

2023

FLERIE

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Flerie Annual Report 2023 is presented on pages 30–68



**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 life science technologies, primarily focused on pharmaceutical and biotech projects or adjacent capabilities to deliver long-term value creation for its shareholders. 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 managing a portfolio of companies in Europe, Israel, and the US. The focus is on enabling pioneering companies operating in the drug development and services space to succeed by providing them with resources and expertise. The portfolio covers 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 well-being.

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 Elderer, who co-founded and built one of the global top five CDMO's, Recipharm. Today, the growing Flerie team is based in Sweden, UK, Switzerland and Belgium, which are consistently ranked among the highest performing biotech and pharma ecosystems in the world. All team members have operational experience from 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, Flerie will enable biotech and medical solutions to make a positive impact on health and well-being worldwide.



# 2,803

Fair value of the  
portfolio  
(SEK million)

# 33

Private and publicly  
listed portfolio  
companies

# 14.2

Internal rate of  
return (%)

# Chairman's introduction

As the Executive Chairman of Flerie, I proudly reflect on the significant strides we've made since our last annual statement for 2022. Flerie has continued to evolve into a vital actor in the life science ecosystem. Our commitment as active owners continues to facilitate groundbreaking innovations in pharma, devices, and services, bridging the gap between visionary companies and discerning investors – clearly creating value.

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's recognition as an innovative enabler of biotech solutions with the potential to make a positive impact on global health and well-being is growing. We play an important role as the long-term macro trends in society are very clear; we have an ageing population but also an increased prevalence of chronic diseases, both leading to a rapidly increasing healthcare burden and costs for individuals and society.

When looking back on 2023, it is clear that Flerie has successfully managed to navigate through the various challenges presented. Despite some natural changes in valuations, we have continued to invest in both new and existing portfolio companies throughout 2023, which highlights the continued good opportunities for transactions on the market. Furthermore, stakeholders, including myself, have continued to invest in Flerie, demonstrating our belief in Flerie's initiatives.

Over the past few years, we have accomplished numerous significant milestones and have secured future growth by consistently strengthening our organisation. In 2022, we established an experienced management team. The expansion continued in 2023 with the strategic inclusion of industry experts Cecilia Edström, Anders Ekblom, and Jenni Nordborg to the board. Together with a strengthened financial position, I believe that we now have the foundation needed to take Flerie to the next level.

I look forward to what possibilities 2024 will bring and the continued successful progress of Flerie, as well as the opportunities that lie ahead for the companies we invest in. To conclude, I am confident that with the evergreen investment strategy of Flerie, the company will be a game changer in the industry.

Thomas Eldered  
Executive Chairman



Thomas Eldered, Executive Chairman

” Making an impact on global health and well-being.

## YEAR IN BRIEF

# Financial information in summary

### FINANCIAL INFORMATION IN SUMMARY

SEK million	2023	2022
Net asset value	3,566	613
Net asset value per share <sup>1</sup> , SEK	31.67	24.52
Change in Net asset value per share <sup>2</sup> , %	-14.7	16.7
Fair value of portfolio	2,803	2,722
Change in fair value of portfolio	-533	95
Change in fair value of portfolio companies per share <sup>3</sup> , SEK	-5.83	3.83
Expense ratio, %	1.3	0.9
Net profit/loss for the period	-560	88
Profit per share before and after dilution <sup>3</sup> , SEK	-6.12	3.50
Cash and cash equivalents	330	394
Portfolio investments	622	1,227

1-2. Please refer to reconciliation of APM on page 72.

3. Change in fair value of portfolio per share and Profit per share before and after dilution were recalculated based upon average number of shares increased by share split 1:500.

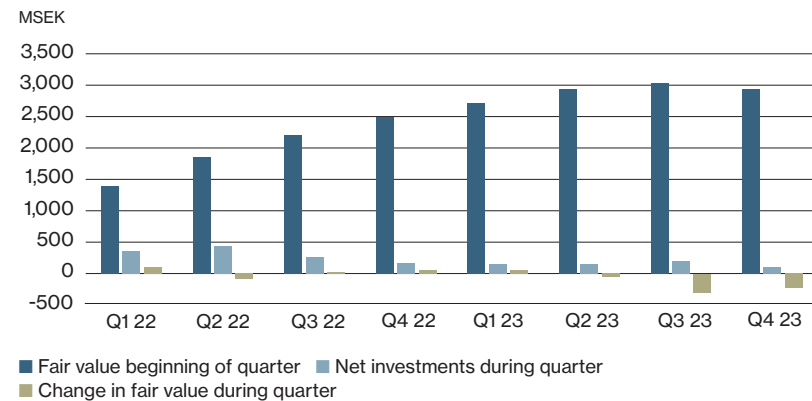
# 622

Total investments in  
SEK million during  
2023

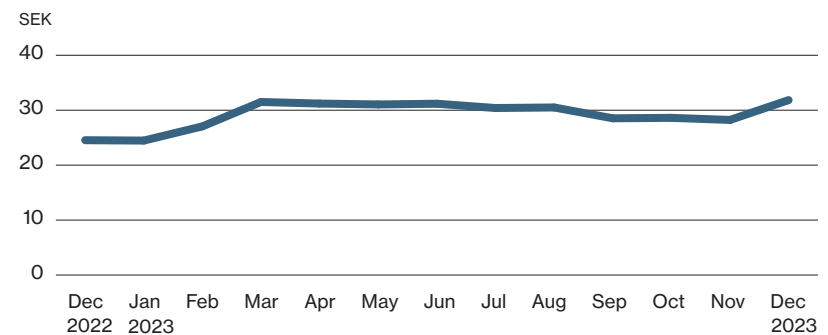
# 4

Additions to the  
portfolio during  
2023

### PORTFOLIO FAIR VALUE QUARTERLY DEVELOPMENT, AS REPORTED



### NET ASSET VALUE PER SHARE RECALCULATED BASED ON SHARE SPLIT 500:1



## CEO STATEMENT

# Diversification, metabolic awakening, and partnerships

2023 represented a metabolic awakening with obesity and diabetes in the limelight and it further accentuated a general shift to large indications as a top priority for many buyers and payers. At Flerie, with our long-term, diversified portfolio approach, we adapt well to these ecosystem changes. In fact, Flerie invested in obesity drug development already in 2014, when few thought of obesity as a disease, let alone a commercially viable indication. We also have a head-start by having supported clinical development of a completely new mechanism of action to treat type 2 diabetic patients, circumventing the dysfunctional insulin pathway, an area of great interest for the whole diabetes field.

Clinical progress is possible through our companies' teams working diligently to keep lean and efficient, and several of them have done so this year in other large indications such as heart failure, osteo- and rheumatoid arthritis, pain, and many more. As we capitalise on selected opportunities, we continue to build value in our diversified portfolio to be ready for future shifts. This approach has provided several head starts and I am confident they will also provide significant pay offs in the long term.

At the end of 2023 our NAV exceeded SEK 3.5 billion and the fair value of our portfolio was SEK 2.8 billion across 30 companies spread over a balanced diversity of indications and phases. Although several valuations were reduced, leading to a loss in value of more than SEK 0.5 billion in total, our fair value decreased only marginally because of new and follow-on investments made. Again,

by having a diversified portfolio, we were able to prioritise follow-on investments into companies that are able to reach key inflections, expand market opportunities, and attract new and ever stronger partners.

KKR and Flerie's co-establishment of Frontier Biosolutions is an example of a strong partnership that we forged in 2023, and which has shown progress with the acquisition of Coriolis Pharma. Our portfolio companies appreciate having access to pharma services and manufacturing in Europe. The expansion of NorthX Biologics through acquiring a complementary biologics manufacturing site in Stockholm, thus strengthened our position and as a result several new customers, including some from our portfolio, have chosen NorthX as partner.

In the product development segment, Prokarium initiated a USD 20 million partnership funded by Ginkgo



Ted Fjällman, CEO

## CEO STATEMENT



Few could boast to have a risk-diversified portfolio such as ours that has provided more than a decade of double-digit year-on-year value growth.

Bioworks of Boston to further expand Prokarium's synthetic biology or 'Living Cures' platform. We also co-invested with the major European biotech investor van Herk as well as the fourth Swedish National Pension Fund (AP4) and others into Mendus, with a concomitant manufacturing alliance established with NorthX Biologics.

Xspray Pharma is another example that our lean, but highly skilled teams can tackle the development of products for large indications. This portfolio company successfully defended itself against Bristol Myers Squibb (BMS) and their interest to persist with the USD 1.9 billion in sales that the predecessor product Sprycel generated for them worldwide during 2023. Xspray Pharma settled with BMS, worked to address regulators concerns, and is now on track to commercialise its improved leukaemia treatment in the USA in Q3 2024. This illustrates what a remarkable team of skilled scientists and innovators can

achieve with the right resources, smart ways of working and persistence. Within Flerie we also implemented new and smarter ways of working, including new corporate governance structures. We are also working with an expanded board of renowned industry veterans; evidence of our coming of age. Flerie's successes from the first decade of operations are a credit to our Executive Chairman Thomas Elderred and Senior Advisor Carl-Johan Spak. We now have a fully fledged team of 10 people who carry on Flerie's tradition of active ownership across a broader portfolio. This year we calculated our historical Internal Rate of Return (IRR) of 14.2% pa from 2011 to 2023; another sign of our maturity as a company. Especially given the valuation decreases of 2023 mentioned above, this is a very respectable IRR and we are confident that when the clinical progress of 2023 is recognised in financial terms, we can return to an IRR of over 20% pa that we had at the end of 2022.

In summary, 2023 was a year of hard work by our teams, reduced valuations for some portfolio companies, but an overall rewarding year in terms of clinical and partnering progress, not in the least exemplified by our advanced clinical progress in obesity and diabetes. Few could boast to have a risk-diversified portfolio such as ours that has provided more than a decade of double-digit year-on-year value growth in an important, yet complex field like life sciences in general and pharma development in particular. Flerie is now in a leading position among biotech investors in the Nordics. We feel confident that the team competence and diversified portfolio that we have built up is very well-positioned to leverage our financial muscle and even improve on our good track record of value creation for shareholders.

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, commitment and access to an extensive network. By utilising its deep and broad operational experience of building and developing companies, Flerie advances and assists its portfolio companies on their journey.



### BEING ACTIVE BOARD MEMBERS

- Utilising expertise to influence and steer
- Providing practical support to portfolio CEO's
- Identifying gaps and suggesting solutions



### 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 common issues



### LEVERAGING COLLABORATIONS

- Providing a conduit for collaboration across the portfolio companies
- 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

A complex road with substantial market potential.

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, cancer 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 the diabetes and obesity fields), 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 licensing and 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 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

# Phases of drug development

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

- **Discovery phase:** The discovery phase is aimed at identifying 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). If Flerie invest at this stage, then this is part of a commercial growth company investment.

## ABOUT THE INDUSTRY

# The multiple stakeholders across the life science financing landscape

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.

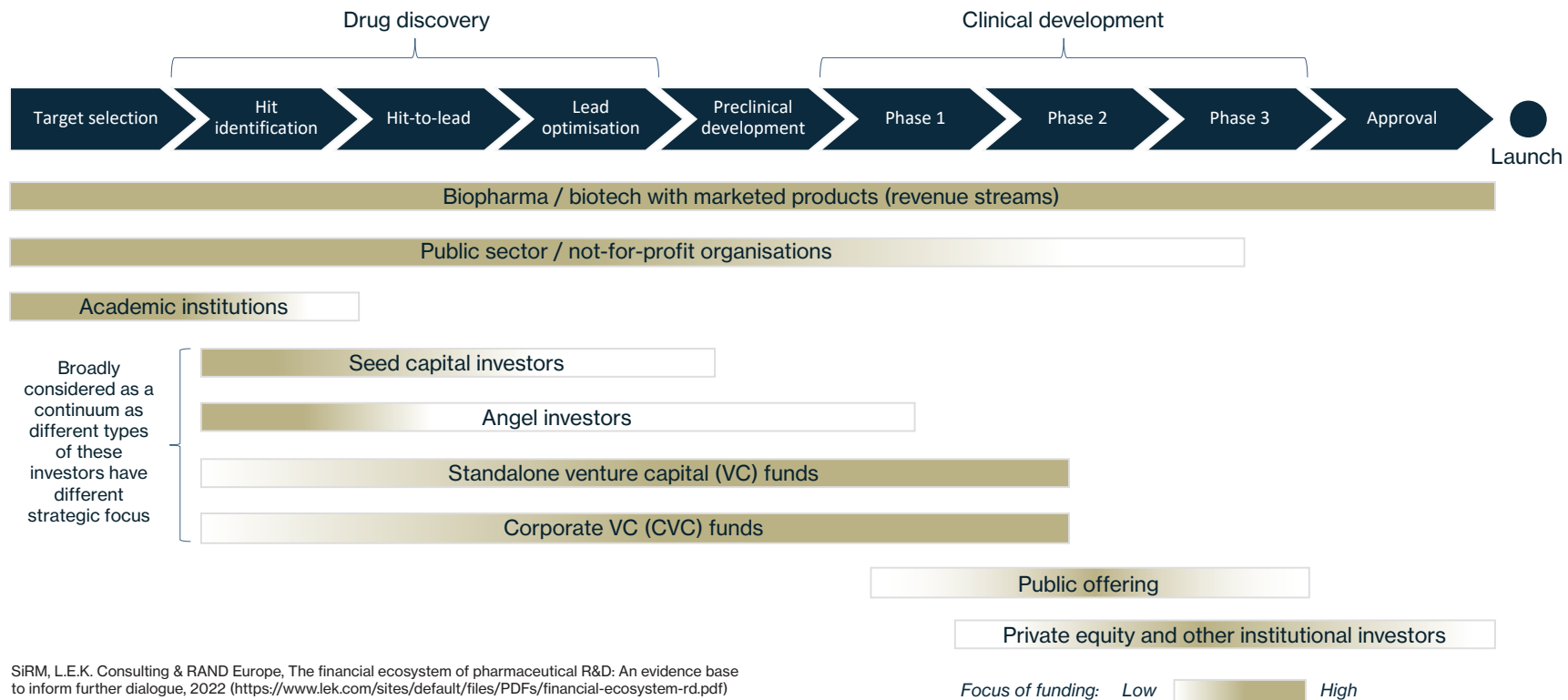
\* SiRM, L.E.K. Consulting & RAND Europe, The financial ecosystem of pharmaceutical R&D: An evidence base to inform further dialogue, 2022  
(<https://www.lek.com/sites/default/files/PDFs/financial-ecosystem-rd.pdf>)



## ABOUT THE INDUSTRY

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

Flerie can invest across the different phases of the drug development process, making investments in both early preclinical stage assets but also in significantly more advanced stage companies with already (or soon to be) commercial products. This includes co-investing and/or partnering with any of the stakeholders and sources of capital below in the financing process. Biopharma companies can finance both internal and external projects (via partnerships, collaborations, or equity investments) throughout the development process.



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>)

# 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. The majority is invested in companies in the Product Development segment, which as per end of 2023 accounted for approximately 74 per cent of the company's portfolio based on fair value. The corresponding number for the Commercial Growth segment was 24 per cent, and Limited Partnerships accounted for the remaining 2 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. Whilst these companies pose a high risk, they do 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 some that have already reached profitability. These companies are generally derisked in terms of technical/product development risks, but often require larger investments and a likely to generate lower exit multiples.

