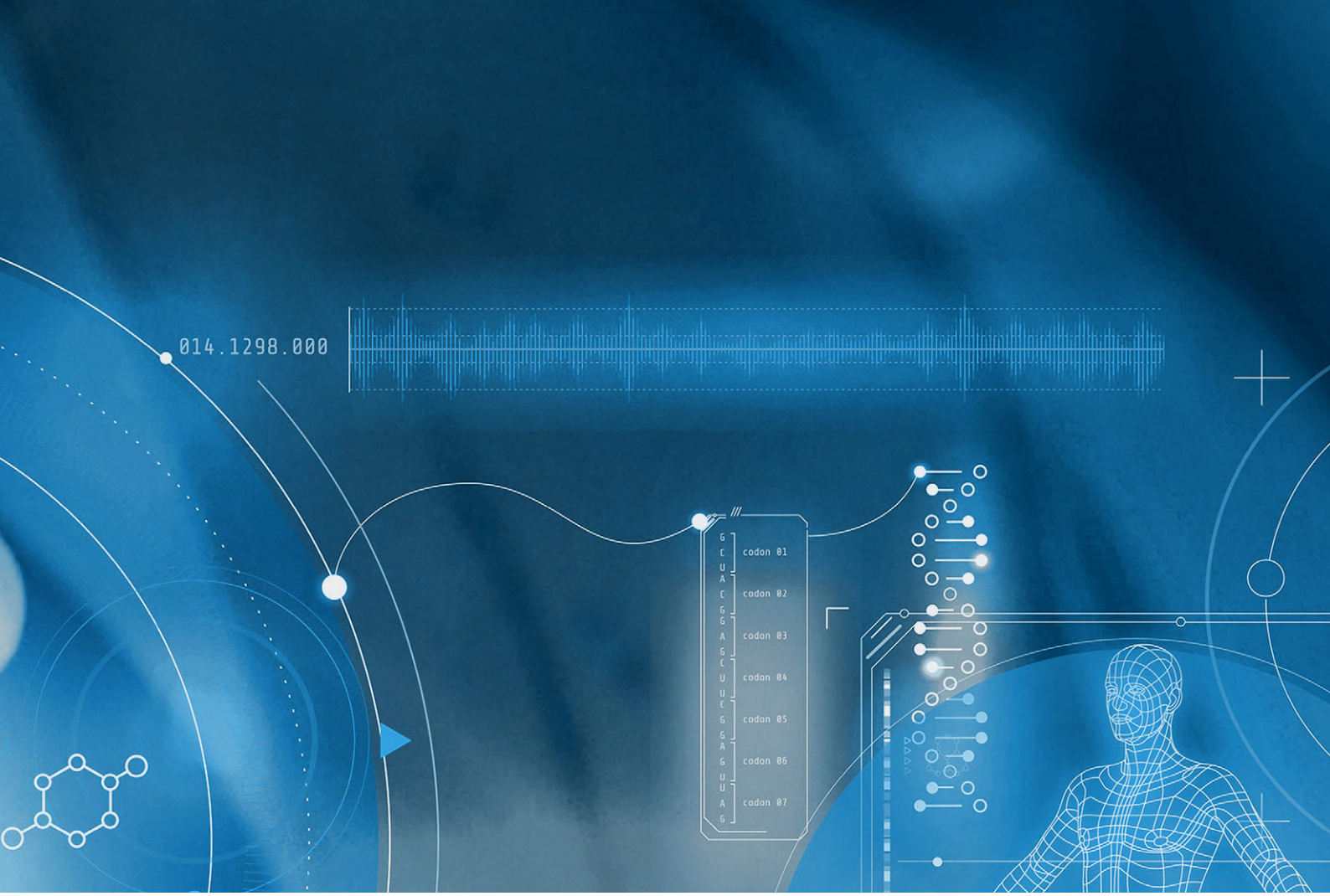


AQILION

2020 Annual Report

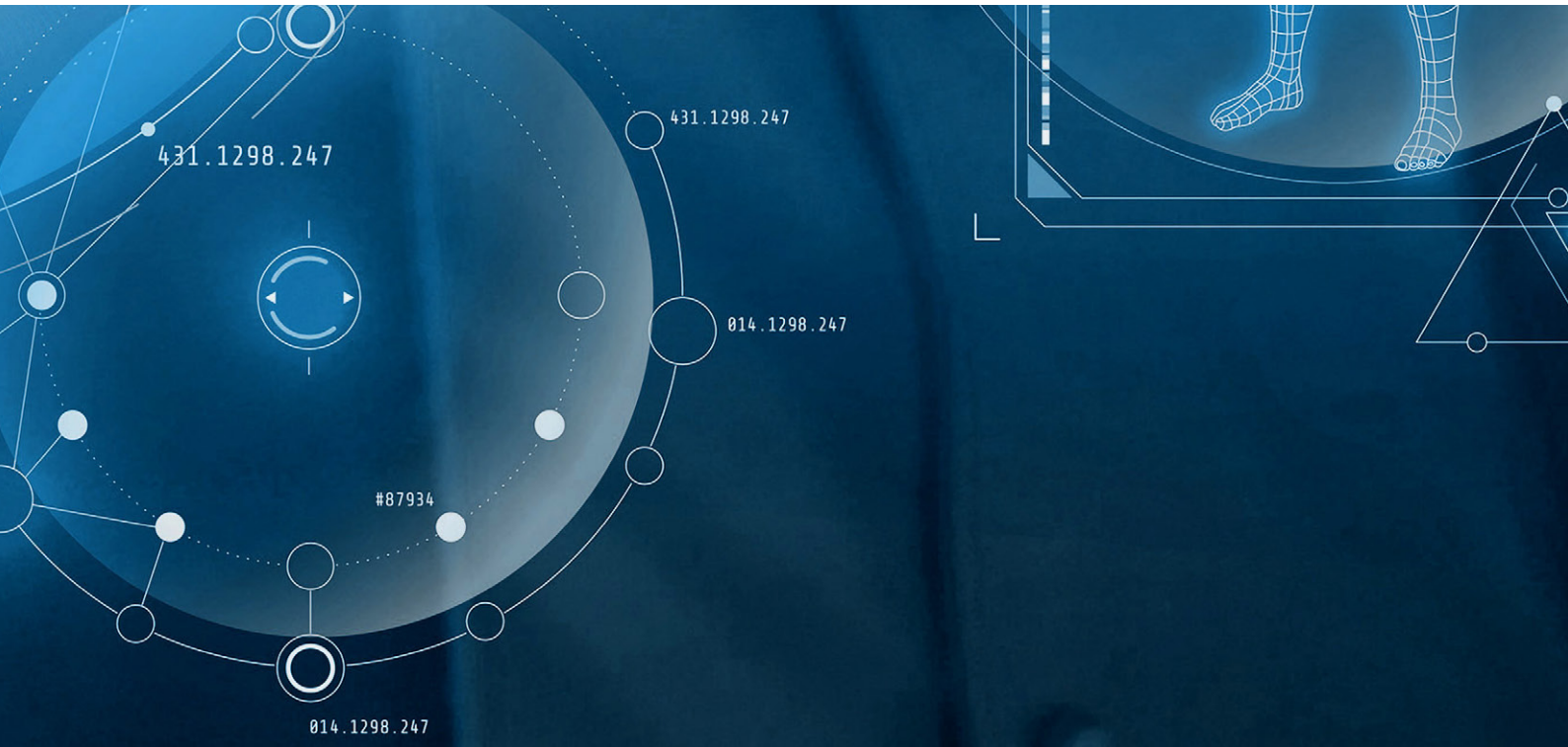


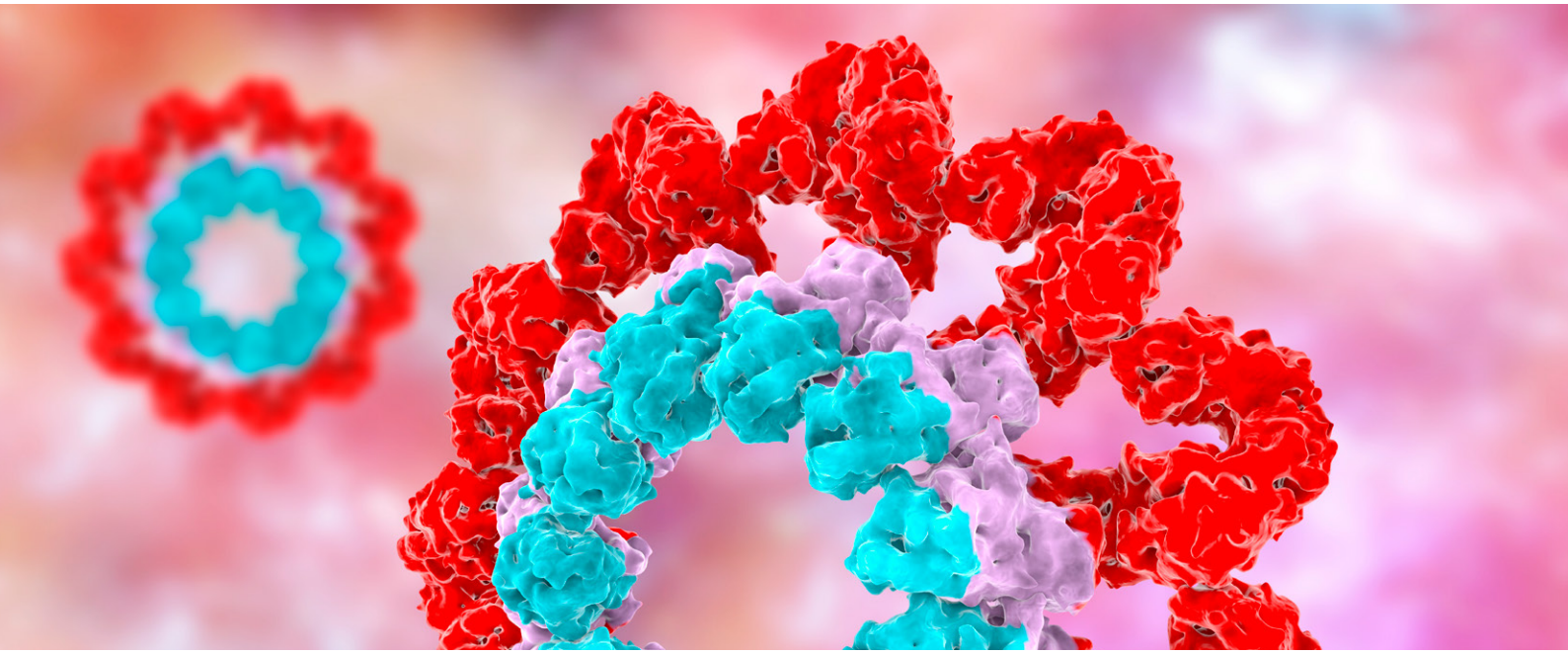
Table of Contents

2020 Annual Report

At the end of the year, Aqilion moved into the Prisma office building in the Oceanhamnen neighborhood of Helsingborg. Much of the building houses the HETCH tech hub and Aqilion now has its headquarters in this unique environment of tech startups and established companies. An innovative environment that offers encounters, inspiration and an atmosphere that promotes growth is extremely valuable. By working from both HETCH in Helsingborg and Medicon Village in Lund, Aqilion effectively benefits from innovative environments in both tech and the life sciences.

The 2020 Annual Report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall prevail.

Aqilion's scientific basis



Inflammasomes – friend or foe?

Aqilion focuses on developing new innovative drug candidates that can relieve and prevent chronic inflammation and dysfunctional immune reactions, such as autoinflammatory and autoimmune diseases. In recent times, new research findings in this field have yielded important knowledge and opened up potential novel approaches to fight serious diseases.

Inflammation is one of the body's defense mechanisms against harmful factors such as bacteria, viruses or mechanical injury to cells. The harmful agents are fought during the acute phase of inflammation, but sometimes this acute phase is followed by chronic inflammation, which in itself can lead to severe medical conditions.

The human immune system consists of two parts. The unspecific, or innate, immune system reacts quickly, but has not "learned" to recognize individual factors or to deploy specific defense mechanisms. The second part is the specific, or adaptive, immune system. This part "remembers" the viruses and bacteria it has encountered in the past and can therefore respond more specifically.

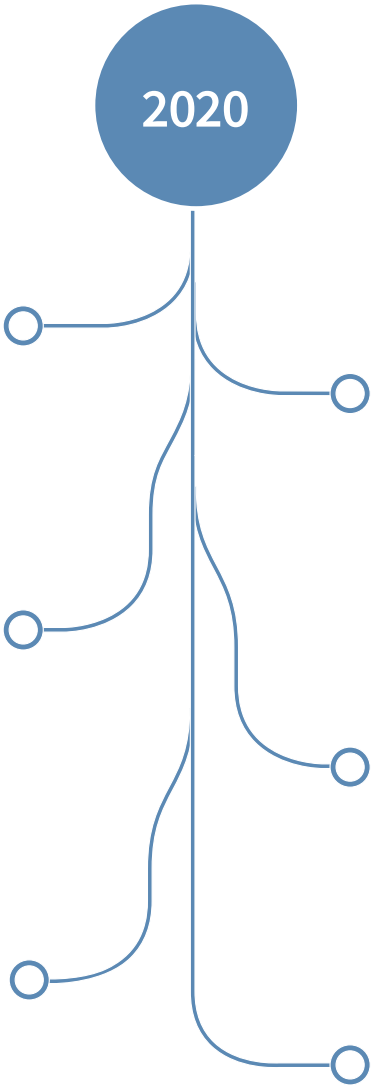
When the immune system detects a harmful organism or damaged cells, the innate immune system quickly reacts and initiates a cascade of inflammatory processes aimed at fighting the intruders and protecting the cells. Among the most important inflammatory processes is the formation of a protein complex called inflammasomes. They recognize molecules from damaged or dying cells and help guide immune cells to such areas. They are thus normally beneficial and important to our health.

But sometimes inflammasomes do not function as they should. Incorrect regulation of the activation of inflammasomes can make the immune system attack the body's own cells through inflammatory, metabolic, or oncogenic processes. The result can be an array of serious conditions – chronic inflammation, autoimmune diseases such as inflammatory bowel disease, diseases of the central nervous system such as Alzheimer's disease, and even certain forms of cancer.

Finding ways to incapacitate dysfunctional inflammasomes is therefore an interesting potential approach to treating serious diseases. The most commonly studied inflammasome is called NLRP3. Several in-house projects at Aqilion aim to find unique ways to suppress or block the function of NLRP3 by influencing the signaling pathways to the inflammasome. This would make it possible to prevent the harmful effects in cases where NLRP3 does not function in its protective role, but instead causes chronic inflammation or attacks the body's own cells.

Aqilion's well developed network of academic scientists, people with a background in the pharma industry, and CRO companies provides unique opportunities to form strategic alliances for finding new innovative solutions made possible by the latest scientific developments in the field of inflammation.

