

# 2022

ANNUAL REPORT

**FLERIE**

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**VISION:** Flerie shall be recognised as an innovative enabler of biotech solutions with the potential to make a significant positive impact on health and well-being.

**MISSION:** Flerie will invest in and build companies with pioneering pharmaceutical and biotech projects or adjacent capabilities. The company differentiates itself by using its network, expertise and resources to achieve long-term success for its companies. The company has the utmost respect and value for all its stakeholders and strives to be described by them as a great partner.

## FLERIE IN BRIEF


# A biotech and pharma investment company

Flerie is an active long-term global biotech and pharmaceutical investor based in Stockholm and London managing a portfolio of companies in Europe, Israel, and the US. The focus is on enabling pioneering organisations operating in the drug development and services space to succeed by providing them with resources and expertise. The portfolio includes a wide range of areas, including immuno-oncology, metabolic diseases and biologics development and manufacturing organisations, which have the potential to make a significant impact on health and wellbeing.

Flerie invests in different disciplines and phases of development and across many companies, geographies and a multitude of technologies and disease indications. This, in combination with active engagement and operational expertise allows the company to significantly derisk investments and even turn around companies that otherwise would not have been able to pivot.

Flerie was founded in 2011 by Thomas Eldered, who co-founded and built one of the global top five drug manufacturers, Recipharm. Today, the growing Flerie team is based in Sweden, UK and Switzerland, which are consistently ranked among the highest performing biotech and pharma ecosystems in the world. All team members have operational experience running life science businesses themselves. The team leverages its financial resources, expertise and network to actively build product development and commercial growth companies, typically via board representation.

Flerie also syndicates with investors from Europe, North America, Middle East and Asia and can act as a Limited Partner in venture capital funds. As an investment company, Flerie has the utmost respect and value for all stakeholders and strives to be described by them as a great partner. Ultimately and together with our partners, we will enable biotech and medical solutions to make a positive impact on health and well-being worldwide.



**2,722**

Fair value in MSEK  
at end of 2022

**31**

Total investments in  
the Flerie family

**23**

Private investments  
in the Flerie family

## Chairman's introduction

As the Executive Chairman of Flerie, I am proud to have played the key role in the creation and development of an investment company that has truly strengthened its position the past 2–3 years. The Flerie journey began in 2011, when I made an investment outside of my previous engagement in Recipharm – a company that I co-founded in the mid 90's and that has now become a world leading CDMO with global presence.

Even though Flerie was started somewhat by coincidence, it has now become very clear that Flerie has a very important role to play in the life science industry. Through active ownership we both help companies with pioneering pharma, device and service innovations, while we at the same time bridge the gap between these exciting companies and investors.

Through its senior management and decades of team expertise, Flerie has access to private and difficult-to-assess companies typically out of reach for many investors. Thus, Flerie shall be recognised as an innovative enabler of biotech solutions with the potential to make a positive impact on global health and well-being. The macro trends in society are very clear; we have an ageing population but also an increased prevalence of chronic diseases, both leading to rapidly increasing health care cost for individuals and society.

The past two years I have been fully committed to develop Flerie and to realise its potential. I promoted Ted Fjällman, with whom I've worked in different capacities since 2011, to CEO. The new management team has also

been strengthened by our new CFO Cecilia Schéele and our new partner Mark Quick, both with whom I worked with at Recipharm. We have continued to add very experienced colleagues during 2022 – a team that I am very proud of and that I believe will make a real difference developing the Flerie family of companies. In the beginning of 2023, we also appointed three seasoned industry experts to join the board; Cecilia Edström, Anders Ekblom, and Jenni Nordborg. This marks yet another step on our journey. During 2022 and early 2023 Flerie has accelerated growth through investments of more than SEK 1.5 billion, which has almost doubled the value of the Flerie portfolio.

I am confident that with the evergreen investment strategy of Flerie, the company will be a game changer in the industry. I look forward to the journey ahead and I am excited about the many opportunities that lie before us and the companies we invest in.

Thomas Eldered  
Executive Chairman, Flerie Invest



” I am excited about the many opportunities that lie before us.

## YEAR IN BRIEF

# A busy year with several exciting investments

Despite market turmoil, 2022 was a year that offered many opportunities for Flerie. The Flerie team has been active and diligent in search and evaluation of such opportunities. Altogether, the company made 11 of new investments upfront and SEK 589 million of follow on investments across the portfolio, totalling SEK 947 million. Out of these, 9 have been in new exciting companies that have joined the Flerie family. The remaining 33 investments were made to support the existing portfolio companies in their efforts to develop programmes and medicines that edge closer to, and in many cases already are, treating patients.

# 1,227

Total investments  
in SEK million  
during 2022

# 11

Investments in  
new members of  
the Flerie family  
during 2022

# 638

Investments in SEK  
million in new mem-  
bers of the Flerie  
family during 2022



## CEO STATEMENT

# Our active ownership model creates value and progress

This year saw the completion of capital deployment at favourable market conditions for our portfolio expansion. Flerie invested into eleven new companies in the US and Europe and at year end possessed a risk-balanced portfolio worth SEK 2.7 billion consisting of 23 product development and 7 commercial growth companies. Our strategy to invest in pioneering science that can solve unmet medical needs led us to invest in amongst others personalised and microbiome based cancer therapy, pioneering cell therapies, prostate diagnostics, a completely new way of treating premature babies, and a very promising drug against heart failure. We grew with a Partner and an additional Senior Advisor, based in the UK and Belgium respectively, strengthening our team and ensuring we continue being active owners in the new companies.

We now have a healthy spread of different stage projects in the portfolio, from preclinical through clinical to commercial development. Furthermore, 85 per cent of our Product Development (PD) companies have already tested their products in humans, and in so doing have removed much of the technology risk associated with startups. Our Commercial Growth (CG) companies are launching and selling their products and services in different geographies, from Sweden and other European markets to South Korea and the USA, again spreading the risk of geographic macroeconomic trends.

Our active ownership strategy helped guide our pre-existing portfolio companies through a difficult year from a fundraising perspective. Through this support and the help from our many syndicate partners in Europe, the US, Middle East and Asia, all our companies have been able to advance their pipeline during a time when many of their competitors had to reduce or even halt development. In addition, Flerie's strategy of investing in both product development and commercial growth segments has started to bear fruit in 2022 in the form of partnerships: A prominent example is Flerie's investment

into the CDMO NorthX Biologics, which entered into collaborations with Alder Therapeutics and Xintela in Sweden, as well as Geneos Therapeutics in the USA.

Progress in the development of portfolio products included regulatory milestones and clinical trial initiations in heart failure, COPD, and rheumatoid arthritis (AnaCardio, EpiEndo, Lipum), a completion of a dose escalation study in solid tumour patients (Buzzard), the granting of US orphan drug designation for a leukaemia treatment (XSpray), publication of clinical data showing multiple complete responses (cures) in advanced liver cancer (Geneos), just to name some of the major developments in our PD segment. Our CG companies also continued their commercial launch activities resulting in the establishment of a US team for microcalorimetry device sales (Symcel) and a market expansion into Switzerland for prostate cancer diagnostics (A3P Biomedical).

Many of our companies will be attractive partnership targets and our network is now expanding further through collaborations as Limited Partner. With a relatively small portion of our capital our Limited Partnerships segment has already contributed to building our brand,

”

”Many of our companies will be attractive partnership targets



our knowledge of new geographic and thematic areas, as well as benefitted our other segments via co-investment with General Partners and their networks. There is also cause for optimism for the global life sciences sector in 2023 with meaningful M&A activity taking place. Flerie's evergreen, long-term strategy will be well poised to take advantage of this.

Ted Fjällman, CEO



# **BUSINESS AND INDUSTRY DESCRIPTION**

## BUSINESS DESCRIPTION

# Flerie's value creation initiatives to maximise return

Flerie is an active owner and the ambition is to strengthen the portfolio companies' existing operations and future development by contributing with expertise, access to an extensive network and commitment. By utilising its deep and broad operational experience of building and developing companies, Flerie advances and assists its portfolio companies with their journey.



### BEING ACTIVE BOARD MEMBERS

- Utilising our expertise to influence and steer
- Providing CEO support whether big or small
- Identifying gaps and plugging those holes via our network



### PLANNING AHEAD TOGETHER

- Establishing product development road maps and paths to commercialisation
- Encouraging technology platform expansion within the means of funding or via partnerships



### FACILITATING PEER-TO-PEER EXCHANGE

- The 'Flerie and Peers' network allows CEOs to bond and continue their own exchanges
- This international network provides warm introductions and new ways to tackle SME hurdles
- It should not be lonely at the top



### LEVERAGING COLLABORATIONS

- Being a conduit for collaborative projects across our network
- Encouraging the use of shared resources of production, clinical studies and human capital/consultants
- Discovering synergies



## ABOUT THE INDUSTRY

# Investing in life science and biotechnology

Life science is an umbrella term often used interchangeably when referring to the pharmaceutical, biotechnology, and medical device sectors. It is perceived by many as inaccessible for the generalist investor, due to its inherent complexity and the deep knowledge required when evaluating new therapies and technologies under development. There are also a number of associated risks. For a knowledgeable investor who is able to navigate in this environment, however, the area presents many opportunities with a high potential return if successful. Despite the advances within the medical field over the past century, there remains a significant unmet medical need, both in large disease areas such as diabetes and heart failure, but also in rarer conditions where there are no available treatments to patients today.

Biotechnology ("biotech") is a growing area within the traditional pharmaceutical sector that describes the use of biological systems, living organisms or parts of this to develop or create biological drugs ("biologics"). Examples of these include monoclonal antibodies (such as the novel checkpoint inhibitors transforming cancer care), peptides (such as the GLP-1 agonists in diabetes and the obesity field), and the new cell- and gene therapies entering the market in recent years. These novel compounds are typically much larger than the traditional small-molecule drugs developed by chemical synthesis and are often very complex to produce. It is commonly known in the sector that for biotech drugs, "the process is the product". Flerie knows how to tackle these challenges, given the team's pedigree from both the development side, but equally important the manufacturing side, bringing in the CMC (chemistry, manufacturing and controls) perspective from the start.

These research and development efforts are often very costly and require significant amounts of funding. This can come in many shapes and forms, ranging from non-dilutive research grants to equity funding from venture capital firms at the early stages. Large global pharma companies often make deals during the later phases of development, through partnership agreements or acquisitions. The general aim is to conduct the drug development process in a de-risked and capital efficient manner. The process includes several steps to evaluate safety and efficacy, starting off in the discovery phase where experiments are performed in the laboratory setting, followed by pre-clinical animal studies, before finally embarking on several phases of clinical trials in humans. The final goal is to obtain regulatory and market approval, making the drugs available to patients. It is a highly regulated environment and can take many years, however, once a drug is approved the market potential can be substantial.

## ABOUT THE INDUSTRY

# How to develop a new drug

To develop a new medicine, the product normally goes through different stages of pre-clinical and clinical testing.

- **Discovery phase:** The discovery phase is aimed to identify a relevant target and relevant compounds for a specific disease. Technological experiments are performed in laboratory/test tube settings only and thus the company is far from picking a lead candidate drug. Flerie rarely invests at this stage.
- **Pre-clinical phase:** Once a technology gives consistent results in the laboratory setting, one can move to test different candidate drugs in an animal system, which is much more complex and unpredictable compared to a controlled laboratory test tube environment. From running animal models, a lead candidate drug can be chosen and important feasibility studies, and drug safety data (safe dose) are collected. This phase may also include studies in animals such as non-human primates that are most similar to humans. Flerie may enter at the end of this preclinical stage, when there is efficacy data in a relevant animal model.
- **Phase I:** During Phase I, the first testing in humans is conducted, primarily to test safety. The drug is given in increasing doses to a small number of healthy volunteers who are closely monitored. Depending on the indication, some early efficacy signals may also be seen in Phase I if tests are carried out in patients with the disease. Flerie often enters at this stage when a lead candidate has been proven safe in humans.
- **Phase II:** During Phase II, the studies are typically larger than in Phase I, and crucially these trials involve patients that have the disease in question. Phase II trials allow monitoring of how a drug works in the body, and to gather initial data on efficacy, even if such trials are rarely powered (large enough) to get statistical significance in the results obtained.
- **Phase III:** During Phase III, a large trial is conducted in patients to test efficacy and safety, in a way that is powered (large enough) to ascertain if the drug will work in many different patients in different life situations. Pivotal Phase III trials (or registration trials) provide the key data on efficacy in submissions for regulatory approval. Flerie rarely invests at this stage or later, due to the significant costs associated with running such (often) large trials across multiple centers and geographies. Companies at this stage tend to have high valuations.
- **Phase IV:** During Phase IV, studies are undertaken after a drug has been licensed, to gather further safety or efficacy data in routine clinical use or to expand the regulatory label to other indications or a subset of patients (e.g. children). Flerie does not invest at this stage, unless this is part of a commercial growth company investment.

## ABOUT THE INDUSTRY

# How is the R&D process financed up until market launch?

The drug development process is costly, and it takes many years for a drug to reach the market – pharmaceutical R&D is a USD 300 billion market\*.

There are multiple stakeholders within the financing landscape, both from the public and private sector. New discoveries often come from the academic setting at universities and research institutes. The drug discovery and early pre-clinical phases of development are commonly financed by the institutions themselves or other public sources such as research grants from non-profits. A company may be formed at this stage. Following this, various forms of private capital enter the picture, initially smaller equity investments from seed and angel investors who are often previous entrepreneurs or high net worth individuals investing as syndicates. Venture capital firms commonly invest in late pre-clinical assets or when the drug is in early clinical trials, which require larger amounts of capital, often doing so alongside others to spread risk. To put this into perspective, Phases I, II, and III typically cost USD 20–40 million, USD 40–60 million, and USD 150–210 million and upwards\*,

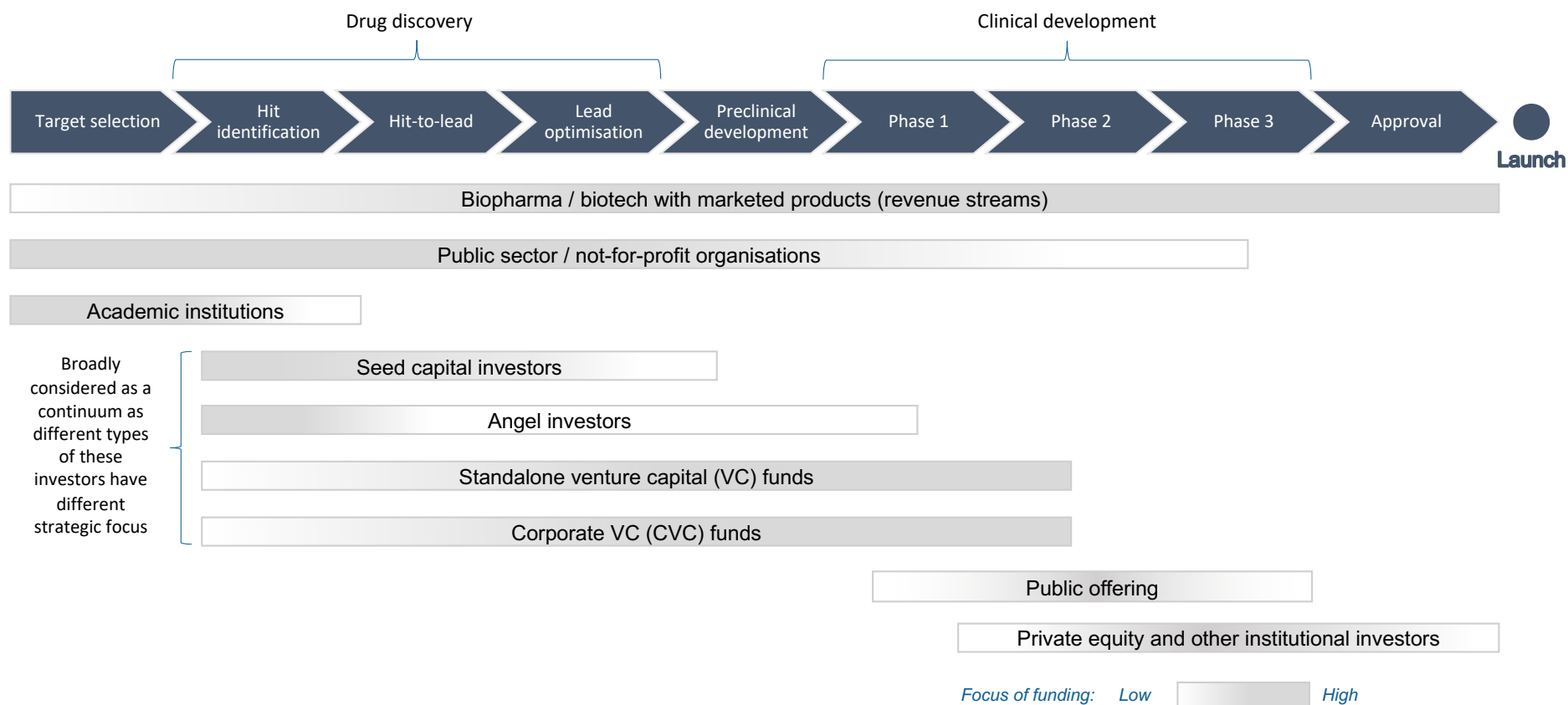
respectively. Privately held biotech and pharmaceutical companies often approach the public markets via an IPO (Initial Public Offering) in order to finance the final most expensive phases of drug development, where trials are performed in very large patient groups. Various partnership or licensing agreements can be struck at any point with large global pharma companies, who often acquire the assets (or the companies as a whole), before the drug is approved or the company reaches an IPO. An example of this was when Flerie's portfolio company Cormorant Pharmaceuticals was acquired by Bristol Myers Squibb in 2016 for a total consideration of USD 520 million, with a phase I/II asset, where early licensing discussions led to an outright acquisition. In cases of a clear and near-term commercial opportunity, private equity firms may also invest at the very late stages of clinical development.

\* SiRM, L.E.K. Consulting & RAND Europe, The financial ecosystem of pharmaceutical R&D: An evidence base to inform further dialogue, 2022 (<https://www.lek.com/sites/default/files/PDFs/financial-ecosystem-rd.pdf>)



## ABOUT THE INDUSTRY

# How is the R&D process financed up until market launch?



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# PORTFOLIO



## PORTFOLIO

# Overview and segmentation

Flerie invests in companies across the entire value chain, providing exposure to opportunities across three segments: product development, commercial growth, and limited partnerships. Flerie mainly invests in companies in the product development segment, which as per end of 2022 accounted for approximately 74 per cent of the Company's portfolio based on fair value. The corresponding number for the commercial growth segment was 25 per cent, and limited partnerships accounted for the remaining 1 per cent.