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

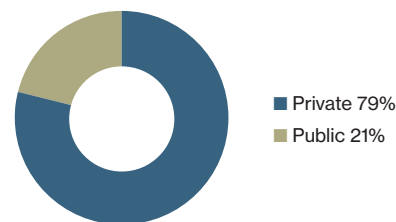
### LIMITED PARTNERSHIPS

Under certain circumstances, Flerie will become a limited partner in a fund. This allows Flerie to access the network, opportunities and skills of other investment companies. 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.

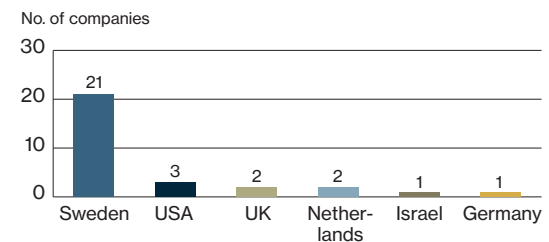
#### PORTFOLIO OVERVIEW



#### MAJORITY OF INVESTMENTS IN PRIVATE COMPANIES



#### CAPACITY TO INVEST ACROSS DIFFERENT GEOGRAPHIES



## PORTFOLIO

# Net asset value

At 31 December 2023 net asset value (NAV) per share was SEK 31.67

### ALLOCATION OF NET ASSET VALUE 31 DECEMBER 2023

	Ownership	Fair value	NAV per share		Ownership	Fair value	NAV per share
Product development	Per cent	SEKm	SEK	Commercial Growth	Per cent	SEKm	SEK
Alder Therapeutics	20	17	0.15	A3P Biomedical	8	75	0.67
Amarna Therapeutics	60	11	0.10	Bohus Biotech	42	17	0.15
AnaCardio	16	34	0.31	Chromafora	34	41	0.37
Atrogi	34	151	1.34	Frontier Biosolutions	2	18	0.16
Buzzard Pharmaceuticals	13	62	0.55	Nanologica	41	151	1.34
Egetis Therapeutics	5	73	0.65	NorthX Biologics	92	189	1.68
Empros Pharma	72	129	1.15	Provell Pharmaceuticals*	72	53	0.47
EpiEndo Pharmaceuticals	10	73	0.65	Symcel	33	172	1.53
Geneos Therapeutics	12	96	0.86	<b>Total</b>		<b>716</b>	<b>6.36</b>
KAHR Medical	30	174	1.55	Limited Partnerships			
Lipum	32	19	0.17	<b>Total</b>		<b>71</b>	<b>0.63</b>
Mendus	22	104	0.93	Assets related to Portfolio companies		390	3.46
Microbiotica	11	128	1.13	Other assets and liabilities		321	2.85
Prokarium	42	449	3.98	<b>Net asset value</b>		<b>3,566</b>	<b>31.67</b>
Sixera Pharma	24	26	0.23				
Strike Pharma	11	10	0.09				
Synerkine Pharma	43	51	0.45				
Toleranzia	57	52	0.46				
Vitara Biomedical	5	54	0.48				
Xintela	56	93	0.83				
XNK Therapeutics	27	59	0.53				
Xspray Pharma	17	203	1.80				
<b>Total</b>		<b>2,069</b>	<b>18.38</b>				

\* Indirect shares in Provell Pharmaceuticals



# PORTFOLIO COMPANIES

## PRODUCT DEVELOPMENT



Alder Therapeutics (Alder), founded in 2022 by Kristian Tryggvason, is a 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. Their unique platform, initially focuses on retinal and cardiac cell therapeutic products. The lead programme ALD01 is developing a mutation-agnostic treatment for retinitis pigmentosa.

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



Amarna Therapeutics is a pre-clinical stage biotech company based in Leiden, the Netherlands, developing a non-immunogenic viral vector platform ("Nimvec™") to produce new gene replacement therapies and new auto-antigen based tolerance induction therapies. Other gene therapies currently in development or already approved typically induce a strong immune response, limiting the possibility for repeat dosing and efficacy in many patients. Nimvec™ is unique in that it does not induce an immune response. Instead, administration of Nimvec™ moderates the immune system to induce tolerance for any genes that are included in the Nimvec™ vector. Thus, Nimvec™ can be used to replace genes, as well as induce tolerance in autoimmunity.

Year of investment	2018
Invested capital (SEKm)	141
Fair value (SEKm)	11
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 patients with heart failure and reduced ejection fraction.

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



Atrogi is a in clinical stage company 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 com-pound, ATR-258, is a small molecule, targeting the β2 adrenergic receptor in a novel way, leading to stimulation of glucose uptake in skeletal muscle, independent of the insulin signalling 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 with type 2 diabetes.

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

# PORTFOLIO COMPANIES

## PRODUCT DEVELOPMENT



Buzzard Pharmaceuticals 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.

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



Egetis Therapeutics (Egetis) 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 submitted a marketing authorisation application (MAA) for Emcitate to the European Medicines Agency (EMA) in 2023 based on existing clinical data and intends to submit a new drug application (NDA) in the US following the read-out of the ongoing registrational ReTRIAC trial.

Year of investment	2021
Invested capital (SEKm)	60
Fair value (SEKm)	73
Stage	Phase II/III
Country of origin	Sweden



Empros is a clinical stage company developing EMP16, an oral weight-loss medication. 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. Their aim is to develop a safe oral first-line treatment for this growing patient group, with additional opportunities for paediatric, OTC and maintenance use. In 2024 Empros reported positive topline data for a phase 2b trial that met its primary endpoint demonstrating significantly greater weight loss than orlistat alone. The company is preparing to enter phase III trials.

Year of investment	2013
Invested capital (SEKm)	91
Fair value (SEKm)	129
Stage	Phase III ready
Country of origin	Sweden



Geneos Therapeutics (Geneos) is a US-based clinical stage biotherapeutics company developing personalised therapeutic cancer vaccines (PTCVs). The company's approach, using its proprietary GT-EPIC™ platform, is to target neo-antigens (abnormal mutations produced by cancer cells) from individual patient tumors to develop novel and uniquely personalised treatments. Geneos 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.

Year of investment	2022
Invested capital (SEKm)	78
Fair value (SEKm)	96
Stage	Phase Ib/IIa
Country of origin	USA

# PORTFOLIO COMPANIES

## PRODUCT DEVELOPMENT



KAHR Medical 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)	336
Fair value (SEKm)	174
Stage	Phase II
Country of origin	Israel



Lipum is a publicly listed Swedish clinical stage drug development company, focusing on developing treatments for chronic inflammatory conditions. Its biological anti-inflammatory drug candidate SOL-116 has a novel mechanism of action targeting the BSSL protein (originally found in breast milk). The company's 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. Despite the advancements within the treatment landscape with novel biologics, many patients do not respond, either from start, or following long-term treatment. here is an ongoing phase I trial in healthy volunteers and patients with rheumatoid arthritis, with positive interim results reported in January 2024.

Year of investment	2021
Invested capital (SEKm)	42
Fair value (SEKm)	19
Stage	Phase I
Country of origin	Sweden



Mendus is a publicly listed clinical stage company based in Sweden and The Netherlands, dedicated to changing the course of cancer treatment by addressing tumour recurrence and improving survival outcomes for cancer patients, while preserving quality of life. They are leveraging their expertise in allogeneic dendritic cell biology to develop an advanced clinical pipeline of novel, off-the-shelf, cell-based immunotherapies which combine clinical efficacy with a benign safety profile. Their lead programme vididencel will be investigated in a Phase II trial in AML patients in combination with Onureg (azacitidine) as a maintenance therapy. It is also being investigated in a Phase I trial (ALISON) for ovarian cancer. In addition, ilixadencel is to be studied in a Phase II proof-of-concept trial in GIST.

Year of investment	2023
Invested capital (SEKm)	90
Fair value (SEKm)	104
Stage	Phase II
Country of origin	Sweden



Microbiotica is a UK based microbiome company, spun-out from the Wellcome 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. 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, MBO97 (immuno-oncology candidate) and MB310 (ulcerative colitis candidate) will be evaluated in Phase 1b clinical studies. MBO97 will be investigated in combination with pembrolizumab in a clinical trial collaboration with MSD.

Year of investment	2022
Invested capital (SEKm)	130
Fair value (SEKm)	128
Stage	Preclinical
Country of origin	UK

## PORTFOLIO COMPANIES

### PRODUCT DEVELOPMENT



Prokarium is a UK-based clinical stage biopharmaceutical company, pioneering the field of microbial immunotherapy. 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. Prokarium's lead program focuses on transforming the treatment paradigm in bladder cancer by orchestrating immune-driven, long-lasting antitumor effects, obtaining IND approval in 2023 and initiating a phase I/Ib trial. Prokarium announced a partnership with Ginkgo Bioworks in 2023 to develop a bactofection platform to deliver RNA-based therapeutics.

Year of investment	2014
Invested capital (SEKm)	257
Fair value (SEKm)	449
Stage	Phase I/Ib
Country of origin	UK



Sixera Pharma is a Swedish clinical stage company developing a new treatment for Netherton syndrome, a very rare disease, leading to chronic skin inflammation that can be life threatening in newborns and infants. It is currently treated with emollients and there are no targeted treatments available for patients. Sixera's lead candidate SXR1096 is a small molecule formulated in a cream that is applied topically on the skin, comprising 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.

Year of investment	2022
Invested capital (SEKm)	26
Fair value (SEKm)	26
Stage	Phase I/II
Country of origin	Sweden



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 immunoncology precision medicine space. Their ADAC (Adaptable Drug Affinity Conjugate) technology has been developed 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 individualised 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 minimising the risk of side effects. Their lead molecule STRIKE2001-KRAS, covering multiple KRAS mutations, is currently in preparation for phase I trials.

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

## PORTFOLIO COMPANIES

### PRODUCT DEVELOPMENT



Synerkine Pharma (Synerkine) 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 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)	57
Fair value (SEKm)	51
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. Their 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. Toleranzia is preparing for the upcoming phase I/IIa clinical trial with TOL2 in myasthenia gravis patients.

Year of investment	2021
Invested capital (SEKm)	93
Fair value (SEKm)	52
Stage	Preclinical
Country of origin	Sweden



Vitara Biomedical (Vitara) 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)	55
Fair value (SEKm)	54
Stage	Preclinical
Country of origin	USA

## PORTFOLIO COMPANIES

### PRODUCT DEVELOPMENT



Xintela is a publicly listed Swedish company developing allogeneic stem cell-based treatments focusing on osteoarthritis and difficult-to-heal leg ulcers. The company is also developing targeted antibody-based treatments for aggressive cancer in its wholly owned subsidiary Targinta. Xintela's programmes are based on a unique cell marker technology platform, utilising the cell surface molecule integrin  $\alpha 10\beta 1$ . 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. 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)	91
Fair value (SEKm)	93
Stage	Phase I/IIa
Country of origin	Sweden



XNK Therapeutics is a clinical stage immunotherapy company focused on bringing new and more effective treatments to cancer patients. The company is at the forefront of autologous natural killer (NK) cell-based cell therapy development with a proprietary technology platform and a pipeline spanning both hematological malignancies and solid tumor indications. The most advanced product, evencaleucef, is in phase II studies in combination with the CD38 antibody isatuximab targeting multiple myeloma. Other programs include XNK02 in AML, currently in advanced preclinical studies in collaboration with MD Anderson Cancer Center and XNK03 in bladder cancer, currently in preclinical studies in collaboration with the Karolinska University Hospital. XNK's efforts are supported by a dedicated team that include world-renowned NK cell experts and by an approved in-house GMP facility.

Year of investment	2022
Invested capital (SEKm)	107
Fair value (SEKm)	59
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®, Tassigna® and Inlyta® plus an undisclosed pipeline. Their lead candidate Dasynoc (XS004) has achieved bioequivalence with a 30 per cent 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.

Year of investment	2021
Invested capital (SEKm)	270
Fair value (SEKm)	203
Stage	Pending FDA-approval
Country of origin	Sweden

# PORTFOLIO COMPANIES

## COMMERCIAL GROWTH



A3P Biomedical is a Swedish commercial stage diagnostics company that 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. Stockholm3 has been developed by scientists at Karolinska Institutet and validated in clinical studies including more than 90,000 men, with over 40 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 per cent, decreasing unnecessary biopsies and MRIs. Stockholm3 has been mentioned as a biomarker test in the revised 2023 American Urological Association (AUA) guidelines for early detection of prostate cancer, and the company has partnered with BioAgilytix to introduce Stockholm3 as a Lab Developed Test in the USA.

Year of investment	2022
Invested capital (SEKm)	100
Fair value (SEKm)	75
Stage	Commercial
Country of origin	Sweden



Bohus Biotech is a Swedish biotechnology company, based in Strömstad, with a long history of developing and manufacturing hyaluronic acid (HA) raw material and products in three different areas: Ophthalmology, Aesthetics and Orthopaedics. Their products are based on non-animal bio-fermented hyaluronic acid with optimised viscosity and particle sizes for their intended usage. A unique purification process guarantees a degree of purity that for some of their products is unrivalled on the market. They have an active R&D department developing new products for existing and new applications. 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 Malmberget mine demonstrated that they were able to capture 99 per cent 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 per cent 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



Frontier Biosolutions is a pharma services platform founded in partnership with KKR (Health Care Strategic Growth Fund II), a leading global investment firm. Frontier will operate a portfolio of companies focused on specialised pharmaceutical services to advanced therapeutics customers. Frontier invests in differentiated scientific capabilities and proprietary technology platforms that address critical bottlenecks in the development and manufacturing of advanced therapeutics. As the platform's foundational investment, funds managed by KKR and Flerie, through Frontier, have invested in Munich-based Coriolis Pharma in October 2023, a global leader in formulation research and development, analytical services and non-GMP manufacturing of innovative high-value biologics and cell and gene therapy products.

Year of investment	2023
Invested capital (SEKm)	19
Fair value (SEKm)	18
Stage	Commercial
Country of origin	Luxembourg

# PORTFOLIO COMPANIES

## COMMERCIAL GROWTH



Nanologica is a publicly listed Swedish nano-technology 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)	142
Fair value (SEKm)	151
Stage	Commercial
Country of origin	Sweden



NorthX Biologics is a leading Nordic Development and Manufacturing Organization with expertise in producing cell and gene therapies, proteins, vaccines, and other advanced biologics. With two sites in Sweden and headquartered in Matfors, the team has been manufacturing biologics to GMP standards since 1992. In 2021 NorthX was designated a national innovation hub for advanced therapies and vaccines and has the ambition to become a leading cell and gene therapy manufacturer and partner for innovative drug development companies. Following the acquisition of the Stockholm site in 2023, NorthX now has expertise in both mammalian and microbial expression systems, viral vectors and plasmid DNA.

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. The company 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. In addition, the company is evaluating possibilities of commercialising additional specialty products in the US.