The year in brief



FEBRUARY
Aqilion opened an office in Lund to expedite the company's initiatives for the new Alnitak and Alhena drug projects in the early research phase.

JUNE
AQILION AB held its Annual General Meeting on June 10 in Helsingborg, during which the meeting resolved to change the category of the company to a public limited company.

OCTOBER
Aqilion presented data from Alnitak, an in-house project in the early research phase, at the international collaboration event BIO-Europe® 2020 Digital.

MAY
Torgeir Vaage joined Aqilion as Chief Financial Officer.

SEPTEMBER
Aqilion announced TAK1 as the drug target (target protein) in the body at which drug candidates would be aimed in the Alnitak internal development program.

Aqilion and Immunscape discontinued their joint pre-project in oncology and autoimmune diseases.

Aqilion initiated the Polaris project with the aim of developing new drug candidates, the first in their class, to prevent the harmful effects of chronic inflammation.

DECEMBER
Aqilion moved its headquarters to the new Prisma office building in the Oceanhamnen neighborhood in Helsingborg.

The Nomination Committee ahead of the 2021 Annual General Meeting was presented and includes the following members:
Helena Arcombe, Christian Ewe, Linnea Höglund and Malin Ruijsenaars.

The wholly owned subsidiary AQILION FILIA AB was formed.

Comments by the CEO

In 2020, there were about 4,800 companies worldwide that actively conducted research and development projects with the aim of developing new medications. No fewer than 17,700 projects were simultaneously underway in a global pipeline. This figure has almost doubled in 10 years and represents a total annual investment of almost USD 200 billion. Considering how many candidates are approved each year – in 2020, 58 new compounds were approved as drugs in the US and 39 in Europe – it becomes clear just how statistically difficult it is to cross the finish line.

This global pipeline can also be viewed as a collective research initiative with great value in helping us understand the various diseases that affect us. We still have many puzzles to solve and large knowledge gaps to fill, and from that perspective, industry is making a huge contribution to achieve results and values that far exceed the financial outcomes of individual companies. Such accomplishments were particularly evident in 2020, as the Covid-19 pandemic and its unfortunate course of events took the world by surprise. Given this insight, it is not difficult for us on the Aqilion team to find the motivation, passion and desire to be part of the industry. But what drives us to do so in a small biotech company like Aqilion, and to believe in both scientific and financial success?

Success requires focus, courage, excellence, an entrepreneurial spirit for business opportunities and extensive experience in drug development. In addition to these skills, other requirements include the infrastructure of an established network in both industry and academia, a flexible organization, humility in the face of the constraints of a smaller company, solid financing and a generous measure of data-driven realism combined with continuous risk analysis. Looking back at the past year, but even more so when looking ahead, I can see that we as a team, along with our partners, Board of Directors and committed owners, have ensured that these necessary conditions are in place and the results are already becoming evident.

Focus, expertise and business development

In 2019 we opted to concentrate on inflammation, with a special focus on diseases that are driven by underlying chronic inflammation. Several such disorders can be found under a common umbrella for which there is strong demand for new treatments. This is also a field in which the Aqilion team has extensive experience and an established network of individuals with leading-edge expertise. There are also good opportunities to pursue effective business development in inflammation and divest projects early in development. One example is Amgen's recent acquisition of Rodeo Therapeutics, a company fully focused on inflammatory drug targets with a portfolio of early-stage projects.

"Results from the Alnitak project have already attracted the interest of potential future partners, which is an important measure of value

By focusing on inflammation and leveraging the skills which we now have available, new knowledge and values are continually created. After 18 months, our first internal research project, Alnitak, has produced excellent results, which we have also been able to confirm in the interest the project has generated among potential future partners in industry. For Aqilion, continuous and active verification of the interest of potential buyers of our projects is crucial. Given the right terms, of course, all of our projects are for sale, regardless of whether theproject is in the early research phase or clinical development.

Courage, network and a flexible organization

We have demonstrated courage by focusing on completely new drug targets, as in the Polaris project. Innovation is essential for developing new drugs, but it obviously carries a greater risk since no one has gone before and validated our chosen target. To balance this risk in the Alnitak project, we opted to start with a known target for which industry previously did not quite succeed in achieving a drug candidate that was both effective and safe. Based on established knowledge, we have created a unique new group of equally effective and potentially safer drug candidates. In the third project, Alhena, we have chosen a known target but ar e using a new form of drug molecule for innovative purposes. In our focus on three different projects in inflammation we use different types of technology to solve the challenges, reflecting deliberate strategic risk diversification.

All three projects fit the collective experience of the Aqilion team and allow us to make optimal use of the expertise of our network and partners. Currently, the Aqilion organization consists of a dozen different CRO companies around the world, in addition to the internal operational team. This flexible, virtual expert organization enables us to ensure that each project has cost-effective access to necessary skills and infrastructure. Alnitak has made the greatest progress of the three projects and we aim to nominate a drug candidate for preclinical studies by the end of the year. The aim for the Polaris and Alhena projects is to demonstrate during the year that the basic biology works in our first prototype candidates, as well as to publish the drug targets, which to date have been confidential, in order to verify commercial interest externally.

Biotechnology and pharmaceutical companies often conduct research in close collaboration with academia. The two worlds challenge each other, but also encourage and support one another, and are characterized by a symbiosis that we value highly. Last year, we initiated collaboration with a research group at Örebro University, led by Professor Eva Särndahl. This initiative provides us with valuable new knowledge about inflammasomes and how this aspect of biology drives inflammation, which is a relatively new approach in this field. This science is of vital importance for both the Alnitak and Polaris projects and this collaboration also provides important external validation of the quality of our work.

Financing and sustainable long-term development

Aqilion shall be a sustainable Swedish biotech company with good growth opportunities. We intend to build a pipeline of projects and run them until they reach early clinical development, with the aim of divesting them at some point along the way. This model requires reliable and sustainable financing.

The Board of Directors, management and owners are in agreement that an initial public offering (IPO) is the path that Aqilion should choose to ensure its financing. Our goal is to offer shareholders a liquid share with good value growth over time, despite any dilution along the way, which in combination with future dividends will attract new capital and engaged owners, which requires a pipeline with value that makes the company suitable for an IPO. In addition, an active news flow is needed to compensate for the relatively slow development of life science companies in the competition for the interest of the stock market.

In order to achieve an appropriate valuation, our ambition is to acquire an inflammation project in early clinical stage. This is the single most important goal in 2021. Once we have completed our internal pipeline, the more public part of the IPO process will begin. Internally, we have been involving the entire company and preparing for two years.

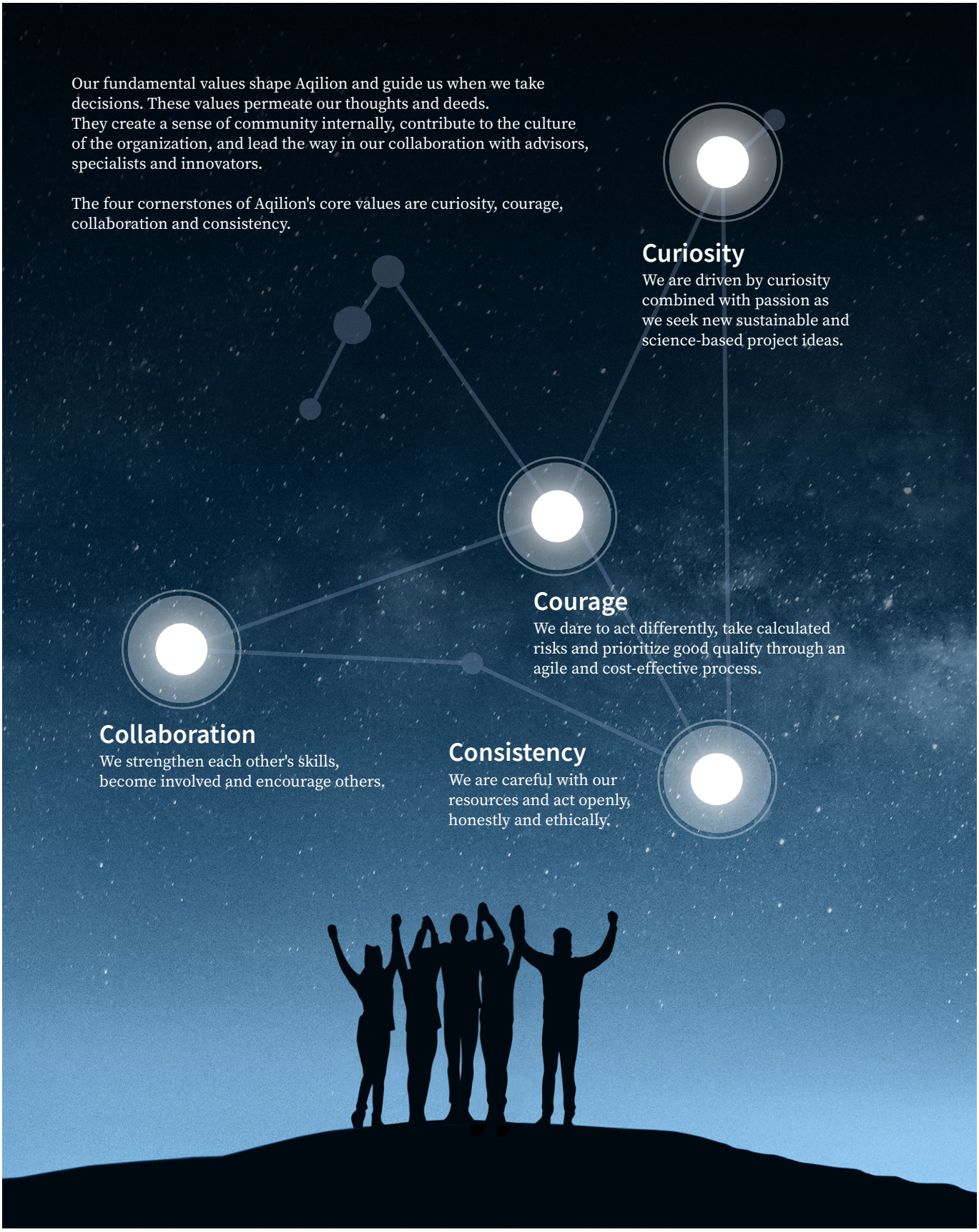
Although the pandemic has caused much suffering and overshadows most things, I have much to look forward to in Aqilion's development. We are well aware that a certain amount of timing is necessary in research. We now have a good platform to start from and much can fall into place over the next twelve months that will take us several steps closer to our goals.

In conclusion, I would like to thank my incredibly talented colleagues for their dedicated and enthusiastic efforts, the Board of Directors for implementing an important major strategic change and the owners of Aqilion for their patient support and wise advice.

Helsingborg, Sweden, in April 2021

Sarah Fredriksson
Chief Executive Officer, AQILION AB

Employees and core values



Responsible and sustainable value creation

Aqilion wants to create added value for partners, customers, employees, suppliers and shareholders. We create value by identifying life science ideas that could potentially lead to new medications and refine them into commercially interesting projects for our customers, who represent the next step in the value chain. Our aim is for this to lead to innovative treatments that make a difference to patients.

Our organizational culture builds on the fundamental values of a sustainable society and is created in the encounter between responsible leaders and employees, based on openness, honesty and respect for the value and dignity of each human being. Research is at the heart of what we do and is crucial for our business. We pursue research to develop innovative medicines that can make a difference in the treatment of diseases in which the body's inflammatory processes play a major role. We comply with laws, regulations, codes and guidelines, as well as standards of good practice related to safety, quality, research and bioethics. We aim to develop new products that not only comply with legal requirements, but are also ethically justified.

Our personnel are a key to success and our work with sustainable development creates opportunities to attract and retain highly talented and dedicated employees who can advance the company's interests. Aqilion tries to create the ideal team for all projects in the portfolio. It is important to have the ability to fully leverage those projects that have good potential. It is equally important for the team to have sufficient knowledge and integrity to be able to discontinue those projects that do not achieve their milestones, which therefore will not create sustainable development or value for Aqilion in the long term.

Aqilion's business concept is to develop new drugs for patients who currently lack effective treatment. Our strategy for success is to include sustainable development as part of our business. To achieve our goal of a sustainable business model we are focusing on those areas in the UN's Agenda 2030 where we can make the greatest difference. By allowing these goals to permeate our daily work through our decision-making procedures, quality management system, work environment, recruitment, risk management and investment assessments, we strengthen Aqilion's value growth.

Target	Aqilion
Target 3.4 Reduce mortality from noncommunicable diseases and promote mental health	Based on data-driven and innovative research, we develop new drugs for patients who currently lack good treatment.
Target 5.5 Ensure full participation for women in leadership and decision-making	We promote gender equality as a matter of course at all decision levels.
Target 12.4 Sound chemical and waste management	We use data-based design, AI, databases and new technology to reduce our environmental impact. We use resources correctly from an ethical perspective and promote sustainable development regarding laboratory and clinical development initiatives.

Vision, business concept and strategy

Vision

Our vision is to help create new and effective therapies by challenging and applying science in combination with creativity and business skills to improve quality of life for patients and to maximize the value of health services for society.

Business concept

Our business concept is to identify, develop and clinically prove new medical innovations in order to attract industrial partners and buyers, who will in turn carry out the continued clinical trials and take the medication to market. We strive to develop a robust, long-term profitable company with a focus on effective treatments.

Strategy

To achieve its financial and operational targets, while optimizing its business model, Aqilion must pursue an innovative yet carefully risk-adjusted pipeline of projects that can be divested relatively early in the process, before or during clinical development. Choice of project, optimization of the project portfolio over time and the inflow and outflow of projects determine how well this strategy succeeds.

We focus on innovative drug treatments in the field of inflammation at the interface between oncology and immunology.

The overarching elements of the strategy are roughly as follows:

- Build a project portfolio with diversified risk to manage cash flow over time
- Nurture and actively build contacts and networks within industry and academia to identify and validate projects that have the potential to be developed within the Aqilion business model
- Establish and maintain a highly experienced leadership and operational team combined with a network of specialists, experts, opinion leaders and stakeholders
- Consistently work with a proactive and transparent communication strategy
- Strengthen confidence in the Aqilion business model by strengthening and actively cultivating long-term relationships with potential investors and customers to increase interest in a financial partnership and Aqilion's portfolio
- Ensure a financial plan to support the long-term objectives

Aqilion's long-term targets are to:

- Develop a creative and resource-effective biotech company with leading-edge expertise that develops and sells early-stage pharmaceutical projects with a focus on inflammation
- Be a competitive market participant with the ability to attract buyers who have the resources to guide projects onward to finished product for the benefit of patients
- Be an attractive employer and partner for innovative, creative and skilled individuals and organizations who are able to work with Aqilion to create new treatments for diseases for which there is a high unmet medical need
- Generate an attractive return on investment for our shareholders, with the objective of creating continuous and sustainable value over time

Targets and target fulfillment in 2020/2021

Aqilion's prioritized short-term targets:

Start at least four new Aqilion Discovery projects (early research phase) with four different drug targets.