### PRODUCT DEVELOPMENT

The product development segment consists of early-stage biotech and pharma companies in product development – advancing products or technologies to clinical proof-of-concept and towards marketing approval. These companies have a massive valuation uplift potential and a clear pathway to success.

Flerie encourages partnering, licensing and expansion of the investor base to provide resources or opportunities. Flerie remains engaged to the appropriate endpoint, which could include the company entering commercial growth.

### COMMERCIAL GROWTH

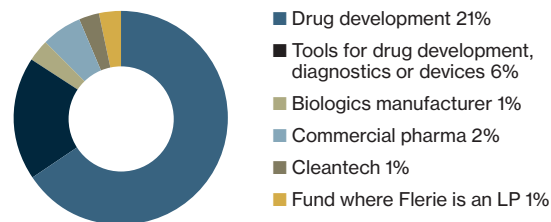
The commercial growth segment consists of companies that are already selling products or services and showcasing proof-of-concept with high growth and that have already reached profitability. These companies are generally derisked in terms of technical/product development risks, but often require larger investments and generate lower multiples.

Flerie supports expansion through organic growth and M&A opportunities. Flerie will retain the investment as long as its create value.

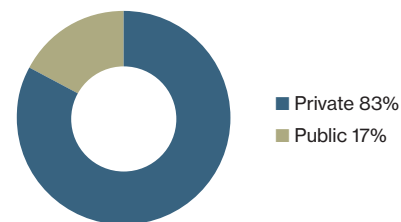
### LIMITED PARTNERSHIPS

Under certain circumstances, Flerie will become a limited partner in a fund. This allows Flerie to access the network, opportunities and skills of another investment company. This segment provides benefits for the other two segments, including co-investment opportunities, and derisks Flerie's investment portfolio. The segment also enables further diversification and sourcing potential.

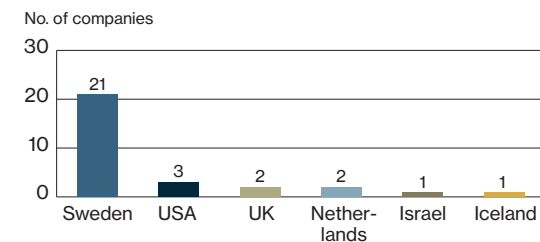
### PORTFOLIO OVERVIEW



### MAJORITY OF INVESTMENTS IN PRIVATE COMPANIES



### CAPACITY TO INVEST ACROSS DIFFERENT GEOGRAPHIES



# PORTFOLIO COMPANIES

## PRODUCT DEVELOPMENT



Alder Therapeutics, founded in 2021 by Kristian Tryggvason, is a newly formed Swedish pre-clinical stage biotech, based on discoveries and IP generated by and licensed from DUKE-NUS Medical School in Singapore and Biolamina (which Kristian co-founded). Alder focuses on building a novel cell therapy platform with the best functional cells based on the most simple and robust processes. Alder is a virtual company working with leading cell therapy experts around the world, and have established a strategic partnership with sister company NorthX Biologics. Their unique platform, initially focusing on retinal and cardiac cell therapeutic products, will allow for better pluripotent cell therapy treatment for the wider masses.

Year of investment	2022
Invested capital (SEKm)	10
Fair value (SEKm)	10
Stage	Preclinical
Country of origin	Sweden



Amarna Therapeutics is a Dutch preclinical stage gene therapy company that has developed a novel platform to address a fundamental problem and a known limiting factor of existing platforms. Specifically, their platform aims to address pre-existing immunity, which disqualifies a large patient group from current therapies, by developing a non-immunogenic viral vector for gene therapies. This innovation also enables multiple dosing without the development of neutralizing antibodies, which is not possible with AAV, and can "rescue" low responders. The team is currently conducting IND-enabling animal studies and designing an adaptive clinical trial in patients with haemophilia B, which could have the potential to become a registrational study.

Year of investment	2018
Invested capital (SEKm)	82
Fair value (SEKm)	91
Stage	Preclinical
Country of origin	the Netherlands



AnaCardio is a Swedish clinical stage biopharmaceutical company developing novel drugs to treat heart failure, increasing contractility with a unique and proprietary mechanism of action. It is based on Professor Lars Lund's research at Karolinska Institutet on the ghrelin peptide, demonstrating a normalisation of heart function in a proof-of-concept trial in patients without increasing oxygen consumption, arrhythmia, ischaemia, or hypotension. The lead program AC01 is an in-licensed oral peptidomimetic small-molecule being investigated in a phase Ib/IIa clinical study in 2023 in patients with heart failure and reduced ejection fraction. If proven successful, AC01 can be recognised as having block-buster potential in an area with a high unmet need.

Year of investment	2022
Invested capital (SEKm)	34
Fair value (SEKm)	34
Stage	Phase Ib/IIa
Country of origin	Sweden



Atrogi is a company in clinical phase developing a first-in-class drug for the oral treatment of type 2 diabetes, based on Professor Tore Bengtsson's research at Stockholm University. The lead compound, ATR-258, is a new small molecular compound, targeting the 2-adrenoreceptor (2-AR) in a novel way, leading to stimulation of glucose uptake in skeletal muscle, independently of the insulin signaling pathway. This leads to improvement in glycaemic control with several additional advantageous non-glycaemic effects. A phase 1 trial is ongoing with the lead candidate ATR-258 in healthy volunteers and patients for patients with type 2 diabetes. There is large interest from big pharma for a drug with such an effective and competitive profile, with blockbuster potential.

Year of investment	2021
Invested capital (SEKm)	112
Fair value (SEKm)	151
Stage	Phase I
Country of origin	Sweden

## PORTFOLIO COMPANIES

### PRODUCT DEVELOPMENT



Beactica Therapeutics is a privately held Swedish precision oncology company committed to the fight against cancer. The company is advancing a pipeline of novel small molecule therapeutics to treat genetically defined cancers with significant unmet medical need. Beactica's approach is centered around targeting synthetically lethal disease proteins with allosteric modulators and targeted protein degraders (PROT-ACs). Beactica's lead asset BEA-17, a first-in-class targeted degrader of LSD1 and its cofactor CoREST, has been granted Orphan Drug Designation by the FDA for the treatment of glioblastoma. BEA-17 is also being evaluated for other cancers. Beactica aims to advance its programmes to clinical proof of concept.

Year of investment	2018
Invested capital (SEKm)	8
Fair value (SEKm)	11
Stage	Discovery
Country of origin	Sweden



Buzzaard Pharma is a Swedish clinical stage oncology company developing a potent Interleukin-1 inhibitor, Isunakinra, for the treatment of solid tumors in combination with a PD-1 inhibitor (checkpoint inhibitor). Isunakinra is a chimeric protein binding to IL1R1, inhibiting signaling with high potency. The rights to the drug were acquired from Eleven Biotherapeutics in 2017, repositioning the drug from the ophthalmology area to oncology. Isunakinra is currently in phase I/II in solid tumour patients at the Baylor Research Institute in Dallas, Texas. The company was founded by serial biotech entrepreneur Maarten de Chateau, founder of Cormorant Pharmaceuticals, sold to Bristol Myers Squibb in 2016 for up to \$520 million.

Year of investment	2021
Invested capital (SEKm)	62
Fair value (SEKm)	62
Stage	Phase I/IIa
Country of origin	Sweden



Egetis Therapeutics is a publicly listed Swedish company, formed by the merger of PledPharma and Rare Thyroid Therapeutics in 2020. It is a dedicated orphan drug development company with two late-stage orphan drug assets: Emcitate® for treatment of MCT8 deficiency and Aladote® for prevention of acute liver injury caused by paracetamol poisoning. Egetis intends to submit a marketing authorisation application (MAA) for Emcitate to the European Medicines Agency (EMA) in the first half of 2023 based on existing clinical data and a new drug application (NDA) in the US in mid-2023. For Aladote, a proof of principle study has been successfully completed and a pivotal phase IIb/III study is planned to start in 2023, after which they will apply for market approval in the US and Europe.

Year of investment	2021
Invested capital (SEKm)	59
Fair value (SEKm)	93
Stage	Phase II/III
Country of origin	Sweden



Empros is a late phase clinical stage company developing EMP16, an oral anti-obesity drug product. The product is a re-purposing of established weight-loss and diabetes drugs (orlistat and acarbose). The new controlled-release formulation has an impressive therapeutic effect, while avoiding the troublesome side effects of the two compounds on their own, improving compliance and quality of life. The aim is to develop a safe oral first-line treatment for this growing patient group, with additional opportunities for paediatric, OTC and maintenance use. A phase 2a study has demonstrated a 6% weight loss compared to placebo, with a second phase 2a study to start in 2023, comparing EMP16 with MR-orlistat and Xenical.

Year of investment	2013
Invested capital (SEKm)	69
Fair value (SEKm)	106
Stage	Phase II
Country of origin	Sweden



# PORTFOLIO COMPANIES

## PRODUCT DEVELOPMENT



EpiEndo is a clinical-stage biopharmaceutical company with a unique approach to inflammatory disorders that focuses on the enhancement of epithelial barrier integrity to reduce disease-causing inflammation. Epithelial cells are a key part of the barrier that makes up human lung tissue and other organs such as the gut and skin. A breakdown of this barrier is implicated in several chronic inflammatory diseases. EpiEndo's new class of orally available macrolide, with reduced AMR effect, known as a 'Barriolide', shows promise as a first-in-class therapeutic for chronic respiratory diseases as well as other inflammatory indications. EpiEndo's lead asset, EP395, is the first Barriolide to enter into Phase II clinical trials, for chronic obstructive pulmonary disease (COPD). EP395, aims to be the first on-market oral, barrier strengthening and anti-inflammatory macrolide with reduced AMR effect, for the treatment of COPD, which has a significant unmet need. According to the WHO, COPD is the third leading cause of death globally, and the global economic burden of COPD projected to cost \$4.8 trillion by 2030.

Year of investment	2021
Invested capital (SEKm)	63
Fair value (SEKm)	74
Stage	Phase II
Country of origin	Iceland



Eurocine Vaccines is a pharmaceutical development company. The business strategy is to develop vaccine candidates into clinical phase with the aim of demonstrating proof-of-concept in humans, i.e. support for clinical relevance. At an appropriate time in the development of each vaccine candidate, the company aims to enter into commercial agreements with one or more pharmaceutical companies, i.e. license the vaccine candidates to partners for further development and commercialisation. The company has the exclusive global rights to two vaccine candidates – a therapeutic vaccine candidate against Herpes simplex virus type 2 (HSV-2) and a prophylactic vaccine candidate against Chlamydia trachomatis (Chlamydia). Near to mid-term goals include to show preclinical proof-of-principle in the relevant animal models of each project by end 2023, conduct a regulatory advice meeting and develop industrial manufacturing processes during 2024, followed by toxicological and clinical studies.

Year of investment	2021
Invested capital (SEKm)	11
Fair value (SEKm)	10
Stage	Preclinical
Country of origin	Sweden



Geneos Therapeutics, a US-based clinical stage biopharmaceutical company believes that the company's personalized therapeutic cancer vaccines (PTCVs) may serve an important role in new immunotherapeutic paradigms for cancer. The company's approach, using its proprietary GT-EPIC™ platform, is to target neoantigens (abnormal mutations produced by cancer cells) from individual patient tumors to develop novel and uniquely personalized treatments for cancer. They are targeting solid tumours, initially liver cancer (hepatocellular carcinoma, HCC). There is an ongoing phase Ib/IIa trial in second-line HCC patients, with initial encouraging results, including a number of complete responses pointing towards a potential cure in a patient group known for its poor prognosis. The company is planning a potentially registrational clinical trial and has established manufacturing supply partnerships, notably an in-depth collaboration with sister company NorthX Biologics. As manufacturing turnaround time is of utmost importance for these cancer patients, NorthX has geared up to support Geneos by optimising for a fast turnaround of these GMP plasmid DNA vaccines to significantly less than the industry standard of 12 weeks.

Year of investment	2022
Invested capital (SEKm)	78
Fair value (SEKm)	84
Stage	Phase Ib/IIa
Country of origin	USA



KAHR is an Israeli clinical stage cancer immunotherapy company developing novel bi-functional fusion proteins. Their customisable immuno-recruitment cancer drug candidates utilise various methods to synergistically disable cancer defenses and activate a targeted response involving both innate and adaptive immunity. Their Multifunctional Immune Recruitment Protein (MIRP) platform is used to develop next generation solid and haematological tumour treatments with a number of ongoing clinical and preclinical programmes. KAHR's lead product, DSP107, is a first-in-class CD47x41BB targeting agent currently in clinical development for patients with solid tumors.

Year of investment	2012
Invested capital (SEKm)	279
Fair value (SEKm)	331
Stage	Phase II
Country of origin	Israel

# PORTFOLIO COMPANIES

## PRODUCT DEVELOPMENT



Lipum is a publicly listed Swedish clinical stage drug development company. Its biological anti-inflammatory drug candidate SOL-116 has a novel mechanism of action targeting the BSSL protein (originally found in breast milk). Their initial focus is on the treatment of rheumatoid arthritis, but they are in parallel exploring additional inflammatory diseases with a high unmet medical need such as juvenile idiopathic arthritis and inflammatory bowel disease.

Year of investment	2021
Invested capital (SEKm)	35
Fair value (SEKm)	28
Stage	Phase I
Country of origin	Sweden



Microbiotica is a UK based microbiome company, spun-out from the Sanger Institute in Cambridge, UK in 2016. They are a leading player in the field of microbiome-based therapeutics and biomarkers. The company can identify gut bacteria linked to phenotype with unprecedented precision in order to discover and develop live bacterial therapeutics (LBPs) and biomarkers from clinical datasets, initially focussing on immune-oncology (IO) and ulcerative colitis (UC). Their aim is to develop LBPs that can increase the response rate of cancer patients to immune checkpoint inhibitors and induce remission in patients with inflammatory bowel disease. Microbiotica's two lead products, both orally-delivered capsules containing fully manufactured bacterial consortia, MB097 (immuno-oncology candidate) and MB310 (ulcerative colitis candidate) will be evaluated in Phase 1b clinical studies. In addition to its lead programs, Microbiotica is developing a pipeline of follow-on candidates and biomarkers. Microbiotica has partnered with leading organisations, such as Cancer Research UK, Cambridge University Hospitals, University of Adelaide and Genentech.

Year of investment	2022
Invested capital (SEKm)	130
Fair value (SEKm)	126
Stage	Preclinical
Country of origin	UK



Prokarium is a UK-based clinical stage biopharmaceutical company, pioneering the field of microbial immunotherapy. Their pipeline is designed to unlock the next level of immuno-oncology by building on the most recent advances in cancer immunology. Prokarium's lead program is focused on transforming the treatment paradigm in bladder cancer by orchestrating immune-driven, long-lasting antitumor effects. It builds on the natural ability of their bacterial strains to seek out and colonise solid tumours. They have developed attenuated strains of salmonella capable of targeting tumours without causing pathology in normal tissues. These strains are also capable of delivering specific immunostimulatory cargo aimed at activating the patient's immune system to destroy tumours. In parallel, the company is developing an oral RNA platform and an oral vaccine for typhoid-paratyphoid (with the Wellcome Trust) that has completed phase 1 trials - the first of its kind to be brought to clinic.

Year of investment	2014
Invested capital (SEKm)	154
Fair value (SEKm)	309
Stage	Preclinical
Country of origin	UK



Sixera Pharma is a Swedish clinical stage company developing a new treatment for Netherton syndrome, an ultra-orphan (very rare) and serious skin condition. The lead candidate SXR1096 is a small molecule formulated in a cream that is applied topically on the skin, comprising of a specific inhibitor of certain proteases (Kallikreins 5, 7, and 14). SXR1096 has the potential of becoming the first available treatment for this patient group, and it has received orphan drug designation (ODD) both by the EMA and the FDA for the treatment of Netherton syndrome. A phase I/II proof of concept study is being carried out to evaluate the safety and efficacy of the drug in patients at five European sites. The company's CEO is serial biotech entrepreneur Maarten de Chateau, founder of Cormorant Pharmaceuticals, sold to Bristol Myers Squibb in 2016 for up to \$520 million.

Year of investment	2022
Invested capital (SEKm)	24
Fair value (SEKm)	24
Stage	Phase I/II
Country of origin	Sweden

# PORTFOLIO COMPANIES

## PRODUCT DEVELOPMENT



Strike Pharma is a Swedish company founded by KOL and serial entrepreneur Sara Mangsbo in 2021, developing a novel next generation Antibody-Drug Conjugate (ADC) technology within the immuno-oncology precision medicine space, the ADAC technology. ADACs are short for Adaptable Drug Affinity Conjugates and are built to improve the delivery of tailor-made synthetic molecules to specific cell types for improved immune modulation. Their aim is to take precision medicine to a new level, enabling development of individualized immunotherapeutic treatments based on the genetic profile of each patient's tumor. Such highly targeted treatments offer the potential to increase therapeutic efficacy and reduce dosage levels thereby minimizing the risk of side effects. Their lead molecule STRIKE2001-KRAS, covering multiple KRAS mutations, is currently in preparation for phase 1 trials.

Year of investment	2022
Invested capital (SEKm)	10
Fair value (SEKm)	10
Stage	Preclinical
Country of origin	Sweden



Synerkine Pharma is a Dutch biopharmaceutical company developing a novel class of biologics, called Synerkines, that connect two different anti-inflammatory cytokines and enhance their activity via a unique mode of action. Their initial focus is on chronic pain. The company's lead programme SK-01 is a fusion of interleukins IL-4 and IL-10 for complex regional pain syndrome, a severe form of chronic pain, and osteoarthritis. The SK-02 programme is a fusion of IL-4 and IL-13 and is being developed for in chemotherapy-induced peripheral neuropathy (CIPN). Synerkine Pharma has proof of concept data in relevant animal models for the first in human indication and is working on the next development steps towards a first clinical trial. The ability to treat chronic pain with drugs that mimic endogenous immune molecules and are based on a different mechanism of action than the traditional analgesic drugs holds tremendous therapeutic and commercial potential.