Year of investment	2014
Invested capital (SEKm)	102
Fair value (SEKm)	53
Stage	Commercial
Country of origin	USA



Symcel is a biocalorimetry specialist company offering tools for rapid and direct metabolic measurements on any biological sample. 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 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 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



# BOARD OF DIRECTORS & THE FLERIE TEAM



# 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.

**Total holdings in Flerie:** 109,150,947 shares

Not independent in relation to the company and company management nor in relation to major shareholders in the company.



## 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, BioArtic AB and Neonode Inc, advisory board member of the European Patient Safety Foundation (EUPSF).

**Total holdings in Flerie:** 50,000 shares and 900 share options

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



## 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.

**Total holdings in Flerie:** 48,000 shares and 889 share options

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



## 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 AstraZeneca AB Sweden.

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

**Total holdings in Flerie** 50,000 shares and 900 share options.:

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

## FLERIE

# The team



### TED FJÄLLMAN

Born 1978. CEO since 2023.  
Partner since 2019.

**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.



### 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.



### 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.



### KARL ELMQVIST

Born 1994. Investment Manager since 2022, Investment Analyst 2021–2022.

**Education:** Medical Doctor (MBBS BSc), Imperial College London and Imperial College Business School.

**Other relevant experience:** Clinical experience from Guy's and St Thomas' NHS Foundation Trust and various digital health start-up roles at Doctrin.



### GUNILLA RYDQUIST

Born 1959. Office Manager since 2021.

**Other relevant experience:** More than 30 years of experience in Executive Assistant roles within pharma companies such as Pharmacia, Recip and Recipharm.

## FLERIE

# The team



### CARL-JOHAN SPAK

Born 1956. Senior Advisor since 2021.

**Education:** Dr. of Odontology, Degree in Dentistry, Karolinska Institutet.

**Other relevant experience:** More than 30 years of experience in pharmaceutical companies and the CDMO industry in senior positions at Recipharm, Meda and Recip, and multiple board roles.



### CARLOS VON BONHORST

Born 1957. Senior Advisor since 2022.

**Education:** Medical Doctor, Classical University, Lisbon.

**Other relevant experience:** More than 40 years of experience in pharmaceutical companies in corporate development positions in Biofarma and Helsinn, and member of the board of Recipharm.



### MICHAELA GERTZ

Born 1981. Senior Advisor since 2022.

**Education:** MSc Business and Economics from Uppsala University.

**Other relevant experience:** Chief Financial Officer in the life science industry (Gesynta Pharma, Immunicum, PledPharma) and various fundraising, investor relations and board roles.



### PAULA ANDERSSON

Born 1987. Executive Assistant and Communications Coordinator since 2024.

**Education:** BSc in Business and Economics from Stockholm University, with additional law studies.

**Other relevant experience:** Co-founder of Swedish start-up and a background in finance and private equity, having worked at Söderberg & Partners and Sobro.

# ANNUAL REPORT 2023



## FINANCIAL INFORMATION

# Directors' report

The Board of Directors of Flerie Invest AB (publ) ("Flerie"), corporate identity number 556856-6615, with registered office in Stockholm, Sweden, hereby submits its report on the company's operations in 2023. The consolidated and parent company income statements and balance sheets will be presented for adoption at the annual general meeting on 14 May, 2024. The company was deemed to have fulfilled the requirements for classification as an investment entity under IFRS 10 during the 2023 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 is an investment company that, together with entrepreneurs and other investors, supports 30 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 to improve health and well-being. Flerie takes active part in the development of its portfolio companies, including through representation on the boards of directors of almost all its holdings. Flerie is owned by Flerie Förvaltning and Flerie Participation (49.7 and 47.2 per cent respectively as of December 31, 2023).

### SIGNIFICANT EVENTS DURING THE YEAR

At the beginning of the year, Cecilia Edström, Anders Ekblom and Jenni Nordborg were appointed as new board members. In 2023, Flerie carried out an investment in shares in the new portfolio company Mendus corresponding to SEK 90 million. Flerie and KKR formed Frontier Biosolutions, a platform for specialised pharmaceutical services. Flerie's initial investment in Frontier Biosolutions amounted to SEK 19 million. Agreements on investments in two new VC funds were signed through which Flerie committed to invest the equivalent of EUR 10 million and SEK 30 million over an estimated 2 to 5 years. During the year, investments in the new funds amounted to SEK 10 million.

Several follow-on investments were made during the year: SEK 103 million in Prokarium, SEK 7 million in Alder Therapeutics, SEK 36 million in Synerkine Pharma, SEK 57 million in Kahr Medical, SEK 57 million in Xintela, SEK 72 million in Xspray Pharma, SEK 2 million in Egetis Therapeutics. Investments also

included SEK 21 million in Vitara Biomedical, SEK 7 million in Lipum, SEK 2 million in Sixera Pharma, SEK 59 million in Amarna Therapeutics, SEK 30 million in Toleranzia, SEK 23 million in Empros Pharma and SEK 26 million in the Limited Partnership segment. Total follow-on investments during the year amounted to SEK 503 million. Flerie divested a small part of its holding in Egetis Therapeutics at a market value of SEK 2 million. In March, the company carried out two new share issues whereby SEK 2.3 billion was added to equity through the conversion of debt, to Flerie Participation and Flerie Förvaltning. At the same time, Flerie Participation made an unconditional shareholder contribution of SEK 600 million. The company conducted a share split whereby each share was converted to 500 shares. After the share split and new issues, the number of outstanding shares amounts to 112,578,947. At the end of the year, Flerie Participation made a further shareholder contribution of SEK 611 million.

## FINANCIAL INFORMATION

### FINANCIAL PERFORMANCE

#### EARNINGS

The change in fair value of shares in portfolio companies for the year amounted to SEK -533 million (95). The decrease in fair value was mainly attributable to a decrease in the valuation of the unlisted portfolio companies Kahr Medical, Amarna Therapeutics, XNK Therapeutics and AP3 Biomedical and to lower share prices for the listed holdings Xspray Pharma, Toleranzia, Xintela, Egetis Therapeutics and Lipum. The value decreases were slightly offset by value increases in Prokarium and Geneos Therapeutics and in the listed portfolio companies Mendus and Nanologica. The currency effect during the period was negative and amounted to SEK -5 million (69).

Changes in value in the Product Development and Commercial Growth segments amounted to SEK -513 million and SEK -16 million respectively. The change in value in the Limited Partnerships segment amounted to SEK -3 million.

Other operating income amounted to SEK 5 million (8) and consisted mainly of income from services performed for portfolio companies but also included exchange rate gains from operating receivables and liabilities. Operating expenses amounted to SEK 43 million (24) for the year. The costs consisted mainly of other external costs, SEK 27 million (16) and personnel costs, SEK 12 million (7) and other operating expenses SEK 4 million (0).

Other external costs mainly relate to legal advisors, consultants and travel expenses and are due to the continued expansion of the business and one-off costs. The increase in personnel costs is due to a growing organisation. Other operating expenses relate to exchange rate losses on revaluation of operating liabilities. The result from financial items amounted to SEK 10 million (10), of which SEK 30 million (12) was interest income, SEK -22 million (-30) was interest expenses and SEK 1 million (28) were exchange rate gains from revaluation of loans to portfolio companies. Net profit for the year totalled SEK -560 million (88). Earnings per share for the year amounted to SEK -6.1 (3.5).

### FINANCING AND LIQUIDITY

Cash and cash equivalents in the Group and the Parent Company amounted to SEK 330 million (394) on 31 December 2023. In addition to available cash and cash equivalents, the company has a current, unutilized credit facility of SEK 120 million.

### TAXES

Flerie 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 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.

### PERFORMANCE

Group	2023	2022	2021	2020
<i>Profit or loss</i>				
Earnings from management activities	-528.2	103.1	-1,582.2	956.5
Operating profit/loss	-571.1	79.0	-1,587.8	953.7
Profit/loss before tax	-561.5	89.0	-1,594.6	1,200.7
Net profit/loss for the year	-559.6	87.6	-1,599.5	1,198.4
Operating expenses/portfolio value (%)	-1.3	-0.9	-0.3	-0.1
<i>Financial position</i>				
Balance sheet total	3,583	3,540	2,023	3,000
Fair value – Portfolio companies and other holdings	2,803	2,722	1,475	2,499
Cash and cash equivalents	330	394	300	363
Net asset value (Equity)	3,566	613	526	2,987
<i>Per share</i>				
Net asset value (SEK)	31.67	24.52	21.03	119.49
Basic and diluted earnings per share (SEK)	-6.12	3.50	-63.98	47.94
Average number of shares	112,578,947	25,000,000	25,000,000	25,000,000

\* Average number of shares for the years 2022,2021 and 2020 have been adjusted for a share split 1:500.

## FINANCIAL INFORMATION

### 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 has ownership greater than 20 per cent or otherwise exercises a controlling influence.

For additional information, refer to Note 27 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 16 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
2023	New share issue	162,000	162,000	1
2023	Share split 1:500	81,000,000	162,000	0.002
2023	New share issue	112,578,947	225,158	0.002
2023	Bonus issue	112,578,947	512,895	0.005

### EMPLOYEES

As of 31 December 2023 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 employee equivalents.

### EVENTS AFTER THE BALANCE SHEET DATE

After the end of the period SEK 17 million was invested in AnaCardio, SEK 10 million in Symcel, SEK 11 million in Chromafora through conversion of convertible loan into equity. Furthermore, SEK 25 million was invested in convertibles in Atrogi. Shares in Egetis Therapeutics were divested at a market value of SEK 23 million, resulting in a capital gain of SEK 6 million. A further SEK 10 million has been invested in the Limited Partnership segment. The value of shares in EpiEndo has been written down by SEK 73 million following absence of efficacy results in the ongoing phase 2a study. Flerie has acquired additional shares in Lipum, after which a mandatory bid has arisen. Flerie has made a mandatory cash offer of SEK 6,60 per share to the shareholders and convertible bond holders of Lipum to acquire all outstanding shares and the outstanding convertible bond in the company. The offer period runs until April 4, 2024.

### 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 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'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 aims to give its shareholders a strong risk-adjusted return through actively engaging in a broad portfolio of companies in the life science sector. 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 future value creation.

### DIVIDEND

The Board of Directors proposes that no dividend be paid for the 2023 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, SEK	2,491,552,336
Share premium reserve, SEK	2,299,487,105
Retained earnings, SEK	-1,115,813,622
Net loss for the year, SEK	-555,562,964
	<b>3,119,662,855</b>

The Board of Directors proposes:  
To be carried forward, SEK 3,119,662,855

As otherwise regards the company's earnings and financial position, refer the following income statement, balance sheet and accompanying notes.



# Corporate governance report

Corporate governance refers to the structure and processes for the governance, management and control of the business. Flerie's business activity is to invest in and own companies and as an owner create value in the companies and thus also for Flerie's shareholders. Good corporate governance is therefore central. Flerie is a Swedish public limited liability company and corporate governance is regulated by, among other things, the Swedish Companies Act, the articles of association, and the rules of procedure for the board and the CEO.

### GENERAL MEETINGS

According to the Swedish Companies Act, the general meeting is Flerie's ultimate decision-making body. At the general meeting, the shareholders exercise their voting rights in key issues, such as the adoption of income statements and balance sheets, appropriation of Flerie's results, discharge from liability of members of the board of directors and the CEO, election on members of the board of directors and auditors and remuneration to the board of directors and the auditors.

The annual general meeting must be held within six months from the end of the financial year. In addition to the annual general meetings, extraordinary general meetings may be convened. According to the articles of association, general meetings are convened by publication of the convening notice in the Swedish National Gazette (Sw. Post- och Inrikes Tidningar) and at Flerie's website. At the time of the notice convening the meeting, information regarding the notice shall be published in Dagens industri.

### THE RIGHT TO PARTICIPATE IN GENERAL MEETINGS

Shareholders who wish to participate in a general meeting must be included in the shareholders' register maintained by Euroclear six banking days prior to the meeting and notify Flerie of their participation no later than on the date stipulated in the notice convening the meeting. Shareholders may attend the general meeting in person or by proxy and may be accompanied by a maximum of two assistants. Typically, it is possible for a shareholder to register for the general meeting in several different ways as indicated in the notice of the meeting. In addition to notifying Flerie of their intention to participate in the general meeting, shareholders whose shares are registered in the name of a nominee, through a bank or other nominee, must request that their shares are temporarily registered in their own names in the share register maintained by Euroclear in order to be entitled to participate in the general meeting. A shareholder or its representative may vote for all Company shares owned or represented by the shareholder.

### SHAREHOLDER INITIATIVES

Shareholders who wish to have a matter brought before the general meeting must submit a written request to the board of directors. Such request must be received by the board of directors well in advance of the shareholders' meeting, in accordance with the information provided at Flerie's website in conjunction with the announcement of the time and place of the general meeting.

### NOMINATION COMMITTEE

The main task of the nomination committee is to propose candidates for election to the board of directors, including the chairman of the board, and, where applicable, propose auditors for election to the general meeting. When nominating persons for election to the board of directors, the nomination committee shall determine whether the persons nominated for election are considered independent of Flerie, its senior management and the major shareholders in Flerie. In addition, the nomination committee shall propose

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a candidate for election of chairman of the general meeting. The nomination committee shall also submit proposals concerning the fees of the chairman of the board of directors, the other board members and the auditors.

At the extraordinary general meeting held in Flerie on 18 September 2023, it was resolved to adopt the following principles for the appointment of and instructions regarding the nomination committee.

The nomination committee for the annual general meeting 2024 shall consist of the chairman of the board and three members appointed by the three shareholders with the largest number of votes at the end of the fourth quarter of 2024. The nomination committee consists of the shareholders Flerie Participation, Flerie Förvaltning and Roseberry AG. For subsequent annual general meetings, the nomination committee shall consist of the chairman of the board and three members appointed by the three shareholders with the largest number of votes at the end of the third quarter of the respective year. "The three largest shareholders in terms of number of votes" shall also refer to hereafter known shareholder groupings. The chairman of the board shall annually contact the shareholders who have the right to appoint a member. If any of the shareholders chooses to waive their right to appoint a member to the nomination committee, the right passes to the next shareholder with the largest number of votes, and so on.

The nomination committee appoints a chairman from among itself. The chairman of the board shall not be the chairman of the nomination committee. If a member leaves the nomination committee before its work is completed, and the nomination committee considers that there is a need to replace this member, a replacement

shall be appointed by the same shareholder who appointed the resigned member or, if this shareholder no longer belongs to the three largest shareholders in terms of votes, by the shareholders who belong to this group and who have not appointed a member of the nomination committee. If a shareholder who has appointed a certain member has significantly reduced his holding in Flerie, and the nomination committee does not consider it inappropriate in light of the possible need for continuity before the imminent general meeting, the member appointed by such a shareholder shall leave the nomination committee and the nomination committee shall offer the largest shareholder who has not appointed member of the election committee to appoint a new member.

The members of the nomination committee shall not receive fees from Flerie. Any overhead costs that arise in connection with the work of the nomination committee shall be paid by Flerie, provided that these have been approved by the chairman of the board.

### BOARD OF DIRECTORS

The board of directors is the second-highest decision-making body of Flerie after the general meeting. According to the Swedish Companies Act, the board of directors is responsible for the organisation of Flerie and the management of Flerie's affairs, which means that the board of directors is responsible for, among other things, setting targets and strategies, securing routines and systems for evaluation of set targets, continuously assessing Flerie's financial condition and profits as well as evaluating the operating management. The board of directors is also responsible for ensuring that annual reports and interim reports are prepared in a

timely manner. Moreover, the board of directors appoints the CEO. The Board also establishes instructions for the Board's committees, for the CEO and for financial reporting.