Target fulfillment: 75%
The Alhena, Alnitak and Polaris projects were launched and additional projects are currently candidates under consideration by Aqilion teams in the overall evaluation and pre-project stages.

Alhena Demonstrate efficacy in preclinical models.

Alnitak Nominate an advanced lead and select the first indication for clinical trials.

Polaris Verify the underlying biology of the project with internal data.

Start or acquire a new Aqilion Development project (preclinical or early clinical phase).

Target fulfillment: 0%
Aqilion has evaluated several candidate projects and expects to launch one of them in 2021.

Actively support the Oncorena project company financially and operationally with the aim of bringing the company to the clinical development stage.

Target fulfillment: 80%
Aqilion has been involved in the bridge financing of Oncorena in 2019 and 2020 and worked operationally in the company until the summer of 2020. During the first quarter of 2021, the Swedish Medical Products Agency approved Oncorena's Phase 1/2 clinical trial in Sweden.

Be responsible for operational project management of Laccure and co-finance the company until Aqilion reaches an exit either by outlicensing the product or by selling the entire company.

Target fulfillment: 80%
The Aqilion team has been working since the fall of 2020 with a focus on finding a partner to take the product to market. Aqilion has also assumed responsibility for financing Laccure in 2020 and 2021.

Aqilion shall become ready for an initial public offering.

Target fulfillment: 80%
Aqilion has prepared for an IPO by developing financial reporting practices to meet the requirements of a listed company, strengthening the team, introducing clear corporate governance and monitoring guidelines and ensuring external communication procedures. In addition, in the spring of 2021 Aqilion is adopting a quality system with internal controls that meets both the needs of the company and regulatory requirements.

Aqilion's role in the market

In 2019, Aqilion decided to focus on drugs and to discontinue projects involving medical devices and diagnostics. Regarding therapeutic areas, moving forward Aqilion will mainly work with innovation within the field of inflammation at the interface between oncology and immunology. By defining a clear focus, Aquilion can more easily identify the right projects, while strengthening collective knowledge in the field over time. The therapeutic areas were chosen based in part on medical need and in part on areas in which future customers, pharmaceutical companies and the biotech industry show an active interest through acquisition of projects.

The Aqilion team and network has extensive expertise and experience in inflammation, which is one reason for the strategic choice of this indication. It is also important for Aqilion that there is good potential to out-license or sell projects at a relatively early phase. When interest is strong, competition increases. Given its size, Aqilion must choose projects that offer a clear competitive edge. Aquilion achieves this objective by avoiding the largest indications and focusing instead on well-defined indications with a clear understanding of how to translate the underlying biology in an early development project to meet patient needs and the clinical situation.

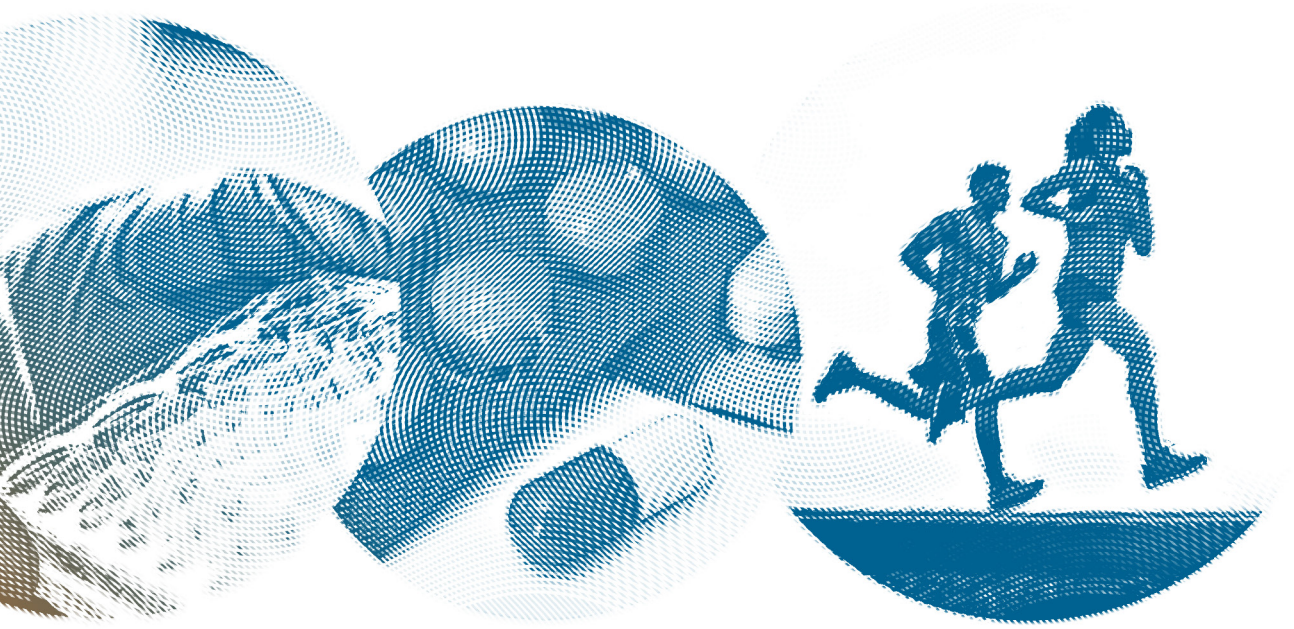
The inflammasome – stepping stone toward competitive anti-inflammatory drugs

Chronic inflammation is an underlying cause of many diseases for which we currently lack effective drugs and treatments. Consequently, the pharmaceutical industry is highly involved in terms of both research and investments in finding safe and effective anti-inflammatories.

Advances have been made on many fronts, yet many challenges remain. One inflammatory component in the cells of the body that has assumed a prominent role in drug research is the inflammasome, or more specifically, the NLRP3 inflammasome. NLRP3 has been linked to major chronic diseases affecting millions of people worldwide, including atherosclerosis, rheumatism, Alzheimer's disease, inflammatory bowel disease and non-alcoholic steatohepatitis (NASH), a type of fatty liver, as well as rare diseases that can be traced to altered genetics. NLRP3 plays a key role in inflammation, for which reason it has great potential as an important drug target for several challenging indications. A key drug target of this type, combined with recent research breakthroughs within this field, stimulates curiosity and spurs the search for new medications. This becomes evident in part in the initiatives and business arrangements already occurring during the early development of this field.

Although the early NLRP3 inhibitors were discovered by Pfizer, Roche and Novartis have actively positioned themselves in the field through strategic business agreements. Roche was the first to do business in this area through its wholly owned subsidiary Genentech, which in 2018 acquired Jecure Therapeutics Inc. in order to secure the full rights to Jecure's entire preclinical portfolio of NLRP3 inhibitors. Next came the 2020 Roche acquisition of Inflazome Ltd., with an upfront payment of EUR 380 million. Inflazome developed a portfolio of clinical and preclinical orally available NLRP3 inhibitors. Roche received full rights for further development of NLRP3 inhibitors for a variety of indications with high unmet medical needs.

In 2019, Novartis acquired IFM Tre, a subsidiary of IFM Therapeutics (IFM), in a deal involving upfront payments of USD 310 million and up to USD 1,265 million in milestone payments. The deal gave Novartis full rights to IFM's portfolio of NLPR3 antagonists, consisting of one clinical and two preclinical programs. In addition to the direct transactions described above, smaller biotech companies in the same field have found it relatively easy to attract venture capital. NodThera, a biotech company that works with NLRP3 inhibitors, raised USD 40 million in a Series A financing round in 2018, followed by USD 55 million in



Series B financing in 2020. Flame Bioscience, yet another biotech company with a focus on the inflammasome, recently raised USD 100 million in private financing through venture capital companies to advance its leading program, FL-101 (IL-1β neutralizing antibody) to clinical trials.

Aqilion has chosen a different approach to accessing the NLRP3 inflammasome, thereby differentiating itself from other companies working in chronic inflammation. Because of the complexity of NLRP3 and how it is regulated in inflammation, there are several potentially interesting drug targets that can be accessed outside the actual NLRP3 complex. One such drug target that Aqilion has identified as being of interest is the TAK1 kinase, an enzyme that catalyzes inflammatory signals.

TAK1 is a central mediator, or a kind of switch, for various inflammatory signals, including those leading to NLRP3 activation. Published research has shown that direct inhibition of TAK1 can lead to the shutdown of NLRP3 activity. Aqilion is working to verify these results in-house and in collaboration with an academic partner. The advantage of Aqilion's approach is the broader anti-inflammatory potential and the ability to differentiate itself from other companies that had an early start in developing direct NLRP3 inhibitors. Moreover, kinases (a type of enzyme) are a well-established class of drug targets with a consistent record of gaining regulatory approval as drugs for clinical use. Although kinases were originally viewed as drug targets of interest mainly in oncology, major breakthroughs have allowed them to become the targets of anti-inflammatory drugs. For example, drugs that act as inhibitors of a class of kinases known as JAKs have now achieved blockbuster status in a market worth billions.

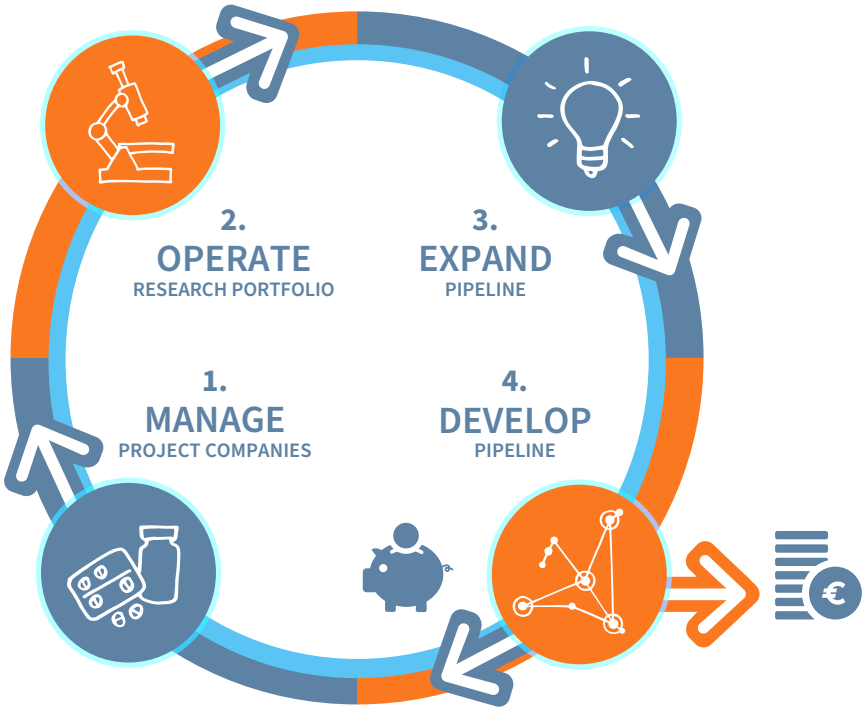
Aqilion has chosen to develop a TAK1 inhibitor with the aim of making it one of the next generation of anti-inflammatory drugs. To further expand and strengthen its competitiveness, Aqilion launched the Polaris project in the fall of 2020.

The goal of the Polaris project is also to develop a new anti-inflammatory drug by targeting the inflammasome indirectly, but using a different drug target than TAK-1. We hope to succeed in being the first in the world with this particular drug target.

Summary of recently completed deals in inflammasome research and related projects.

Investor	Company	Type of deal	Comment	Year
Roche (Genentech)	Jecure	Acquisition	Terms not disclosed	2018
Roche	Inflazome	Acquisition	EUR 380m in advance payment	2020
Novartis	IFM Tre	Acquisition	USD 310m in advance payment	2019
Venture capital companies Novo Ventures, Sofinnova, 5AM Ventures and Sanofi Ventures	NodThera	Series A and B investment	USD 40m USD 55m	2018 2020
Syndicate of venture capital companies and private investors	Flame Bioscience	Investment to support clinical development	USD 100m	2020

Business model



Aqilion's business model delivers value by identifying promising innovative pharmaceutical projects and developing them to proof-of-concept in clinical trials in its offering to the customer. This means that Aqilion chooses projects that have great potential to attract biotech and pharmaceutical companies to collaborate, purchase or license the projects at an early stage.

The business model is based on involvement at an early stage and close collaboration with the innovator, regardless of whether the project is an in-house project, or initiated by an external researcher or industrial partner. Each new project is initiated and run by Aqilion's team.

The unique and innovative aspects of each project are also verified with the assistance of external experts and opinion leaders within each indication.

The expense side of the business model is primarily driven by the development of Aqilion's projects. In this model, revenue and return are generated through collaboration with industrial partners, licensing agreements, or by selling projects. In individual cases, additional investments from external venture capital may be necessary before the project can reach the level of maturity that generates a return

"Aqilion creates sustainable value by carefully evaluating projects based on our criteria and choosing those projects that can be optimally developed according to our business model

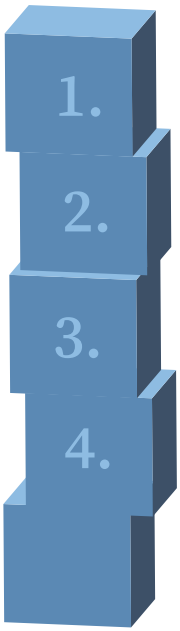
Choosing the right project – a factor for success

Choosing the right projects is the key to success for Aqilion's business model. New project ideas are generated internally at Aqilion and sometimes in collaboration with external parties. We analyze and monitor international patent databases, news from clinical trials and the latest on the research front in chronic inflammation in order to identify potential projects. In addition, we actively explore ideas by interacting with academic groups and experts with leading-edge expertise in the field of inflammation at the interface between immunology and oncology.

The evaluation process, which is based on the overarching project criteria, usually begins with a pre-project phase, during which the Aqilion team delves into the project to gain an understanding of its unique challenges and opportunities. In this phase Aqilion can invest resources to further evaluate the potential in order to help the project mature into a full-scale project.

The pre-project phase is important for building trust and a common vision of the project with advisors, experts and stakeholders in the market. All early pharmaceutical projects will encounter both successes and challenges. Courage and integrity, combined with curiosity and intensive collaborative efforts, are crucial for success. It is important for Aqilion to create an optimal team for each project to manage the interaction over time. Not all projects cross the finish line.

The team must have sufficient knowledge and integrity to be able to discontinue those projects that do not achieve their milestones and that will not create value for Aqilion in the long term. It is equally important to have the ability to fully leverage those projects that have good potential.



Aqilion's project criteria are based on four cornerstones:

Understanding the underlying biological and clinical principles of the project is important and there should be an idea about a potential drug candidate, or about how to produce a model candidate within a realistic timeframe and budget.