Year of investment	2021
Invested capital (SEKm)	22
Fair value (SEKm)	24
Stage	Preclinical
Country of origin	the Netherlands



Toleranzia is a publicly listed Swedish drug development company aiming to restore the immune system's normal ability to tolerate the endogenous substances that are mistakenly targeted in patients suffering from severe autoimmune diseases. The Company's tolerogens have the potential to be the first long-acting or curative therapies that act specifically on the underlying cause of the autoimmune disease for which they are developed. Toleranzia's primary drug candidate, TOL2, is being developed as a treatment for the autoimmune orphan disease myasthenia gravis, which is a chronic and progressive disease that causes gradually increasing muscle weakness. The second drug candidate, TOL3, is being developed as a treatment for the autoimmune orphan disease ANCA vasculitis, which is a chronic and progressive disease that causes blood vessel inflammation and damage to blood vessel walls. The company is currently in the process of scaling up the production of TOL2 in collaboration with their manufacturing partner in preparation for their upcoming phase I/IIa clinical trial in myasthenia gravis patients.

Year of investment	2021
Invested capital (SEKm)	63
Fair value (SEKm)	57
Stage	Preclinical
Country of origin	Sweden



Vitara Biomedical is a US-based medtech company. Inspired by physiological processes, Vitara is developing a fluid-filled incubator for premature infants to continue to develop critical organ functions and reduce mortality and morbidity compared to current standard of care. Their aim is to reduce mortality and morbidities such as bronchial pulmonary dysplasia, chronic lung disease, sepsis, loss of vision, and necrotising enterocolitis. Vitara has received FDA-breakthrough status for potential cutting-edge advancement in the neonatal space, and the system has been used in both lamb and pig models. A phase 1 safety study in extremely premature infants is being planned.

Year of investment	2022
Invested capital (SEKm)	34
Fair value (SEKm)	35
Stage	Preclinical
Country of origin	USA

# PORTFOLIO COMPANIES

## PRODUCT DEVELOPMENT



Xintela is a publicly listed Swedish biopharma company developing allogeneic stem cell-based treatments focusing on osteoarthritis and difficult-to-heal leg ulcers and, through its wholly owned subsidiary Targinta, targeted antibody-based treatments for aggressive cancer. Xintela's programmes are based on a unique cell marker technology platform, utilising the cell surface molecule integrin  $\alpha 10$ . The lead programme, investigating the stem cell product XSTEM in knee osteoarthritis, started a clinical phase I/IIa study in Australia in April 2022. The second programme, in difficult-to-heal venous leg ulcers was initiated in September 2022, with a clinical phase I/IIa study in Sweden. XSTEM is manufactured in Xintela's own GMP facility.

Targinta is in preclinical stage with two antibody leads candidates; the antibody-drug conjugate (ADC) TARG9 and the function/blocking antibody TARG10, targeting integrin  $\alpha 10$  in triple-negative breast cancer and the brain cancer glioblastoma. The next step is to validate the target and treatment concept in an innovative 'Clinical phase 0 study in cancer patients.

Year of investment	2022
Invested capital (SEKm)	34
Fair value (SEKm)	57
Stage	Phase I
Country of origin	Sweden



XNK Therapeutics is a Swedish clinical stage immunotherapy company focusing its efforts on preventing and treating cancer by developing unique and individualised NK cell-based therapies. Their autologous lead drug candidate, evencaleucel, is being investigated in a phase II study in combination with Sanofi's anti CD 38 monoclonal antibody Sarclisa (isatuximab) as consolidation therapy following stem cell transplantation in newly diagnosed multiple myeloma patients. There is also ongoing research and development targeting both haematologic malignancies and solid tumours (initially bladder cancer) in mono- and combination therapy. The company has collaborations with Sanofi and MD Andersson Cancer Center. XNK has developed a proprietary technology platform of broad utility and benefits from its tailor-made GMP facility, in addition to its attractive co-location with the Karolinska Institutet and the Karolinska University Hospital.

Year of investment	2022
Invested capital (SEKm)	107
Fair value (SEKm)	107
Stage	Phase II
Country of origin	Sweden



Xspray Pharma is a Swedish publicly listed pharmaceutical company developing improved protein kinase inhibitors (PKIs) for the treatment of cancer using an innovative technology platform. PKIs are the second largest group of drugs in oncology, whereby drug prices are high. Xspray use their innovative, patented RightSize™ technology to develop improved stable amorphous versions of marketed drugs. This allows them to gain entry as the first competitor to today's original drugs before the secondary patents expire. The current pipeline includes improved versions of three blockbuster cancer drugs Sprycel®, Tasigna® and Inlyta® plus an undisclosed pipeline. Their lead candidate Dasynoc (XS004) has achieved bioequivalence with a 30 percent lower dose compared to the original drug, Sprycel®, and is unaffected by the pH value of the stomach. Therefore this improved version can thus be used together with omeprazole without affecting the absorption of dasatinib, which facilitates treatment of peptic ulcers while the patient is being treated for cancer. There is an ongoing litigation process with Bristol Myers Squibb relating to the IND submission of Dasynoc with the FDA, which was completely expected by the company.

Year of investment	2021
Invested capital (SEKm)	198
Fair value (SEKm)	185
Stage	Pending FDA-approval
Country of origin	Sweden

# PORTFOLIO COMPANIES

## COMMERCIAL GROWTH



A3P Biomedical is a Swedish commercial stage diagnostics company for early detection of prostate cancer. They have developed the Stockholm3 test, a blood test that combines protein markers, genetic markers and clinical data with a proprietary algorithm in order to detect aggressive prostate cancer. Their test is on the market and has been included in the Swedish national guidelines. Stockholm3 has been developed by scientists at Karolinska Institutet and validated in clinical studies including more than 75,000 men, with over 25 publications in leading scientific journals such as The Lancet Oncology and European Urology. Patients benefit from a more precise test (increasing sensitivity and specificity) and healthcare providers can reduce the direct costs by 17 to 28 percent, decreasing unnecessary biopsies and MRIs. It is also being trialled in an organised screening programme by Region Värmland for men ages 50-75.

Year of investment	2022
Invested capital (SEKm)	100
Fair value (SEKm)	100
Stage	Commercial
Country of origin	Sweden



Bohus Biotech is a Swedish biotechnology company with a long history of developing and manufacturing hyaluronic acid (HA) raw material and products in three different areas: Ophthalmology, Aesthetics and Orthopaedics. They have an active R&D department developing new products for existing and new applications. Bohus Biotech are based in Strömstad, Sweden. The company has a large international network of partners with distribution in over 60 markets worldwide, with distributors that sell their products to hospitals and clinics all over the world.

Year of investment	2022
Invested capital (SEKm)	85
Fair value (SEKm)	17
Stage	Commercial
Country of origin	Sweden



Chromafora is an innovative Swedish cleantech company with a unique purification technology. It has patented methods to remove heavy metals and PFAS from polluted water, and to extract valuable metals for recycling. The company was originally active in the pharmaceutical industry but has since pivoted to focus on the mining sector. A pilot together with Swedish mining giant LKAB at the Malmerget mine demonstrated that they were able to capture 99 percent of metals from the water. In a separate pilot project at Ragn Sells' site at Högbytorp where PFAS was to be captured from the 50 000 sqm of leachate, they achieved an impressive 45 percent reduction in PFAS levels. Given the success of the pilot projects, they are now looking to scale up the technology.

Year of investment	2022
Invested capital (SEKm)	34
Fair value (SEKm)	41
Stage	Commercial
Country of origin	Sweden



Nanologica is a publicly listed Swedish nanotechnology company developing nanoporous silica particles for preparative chromatography, a type of purification technique. The company's silica media NLAB Saga® can reduce the production cost for drug manufacturers significantly, given its optimised combination of pore volume and high available surface area, in addition to its exceptional mechanical and chemical stability. This ultimately decreases the number of purification cycles needed in the manufacturing process in addition to decreasing total silica consumption. It is ideal for the purification of peptides such as insulin, insulin analogues and GLP-1 analogues (a rapidly growing new drug class). The company has a production facility in the United Kingdom and has recently received several orders for NLAB Saga® from major customers in Asia and the US.

Year of investment	2014
Invested capital (SEKm)	149
Fair value (SEKm)	148
Stage	Commercial
Country of origin	Sweden

# PORTFOLIO COMPANIES

## COMMERCIAL GROWTH



NorthX Biologics is a Swedish contract manufacturing company specialising in the GMP-manufacture of biologics, expanding rapidly in the booming cell and gene therapy field, with a focus on process development and large-scale production of advanced biological drugs. The Swedish Government has given Vinnova (Sweden's innovation agency) the mandate to support the establishment of an innovation hub alongside NorthX Biologics in Matfors. NorthX has the largest capacity for production of plasmid DNA in the Nordics, which is an essential starting material for gene therapy products. The company also has microbial and yeast fermentation systems and enacting plans to manufacture mammalian/human cells.

Year of investment	2021
Invested capital (SEKm)	189
Fair value (SEKm)	189
Stage	Commercial
Country of origin	Sweden



Provell Pharmaceuticals specialises in the marketing of world class pharmaceutical products in the US. It seeks to provide innovative products with unique or enhanced delivery systems for better quality, stability and/or patient adherence at a lower cost. They have an exclusive marketing and distribution agreement with Merck KGaA for Euthyrox® (Levothyroxine sodium tablets, USP) in the US market. The company is currently focusing on a new digital marketing campaign to sell Euthyrox as a branded product as well as evaluating possibilities of commercialising additional specialty products in the US market.

Year of investment	2014
Invested capital (SEKm)	69
Fair value (SEKm)	21
Stage	Commercial
Country of origin	USA



Symcel is a biocalorimetry specialist company offering tools for rapid and direct metabolic measurements on any biological sample. Symcel is developing and marketing the calScreener™, calView™ and calData™ suite of analytical tools today. The company is in the commercial phase for R&D markets with increasing traction and KOL support. There are multiple applications, including rapid microbial detection, antimicrobial development and susceptibility testing. Additionally, Symcel is developing an vitro diagnostic (IVD) instrument for implant and tissue related infections. This will ultimately cater for most types of tissue and fluid samples for infection testing, with todays development focused on infections of bone, joint and orthopedic surgical procedures. Their goal is to embed pathogen detection, species identification and AST (antibiotic susceptibility testing) in one instrument that can perform all three functions simultaneously. Solving all diagnostic steps needed for directed therapy in a one day shift, days faster than todays standard. The company has established a US office in Boston to enable further growth and support for American customers.

Year of investment	2013
Invested capital (SEKm)	65
Fair value (SEKm)	172
Stage	Commercial
Country of origin	Sweden



Vironova is a Swedish medtech company providing comprehensive hardware, software and services for the analysis of nanoparticles. Vironova turns images into evidence and decision support in development of viral vectors for gene therapy. They have developed the MiniTEM hardware, revolutionising access and intelligence of transmission electron microscopy (TEM). More recently they have shifted focus to the service segment, providing complete GMP-certified TEM analysis of AAV vectors, adenovirus vectors, lentiviral vectors, liposomes/drug delivery systems, extracellular vesicles and more.

Year of investment	2016
Invested capital (SEKm)	19
Fair value (SEKm)	0
Stage	Commercial
Country of origin	Sweden

# Board of Directors



## THOMAS ELDERED

Born 1960. Member of the board since 2011 and Chairman of the board since 2023.

**Education:** MSc in Industrial Engineering and Management from Linköping University.

**Other relevant experience:** Co-founder of Recipharm AB. Various positions in Pharmacia.

**Other ongoing assignments:** Chairman or board member of several portfolio companies and board member of Flerie Förvaltning AB, Flerie Participation AB and other private companies.

**Previous assignments:** Board member and CEO of Recipharm AB, Cormorant AB, SwedenBio, Chairman of Cobra Biologics AB.



## CECILIA EDSTRÖM

Born 1966. Member of the board since 2023.

**Education:** Bsc in Finance and Economics from Stockholm School of Economics.

**Other relevant experience:** CEO and CFO of Bactiguard AB, Head of Group Communications at Telia Sonera, SVP Corporate Relations at Scania and corporate finance at SEB.

**Other ongoing assignments:** Board member of A3P Biomedical AB and Neonode Inc, advisory board member of the European Patient Safety Foundation (EUPSF).

**Previous assignments:** Board member of Bactiguard, Nordic Public Affairs, BE Group and MegaFon.



## JENNI NORDBORG

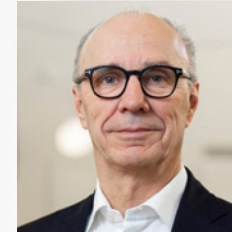
Born 1970. Member of the board since 2023.

**Education:** MSc in Chemical Engineering and PhD in Chemistry from Chalmers University of Technology. Executive Leadership Programme from Stockholm School of Economics.

**Other relevant experience:** Previous National Coordinator for Life Sciences assigned by the Government.

**Other ongoing assignments:** Director of International Affairs at LIF, the Swedish Pharmaceuticals Trade Association.

Previous assignments: Head of Office for Life Sciences at the Government Offices of Sweden. Director and Head of the Health division at Vinnova (Sweden's innovation agency).



## ANDERS EKBLOM

Born 1954. Member of the board since 2023.

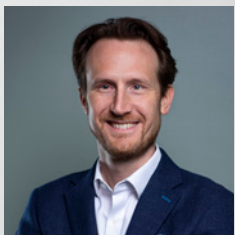
**Education:** MD, PhD in Physiology, DDS, and Associate Professor from Karolinska Institutet.

**Other relevant experience:** Two decades at Astra Zeneca as EVP Global Medicines Development, Global Head Clinical Development, and CEO Astra-Zeneca AB Sweden.

**Other ongoing assignments:** Chairman of the board of Alligator Bioscience AB, Atrogi AB, Elypta AB Xsray Pharma AB and board member of AnaMar AB and Mereo BioPharma Group Plc.

**Previous assignments:** Chairman of the board of Karolinska University Hospital and TFS Trial Form Support International AB, deputy chairman of the board of Leo Pharma A/S, non-executive board director at the Swedish Research Council, board member of RSPR Pharma AB, Infant Bacterial Therapeutics AB, Palette life Sciences AB and Medivir AB.

# Management team



**TED FJÄLLMAN**

Born 1978.

CEO since 2023.

**Education:** PhD in Biotechnology and Immunology from The University of Guelph, MSS from ISU, France, MSc from Gothenburg University, BSc from University of Waikato, New Zealand.

**Other relevant experience:** More than 25 years of experience from various R&D roles, CEO of Prokarium Ltd.

**Previous assignments completed within the past five years:** Board member of Beactica Therapeutics AB.



**CECILIA SCHÉELE**

Born 1972.

CFO since 2021. Deputy CEO since 2023.

**Education:** MSc International Business Administration from Lund University.

**Other relevant experience:** More than 20 years of experience in finance from various positions at Recipharm AB, KPMG, and working with the IPO of Viva Wine Group.

**Previous assignments completed within the past five years:** deputy board member of Binno AB, RPH Iberia AB and Recipharm Strängnäs Fastighets AB.



**MARK QUICK**

Born 1966.

Partner since 2022.

**Education:** BSc Hons Industrial Studies from Nottingham Trent university, MBA from The Open University Business School.

**Other relevant experience:** More than 35 years of experience in business development and mergers and acquisitions from various positions at Recipharm AB, Celltech and Medeva.

**Previous assignments completed within the past five years:** Board member of various Recipharm AB subsidiaries.



# FINANCIAL INFORMATION



## FINANCIAL INFORMATION

# Directors' Report

The Board of Directors of Flerie Invest AB ("Flerie Invest"), corporate identity number 556856-6615, with registered office in Stockholm, Sweden, hereby submits its report on the company's operations in 2022. The consolidated and Parent Company balance sheets and income statements will be presented for adoption at the Annual General Meeting on 25 May 2023. The company was deemed to have fulfilled the requirements for classification as an investment entity under IFRS 10 during the 2022 financial year. For further information on judgements and their implications, refer to Note 2 Basis for measurement applied in preparing the financial statements.

*The Annual Report has been prepared in Swedish kronor, SEK.  
Unless otherwise stated, all amounts are reported in millions of SEK.  
Figures in brackets refer to the previous year.*

### BUSINESS OPERATIONS

Flerie Invest is an investment company that, together with entrepreneurs and other investors, develops 30 listed and unlisted companies in Europe, the US and Israel. The companies transform groundbreaking science in areas such as oncology, infectious diseases, gene therapy, metabolic diseases, medical devices and the manufacture of biological drugs, into products and services that solve the fundamental needs of patients and society for health and well-being. Flerie Invest takes active part in the development of its portfolio companies, including through representation on the boards of directors of almost all its holdings. Parent company since October 2021 is Flerie Participation AB (96.3 % of the shares at 31 December 2022).

### SIGNIFICANT EVENTS DURING THE YEAR

In 2022, Flerie Invest made investments in eleven new portfolio companies: Strike Pharma for SEK 10 million (corresponding to 11.0 per cent of capital); Geneos Therapeutics for SEK 78 million (14.1 per cent of capital); XNK Therapeutics for SEK 100 million (corresponding to 22.2 per cent of capital); Microbotica for SEK 130 million (11.0 per cent of capital); A3P Biomedical for SEK 100 million (8.2 per cent of capital); Bohus Biotech for SEK 85 million (41.7 per cent of capital); Alder Therapeutics for SEK 10 million (14.3 per cent of capital); Xintela for SEK 26 million (26.7 per cent of capital); AnaCardio for SEK 34 million (15.8 per cent of capital), and Vitara Biomedical for SEK 34 million (3.3 per cent of capital). Agreements have also been signed for investments in 3B Future Health Fund, a venture capital fund, for EUR 12 million over roughly three years. In 2022, SEK 31 million was paid out to 3B Future Health Fund. Participations

in the portfolio companies Sixera and Chromafora have been transferred from the Parent Company, Flerie Participation, at a market value of SEK 24 million (23.7 per cent of capital) and SEK 34 million (33.8 per cent of capital) respectively. At the same time, Flerie Invest divested its participations in the Lan-nebo Nanocap fund to Flerie Participation at a market value of SEK 74 million.