Members of the board of directors are normally appointed by the annual general meeting for the period until the end of the next annual general meeting. According to Flerie's articles of association, the members of the board of directors elected by the general meeting shall be not less than three and not more than eight members without any deputy members.

The board of directors has, in accordance with the Swedish Companies Act, adopted written rules of procedure for its work, to be evaluated, updated and re-adopted annually. The board of directors meets regularly in accordance with a program set out in the rules of procedure containing certain permanent items and certain items when necessary. In addition to these regular meetings, the board of directors can be summoned to a meeting to address issues that cannot be postponed to a regular board meeting. In addition to the board meetings, the chairman of the board and the CEO have a continuous dialogue concerning the management of Flerie.

Currently, Flerie's board of directors consists of four members elected by the general meeting. The board held 22 minuted board meetings during the financial year 2023.

The board has established an audit committee in accordance with the Swedish Companies Act, a remuneration committee and an investment committee. Further description of the committees' current compilation and assignments are presented below.

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### AUDIT COMMITTEE

Flerie has established an audit committee consisting of four members: Cecilia Edström (chairman), Anders Ekblom, Thomas Elderred and Jenni Nordborg. Without affecting the responsibilities and duties of the board of directors, the audit committee is responsible for, among other things, monitoring Flerie's financial reporting and the efficiency of Flerie's internal controls and risk management, keeping itself informed about the audit of the annual report statements and the consolidated financial statements, reviewing and monitoring the impartiality and independence of the auditors and paying special attention to whether the auditors are providing other services besides audit services to Flerie, and assisting in connection with the annual general meeting's decision on the election of auditors.

### REMUNERATION COMMITTEE

Flerie has established a remuneration committee consisting of three members: Anders Ekblom (chairman), Cecilia Edström and Jenni Nordborg. The remuneration committee is responsible for preparing proposals on remuneration principles, remunerations and other employment terms for Flerie's senior management. The remuneration committee is also tasked with monitoring and evaluating programmes for variable remuneration for the senior management, the application of the guidelines for remuneration to the senior management adopted by the annual general meeting as well as the current remuneration structures and remuneration levels in Flerie.

### INVESTMENT COMMITTEE

Flerie has established an investment committee consisting of four members: Thomas Elderred (chairman), Cecilia Edström, Anders Ekblom and Jenni Nordborg. The investment committee is responsible for preparing resolutions to be adopted by the board of directors pertaining to matters regarding investment principles, new investments and follow-on investments in portfolio companies, divestments and other related matters and commitments. Furthermore, the investment committee analyses scientific reports and deep dive reports (including financial, tax, legal, commercial, and operational due diligence) from management on new investments. The investment committee is also tasked with reviewing the investment/liquidity plan and suggesting new guidelines for investments/investment policy.

### THE CEO AND OTHER SENIOR MANAGEMENT

The CEO is subordinated to the board of directors and is responsible for the everyday management and operations of Flerie. The division of work between the board of directors and the CEO is set out in the rules of procedure for the board of directors and the instructions for the CEO. The CEO is also responsible for the preparation of reports and compiling information from the senior management for the board meetings and for presenting such materials at the board meetings. The CEO must ensure that the board of directors receives adequate information for the board of directors to be able to evaluate Flerie's financial condition continuously.

### REMUNERATION OF THE BOARD OF DIRECTORS AND MANAGEMENT

#### Board of Directors

Fees and other remuneration for the members of the board of directors, including the Chairman, are determined by the General Meeting. At the Annual General Meeting on May 15, 2023, it was decided that board fees shall be paid as follows: SEK 300,000 to the chairman of the board, SEK 250,000 to each of the other board members and SEK 20,000 to the chairman of the audit committee.

#### Management

At an extraordinary general meeting on September 18, 2023, it was decided to adopt guidelines for remuneration to senior executives. Remuneration to senior executives consists of fixed cash remuneration, variable cash remuneration and defined contribution pension plans (up to a maximum of 35% of the annual salary). The remuneration is presented in the Remuneration report on page 35 and in note 8.

### INTERNAL CONTROL AND RISK MANAGEMENT

The board of directors' responsibility for the internal control is governed by the Swedish Companies Act, the Swedish Annual Accounts Act – which states that information regarding the most important elements of Flerie's internal control and risk management in connection with the financial reporting each year must be included in the corporate governance report. The board of directors is, inter alia, responsible for that Flerie has a good internal control and formalised routines that ensure that established principles for financial

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reporting and internal control are complied with. It is also responsible for ensuring adequate systems for follow-up and control of Flerie's activities and the risks that Flerie and its activities are associated with.

The overall purpose of the internal control is, to a reasonable extent, ensure that Flerie's operative strategies and objectives are followed-up and that the shareholders' investments are protected. Furthermore, the internal control aims to ensure that the external financial reporting, with reasonable safety measures, is reliable and prepared in accordance with generally accepted accounting principles, and that applicable law and regulations as well as other requirements imposed on listed companies, are complied with. The control environment is the foundation for the internal control which also includes risk assessment, control activities, information and communication as well as follow-up. Mentioned components are described further below.

### CONTROL ENVIRONMENT

The board of directors bears the overall responsibility for internal control of financial reporting. To create and maintain a functioning control environment, the board of directors has adopted a number of policies and governing documents that regulate the financial reporting. These mainly comprise the rules of procedure for the board of directors, the instructions for the CEO, instructions for committees set up by the board of directors and instructions for financial reporting. The board of directors has also set up an authorisation order and a financial policy. Flerie also has financial

manual, which includes policies, guidelines, and procedure descriptions for accounting and financial reporting. The board of directors has furthermore set up an audit committee whose main task is to monitor Flerie's financial reporting, the efficiency in Flerie's internal control, internal auditing (if such a function is established in the future) and risk management, as well as to review and monitor the auditor's impartiality and independence. The responsibility of the day-to-day work of maintaining the control environment rests primarily with Flerie's CFO who reports to the board of directors regularly in accordance with established instructions.

In addition to the internal monitoring and reporting, Flerie's external auditors report to the CEO and the board of directors during the financial year. The auditors' reporting gives the board of directors a good understanding and a reliable basis for the financial reporting in the annual report.

### RISK ASSESSMENT AND CONTROL ACTIVITIES

The risk assessment work includes identifying and evaluating the risk of significant errors in Flerie's operational process, which includes accounting and reporting at group and subsidiary level. Risk assessment is carried out on an ongoing basis and in accordance with established guidelines focusing on Flerie's significant business processes. Within the board of directors, the audit committee has the primary responsibility to continuously evaluate Flerie's risk situation, after which the board of directors makes an annual review of the risk situation.

### AUDITING

The auditor is to examine Flerie's annual report and the accounting records as well as the board of directors' and the CEO's management. After each financial year, the auditor shall prepare an auditor's report and a consolidated auditor's report to the annual general meeting.

According to Flerie's articles of association, Flerie shall have one to two auditors and not more than two deputy auditors or a registered accounting firm. Flerie's auditor is Ernst & Young AB, with Jennifer Rock-Baley as auditor-in-charge.

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# Remuneration report 2023

This report describes how the guidelines for remuneration to senior executives at Flerie, adopted by an extraordinary general meeting on September 18, 2023, were applied during 2023. The report also contains information on remuneration to the management. The guidelines do not cover remuneration decided by the general meeting. Furthermore, the guidelines do not cover the company's portfolio companies.

Further information on the remuneration of management can be found in note 8 Employees and personnel costs on page 53 of the 2023 Annual Report.

### THE COMPANY'S REMUNERATION GUIDELINES:

To promote the company's business strategy, long-term interests and sustainability, and thus create long-term good value growth for the shareholders, the company shall offer competitive remuneration, but not be market-leading in relation to comparable companies. Competitive

remuneration levels and terms of employment are a prerequisite for the company to recruit and retain people to senior positions with the required skills and experience.

According to the guidelines, the remuneration of senior executives may consist of the following components: fixed salary, variable or performance-based salary, benefits and pension. The variable cash remuneration should be dependent on the value development of the company's investment portfolio and linked to predetermined and measurable financial criteria.

If value development during the year of the company's portfolio is negative, no variable remuneration shall be paid. The criteria shall be designed to promote the company's business strategy and long-term interests.

In 2023, the company has followed the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been made and no deviations have been made from the decision-making process to be applied to determine the remuneration according to the guidelines.

### TOTAL REMUNERATION TO SENIOR EXECUTIVES DURING 2023 (MSEK)

	Salary	Variable remuneration	Benefits	Pension	Total remuneration
Ted Fjällman, CEO	5.2*	–	–	–	5.2
Other senior executives (2 persons)	4.7	–	0.2	1.0	5.9

\* Consultancy fee to cover salary and pension

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### APPLICATION OF PERFORMANCE CRITERIA

The performance criteria for the management's variable remuneration has been chosen to implement the company's strategy and to encourage behavior that is in the company's long-term interest. The selection of the performance criteria has taken into account the strategic objectives and the short- and long-term business priorities for 2023.

### SHARE-BASED REMUNERATION

In accordance with and independent of the guidelines, the General Meeting may decide on share and share price related remuneration for senior executives. The company has no share-based remuneration programs. No proposals for share-based remuneration were submitted to the AGM 2023.

### CONSULTING SERVICES FOR BOARD MEMBERS

If a board member performs work on behalf of the company, in addition to the board work, consultancy fees and other remuneration for such work may be paid following a separate decision by the Board of Directors. For board work, no remuneration is paid in addition to the board fee decided by the general meeting.

During 2023, Chairman Thomas Eldered has performed consulting services for Flerie and received compensation amounting to SEK 385 thousand.

### APPLICATION OF PERFORMANCE CRITERIA

Senior Management	Criteria for compensation	Measured performance	Compensation
Ted Fjällman, CEO	If the value development of the investment portfolio increases during the year, 0.5% of the increase will be allocated as compensation. A maximum of 3 MSEK incl. social security contributions per person.	Neg. value development	0 SEK
Other senior executives		Neg. value development	0 SEK

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# Consolidated income statement

SEK m	Note	2023	2022
Changes in fair value of participations in portfolio companies	5, 16	-532.8	94.8
Other operating income	6	4.6	8.3
<b>Profit from management activities</b>		<b>-528.2</b>	<b>103.1</b>
Other external costs	7	-27.1	-16.2
Personnel costs	8	-11.7	-7.3
Depreciation	9	-0.6	-0.6
Other operating costs	10	-3.6	–
<b>Operating profit/loss</b>		<b>-571.1</b>	<b>79.0</b>
Financial income	11	31.9	40.1
Financial expenses	11	-22.3	-30.1
<b>Profit/loss from financial items</b>		<b>9.7</b>	<b>10.0</b>
<b>Profit/loss before tax</b>		<b>-561.5</b>	<b>89.0</b>
Income tax	12	1.9	-1.4
<b>Net profit/loss for the year</b>		<b>-559.6</b>	<b>87.6</b>
<i>Total net profit for the year attributable to:</i>			
Parent company's shareholders		-559.6	87.6

### STATEMENT OF COMPREHENSIVE INCOME FOR THE GROUP

SEK m	Note	2023	2022
Net profit/loss for the year		-559.6	87.6
Other comprehensive income for the year		–	–
<b>Total comprehensive income for the year</b>		<b>-559.6</b>	<b>87.6</b>
<i>Total comprehensive income attributable to:</i>			
Parent company's shareholders		-559.6	87.6
Earnings per share. SEK	13	-6.12	3.50
Average number of shares outstanding		91,464,023	25,000,000
Number of shares outstanding at year end		112,578,947	25,000,000

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# Consolidated balance sheet

SEK m	Note	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Tangible assets</i>			
Equipment	14	0.4	0.6
Right-of-use assets	15	1.2	1.6
<b>Total tangible assets</b>		<b>1.6</b>	<b>2.2</b>
<i>Financial assets</i>			
Shares and participations in portfolio companies	16	2,802.9	2,722.2
Loan receivables in portfolio companies	17	330.5	332.5
Deferred tax assets	12	0.8	4.5
Other financial assets		0.1	0.1
<b>Total financial assets</b>		<b>3,134.3</b>	<b>3,059.3</b>
<b>Total non-current assets</b>		<b>3,135.9</b>	<b>3,061.5</b>
<b>Current assets</b>			
Accounts receivables		0.1	0.1
Other receivables	18	2.0	1.6
Tax receivables		2.4	0.0
Convertible loans	19	95.9	60.0
Loan receivables in portfolio companies	17	15.9	22.5
Prepaid expenses and accrued income	20	1.1	0.6
Cash and cash equivalents	21	330.0	394.2
<b>Total current assets</b>		<b>447.4</b>	<b>478.9</b>
<b>TOTAL ASSETS</b>		<b>3,583.3</b>	<b>3,540.4</b>

SEK m	Note	31 Dec 2023	31 Dec 2022
<b>EQUITY</b>			
<b>22</b>			
Share capital		0.6	0.1
Other contributed capital		4,791.0	1,279.6
Retained earnings including net profit/loss for the year		-1,225.8	-666.3
<b>Total equity</b>		<b>3,565.7</b>	<b>613.4</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	15	0.9	1.3
Deferred tax liabilities	12	5.5	7.9
Other liabilities		–	2.4
<b>Total non-current liabilities</b>		<b>6.4</b>	<b>11.5</b>
<b>Current liabilities</b>			
Accounts payable		0.8	6.5
Current tax liabilities		–	6.1
Lease liabilities	15	0.4	0.4
Liabilities to group companies	23	7.4	2,864.9
Other liabilities	24	0.1	0.1
Accrued expenses and deferred income	25	2.4	37.5
<b>Total current liabilities</b>		<b>11.2</b>	<b>2,915.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,583.3</b>	<b>3,540.4</b>



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### 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 2023</b>	<b>0.1</b>	<b>1,279.6</b>	<b>-666.3</b>	<b>613.4</b>	<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>
<i>Comprehensive income</i>					<i>Comprehensive income</i>				
Net profit/loss for the year			-559.6	-559.6	Net profit for the year			87.6	87.6
<i>Other comprehensive income</i>			-	-	<i>Other comprehensive income</i>			-	-
<b>Total comprehensive income</b>			<b>-559.6</b>	<b>-559.6</b>	<b>Total comprehensive income</b>			<b>87.6</b>	<b>87.6</b>
<i>Transactions with shareholders</i>					<i>Transactions with shareholders</i>				
New share issue	0.2	2,299.8		2,300.0	<i>Total transactions with shareholders</i>			-	-
Bonus issue	0.3	-0.3			<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		1,211.9	-	1,211.9					
<i>Total transactions with shareholders</i>	<b>0.5</b>	<b>3,511.4</b>	<b>-</b>	<b>3,511.9</b>					
<b>Closing balance at 31 December 2023</b>	<b>0.6</b>	<b>4,791.0</b>	<b>-1,225.8</b>	<b>3,565.7</b>					

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# Consolidated statement of cash flows