We look for projects to fill a defined medical need that are also likely to have a favorable price point and qualify for reimbursement by authorities and insurance companies in a global market.

It is crucial that there should be a possibility of robust intellectual property (IP) protection and excellent potential to build a strong IP strategy around the project.

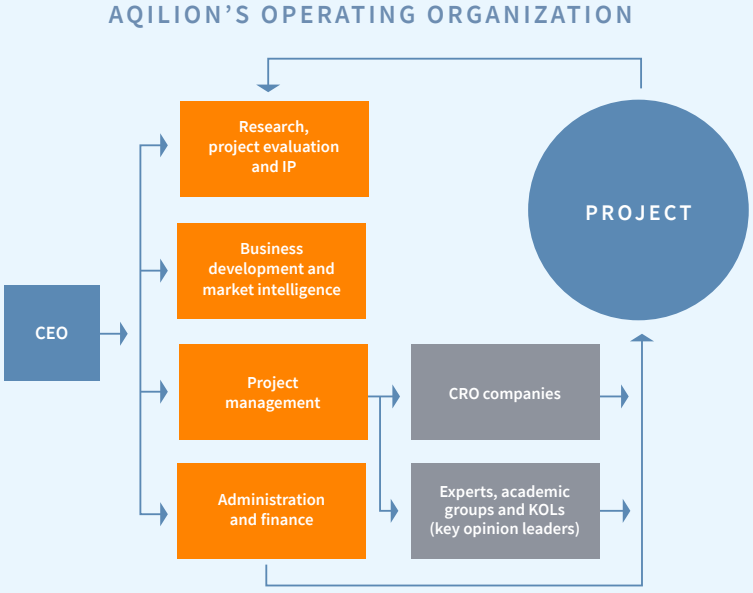
Since Aqilion invests in ideas at an early stage, it is essential to use a strong industrial focus as a point of departure with respect to potential development partners and buyers of the company's projects. Aqilion's projects must be attractive to potential acquirers.

In addition to these four cornerstones, projects are carefully assessed to determine whether the project can be optimally developed within the Aqilion business model and whether the company can add substantial value to the project.

The business in brief

Aqilion identifies unique life science ideas that could potentially lead to new medications and refines them into commercially interesting projects. It is becoming increasingly common for our customers, who represent the next step in the value chain, pharmaceutical companies and the biotech industry, to acquire external development projects, and when they do so early in the development process, the innovative aspect combined with medical need are crucial factors.

Aqilion identifies ideas that are based on solid scientific grounds where we can understand with reasonable clarity the underlying biology, clinical relevance and patient benefit. We focus on indications pertaining to inflammation at the interface between oncology and immunology, where we see a great future need, good potential for innovation and a clear interest in the market.



Our wholly owned projects are driven internally in close collaboration with highly experienced companies possessing specialized cutting-edge knowledge in drug discovery, known as CRO companies. The project companies in which Aqilion has an ownership stake, but does not fully own the projects, are operated as individual associate or subsidiary companies. Laccure operates with strong support from Aqilion's common central resources, while Oncorena has its own organization and Aqilion acts only in its role as a partner.

- **Research, project evaluation and IP**
  Evaluation of new project ideas, research and development, as well as monitoring of Aqilion's IP rights.
- **Business development and market intelligence**
  Presents Aqilion's projects to potential partners on an ongoing basis, leads sales processes, plays an active role in project evaluation and networking within the industry, and monitors the activities of both competitors and potential partners in the market.
- **Project management**
  Leads projects and pre-projects, coordinates all partners and specialists, ensures documentation of data and responsible for procurement procedures.
- **Administration and finance**
  Aqilion's administration and finance unit handles ownership, communication, internal control, legal and corporate governance issues, as well as contacts with the project companies.

Aqilion develops the value in pharmaceutical projects that are in an innovative discovery phase, the early research phase, and such projects serve as an important strategic pillar in Aqilion's pipeline. The strategically important component is projects that are a little later in the development chain, i.e. in early clinical development, where the aim is to demonstrate the efficacy of the drug candidate in humans, known as "proof-of-concept." Aqilion remains opportunistic in its approach to projects and may deviate from the main focus for highly attractive projects, but the starting point is that our business model should prioritize shorter development periods where value growth is greatest for a company in our situation.

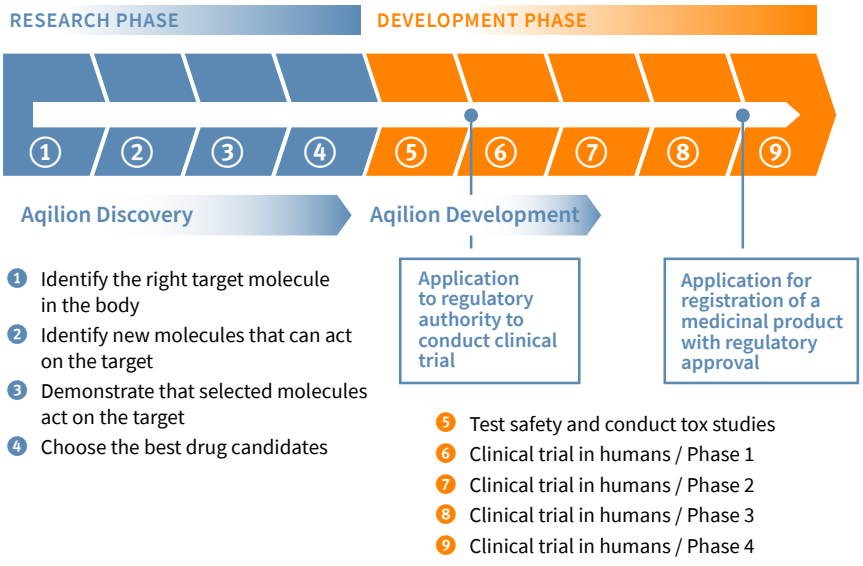


Figure 1. Aqilion's objective is to build a pipeline that mainly consists of two types of projects: Aqilion Discovery (early research) and Aqilion Development (early clinical phase). Discovery projects are driven from idea to drug candidate, while Development projects are driven through initial clinical development (Phase 1 - Phase 2). In the latter case, Aqilion can in-license a project or run a joint development project with a partner such as a biotech or pharmaceutical company.

Comments by the Chairman

In conjunction with the change of the company's name to Aqilion (formerly P.U.L.S.), we adopted a new strategy – commercially and scientifically. P.U.L.S. (Partners för Utvecklingsinvesteringar inom Life Sciences, P.U.L.S. AB) invested in start-ups and worked with them and their other owners to develop innovations across a wide spectrum of the life sciences. This business model led to a number of successes, including the listing of two companies, LIDDS AB and AcuCort AB.

But experience also showed that this model of "remote influence" in companies with their own boards and management teams did not make it possible to have full control over the operations, or to fully leverage the expertise and resources at our disposal here at Aqilion, in order to rapidly drive the projects forward and translate innovations into patient benefit and commercial value. A more efficient and more commercially viable model would entail selecting the most promising projects and owning them ourselves, in order to drive them internally from preclinical phase into early clinical development, when larger pharma companies might be interested in acquiring them. Consequently, in 2019 we decided to both change our strategy and give the company a new name – Aqilion.

One part of the Aqilion strategy entails greater focus on certain key disease areas. The choice has fallen on diseases where inflammation is an important component of the disease mechanism. In this area, new research findings make it possible to take a novel approach to combat serious diseases, where the expertise, experience and network of Aqilion's core staff are a perfect fit and where we are convinced that we have great potential to truly make a difference and quickly develop new drug candidates.

Important steps were taken in 2020. For example, the Polaris project was started in which, aided by the technical infrastructure of our CRO partners Red Glead Discovery and SARomics Biostructures, we aim to develop drug candidates that use a novel modality to attack chronic inflammation. In addition, good progress was made in the Alnitak project, where we are working in collaboration with leading research laboratories to develop small molecules with druglike properties that inhibit a protein which plays a key role in the inflammatory process.

A third in-house project is Alhena, which aims to develop a cancer drug based on a technology that uses the cell's own system to break down the target protein. It is immensely satisfying to see how quickly and efficiently these projects developed in 2020, despite the pandemic that has influenced our daily lives. These achievements are testimony to the expertise and commitment of Aqilion's core staff, while demonstrating that the "virtual" model that Aqilion has chosen for its projects works.

But our new focus does not mean that we have stopped working to optimize the value of the projects in the portfolio that we developed during the time as P.U.L.S. For example, Oncorena AB, for which we are the main owners along with HealthCap, is entering clinical phase with its drug candidate for advanced kidney cancer, while Laccure AB continues to work with the Aqilion team toward commercialization of its bacterial vaginosis project. These projects remain important, in part to optimize the value of previous work and investments, but also to gain experience from business development in projects that have reached the point where they are mature enough to be divested to larger players – experience that can benefit our internal projects in the future.

The progress made over the past year strengthens my conviction that the company is well equipped to succeed with our new strategy and that we can look to the future with confidence.

"A strategy focused on wholly owned in-house projects

Johan Lund
Chairman of the Board,
AQILION AB

Aqilions pipeline

– as of December 31, 2020

Aqilion develops early-stage ideas with the goal of delivering clinical proof-of-concept and an interesting value proposition for a buyer or partner who can carry out the ongoing clinical development program and take the drug to market.
One of Aqilion's objectives is to create a company that is ready to go public, which means that the whole, Aqilion's pipeline and business model, should be clear and attractive from the perspective of the stock market. Our projects should be at the heart of the company's image, keeping stock market stakeholders in mind. These stakeholder groups specifically include current and prospective investors, new shareholders and journalists reporting on the company. Consequently, we have worked intensively during the year to launch the strategic plan by focusing on our three discovery projects – Alnitak, Alhena and Polaris – and we continued to evaluate pre-projects with the aim of launching a development project in a somewhat later phase. The goal is for Aqilion to have a pipeline of projects with a well-balanced risk profile, a clear focus and interesting competitive advantages.

In the spring of 2019, Aqilion initiated a new way of evaluating project ideas through "pre-projects," which are not reported until Aqilion's Board of Directors decides to launch a full-fledged project. The model encourages external collaborations in which Aqilion can contribute further analysis and studies before the parties enter into an agreement for a joint project and initiate a business relationship.

One example of a pre-project in oncology and autoimmune diseases is the collaboration with Immunscape that was initiated in 2019, but was discontinued in September 2020.
The point of departure was to create a drug candidate that the parties would develop and test further in a joint pre-project, which produced good technical results and new intangible assets, but interest in the continued commercial development of the project declined as a result of external factors. A mutual decision was therefore taken to discontinue the collaboration. Aqilion holds the opinion that it is extremely important to have the courage to start innovative projects, but also to have the courage to close those in which the company can no longer create value. In September 2020, the innovative in-house preclinical Polaris project was launched. The aim is to develop new drug candidates, the first in their class, to prevent the harmful effects of chronic inflammation. The Polaris project is being operated in close collaboration with the CRO companies Red Glead Discovery and SARomics Biostructures in Lund. Aqilion's three preclinical pharmaceutical projects, Alnitak, Alhena and Polaris, are run in-house and fall under the company's new focus area, inflammation at the interface between oncology and immunology.

Aqilion is now better equipped to run and develop the project portfolio to further enhance its value. Taken together, this creates sustainable growth. More information about Aqilion's sustainability work can be found on page 9.

As of December 31, 2020, Aqilion has five innovative projects in the portfolio that are expected to fill an important role in the treatment of serious diseases which currently lack effective treatment options. Three projects – Alnitak, Alhena and Polaris – are in the early research (discovery) phase. One, Oncorena, is heading for a Phase 1/2 clinical trial, while another, Laccure, is in the clinical phase of development on the pathway to commercialization. In addition, at the end of the period Aqilion has a 25.9% stake in the former project company, AcuCort AB, which has been listed on the Spotlight Stock Market in Stockholm since 2017.

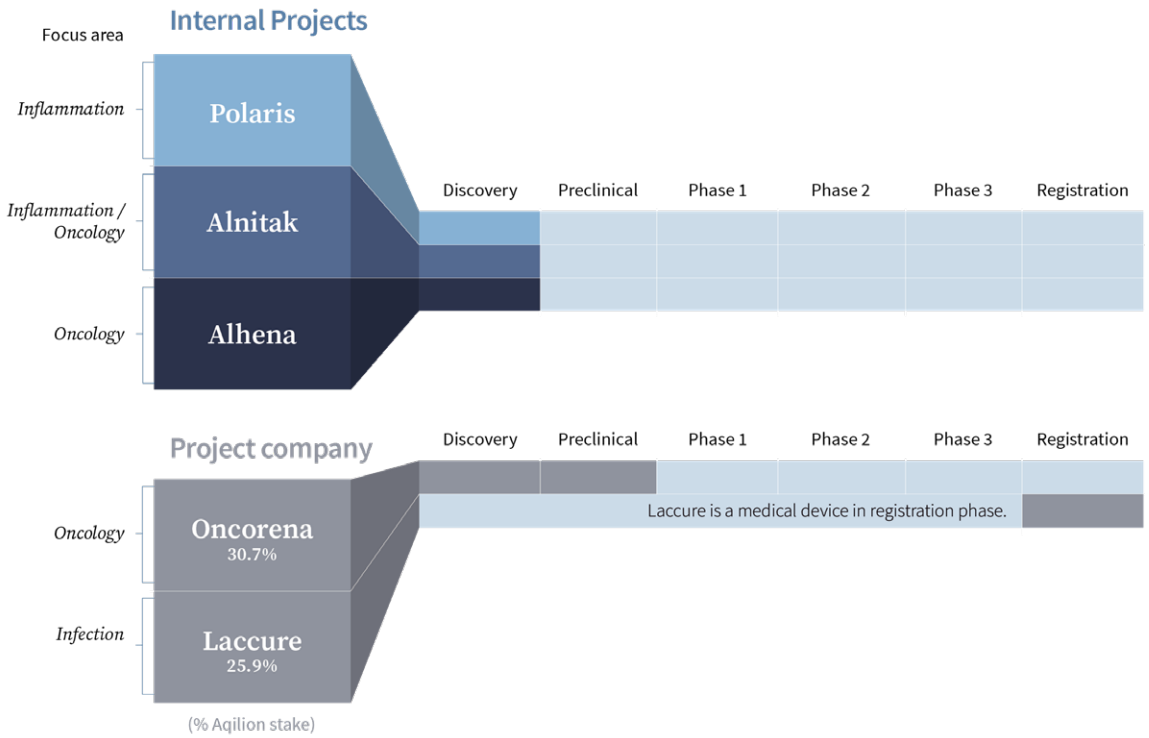
Since the company was founded in 2002, four projects have been sold: Ambria Dermatology AB, Belina AB, DuoCort Pharma AB and Glactone Pharma AB. Two project companies, LIDDS AB and AcuCort AB, have been floated on the stock market, while two project companies, Adenovir Pharma AB and Trophea AB, have been liquidated.