Follow-on investments were made in several portfolio companies; the most substantial comprise XSpray Pharma (SEK 98 million), Nanologica (SEK 59 million), Egetis Therapeutics (SEK 41 million), Atrogi (SEK 40 million), EpiEndo (SEK 38 million), and Buzzard Pharmaceuticals (SEK 31 million). Follow-on investments during the year totalled SEK 569 million.

Mark Quick joined Flerie Invest in March as a partner, employed in the newly formed UK subsidiary Flerie Invest Ltd during the year.

## FINANCIAL INFORMATION

### FINANCIAL PERFORMANCE

#### EARNINGS

Changes to the fair value of shares in portfolio companies for the year totalled SEK 95 million (-1,586). The increase in fair value was attributable primarily to an increase in the valuation of the portfolio company Symcel (SEK 107 million) from the completed financing round, as well as favourable currency effects totalling SEK 69 million, offset by a value adjustment of SEK -68 million in the portfolio company Bohus Biotech. The changes in value in the Product Development and Commercial Growth segments totalled SEK 95 million and SEK 10 million respectively. The change in value in the Limited Partnerships segment totalled SEK -11 million.

Other operating income totalled SEK 8 million (4) and consisted primarily of income from services performed for portfolio companies but also, to some extent, of currency gains from operating receivables and liabilities.

Operating expenses for the year totalled SEK 24 million (5). These expenses consisted primarily of other external costs, SEK 16 million (4); personnel costs, SEK 7 million (1); and depreciation, SEK 1 million (1). The increase in other external costs pertains primarily to legal counsel, consultants, and travel costs, and is due to the continued expansion of the operation. The increase in personnel costs is due to a full-year effect from the three employees who began in the second half of 2021, as well as a new employee as of March 2022.

Profit from financial items totalled SEK 10 million (-7), of which SEK 28 million was currency gains from revaluation of loans to portfolio companies, SEK 11 million (0) was interest income, and SEK 28 million (7) was interest expenses.

Net profit for the year totalled SEK 88 million (-1,600). Earnings per share for the year amounted to SEK 1,752 (-31,991).

Performance Group	2022	2021	2020
<i>Profit or loss</i>			
Earnings from management activities	103.1	-1,582.2	956.5
Operating profit/loss	79.0	-1,587.8	953.7
Profit/loss before tax	89.0	-1,594.6	1,200.7
Net profit/loss for the year	87.6	-1,599.5	1,198.4
Operating expenses/ portfolio value (%)	-0.86	-0.34	-0.11
<i>Financial position</i>			
Balance sheet total	3,540	2,023	3,000
Fair value – Portfolio companies and other holdings	2,722	1,475	2,499
Cash and cash equivalents	394	300	363
Net asset value (Equity)	613	526	2,987
Equity/assets ratio (%)	17.3	26.0	99.6
<i>Per share</i>			
Net asset value (SEK)	12,268	10,517	59,747
Basic and diluted earnings per share (SEK)	1,752	-31,991	23,968
Average number of shares	50,000	50,000	50,000

#### FINANCING AND LIQUIDITY

Cash and cash equivalents in the Group and the Parent Company amounted to SEK 394 million (300) on 31 December 2022. At the end of the year, there were no external borrowings or unutilised credit facilities.

#### TAXES

Flerie Invest does not meet the requirements for an investment entity under tax law, and is therefore taxed for profits and dividends on directly owned shares and participations not held for business purposes. Dividends and profits on holdings for business purposes are not taxable. Taxable holdings are holdings in listed shares where Flerie Invest has an ownership share of less than 10 per cent of the voting rights, or alternately that the share of voting rights has not totalled 10 per cent for at least 12 months.

#### RELATED-PARTY TRANSACTIONS

Related parties are defined as persons discharging managerial responsibilities and members of the Board of Directors, as well as persons and companies related to them. Moreover, the definition includes related portfolio companies in which Flerie Invest has ownership greater than 20 per cent or otherwise exercises a controlling influence. Related-party transactions are transactions with related parties lying outside the ordinary business operations, meaning transactions other than those attributable to investment activities.

For additional information, refer to Note 24 Related-party transactions. For remuneration of the Board and to senior executives, refer to Note 8 Employees and personnel costs. For investments in portfolio companies that are Related-parties, refer to Note 15 Investments in shares and securities measured at fair value.

#### DEVELOPMENT OF THE NUMBER OF SHARES AND SHARE CAPITAL

Year	Event	Total number of shares	Share capital SEK	Par value SEK
2011	Company founded	50,000	50,000	1

## FINANCIAL INFORMATION

### EMPLOYEES

As of 31 December 2022 there were four employees, three of whom are employed by the Parent Company and one is employed in the wholly owned subsidiary Flerie Invest Ltd. Together with contracted consultants, the company has 7 full-time equivalents.

### EVENTS AFTER THE END OF THE PERIOD

Cecilia Edström, Anders Ekblom and Jenni Nordborg became new Board members. Agreements have been signed on investments in two new venture capital funds through which Flerie undertakes to invest the equivalent of EUR 10 million and SEK 30 million, respectively, over an estimated two to five years. In January, Flerie Invest subscribed for shares corresponding to SEK 103 million in Prokarium's share issue. Further more, SEK 76 million was invested in convertibles in Empros Pharma, SEK 9 million in Synerkine and SEK 7 million in Alder Therapeutics, pertaining to second tranches of the initial investments from 2021 and 2022, respectively. Flerie provided bridge financing in the form of short-term loans to its portfolio companies Xintela and Chromafora, corresponding to SEK 8 million and SEK 9 million respectively. In March, the company made two new share issues whereby SEK 2.3 billion was provided with equity through the conversion of debt to Flerie Participation and Flerie Förvaltning. At the same time, Flerie Participation provided an unconditional shareholders contribution of SEK 600 million. The company conducted a share split in which each share was converted into 500 shares. After the share split and new share issues, the number of outstanding shares amounts to 112,578,947, of which Flerie Förvaltning owns 49.7 percent and Flerie Participation owns 47.2 percent.

### RISKS AND UNCERTAINTIES

A detailed report of how the investment entity is impacted by financial risks and how they are managed is presented in Note 2 Summary of key accounting policies, Note 3 Financial risk management, and Note 4 Key estimates and judgements.

### PARENT COMPANY

The Parent Company is a holding company whose operation pertains primarily to securities management. The Parent Company's report has been prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. For further information on the Parent Company's accounting policies, refer to Note 2 Parent Company accounting policies. The Parent Company income statement and balance sheet are reported separately.

### EXPECTED FUTURE PERFORMANCE IN THE GROUP AND PARENT COMPANY

Flerie Invest's future performance depends on the performance of its portfolio companies. Performance in the financial markets is also of significance for the performance of the portfolio companies, and thereby also the Group's and Parent Company's earnings and financial position. Flerie Invest aims to give its shareholders a strong risk-adjusted return through actively engaging with a broad portfolio of companies in the life science market. Sector expertise, a long-term perspective, and active ownership in the form of board representation in most of the portfolio companies comprise central strategies for investment activities, which creates conditions for value creation in future.

### DIVIDEND

The Board proposes that no dividend be paid for the 2022 financial year.

### PROPOSAL FOR APPROPRIATION OF PROFITS

The Board of Directors proposes that the profits in the Parent Company available for distribution by the Annual General Meeting be appropriated as follows:

Shareholders' contributions	1,279,613,524
Retained earnings	-1,071,283,279
Net profit for the year	-44,531,298
	<b>163,798,947</b>

The Board of Directors proposes: To be carried forward	163,798,947
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As otherwise regards the company's earnings and financial position, refer the following income statement, balance sheet and accompanying notes.

## FINANCIAL INFORMATION

# Consolidated income statement

SEK m	Note	2022	2021
Change in fair value of participations in portfolio companies	5, 15	94.8	-1,586.0
Other operating income	6	8.3	3.9
<b>Profit from management activities</b>		<b>103.1</b>	<b>-1,582.2</b>
Other external costs	7	-16.2	-3.9
Personnel costs	8	-7.3	-1.1
Depreciation	9	-0.6	-0.6
<b>Operating profit/loss</b>		<b>79.0</b>	<b>-1,587.8</b>
Financial income	10	40.1	56.2
Financial expenses	10	-30.1	-63.0
<b>Profit/loss from financial items</b>		<b>10.0</b>	<b>-6.8</b>
<b>Profit/loss before tax</b>		<b>89.0</b>	<b>-1,594.6</b>
Income tax	11	-1.4	-4.9
<b>Net profit/loss for the year</b>		<b>87.6</b>	<b>-1,599.5</b>
<i>Total net profit for the year attributable to:</i> Parent Company's shareholders		87.6	-1,599.5

### STATEMENT OF COMPREHENSIVE INCOME FOR THE GROUP

SEK m	Note	2022	2021
Net profit/loss for the year		87.6	-1,599.5
Other comprehensive income for the year		–	–
<b>Total comprehensive income for the year</b>		<b>87.6</b>	<b>-1,599.5</b>
<i>Total comprehensive income attributable to:</i> Parent Company's shareholders		87.6	-1,599.5

## FINANCIAL INFORMATION

# Consolidated balance sheet

SEK m	Note	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Tangible assets</i>			
Equipment	13	0.6	0.8
Right-of-use assets	14	1.6	2.0
<b>Total tangible assets</b>		<b>2.2</b>	<b>2.8</b>
<i>Financial assets</i>			
Shares and participations in portfolio companies	15	2,722.2	1,474.7
Loan receivables in portfolio companies	16	332.5	238.8
Deferred tax assets	11	4.5	–
Other financial assets		0.1	0.1
<b>Total financial assets</b>		<b>3,059.3</b>	<b>1,713.7</b>
<b>Total non-current assets</b>		<b>3,061.5</b>	<b>1,716.5</b>
<b>Current assets</b>			
Accounts receivable		0.1	0.1
Other receivables	17	1.6	1.8
Convertible loans	18	60.0	–
Loan receivables in portfolio companies	16	22.5	–
Prepaid expenses and accrued income	19	0.6	4.8
Cash and cash equivalents	20	394.2	300.0
<b>Total current assets</b>		<b>478.9</b>	<b>306.7</b>
<b>TOTAL ASSETS</b>		<b>3,540.4</b>	<b>2,023.2</b>

SEK m	Note	31 Dec 2022	31 Dec 2021
<b>EQUITY</b>			
<b>21</b>			
Share capital		0.1	0.1
Other contributed capital		1,279.6	1,279.6
Retained earnings including net profit/loss for the year		-666.3	-753.8
<b>Total equity</b>		<b>613.4</b>	<b>525.8</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	14	1.3	1.7
Deferred tax liabilities	11	7.9	10.2
Other liabilities		2.4	–
<b>Total non-current liabilities</b>		<b>11.5</b>	<b>11.9</b>
<b>Current liabilities</b>			
Accounts payable		6.5	1.0
Current tax liabilities		6.1	0.0
Lease liabilities	14	0.4	0.4
Liability to Parent Company	22	1,464.9	74.8
Other liabilities	23	1,400.1	1,400.1
Accrued expenses and deferred income	24	37.5	9.1
<b>Total current liabilities</b>		<b>2,915.5</b>	<b>1,485.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,540.4</b>	<b>2,023.2</b>

## FINANCIAL INFORMATION

### Consolidated statement of changes in equity

SEK m	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year	Total equity	SEK m	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year	Total equity
<b>Opening balance at 1 January 2022</b>	<b>0.1</b>	<b>1,279.6</b>	<b>-753.8</b>	<b>525.8</b>	<b>Opening balance at 1 January 2021</b>	<b>0.1</b>	<b>741.6</b>	<b>2,245.7</b>	<b>2,987.4</b>
<i>Comprehensive income</i>					<i>Comprehensive income</i>				
Net profit for the year			87.6	87.6	Net profit/loss for the year			-1,599.5	-1,599.5
<i>Other comprehensive income</i>			–	–	<i>Other comprehensive income</i>			–	–
<b>Total comprehensive income</b>			<b>87.6</b>	<b>87.6</b>	<b>Total comprehensive income</b>			<b>-1,599.5</b>	<b>-1,599.5</b>
<i>Transactions with shareholders</i>					<i>Transactions with shareholders</i>				
Total transactions with shareholders			–	–	Dividend			-1,400.0	-1,400.0
<b>Closing balance at 31 December 2022</b>	<b>0.1</b>	<b>1,279.6</b>	<b>-666.3</b>	<b>613.4</b>	Shareholders' contributions		538.0	–	538.0
					<i>Total transactions with shareholders</i>		<b>538.0</b>	<b>-1,400.0</b>	<b>-862.0</b>
					<b>Closing balance at 31 December 2021</b>	<b>0.1</b>	<b>1,279.6</b>	<b>-753.8</b>	<b>525.8</b>

## FINANCIAL INFORMATION

# Consolidated statement of cash flows

SEK m	Note	2022	2021	SEK m	Note	2022	2021
<b>Cash flow from operating activities</b>				<b>Investing activities</b>			
Profit/loss before tax		89.0	-1,594.6	Investments in shares in portfolio companies	15	-1,191.3	-477.5
Adjustment for non-cash items				Divestment of participations in portfolio companies		74.4	-
Gains/losses from change in fair value	15	-94.8	1,586.0	Investment in convertibles in portfolio companies		-60.0	-
Other non-cash items		-5.2	10.6	Loans provided to portfolio companies	16	-117.2	-196.0
Tax paid		-0.8	-1.7	Lease deposits paid		0.0	-0.1
				Dividends received		-	1.4
<b>Cash flow from operating activities before changes in working capital and operational investments</b>		<b>-11.8</b>	<b>0.3</b>	Acquisition of equipment	13	-	-1.0
				<b>Cash flow from investing activities</b>		<b>-1,294.1</b>	<b>-673.2</b>
<b>Changes in working capital</b>							
Change in accounts receivable		0.0	-0.1	<b>Financing activities</b>			
Change in operating receivables		2.4	72.3	Shareholders' contributions		-	532.0
Change in operating liabilities		7.1	3.7	Loans received		1,391.0	-
<b>Total changes in working capital</b>		<b>9.4</b>	<b>75.9</b>	Repayment of lease liability	14	-0.4	-0.4
				<b>Cash flow from financing activities</b>		<b>1,390.6</b>	<b>531.6</b>
<b>Cash flow from operating activities</b>		<b>-2.4</b>	<b>76.2</b>				
				<b>Cash flow for the period</b>		<b>94.2</b>	<b>-65.4</b>
				<b>Cash and cash equivalents at the beginning of the period</b>		<b>300.0</b>	<b>362.7</b>
				Currency effects		-	2.8
				<b>Cash and cash equivalents at the end of the period</b>		<b>394.2</b>	<b>300.0</b>
				Interest received		3.6	3.7
				Interest paid		-	-



## FINANCIAL INFORMATION

# Parent Company income statement

SEK m	Note	2022	2021
Other operating income	6	8.3	3.9
<b>Total operating income</b>		<b>8.3</b>	<b>3.9</b>
Other external costs	7	-16.6	-4.3
Personnel costs	8	-4.3	-1.1
Depreciation	9	-0.2	-0.2
<b>Total operating expenses</b>		<b>-21.2</b>	<b>-5.6</b>
<b>Operating loss</b>		<b>-12.9</b>	<b>-1.8</b>
Profit/loss from participations in associated companies	27	–	-299.0
Profit from other securities and receivables accounted for as non-current assets	28	33.0	24.5
Interest income and similar profit/loss items	29	40.1	31.6
Impairment of financial assets and current investments	30	-70.3	-76.6
Interest expenses and similar profit/loss items	31	-28.6	-12.0
<b>Profit/loss from financial items</b>		<b>-25.9</b>	<b>-331.5</b>
<b>Loss before tax</b>		<b>-38.7</b>	<b>-333.3</b>
Change in tax allocation reserve		2.8	0.8
Tax on net profit for the year	11	-8.6	-1.0
<b>Net loss for the year</b>		<b>-44.5</b>	<b>-333.5</b>

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	2022	2021
Net loss for the year		-44.5	-333.5
Other comprehensive income for the year		–	–
<b>Total comprehensive income for the year</b>		<b>-44.5</b>	<b>-333.5</b>

## FINANCIAL INFORMATION

# Parent Company balance sheet

SEK m	Not	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Tangible assets</i>			
Equipment	12	0.6	0.8
<b>Total tangible assets</b>		<b>0.6</b>	<b>0.8</b>
<i>Financial assets</i>			
Participations in subsidiaries	32	257.8	210.5
Receivables in subsidiaries	33	253.8	209.0
Participations in associated companies	34	1,186.4	701.8
Receivables from associated companies	35	60.0	10.0
Other securities held as non-current assets	36	823.5	240.1
Other non-current receivables	37	20.2	20.0
<b>Total financial assets</b>		<b>2,601.7</b>	<b>1,391.3</b>
<b>Total non-current assets</b>		<b>2,602.3</b>	<b>1,392.1</b>
<b>Current assets</b>			
Accounts receivable		0.1	0.1
Receivables from subsidiaries	33	3.0	–
Receivables from associated companies	35	22.5	–
Other receivables	17	1.5	1.8
Convertible loans	18	60.0	–
Prepaid expenses and accrued income	19	0.6	4.8
Cash and cash equivalents	20	394.2	300.0
<b>Total current assets</b>		<b>481.9</b>	<b>306.7</b>
<b>TOTAL ASSETS</b>		<b>3,084.2</b>	<b>1,698.8</b>

SEK m	Not	31 Dec 2022	31 Dec 2021
<b>EQUITY</b>			
<b>21</b>			
<i>Restricted equity</i>			
Share capital		0.1	0.1
<b>Total restricted equity</b>		<b>0.1</b>	<b>0.1</b>
<i>Unrestricted equity</i>			
Shareholders' contributions received		1,279.6	1,279.6
Retained profit or loss		-1,071.3	-737.8
Net loss for the year		-44.5	-333.5
<b>Total unrestricted equity</b>		<b>163.8</b>	<b>208.3</b>
<b>Total equity</b>		<b>163.8</b>	<b>208.4</b>
<b>Untaxed reserves</b>			
Tax allocation reserve		2.6	5.4
<b>Total untaxed reserves</b>		<b>2.6</b>	<b>5.4</b>
<b>Non-current liabilities</b>			
Other liabilities		2.4	–
<b>Total non-current liabilities</b>		<b>2.4</b>	<b>–</b>
<b>Current liabilities</b>			
Accounts payable		6.5	1.0
Current tax liabilities		6.1	–
Liability to Parent Company	22	1,464.9	74.8
Other liabilities	23	1,400.4	1,400.1
Accrued expenses and deferred income	24	37.5	9.1
<b>Total current liabilities</b>		<b>2,915.4</b>	<b>1,485.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,084.2</b>	<b>1,698.8</b>