SEK m	Note	2023	2022	SEK m	Note	2023	2022
<b>Cash flow from operating activities</b>				<b>Investing activities</b>			
Profit/loss before tax		-561.5	89.0	Investments in shares in portfolio companies	16	-622.1	-1 191.3
Adjustment for non-cash items				Divestment of shares in portfolio companies		2.2	74.4
Changes in fair value of participations in portfolio companies 16		532.8	-94.8	Investments in convertibles in portfolio companies		-83.6	-60.0
Other non-cash items		-6.9	-5.2	Repayment of convertible loans provided to portfolio companies		47.7	-
Tax paid		-2.1	-0.8	Loans provided to portfolio companies	17	-158.6	-117.2
<b>Cash flow from operating activities before changes in working capital</b>		<b>-37.6</b>	<b>-11.8</b>	Repayment of loans from portfolio companies		189.2	-
<b>Changes in working capital</b>				Lease deposits paid		0.0	0.0
Change in accounts receivable		0.0	0.0	<b>Cash flow from investing activities</b>		<b>-625.2</b>	<b>-1,294.1</b>
Change in operating receivables		4.4	2.4	<b>Financing activities</b>			
Change in operating liabilities		-40.6	7.1	Loans received from group company	26	635.1	1,391.0
<b>Total changes in working capital</b>		<b>-36.2</b>	<b>9.4</b>	Repayment of lease liability	15	-0.4	-0.4
<b>Cash flow from operating activities</b>		<b>-73.8</b>	<b>-2.4</b>	<b>Cash flow from financing activities</b>		<b>634.7</b>	<b>1,390.6</b>
				<b>Cash flow for the period</b>		<b>-64.2</b>	<b>94.2</b>
				<b>Cash and cash equivalents at the beginning of the period</b>		<b>394.2</b>	<b>300.0</b>
				<b>Cash and cash equivalents at the end of the period</b>		<b>330.0</b>	<b>394.2</b>
				Interest received		6.6	3.6
				Interest paid		-41.6	-

## FINANCIAL INFORMATION

# Parent company income statement

SEK m	Note	2023	2022
Other operating income	6	6.9	8.3
<b>Total operating income</b>		<b>6.9</b>	<b>8.3</b>
Other external costs	7	-38.6	-16.6
Personnel costs	8	-6.9	-4.3
Depreciation	9	-0.2	-0.2
Other operating costs	10	-3.6	-
<b>Total operating costs</b>		<b>-49.3</b>	<b>-21.2</b>
<b>Operating loss</b>		<b>-42.4</b>	<b>-12.9</b>
Profit from participations in associated companies	28	0.6	-
Profit from other securities and receivables accounted for as non-current assets	29	-	33.0
Interest income and similar items	30	31.3	40.1
Impairment of financial assets	31	-529.2	-70.3
Interest expenses and similar profit/loss items	32	-22.0	-28.6
<b>Profit/loss from financial items</b>		<b>-519.3</b>	<b>-25.9</b>
<b>Loss before tax</b>		<b>-561.7</b>	<b>-38.7</b>
Change in tax allocation reserve	33	2.6	2.8
Tax on net profit for the year	12	3.5	-8.6
<b>Net loss for the year</b>		<b>-555.6</b>	<b>-44.5</b>

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	2023	2022
Net loss for the year		-555.6	-44.5
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>-555.6</b>	<b>-44.5</b>

## FINANCIAL INFORMATION

### Parent company balance sheet

SEK m	Note	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Tangible assets</i>			
Equipment	14	0.4	0.6
<b>Total tangible assets</b>		<b>0.4</b>	<b>0.6</b>
<i>Financial assets</i>			
Participations in subsidiaries	34	434.8	257.8
Receivables in subsidiaries	35	264.8	253.8
Participations in associated companies	36	1,063.4	1,186.4
Receivables from associated companies	37	67.0	60.0
Other securities held as non-current assets	38	854.0	823.5
Other financial assets	39	0.4	20.2
<b>Total financial assets</b>		<b>2,684.3</b>	<b>2,601.7</b>
<b>Total non-current assets</b>		<b>2,684.7</b>	<b>2,602.3</b>
<b>Current assets</b>			
Accounts receivable		0.1	0.1
Other receivables	18	2.0	1.5
Tax receivables		2.4	-
Convertible loans	19	95.8	60.0
Receivables in subsidiaries	35	-	3.0
Receivables in associated companies	37	15.9	22.5
Prepaid expenses and accrued income	20	1.1	0.6
Cash and cash equivalents	21	329.7	394.2
<b>Total current assets</b>		<b>447.1</b>	<b>481.9</b>
<b>TOTAL ASSETS</b>		<b>3,131.8</b>	<b>3,084.2</b>

SEK m	Note	31 Dec 2023	31 Dec 2022
<b>EQUITY</b>			
<i>Restricted equity</i>			
Share capital		0.6	0.1
<b>Total restricted equity</b>		<b>0.6</b>	<b>0.1</b>
<i>Unrestricted equity</i>			
Shareholders' contributions received		2,491.6	1,279.6
Share premium reserve		2,299.5	-
Retained profit/loss		-1,115.8	-1,071.3
Net profit/loss for the year		-555.6	-44.5
<b>Total unrestricted equity</b>		<b>3,119.7</b>	<b>163.8</b>
<b>Total equity</b>		<b>3,120.2</b>	<b>163.8</b>
<b>Untaxed reserves</b>			
Tax allocation reserve		-	2.6
<b>Total untaxed reserves</b>		<b>-</b>	<b>2.6</b>
<b>Non-current liabilities</b>			
Other liabilities		-	2.4
<b>Total non-current liabilities</b>		<b>-</b>	<b>2.4</b>
<b>Current liabilities</b>			
Accounts payable		0.9	6.5
Current tax liabilities		-	6.1
Liabilities to group companies	23	7.4	2,864.9
Other liabilities	24	0.8	0.4
Accrued expenses and deferred income	25	2.6	37.5
<b>Total current liabilities</b>		<b>11.6</b>	<b>2,915.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,131.8</b>	<b>3,084.2</b>

## FINANCIAL INFORMATION

### Parent company statement of changes in equity

SEK m	Share capital	Other contributed capital	Share premium reserve	Retained earnings incl. profit/loss for the year	Total equity	SEK m	Share capital	Other contributed capital	Share premium reserve	Retained earnings incl. profit/loss for the year	Total equity
<b>Opening balance at 1 January 2023</b>	<b>0.1</b>	<b>1,279.6</b>	<b>-</b>	<b>-1,115.8</b>	<b>163.8</b>	<b>Opening balance at 1 January 2022</b>	<b>0.1</b>	<b>1,279.6</b>	<b>-</b>	<b>-1,071.3</b>	<b>208.4</b>
Net profit/loss for the year				-556.6	-556.6	Net profit/loss for the year			-	-44.5	-44.5
<i>Other comprehensive income</i>				-	-	<i>Other comprehensive income</i>			-	-	-
<b>Total comprehensive income</b>				<b>-555.6</b>	<b>-555.6</b>	<b>Total comprehensive income</b>			<b>-</b>	<b>-44.5</b>	<b>-44.5</b>
Bonus issue	0.3	-	-0.3		-						
New share issue	0.2		2,299.8		2,300.0						
Shareholders' contributions		1,211.9			1,211.9						
<i>Total transactions with shareholders</i>	<i>0.5</i>	<i>1,211.9</i>	<i>2,299.5</i>		<i>3,511.9</i>	<i>Transactions with shareholders</i>					
						<i>Total transactions with shareholders</i>		-	-	-	-
<b>Closing balance at 31 December 2023</b>	<b>0.6</b>	<b>2,491.6</b>	<b>2,299.5</b>	<b>-1,671.4</b>	<b>3,120.2</b>	<b>Closing balance at 31 December 2022</b>	<b>0.1</b>	<b>1,279.6</b>	<b>-</b>	<b>-1,115.8</b>	<b>163.8</b>

## FINANCIAL INFORMATION

### Parent company statement of cash flows

SEK m	Note	2023	2022
<b>Cash flow from operating activities</b>			
Profit/loss before tax		-561.7	-38.7
Adjustment for non-cash items			
Depreciation and impairment		529.4	70.5
Other non-cash items		-7.0	-6.0
Tax paid		-2.6	-0.8
<b>Cash flow from operating activities before changes in working capital</b>		<b>-41.9</b>	<b>25.0</b>
<b>Changes in working capital</b>			
Change in accounts receivable		0.0	0.0
Change in operating receivables		4.4	-23.1
Change in operating liabilities		-40.6	9.7
<b>Cash flow from operating activities</b>		<b>-78.2</b>	<b>11.7</b>

SEK m	Note	2023	2022
<b>Investing activities</b>			
Acquisition of participations in group companies		-22.7	–
Acquisition of participations in associated companies		-449.2	-554.9
Acquisition of shares in other companies		-150.2	-657.8
Divestment of shares in other companies		2.2	74.4
Loans provided to portfolio companies		-190.7	-167.7
Repayment of loans from portfolio companies		189.2	–
Lease deposits paid		0.0	0.0
<b>Cash flow from investing activities</b>		<b>-621.5</b>	<b>-1,306.1</b>
<b>Financing activities</b>			
Loans received	26	635.1	1,388.7
<b>Cash flow from financing activities</b>		<b>635.1</b>	<b>1,388.7</b>
<b>Cash flow for the period</b>		<b>-64.5</b>	<b>94.2</b>
<b>Cash and cash equivalents at the beginning of the period</b>			
Currency effects		–	–
<b>Cash and cash equivalents at the end of the period</b>		<b>329.7</b>	<b>394.2</b>
Interest received		6.6	3.6
Interest paid		-41.6	–

## FINANCIAL INFORMATION

# Notes to the accounts

### NOTE 1 – GENERAL INFORMATION

This Annual Report covers the Swedish company Flerie Invest AB (publ) (“Flerie”), corporate identity number 556856-6615. Flerie invests mainly in companies in the life science sector, preferably in private companies but in publicly owned ones as well. Flerie is a public company in Sweden with its registered office in Stockholm, Sweden. The address of the head office is Skeppsbron 16, SE-111 30 Stockholm. On 13 March 2024 the Board of Directors approved this Annual Report, which will be presented for adoption at the Annual General Meeting (AGM) on 14 May 2024.

### 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 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 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

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### IFRS 17 Insurance contracts

The new standard had no impact on the Group's consolidated financial statements.

#### Definition of Accounting Estimates - Amendments to IAS 8

The amendments had no impact on the Group's consolidated financial statements.

#### Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful

by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

#### Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

The amendments had no impact on the Group's consolidated financial statements.

#### International Tax Reform—Pillar Two Model Rules - Amendments to IAS 12

The amendments had no impact on the Group's consolidated financial statements.

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

Flerie 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.

## FINANCIAL INFORMATION

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 owns the subsidiary Flerie Invest Ltd (formed in 2022), which is a UK company whose purpose is to provide Flerie with investment-related services or operations related to Flerie's investment activities. Since the company provides services to the entire Flerie 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 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 has 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 companies that do and thereby creating and maximising the return.
- Furthermore, the primary measurement of the portfolio company is based on fair value. Flerie 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.
- The company has a divestment strategy for all its portfolio companies. Flerie'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. Finan-

cial assets are derecognised from the balance sheet when the rights in the contract are realised, expire or Flerie 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 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 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



## FINANCIAL INFORMATION

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 liabilities*

The company's loans are categorised as other financial liabilities and measured at amortised cost. The company has current credit facilities of SEK 120 million, of which SEK 120 million remains unutilized as of December 31, 2023.

### *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 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'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 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.

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### *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.

### 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 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 helps with capturing more market shares and achieving profitability. The Limited Partnership segment is where Flerie 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 has only defined contribution pension plans. Defined contribution plans are plans under which the company pays fixed contributions into a separate legal entity. Flerie 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 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**

Flerie has a lease agreement consisting of rental agreements for office space. 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. 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 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 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 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.

### **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 recognised on untaxed reserves as part of the untaxed reserve.

# FINANCIAL INFORMATION

## NOTE 3 – FINANCIAL RISK MANAGEMENT

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Flerie is exposed through its operations to financial risks such as liquidity and financing risk, valuation risk, exchange rate risk, and credit risk. Flerie's single greatest risk is price 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. The Board of Directors of Flerie decides on the risk level, mandate and limits for the company's management through the Finance Policy.

### 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. The board is regularly informed about the company's liquidity. Available liquidity, SEK 330 million consists of bank deposits. Liquid assets, including listed assets, amounted to SEK 1,025 million on the balance sheet date.

#### 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 is financed primarily through loans and capital contributions from the company's owners. Furthermore, financing risk is reduced through Flerie maintaining a high level of creditworthiness and ensuring access to various sources of capital. Additionally, Flerie must work to build up good, close relationships with the company's commercial banks.

#### VALUATION RISK

Flerie has invested in both listed and unlisted portfolio companies where valuations can fluctuate due to a variety of circumstances. As of December 31, 2023, 21% of Flerie's portfolio value was invested in listed portfolio companies and 79% was invested in unlisted portfolio companies. Flerie's strategy is to be a long-term owner, and can therefore avoid having a general strategy to deal with short-term fluctuations in share prices in the listed portfolio companies. The share price risk in Flerie's listed portfolio companies can be illustrated by the fact that a 5% change in share prices in all listed portfolio companies as of 31 December 2023 would have affected the Group's earnings and equity by SEK 35 million (28). Within the framework of the valuation of the unlisted holdings, Flerie makes several assessments. Changes in assessments and underlying factors have an impact on Flerie's investments in unlisted portfolio companies. For unlisted portfolio companies that are valued on the basis of the latest investment round, a 5% change in the valuations would mean that the group's earnings and equity would change by SEK 85 million (105).

#### 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'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. Flerie is exposed to credit risk primarily through granting loans to portfolio companies. This credit risk is limited through the definition of permitted instruments, borrowers, and permitted counterparties for financial transactions in the Finance Policy adopted by the Board of Directors.

# 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. Assessments and assumptions mainly affect the unlisted holdings valued according to 3F, other measurement method, where the valuation can, for example, be based on the estimated valuation in the upcoming financing round or the company's available cash and cash equivalents. At the balance sheet date, the fair value of portfolio companies valued according to 3F is 8.3 percent of the total fair value of the portfolio.