More information about previous projects can be found on page 22.

> *"It is extremely important for us to have the courage to start innovative projects, but also to have the courage to close those in which we cannot continue to create value. Our projects create Aqilion's image*

Projects by indication

– as of December 31, 2020



INFLAMMATION

Polaris

Among the key inflammatory processes is the formation of multiprotein complexes called inflammasomes. Inflammasomes are part of the innate immune system and play a vital role in recruiting immune cells to sites of infection and inflammation. Dysregulated inflammasome activation may promote processes that give rise to autoinflammatory, autoimmune, oncologic, metabolic and chronic diseases. Among the inflammasomes, NLRP3 is the most studied and has gained attention from both academic researchers and pharmaceutical companies.

Aqilion has identified a novel pharmacological strategy for selectively modulating NLRP3 inflammasome signaling. The internal Polaris project has the potential to be first in its class with this novel mechanism of action, thus providing a clear differentiation in a highly attractive field. The project was launched in September 2020.

INFLAMMATION/ONCOLOGY

Alnitak

The Alnitak project has two interesting applications (Alnitak 1 and 2). The goal is to develop drug candidates that bind to a target protein that is important for both the development of certain tumors and for inflammatory conditions. A successful project can therefore help to develop new medications to treat orphan drug indications within the field of autoinflammatory diseases, as well as new combination therapies within the field of oncology, primarily intestinal cancer.

The purpose of the Alnitak program is to discover and develop small molecule inhibitors of TAK1 (MAP3K7). TAK1 is a kinase that has been shown to act as a master regulator of inflammatory signaling. Recent scientific publications have also shown that TAK1 serves as a central mediator of NLRP3 signaling in human cells. NLRP3 is the most studied inflammasome (for more information about inflammasomes, please see the Polaris project) and dysregulated NLRP3 activation is involved in harmful inflammation and linked to many diseases. Aqilion has drawn the conclusion that new research and knowledge regarding human immunology and availability of novel models reevaluates and positions TAK1 as an ideal drug target for inflammatory and autoimmune diseases.

Aqilion has identified highly potent inhibitors by combining literature data and advanced structure-based design. Public domain and internal data suggest that these are among the most potent known TAK1 inhibitors. The project was launched in December 2019.

ONCOLOGY

Alhena

The Alhena project aims to develop a “PROTAC” drug against a target protein that is central to some cancers. PROTAC is an acronym for proteolysis-targeting chimera (PROTAC). Basically, the technology uses the cell’s own system to break down a certain target protein in the cell, instead of just trying to block its action. The Alhena project involves combination therapy in immuno-oncology with an initial focus on aggressive, treatment-resistant “triple negative breast cancer.” The project was launched in December 2019.

Projects by indication

– as of December 31, 2020

Oncorena

Oncorena is run as a company in which Aqilion owned a 30.7% stake at the end of the financial year. Aqilion is a principal owner of the company together with venture capital company HealthCap. Oncorena is developing a new product for treatment of advanced kidney cancer. The project originated with the observation that (unintentional) consumption of a particular type of mushroom, the deadly webcap, results in highly specific damage to the kidneys in humans.

The cause of this highly specific damage to the kidneys is orellanine, a substance found in the mushroom. Permanent damage to other organs has not been observed. Experimental studies have shown that synthetic orellanine also has a similar highly potent lethal effect on kidney cancer cells. The goal is to use orellanine to significantly prolong survival in patients with advanced kidney cancer who are on dialysis. The five-year survival rate for these patients is only 20%. There is a strong medical need for such a treatment, which will have great commercial potential if the effect is as dramatic as experimental studies have shown. One of the major advantages is that the effect of orellanine appears to be highly specific for cells that originate from the kidneys and since the patients are already on dialysis, no additional adverse effects are expected, unlike other medications that are currently in use.

The primary indication for orellanine is advanced (metastatic) kidney cancer in patients who are undergoing dialysis. The reason for choosing this indication is that the side effects are believed to affect only the kidneys and thus such patients will benefit from the expected positive treatment effect without further kidney damage. For one third of kidney cancer patients, about 140,000 cases per year, the cancer has spread outside the kidney at the time of diagnosis (source: WHO). The number of patients with metastatic kidney cancer undergoing chronic dialysis is expected to exceed 8,000 in the US. If this figure is extrapolated to Europe and Japan, while taking into account variations in praxis between different countries, a conservative estimate is that there may be 10,000 patients in these three markets.

In the fall of 2019, Oncorena raised SEK 14.6 million in funding to build up the organization and create the necessary resources to prepare for the clinical trial. The capital injection was raised through a private placement to existing shareholders.

Developments in 2020

Oncorena has completed all preclinical studies and is preparing a Phase 1/2 clinical trial in patients with metastatic kidney cancer to study and assess safety and tolerability, as well as antitumor activity in different doses of orellanine. In the first quarter of 2021, the Swedish Medical Products Agency approved the trial. The study will recruit patients with metastatic kidney cancer who are undergoing dialysis and who have experienced relapse or continued disease progression after standard therapy, or who have not responded to previous standard therapy.

For more information about Oncorena, see *www.oncorena.com.*

INFECTION

Laccure

The Laccure project was founded by the innovators and is now run as a company, with Aqilion as the main owner. Laccure has developed a vaginal tablet, Laccure® Vagitorium, for treatment of bacterial vaginosis, which is the most common gynecological infection. The foul odor associated with bacterial vaginosis negatively impacts quality of life for women, leading to embarrassment and a sense of feeling unclean, which can manifest in social isolation and even depression. To date there has not been an effective treatment that is both user-friendly and that can be used on the rare occasions when needed.

Laccure has developed a product based on the needs and wishes of women. The results from Laccure's two clinical trials show that after treatment with a single vaginal tablet, about 80% of bacterial vaginosis sufferers are relieved of their symptoms. The innovation is based on a chemical modification of lactic acid, which results in release of lactic acid for up to one week, which lowers the elevated vaginal pH.

The prevalence of bacterial vaginosis is 10–30%, which means that more than 40 million women in Europe and the US are afflicted with this condition every year. An estimated 300 million people suffer from this condition worldwide. About half of the women experience recurrence at least once a year. The strong trend toward reduced use of antibiotics will likely benefit sales of the product.

In 2017, Laccure signed a licensing agreement with the US company Combe Inc. In early 2019, Combe announced that it was terminating the licensing agreement because the company had changed its priorities and strategy for its development projects. According to an agreement, all rights and development results were returned to Laccure, which in 2019 took the product back and since then has continued to work toward commercialization on its own with support from the Aqilion team.

Developments in 2020

Since taking back the product, Laccure has developed a completely new cost-effective production method that also considerably simplifies large-scale production. During the second quarter, the production method was evaluated with regard to the stability of the product and following good results from the initial analyses, the evaluation of stability continued in the fall.

In the spring Laccure raised funding through a rights issue to finance the continued development of the production method. Aqilion participated in the issuance by investing SEK 1.86 million in Laccure, after which Aqilion owns a 25.9% stake in Laccure.

In September, a collaboration was initiated with M&A advisors with the goal of selling the project to an established partner in women's health that can take the product forward toward registration and commercialization.

For more information about Laccure, see *www.laccure.com.*

AcuCort AB

– New easy-to-use glucocorticoid product

AcuCort has developed and is commercializing ISICORT®, a fast-dissolving oral film containing the cortisone dexamethasone, which is applied to the tongue and dissolves within 15 seconds without the patient having to take water, thereby facilitating rapid administration. The drug, which is packaged in a thin plastic film, is easy to keep on hand at all times. ISICORT® is primarily intended to treat severe acute allergic reactions, croup in children, and the nausea and vomiting associated with chemotherapy. In 2019 AcuCort launched the ISICORT® brand, which is now approved as a registered brand in the EU and the US. At the end of the year, ISICORT® was granted patent protection in China and in the first quarter of 2021, patent protection was also obtained in Japan.

In early 2019, AcuCort published favorable results from the bioequivalence study that is to serve as the basis of the company's application for market authorization within the EU. The results showed that ISICORT® is bioequivalent to the reference product used for comparison. This study served as the basis for the company's application for market authorization in Sweden in September 2019. Later in 2019 the results from the first of two planned bioequivalence studies were published and would serve as the basis for the application for marketing approval in the US. The results showed that ISICORT® is bioequivalent to the reference product used for comparison. However, the second study, conducted on fasting participants, failed to demonstrate bioequivalence with the reference product. AcuCort has developed an alternative approach for its continued effort to register and commercialize ISICORT®.

AcuCort was listed on Spotlight Stock Market in 2017. In the fall of 2019, AcuCort raised SEK 41.2 million before issuance expenses of SEK 4.2 million in a rights issue to existing shareholders that was 101.7% subscribed. Aqilion subscribed for its pro rata portion of SEK 10.6 million.

Developments in 2020

On October 7, AcuCort announced that the company had received market authorization from the Medical Products Agency in Sweden for ISICORT®. The approval entailed continued efforts regarding the application for pricing and reimbursement in Sweden and market approval in more markets. In February 2021, the Swedish Medical Products Agency granted ISICORT® approval for an indication that will allow it to be part of the treatment of patients with Covid-19 who need oxygen therapy.

Aqilion's holdings in AcuCort at the end of the year amounted to 5,069,066 shares (25.9%). More information is available at *www.acucort.com.*

The Swedish Medical Products Agency approved ISICORT® in October 2020. (Archive photo: AcuCort AB)

Previous projects in brief

ADENOVIR PHARMA AB

Viral eye infection

On October 23, 2019, AQILION AB announced that the Extraordinary General Meeting of the project company Adenovir Pharma AB resolved to liquidate the company. Liquidation was completed on January 15, 2021.

AMBRIA DERMATOLOGY AB

Dermatology

Ambria Dermatology AB was sold in 2009 to Natumin Pharma AB. The purchase price will be paid as Natumin sells products based on Ambria's technology and is capped at SEK 32 million. As of December 31, 2020, there is still a margin of approximately SEK 22 million before the ceiling of SEK 32 million has been reached. Aqilion is entitled to 12% of future payments from the sale of Natumin.

BELINA AB

Breast cancer

In 2019, AQILION AB sold its holdings in the project company Belina AB to its founder and innovator.

GLACTONE PHARMA AB

Immunotherapy and castration-resistant prostate cancer

Glactone Pharma has developed new compounds that can block a signal protein called STAT3, which is overactive in cancer cells. Compounds that block STAT3 can be used in combination with immunotherapies and for treatment of late-stage metastatic prostate cancer (castration-resistant prostate cancer). In November 2019, AQILION AB announced that the company is selling its entire shareholding in Glactone Pharma AB to Daniel Lifveredson Invest AB. Upon completion of the transaction, Aqilion received a symbolic cash consideration and may also receive an additional consideration if Daniel Lifveredson Invest AB achieves certain milestones in the future. The project did not generate any revenue for Aqilion in 2020.

LIDDS AB

Cancer treatments

LIDDS (Local Intelligent Drug Delivery System) aims to develop effective drug products for various cancer diseases using the patented NanoZolid® drug delivery technology, which releases drugs locally in close proximity to the tumor for optimal efficacy and with fewer side effects. In 2014, LIDDS AB was listed on Nasdaq First North Stockholm at which time it ceased to be a project company. In the fall of 2017, Aqilion's entire shareholding in LIDDS was divested. More information about LIDDS is available at *www.lidds.se.*

PULSETTEN AB

Addison's disease

Pulsetten AB (formerly DuoCort AB) developed the drug Plenadren® in a former wholly owned subsidiary, DuoCort Pharma AB. Today, Plenadren® is marketed worldwide by Takeda, one of the four largest players in Addison's disease. In 2011, the project was sold to the US pharmaceutical company ViroPharma Inc. Sales of Plenadren® have been considerably slower than expected due to a change in strategy, making it impossible for Pulsetten to achieve the agreed additional purchase considerations. The situation culminated in legal action regarding milestone payments, which Pulsetten lost. The combination of non-payment of milestone payments combined with legal costs caused Pulsetten AB to file for bankruptcy on August 22, 2016. The bankruptcy was closed in 2018.

TROPHEA AB

Skin atrophy

The project company Trophea was founded in 2016 to develop a potential combination product, a topical gel, for the treatment of skin atrophy. In 2019, Aqilion decided that it would not continue to invest in Trophea. The decision was based on a proactive risk minimization strategy and a sound business approach, in line with Aqilion's strategy and business model. On December 20, 2019, AQILION AB announced that the Extraordinary General Meeting of Trophea AB resolved to liquidate the project company. Liquidation was completed on January 15, 2021.

Board of Directors

The members of Aqilion's Board of Directors have a wide range of skills and experience to ensure the long-term development and strategic governance of the company.

Johan Lund *Chairman of the Board since 2018, Chairman of the Remuneration Committee since 2019*

Dr. Johan Lund has many years of experience from executive positions in pharmaceutical research and development. He is the CEO and founder of KyNexis Medicine Development AB and the founder of MBS Pharma AB. Most recently, he was Vice President of Translational R&D at Celgene, in Cambridge, Massachusetts, USA, with responsibility for early research and development in inflammation and immunology. Previous positions include Chief Scientific Officer, Immunoscience Research Unit at Pfizer, Cambridge, Massachusetts, as well as 14 years at AstraZeneca in executive positions in Sweden and the UK as Vice President CNS & Pain Innovative Medicines Science and Vice President Respiratory and Inflammation Research. He has served as Vice President, Chief Scientific Officer for AQILION AB since March 1, 2021.

Education: M.D., Ph.D. 1986 Karolinska Institutet; Post-doctoral studies 1987-1989 UT Southwestern Medical Center, Texas; Associate Professor 1990 Karolinska Institutet; Professor 1996 University of Bergen
Born in: 1957
Other current assignments: Board member of Olink Proteomics AB, Genagon Therapeutics AB, TCER AB, KyNexis Medicine Development AB and MBS Pharma AB
Holdings: -

Roland Andersson *Board member since 2018*

Roland Andersson is professor of surgery at the school of medicine, Lund University. Professor Andersson's clinical work and research focuses on malignancies of the pancreas, liver and biliary tract. He also leads a translational research group with a focus on development of novel biomarker panels for diagnosis, prognosis, assessment, treatment selection and outcomes, as well as on increasing knowledge of the disease itself. He has published about 500 original articles, reviewed articles and book chapters, and supervised 30 PhD students. He also has an extensive international network and has founded six companies in his role as an entrepreneur.

