash and cash equivalents at the beginning of the period		22,339	61,643
Effect of exchange rate changes on cash		101	68
Cash and cash equivalents at end of period	24	**66,392**	**22,339**

Parent Company

Income Statement

(SEK 000)	Note	2022	2021
Net sales	5	31	151
Other operating income	7	1,716	-
		1,746	**151**
Operating expenses			
Other external expenses	9,10	-72,875	-107,521
Personnel cost	11.12	-8,580	-12,952
Depreciation and write-down of tangible and intangible assets		-2,439	-2,420
Other operating expenses	8	-	-330
		-83,894	**-123,223**
Operating income	5	**-82,148**	**-123,072**
Profit/loss from financial items			
Result from other securities and receivables related to non current assets		298	-
Interest income and other similar profit items	13	392	-
Interest expenses and other similar loss items	14	-2,738	-
		-2,048	**-**
Profit/loss before tax		**-84,196**	**-123,072**
Income tax	15	-	-
Profit/loss for the period		**-84,196**	**-123,072**

Parent Company

Statement of Comprehensive Income

(SEK 000)	Note	2022	2021
Profit/loss for the period		-84,196	-123,072
Other comprehensive income			-
Total comprehensive profit/loss for the period		**-84,196**	**-123,072**

Parent Company

Balance Sheet

(SEK 000)	Note	12/31/2022	12/31/2021
ASSETS			
Non-current assets			
Intangible assets			
Patents	17	18,928	20,293
Other intangible assets	18	1,075	1,210
		20,004	**21,503**
Tangible assets			
Equipment	19	49	60
		49	**60**
Financial assets			
Shares in subsidiaries	21	24,557	24,557
Other non-current receivables	22	13,101	13,101
		37,658	**37,658**
Total non-current assets		**57,711**	**59,221**
Current assets			
Short term receivables			
Other receivables		825	890
Prepaid expenses and accrued income	23	3,626	1,003
		4,451	**1,893**
Other short term recievables		78,949	-
Cash and bank balances	24	65,123	21,696
Total current assets		**148,522**	**23,589**
TOTAL ASSETS		**206,234**	**82,810**

Parent Company

Balance Sheet

(SEK 000)	Note	12/31/2022	12/31/2021
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	25	52,815	20,150
Statutory reserve		1,856	1,856
Development expenditure reserve		1,247	2,613
		55,919	**24,619**
Unrestricted equity			
Share premium reserve		174,661	70,534
Retained earnings		41,844	93,017
Profit/loss for the period		-84,196	-123,072
		132,309	**40,479**
Total equity		**188,228**	**65,098**
Short-term liabilities			
Accounts payable		4,602	9,616
		1,290	1,253
Other liabilities		213	273
Accrued expenses and deferred income	29	11,901	6,570
		18,006	**17,712**
TOTAL EQUITY AND LIABILITIES	30	**206,234**	**82,810**

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 2021	**14,817**	**1,856**	**3,821**	**67,045**	**24,764**	**112,302**
Comprehensive profit/loss for the period	**-**	**-**	**-**	**-**	**-**	**-**
Disposition according to AGM	-	-	-	-67,045	67,045	-
Profit/loss for the period	-	-	-	-	-123,072	-123,072
Total comprehensive profit/loss	**-**	**-**	**-**	**-67,045**	**-56,027**	**-123,072**
Transactions with shareholders						
New share issue	5,333	-	-	70,534	-	75,867
Total transactions with shareholders	**5,333**	**-**	**-**	**70,534**	**-**	**75,867**
Development expenditure reserve	-	-	-1,208	-	1,208	-
Closing balance, 31 December 2021	**20,150**	**1,856**	**2,613**	**70,534**	**-30,055**	**65,098**
Opening balance 1 January 2022	**20,150**	**1,856**	**2,613**	**70,534**	**-30,055**	**65,098**
Comprehensive profit/loss for the period						
Disposition according to AGM	-	-	-	-70,534	70,534	-
Profit/loss for the period	-	-	-	-	-84,196	-84,196
Total comprehensive profit/loss	**-**	**-**	**-**	**-70,534**	**-13,662**	**-84,196**
Transactions with shareholders						
New share issue*	32,665	-	-	174,661	-	207,326
Total transactions with shareholders	**32,665**	**-**	**-**	**174,661**	**-**	**207,326**
Development expenditure reserve	-	-	-1,366	-	1,366	-
Closing balance, 31 December 2022	**52,815**	**1,856**	**1,247**	**174,661**	**-42,351**	**188,229**

*Total equity includes funds from the June 9th completed directed share issue with net SEK 137,362,000 less expenses SEK 13,038,000, and from the July 13th completed preferential rights issue, with net SEK 43,003,000 less expenses of SEK 8,289,000 wherof SEK 6,155,000 constituted compensation to the guarantors, and the conversion of the convertible loan to Hadean amounting to SEK 26,961,000.