For more information on the company's measurement policies, refer to Note 2 Accounting policies / Measurement of financial assets at fair value, and Note 16 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 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 has held at least ten per cent of the votes in the company for a year or longer. In cases where Flerie 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 2023, the portfolio consisted of 33 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, SEK m	Product Development		Commercial Growth		Limited Partnerships		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Change in fair value of participations in portfolio companies	-513.4	95.3	-16.5	10.3	-3.0	-10.8	-532.8	94.8
Other operating income							4.6	8.3
<b>Profit from management activities</b>							<b>-528.2</b>	<b>103.1</b>
Other external costs							-27.1	-16.2
Personnel costs							-11.7	-7.3
Depreciation							-0.6	-0.6
Other operating costs							-3.6	-
<b>Operating profit/loss</b>							<b>-571.1</b>	<b>79.0</b>
Financial income							31.9	40.1
Financial expenses							-22.3	-30.1
<b>Profit/loss before tax</b>							<b>-561.5</b>	<b>89.0</b>
<b>Fair value at start 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>2,722.2</b>	<b>1,474.7</b>
Change in fair value during the period	-513.4	95.3	-16.5	10.3	-3.0	-10.8	-532.8	94.8
Purchases and contributions	567.1	846.0	19.2	344.9	35.7	36.2	622.1	1,227.1
Sales	-1.5	-	0.0	-0.4	0.0	-74.0	-1.5	-74.4
Adjustment to acquisition cost	-	-	-7.0	-	-	-	-7.0	-
<b>Fair value at end of period</b>	<b>2,069.1</b>	<b>2,016.9</b>	<b>663.2</b>	<b>667.4</b>	<b>70.6</b>	<b>37.9</b>	<b>2,802.9</b>	<b>2,722.2</b>

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

Group, Country	Change in fair value		Non-current assets	
	2023	2022	2023	2022
Sweden	-219.6	25.3	1,685.3	1,931.3
Netherlands	-147.0	9.3	62.2	114.4
Israel	-213.8	37.0	174.3	330.7
Iceland	-0.2	10.5	73.4	73.6
United Kingdom	38.5	4.8	576.2	434.5
USA	10.7	6.3	149.9	139.2
Other countries	-1.4	1.6	81.5	37.9
<b>Total</b>	<b>-532.8</b>	<b>94.8</b>	<b>2,802.9</b>	<b>3,061.5</b>

## FINANCIAL INFORMATION

### NOTE 6 – OTHER OPERATING INCOME

	Group		Parent company	
	2023	2022	2023	2022
Administrative services	1.5	0.6	1.5	0.6
Guarantee commission	–	2.1	–	2.1
Recharge of costs	–	–	2.3	0.0
Foreign exchange gains	3.0	5.0	3.0	5.0
Other income	0.1	0.6	0.1	0.6
<b>Total</b>	<b>4.6</b>	<b>8.3</b>	<b>6.9</b>	<b>8.3</b>

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

	Group		Parent company	
	2023	2022	2023	2022
Cost for premises	-0.1	-0.1	-0.7	-0.6
External services and consultations	-23.4	-14.7	-34.3	-14.7
Travel expenses	-1.3	-1.1	-1.3	-1.1
Other external costs	-2.3	-0.3	-2.3	-0.3
<b>Total</b>	<b>-27.1</b>	<b>-16.2</b>	<b>-38.6</b>	<b>-16.6</b>

The increase in external services and consultations during the year compared with the preceding year relates mainly to legal advisors, consultants and travel costs, and is caused by the expansion of the business as well as one-off costs.

#### 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 is carried out by Ernst & Young AB. Fee paid to RSM Stockholm AB during 2022 relates to accounting year 2021.

Group and Parent company	EY 2023	EY 2022	RSM 2022
Audit engagement	-1.4	-0.6	-0.2
Audit services apart from statutory audit	–	-0.1	–
Tax services	-0.7	0.0	–
Other services	-2.2	-2.0	0.0
<b>Total</b>	<b>-4.4</b>	<b>-2.8</b>	<b>-0.2</b>

### NOTE 8 – EMPLOYEES AND PERSONNEL COSTS

	2023		2022	
	Total	Of whom men	Total	Of whom men
<b>Average number of employees</b>				
<b>Group</b>	4.0	2.0	3.8	1.8
<b>Number of Board members and senior executives</b>				
<b>Group</b>				
<b>Total</b>	4.0	2.0	1.0	1.0
Board members	4.0	2.0	1.0	1.0
Chief Executive Officer and other senior executives	3.0	2.0	–	–
	Group		Parent company	
	2023	2022	2023	2022
Salaries	-7.7	-4.1	-4.6	-2.7
Social security contributions	-2.2	-2.4	-1.6	-1.0
Pension costs	-1.4	-0.6	-0.7	-0.6
Other personnel costs	-0.3	-0.3	-0.1	0.0
<b>Total</b>	<b>-11.7</b>	<b>-7.3</b>	<b>-6.9</b>	<b>-4.3</b>

#### Remuneration to the Chief Executive Officer, other senior executives and the Board of Directors

	2023				
	Salary/ Board fee	Variable remune- ration	Other benefits	Pension costs*	Total
Ted Fjällman, CEO, invoiced fee	5.2	–	–	–	5.2
Other senior executives (2)	4.7	–	0.2	1.1	6.0
<b>Total amount, management</b>	<b>9.9</b>	<b>–</b>	<b>0.2</b>	<b>1.1</b>	<b>11.2</b>
Thomas Eldered, Chairman of the Board	0.4	–	–	–	0.4
Cecilia Edström, Board member	0.4	–	–	–	0.4
Anders Ekblom, Board member	0.3	–	–	–	0.3
Jenni Nordborg, Board member	0.3	–	–	–	0.3
<b>Total amount, Board of Directors</b>	<b>1.4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1.4</b>
<b>Total</b>	<b>11.3</b>	<b>–</b>	<b>0.2</b>	<b>1.1</b>	<b>12.6</b>

\* Defined contribution pensions

The CEO and other senior executives have a 6-month mutual notice period. There are no agreements on severance pay. No remuneration was paid in 2022 to the senior executive and Board member Thomas Eldered.

## FINANCIAL INFORMATION

### NOTE 9 – DEPRECIATION

	Group		Parent company	
	2023	2022	2023	2022
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>

### NOTE 10 – OTHER OPERATING EXPENSES

	Group		Parent company	
	2023	2022	2023	2022
Foreign exchange losses	-3.6	–	-3.6	–
<b>Total</b>	<b>-3.6</b>	<b>–</b>	<b>-3.6</b>	<b>–</b>

### NOTE 11 – FINANCIAL INCOME AND FINANCIAL EXPENSES

Group	2023	2022
<i>Financial income</i>		
Interest income on financial assets at amortised cost	30.3	11.6
Currency translation gains	0.9	28.5
Other financial income	0.6	–
<b>Total financial income</b>	<b>31.9</b>	<b>40.1</b>
<i>Financial expenses</i>		
Interest expenses on financial liabilities at amortised cost	-17.2	-28.1
Currency translation losses	-2.4	-0.6
Impairment of receivables from portfolio companies	–	-1.4
Other financial expenses	-2.6	–
<b>Total financial expenses</b>	<b>-22.3</b>	<b>-30.1</b>
<b>Profit/loss from financial items</b>	<b>9.7</b>	<b>10.0</b>

### NOTE 12 – INCOME TAX

Group	2023	2022
Current tax	3.5	-8.6
Deferred tax expenses	-7.2	-8.2
Deferred tax income	5.6	15.4
<b>Total</b>	<b>1.9</b>	<b>-1.4</b>

#### Parent Company

Current tax	3.5	-8.6
<b>Total</b>	<b>3.5</b>	<b>-8.6</b>

#### Reconciliation of effective tax rate

Group	2023	2022
Profit/loss before tax	-561.5	89.0
Applicable tax rates, %	20.6	20.6
Income tax calculated according to applicable tax rate	115.7	-18.3
Tax effects from:		
- non-taxable income	0.5	0.0
- non-taxable change in value of portfolio holdings	-107.7	34.5
- non-deductible expenses	-5.4	-14.7
- tax attributable to prior years	-0.7	-2.2
- loss carryforwards for which no deferred tax asset has been recognised	-0.4	-0.6
<b>Income tax</b>	<b>1.9</b>	<b>-1.4</b>
<b>Effective tax rate, %</b>	<b>-0.3</b>	<b>-1.6</b>

Flerie has unused tax losses, for which no deferred tax is recognised, amounting to SEK 32.4 million.



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Deferred tax assets	Right-of-use assets	Expected credit losses	Investment in shares and securities	Total
<b>Opening carrying amount, 1 Jan 2023</b>	<b>0.0</b>	<b>0.3</b>	<b>4.2</b>	<b>4.5</b>
Recognised in profit or loss	0.0	0.0	0.5	0.5
Reclassification	0.0	0.3	-4.2	-4.2
<b>Closing carrying amount, 31 Dec 2023</b>	<b>0.0</b>	<b>0.3</b>	<b>0.5</b>	<b>0.8</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>

Deferred tax liability	Untaxed reserves	Investment in shares and securities	Total
<b>Opening carrying amount, 1 Jan 2023</b>	<b>0.5</b>	<b>7.3</b>	<b>7.9</b>
Recognised in profit or loss	-0.5	2.3	1.8
Reclassification	-	-4.2	-4.2
<b>Closing carrying amount, 31 Dec 2023</b>	<b>0.0</b>	<b>5.5</b>	<b>5.5</b>

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>

### NOTE 13 – 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.

	2023	2022
Profit attributable to the Parent company's shareholders (SEK million)	-559.6	87.6
Weighted average number of outstanding common shares	91,464,022	25,000,000
Basic and diluted earnings per share (SEK)	-6.12	3.50

### NOTE 14 – EQUIPMENT

Group and Parent company	31 Dec 2023	31 Dec 2022
Opening acquisition value	1.0	1.0
Purchases	–	–
<b>Closing accumulated acquisition value</b>	<b>1.0</b>	<b>1.0</b>
Opening depreciation	-0.4	-0.2
Depreciation for the year	-0.2	-0.2
<b>Closing accumulated depreciation</b>	<b>-0.6</b>	<b>-0.4</b>
<b>Closing carrying amount</b>	<b>0.4</b>	<b>0.6</b>

### NOTE 15 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Flerie 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 2023	1.6	1.7
Additional leases	–	–
Depreciation	-0.4	–
Interest expenses	–	0.0
Repayments	–	-0.4
<b>Closing balance, 31 December 2023</b>	<b>1.2</b>	<b>1.3</b>

Of the closing lease liability, SEK 0.4 million are current liabilities and SEK 0.9 million are non-current liabilities. Below are the amounts recognised in the Group's statement of profit or loss for the year attributable to lease contracts;

	2023
Depreciation of right-of-use assets	-0.4
Interest expenses on lease liabilities	0.0
<b>Total</b>	<b>-0.4</b>

Flerie recognised a cash outflow attributable to leases amounting to SEK 0.4 million for the 2023 financial year. The company has no short-term or low-value leases.

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### NOTE 16 – INVESTMENTS IN SHARES AND SECURITIES MEASURED AT FAIR VALUE

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

Group	31 dec 2023	31 dec 2022
<b>Cost of shares and other securities</b>		
At beginning of the year	2,354.9	1,225.3
Investments	622.1	1,227.1
Divestments	-1.5	-41.5
Liquidation	-18.7	-56.0
Adjustment of acquisition value	-7.0	-
<b>Total cost</b>	<b>2,949.8</b>	<b>2,354.9</b>
<b>Change in fair value of shares and other securities</b>		
At the beginning of the year	367.2	249.5
Change in value through profit or loss	-532.8	94.8
Divestments	-	-33.0
Liquidation	18.7	56.0
<b>Total accumulated change in fair value</b>	<b>-146.9</b>	<b>367.2</b>
<b>Carrying amount at the end of the year</b>	<b>2,802.9</b>	<b>2,722.2</b>
<b>Consolidated changes in holdings during the year – impact on cash flow</b>		
	<b>31 dec 2023</b>	<b>31 dec 2022</b>
Opening balance at the beginning of the year	2,722.2	1,474.7
Settlements paid, investments in portfolio companies	622.1	1,191.3
Settlements received, divestments of portfolio companies	-1.5	-74.4
Measurement at fair value through profit or loss*	-532.8	94.8
Non-cash items	-7.0	35.8
<b>Closing balance</b>	<b>2,802.9</b>	<b>2,722.2</b>

#### Consolidated changes in holdings during 2023

Company	Acquisition Cost	Fair value at beginning of year	Investment	Divestment	Change in value	Fair value at end of year
Alder Therapeutics AB	17.2	10.0	7.2		0.0	17.2
Amarna Therapeutics B.V.	141.0	90.5	59.4		-138.6	11.2
AnaCardio Holding AB	34.4	34.4	0.0		0.0	34.4
Atrogi AB	112.4	151.3	0.0		0.0	151.3
Beactica Therapeutics AB	8.4	11.1	0.0		-11.1	0.0
Buzzard Pharmaceuticals AB	61.8	61.8	0.0		0.0	61.8
Egetis Therapeutics AB	60.4	93.2	2.7	-1.5	-21.3	73.0
Empros Pharma AB	91.4	106.2	22.7		0.0	128.9
EpiEndo Pharmaceuticals EHF	63.1	73.6	0.0		-0.2	73.4
Eurocine Vaccines AB	11.3	9.9	0.0		-9.9	0.0
Geneos Therapeutics. Inc	77.6	83.5	0.0		12.9	96.4
KAHR Medical Ltd.	336.0	330.7	57.4		-213.8	174.3
Lipum AB	42.3	28.2	7.5		-16.2	19.4
Mendus AB	90.0	0.0	90.0		14.4	104.4
Microbiotica Ltd	130.2	125.8	0.0		1.9	127.7
Prokarium Ltd	257.1	308.7	103.2		36.6	448.5
Sixera AB	25.7	24.0	1.7		0.0	25.7
Strike Pharma AB	9.7	9.7	0.0		0.0	9.7
Synerkine Pharma B.V.	57.5	23.8	35.6		-8.4	51.0
Toleranzia AB	93.5	56.7	30.1		-34.9	52.0
Vitara Biomedical Inc	55.3	34.8	21.0		-2.2	53.6
Xintela AB	91.0	57.5	57.1		-21.6	93.0
XNK Therapeutics AB	106.6	106.6	0.0		-47.4	59.2
Xspray Pharma AB	269.9	184.7	71.5		-53.4	203.0
<b>Total Product Development</b>	<b>2,243.9</b>	<b>2,016.7</b>	<b>567.1</b>	<b>-1.5</b>	<b>-513.4</b>	<b>2,069.1</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 2023, 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	0.0		-25.0	75.0
Bohus Biotech	85.1	16.7	0.0		0.0	16.7
Chromafora	33.9	41.4	0.0		0.0	41.4
Frontier Biosolutions	19.2	0.0	19.2		-0.9	18.4
Nanologica	141.7	148.1	0.0		2.4	150.5
NorthX Biologics	189.2	189.2	0.0		0.0	189.2
Symcel	64.7	172.0	0.0		0.0	172.0
<b>Total Commercial Growth</b>	<b>633.9</b>	<b>667.4</b>	<b>19.2</b>	<b>0.0</b>	<b>-23.5</b>	<b>663.2</b>
<b>Total Limited Partnerships</b>	<b>72.0</b>	<b>37.9</b>	<b>35.7</b>	<b>0.0</b>	<b>-3.0</b>	<b>70.6</b>
<b>Total investments</b>	<b>2,949.8</b>	<b>2,722.0</b>	<b>622.1</b>	<b>-1.5</b>	<b>-539.8</b>	<b>2,802.9</b>

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

During the year, the valuation of the following companies changed the valuation method, from 1A, 3A or 3B the previous year to instead being valued according to 3F, other valuation method;

- Amarna Therapeutics, following a non-human primate study showing inconclusive results for haemophilia B gene replacement. Valuation at year-end is based on liquid assets in the company at the balance sheet date.
- A3P Biomedical, due to delayed commercial development, after which the valuation was reduced by 25 per cent.
- Beactica, after one of the main owners was forced to divest its shares and sold to a significantly lower valuation than the previous financing round. Flerie has written down the value of the shares in the company to 0.
- Eurocine, following a significant decrease in share price and with a lock-in clause according to which Flerie could not divest the shares under a certain period. Flerie has written down the value of the shares in the company to 0.
- XNK Therapeutics, due to XNK Therapeutic's board determining that a down-round will be necessary to attract financing. Flerie has written down the value with SEK 47.4 million.