## FINANCIAL INFORMATION

### Parent Company statement of changes in equity

SEK m	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year	Total equity	SEK m	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year	Total equity
Opening balance at 1 January 2022	0.1	1,279.6	-1071.3	208.4	Opening balance at 1 January 2021	0.1	741.6	662.2	1,403.9
Net loss for the year			-44.5	-44.5	Net loss for the year			-333.5	-333.5
<i>Other comprehensive income</i>			–	–	<i>Other comprehensive income</i>			–	–
Total comprehensive income			-44.5	-44.5	Total comprehensive income			-333.5	-333.5
<i>Transactions with shareholders</i>					<i>Transactions with shareholders</i>				
Total transactions with shareholders			–	–	Dividend			-1,400.0	-1,400.0
<b>Closing balance at 31 December 2022</b>	<b>0.1</b>	<b>1,279.6</b>	<b>-1,115.8</b>	<b>163.8</b>	Shareholders' contributions		538.0	–	538.0
					<i>Total transactions with shareholders</i>		538.0	-1,400.0	-862.0
					<b>Closing balance at 31 December 2021</b>	<b>0.1</b>	<b>1,279.6</b>	<b>-1,071.3</b>	<b>208.4</b>

## FINANCIAL INFORMATION

# Parent Company statement of cash flows

SEK m	Note	2022	2021	SEK m	Note	2022	2021
<b>Cash flow from operating activities</b>				<b>Investing activities</b>			
Loss before tax		-38.7	-333.3	Acquisition of participations in Group companies		-	-150.0
Adjustment for non-cash items				Acquisition of participations in associated companies		-554.9	-136.6
Depreciation and impairment		70.5	76.6	Acquisition of shares in other companies		-657.8	-190.8
Capital loss on divestment of portfolio company		-	275.9	Loans provided to portfolio companies		-167.7	-196.1
Other non-cash items		-6.0	-16.6	Capital gains from divested portfolio company		74.4	-
Tax paid		-0.8	-1.7	Dividends received		-	1.4
<b>Cash flow from operating activities before changes in working capital</b>		<b>25.0</b>	<b>0.9</b>	Investments in tangible assets	11	-	-1.0
<b>Changes in working capital</b>				Lease deposits paid		-	-0.1
Change in accounts receivable		0.0	0.1	<b>Cash flow from investing activities</b>		<b>-1,306.1</b>	<b>-673.2</b>
Change in operating receivables		-23.1	71.2	<b>Financing activities</b>			
Change in operating liabilities		9.7	3.7	Loans received		1,388.7	-
<b>Cash flow from operating activities</b>		<b>11.7</b>	<b>75.7</b>	Shareholders' contributions		-	532.0
				<b>Cash flow from financing activities</b>		<b>1,388.7</b>	<b>532.0</b>
				<b>Cash flow for the period</b>		<b>94.2</b>	<b>-65.4</b>
				<b>Cash and cash equivalents at the beginning of the period</b>		<b>300.0</b>	<b>362.7</b>
				Currency effects		0.0	2.8
				<b>Cash and cash equivalents at the end of the period</b>		<b>394.2</b>	<b>300.0</b>
				Interest received		3.6	3.7
				Interest paid		-	-

## FINANCIAL INFORMATION

# Notes to the accounts

### NOTE 1 – GENERAL INFORMATION

This Annual Report covers the Swedish company Flerie Invest AB (“Flerie Invest”), corporate identity number 556856-6615. Flerie Invest invests mainly in companies in the life science sector, preferably in private companies but in publicly owned ones as well. Flerie Invest is a limited liability company in Sweden with its registered office in Stockholm, Sweden. The address of the head office is Skeppsbron 16, SE-111 30 Stockholm. On 18 April 2023 the Board of Directors approved this Annual Report, which will be presented for adoption at the Annual General Meeting on 25 May 2023.

### NOTE 2 – ACCOUNTING POLICIES

#### BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

This report has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRIC) as adopted by the European Union (EU). The Group also applies the Swedish Annual Accounts Act (1995:1554) and Recommendation RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board. The consolidated financial statements have been prepared based on the assumption of a going concern. Assets and liabilities are measured based on cost, with the exception of certain financial instruments that are measured at fair value. The accounting policies have been consistently applied for all the periods that the financial statements pertain to, unless otherwise indicated.

Flerie Invest is of the opinion that it meets the criteria for an investment entity under IFRS 10. An investment entity will not consolidate its subsidiaries. Instead, consolidated financial statements are prepared, in which the holdings in portfolio companies are measured at fair value.

The principal accounting policies applied in the preparation of this report are set out below.

The preparation of statements in compliance with IFRS requires the use of certain important accounting estimates. Further, management is required to make certain judgements in applying the company’s accounting policies. Those areas that include a high level of judgement, that are complex or such areas where assumptions and estimations are of material importance for the accounts are stated in Note 4.

In cases where the Parent Company applies other accounting policies than the Group, this is stated separately at the end of this section (see Parent Company accounting policies).

#### New and amended standards that will be adopted by the investment entity in the current period or later

No material standards, amendments or interpretations of existing standards that became effective in 2022 or subsequently have been identified.

#### MEASUREMENT BASES APPLIED IN PREPARING THE FINANCIAL STATEMENTS

##### Investment entities

Flerie Invest is an investment entity under IFRS 10, and measures the holdings in its portfolio companies at fair value. In brief, the criteria are that an investment entity:

- Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measures and evaluates the performance of substantially all of its investments on a fair value basis.

Company management is of the opinion that the above criteria for constituting an investment entity have been met. The implication is that holdings in the investment portfolio in the companies that comprise subsidiaries or associated companies are not consolidated, but instead measured at fair value. Investments are measured at fair value through profit or loss in accordance with IFRS 9 Financial Instruments. In addition to subsidiaries and associated companies, which comprise part of the investment portfolio, Flerie Invest owns the subsidiary Flerie Invest Ltd (formed in 2022), which is a UK company whose purpose is to provide Flerie Invest with investment-related services or operations related to Flerie Invest’s investment activities. Since the company provides services to the entire Flerie Invest investment entity, the subsidiary is consolidated and thereby not measured at fair value.

The following key assessments have been made in forming the opinion that the company is classified as an investment entity:

- Flerie Invest invests in portfolio companies for the purpose of generating returns in the form of return on capital and appreciation in value. The company does not receive, or have the aim of receiving, other benefits from the company’s investments that are not available to other parties who are not related parties to the investee. The commercial purpose is not to manufacture medical products as such, but rather to invest in creating and maximising the return.
- Furthermore, the primary measurement of the portfolio company is based on fair value. Flerie Invest monitors and follows the performance in the portfolio company – for example, through sales performance, partnerships with other companies or academia, and/or clinical trials – but the primary purpose of monitoring these other key performance indicators is to obtain a better understanding of the development of fair value and to assess potential future add-on investments.

## FINANCIAL INFORMATION

- The company has a divestment strategy for all its portfolio companies. Flerie Investment's investment horizon has a long-term perspective, but is always based on the assumption that the portfolio company will be divested at some point in time. Prior to every decision to invest in a company, the company or its assets must have a clear possibility for divestment, for example, sold to a strategic partner or financial investor, listed, or there must be a potential for licensing the company's intangible assets to an external party.

### TRANSLATION OF FOREIGN CURRENCIES

#### Functional currency and presentation currency

The functional currency of the Parent Company is Swedish kronor (SEK), which is also the presentation currency for the Parent Company and the Group.

#### Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate on the balance-sheet date. Non-monetary items measured at historical cost in a foreign currency are not translated. Exchange differences that arise during translation are recognised through profit or loss. Net exchange gains and losses on operating receivables and liabilities are recognised in operating profit while net exchange gains and losses on financial assets and liabilities are recognised as financial items.

### CLASSIFICATION

Non-current assets and non-current liabilities consist essentially of amounts that are expected to be recovered or paid more than 12 months from the balance-sheet date. Current assets consist essentially of amounts that are expected to be realised during a normal operating cycle, which is 12 months after the reporting period. Current liabilities consist essentially of amounts that are expected to be settled during a normal operating cycle, which is 12 months after the reporting period.

### FINANCIAL ASSETS AND LIABILITIES

The purchase and sale of financial assets and liabilities are recognised in the balance sheet on the date when the company becomes a party under the contractual terms of the instrument. Financial assets and liabilities are initially measured at fair value plus transaction costs, which applies to all financial assets and liabilities not measured at fair value through profit or loss. Financial assets and liabilities valued at fair value through profit or loss are initially measured at fair value, while the associated transaction costs are recognised through profit or loss. Financial assets are derecognised from the balance sheet when the rights in the contract are realised, expire or Flerie Invest loses control over them. The same applies to part of a financial asset. Financial liabilities are derecognised from the balance sheet when the contractual obligation has been fulfilled or otherwise been extinguished.

#### Policies for classifying financial assets and liabilities

There are three measurement categories for financial assets:

- Amortised cost;
- Fair value with changes in value in other comprehensive income; and
- Fair value with changes in value recognised through profit or loss.

Flerie Invest holds only financial assets in the first and third categories. Financial liabilities are recognised either at amortised cost or at fair value with changes in value recognised through profit or loss.

#### Financial assets recognised at amortised cost

A financial asset is recognised at amortised cost if it is managed under a business model whose purpose is to realise the cash flow of the financial asset by collecting contractual cash flows, and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are financial instruments held for resale, or financial assets that are deemed to fall under this category. A financial asset is classified in this category if it was principally acquired for the purpose of receiving a return through dividend and changes in value from the financial asset.

#### Financial instruments

Under the regulations for investment entities in IFRS 10 and IAS 28, Flerie Invest classifies investments in portfolio companies that would otherwise have been recognised as subsidiaries or associated companies as investments in shares and securities. These investments, and holdings in other financial instruments that were acquired for the purpose of receiving a return, are measured at fair value through profit or loss under the methods described above. Dividend income is recognised when the right to receive payment has been determined. The income line "Gains/losses from change in fair value in participations in portfolio companies consist of the net of realised and unrealised changes in value, which means that no distinction is made between changes in value for securities divested and changes in value for remaining securities.

#### Cash and cash equivalents

Cash and cash equivalents includes cash in hand, and any bank balances and other current investments with maturities of three months or less from the acquisition date.

#### Other assets

Other financial assets (loan receivables from portfolio companies, other financial assets, and accounts receivable) are normally classified as assets recognised at amortised cost. These assets lie within the area of application for adjustments for expected credit losses. The value of the asset is adjusted for any expected credit losses throughout the lifetime of the receivable.

## FINANCIAL INFORMATION

### *Financial liabilities*

The company's loans are categorised as other financial liabilities and measured at amortised cost. There are no external borrowings from credit institutions as of the balance-sheet dates presented.

### *Accounts payable*

Accounts payable are initially measured at fair value and subsequently at amortised cost by applying the effective interest method. The carrying amount of accounts payable is assumed to correspond to their fair value since the nature of this item is current.

### **MEASUREMENT OF FINANCIAL ASSETS AT FAIR VALUE**

The calculation of fair value is based on provisions in IFRS 13 Fair Value Measurement regarding calculation and reporting of fair value. Additionally, Flerie Invest complies with the International Private Equity and Venture Capital Valuation Guidelines (IPEV Valuation Guidelines) established by IPEV.

### **Fair value measurement hierarchy**

The company classifies measurement at fair value using a fair value hierarchy that reflects the reliability of the input data being used to make the measurements. The fair value hierarchy has the following levels:

- Level 1* Financial instruments that are traded in an active market, such as listed holdings. These are based on quoted market prices on the balance-sheet date.
- Level 2* Inputs other than quoted prices that are observable for the asset or liability, either directly (as prices, for example) or indirectly (for example, as derived prices).
- Level 3* Inputs for the asset or liability that are based on unobservable information. Suitable measurement method is established on the basis of the lowest level of inputs that is significant to the measurement at fair value.

Flerie Invest's holdings are measured either at Level 1 or Level 3. Level 3 has strong elements of subjective assessments, and is subject to a greater degree of uncertainty than the holdings at Level 1. The measurement methods that are applied under the measurement levels identified further follow the guidance found in the IPEV Guidelines. Great importance is placed on recently completed market-based transactions, for example, a new share issue or acquisition of existing shares. Transactions in comparable companies can also be used. Other measurement methods are discounting of forecast cash flows with relevant discount rates, and by applying measurement multiples such as EV/Sales, EV/EBITDA, EV/EBITA, EV/EBIT, and PER, which are adjusted to account for differences in market, operations, and risk. For financial assets, fair value is measured according to the following measurement hierarchy.

### *Level 1A Latest trading price*

Fair value is determined on the basis of observable (unadjusted) quoted prices in an active market

### *Level 3A Latest investment*

Fair value is determined based on the subscription price of the most recent new share issue conducted for the company, provided that the most recent share issue was conducted within the latest 12-month period, and that in light of relevant factors still being considered a relevant measurement reference. However, emissions at a subscription price that is considered to provide a misleading view of the fair value of the share are exempted from this measurement method. Examples can include bonus issues, issues at a clear discount/premium, and preferential rights issues where existing shareholders have the right to subscribe for shares in relation to their previous holdings.

### *Level 3B Latest investment, adjusted*

Fair value is determined based on the principle in Level 3A, but the most recent issue was conducted earlier than 12 months prior to the measurement date. The latest issue still comprises the starting point for the measurement, but in addition the company's performance against the business plan that Flerie Invest initially invested in is analysed, as well as the latest business plan including the company's performance and market conditions.

### *Level 3C Latest known transaction of participations*

Fair value is determined based on known over-the-counter (OTC) transactions from known trading platforms or individual operators during the relevant accounting period.

### *Level 3D Relative measurement/multiple valuation*

Fair value is determined based on measurement multiples such as EV/Sales, EV/EBITDA, EV/EBITA, EV/EBIT, and PER, which are adjusted to account for differences in market, operation, and risk.

### *Level 3E Statement of discounted cash flows*

Fair value is determined based on calculations of the present value of estimated future cash flows, based on the majority of unobservable input data used in the DCF model. This method is suitable if the company generates a cash flow in the form of turnover or profit, and measurement under higher priority methods is not applicable or is considered to be less reliable than this method.

### *Level 3f Other measurement method*

Fair value is established based on a measurement method other than higher priority methods. If applicable, the net asset value is used as the starting point for fair value. Any adjustments of the net asset value to reflect the fair value are assessed based on given conditions for the specific asset and the company management's evaluation thereof.

## FINANCIAL INFORMATION

### SEGMENT REPORTING

Operating segments are reported in a manner that corresponds to the internal reporting submitted to the chief operating decision maker. The chief operating decision maker is the function that is responsible for allocating resources and assessing the performance of the operating segments. Flerie Invest has identified the company's CEO as the chief operating decision maker in this context. The segments consist of Product Development, Commercial Growth, and Limited Partnerships. The Product Development segment comprises early biotech, pharma, and product companies in the product development phase. The Commercial Growth segment comprises companies that are already selling products or services, and which Flerie Invest helps with capturing more market shares and achieving profitability. The Limited Partnership segment is where Flerie Invest invests in other investors' funds. The change in fair value, and assets in the form of shares and participations in portfolio companies, is totalled based on type of operation. No other assets or liabilities are allocated by segment. IFRS is applied as the reporting norm in the segments.

### EMPLOYEE BENEFITS

#### *Short-term benefits*

Short-term employee benefits such as salaries, social security contributions and holiday pay are expensed in the period when the employees perform the services.

#### *Defined contribution pension plans*

Flerie Invest has only defined contribution pension plans. Defined contribution plans are plans under which the Company pays fixed contributions into a separate legal entity. Flerie Invest has no legal or constructive obligations to make further payments if this legal entity does not have sufficient assets to pay all employee benefits that relate to the employees' service during current or prior periods. The Group thus has no additional risk. The company's obligations pertaining to fees for defined contribution pension plans are recognised as an expense in profit or loss at the rate they are vested as the employees perform services for the company during the period.

#### *Termination benefits*

Termination benefits are disbursed when employment is terminated before the normal age of retirement or when the employee accepts voluntary redundancy in exchange for such remuneration. Flerie Invest recognises severance pay when the company is demonstrably obligated either to terminate employment according to a formal plan without any option for recall or to provide compensation in a case of termination of employment as a result of an offer made to encourage voluntary resignation from employment.

#### **Leases**

When a lease is signed, the Group establishes whether the contract is or contains a lease based on the substance of the contract. A contract is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Lease liabilities*

On the commencement date of a lease, the Group recognises a lease liability corresponding to the present value of the lease payments to be made over the lease term. The lease term is defined as the non-cancellable period along with periods for extending or terminating the lease if the Group is reasonably certain that it will exercise these options. The lease payments include fixed payments (less any benefits received in conjunction with signing the lease), variable lease payments that depend on an index or a rate (for example, a reference interest rate) and amounts that are expected to be paid under residual value guarantees. Additionally, the lease payments include the exercise price for an option to purchase the underlying asset, or penalties to be paid for termination in accordance with a termination option, if it is reasonably certain that such options will be exercised by Flerie Invest. Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period to which they are attributable.

For calculation of the present value of lease payments, the Group uses the implicit rate in the lease if it can be readily determined, otherwise the incremental borrowing rate as of the commencement date of the lease. After the commencement date of a lease, the lease liability increases to reflect the interest rate on the lease liability and decreases with lease payments

paid. Additionally, the value of the lease liability is remeasured as a result of modifications, changes to the lease term, changes in lease payments or changes in an assessment of whether to purchase the underlying asset.

#### *Right-of-use assets*

The Group recognises right-of-use assets in the statement of financial position as of the commencement date of the lease (meaning the date on which the underlying asset becomes available for use). Right-of-use assets are measured at cost less accumulated depreciation and any impairment, and adjusted for remeasurements of lease liabilities, with the exception of currency translations. The cost of right-of-use assets includes the initial amount recognised for the attributable lease liability, initial direct costs, and any advances paid on or before the commencement date of the lease less any incentives received. Provided that Flerie Invest is not reasonably certain that the right of use for the underlying asset will be assumed upon expiration of the lease, the right-of-use asset is depreciated straight-line over shorter of the lease term or the useful life.