Parent Company

Statement of Cash Flows

(SEK 000)	Note	12/31/2022	12/31/2021
Cash flow from operating activities			
Operating income		-82,148	-123,072
Adjustments for non-cash items:			
Depreciation		2,439	2,316
Impaired value patents		-	104
Result from shares in associated company		298	-
Interest received		392	-
Net cash from operating activities before changes in working capital		**-79,019**	**-120,652**
Changes in working capital			
Increase/decrease of other current assets		-81,506	-382
Increase/decrease of other short-term liabilities		269	7,250
		-81,237	**6,868**
Cash flow from operating activities		**-160,256**	**-113,784**
Investing activities			
Acquisition of intangible assets	17.18	-882	-1,024
Acquisition of tangible assets		-22	-65
Change in other financial assets		-	-933
Cash flow from investing activities		**-904**	**-2,022**
Financing activities			
New share issue	25	180,364	75,868
Increase/decrease of long-term liabilities		24,223	-
Cash flow from financing activities		**204,587**	**75,868**
Cash flow for the period		**43,427**	**-39,938**
Cash and cash equivalents at the beginning of the period		21,696	61,634
Cash and cash equivalents at end of period	24	**65,123**	**21,696**

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, Scheeletorget 1, 223 81 Lund, Sweden. www.abliva.com. Abliva is listed at Nasdaq Stockholm, Sweden, (Ticker: ABLI). 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+ and NADH regulator, entering late stadge development and has been granted orphan drug designation in Europe and the US. NV354, an energy replacement therapy, has just completed preclinical development. "Abliva" or "The Company" refers to Abliva AB (publ).

The Board of Directors approved these consolidated accounts on March 29, 2023 and they will be presented before the Annual General Meeting for adoption on May 5, 2023.

Note 2 – Critical accounting policies

Grounds of preparation of the reports

Group accounting policies 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, 2022 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, 2023.

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.

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.

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 company generates only limited revenues. 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%.

Lease liabilities are depreciated linear over the shorter of the useful life of the asset and the lease term. 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.

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.

Stock Option Program

Share-based Payment are regulated with equity instruments. The fair value of employee stock options is calculated according to Black-Scholes' valuation model at the time the options are granted. The cost, which is distributed over the vesting period of four years, is reported against equity. No costs for social security contributions are expected to occur, consequently no provisions are made for social security costs, only the cost of the employee stock option is reported.

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. Deferred tax is calculated according to the balance sheet method on all temporary differences that exist between reported and tax values of assets and liabilities. Deferred tax receivables in regard to loss deductions or other future tax deductions are only reported if the value is likely to be utilized in the foreseeable future.

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.

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. For information on the Company's costs regarding development projects, see the Statutory Administration Report, Financial information.

Disposal and sale. Disposal and sale. An intangible asset is de-recognized 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 recog-

nized in profit or loss when the asset is de-recognized 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 derecognized 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 shared 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 is reported 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. 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 obli-

gation and the amount can be measured reliably. Abliva is not reporting any provisions as of 31 December 2022.

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.

Cash flow statement.

The cash flow statement has been prepared according to the indirect method. Bank balances are counted as cash and cash equivalents.

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.

Intangible assets. Patents and 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 20,004,000 (21,503,000), of which patents represents SEK 18,928,000 (20,293,000). 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. For furhter information see Note 17.

Financial assets. Shares in subsidiaries, in Parent Company, 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 ncluding the discount rate and future growth rates beyond predetermined budgets and forecasts. The carrying amounts of shares in subsidiary amount to SEK 24,557,000 (24,557,000). 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. For furhter information see Note 21.

Milestone Payment 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 of which 2 MUSD has been paid in December 2021 for the achievement of the milestone of successful outcome of phase 1 study), and of milestones linked to marketing authorization, pricing and reimbursement (a total of USD 42 million). Yungjin Pharm is entitled to payments 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.

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 financing and credit and counterparty 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 3,604,000 (671,000).

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 1,024,000 (618,000).