Company	Corp. ID	Reg. office	Share of capital, %	Number of shares/participations	Measurement method/level
A3P Biomedical AB	559252-9100	Stockholm	8.24	4,196,391	3F
Alder Therapeutics AB	559355-2762	Solna	20.38	295,267	3A
Amarna Therapeutics B.V.	27315738	Leiden, Netherlands	59.63	7,378,371	3F
AnaCardio Holding AB	559343-3559	Stockholm	15.80	404	3B
Atrogi AB	556925-8311	Stockholm	33.79	57,064	3B
Beactica Therapeutics AB	556708-2853	Uppsala	6.30	22,517	3F
Bohus Biotech AB	556500-0709	Strömstad	41.67	10,417	3F
Buzzard Pharmaceuticals AB	559073-6855	Stockholm	13.33	8,571	3B
Chromafora AB	556803-2568	Stockholm	33.80	140,325	3B
Egetis Therapeutics AB	556706-6724	Stockholm	4.61	13,499,458	1A
Empros Pharma AB	556945-3862	Stockholm	71.52	12,891,858	3A
EpiEndo Pharmaceuticals EHF	640114-0100	Seltjarnarnes, Iceland	9.74	1,186,861	3B
Eurocine Vaccines AB	556566-4298	Solna	8.33	7,970,031	3F
Frontier Biosolutions		Luxembourg	2.44	381,008	3A
Geneos Therapeutics Inc.		Wilmington, USA	12.27	3,379,091	3A
KAHR Medical Ltd.	51-373624-9	Tel Aviv, Israel	30.18	103,152,541	3A
Lipum AB	556813-5999	Umeå	32.00	2,980,694	1A
Mendus AB	556629-1786	Stockholm	21.72	187,500,000	1A
Microbiotica Ltd.	10269808	Oxford, UK	11.04	4,000,000	3B
Nanologica AB	556664-5023	Stockholm	41.23	14,901,635	1A
NorthX Biologics Holding AB	559337-1742	Stockholm	92.28	26,914	3B
Prokarium Ltd.	08933971	London, UK	42.23	2,037,680	3A
Sixera Pharma AB	556901-4763	Stockholm	23.70	22,560	3A
Strike Pharma AB	559284-2651	Uppsala	11.02	19,000	3B
Symcel AB	556797-7060	Stockholm	33.13	7,310	3B
Synerkine Pharma B.V.	72240008	Utrecht, Netherlands	42.55	255,342	3A
Toleranzia AB	556877-2866	Gothenburg	57.12	112,564,940	1A
Vitara Biomedical Inc.		Philadelphia, USA	5.33	21,608	3A
Xintela AB	556780-3480	Lund	55.68	315,692,260	1A
XNK Therapeutics AB	556894-6601	Stockholm	26.89	4,060,633	3F
Xspray Pharma AB	556649-3671	Stockholm	16.71	5,221,566	1A

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

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

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Group	31 Dec 2023	Level 1	Level 2	Level 3
Holdings in portfolio companies measured at fair value through profit or loss	2,802.9	695.3	–	2,107.6
<b>Total</b>	<b>2,802.9</b>	<b>695.3</b>	<b>–</b>	<b>2,107.6</b>
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>2,722.2</b>	<b>578.3</b>	<b>–</b>	<b>2,143.9</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 2023	Tax amount	Fair value	Temporary difference	Deferred tax	Tax rate, %
Egetis Therapeutics	60.4	73.0	12.6	-2.6	20.6
Mendus	90.0	104.4	14.4	-3.0	20.6
Limited Partnerships	72.0	70.7	-1.3	0.3	20.6
<b>Total</b>	<b>215.3</b>	<b>248.1</b>	<b>25.7</b>	<b>-5.3</b>	

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>	

### Sensitivity analysis

The share price risk in Flerie'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 85 million (105). For listed shareholdings, which are valued at fair value based on the latest share price, a change of 5 per cent of share prices would have affected the Group's earnings and equity by SEK 35 million (28) before tax.

### NOTE 17 – LOAN RECEIVABLES IN PORTFOLIO COMPANIES

Group and Parent company	Non-current		Current	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Opening balance, loan receivables	332.5	238.8	22.5	–
Loans paid	71.2	107.6	87.0	21.8
Capitalised interest	14.0	7.0	1.5	0.2
Transfer from group company	–	–	6.6	–
Converted to shares	–	-8.1	-78.0	–
Repayment	-70.0	–	-23.7	–
Impairment for expected credit losses	-0.2	-1.4	–	–
Reclassification	-12.9	-40.0	–	–
Currency revaluation	-4.2	28.5	0.0	0.5
<b>Closing balance, loan receivables</b>	<b>330.5</b>	<b>332.5</b>	<b>15.9</b>	<b>22.5</b>

Reserve for expected credit losses related to loan receivables in portfolio companies amount to SEK 1.6 million (1.4).

### NOTE 18 – OTHER RECEIVABLES

Group and Parent company	31 Dec 2023	31 Dec 2022
Recoverable VAT	2.0	1.5
Other receivables	0.0	0.0
<b>Total</b>	<b>2.0</b>	<b>1.6</b>

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### NOTE 19 – CONVERTIBLE LOANS

Group and Parent Company	Convertible 1	Convertible 2	Convertible 3	Convertible 4	Convertible 5	31 Dec 2023
<b>Opening balance</b>	<b>12.3</b>	<b>22.7</b>	<b>25.0</b>	–	–	<b>60.0</b>
Converted to equity	–	-22.7	-25.0	–	–	-47.7
Loans paid	–	75.6	0.0	2.5	5.5	83.6
<b>Total</b>	<b>12.3</b>	<b>75.6</b>	<b>0.0</b>	<b>2.5</b>	<b>5.5</b>	<b>95.9</b>
Due date	2023-03-31*	2022-12-31*	2023-09-30	2024-03-31	2024-03-31	
Interest rate, %	0.0	0.0	5.0	5.0	0.0	

\* Conversion to shares through share issue registered in January, 2024.

Group and Parent Company	Convertible 1	Convertible 2	Convertible 3	Convertible 4	Convertible 5	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	2023-03-31	2022-12-31*	2023-09-30			
Interest rate, %	0.0	0.0	5.0			

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. We deem that the acquisition value including accrued interest corresponds to fair value.

### NOTE 20 – PREPAID EXPENSES AND ACCRUED INCOME

Group and Parent Company	31 Dec 2023	31 Dec 2022
Accrued income from service agreements	0.7	–
Accrued interest income	0.2	0.5
Prepaid rental expenses	0.1	0.1
Other accrued income	0.0	–
<b>Total</b>	<b>1.1</b>	<b>0.6</b>

### NOTE 21 – CASH AND CASH EQUIVALENTS

	Group		Parent Company	
	2023	2022	2023	2022
Bank balances	330.0	394.2	329.7	394.2
<b>Total</b>	<b>330.0</b>	<b>394.2</b>	<b>330.0</b>	<b>394.2</b>

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### NOTE 22 - EQUITY

A specification of changes in equity is provided in the statement of changes in equity, which is presented immediately after the balance sheet.

Year	Event	Total no. of shares	Share capital SEK	Quota value SEK
2011	Company formation	50,000	50,000	1
2023	New share issue	162,000	162,000	1
2023	Share split 1:500	81,000,000	162,000	0.002
2023	New share issue	112,578,947	225,158	0.002
2023	Bonus issue	112,578,947	512,895	0.005

During the year, a new share issue was carried out in which 112,000 shares were added and the share capital increased to SEK 162,000.

After a share split of 1:500, where each existing ordinary share became 500 shares, the number of shares amounted to 81,000,000.

Through another new share issue, 31,578,947 shares were added and the share capital increased by SEK 63,158 to SEK 225,158.

Through a bonus issue, the share capital increased by SEK 287,737 to SEK 512,895.

Total number of shares is 112,578,947, with a quota value of SEK 0.005 per share.

Each share carries one vote. The shares are registered at Euroclear. All registered shares on the balance sheet date are fully paid.

#### Other contributed capital

Other contributed capital amounts to SEK 4,791 million and consists of unconditional shareholder contributions, SEK 2,491 million and share premium reserve SEK 2,300 million.

### NOTE 23 - LIABILITIES TO GROUP COMPANIES

Group and Parent company	31 Dec 2023	31 Dec 2022
Opening balance	2,864.9	1,474.8
Short-term loans paid	635.1	1,391.0
Converted to equity through share issue	-2,300.1	-
Converted to shareholders contribution	-1,211.9	-
Accrued interest and commitment fee	12.7	-
Liability transfer of loan in portfolio company	6.6	-
Reclassification	-	-0.9
<b>Total</b>	<b>7.4</b>	<b>2,864.9</b>

During the year, the company carried out two new issues whereby SEK 2,300 million was added to equity through the conversion of liabilities to Flerie Participation and Flerie Förvaltning respectively. At the same time, Flerie Participation made unconditional shareholder contributions of SEK 1,212 million. Flerie Participation has issued a revolving loan facility of SEK 120 million, of which SEK 120 million remains to be utilised as of December 31, 2023. The facility matures on January 31, 2025, with an interest rate of Stibor +2%.

### NOTE 24 - OTHER LIABILITIES

	Group		Parent company	
	2023	2022	2023	2022
Personnel-related liabilities	0.1	0.1	0.8	0.4
Other liabilities	-	0.0	-	0.0
<b>Total</b>	<b>0.1</b>	<b>0.0</b>	<b>0.8</b>	<b>0.4</b>

### NOTE 25 - ACCRUED EXPENSES AND DEFERRED INCOME

Group and Parent company	31 Dec 2023	31 Dec 2022
Social security contributions	0.4	0.2
Holiday pay liability	0.4	0.2
Board fee	0.8	-
Accrued interest expense	-	34.7
Other accrued expenses	0.8	2.4
<b>Total</b>	<b>2.4</b>	<b>37.5</b>

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### NOTE 26 – FINANCIAL ASSETS AND LIABILITIES

Group	Fair value		Carrying amount	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
<b>Financial assets</b>				
<i>Financial assets measured at fair value through profit or loss</i>				
Shares and participations in portfolio companies	2,802.9	2,722.2	2,802.9	2,722.2
Convertible loans	95.8	60.0	95.8	60.0
<i>Financial assets measured at amortised cost</i>				
Loan receivables in portfolio companies	346.4	355.0	346.4	355.0
Other financial assets	0.1	0.1	0.1	0.1
Accounts receivables	0.1	0.1	0.1	0.1
Cash and cash equivalents, bank balances	330.0	394.2	330.0	394.2
<b>Total</b>	<b>3,575.3</b>	<b>3,531.6</b>	<b>3,575.3</b>	<b>3,531.6</b>
<b>Financial liabilities</b>				
<i>Financial liabilities measured at amortised cost</i>				
Total non-current liabilities	–	2.4	–	2.4
Accounts payable	0.8	6.5	0.8	6.5
Liabilities to group companies	7.4	2,864.9	7.4	2,864.9
Other liabilities	0.1	0.1	0.1	0.1
<b>Total</b>	<b>8.3</b>	<b>2,873.8</b>	<b>8.3</b>	<b>2,873.8</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	0.0	–	–	–	–	0.0
Accounts payable	0.8	0.8	–	–	–	0.8
Liability to group companies	7.4	–	7.4	–	–	7.4
Other liabilities	0.1	0.1	–	–	–	0.1
	<b>8.3</b>	<b>0.9</b>	<b>7.4</b>	<b>–</b>	<b>–</b>	<b>8.3</b>

Change in interest-bearing liabilities	1 Jan 2023	Cash flow	Bonus issue	Shareholder-contribution	Interest and fee	Transfer from group company	31 Dec 2023
Liability to group companies	2,864.9	635.1	-2,300.0	-1,211.9	12.7	6.6	7.4
Leasing liabilities	1.7	-0.4	–	–	–	–	1.3

### NOTE 27 – 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; other companies where Flerie exercises a controlling influence other than through ownership of over 20 per cent; and the owners of Flerie and related parties to them. For investments in portfolio companies that are related parties, refer to Note 16 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 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
B&E Participation Inc	52.7	20.9	–	–
Nanologica AB	67.0	60.0	–	–
NorthX Biologics Holding AB	212.1	232.9	–	–
Flerie Förvaltning AB	–	–	–	1,434.7
Flerie Participation AB	–	–	7.4	1,464.9
	<b>331.8</b>	<b>313.8</b>	<b>7.4</b>	<b>2,899.6</b>

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<b>2023 Counterpart</b>	<b>Other external costs</b>	<b>Financial income (+) /expense (-)</b>	<b>Loans to portfolio co's</b>	<b>Shareholders' contribution</b>	<b>Share issue</b>	<b>Loans received</b>
Flerie Participation AB	-0.4	-12.7	-	1,211.0	900.0	635.1
Flerie Förvaltning AB	-	-6.9	-	-	1,400.0	-
B&E Participation Inc	-	2.5	-27.0	-	-	-
Nanologica AB	-	5.4	-	-	-	-
NorthX Biologics Holding AB	-	9.2	-30.0	-	-	-
Roseberry AG	-5.2	-	-	-	-	-
<b>Total</b>	<b>-5.6</b>	<b>-2.5</b>	<b>-57.0</b>	<b>1,211.0</b>	<b>2,300.0</b>	<b>635.1</b>

<b>2022 Counterpart</b>	<b>Other external costs</b>	<b>Interest income (+) /expense (-)</b>	<b>Loans to portfolio co's</b>	<b>Loans received</b>
Flerie Participation AB	-0.3	-	-	1,464.9
Roseberry AG	-2.6	-	-	-
B&E Participation Inc	-	-	20.1	-
Nanologica AB	-	3.6	-	-
NorthX Biologics Holding AB	-	-	25.0	-
<b>Total</b>	<b>-2.9</b>	<b>3.6</b>	<b>45.1</b>	<b>1,464.9</b>

In 2023, two new share issues were carried out, whereby SEK 2,300 million was raised equity through the conversion of liabilities to Flerie Förvaltning and Flerie Participation. Flerie Participation has made unconditional shareholder contributions totalling SEK 1,211 million, and provided ongoing credit facilities totalling SEK 720 million, of which SEK 600 million has been utilised (and subsequently converted as part of the SEK 1,211 million above). Interest on the utilised facility was paid at Stibor +1%, interest and fees for the facility amounted to SEK 12.7 million during the year. The interest expense to Flerie Förvaltning regarding a previous, now

converted, debt amounted to SEK 6.9 million. Loans of net SEK 30 million have been paid to NorthX Biologics Holding AB, and SEK 27.0 million to B&E Participation Inc for an additional investment in Provell Pharmaceuticals.

In 2023, CEO Ted Fjällman invoiced Flerie SEK 5.2 million for consulting services, office and administration through Roseberry AG. The amount shall cover salary and pension for the CEO. In 2023, Flerie Participation invoiced Flerie SEK 0.4 million for consulting services relates to the Chairman Thomas Eldered's work for the company.