#### *Application of practical expedients*

Flerie Invest applies the practical expedients for short-term leases and low-value leases. Short-term leases are defined as leases with an initial lease term of a maximum of 12 months after consideration of any options to extend the lease. The Group's low-value leases comprise, for example, office equipment.

#### *Lease payments*

for short-term leases and low-value leases are expensed straight-line over the lease term.

### CURRENT AND DEFERRED TAX

Flerie Invest does not meet the requirements for an investment entity under tax law, and is therefore taxed for profits and dividends on directly owned shares and participations not held for business purposes. Dividends and profits on holdings for business purposes are not taxable. Taxable holdings are holdings in listed shares where the company has an ownership share of less than 10 per cent of the voting rights and listed shares where ownership exceeds 10 per cent of voting rights, but where total ownership was at this level for a period of less than 12 months.



## FINANCIAL INFORMATION

### *Current tax*

The current tax expense is calculated on the basis of the tax rules enacted or in practice enacted on the balance-sheet date in the countries where the legal entity operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### *Deferred tax*

Deferred tax is recognised in its entirety, calculated using the balance-sheet method, on all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the holding company's reporting. However, deferred tax is not recognised if it arises as a result of a transaction which constitutes the initial recognition of an asset or liability, which is not a business combination and which, at the time of the transaction, does not affect the recognised or taxable profit. Deferred tax is calculated on the basis of tax rates (and laws) that have been enacted or which were in practice enacted on the balance-sheet date or that are expected to apply when the deferred tax asset concerned is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available against which those temporary differences can be utilised.

Deferred tax is calculated on the basis of temporary differences arising in participations in the portfolio companies, except in cases where the date for reversal of the temporary differences can be controlled by the investment entity and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax is also calculated on temporary differences from reporting of lease liabilities and right-of-use assets under IFRS 16, and attributable to untaxed reserves.

### **SHARE CAPITAL**

The company's shares consist of common shares, which are recognised as share capital. The share capital is recognised at its quota value, and the excess portion is recognised as Other contributed capital. Transaction costs that can be directly attributed to an issue of new shares are recognised, net of tax, in equity as a deduction from the issue proceeds.

### **PROVISIONS**

A provision is recognised in the balance sheet when the Company has an existing legal or informal obligation as a result of an event that has occurred, it is probable that an outflow of financial resources will be required to settle the obligation, and the amount can be reliably estimated. Where the effect of when a payment is made is significant, provisions are calculated through the discounting of the anticipated future cash flow at an interest rate before tax that reflects current market assessments of the time value of money and, if applicable, the risks related to the liability. Provisions are reassessed at the end of every reporting period.

### **CONTINGENT LIABILITIES**

A contingent liability is recognised when there is a possible commitment originating from events that have occurred and whose occurrence is confirmed only by one or several uncertain future events or when there is a commitment that is not recognised as a liability or provision because it is probable that an outflow of resources will be required.

### **CASH FLOW**

The statement of cash flows is prepared using the indirect method. This means that earnings are adjusted for transactions that have not resulted in inflows or outflows during the period, and for any income or expenses attributable to investing and/or financing activities.

### **DIVIDENDS**

Dividends to the Parent Company shareholders are recognised as a liability in the company's financial statements in the period when the dividend is approved by the Parent Company's shareholders.

### **PARENT COMPANY ACCOUNTING POLICIES**

The Parent Company's accounting policies essentially correspond with those of the Group. The Parent Company's report has been prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. RFR 2 indicates exemption from and additions to the standards issued by IASB and the interpretations issued by IFRIC. Exemptions and additions are to be applied as of the date when the legal entity applied the indicated standard or interpretation in the consolidated financial statements. No effects have been identified from the transition to new accounting policies.

The Parent Company applies the presentation methods specified in the Swedish Annual Accounts Act, which means that equity is presented differently.

### *Financial instruments*

Given the relationship between accounting and taxation, IFRS 9 is not applied in the parent company, and financial instruments are carried at cost. The parent company reports convertible debentures at amortised cost.

### *Shares in subsidiaries and associated companies*

Shares in subsidiaries and associated companies are recognised at cost less any impairment. When there is an indication that shares and participations in subsidiaries or associated companies have decreased in value, their recoverable amount is estimated. If this is lower than the carrying amount, an impairment is made. The cost of participations in subsidiaries and associated companies includes transaction costs.

### *Group contribution*

Group contributions are reported in accordance with RFR 2 Accounting for listed legal entities. Group contributions made to a subsidiary (portfolio company) are reported in the parent company as an increase in shares in subsidiaries.

### *Leasing as lessee*

In the Parent Company, all leases are classified as operating leases.

### *Untaxed reserves*

The Parent Company reports untaxed reserves in the form of accrual funds. Due to the relationship between accounting and taxation, the deferred tax is recognized on untaxed reserves as part of the untaxed reserve.

# FINANCIAL INFORMATION

## NOTE 3 – FINANCIAL RISK MANAGEMENT

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Flerie Invest is exposed through its operations to financial risks such as liquidity and financing risk, price risk (share price risk), exchange rate risk, and credit risk. The responsibility for the Group's financial transactions and risks is managed by both the Parent Company's financial division and locally in the portfolio companies. The finance function's overall objective is to provide cost-efficient financing and to minimise the adverse effects on the Group's earnings through market fluctuations.

### LIQUIDITY AND FINANCING RISK

#### Liquidity risk

Liquidity risk is defined as the risk of being unable to meet payment obligations due to insufficient liquidity, or difficulties in raising external loans or in divesting financial instruments without considerable additional cost. Liquidity risk is limited through continual monitoring of operating liquidity against planned investments, and through limits as regards permitted instruments, counterparties, and issuers.

#### Financing risk

Financing risk is defined as the risk that financing cannot be obtained, or that it can only be obtained at higher costs as the result of changes in the financial system. Flerie Invest is financed primarily through loans and capital contributions from the company's owners. Furthermore, financing risk is reduced through Flerie Invest maintaining a high level of creditworthiness and ensuring access to various sources of capital. Additionally, Flerie Invest must work to build up good, close relationships with the company's commercial banks.

#### PRICE RISK (SHARE PRICE RISK)

Price exposure is concentrated primarily in listed portfolio companies. The listed companies are analysed and routinely monitored. Substantial exposure to share price risk in a core investment does not necessarily require that action be taken, as Flerie Invest's strategic actions are based on its long-term commitment. As the company has a long-term ownership philosophy, no targets for share price risks, which are affected by short-term fluctuations, have been defined. Share price risks for the listed companies are not hedged.

#### CURRENCY RISK

Currency exposures arise from the translation of balance-sheet items in foreign currency (balance sheet exposure) and from payment flows in foreign currency (transaction exposure).

#### Transaction exposure

Since the majority of the portfolio companies are denominated in SEK, the indirect exchange rate risk that impacts Flerie Invest's balance sheet is limited. The exchange rate risk is normally not hedged.

#### CREDIT RISK

Credit risk refers to the risk that a counterparty or issuer may not be able to fulfil its commitments towards Flerie Invest. Flerie Invest is exposed to credit risk primarily through granting loans to individual borrowers. This credit risk is limited through the definition of permitted instruments, borrowers, and permitted counterparties in conjunction with financial transactions.

# FINANCIAL INFORMATION

## NOTE 4 – KEY ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires that company management and the Board of Directors make certain judgements and assumptions that impact the carrying amounts of asset and liability items, and income and cost items, as well as other information submitted. These judgements are based on experience and the assumptions that management and the Board of Directors deem reasonable under the prevailing circumstances. The actual outcome may then differ from these judgements if other conditions arise. The estimates and assumptions are routinely evaluated and are deemed not to involve any significant risk for material adjustments in the carrying amounts of assets and liabilities during the next financial year. Changes in estimates are recognised in the period when the change is made if the change affects that period only, or in the period when the change is made and in future periods if the change affects the period in question as well as future periods. The judgements that are most material in preparing the company's financial statements are described below.

### FAIR VALUE OF HOLDINGS IN PORTFOLIO COMPANIES

Roughly 79 per cent of the portfolio value comprises holdings in unlisted securities. Other securities comprise shares admitted for trading in active markets or fund units. These are measured at fair value corresponding to the share price as of the balance-sheet date, where the latest price paid has primarily been used. In measuring unlisted securities, assumptions have been made concerning such factors as the company's

earning capacity, volatility, operational risk, exposure to the interest-rate market, assessment of similar companies, and yield requirement. In light of the above, it is felt that the estimates and assumptions made could have an impact on the financial statements if the assumptions pertaining to unlisted securities change in future periods. For more information on the company's measurement policies, refer to Note 2 Accounting policies / Measurement of financial assets at fair value, and Note 15 Investments in shares and securities measured at fair value.

### DEFERRED TAX

Deferred tax is established as a function of the difference between carrying amounts and tax value for the taxable assets and liabilities. Assessments of temporary differences in tax exposure need to be made when a holding changes category between held for business purposes and not held for business purposes. Capital gains and dividends on participations held for business purposes are tax-free. In contrast, capital losses on participations held for business purposes are not deductible. Flerie Invest owns shares in listed assets that meet the requirement for being held for business purposes. These can be divested on a tax-free basis when Flerie Invest has held at least ten per cent of the votes in the company for a year or longer. In cases where Flerie Invest drops reduces its ownership corresponding to less than ten per cent of the votes for a holding, the remaining participations are thus no longer held for business purposes. The new value of taxable cost on the participation comprises market value at the point in time when the participation ceases to be held for business purposes.

## NOTE 5 – SEGMENT INFORMATION

Flerie invests in companies in three supplementary segments spanning the entire value chain: Product Development, Commercial Growth, and Limited Partnerships. The companies in Flerie's portfolio have been carefully selected for their pioneering science, and to fit the company's phasing and segment strategy. At the end of 2022, the portfolio consisted of 31 investments – a mix of preclinical, clinical, and revenue-generating operations as well as a venture capital fund. The Product Development segment comprises early biotech, pharma, and product companies in the product development phase that are developing products or technologies for clinical proof of concept and towards market approval. The Commercial Growth segment comprises companies that are already selling products or services, and whom Flerie helps with capturing more market shares and achieving profitability. The Limited Partnership segment is where Flerie invests in other investors' funds, which means the company can obtain access to the network, opportunities, and competence in the holding company. This promotes further build-up of Flerie's brand and know-how in new geographical regions and thematic areas, and can benefit other segments through, for example, co-investment opportunities with general partners, either on the company's own or with their networks.

## FINANCIAL INFORMATION

Group	Product Development		Commercial Growth		Limited Partnerships		Unallocated items		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Change in fair value of participations in portfolio companies	95.3	172.5	10.3	-15.1	-10.8	21.8	-	-1,765.2	94.8	-1,586.0
Other operating income									8.3	3.9
<b>Profit from management activities</b>									<b>103.1</b>	<b>-1,582.2</b>
Other external costs									-16.2	-3.9
Personnel costs									-7.3	-1.1
Depreciation									-0.6	-0.6
<b>Operating profit/loss</b>									<b>79.0</b>	<b>-1,587.8</b>
Financial income									40.1	56.2
Financial expenses									-30.1	-63.0
<b>Profit/loss before tax</b>									<b>89.0</b>	<b>-1,594.6</b>
<b>Fair value at start of period</b>	<b>1,075.6</b>	<b>509.2</b>	<b>312.7</b>	<b>171.9</b>	<b>86.4</b>	<b>64.6</b>	<b>-</b>	<b>1,765.2</b>	<b>1,474.7</b>	<b>2,510.9</b>
Change in fair value during the period	95.3	172.45	10.3	-15.1	-10.8	21.8	-	-1,765.2	94.8	-1,586.0
Added: Purchases and contributions	846.0	393.95	344.9	155.9	36.2	-	-	-	1,227.1	549.8
Less: Sales	-	-	-0.4	-	-74.0	-	-	-	-74.4	-
<b>Fair value at end of period</b>	<b>2,016.9</b>	<b>1,075.6</b>	<b>667.4</b>	<b>312.7</b>	<b>37.9</b>	<b>86.4</b>	<b>-</b>	<b>-</b>	<b>2,722.2</b>	<b>1,474.7</b>

### Change in fair value of participations in portfolio companies and non-current assets by geographical region

Group	Change in fair value		Non-current assets	
	2022	2021	2022	2021
Sweden	25.3	-1,717.3	1,931.3	1,067.0
Netherlands	9.3	17.9	114.4	105.1
Israel	37.0	87.3	330.7	228.3
Iceland	10.5	-	73.6	24.6
United Kingdom	4.8	26.1	434.5	291.4
USA	6.3	-	139.2	-
Other countries	1.6	-	37.9	-
<b>Total</b>	<b>94.8</b>	<b>-1,586.0</b>	<b>3,061.5</b>	<b>1,716.5</b>

## FINANCIAL INFORMATION

### NOTE 6 – OTHER OPERATING INCOME

Group and Parent Company	2022	2021
Administrative services	0.6	1.0
Guarantee commission	2.1	1.4
Currency gains	5.0	1.4
Other income	0.6	0.1
<b>Total</b>	<b>8.3</b>	<b>3.9</b>

### NOTE 7 – OTHER EXTERNAL COSTS AND FEES TO AUDITORS

	Group		Parent Company	
	2022	2021	2022	2021
Cost for premises	-0.1	0.0	-0.6	-0.5
External services and consultations	-14.7	-3.1	-14.7	-3.1
Travel expenses	-1.1	0.0	-1.1	0.0
Other external costs	-0.3	-0.7	-0.3	-0.7
<b>Total</b>	<b>-16.2</b>	<b>-3.9</b>	<b>-16.6</b>	<b>-4.3</b>

The increase in external services and consultations during the year compared with the preceding year are attributable to a full-year effect. Flerie's operations in its current form were started in 2021 but was under way to its full extent throughout 2022.

#### Fees to auditors

Audit engagement refers to the auditor's work on the statutory audit, and auditing activities refers to various types of quality-assurance activities. Other services are such services as are not included in the audit engagement or tax advisory services. The audit engagement for 2022 was carried out by Ernst & Young AB, for 2021 the audit engagement was carried out by RSM Stockholm AB.

Group and Parent Company	EY 2022	RSM 2022	RSM 2021
Audit engagement	-0.6	-0.2	-0.2
Audit services apart from statutory audit	-0.1	–	–
Tax services	-0.0	–	–
Other services	-2.0	-0.0	-0.0
<b>Total</b>	<b>-2.8</b>	<b>-0.2</b>	<b>-0.2</b>

### NOTE 8 – EMPLOYEES AND PERSONNEL COSTS

	2022		2021	
	Total	Of whom men	Total	Of whom men
<b>Average number of employees</b>				
<b>Group</b>	3.8	1.8	0.9	0.4
<b>Number of Board members and senior executives</b>				
<b>Total</b>				
Board members	1.0	1.0	1.0	1.0
Chief Executive Officer and other senior executives	–	–	–	–
		<b>Group</b>	<b>Parent Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Salaries	-4.1	-0.7	-2.7	-0.7
Social security expenses	-2.4	-0.3	-1.0	-0.3
Retirement benefit costs	-0.6	-0.2	-0.6	-0.2
Other personnel costs	-0.3	-0.0	-0.0	-0.0
<b>Total</b>	<b>-7.3</b>	<b>-1.1</b>	<b>-4.3</b>	<b>-1.1</b>

No remuneration was paid in 2022 or 2021 to the senior executive and Board member Thomas Elderred.

### NOTE 9 – DEPRECIATION

	Group		Parent Company	
	2022	2021	2022	2021
Equipment	-0.2	-0.2	-0.2	-0.2
Right-of-use assets	-0.4	-0.4	–	–
<b>Total</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.2</b>	<b>-0.2</b>

## FINANCIAL INFORMATION

### NOTE 10 – FINANCIAL INCOME AND FINANCIAL EXPENSES

Group	2022	2021
<i>Financial income</i>		
Interest income	11.6	3.8
Currency translation gains	28.5	27.9
Capital gains from divestment of short-term share investments	–	23.1
Dividend from short-term share investments	–	1.4
<b>Total</b>	<b>40.1</b>	<b>56.2</b>
<i>Financial expenses</i>		
Interest expenses	-28.1	-12.1
Currency translation losses	-0.6	–
Impairment of receivables from portfolio companies	-1.4	-50.9
<b>Total</b>	<b>-30.1</b>	<b>-63.0</b>
<b>Profit/loss from financial items</b>	<b>10.0</b>	<b>-6.8</b>

### NOTE 11 – INCOME TAX

Group	2022	2021
Current tax	-8.6	-1.0
Deferred tax expenses	-8.2	-5.2
Deferred tax income	15.4	1.4
<b>Total</b>	<b>-1.4</b>	<b>-4.9</b>
<b>Parent Company</b>		
Current tax	-8.6	-1.0
<b>Total</b>	<b>-8.6</b>	<b>-1.0</b>

### Reconciliation of effective tax rate

Group	2022	2021
Profit/loss before tax	89.0	-1,594.6
Applicable tax rates, %	20.6	20.6
Income tax calculated according to applicable tax rate	-18.3	328.5
Tax effects from:		
- non-taxable income	0.0	0.0
- non-taxable change in value of portfolio holdings	34.5	-341.2
- non-deductible expenses	-14.7	0.0
- tax attributable to prior years	-2.2	–
- loss carryforwards for which no deferred tax asset has been recognised	-0.6	7.8
<b>Income tax</b>	<b>-1.4</b>	<b>-4.9</b>
<b>Effective tax rate, %</b>	<b>-1.6</b>	<b>0.3</b>

Deferred tax assets	Right-of-use assets	Expected credit losses	Investment in shares and securities	Total
<b>Opening carrying amount, 1 Jan 2022</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Recognised in profit or loss	0.0	0.3	4.2	4.5
<b>Closing carrying amount, 31 Dec 2022</b>	<b>0.0</b>	<b>0.3</b>	<b>4.2</b>	<b>4.5</b>

The company has no accumulated tax loss carry-forwards.