The Group's exposure of 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)	2022	2021	2022	2021	2022	2021
Assets/Liabilities	70,983	-7,900	1,973	-313	-813	-4,683

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 19,007,000 (17,390,000) and mature within one year. The group's current receivables that become due within one year amount to SEK 83,424,000 (1,915,000). The group has cash and cash equivalents of SEK 66,392,000 (22,339,000). KSEK.

Categories of financial assets and financial liabilities

	Group		Parent company	
	2022	2021	2022	2021
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	849	912	825	890
Other short term receivables	78,949	-	78,949	-
Cash and cash equivalents	66,392	22,339	65,123	21,696
Total financial assets	**159,291**	**36,352**	**157,997**	**35,687**
Financial liability				
Financial liabilities at accrued acquisition				
Other financial liabilities				
Accounts payable	4,860	9,616	4,602	9,616
Other current liabilities	548	277	1,503	1,526
Accrued Expenses	9,730	3,613	9,684	3,480
Total financial liabilities	**15,138**	**13,506**	**15,789**	**14,622**

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 interestbearing 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 12/31/2022	Within one year	Between one and five years	After more than five years
Lease liabilities	335	534	-
Accounts payable	4,860	-	-
Other liabilities	548	-	-
Total	**5,743**	**534**	**-**

Group 12/31/2021	Within one year	Between one and five years	After more than five years
Lease liabilities	-	-	-
Accounts payable	9,616	-	-
Other liabilities	277	-	-
Total	**9,893**	**-**	**-**

Measurements of financial instruments at fair value

Carrying amounts are considered a close approximation of the fair values of financial assets and financial liabilities valued at amortized cost, 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. Unlisted holdings are reported as financial assets valued at fair value through other comprehensive income and are classified in level 3, which means that observable market information is not available. For further information see Note 22, Other long-term securities.

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 164,287,000 (41,528,000). 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 5,613,000 (3,832,000) and sales within the same group amount to SEK 0 (0). There are no existing loans between parent companies and subsidiaries. The transactions have taken place using the arm's length principle.

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 2022 and 2021

Revenues and non-current assets divided by geographical region
The group's sales relatea to the parent company in 2022 and 2022.

The group conducts its operations in mainly one geographical region—Sweden (the Company's domicile). Equipment in the parent company in Sweden totals SEK 33,154,000 (34,664,000).

Note 7 Other operating income

	Group		Parent company	
	2022	2021	2022	2021
Exchange rate gains relating to operations	1,716	-	1,716	-
Total	**1,716**	**-**	**1,716**	**-**

Note 8 Other operating expenses

	Group		Parent company	
	2022	2021	2022	2021
Exchange rate losses relating to operations	-	330	-	330
Total	**-**	**330**	**-**	**330**

Note 9 Disclosure on audit fees and reimbursement

	Group		Parent company	
	2022	2021	2022	2021
Ernst & Young AB				
auditing	608	550	608	550
audit work in addition to statutory audit	85	78	85	78
Kaizen Certified Public Accountants Limited				
auditing	14	12	-	-
Total	**707**	**640**	**693**	**628**

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 2022-12-31, the company has no short-term contracts. As of the year-end, the Group leases for office premises in the balance sheet that are reported as Rights of use assets lease amounts to SEK 859,000 (0). The leasing fees have been calculated at present value, using the Group's marginal loan rate, which amounted to 5%.

Additional right of use assets amounted to SEK 1,030,000 (-).

Leasing liabilities as of year end amounted to SEK 869,000 (-) whereof 534,000 long term and 335,000 short term. Maturity analysis for long term liabilities is found in Note 4.

* The premises rent contract runs for a period of 6 months at a time. The company has adopted an extension period of 36 months startin 1 July 2022.

Costs from leasing agreements	12/31/2022	12/31/2021
Depreciation of right of use assets lease	172	343
Interest expenses for leasing liabilities	25	11
Costs attributable to low value lease agreements	85	82
Amounts recognized in profit or loss	**282**	**436**

The total cash flow for leasing contracts in 2022 amounted to SEK -458,000 (-454,000).

Parent Company

	2022	2021
Paid during the year	458	454
Future lease charges due:		
within 1 year	372	0
later than 1 year but within 5 years	558	0
later than 5 years	0	0
Total nominal value of future lease charges	**930**	**0**

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

	2022		2021	
Average number of employees	**No. of employees**	**Of which no. of men**	**No. of employees**	**Of which no. of men**
Parent company, Sweden	8	2	7	3
Subsidiary, US	1	-	1	-
Total, group	**9**	**2**	**8**	**3**

	Group		Parent company	
Division of senior executives on reporting date	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Board members	7	8	5	5
of which men:	4	5	4	4
Other employees in management, incl. CEO	4	4	4	4
of which men:	2	2	2	2
Total	**11**	**12**	**9**	**9**

Pensions

The group's expense for defined contribution pension plans is SEK 825,000 (1,400,000). Theparent company's expense for defined contribution pension plans is SEK 723,000 (1,400,000).