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### NOTE 28 – PROFIT FROM PARTICIPATIONS IN ASSOCIATED COMPANIES

Parent company	2023	2022
Capital gains from divestment of shares and participations	0.6	–
<b>Total</b>	<b>0.6</b>	<b>–</b>

### NOTE 29 – PROFIT FROM OTHER SECURITIES AND RECEIVABLES CLASSIFIED AS NON-CURRENT ASSETS

Parent company	2023	2022
Capital gains from divestment of shares and participations	–	33.0
Dividends received	–	–
<b>Total</b>	<b>–</b>	<b>33.0</b>

### NOTE 30 – INTEREST INCOME AND SIMILAR ITEMS

Parent company	2023	2022
Currency exchange gains	0.9	28.5
Interest income	30.3	11.6
<b>Total</b>	<b>31.3</b>	<b>40.1</b>

### NOTE 31 – IMPAIRMENT OF FINANCIAL ASSETS

Parent company	2023	2022
Impairment of shares in portfolio companies	-529.2	-70.3
<b>Total</b>	<b>-529.2</b>	<b>-70.3</b>

During the year the value of shares in the following portfolio companies have been written down; Kahr Medical, SEK -161.6 million, following a lower valuation in the last financing round, Amarna Therapeutics, SEK -129.8 million after a study that showed insufficient results, XNK Therapeutics SEK -47.4 million, A3P Biomedical SEK -25.0 million, Synerkine SEK -6.5 million as well as shares in the listed companies Xspray Pharma, Toleranzia and Lipum with SEK -131.5 million as adjustments to market value on the balance sheet date. Impairment has also been done of the value of shares in Eurocine Vaccines SEK -11.3 million and Beactica, SEK -8.4 million resulting in values of SEK 0.0.

### NOTE 32 – INTEREST EXPENSES AND SIMILAR ITEMS

Parent company	2023	2022
Interest expenses	17.2	28.0
Currency exchange losses	2.4	0.6
Other	2.4	–
<b>Total</b>	<b>22.0</b>	<b>28.6</b>

### NOTE 33 – CHANGE IN TAX ALLOCATION RESERVE

Parent company	31 Dec 2023	31 Dec 2022
Release of tax allocation reserve	2.6	2.8
<b>Total</b>	<b>2.6</b>	<b>2.8</b>

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### NOTE 34 – PARTICIPATIONS IN SUBSIDIARIES

Parent company	31 Dec 2023	31 Dec 2022
Opening cost	257.8	210.5
Investments	22.7	39.2
Impairment	-171.3	–
Reclassifications	325.6	8.1
<b>Closing carrying amount</b>	<b>434.8</b>	<b>257.8</b>

Company	Corp. ID	Reg. office	Share of capital, %	Carrying amount 31 Dec 2023	Carrying amount 31 Dec 2022
B&E Participation Inc	27-3268303	Honey Brook, USA	100.0	0.0	0.0
Empros Pharma AB	556945-3862	Stockholm	71.5	91.4	68.6
Flerie Invest Ltd	13938231	England & Wales	100.0	0.0	0.0
NorthX Biologics AB	559337-1742	Stockholm	92.3	189.2	189.2
Amarna Therapeutics B.V.	27315738	Leiden, Netherlands	59.6	11.2	–
Toleranzia AB	556877-2866	Gothenburg	57.1	52.0	–
Xintela AB	556780-3480	Lund	55.7	91.0	–
<b>Total</b>				<b>434.8</b>	<b>257.8</b>

During the year, additional investments were made in Amarna Therapeutics, Toleranzia and Xintela, whereby Flerie's shareholding has increased and the companies have been reclassified as subsidiaries, refer also to note 35.

### NOTE 35 – RECEIVABLES FROM SUBSIDIARIES

Parent company	31 Dec 2023	31 Dec 2022
<b>Opening balance</b>	<b>253.8</b>	<b>200.9</b>
Loans paid	71.2	45.1
Loans repaid	-70.0	7.0
Capitalised interest	14.0	–
Reclassification	–	-27.7
Currency revaluation	-4.2	28.5
<b>Total</b>	<b>264.8</b>	<b>253.8</b>

Non-current receivables from subsidiaries relate to loans to NorthX Biologics of SEK 212.1 million (232.9) and loans to B&E Participation of SEK 52.7 million (20.9).

### NOTE 36 – PARTICIPATIONS IN ASSOCIATED COMPANIES

Parent company	31 Dec 2023	31 Dec 2022
Opening cost	1,186.4	701.8
Investments	449.2	537.6
Impairment	-238.4	-68.5
Reclassifications	-333.8	15.6
<b>Total</b>	<b>1,063.4</b>	<b>1,186.4</b>

Company	Corp. ID	Reg. office	Share of capital, %	Carrying amount 31 Dec 2023	Carrying amount 31 Dec 2022
Alder Therapeutics AB	559355-2762	Solna	20.4	17.2	–
Amarna Therapeutics B.V. <sup>1</sup>	27315738	Leiden, Netherlands	59.6	–	81.7
Atrogi AB	556925-8311	Stockholm	33.8	112.4	112.4
Bohus Biotech AB	556500-0709	Strömstad	41.7	16.7	16.7
Chromafora AB	556803-2568	Stockholm	33.8	33.9	33.9
Eurocine Vaccines AB <sup>2</sup>	556566-4298	Solna	8.3	0.0	11.3
KAHR Medical Inc	51-373624-9	Tel Aviv, Israel	30.2	174.3	278.6
Lipum AB	556813-5999	Umeå	32.0	19.4	34.8
Mendus AB	556629-1786	Stockholm	21.7	90.0	–
Nanologica AB	556664-5023	Stockholm	41.2	141.7	148.7
Prokarium Ltd	08933971	London, United Kingdom	42.2	257.1	153.9
Sixera Pharma AB	556901-4763	Stockholm	23.7	25.7	24.0
Symcel AB	556797-6623	Stockholm	33.1	64.7	64.7
Synerkine Pharma B.V.	72240008	Utrecht, Netherlands	42.6	51.0	21.9
Toleranzia AB <sup>1</sup>	556877-2866	Göteborg	57.1	–	63.3
Xintela AB <sup>1</sup>	556780-3480	Lund	55.7	–	33.9
XNK Therapeutics AB	556894-6601	Stockholm	26.9	59.2	106.6
<b>Total</b>				<b>1,063.4</b>	<b>1,186.4</b>

1) During the year, additional investments have been made in Amarna Therapeutics, Toleranzia and Xintela, whereby Flerie's shareholding has increased and the companies have been reclassified as subsidiaries, refer also to note 33.

2) Ownership in Eurocine Vaccines is less than 20% and has thus been reclassified to Other securities held as non-current assets.

## FINANCIAL INFORMATION

### NOTE 37 – RECEIVABLES FROM ASSOCIATED COMPANIES

Parent company	Non-current receivables		Current receivables	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
<b>Opening balance, loan receivables</b>	<b>60.0</b>	<b>10.0</b>	<b>22.5</b>	<b>–</b>
Loans paid	–	50.0	9.0	21.8
Loans repaid	–	–	-23.7	–
Accrued interest	–	–	1.6	–
Transfer from group company	–	–	6.6	–
Adjustment to acquisition cost of shares	7.0	–	–	–
Currency exchange effect	–	–	–	0.7
<b>Closing balance, loan receivables</b>	<b>67.0</b>	<b>60.0</b>	<b>15.9</b>	<b>22.5</b>

Non-current receivables bear 8 per cent interest and mature in 2025.

### NOTE 38 – OTHER SECURITIES HELD AS NON-CURRENT ASSETS

Parent company	31 Dec 2023	31 Dec 2022
Opening cost	823.5	240.3
Investments	150.2	642.0
Divestments	-1.5	-41.5
Impairment	-119.4	-1.8
Reclassifications	1.3	-15.6
<b>Total</b>	<b>854.0</b>	<b>823.5</b>

### NOTE 39 – OTHER NON-CURRENT RECEIVABLES

Parent company	31 Dec 2023	31 Dec 2022
Opening balance	20.2	20.0
Transfer to group company	-19.9	–
Loans paid	0.0	0.2
<b>Total</b>	<b>0.4</b>	<b>20.2</b>

### NOTE 40 – INVESTMENT COMMITMENTS

Flerie has entered into investment agreements for the portfolio companies AnaCardio,

Synerkine, and Vitara Biomedical with commitments for sequential investments, so-called “tranches”, based on the companies achieving their respective defined milestones linked to ongoing clinical research studies. The first investments/tranches were made in 2021 and 2022. At the end of the financial year, there is a commitment from Flerie to invest in AnaCardio corresponding to SEK 17 million and in Synerkine corresponding to SEK 15 million and to invest two additional tranches in Vitara Biomedical corresponding to SEK 67 million in total provided that the last defined milestones are achieved.

Flerie has also entered into investment agreements of an additional SEK 35 million in the portfolio company Frontier Biosolutions and agreements on investments in the LP segment corresponding to SEK 201 million.

### NOTE 41 – EVENTS AFTER THE BALANCE-SHEET DATE

- After the end of the period, follow-up investments in shares have been made in AnaCardio, SEK 17 million, SEK 10 million in Symcel, and in Chromafora, SEK 11 million, through the conversion of loans.
- An investment of SEK 25 million in convertibles has been made in Atrogi. SEK 75 million has been invested in Empros Pharma through conversion of a convertible into shares.
- Shares in Egetis Therapeutics were divested at a market value of SEK 23 million, resulting in a capital gain of SEK 6 million.
- A further SEK 10 million has been invested in the funds segment.
- The value of shares in EpiEndo has been written down by SEK 73 million following absence of efficacy results in the ongoing phase 2a study.
- Flerie has acquired additional shares in Lipum, after which a mandatory bid has arisen. Flerie has made a mandatory cash offer, amounting to SEK 6.60 per share, to the shareholders and convertible bond holders of Lipum to acquire all outstanding shares and the outstanding convertible bond in the company. The offer period runs until April 4, 2024.

### NOTE 42 – APPROPRIATION OF PROFITS

The following funds are available for appropriation by the annual general meeting:	2023
Shareholders' contributions, SEK	2,491,552,336
Retained earnings, SEK	2,299,487,105
Share premium reserve, SEK	-1,115,813,622
Net loss for the year, SEK	-555,562,964
<b>Total</b>	<b>3,119,662,855</b>

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

To be carried forward, SEK	3,119,662,855
<b>Total</b>	<b>3,119,662,855</b>

## FINANCIAL INFORMATION

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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 14 May 2024.

Stockholm, March 13, 2024

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 March 13, 2024

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 2023. The annual accounts and consolidated accounts of the company are included on pages 29–32 and 39-68 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 2023 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 2023 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 1-28 and 33-38. The Board of Directors and the CEO are responsible for this other information.

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

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

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

#### RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CEO

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

## AUDITOR'S REPORT

In preparing the annual accounts and consolidated accounts, The Board of Directors and the CEO 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 CEO 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 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 based on 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 are 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the CEO.
- Conclude on the appropriateness of the CEO' 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 CEO of Flerie Invest AB for the year 2023 and the proposed appropriations of the company's profit or loss.

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

### BASIS FOR OPINIONS

We conducted 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 CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the 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 organisation 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 organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to 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 CEO in any material respect:

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

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance

with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional 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 13 March 2024

Ernst & Young AB

Jennifer Rock-Baley  
Authorised Public Accountant

## DEFINITIONS

# Definitions of Alternative Performance Measures (APM)

Flerie 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. 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	RATIONALE
<b>Net asset value</b>	Assets are valued at fair value with a deduction of current and long-term liabilities valued at book value.	The key ratio gives the value of the company's net assets and thus shows the reported value of the company. It is a recognised key ratio for the value of investment companies and allows comparisons over time and with other companies.
<b>Net asset value per share</b>	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.
<b>Change in net asset value per share</b>	Net asset value per share divided by net asset value per share at the beginning of the quarter/period.	A measure of shareholders' return on the company's net assets.
<b>Fair value of the portfolio</b>	The total fair value of the company's shares in portfolio companies.	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.



## DEFINITIONS

# Definitions of Alternative Performance Measures, cont.

ALTERNATIVE PERFORMANCE MEASURE (APM)	DEFINITION	RATIONALE
<b>Change in fair value of portfolio</b>	Realised and unrealised result of the change in fair value of participations in portfolio companies.	A measure of the financial development in the company's investments over a certain period.
<b>Change in fair value of portfolio during period, percentage</b>	Realised and unrealised result of the change in fair value of participations in portfolio companies during the period divided by the portfolio value at the beginning of the period.	A measure of the financial development in the company's investments over a certain period.
<b>Change in fair value of portfolio, per share</b>	Realised and unrealised result of the change in fair value of participations in portfolio companies during the period, divided by the average number of shares for the period.	A measure of the financial development in the company's investments over a certain period.
<b>Operating costs/portfolio value (expense ratio)</b>	Operating expenses less depreciation in relation to fair value of portfolio.	Gives an investor information on costs for operations/administration of the portfolio.
<b>Portfolio investments</b>	New and follow-on investments in shares in portfolio companies during the quarter, period or full year.	A measure of total investments made in the relevant period.
<b>Internal rate of return</b>	The annual rate of growth that an investment is expected to generate.	A measure of the profitability of an investment.

## FINANCIAL INFORMATION

# Reconciliation of Alternative Performance Measures (APM)

SEK m	2023	2022	SEK m	2023	2022
<b>Net asset value</b>	3,565.8	613.4	<b>Fair value of portfolio</b>		
			Shares in portfolio companies at fair value, as reported, MSEK	2,802.9	2,722.2
<b>Net asset value per share</b>			<b>Change in fair value of portfolio</b>		
a) consolidated equity	3,565.8	613.4	Change in fair value of portfolio companies and other investments, as reported, MSEK	-532.8	94.8
b) number of shares outstanding at the end of the period	112,578,947	25,000,000	Fair value of portfolio companies at the beginning of period, MSEK	2,722.2	1,474.7
a*1 million/b=net asset value per share (SEK)	31.67	24.54	Change in fair value of portfolio %	-19.6%	6.4%
<b>Change in NAV per share</b>			<b>Change in fair value of portfolio per share</b>		
a) Net asset value at the end of the period	31.67	24.54	a) Change in fair value of portfolio companies and other investments	-532.8	94.8
adjustment for shareholders contribution, per share	-10.76		b) Average number of shares during the period	91,464,023	25,000,000
"Net asset value at the end of the period, recalculated for shareholders contribution"	20.92		a*1 million/b= change in fair value of portfolio per share, SEK	-5.83	3.79
b) NAV at the beginning of the period	24.54	21.03	<b>Operating costs/portfolio value (expense ratio)</b>		
(a-b)/b	-14.7%	16.7%	a) Other external costs, LTM	27.1	16.2
<b>Portfolio investments</b>			b) Personnel costs, LTM	11.7	7.3
Investments in shares in portfolio companies, MSEK	622.1	1,227.1	c) Fair value of portfolio	2,802.9	2,722.2
			(a+b)/c=operating costs/portfolio value	1.4%	0.9%
			*Last 12 months (LTM)		





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