Education: Medical degree 1981 at Lund University, Specialist in General Surgery 1987, Professor of Surgery 2000 at Lund University
Born in: 1955
Other current assignments: Chairman of the Board of Reccan Diagnostics AB, Nordic Biotechnology AB; Board member of Lumito AB as well as advisor for Scientific Advisory Board VolitionRx Ltd.
Holdings: 6,434 shares

Marie Lidgard *Board member since 2014*

Member of the Remuneration Committee since 2020

Marie Lidgard has many years of experience in the financial sector. She is currently a senior partner at Lavindia AB. She has served as CEO of the Swedish Investment Fund Association and Senior Vice President of Nordea Investment Management. She has also worked for the Swedish Ministry of Enterprise and Innovation, where she was responsible for recruiting Board members for state-owned companies. In recent years, she has been active as an investor and founder of several new companies and currently sits on the board of directors for several companies.

Education: Bachelor of laws degree, Lund University, 1982. Served in Stockholm District Court
Born in: 1956
Other current assignments: Chairwoman of Dreams Securities AB and Fundrella AB. Board member of Von Euler & Partners Kapitalförvaltning AB, Hypoteket Fondförvaltning AB, MoM Lidgard AB and Lavindia AB
Holdings: 21,715 shares through company

Martin Olovsson *Board member since 2019, Member of the Remuneration Committee since 2020*

Martin Olovsson has many years of managerial experience in the pharmaceutical industry with responsibility for portfolio and product strategies, life cycle management, bridging functions such as science and marketing and ensuring commercial excellence. Martin has extensive experience from in- and out-licensing of both pharmaceuticals and technologies. He is currently CEO of AstraZeneca's spin-out company, OnDosis. Between 1992 and 2017 he held several international executive positions within Astra/AstraZeneca, including as President of the Nordic/Baltic marketing and sales company, as well as Vice President of the Inhaled Respiratory, Global Portfolio & Product Strategy divisions.

Education: B.Sc., Business Administration, Lund 1992
Born in: 1967
Other current assignments: Board member of WntResearch AB and Scientific Med AB
Holdings: -

Andreas Segerros *Board member since 2018*

Andreas Segerros has spent most of his career with global pharmaceutical companies. He is currently active as one of the founders of Eir Ventures Partners AB. He has many years of experience from international executive positions at Pharmacia Corporation, Pharmacia & Upjohn and Ferring in research & development, marketing and business development in the US, Europe and Japan. He also has experience as a venture capitalist while working as a venture partner and partner at Sunstone Capital. He has made numerous investments in successful growth companies in the life science sector.

Education: M.Sc. in Biotechnology and Biomaterials, Royal Institute of Technology (KTH), 1984; M.B.A. Uppsala University 1992
Born in: 1960
Other current assignments: Chairman of the Board of Oncorena Holding AB and Oncorena AB, Board member of Eir Ventures Partners AB and Merigen AB
Holdings: -

Chief Executive Officer and operational team

Aqilion is run by an operational team led by the CEO with the support of key consultants and partners. The main tasks involve exploring and evaluating new project ideas and leading and driving the project development process. The operational team is composed of individuals with extensive experience in the pharmaceutical industry. They have different backgrounds and areas of expertise that enable them to provide projects with both strategic and practical support. Together with project managers and selected specialists, the team actively works on projects from idea to exit.

The operational team also coordinates administration, operations and communication related to both Aqilion and the projects, which facilitates cost-efficient allocation of resources and efficient operations.

Sarah Fredriksson *Chief Executive Officer*

In current position since 2017.
Sarah Fredriksson has many years of experience from research and development in the life sciences from both academia and industry. She also has experience as an entrepreneur and in the role of CEO. She founded Genovis AB and while she was CEO the company was listed on First North, Nasdaq OMX Nordic.

Education: Ph.D. in Biochemistry in 1999 and M.Sc. in Chemistry in 1993 from the Faculty of Engineering (LTH), Lund University
Born in: 1968
Other current assignments: Board member of LU Holding, Faculty of Engineering (LTH), Lund University, Respiratorius AB (publ), Bumblefish AB and SwedenBIO AB
Holdings: 2,300 shares

Susanna Dahlgren *Senior Director Project Management*

In current position since 2018.
Susanna Dahlgren has many years of experience in academic research and drug development and specializes in project management, medical affairs and scientific communication. She has previously held international management positions at AstraZeneca, ALK in Denmark and Polypeptide Group in Sweden. She is currently the project manager for Aqilion's in-house projects.

Education: Ph.D. in Clinical Immunology from Karolinska Institutet in 1998 and M.Sc. in Microbiology from Stockholm University in 1994
Born in: 1968
Other current assignments: None
Holdings: -

Carina Eldh *Chief Controlling Officer*

In current position since 2019, employed since 2011.
Carina Eldh is responsible for the day-to-day financial and administrative tasks of the company and its portfolio companies. She has more than 20 years of experience in accounting, auditing and taxation and has previously held positions at KPMG and other auditing and advisory firms, the Swedish Tax Agency and Öresundskraft.

Education: Secondary school economics 1989, Graduate in accounting 1999
Born in: 1970
Other current assignments: None
Holdings: -

Fredrik Lindgren *Vice President, Chief Business Officer*

In current position since 2018.
Fredrik Lindgren's background is in the pharmaceutical industry, with experience from key positions in areas such as business development processes at AstraZeneca and Umetrics AB. Most recently he held the position of Senior Director, Head of Global Business Development, at LEO Pharma.

Education: Ph.D. in Chemistry, 1994 and B.Sc. in Chemistry 1989, Umeå University
Born in: 1967
Other current assignments: None
Holdings: -

Martin Johansson *Senior Director Medicinal Chemistry*

In current position since 2019.
Martin Johansson has been involved with Aqilion since 2012 as project manager for the former project company Glactone Pharma AB. He has 20 years of experience in medicinal chemistry and preclinical drug discovery and development. Previously, he has held the position of Chief Scientific Officer at Respiratorius AB, Senior Research Scientist at AstraZeneca, Discovery R&D and Project Manager for Glactone Pharma AB.

Education: Ph.D. in Organic Chemistry, 2002, Associate Professor in Organic Chemistry, 2007, Lund University; Master's degree in Chemical Engineering, 1997, Lund University
Born in: 1971
Other current directorships: Board member of Selcis Biopharma AB
Holdings: -

Jan Törnell *Vice President, Chief Medical Scientist*

In current position since 2018.
Jan Törnell has been involved with Aqilion/P.U.L.S. since 2012 through board positions in portfolio companies, as project manager/CEO and as an innovator. He also has many years of experience in executive positions in the pharmaceutical industry internationally. He has previously held the position of Global Vice President Strategy, Oncology & Infection and Global VP Translational Science at AstraZeneca and was Professor at the Department of Neuroscience and Physiology, Sahlgrenska Academy, University of Gothenburg.

Education: Medical degree, University of Gothenburg, 1985; Ph.D. in Physiology, Faculty of Medicine, Gothenburg, 1990; and Associate Professor in Physiology, 1992
Born in: 1960
Other current assignments: Chairman of the Board of Glactone Pharma AB, LIDDS AB (publ) and Innoext AB; Board member of Diaprost AB and Abliva AB (publ)
Holdings: 1,588 shares

Torgeir Vaage *Vice President, Chief Financial Officer*

In current position since May 2020.
Torgeir Vaage has more than 20 years of combined experience in the life science industry and the financial sector. In recent years, he has worked in Denmark and Norway as CFO and CEO for several small biotech companies with a focus on pharmaceuticals and in close collaboration with venture capital companies such as Sarsia Seed, Novo Seed and Norsk Innovasjonskapital. Prior to that he was a senior analyst and partner at ABG Sundal Collier, senior capital analyst at Handelsbanken and management consultant at AT Kearney in Oslo.

Education: Degree in business administration from the Norwegian School of Economics (NHH) and a Ph.D. in Business Administration from the University of California, Berkeley, USA
Born in: 1964
Other current assignments: None
Holdings: -

NEW OPERATIONAL TEAM MEMBER

Johan Lund *Vice President, Chief Scientific Officer*
Member of the operational team beginning in March 2021.

Board of Directors' Report

The Board of Directors and the CEO of AQILION AB (publ), company registration number 556623-2095, with registered office in Helsingborg, hereby present the Annual Report for the financial year January 1, 2020 to December 31, 2020. At year-end, the Group consisted of the parent company AQILION AB and its subsidiaries AQILION FILIA AB and Trophea in liquidation AB. The subsidiary AQILION FILIA AB was formed in December 2020. The companies have their registered office and headquarters in Helsingborg, Skåne County, Sweden.

OPERATIONS

Aqilion is a public limited company focused on research, development and commercialization of pharmaceutical projects. The company believes that the best source for new therapies and medications involves identifying, shaping and strengthening early innovative research projects. We are looking for ideas that could potentially improve patient quality of life, while generating value for health services and society.

Aqilion identifies ideas that are based on data-driven research where we can understand with reasonable clarity the underlying biology, clinical relevance and patient benefit. We develop early-stage ideas with the goal of delivering clinical proof-of-concept and an interesting value proposition for a future partner who can carry out the ongoing clinical development and take the drug to market.

Since Aqilion does not build up a large fixed organization, but instead adapts to each project, the ability and possibility for good collaborations is another important aspect of the Aqilion model. The business model therefore relies on early involvement and close collaboration between the Aqilion team and external academic researchers, industrial partners and experts to run the project efficiently in terms of both time and budget. Each new project is initiated and run by Aqilion's team.

Aqilion operates from its headquarters in Helsingborg. The Helsingborg office handles all administration for both Aqilion and the projects. Aqilion also has an office at Medicon Village in Lund in order to have a local presence and to facilitate local operational collaborations.

Organization

Aqilion is organized to have the necessary skills and knowledge that an innovative biotech company needs. The organization consists of highly educated employees and consultants with solid experience of drug discovery and development. Aqilion's success and long-term value growth depends on high scientific expertise and industrial experience, as well as a cost-effective and flexible organization.

During the year, one new employee was hired and consultants were contracted. It is important to attract and retain the best talent within the areas of expertise that the company needs. At the end of the year, the Aqilion team consisted of a total of five employees and three consultants with long-term contracts, for a total of eight people, including four women and four men.

Shareholder information

External communication remained at a high level during the year. The purpose of Aqilion's deliberate and consistent communication regarding progress and other events within the company and the project companies is to have an impact both nationally and internationally in order to establish a solid foundation for discussions about new projects and exit work.

Aqilion has regularly published press releases and news. CEO Sarah Fredriksson has also written a number of well-received posts on current issues and events in the life science sector, which have been published on the website, LinkedIn and in Aqilion's external newsroom on Cision, https://news.cision.com/se/aqilion.

During the year, the CEO or representatives from the operational team have presented Aqilion at several partnering meetings and conferences, such as Bio-Europe.

Environment, sustainability and social responsibility

Aqilion's sustainability work is to include conducting research of the highest quality that contributes to sustainable and innovative solutions to current health challenges. Our ambition is to develop innovative drugs for those patients with unmet medical needs in areas where we have the experience and expertise to successfully contribute new and effective medications.

We actively monitor changes in ethical issues related to new science and technologies. Ethical, social and environmental responsibility is an integral component of Aqilion's daily activities. We aim to provide a working environment that promotes health and well-being and a healthy work-life balance.

We strive to integrate economic and social sustainability at all levels of our operations, to continuously improve our processes, quality systems and working environment, and to take measures to prevent environmental impacts from our own operations.

Aqilion is a responsible employer and partner and complies with environmental, health and safety legislation, as well as other legislation relevant to the company's operations. In addition, Aqilion has internal policies to support sustainable business practices and contribute to short and long-term value creation. We only work with partners whose facilities and operations comply with relevant legislation.

Aqilion has chosen to relocate its operations to Oceanhamnen in Helsingborg in the newly built Prisma office building, which is certified to meet the standard for the Gold level of the Miljöbyggnad environmental certification system. Aqilion is not involved in any environmental disputes. No workplace accidents were reported to the Swedish Work Environment Authority in 2020.

Project portfolio

As of December 31, 2020, Aqilion has five innovative projects in the portfolio that are expected to fill an important role in the treatment of serious diseases which currently lack effective treatment options. Three projects – Alnitak, Alhena and Polaris – are in the early research (discovery) phase. One, Oncorena, is heading for a Phase 1/2 clinical trial, while another, Laccure, is in the clinical phase of development on the pathway to commercialization. In addition, at the end of the year Aqilion had a 25.9% stake in the former project company, AcuCort AB, which has been listed on the Spotlight Stock Market in Stockholm since 2017.

Key events during the financial year

- Aqilion opened an office in Lund to expedite the company's initiatives for the new Alnitak and Alhena pharmaceutical projects in the early research phase.
- Torgeir Vaage joined Aqilion as Chief Financial Officer in May.
- AQILION AB held its Annual General Meeting on June 10 in Helsingborg, during which the meeting resolved to change the category of the company to a public limited company.

- Aqilion announced TAK1 as the drug target (target protein) in the body at which drug candidates would be aimed in the Alnitak internal development program.
- Aqilion and Immunscape discontinued their joint pre-project in oncology and autoimmune diseases.
- Aqilion presented data from Alnitak, an in-house project in the early research phase, at the international collaboration event BIO-Europe® 2020 Digital.
- Aqilion initiated the Polaris project with the aim of developing new drug candidates, the first in their class, to prevent the harmful effects of chronic inflammation.
- Aqilion moved its headquarters to the new Prisma office building in the Oceanhamnen neighborhood in Helsingborg.
- The Nomination Committee ahead of the 2021 Annual General Meeting was presented and includes the following members: Helena Arcombe, Christian Ewe, Linnea Höglund and Malin Ruijsenaars.
- At the end of December 2020, Aqilion formed the wholly owned subsidiary AQILION FILIA AB.
- At year-end, Aqilion transitioned to IFRS accounting. The International Financial Reporting Standards (IFRS) are international accounting standards for reporting financial information from companies and organizations. This is the first annual report under IFRS; previously, K3 rules have been applied. We have also moved away from the statement of profit or loss by nature of expense to a statement of profit or loss by function of expense, in order to provide a better picture of cost allocation as we manage projects in AQILION AB.

Significant events after the financial year

- Aqilion strengthened its operational team in line with the company's research strategy. Johan Lund assumed the position of Chief Scientific Officer on March 1.
- Aqilion expanded its collaboration with researchers at Örebro University to further strengthen the company's Alnitak pharmaceutical project in chronic inflammation.

Covid-19

- Because of the uncertainty regarding future policy decisions, as well as the behavior of people and businesses, the impact of the virus outbreak on our business cannot be quantified at this time.

FINANCIAL OVERVIEW FOR 2020 - GROUP

REVENUE AND OPERATING PROFIT

As of December 31, 2020, the subsidiaries AQILION FILIA AB and Trophea AB in liquidation were included in the Group. Trophea AB was liquidated on February 15, 2021. Aqilion was also a part-owner in Oncorena AB, Laccure AB and Adenovir Pharma AB in liquidation as of December 31, 2020, and these holdings are reported as associated companies. Adenovir Pharma AB was liquidated on February 15, 2021.