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. The Annual General Meeting on May 20, 2021, decided on a four-year employee stock option program 2021/2025 for the company's CEO.

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.

	2022		2021	
Salaries and benefits for the year – group and parent company	**Board & CEO**	**Other**	**Board & CEO**	**Other**
Parent company	1,430	6,324	3,930	6,753
Subsidiary	5,247	-	3,648	-
Total	**6,677**	**6,324**	**7,578**	**6,753**

Social security costs and pension costs	**Board & CEO**	**Other**	**Board & CEO**	**Other**
Parent company				
Pension cost	-	723	364	1,020
Other socieal security costs	-	1,952	1,234	2,161
Subsidiary				
Pension cost	102	-	-	-
Other socieal security costs	176	-	176	-
Total	**278**	**2,675**	**1,774**	**3,181**

Salaries and benefits for the year Group and parent company 2022	**Directors' fee**	**Basic salary**	**Variable remuneration**	**Pension expense**	**Other benefits**	**Share-based payment**	**Social Security contributions**	**Total**
David Laskow-Pooley, Chair	420	-	-	-	-	-	43	463
David Bejker, Board Member	350	-	-	-	-	-	110	460
Roger Franklin, Board Member,	-	-	-	-	-	-	-	-
Denise Goode, Board Member	340	-	-	-	-	-	107	447
Jan Törnell, Board Member	320	-	-	-	-	-	101	421
Total, Board	**1,430**	**-**	**-**	**-**	**-**		**360**	**1,790**
		-	-	-	-	-	-	-
Ellen Donnelly, CEO, February-December (11 months)	-	3,140	1,556	102	-	551	176	5,525
Other senior executives (CSO 40%, CFO 100%, CMO 100%)	-	2,649	1,013	584	9	-	1,292	5,547
Total CEO and other senior executives	**-**	**5,789**	**2,569**	**686**	**9**	**551**	**1,468**	**11,072**
Total	**1,430**	**5,789**	**2,569**	**686**	**9**	**551**	**1,829**	**12,863**

Salaries and benefits for the year Group and parent company 2021	**Directors' fee**	**Basic salary**	**Variable remuneration**	**Pension expense**	**Other benefits**	**Share-based payment**	**Social Security contributions**	**Total**
David Laskow Pooley, Chair	420	-	-	-	-	-	43	463
David Bejker, Board member	350	-	-	-	-	-	110	460
Roger Franklin, Board Member	-	-	-	-	-	-	-	-
Denise Goode, Board member	340	-	-	-	-	-	107	447
Jan Törnell, Board member	320	-	-	-	-	-	101	421
Total Board	**1,430**	**-**	**-**	**-**	**-**	**-**	**360**	**1,790**
Erik Kinnman, CEO, January (1 month) including notice period and severance pay	-	2,500	-	364	-	-	874	3,738
Ellen Donnelly, CEO (February-December 11 months)	-	2,499	734	-	-	415	176	3,824
Other senior executives (CSO 40%, CFO 100%, CMO 100%)	-	2,627	839	613	8	-	1,238	5,325
Total CEO and other senior executives	**-**	**7,626**	**1,573**	**977**	**8**	**415**	**2,288**	**12,887**
Total	**1,430**	**7,626**	**1,573**	**977**	**8**	**415**	**2,648**	**14,677**

All Directors' fees resolved by the AGM on 20 May 2022 were charged to profit or loss for 2022. Board Member Roger Franklin has waived his fee.

CEO
The CEO Ellen Donnelly is employed by the subsidiary Abliva Inc and all compensation to the CEO has been reported in Abliva Inc.

Other senior executives:
There are three other senior executives during the period of January to December 2022. The amount stated in the basic salary column corresponding to 2.4 (2.4) full-time equivalents for 2022.

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 Johansson, CFO, did not receive any other compensation apart from basic salary, variable compensation and other benefits 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.

Other benefits include compensation, to Eskil Elmér and Magnus Hansson, within the framework of agreement for mitochondrial energy regulation projects, for 2021 . 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.For further information see note 31, Transactions with related parties.