Deferred tax liability	Untaxed reserves	Investment in shares and securities	Total
<b>Opening carrying amount, 1 Jan 2022</b>	<b>1.1</b>	<b>9.1</b>	<b>10.2</b>
Recognised in profit or loss	-0.6	-1.8	-2.3
<b>Closing carrying amount, 31 Dec 2022</b>	<b>0.5</b>	<b>7.3</b>	<b>7.9</b>

Deferred tax liability	Untaxed reserves	Investment in shares and securities	Total
<b>Opening carrying amount, 1 Jan 2021</b>	<b>1.3</b>	<b>5.1</b>	<b>6.3</b>
Recognised in profit or loss	-0.2	4.0	3.9
<b>Closing carrying amount, 31 Dec 2021</b>	<b>1.1</b>	<b>9.1</b>	<b>10.2</b>

## FINANCIAL INFORMATION

### NOTE 12 – EARNINGS PER SHARE

#### Basic and diluted

Basic earnings per share are calculated by dividing profit attributable to the Parent Company's shareholders by the weighted average number of outstanding common shares during the period.

	2022	2021
Profit attributable to the Parent Company's shareholders (SEK million)	87.6	-1,599.5
Weighted average number of outstanding common shares	50,000	50,000
Basic and diluted earnings per share (SEK)	1,752	-31,991

### NOTE 13 – EQUIPMENT

Group and Parent Company	31 Dec 2022	31 Dec 2021
Opening cost	1.0	–
Purchases	–	1.0
<b>Closing accumulated cost</b>	<b>1.0</b>	<b>1.0</b>
Opening depreciation	-0.2	–
Depreciation for the year	-0.2	-0.2
<b>Closing accumulated depreciation</b>	<b>-0.4</b>	<b>-0.2</b>
<b>Closing carrying amount</b>	<b>0.6</b>	<b>0.8</b>

### NOTE 14 – RIGHT-OF-USE ASSETS AND LEASE LIABILITY

Flerie Invest has a lease that pertains to the rental of office premises. The lease was signed as of 1 January 2021. The table below presents the closing balance for right-of-use assets and lease liabilities, as well as changes for the year.

Group	Right-of-use asset	Lease liability
Opening balance, 1 January 2022	2.0	2.1
Additional leases	–	–
Depreciation	-0.4	
Interest expenses	–	0.1
Repayments	–	-0.4
<b>Closing balance, 31 December 2022</b>	<b>1.6</b>	<b>1.7</b>

Of the closing lease liability, SEK 0.4 million are current liabilities and SEK 1.3 million are non-current liabilities. Below are the amounts recognised in the Group's statement of profit or loss for the year attributable to;

	2022
Depreciation of right-of-use assets	-0.4
Interest expenses on lease liabilities	-0.1
<b>Total</b>	<b>-0.5</b>

Flerie Invest recognised a cash outflow attributable to leases amounting to SEK 0.5 million for the 2022 financial year. The company has no short-term or low-value leases.

## FINANCIAL INFORMATION

### NOTE 15 – INVESTMENTS IN SHARES AND SECURITIES MEASURED AT FAIR VALUE

#### Investments in shares and securities – changes for the year

Group	31 dec 2022	31 dec 2021
<b>Cost of shares and other securities</b>		
At beginning of the year	1,225.3	974.5
Investments	1,227.1	549.8
Divestments	-41.5	-299.0
Liquidation	-56.0	–
<b>Total cost</b>	<b>2,354.9</b>	<b>1,225.3</b>
<b>Change in fair value of shares and other securities</b>		
At the beginning of the year	249.5	1,536.5
Change in value through profit or loss	94.8	-1,586.0
Divestments	-33.0	299.0
Liquidation	56.0	–
<b>Total change in fair value</b>	<b>367.2</b>	<b>249.5</b>
<b>Carrying amount at the end of the year</b>	<b>2,722.2</b>	<b>1,474.7</b>
<b>Consolidated changes in holdings during the year – impact on cash flow</b>		
	31 dec 2022	31 dec 2021
Opening balance at the beginning of the year	1,474.7	2,510.9
Settlements paid, investments in portfolio companies	1,191.3	477.4
Settlements received, divestments of portfolio companies	-74.4	–
Measurement at fair value through profit or loss*	94.8	-1,586.0
Non-cash items	35.8	72.4
<b>Closing balance</b>	<b>2,722.2</b>	<b>1474.7</b>

#### Consolidated changes in holdings during 2022

Company	Cost	Fair value at beginning of year	Investment	Divestment	Change in value	Fair value at end of year
Alder Therapeutics	10.0	–	10.0	–	–	10.0
Alder Therapeutics	81.7	83.2	–	–	7.3	90.5
AnaCardio	34.4	–	34.4	–	–	34.4
Atrogi	112.4	111.3	40.0	–	–	151.3
Beactica Therapeutics	8.4	13.9	1.0	–	-3.8	11.1
Buzzard Pharmaceuticals	61.8	30.9	30.9	–	–	61.8
Egetis Therapeutics	59.3	18.5	40.9	–	33.8	93.2
Empros Pharma	68.6	98.1	8.1	–	–	106.2
EpiEndo Pharmaceuticals	63.1	24.6	38.4	–	10.5	73.6
Eurocine Vaccines	11.3	5.5	5.2	–	-0.8	9.9
Geneos Therapeutics	77.6	–	77.6	–	5.8	83.5
KAHR Medical	278.6	228.3	65.3	–	37.0	330.7
Lipum	34.8	8.8	25.4	–	-6.1	28.2
Microbiotica	130.2	–	130.2	–	-4.4	125.8
Prokarium	153.9	291.4	8.2	–	9.2	308.7
Sixera Pharma	24.0	–	24.0	–	–	24.0
Strike Pharma	9.7	–	9.7	–	–	9.7
Synerkine Pharma	21.9	21.9	–	–	1.9	23.8
Toleranzia	63.3	35.8	23.3	–	-2.4	56.7
Vitara	34.4	–	34.4	–	0.4	34.8
Xintela	33.9	–	33.9	–	23.6	57.5
XNK Therapeutics	106.6	–	106.6	–	–	106.6
Xspray Pharma	198.3	103.4	98.3	–	-17.0	184.7
<b>Total Product Development</b>	<b>1,678.4</b>	<b>1,075.6</b>	<b>846.0</b>	<b>–</b>	<b>95.3</b>	<b>2,016.9</b>

\* Changes in fair value have not impacted the cash flow and have been reversed as an adjustment.



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### Consolidated changes in holdings during 2022, cont.

Company	Fair value at beginning of year		Investment	Divestment	Change in value	Fair value at end of year
	Cost					
A3P Biomedical	100.0	–	100.0	–	–	100.0
Bohus Biotech	85.1	–	85.1	–	-68.5	16.7
Chromafora	33.9	–	33.9	–	7.5	41.4
Coegin Pharma	0.0	0.6	–	-0.4	-0.1	–
Nanologica	148.7	123.1	59.2	–	-34.1	148.1
NorthX Biologics	189.2	150.0	39.2	–	–	189.2
Symcel	64.7	37.3	27.5	–	107.3	172.0
Vironova	18.7	1.8	–	–	-1.8	–
<b>Total Commercial Growth</b>	<b>640.3</b>	<b>312.7</b>	<b>344.9</b>	<b>-0.4</b>	<b>10.3</b>	<b>667.4</b>
Lannebo NanoCap	–	86.4	–	-74.0	-12.4	–
3B Future Health Fund	36.2	–	36.2	–	1.6	37.9
<b>Total Limited Partnerships</b>	<b>36.2</b>	<b>86.4</b>	<b>36.2</b>	<b>-74.0</b>	<b>-10.8</b>	<b>37.9</b>
<b>Total investments</b>	<b>2,354.9</b>	<b>1,474.7</b>	<b>1,227.1</b>	<b>-74.4</b>	<b>94.8</b>	<b>2,722.2</b>

### Consolidated changes in holdings during 2021

Company	Fair value at beginning of year		Investment	Change in value	Fair value at end of year
	Cost				
Amarna Therapeutics	54.0	37.6	27.6	17.9	83.2
Atrogi	–	–	72.4	38.9	111.3
Beactica Therapeutics	7.4	9.7	–	4.2	13.9
Buzzard Pharmaceuticals	–	–	30.9	–	30.9
Egetis Therapeutics	–	–	18.4	0.1	18.5
Empros Pharma	60.5	98.1	–	–	98.1
EpiEndo Pharmaceuticals	–	–	24.6	–	24.6
Eurocine Vaccines	–	–	6.2	-0.6	5.5
KAHR Medical	170.7	98.5	42.5	87.3	228.3
Lipum	–	–	9.4	-0.6	8.8
OxThera	56.0	–	–	–	0.0
Prokarium	145.7	265.2	–	26.1	291.4
Synerkine Pharma	–	–	21.9	–	21.9
Toleranzia	–	–	40.0	-4.2	35.8
Xsray Pharma	–	–	100.0	3.4	103.4
<b>Total Product Development</b>	<b>494.4</b>	<b>509.2</b>	<b>394.0</b>	<b>172.5</b>	<b>1,075.6</b>
Coegin Pharma	0.1	0.1	1.4	-0.9	0.6
Prokarium	89.5	120.4	–	2.7	123.1
NorthX Biologics	–	–	150.0	–	150.0
Symcel	32.7	32.8	4.5	–	37.3
Vironova	18.7	18.7	–	-16.9	1.8
<b>Total Commercial Growth</b>	<b>141.0</b>	<b>171.9</b>	<b>155.9</b>	<b>-15.1</b>	<b>312.7</b>
Lannebo NanoCap	40.0	64.6	–	21.8	86.4
<b>Total Limited Partnerships</b>	<b>40.0</b>	<b>64.6</b>	<b>–</b>	<b>21.8</b>	<b>86.4</b>
Zentricity Holding	299.0	1,765.2	–	-1,765.2	–
<b>Total Other</b>	<b>299.0</b>	<b>1,765.2</b>	<b>–</b>	<b>-1,765.2</b>	<b>–</b>
<b>Total investments</b>	<b>974.5</b>	<b>2,510.9</b>	<b>549.8</b>	<b>-1,586.0</b>	<b>1,474.7</b>

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### Investments in shares and securities and valuation method applied

Company	Corp. ID	Reg. office	Share of capital, %	Number of shares/ participations	Measurement method/ level
A3P Biomedical	559252-9100	Stockholm	8.2	4,196,391	3A
Alder Therapeutics	559355-2762	Solna	14.3	171,667	3A
Amarna Therapeutics	27315738	Leiden, Netherlands	47.8	4,569,381	3B
AnaCardio	559343-3559	Stockholm	15.8	404	3A
Atrogi	556925-8311	Stockholm	33.8	57,064	3A
Beactica Therapeutics	556708-2853	Uppsala	6.7	22,517	3A
Bohus Biotech	556500-0709	Strömstad	41.7	10,417	3F
Buzzard Pharmaceuticals	559073-6855	Stockholm	13.3	8,571	3A
Chromafora	556803-2568	Stockholm	33.8	140,325	3B
Egetis Therapeutics	556706-6724	Stockholm	6.2	13,280,571	1A
Empros Pharma	556945-3862	Stockholm	68.3	10,621,250	3B
EpiEndo Pharmaceuticals	640114-0100	Seltjarnarnes, Iceland	9.9	1,186,861	3A
Eurocine Vaccines	556566-4298	Solna	28.7	7,970,031	1A
Geneos Therapeutics		Wilmington, DE, USA	14.1	3,379,091	3A
KAHR Medical	51-373624-9	Tel Aviv, Israel	29.6	25,636,384	3A
Lipum	556813-5999	Umeå	28.3	2,167,778	1A
Microbiotica	10269808	Oxford, United Kingdom	11.0	4,000,000	3A
Nanologica	556664-5023	Stockholm	41.2	14,901,635	1A
NorthX Biologics	559337-1742	Stockholm	92.3	26,914	3A
Prokarium	08933971	London, United Kingdom	45.5	1,562,245	3B
Sixera Pharma	556901-4763	Stockholm	23.7	21,081	3B
Strike Pharma	559284-2651	Uppsala	11.0	19,000	3A
Symcel	556797-7060	Stockholm	34.1	7,310	3A
Synerkine Pharma	72240008	Utrecht, Netherlands	36.2	115,942	3B
Toleranzia	556877-2866	Gothenburg	47.4	52,282,470	1A
Vironova	556678-1463	Stockholm	2.5	1,201,149	3F
Vitara		Philadelphia, PA, USA	3.3	10,804	3A
Xintela	556780-3480	Lund	40.7	125,246,876	1A
Xspray Pharma	556649-3671	Stockholm	15.2	3,439,378	1A
XNK Therapeutics	556894-6601	Stockholm	26.9	4,060,633	3A
3B Future Health		Luxembourg			3A

Key to measurement method:  
1A – Latest trading price  
2A – Other observable data

3A – Latest new share issue  
3B – Latest investment, adjusted  
3C – Latest known transaction of participations

3D – Relative measurement/ multiple valuation  
3e – Discounted cash flows  
3F – Other valuation method

Group	31 Dec 2022	Level 1	Level 2	Level 3
Holdings in portfolio companies measured at fair value through profit or loss	2,722.2	578.3	–	2,143.9
<b>Total</b>		<b>578.3</b>	<b>–</b>	<b>2,143.9</b>

Group	31 Dec 2021	Level 1	Level 2	Level 3
Holdings in portfolio companies measured at fair value through profit or loss	1,474.7	382.0	–	1,092.7
<b>Total</b>		<b>382.0</b>	<b>–</b>	<b>1,092.7</b>

Level 1: Fair value determined in accordance with prices quoted on an active market for the same instrument

Level 2: Input data other than listed prices that are observable in the market

Level 3: Fair value determined based on unobservable inputs in the market

The following holdings are categorised as participations not held for business purposes, and gives rise to taxation upon divestment and/or dividends:

Holding, 31 Dec 2022	Tax amount	Fair value	Temporary difference	Deferred tax	Tax rate, %
Egetis Therapeutics	59.3	93.2	33.9	-7.0	20.6
Lipum	34.8	28.2	-6.6	1.4	20.6
Xspray Pharma	198.3	184.7	-13.6	2.8	20.6
3B Future Health Fund	36.2	37.9	1.6	-0.3	20.6
<b>Total</b>	<b>328.7</b>	<b>344.0</b>	<b>15.3</b>	<b>-3.1</b>	

Holding, 31 Dec 2021	Tax amount	Fair value	Temporary difference	Deferred tax	Tax rate, %
Egetis Therapeutics	18.4	18.5	0.1	0.0	20.6
Coegin Pharma	1.5	0.6	-0.9	0.2	20.6
Lipum	9.4	8.8	-0.6	0.1	20.6
Toleranzia	40.0	35.8	-4.2	0.9	20.6
Xspray Pharma	100.0	103.4	3.4	-0.7	20.6
Lannebo NanoCap	40.0	86.4	46.4	-9.6	20.6
<b>Total</b>	<b>209.2</b>	<b>253.4</b>	<b>44.2</b>	<b>-9.1</b>	

### Sensitivity analysis

The share price risk in Flerie Invest's portfolio can be illustrated as follows; for those holdings measured at fair value on the basis of the latest investment or transaction, a 5 per cent change in value would have impacted the Group's earnings and equity by SEK 105 million (55). For listed shareholdings, which are valued at fair value based on the latest share price, a change of 5 per cent would of share prices have affected the Group's earnings and equity by SEK 28 million (19) before tax.

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### NOTE 16 – LOAN RECEIVABLES IN PORTFOLIO COMPANIES

Group and Parent Company	Non-current		Current	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Opening balance, loan receivables	238.8	83.9	–	–
Loans paid	107.6	200.9	21.8	–
Capitalised interest	7.0	–	0.2	–
Converted to shares	-8.1	-7.0	–	–
Impairment	-1.4	-49.3	–	–
Reclassification	-40.0	–	–	–
Currency revaluation	28.5	10.4	0.5	–
<b>Closing balance, loan receivables</b>	<b>332.5</b>	<b>238.8</b>	<b>22.5</b>	<b>–</b>

### NOTE 17 – OTHER RECEIVABLES

Group and Parent Company	31 Dec 2022	31 Dec 2021
Recoverable VAT	1.5	0.2
Current tax assets	–	1.6
Other receivables	0.0	0.2
<b>Total</b>	<b>1.6</b>	<b>1.8</b>

### NOTE 18 – CONVERTIBLE LOANS

Group and Parent Company	Convertible 1	Convertible 2	Convertible 3	31 Dec 2022
<b>Opening balance</b>	–	–	–	–
Loans paid	12.3	22.7	25.0	60.0
<b>Total</b>	<b>12.3</b>	<b>22.7</b>	<b>25.0</b>	<b>60.0</b>
Due date	31 Dec 2023	31 Dec 2022*	30 Sep 2023	
Interest rate, %	0.0	0.0	5.0	

\* Conversion to shares through share issue registered in January, 2023.

Convertible loans are measured at fair value within Level 3, which means that fair value is determined from inputs that are not observable in the market.

### NOTE 19 – PREPAID EXPENSES AND ACCRUED INCOME

Group and Parent Company	31 Dec 2022	31 Dec 2021
Accrued interest income	0.5	2.6
Commitment commission, loans	–	1.0
Prepaid rental expenses	0.1	0.1
Other accrued income	–	1.1
<b>Total</b>	<b>0.6</b>	<b>4.8</b>

### NOTE 20 – CASH AND CASH EQUIVALENTS

Group and Parent Company	31 Dec 2022	31 Dec 2021
Bank balances	394.2	300.0
<b>Total</b>	<b>394.2</b>	<b>300.0</b>

### NOTE 21 – EQUITY

A specification of changes in equity is provided in the statement of changes in equity, which is presented immediately after the balance sheet. Total number of shares: 50,000, with a quota value of SEK 1 per share. Each share carries one vote. All registered shares on the balance-sheet date are fully paid. Other contributed capital consists of unconditional shareholder contributions, SEK 742 million, and contingent shareholder contributions, SEK 538 million.

### NOTE 22 – PARENT COMPANY LIABILITIES

Group and Parent Company	31 Dec 2022	31 Dec 2021
Opening balance	74.8	–
Liability purchase of shares in portfolio company	–	74.8
Short-term loans paid	1,391.0	–
Reclassification	-0.9	–
<b>Total</b>	<b>1,464.9</b>	<b>74.8</b>

Current liabilities to the Parent Company, SEK 1,464.9 million, pertain to cash contributions received in the form of short-term interest-free loans. In 2021, the liability of SEK 74.8 million pertained to a loan from the Parent Company pertaining to the purchase price for shares in Atrogi AB.