All operations are conducted in the parent company AQILION AB.

The Group's revenue totaled SEK 0 thousand for full-year 2020 (0). The Group's reported administrative expenses for the full year amounted to SEK 8,263 thousand (7,929). Administrative expenses include personnel costs of SEK 2,617 thousand (3,250) and premises, operating and external costs for legal advice and auditing totaling SEK 5,646 thousand (4,679). The Group's research and development costs amounted to SEK 21,674 thousand (18,015). The increase reflects the change in Aqilion's business concept from a model of direct investment in external project companies to a biotechnology company conducting in-house projects that are wholly owned by AQILION AB. The differences are clearly reflected in the parent company, while the 2019 comparatives on a Group basis also include development costs in the Trophea Group. In 2020, no operations were conducted in Trophea since the group was in liquidation. The consolidated operating loss was SEK 34,250 thousand (loss: 33,787). Consolidated earnings per share totaled SEK -4.62 (-11.06). Earnings per share are calculated by dividing comprehensive income by the number of shares at year-end.

PARENT COMPANY

The parent company's net sales totaled SEK 0 thousand (0) for full-year 2020. Other operating income of SEK 2,930 thousand (2,780) mainly comprised remuneration for services rendered such as project management, administration, expertise and support on a consultant basis to the project companies Laccure AB and Oncorena AB, which is charged at cost. There are no research-related or similar grants.

The parent company's reported administrative expenses for the full year amounted to SEK 7,820 thousand (7,125). The parent company's research and development costs amounted to SEK 21,674 thousand (12,752) for full-year 2020. An increase of about 70% reflects the change in Aqilion's business concept from a model of direct investment in external project companies to a biotechnology company conducting in-house projects that are wholly owned by AQILION AB. The parent company's research and development costs are attributable to the Alnitak, Alhena and Polaris projects, as well as Aqilion's work in early "pre-projects."

The parent company's operating loss for full-year 2020 was SEK 26,564 thousand (loss: 17,097). The parent company reported a loss on its income tax return and therefore does not currently pay income tax. Deferred tax assets on tax loss carry-forwards, amounting to SEK 25.0 million (19.3), have not been recognized for reasons of prudence.

INVESTMENTS IN PROJECT COMPANIES

The project companies raised capital totaling SEK 2.8 million through new issues in 2020. In these issues Aqilion subscribed for shares corresponding to SEK 1.9 million, see the table below:

	2020	2019	Holdings (%)
SEK m	**Jan. - Dec.**	**Jan. - Dec.**	**Dec. 31, 2020**
AQILION FILIA AB	0.025	0	100.0
Oncorena Holding AB	0	7.1	30.7
Laccure AB	1.9	1.5	25.9
AcuCort AB, listed	0	10.6	25.9
Adenovir Pharma AB*	0	0	39.2
Trophea AB*	0	0	72.0
TOTAL	**1.925**	**19.2**	

*Company undergoing voluntary liquidation.

REVERSED IMPAIRMENT CHARGES

Since the shares in AcuCort AB increased in value, previous impairment charges of SEK 12,853 thousand were reversed so that the holding is recognized at cost. The market value as of December 31, 2020, is SEK 25,954 thousand.

SHARE CAPITAL DEVELOPMENT

AQILION AB's share capital as of December 31, 2020, amounted to SEK 2,104,505.50 distributed among 4,209,011 shares. The trend for the share capital over time can be seen in the table below.

Date	Event	Number of shares	Total number of shares	Quota value per share	Increase in share capital	Total share capital	Capital contri-buted	Price/share
Feb. 1, 2002	Company formation	100,000	100,000	1:-	100,000	100,000.00	100,000	1
Oct. 31, 2003	Split	100,000	200,000	0.5		100,000.00		
June 3, 2004	New share issue	56,000	256,000	0.5	28,000	128,000.00	1,680,000	30
Oct. 23, 2004	New share issue	200,000	456,000	0.5	100,000	228,000.00	6,000,000	30
April 18, 2007	New share issue	84,790	540,790	0.5	42,395	270,395.00	4,239,500	50
May 30, 2007	New share issue	12,000	552,790	0.5	6,000	276,395.00	600,000	50
Sept. 11, 2008	New share issue	100,000	652,790	0.5	50,000	326,395.00	5,200,000	52
Nov. 2, 2009	New share issue	36,852	689,642	0.5	18,426	344,821.00	1,916,304	52
June 1, 2010	New share issue	770,000	1,459,642	0.5	385,000	729,821.00	40,040,000	52
July 3, 2013	New share issue	289,855	1,749,497	0.5	144,928	874,748.50	19,999,995	69
June 11, 2015	New share issue	100,000	1,849,497	0.5	50,000	924,748.50	6,900,000	69
June 9, 2016	New share issue	360,410	2,209,907	0.5	180,205	1,104,953.50	28,832,800	80
March 27, 2018	New share issue	666,368	2,876,275	0.5	333,184	1,438,137.50	99,955,200	150
June 30, 2019	New share issue	1,332,736	4,209,011	0.5	666,368	2,104,505.50	99,955,200	75

Financial multi-year overview for AQILION AB

FINANCIAL OVERVIEW – GROUP

Statement of profit or loss, SEK thousand	**2020**	**2019**
Other operating income	2,731	1,635
Operating expenses	-36,981	-35,422
Operating profit/loss	-34,250	-33,787
Net financial items	14,811	-12,755
Profit/loss before tax	-19,439	-46,542
Income tax	-	-
Profit/loss for the year	**-19,439**	**-46,542**
Balance sheet, SEK thousand		
Non-current assets	28,867	18,190
Current receivables	1,453	1,430
Cash and cash equivalents	93,372	122,568
Total assets	**123,692**	**142,188**
Equity	119,897	139,337
Non-current and current liabilities	3,795	2,851
Total equity and liabilities	**123,692**	**142,188**
Statement of cash flows, SEK thousand		
Cash flow from operating activities	-27,351	-26,363
Cash flow from investing activities	-1,796	-18,972
Cash flow from financing activities	-49	99,468
Cash flow for the year	**-29,196**	**54,133**
Key performance measures		
Working capital, SEK 000s	91,556	121,147
Acid test ratio, %	2,901	4,349
Equity/assets ratio, %	97	98
Debt/equity ratio, %	3	2
Share data, SEK		
Earnings per share	-4.62	-11.06
Diluted earnings per share	-4.62	-11.06
Equity per share	28.49	33.10
Dividend	0	0
Number of shares		
Average shares outstanding	4,209,011	3,542,643
Weighted average number of shares outstanding, diluted	4,209,011	3,542,643
Shares outstanding at end of period	4,209,011	4,209,011

ALLOCATION OF PROFIT OR LOSS

The following amount is at the disposal of the Annual General Meeting:

The following unrestricted funds (SEK) are at the disposal of the	
Retained earnings	165,624,644
Profit/loss for the year	-13,650,892
At the disposal of the Annual General Meeting:	**151,973,752**

The Board proposes that the entire amount be carried forward. The Board of Directors has proposed to the 2021 Annual General Meeting that no dividend be paid for the 2020 financial year. Regarding the Group's financial performance and position in general, please refer to the following statement of profit and loss and balance sheet with related notes.

RISK MANAGEMENT

Aqilion is exposed to various types of risk that may affect the Group's performance and financial position. The risks can be divided into operational risks and financial risks, which may adversely affect the company.

Risks related to Covid-19
Outbreaks of infectious diseases such as Covid-19, a pandemic that threatens public health, could have a negative impact on the company through delays/disruptions in operations, clinical trials, project development, absence of key personnel, travel restrictions and lockdowns/shutdowns as a result of government restrictions. This can lead to costs and delays beyond the control of the company. Aqilion has not been significantly affected to date.

Funding needs
Aqilion's research and development is capital-intensive. Consequently, the company is dependent on its ability to raise capital to fund planned activities. Delays, terminated cooperation agreements and similar situations could have a negative impact on cash flow, which along with the risk of not being able to raise additional capital, could temporarily stop clinical development and ultimately slow down Aqilion's operations, which would have a negative impact on the business.

Financial risk
Financial risk refers to the negative impact on the company's financial position resulting from financial risk factors. The Board of Directors is ultimately responsible for exposure, management and monitoring of the Group's financial risks, and therefore sets the limits for exposure, management and monitoring of financial risks, which are evaluated and reviewed annually.

Clinical trials
Aqilion runs a number of projects in-house that are at various stages of development. All projects must undergo clinical trials to demonstrate good safety and efficacy results before they can be commercialized. Should the studies in one or more projects fail to demonstrate the required safety and efficacy, it may not be possible to commercialize them. Clinical trials are carried out in collaboration with consultants. Failure of such collaborative efforts could cause delays or poor results.

Legislation and permits
Preclinical and clinical trials must be registered and permits must be obtained from the relevant authorities before such studies can be conducted. Changes in permit requirements or legislation could lead to delays and higher costs, as well as delaying commercialization.

Key personnel
Aqilion's key personnel and employees possess a high level of expertise and their extensive experience is important for the company's continued development. The notice period for employees is generally three months, which means that it may be difficult to replace key personnel on short notice and, ultimately, there may be a risk to projects in terms of delays and perhaps poorer progress.

Patents
Patent protection of Aqilion's innovations is crucial. There is a risk that even if patent protection is in place, it may not provide adequate protection in the future. Should competitors circumvent, or infringe upon, the company's patents, this could result in costly litigations. In addition, there is a risk that a competitor may accuse Aqilion of patent infringement. Other companies' patents may also limit the use of the patents in question in future collaborations. Any negative outcome from disputes related to intellectual property rights could lead to loss of protection, prohibition from further use of the right in question, damages and high legal costs.

Protection of trade secrets and know-how
Aqilion is dependent on trade secrets and know-how that cannot be protected in the same way as other intellectual property that can be protected by patents. Aqilion uses confidentiality agreements to protect its trade secrets and know-how, but the company is well aware that it is impossible to fully protect itself from unauthorized disclosure.

Corporate governance

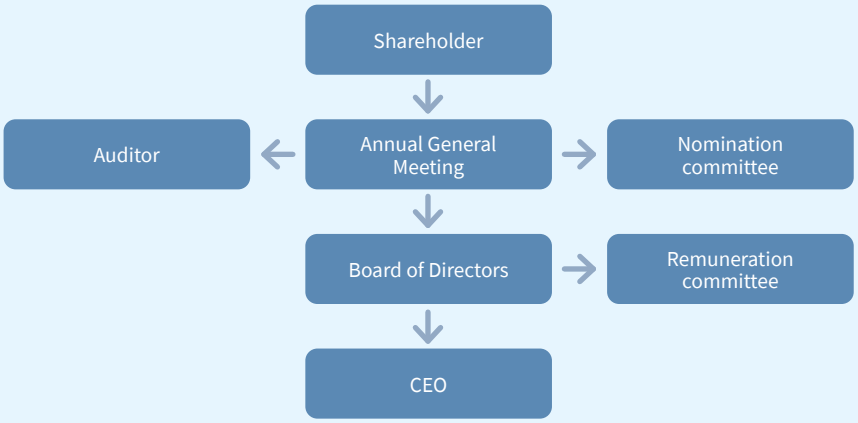
AQILION AB (publ) is a public Swedish limited liability company, company registration number 556623-2095, with its registered office in Helsingborg, Sweden.

Corporate governance refers to the rules and decision-making hierarchies that contribute to the efficient and controlled management of the operations of a company, with the aim of meeting the owners' demands for return on invested capital. Corporate governance in Sweden has traditionally been regulated by law. In addition, the industry's self-regulatory bodies have continuously presented various provisions on corporate governance.

The Swedish Code of Corporate Governance ("the Code") issued by the Swedish Corporate Governance Board is not mandatory for Aqilion, but the Board will closely follow the practices developed for the Code and intends to apply the Code in those parts that may be deemed relevant to the company and its shareholders.

The concept of corporate governance describes the decision support system by which the company is governed. Aqilion is committed to maintaining a high standard of governance through the clarity and simplicity of its management systems and governing documents. Governance of the company is based on its Articles of Association, the Swedish Companies Act and other applicable laws and regulations.

All shares in Aqilion carry the same voting rights, which means that the ability to exercise owner influence as an owner corresponds to each shareholder's stake in the company.



Shareholder structure

The shareholder structure according to the share register as of December 31, 2020, is shown in the table below:

Shareholder	Number of shares	Holdings in %
Longbow Finance S.A.	966,473	22.96
Länsförsäkringar Skåne	888,865	21.12
Länsförsäkringar Göteborg och Bohuslän	400,130	9.51
Aktiebolag Grenspecialisten	250,002	5.94
LMK Forward AB	250,002	5.94
Länsförsäkringar Halland	233,400	5.55
Parkander, Björn	136,580	3.24
Henry Dunkers Förvaltnings AB	109,694	2.61
Grevermond Investments Ltd.	70,736	1.68
Vikow ventures	55,084	1.31
Backsell, Lars	52,858	1.26
Swedocean AB	52,000	1.24
Mikael Lönn	44,000	1.05
Other	699,187	16.59
Total	**4,209,011**	**100.00**

2020 Annual General Meeting

The Annual General Meeting was held on June 10, 2020, in Helsingborg, where 42 percent of the number of shares and voting rights were represented. The Nomination Committee consisted of Lena Mårtensson (chair), Helena Arcombe, Clas Runnberg and Malin Ruijsenaars.

The Meeting resolved that the Board will consist of five members without deputies. The following individuals were elected to serve on the Board until the next Annual General Meeting: Johan Lund (reelection), Marie Lidgard (reelection), Roland Andersson (reelection), Andreas Segerros (reelection) and Martin Olovsson (reelection). Johan Lund was elected to serve as Chairman of the Board. Jörgen Johnsson and Karin Wingstrad declined reelection.

Due to the ongoing Covid-19 pandemic, the full Board of Directors did not attend the meeting. Aqilion's CEO and the company's auditors were present at the meeting.

RESOLUTIONS

- Adoption of the presented balance sheet and statement of profit or loss for the parent company.
- The Board of Directors and the Chief Executive Officer were discharged from liability in respect of the company for the 2019 financial year.
- The meeting resolved to pay fees to the Board of Directors in the amount of SEK 210,000 to the Chairman of the Board and SEK 90,000 for each Board member in 2020.
- The meeting re-elected Mazars AB in Helsingborg with Andreas Brodström as principal auditor and Bertil Toresson as co-auditor to serve as the company's auditor until the end of the next Annual General Meeting.
- The Annual General Meeting resolved to change the form of business enterprise from a private limited company to a public limited company.
- The meeting adopted instructions for the Nomination Committee.