Pensions
There is no contracted retirement age for the CEO or other senior executives. The pension premium for the CEO is calculated in accordance with the US 401k plan, which means that the company's obligation is to pay a maximum of 4% premium on the CEO's total remuneration for one year. The pension premium for 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 to this notice period, severance pay subject to a maximum of six months' salary plus benefits may be payable to the CEO. A mutual notice period of three to six months applies between the Company and other senior executives.

Note 12 Employee Stock Option Program

The AGM on May 20, 2021, decided on a four-year incentive stock option program 2021/2025 for the Company's CEO. The incentive stock option program entitles the holder to a new ordinary share in Abliva AB up to a maximum of 4,600,000 ordinary shares. The redemption price amounts to SEK 0.725. The program is vested at 25% per year on June 1, 2022, June 1, 2023, June 1, 2024 and June 1, 2025. Latest redemption date is December 31, 2025.

Valuation Employee Stock Option Program	6/1/2021
Dividend	-
Expected volatality	55%
Interest rate	-0.02%
Valutaion of the share (SEK)	0.725
Valuation model	Black&Scholes

Changes during the year (number)	2022	2021
Outstanding at January 1	4,600,000	0
Exercised during the year	1,150,000	0
Outstanding at December 31	3,450,000	4,600,000

During 2022, costs for the employee stock option program, excluding social security contributions, were charged to operating profit of SEK 551,000 (415,000). No costs for social security contributions are expected to arise.

Note 13 Financial income

	Group		Parent company	
	2022	2021	2022	2021
Result from other securities related to non current assets	298	-	298	-
Interest income	392	-	392	-
Total financial income	**690**	**-**	**690**	**-**

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

Note 14 Financial costs

	Group		Parent company	
	2022	2021	2022	2021
Interest costs	-2,764	-12	-2,738	-
Total financial costs	**-2,764**	**-12**	**-2,738**	**-**

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

Note 15 Tax

Tax for the year	Group		Parent company	
	2022	2021	2022	2021
Current tax on profit/loss for the year	-	-4	-	-
Deferred tax relating to temporary differences	-	-	-	-
Total reported tax expense	**-**	**-4**	**-**	**-**

Income tax in Sweden is computed at 20.6% (20.6%) 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	
	2022	2021	2022	2021
Profit/loss before tax	**-85,264**	**-123,494**	**-84,196**	**-123,072**
Tax revenue for the year				
Tax computed at Swedish tax rate	17,564	25,440	17,344	25,353
Tax effect of non-deductible expenses	-120	-6	-6	-6
Tax effect of non-taxable revenues	-61	-	-61	-
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	4,393	851	4,393	851
Difference in tax rates between Sweden and foreign subsidiary	370	-	-	-
Tax effect of deficits for which no deferred tax receivable is reported	-22,146	-26,289	-21,670	-26,198
Total	**0**	**-4**	**0**	**0**
Adjustments recognized in the current year for previous year's current tax	-	-	-	-
Reported tax expense for the year	**0**	**-4**	**0**	**0**

Reported tax expense relate to the US subsidiary, that reports positive result before tax.
The Group's total loss carry forwards as per December 31, 2022 amount to approximately SEK 810,020,000 (746,365,000) whereof SEK 783,637,000 (720,500,000) refers to the Parent Company. The tax loss carry forwards have no fixed maturity. Deferred tax assets attributable to the loss carry forward has been valued at zero as it is currently not possible to assess when tax losses carry forwards can be utilized.

Note 16 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	
	2022	2020
Profit/loss for the year attributable to equity holders of the parent (SEK)	-85,263,950	-123,491,709
Weighted average number of ordinary shares before dilution	739,486,960	370,168,023
Basic earnings per share, SEK	**-0.12**	**-0.33**

Diluted earnings per share

Employee option program 2021/2025 has not resulted in any dilution effect at the end of the year since the company reports a negative result.

Note 17 Patents

	Group		Parent company	
	2022	2021	2022	2021
Opening cost	35,180	33,771	35,180	33,771
Purchases during the year	906	1,562	906	1,562
Impairment patent	-	-153	-	-153
Closing accumulated cost	**36,086**	**35,180**	**35,180**	**35,180**
Opening amortization	-14,887	-12,800	-14,887	-12,800
Amortization for the year	-2,271	-2,136	-2,271	-2,136
Impairment	-	49	-	49
Closing accumulated amortization	**-17,158**	**-14,887**	**-17,158**	**-14,887**
Closing carrying amount	**18,928**	**20,293**	**18,928**	**20,293**