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### NOTE 23 – OTHER LIABILITIES

Group and Parent Company	31 Dec 2022	31 Dec 2021
Dividend paid	1,400.0	1,400.0
Personnel-related liabilities	0.1	0.1
Other liabilities	0.0	0.0
<b>Total</b>	<b>1,400.1</b>	<b>1,400.1</b>

### NOTE 24 – ACCRUED EXPENSES AND DEFERRED INCOME

Group and Parent Company	31 Dec 2022	31 Dec 2021
Social security contributions	0.2	0.1
Holiday pay liability	0.2	0.1
Accrued interest expense	34.7	8.5
Other accrued expenses	2.4	0.4
<b>Total</b>	<b>37.5</b>	<b>9.1</b>

### NOTE 25 – FINANCIAL ASSETS AND LIABILITIES

Group	Fair value		Carrying amount	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
<b>Financial assets</b>				
<i>Financial assets measured at fair value through profit or loss</i>				
Fair value of portfolio companies	2,722.2	1,474.7	2,722.2	1,474.7
Convertible loans	60.0	–	60.0	–
<i>Financial assets measured at amortised cost</i>				
Loan receivables, portfolio companies	355.0	238.8	355.0	238.8
Other financial assets	0.1	0.1	0.1	0.1
Accounts receivable	0.1	0.1	0.1	0.1
Cash and cash equivalents, bank balances	394.2	300.0	394.2	300.0
<b>Total</b>	<b>3,531.6</b>	<b>2,013.7</b>	<b>3,531.6</b>	<b>2,013.7</b>
<b>Financial liabilities</b>				
<i>Financial liabilities measured at amortised cost</i>				
Total non-current liabilities	2.4	–	2.4	–
Accounts payable	6.5	1.0	6.5	1.0
Liability to Parent Company	1,464.9	74.8	1,464.9	74.8
Other liabilities	1,400.1	1,401.0	1,400.1	1,401.0
<b>Total</b>	<b>2,873.8</b>	<b>1,476.8</b>	<b>2,873.8</b>	<b>1,476.8</b>

Financial liabilities for the Group, and maturity	Nominal amount	<1 month	1-3 months	3-12 months	1-5 years	Total
Other non-current liabilities	2.4	–	–	–	2.4	2.4
Accounts payable	6.5	6.5	–	–	–	6.5
Liability to Parent Company	1,464.9	–	1,464.9	–	–	1,464.9
Interest-bearing liability, Group Company	1,400.1	0.1	1,400.0	–	–	1,400.1
		<b>6.6</b>	<b>2,864.9</b>	<b>–</b>	<b>2.4</b>	<b>2,873.8</b>

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### NOTE 26 – RELATED PARTY TRANSACTIONS

For a description of salaries and other remuneration to senior executives, refer to Note 8 Employees and personnel costs. The company has defined the following as related parties: the Board of Directors of the company, subsidiaries, and associated companies to Flerie Invest; other companies where Flerie Invest exercises a controlling influence other than through ownership of over 20 per cent; and the owners of Flerie Invest and related parties to them. For investments in portfolio companies that are Related Parties, refer to Note 15 Investment in shares and securities measured at fair value.

For further information on the term “related party” in this context, the reader is referred to IAS 24 and the Swedish Annual Accounts Act. Related-party transactions are transactions with related parties lying outside the ordinary business operations, meaning transactions other than those attributable to investment activities.

	Receivables		Liabilities	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Nanologica	60.0	10.0	–	–
Flerie Förvaltning	–	–	1,434.7	1,408.1
Flerie Participation	–	–	1,464.9	–
	<b>60.0</b>	<b>10.0</b>	<b>2,899.6</b>	<b>1,408.1</b>

	Other external expenses		Share acquisition	
	2022	2021	2022	2021
Roseberry AG	2.6	–	–	–
Flerie Participation	0.3	–	–	–
Ted Fjällman	–	–	8.2	–
	<b>2.9</b>	<b>0.0</b>	<b>8.2</b>	<b>0.0</b>

In 2022, Flerie Invest issued a loan to Nanologica for a total of SEK 50.0 million. Flerie Invest has received SEK 1,464.9 million as a short-term loan from the Parent Company, Flerie Participation. The liability to Flerie Förvaltning from 2021 has increased owing to interest expenses.

In 2022 Ted Fjällman, partner in 2022 and CEO as of 2023, invoiced Flerie for SEK 2.6 million for consulting services through Roseberry AG. In the fourth quarter of 2022, Flerie Participation invoiced Flerie Invest for SEK 0.3 million for consulting services. Partner Ted Fjällman sold 37,500 shares in Prokarium to Flerie at a value of SEK 8.2 million.

### NOTE 27 – PROFIT FROM PARTICIPATIONS IN ASSOCIATED COMPANIES

Parent Company	2022	2021
Capital gains/losses	–	-299.0
<b>Total</b>	<b>–</b>	<b>-299.0</b>

The capital losses for 2021 – SEK 299.0 million – pertain to capital losses from the intra-group divestment of all the company’s shares (49 per cent) in Flerie Participation to Flerie Förvaltning AB.

### NOTE 28 – INCOME FROM OTHER SECURITIES AND RECEIVABLES CLASSIFIED AS NON-CURRENT ASSETS

Parent Company	31 Dec 2022	31 Dec 2021
Capital gains from divestment of shares and participations	33.0	23.1
Dividends received	–	1.4
<b>Total</b>	<b>33.0</b>	<b>24.5</b>

### NOTE 29 – INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS

Parent Company	31 Dec 2022	31 Dec 2021
Currency gains	28.5	27.8
Interest income	11.6	3.8
<b>Total</b>	<b>40.1</b>	<b>31.6</b>

### NOTE 30 – IMPAIRMENT OF FINANCIAL ASSETS

Parent Company	31 Dec 2022	31 Dec 2021
Impairment of shares in portfolio companies	-70.3	-16.9
Impairment of receivables from subsidiaries	–	-59.7
<b>Total</b>	<b>-70.3</b>	<b>-76.5</b>

The value of the shares in Bohus Biotech were impaired by a corresponding SEK -68.5 million after significant production problems resulted in the revocation of a production permit. Furthermore, the value of the shares in Vironova were impaired by SEK -1.8 million (-16.9), after which the value of the shares in Vironova was SEK 0.

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### NOT 31 – INTEREST EXPENSES AND SIMILAR ITEMS

Parent Company	31 Dec 2022	31 Dec 2021
Interest expenses	28.0	12.0
Currency exchange losses	0.6	-
<b>Total</b>	<b>28.6</b>	<b>12.0</b>

### NOTE 32 – PARTICIPATIONS IN SUBSIDIARIES

Parent Company	31 Dec 2022	31 Dec 2021
Opening cost	210.5	60.5
Investments	39.2	150.0
Reclassifications	8.1	-
<b>Closing carrying amount</b>	<b>257.8</b>	<b>210.5</b>

Company	Corp. ID	Reg. office	Share of capital, %	Carrying amount 31 Dec 2022	Carrying amount 31 Dec 2021
B&E Participation Inc.	27-3268303	Honey Brook, PA, USA	100.00	0.0	0.0
Empros Pharma	556945-3862	Stockholm	68.35	68.6	60.5
Flerie Invest Ltd	13938231	England & Wales	100.00	0.0	-
Empros Pharma	559337-1742	Stockholm	92.30	189.2	150.0
<b>Total</b>				<b>257.8</b>	<b>210.5</b>

### NOTE 33 – RECEIVABLES FROM SUBSIDIARIES

Parent Company	31 Dec 2022	31 Dec 2021
<b>Opening balance, loan receivables</b>	<b>200.9</b>	<b>49.3</b>
Loans paid	45.1	190.4
Capitalised interest	7.0	-
Impairment	-	-49.3
Reclassification	-27.7	-
Currency revaluation	28.5	10.5
<b>Total</b>	<b>253.8</b>	<b>200.9</b>

Of the closing balance of loan receivables, SEK 201.7 million was denominated in USD (corresponding to USD 22 million). As of 31 December, Group contributions had been provided to one subsidiary corresponding to exchange rate changes of SEK 27.7 million for the loan in USD. Long-term receivables from subsidiaries relate to loans to NorthX Biologics of SEK 232.9 million and loans to B&E Participation of SEK 20.9 million. Current receivables from subsidiaries amount to SEK 3.0 million and consist of short-term loans to the subsidiary Flerie Invest Ltd, for the purpose of paying wages and taxes relating to employees.

### NOTE 34 – PARTICIPATIONS IN ASSOCIATED COMPANIES

Parent Company	31 Dec 2022	31 Dec 2021
Opening cost	701.8	791.7
Shareholders' contributions / purchases	537.6	209.0
Sales / impairment	-68.5	-299.0
Reclassifications	15.6	-
<b>Total</b>	<b>1,186.4</b>	<b>701.8</b>

Company	Corp. ID	Reg. office	Share of capital, %	Carrying amount 31 Dec 2022	Carrying amount 31 Dec 2021
Amarna Therapeutics	27315738	Leiden, Netherlands	47.8	81.7	81.7
Atrogi	556925-8311	Stockholm	33.8	112.4	72.4
Bohus Biotech	556500-0709	Strömstad	41.7	16.7	-
Chromafora	556803-2568	Stockholm	33.8	33.9	-
Eurocine Vaccines	556566-4298	Solna	28.7	11.3	-
KAHR Medical	51-373624-9	Tel Aviv, Israel	29.0	278.6	213.2
Lipum	556813-5999	Umeå	28.3	34.8	-
Nanologica	556664-5023	Stockholm	41.2	148.7	89.5
Prokarium Holdings	08933971	London, United Kingdom	45.5	153.9	145.7
Sixera Pharma	556901-4763	Stockholm	23.7	24.0	-
Nanologica	556797-6623	Stockholm	34.1	64.7	37.2
Synerkine Pharma	72240008	Utrecht, Netherlands	36.2	21.9	21.9
Toleranzia	556877-2866	Gothenburg	47.4	63.3	40.0
Xintela	556780-3480	Lund	40.7	33.9	-
XNK Therapeutics	556894-6601	Stockholm	26.9	106.6	-
<b>Total</b>				<b>1,186.4</b>	<b>701.8</b>

## FINANCIAL INFORMATION

### NOTE 35 – RECEIVABLES FROM ASSOCIATED COMPANIES

Parent Company	Non-current receivables		Current receivables	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
<b>Opening balance, loan receivables</b>	<b>10.0</b>	<b>17.0</b>	–	–
Loans paid	50.0	–	21.8	–
Converted to shares	–	-7.0	–	–
Currency exchange effect	–	–	0.7	–
<b>Closing balance, loan receivables</b>	<b>60.0</b>	<b>10.0</b>	<b>22.5</b>	–

Non-current receivables bear 8 per cent interest and mature in 2025. Current receivables bear 7 per cent interest and is due for payment in 2023.

### NOTE 36 – OTHER SECURITIES HELD AS NON-CURRENT ASSETS

Parent Company	31 Dec 2022	31 Dec 2021
Opening cost	240.3	63.3
Investments	642.0	193.8
Sales	-41.5	–
Impairment	-1.8	-16.9
Reclassifications	-15.6	–
<b>Closing accumulated cost</b>	<b>823.5</b>	<b>240.3</b>
<b>Closing carrying amount</b>	<b>823.5</b>	<b>240.3</b>

### NOTE 37 – OTHER NON-CURRENT RECEIVABLES

Parent Company	31 Dec 2022	31 Dec 2021
Opening balance	20,0	17,5
New loans	0,2	2,4
<b>Total</b>	<b>20,1</b>	<b>20,0</b>

### NOTE 38 – INVESTMENT COMMITMENTS

Flerie Invest has signed investment agreements pertaining to the portfolio companies Alder Therapeutics, AnaCardio, Synerkine, and Vitara with commitments on sequential investments, or tranches, based on the companies achieving their respective defined milestones linked to ongoing clinical research trials. The first tranches were completed in 2022. At the end of the financial year, there was a commitment from Flerie Invest on investing a second tranche in

Alder Therapeutics corresponding to SEK 7 million, in AnaCardio corresponding to SEK 17 million, and in Synerkine corresponding to SEK 9 million, as well as a commitment to invest a further two tranches in Vitara corresponding to SEK 70 million provided that the final defined milestones are reached.

Furthermore, Flerie has signed loan agreement with Chromafora and B&E Participation corresponding to SEK 3 million and SEK 21 million respectively, as well as an agreement on investing in the 3B Future Health fund corresponding initially to EUR 12 million, of which SEK 96 million remains to be invested.

### NOTE 39 – EVENTS AFTER THE BALANCE-SHEET DATE

- Flerie's board was strengthened with 3 new members; Cecilia Edström, Anders Ekblom and Jenni Nordborg.
- Agreements for investments in two new VC funds have been signed through which Flerie pledges to invest the equivalent of EUR 10 million and SEK 30 million respectively over approximately 2 to 5 years.
- In January, Flerie Invest subscribes for shares in Prokarium's issue, corresponding to SEK 103 million
- In addition, SEK 76 million is invested in convertible bonds in Empros Pharma, and SEK 9 million in Synerkine and SEK 7 million in Alder Therapeutics, regarding other tranches of the initial investments from 2021 and 2022, respectively.
- Flerie has provided bridge financing in the form of short-term loans to the portfolio companies Xintela and Chromafora corresponding to SEK 8 million and SEK 9 million, respectively.
- In March, the company made two new share issues whereby SEK 2.3 billion was raised through the conversion of debt to Flerie Participation and Flerie Förvaltning respectively. At the same time, Flerie Participation provided an unconditional shareholder contribution of SEK 600 million. The company conducted a share split in which each share was converted into 500 shares. After the share split and new share issues, the number of outstanding shares amounts to 112,578,947, of which Flerie Förvaltning owns 49.7 per cent and Flerie Participation owns 47.2 per cent.

### NOTE 40 – APPROPRIATION OF PROFITS

The following funds are available for appropriation by the Annual General Meeting:	2022
Shareholders' contributions, SEK	1,279,613,524
Retained earnings, SEK	-1,071,283,279
Net loss for the year, SEK	-44,531,298
<b>Total</b>	<b>163,798,947</b>

#### The Board of Directors proposes the following appropriation of profits:

To be carried forward	163,798,947
	<b>163,798,947</b>

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The undersigned give their assurance that the consolidated financial statement and annual accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and with generally accepted accounting policies in Sweden and provide a true and fair view of the Parent Company's financial position and earnings, and that the Directors' Report provides a true and fair view of the Parent Company's operations, financial position and earnings and describe the material risks and uncertainties faced by the companies that form the Group. The Parent Company and consolidated statements of income and balance sheets will be adopted at the Annual General Meeting on 25 May 2023.

Stockholm, 18 April 2023

Ted Fjällman  
*Chief Executive Officer*

Thomas Eldered  
*Chairman of the Board*

Cecilia Edström  
*Board member*

Anders Ekblom  
*Board member*

Jenni Nordborg  
*Board member*

Our audit report was submitted on 18 April 2023

Ernst & Young AB

Jennifer Rock-Baley  
*Authorised Public Accountant*



## Auditor's report

# Auditor's report

To the general meeting of the shareholders of Flerie Invest AB corporate identity number 556856-6615

### REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

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#### OPINIONS

We have audited the annual accounts and consolidated accounts of Flerie Invest AB for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 26-56 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. 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.

#### BASIS FOR OPINIONS

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

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

#### OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-25 and 57-58. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

#### OTHER INFORMATION

The audit of the Annual Report for year 2021 has been prepared by another auditor who has submitted an audit report dated 30th June 2022 with unmodified statements in Report on the annual report.

#### 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

## Auditor's report

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

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

### AUDITOR'S RESPONSIBILITY

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

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention

in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions. We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

# Auditor's report

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Flerie Invest AB 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 in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### BASIS FOR OPINIONS

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

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

### RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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

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

### AUDITOR'S RESPONSIBILITY

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

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

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

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

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

Stockholm 18th April 2023

Ernst & Young AB

Jennifer Rock-Baley  
Authorized Public Accountant

# Definitions of Alternative Performance Measures

Flerie Invest applies the ESMA guidelines on Alternative Performance Measures (APMs). An APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. For Flerie's consolidated accounts, this framework typically means IFRS. Flerie believes these measures provide a better understanding of

the trends of the financial performance and that such measures, which are not calculated in accordance with IFRS are useful information to investors combined with other measures that are calculated in accordance with IFRS. These alternative performance measures should not be considered in isolation or as a substitute to performance measures derived in accordance with IFRS. In addition, such measures, as defined by Flerie, may

not be comparable to other similarly titled measures used by other companies. Definition of all APMs used are listed below as well as the reconciliation of to the financial statements for the APMs that are not directly identifiable from the financial statements and considered significant to specify.

## ALTERNATIVE PERFORMANCE MEASURE (APM)

### DEFINITION

### RATIONAL

#### Fair value of the portfolio

The total fair value of the company's three segments.

A measure of the value of all holdings, which can be used to follow value development over time, and to compare individual holdings or segment sizes.

#### Operating costs/portfolio value (expense ratio)

Operating expenses less depreciation in relation to fair value of portfolio.

Gives an investor information on costs for operations/administration of the portfolio.

#### Net asset value per share

Net asset value per share is defined as equity divided by the total number of ordinary shares at the end of the period.

An established measure for investment companies showing the owners' share of the company's total net assets per share.

#### Equity ratio

Equity divided by total assets.

The key ratio shows how much of the balance sheet total has been financed with equity. Recognised key ratio for assessment of capital structure and financial risk.

## Reconciliation of alternative performance measures

SEK m	2022	2021	2020
<b>Net asset value per share</b>			
a) consolidated equity	613	526	2,987
b) Average number of shares during the period	50,000	50,000	50,000
a*1 million/b=net asset value per share (SEK)	12,268	10,517	59,747
<b>Total fair value of Portfolio</b>			
Shares in portfolio companies at fair value through profit or loss	2,722	1,475	2,499

SEK m	2022	2021	2020
<b>Operating costs/portfolio value (expense ratio)</b>			
a) Personnel costs	7.3	1.1	2.6
b) other operating expenses	16.2	3.9	0.159
c) fair value of portfolio	2,722	1,475	2,499
a+b/c=operating costs/portfolio value*	0.86	0.34	0.11
<b>Equity ratio</b>			
a) equity	613	526	2,987
b) total assets	3,540	2,023	3,000
a/b = equity ratio %	17.3	26.0	99.6

\* Last 12 months (LTM)





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