Note 18 Other intagible assets

	Group		Parent company	
	2022	2021	2022	2021
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	-1,654	-1,520	-1,611	-1,477
Amortization for the year	-134	-134	-134	-134
Closing accumulated amortization	**-1,789**	**-1,654**	**-1,745**	**-1,611**
Closing carrying amount	**1,075**	**1,210**	**1,075**	**1,210**

Refers 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	
	2022	2021	2022	2021
Opening cost	1,544	1,479	1,544	1,479
Purchases during the year	22	65	22	65
Disposal	**-361**	**-**	**-361**	**-**
Closing accumulated cost	1,205	1,544	1,205	1,544
		-	-	-
Opening depreciation	-1,484	-1,438	-1,484	-1,438
Depreciation for the year	**-33**	**-46**	**-33**	**-33**
Disposal	361	-	361	-
Closing accumulated depreciation	**-1,156**	**-1,484**	**-1,156**	**-1,484**
		-	-	-
Closing carrying amount	**49**	**60**	**49**	**60**

Note 20 Right of use assets lease

	Group	
	2022	2021
Opening cost	1,030	1,030
Purchases during the year	1,030	-
Disposal	**-1,030**	**-**
Closing accumulated cost	1,030	1,030
		-
Opening depreciation	-1,030	-687
Depreciation for the year	**-171**	**-343**
Disposal	1,030	-
Closing accumulated depreciation	**-171**	**-1,030**
		-
Closing carrying amount	**859**	**-**

For further information see Note 10 Leasing agreements.

Note 21 Participations in subsidiaries

	Parent company	
	2022	2021
Opening cost	**24,557**	**23,625**
Shares Abliva Inc	-	8
Shareholder contribution Abliva Inc.	-	830
Shares Abliva Incentive AB.	-	25
Shares NeuroVive Pharmaceutical AB	0	-
Shareholder contribution NeuroVive Pharmaceutical Asia Ltd.	-	69
Closing cost	**24,557**	**24,557**

Subsidiaries

	Abliva Inc	Abliva Incentive AB	NeuroVive Pharmaceutical Asia, Inc.
Domicile	Delaware	Lund	Hong Kong
Share of equity, %	100%	100%	100.00%
Organizational no.	5349164	559283-6869	1688859
Shares	1,000	25,000	11,232,296
Equity	614	14	0
Result	-451	0	-56
Book value	838	25	23,625

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 100 percent by Abliva AB since October 2022 when Abliva AB purchased the Business Research Ltd. shares for HKD 1.00 (SEK 1.44).

Not 22 Other long-term securities

	Group		Parent company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
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 holding is reported at fair value through other comprehensive income and is classified in level 3. Valuation has taken place according to the latest transaction price, which corresponds to the acquisition value. The financial effects that arise as a result of ownership are that Abliva receives dividends based on our shareholding and that Abliva replaces 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. In 2022 Abliva have received dividends of SEK 298,000 (0) which is reported in the income statement as financial income.

Note 23 Prepaid expenses and accrued income

	Group		Parent company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Other prepaid expenses	3,626	1,003	3,626	1,003
Total	**3,626**	**1,003**	**3,626**	**1,003**

Note 24 Cash and cash equivalents/Other Short term receivable

	Group		Parent company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Cash and bank balances	66,392	22,339	65,123	21,696
Other Short term receivable	78,949	-	78,949	-
Total	**145,341**	**22,339**	**144,072**	**21,696**

Other short-term recivables refer to the investment of surplus cash in three to nine months at an interest-bearing account at SEB. The return is reported as financial income

Note 25 Share capital

	Parent company and group		
	No. of shares	Quotient value, SEK	Share capital, SEK
Opening share capital, 1 Jan. 2021	296,340,132	0.05	14,817,007
New share issue	106,666,666	0.05	5,333,333
Closing share capital, 31 Dec. 2021	**403,006,798**	**0.05**	**20,150,340**
Opening share capital, 1 Jan. 2022	403,006,798	0.05	20,150,340
New share issue	653,292,367	0.05	32,664,618
Closing share capital, 31 Dec. 2022	**1,056,299,165**	**0.05**	**52,814,958**

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 429,714,285 shares raising a total of SEK 137,661,998.60 (after issue expenses of SEK 13,476, 215.40) was completed in June 2022. The new issue increased share capital by SEK 21,485,714.25 with the remaining amount of SEK 116,176,284.35 recognized against other paid-up capital/share premium reserve. A new issue of 77,030,158 by conversion of a convertible loan shares was completed in June 2022. The new issue increased share capital by SEK 3,851,507.90 with the remaining amount of SEK 23,109,047.40 recognized against other paid-up capital/share premium reserve. A rights issue of 146,547,924 shares raising a total of SEK 43,441,163.40 (after issue expenses of SEK 7,850,610.00) was completed in July 2022. The rights issue increased share capital by SEK 7,327,396.20 with the remaining amount of SEK 36,113,767.20 recognized against other paid-up capital/share premium reserve.

Allocation Retained Earnings Parent Company	
Share premium reserv	174,660,884
Ackumulated profit/loss	97,762,536
Profit/loss for the year	-84,195,817
Total	**188,227,603**

The Board of Directors proposes that unappropriated retained earnings of SEK 188,227,603 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 June 2022, and July 2022, increased other paid-up capital by SEK 174,660,885 (70,534,324) after deducting issue expenses of SEK 21,326,825 (4,132,343).

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. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Accrued salary including social security contributions	2,872	1,880	1,341	1,086
Accrued vacation pay liability including social security contributions	524	475	402	475
Accrued Directors' fees incl. social security contributions	298	1,193	298	1,193
Accrued pension expenses	175	336	175	336
Other accrued expenses	9,730	3,613	9,684	3,480
Total	**13,599**	**7,497**	**11,901**	**6,570**

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 2022 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. A part 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 2022 (2021). 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 Post-balance sheet events

Other
Abliva appointed Dag Nesse as Vice President of Clinical Operations. Mr. Nesse has joined the company's management team.

The U.S. Patent and Trademark Office granted a composition of matter patent for the NV354 compound.

Extraordinary general meeting 8 mars 2023
An extraordinary general meeting was held on March 8, 2023. The extraordinary general meeting resolved on the following: The EGM resolved that the number of Board members shall be six and thus consists of David-Laskow-Pooley (Chair), David Bejker, Roger Franklin, Denise Goode, Jan Törnell, and new elected Edwin Moses.
Board fee to the new Board Member Edwin Moses should be paid the same rate as other Board members, resolved at the Annual General Meeting on May 20, 2022, proportionately for the mandate period until the next Annual General Meeting.
The Extraordinary General Meeting resolved to implement the Employee Stock Option Program 2023/2027 to the company's CEO. One stock option entitles the holder to a new ordinary share in Abliva AB of not more than 17,500,000 ordinary shares. The strike price amounts to SEK 0.27. The program is vested by 25% per year on April 1, 2024, April 1, 2025, April 1, 2026, and April 1, 2027. The latest redemption date is December 31, 2027. If all warrants are exercised for subscription of shares, this corresponds to a dilution of approximately 1.63% of the number of votes and shares in the Company.
The Extraordinary General Meeting resolved to implement the Warrant Program 2023/2027 for the Company's management and other key personnel. One warrant entitles the holders to one new ordinary share in Abliva AB of not more than 23,750,000 ordinary shares. The price per warrant is SEK 0.06. The strike price amounts to SEK 0.67. The latest redemption date is December 31, 2027. If all warrants are exercised for subscription of shares, this corresponds to a dilution of approximately 2.21% of the number of votes and shares in the Company.
The Extraordinary General Meeting resolved to implement a Warrant Program 2023/2027 to Board member Edwin Moses. One warrant entitles the holders to one new ordinary share in Abliva AB of not more than 8,500,000 ordinary shares. The strike price amounts to SEK 0.27. The latest redemption date is December 31, 2027. If all warrants are exercised for subscription of shares, this corresponds to a dilution of approximately 0.08% of the number of votes and shares in the Company.

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 5, 2023 for adoption.

Lund March 29, 2023

David Laskow-Pooley
Chair of the Board

David Bejker
Board member

Denise Goode
Board member

Roger Franklin
Board member

Jan Törnell
Board member

Edwin Moses
Board member

Ellen Donnelly
CEO

Our Audit Report was presented on March 30, 2023

Ernst & Young AB

Oskar Wall
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) except for the corporate governance statement on pages 21-28 for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 12-57 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 21-28. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

BASIS FOR OPINIONS

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

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

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

VALUATION OF PATENTS

Description

As of 31 December 2022, the carrying amount of patents amounts to 18 928 kSEK, which corresponds to 10,3% of the Group's total assets and 9,2% of the parent company's total assets.

The company annually tests and in case of an indication of a decline in value that carrying amounts do not exceed the estimated recoverable amount. The recoverable amount is determined by a present value calculation of future cash flows. Future cash flows are based on management's forecasts and include a number of assumptions, including earnings development, growth, investment needs and discount rates.

Changes in assumptions have a major impact on the calculation of the recoverable amount and the assumptions applied by the company are therefore of major importance to the assessment of impairment need.

We have therefore assessed that the accounting of patents is a key audit matter in the audit. A description of the impairment test is found in the assessments, estimates and assumptions section of Note 3 and information on patents is found in Note 17.

How our audit addressed this key audit matter

In our audit, we have evaluated and reviewed management's process for establishing impairment tests, including by evaluating past accuracy in forecasts and assumptions. We have also made comparisons with other companies to evaluate the reasonableness of future cash flows and growth assumptions and with the help of our valuation specialists tested the selected discount rate and assumptions about long-term growth. We have also reviewed the company's model and method for conducting impairment tests.

We have reviewed the disclosures in the annual report.

VALUATION OF SHARES IN SUBSIDIARIES

Description

As of 31 December 2022, the carrying amount of shares in Group companies amounts to kSEK 24,557, which corresponds to 11,0% of the parent company's total assets.

The company annually tests and in case of an indication of a decline in value that carrying amounts do not exceed the estimated recoverable amount. The recoverable amount is determined by a present value calculation of future cash flows. Future cash flows are based on management's forecasts and include a number of assumptions, including earnings development, growth, investment needs and discount rates.

Changes in assumptions have a major impact on the calculation of the recoverable amount and the assumptions applied by the company are therefore of great importance to the assessment of impairment need.

We have therefore assessed that the accounting of shares in group companies is a key audit matter in the audit.

A description of the impairment test is found in the section assessments, estimates and assumptions in Note 3 and information about shares in group companies is found in Note 21.

How our audit addressed this key audit matter

In our audit, we have evaluated and reviewed the company's process for establishing impairment tests, including by evaluating previous accuracy in forecasts and assumptions. We have also made comparisons with other companies to evaluate the reasonableness of future cash flows and growth assumptions and with the help of our valuation specialists tested the selected discount rate and assumptions about long-term growth. We have also reviewed the company's model and method for conducting impairment tests.

We have reviewed the disclosures in the annual report.

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 1-11 and 63-65. The other information also includes the remuneration report that will be issued after the date of this audit report which also constitutes other information. The Board of Directors and the Managing Director are responsible for this other information.

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

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

If we, based on the work performed concerning this information that we obtained prior to the date of this audit report, 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.

If we, on reading the remuneration report, we conclude that there is a material misstatement, we must raise the matter with the board and request it to be corrected.

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.

A further description of our responsibilities for the audit of the annual accounts and the consolidated accounts is located at the Swedish Inspectorate of Auditors website. This description forms part of our auditor's report.

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the audit of the administration and the proposed appropriations of the company's profit or loss.

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Abliva AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

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

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Abliva AB for the financial year 2022.

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

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

Basis for opinion

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

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

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

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

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

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

The audit firm applies ISQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

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

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

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

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 21-28 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 RevR 16 *The auditor´s examination of the corporate governance statement.* This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

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

Ernst & Young AB, Box 7850, 103 99 Stockholm was appointed auditor of Abliva AB by the general meeting of the shareholders on the 20 maj 2022 and has been the company's auditor since the 20 maj 2021.

Malmö 30 March, 2023
Ernst & Young AB

Oskar Wall
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

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)".
(The) FALCON study. Abliva's global, potentially registrational, Phase 2 clinical trial with the drug candidate KL1333. The study will evaluate the efficacy of KL1333 on fatigue and muscle weakness in adult patients with primary mitochondrial diseases caused by inherited mutations in the mitochondrial DNA.
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 in the resting muscle. Tension in dormant muscles, muscle tone, is important for posture.
Indication. A disease condition requiring treatment, such as traumatic brain injury or fatty liver, NASH.
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.
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.
MERRF. (Myoclonic epilepsy with ragged-red fibers). Primary mitochondrial disease with symptoms such as epilepsy, involuntary muscle twitching and difficulty coordinating muscle movements, but the disease can affect many functions. When examined under a micros- cope, muscle tissue has characteristic changes.
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.
mtDNA. Mitochondrial DNA. Mitochondria's own genome that is inherited only on the maternal line. Separate from the cells' genome (nuclear DNA = nDNA) inherited by both parents.
NAD^+/NADH. A coenzyme involved in metabolism. NAD^+ and NADH have central roles in cell- and mitochondrial metabolism and energy production.
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.
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.

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ABLIVA

Abliva develops medicines for the treatment
of primary mitochondrial diseases.