NOMINATION COMMITTEE

The task of the Nomination Committee is to put forward proposals regarding the election of the Chairperson of the Annual General Meeting, election of the Chairperson and other members of the Board, appointment of auditors and fees paid to the Directors and the Auditors. The Nomination Committee shall consist of representatives of the four largest shareholders in terms of votes as of September 30 each year before the Annual General Meeting is held. The Chairperson of the Board of Directors is instructed to contact shareholders as described above as soon as possible after 30 September each year. If any of the four largest shareholders in terms of voting rights chooses to waive the right to appoint a member to the Nomination Committee, or may otherwise be deemed to have waived such right, the next shareholder shall be given the opportunity to appoint a member of the Nomination Committee in turn, provided that no more than a total of ten shareholders need be consulted, unless this is required for the Nomination Committee to consist of at least three members.

It is incumbent upon the Chairman of the Board to convene the Nomination Committee.

- Helena Arcombe, appointed by the shareholder Länsförsäkringar Skåne
- Christian Ewe, appointed by the shareholder LMK Forward AB
- Linnea Höglund, appointed by the shareholder Länsförsäkringar Göteborg och Bohuslän
- Malin Ruijsenaars, appointed by the shareholder Grenspecialisten AB

Work of the Board of Directors and organization

The Board of Directors is the company's highest administrative body under the General Meeting. The Board of Directors is charged with the organization of the company and management of its operations. It is also the Board's duty to ensure that the organization in charge of accounting and the management of assets is subject to satisfactory control. Under the Articles of Association, Aqilion's Board of Directors is to consist of a minimum of zero and a maximum of ten members, with a maximum of five deputies. The members are elected annually at the Annual General Meeting (AGM) for a one-year term up until the close of the following AGM. The AGM also appoints the Chairperson of the Board. The guidelines for the work of the Board of Directors are based on the rules of procedure, which also regulate the allocation of work between the Board of Directors, the Chairperson of the Board and the CEO.

The Board of Directors held its statutory meeting on June 10, 2020. In 2020, the Board held five face-to-face meetings at which the meetings were recorded, a two-day working meeting for strategy discussion and a few telephone meetings. During the year, the Board had five directors. In 2018, the Board established a Remuneration Committee consisting of members of the Board. In 2020, the Remuneration Committee consisted of Johan Lund, Marie Lidgard and Martin Olovsson. Other company representatives participate as needed during board meetings during project presentations or in administrative roles. The company's auditor reports annually to the Board of Directors on the audit of the accounts and operations. Remuneration to the Board of Directors was paid with a fee of SEK 210,000 to the Chairman of the Board and SEK 90,000 for each Board member in 2020. The fee is approved by the Annual General Meeting based on a recommendation prepared by the Nomination Committee.

Chief Executive Officer

The Chief Executive Officer is responsible for ensuring that the ongoing operation is handled in accordance with the guidelines and instructions provided by the Board of Directors, as clarified in separate instructions for the CEO. The CEO shall ensure, through satisfactory control systems, that the Company complies with laws and regulations. Moreover, the CEO shall ensure that the Board receives factual, detailed and relevant information necessary for the Board to make informed decisions. In addition, the CEO pursues a continuous dialogue with the Chairperson of the Board and keeps the Chair informed about the performance and financial position of the company.

Auditors

The company must have two auditors with or without a deputy auditor. The appointment as auditor shall apply until the close of the General Meeting, which is held during the fourth financial year after the election of the auditor. At the 2020 Annual General Meeting, Mazars Audit Office in Helsingborg was re-elected as auditor, with Andreas Brodström as principal auditor and Bertil Toreson as co-auditor.

Consolidated statement of profit or loss

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	NOTE	2020	2019
SEK 000s			
Net sales		-	-
Cost of goods sold		-	-
Gross profit/loss		0	0
Research and development costs	6,7,9	-21,674	-18,015
Administrative expenses	6,7,8,9	-8,263	-7,929
Other operating income	10	2,731	1,635
Loss on divestment of Group company		0	-1,585
Profit/loss from participations in joint ventures and associates		-7,044	-7,893
Operating profit/loss		**-34,250**	**-33,787**
Net financial items	11	14,811	-12,755
Profit/loss after financial items		**-19,439**	**-46,542**
Profit/loss before tax		-19,439	-46,542
Tax on profit/loss for the year	12	0	0
PROFIT/LOSS FOR THE YEAR		**-19,439**	**-46,542**
Profit/loss for the year attributable to:			
Equity holders of the parent company		-19,255	-44,153
Non-controlling interests		-184	-2,389
Average number of shares		4,209,011	3,542,643
Earnings per share, basic and diluted		-4.62	-11.06
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
Profit/loss for the year		-19,439	-46,542
Other comprehensive income		0	0
Comprehensive income for the year		**-19,439**	**-46,542**
Comprehensive income for the year attributable to:			
Equity holders of the parent company		-19,255	-44,153
Non-controlling interests		-184	-2,389

Consolidated balance sheet

CONSOLIDATED BALANCE SHEET	NOTE	Dec. 31, 2020	Dec. 31, 2019	Jan. 1, 2019
SEK 000s				
ASSETS				
Non-current assets				
Intangible assets		0	0	2,789
Right-of-use assets	13	1,111	0	0
Financial assets				
Share of equity in joint ventures and associates	15	1,802	6,988	6,272
Other securities held as non-current assets	16	25,954	11,202	13,411
Total non-current assets		**28,867**	**18,190**	**22,472**
Current assets				
Accounts receivable		0	11	0
Receivables from joint ventures and associates		150	196	375
Other receivables		1,071	864	371
Prepayments and accrued income	17	232	359	413
Cash and cash equivalents	18	93,372	122,568	68,435
Total current assets		**94,825**	**123,998**	**69,594**
TOTAL ASSETS		**123,692**	**142,188**	**92,066**
EQUITY AND LIABILITIES				
Equity	19			
Share capital		2,105	2,105	1,438
Other contributed capital		313,314	313,314	214,026
Retained earnings, including net profit/loss		-195,634	-176,378	-131,738
Equity attributable to shareholders of the parent company		119,785	139,041	83,726
Non-controlling interests		112	296	3,731
Total equity		**119,897**	**139,337**	**87,457**
Non-current liabilities				
Lease liability	20	526	0	0
Total non-current liabilities		**526**	**0**	**0**
Current liabilities				
Lease liability	20	536	0	0
Accounts payable		984	658	1,014
Current tax liabilities		244	0	0
Other liabilities		411	731	468
Accrued expenses and deferred income	21	1,094	1,462	3,127
Total current liabilities		**3,269**	**2,851**	**4,609**
TOTAL EQUITY AND LIABILITIES		**123,692**	**142,188**	**92,066**

Consolidated statement of changes in equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK 000s	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year	Equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
Amount, Jan. 1, 2019	1,438	214,026	-131,738	83,726	3,731	87,457
Comprehensive income for the year			-44,153	-44,153	-2,389	-46,542
Transactions with shareholders in their capacity as owners						
New share issue	667	99,288	-487	99,468		99,468
Divestment of Group company				0	-1,046	-1,046
Closing balance, December 31, 2019	**2,105**	**313,314**	**-176,378**	**139,041**	**296**	**139,337**
Amount, Jan. 1, 2020	2,105	313,314	-176,378	139,041	296	139,337
Comprehensive income for the year			-19,256	-19,256	-184	-19,440
Closing balance, December 31, 2020	**2,105**	**313,314**	**-195,634**	**119,785**	**112**	**119,897**

Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK 000s	NOTE	Dec. 31, 2020	Dec. 31, 2019
Operating activities			
Operating profit/loss		-34,250	-33,787
Interest received		0	20
Interest paid		-2	0
Adjustment for non-cash items	23	7,044	9,478
Cash flow from operating activities before changes in working capital		**-27,208**	**-24,289**
Cash flow from changes in working capital			
Change in operating receivables		-23	-517
Change in operating liabilities		-120	-1,557
Cash flow from operating activities		**-27,351**	**-26,363**
Investing activities			
Dividend received		62	78
Sale of non-current financial assets		0	203
Investment in joint ventures and associates		-1,858	-8,609
Investments in other financial holdings		0	-10,644
Cash flow from investing activities		**-1,796**	**-18,972**
Financing activities			
New share issue		0	99,955
Issue costs		0	-487
Amortization of lease liability	20	-49	0
Cash flow from financing activities		**-49**	**99,468**
Cash flow for the period		**-29,196**	**54,133**
Cash flow for the period		-29,196	54,133
Cash and cash equivalents at start of period		122,568	68,435
Cash and cash equivalents at close of period	18	**93,372**	**122,568**

Parent company statement of profit or loss

PARENT COMPANY STATEMENT OF PROFIT OR LOSS	NOTE	2020	2019
SEK 000s			
Net sales		-	-
Cost of goods sold		-	-
Gross profit/loss		**0**	**0**
Research and development costs	6,7,9	-21,674	-12,752
Administrative expenses	6,7,8,9	-7,820	-7,125
Other operating income	10	2,930	2,780
Operating profit/loss		**-26,564**	**-17,097**
Profit/loss from financial items			
Earnings from participations in Group companies	11	0	-32,891
Profit/loss from participations in joint ventures and associates	11	0	-277
Profit/loss from other securities that are non-current assets	11	12,853	-12,853
Other interest income and similar profit/loss items	11	62	98
Interest expense and similar profit/loss items	11	-2	0
Total financial items		12,913	-45,923
Profit/loss after financial items		**-13,651**	**-63,020**
Profit/loss before tax		**-13,651**	**-63,020**
Tax on profit/loss for the year	12	0	0
PROFIT/LOSS FOR THE YEAR		**-13,651**	**-63,020**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME		2020	2019
Profit/loss for the year		-13,651	-63,020
Other comprehensive income		0	0
Comprehensive income for the year		**-13,651**	**-63,020**

Parent company balance sheet

PARENT COMPANY BALANCE SHEET	NOTE	Dec. 31, 2019	Dec. 31, 2019	Jan. 1, 2019
SEK 000s				
ASSETS				
Non-current assets				
Non-current financial assets				
Participations in Group companies	14	25	0	32,979
Participations in joint ventures and associates	15	39,752	37,894	29,285
Other securities held as non-current assets	16	24,056	11,203	13,411
Total non-current assets		**63,833**	**49,096**	**75,675**
Current assets				
Current receivables				
Accounts receivable		0	11	0
Receivables from Group companies		0	47	79
Receivables from associated companies and jointly controlled companies		150	196	375
Receivables from other companies in which there is an ownership interest		0	14	4
Other receivables		1,037	605	38
Prepayments and accrued income	17	283	282	255
Total current receivables		**1,469**	**1,155**	**751**
Cash and cash equivalents	18	92,950	121,620	59,383
Total current assets		**94,419**	**122,775**	**60,135**
TOTAL ASSETS		**158,252**	**171,872**	**135,810**
EQUITY AND LIABILITIES				
Equity	19			
Restricted equity				
Share capital		2,105	2,105	1,438
Statutory reserve		1,472	1,472	1,472
Total restricted equity		*3,577*	*3,577*	*2,910*
Unrestricted equity				
Share premium reserve		0	98,802	99,622
Retained earnings		165,625	129,843	51,006
Profit/loss for the year		-13,651	-63,020	-20,785
Total unrestricted equity		*151,974*	*165,625*	*129,843*
Total equity		**155,551**	**169,202**	**132,753**
Current liabilities				
Accounts payable		953	639	195
Tax liability		244	0	0
Other liabilities		411	600	470
Accrued expenses and deferred income	21	1,094	1,431	2,392
Total current liabilities		**2,701**	**2,670**	**3,057**
TOTAL EQUITY AND LIABILITIES		**158,252**	**171,872**	**135,810**

Parent company statement of changes in equity

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK 000s	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Profit/loss for the year	Total equity
Amount, Jan. 1, 2019	1,438	1,472	99,622	51,006	-20,785	132,753
Resolution from the Annual General Meeting:						
to be carried forward			-99,622	78,837	20,785	0
New share issue	667		98,802			99,469
Comprehensive income for the year					-63,020	-63,020
Closing balance, December 31, 2019	**2,105**	**1,472**	**98,802**	**129,843**	**-63,020**	**169,202**
Amount, Jan. 1, 2020	2,105	1,472	98,802	129,843	-63,020	169,202
Resolution from the Annual General Meeting:						
to be carried forward			-98,802	35,782	63,020	0
Comprehensive income for the year					-13,651	-13,651
Closing balance, December 31, 2020	**2,105**	**1,472**	**0**	**165,625**	**-13,651**	**155,551**

Parent company statement of cash flows

PARENT COMPANY STATEMENT OF CASH FLOWS	NOTE	Dec. 31, 2020	Dec. 31, 2019
SEK 000s			
Operating activities			
Operating profit/loss		-26,564	-17,096
interest received		0	20
Interest paid		-2	0
Cash flow from operating activities before changes in working capital		**-26,566**	**-17,076**
Cash flow from changes in working capital			
Change in operating receivables		-314	-404
Change in operating liabilities		31	-386
Cash flow from operating activities		**-26,849**	**-17,866**
Investing activities			
Dividend received		62	78
Investment in Group company		-25	0
Sale of participations in joint ventures and associates		0	226
Investment in joint ventures and associates		-1,858	-9,024
Investment in other securities held as non-current assets		0	-10,645
Cash flow from investing activities		**-1,821**	**-19,365**
Financing activities			
New share issue		0	99,955
Issue costs		0	-487
Cash flow from financing activities		**0**	**99,468**
Cash flow for the period		**-28,670**	**62,237**
Cash flow for the period		-28,670	62,237
Cash and cash equivalents at start of period		121,620	59,383
Cash and cash equivalents at close of period	18	**92,950**	**121,620**

Financial overview – parent company

FINANCIAL OVERVIEW – parent company	2020	2019	2018
Statement of profit or loss, SEK thousand			
Other operating income	2,930	2,910	3,612
Operating expenses	-29,494	-20,007	-14,849
Operating profit/loss	-26,564	-17,097	-11,237
Net financial items	12,913	-45,923	-9,548
Profit/loss before tax	-13,651	-63,020	-20,785
Income tax	-	-	-
Profit/loss for the year	-13,651	-63,020	-20,785
Balance sheet, SEK thousand			
Non-current financial assets	63,833	49,096	75,675
Current receivables	1,469	1,155	751
Cash and cash equivalents	92,950	121,620	59,383
Total assets	158,252	171,871	135,810
Equity	155,550	169,201	132,753
Non-current and current liabilities	2,702	2,670	3,057
Total equity and liabilities	158,252	171,871	135,810
Statement of cash flows, SEK thousand			
Cash flow from operating activities	-26,849	-17,866	-9,621
Cash flow from investing activities	-1,821	-19,365	-37,212
Cash flow from financing activities	0	99,468	104,275
Cash flow for the year	-28,670	62,237	57,442
Key performance measures			
Working capital, SEK 000s	91,718	120,105	57,078
Acid test ratio, %	3,496	4,598	1,967
Equity/assets ratio, %	98	98	98
Debt/equity ratio, %	2	2	3
Share data, SEK			
Earnings per share	-3.24	-14.97	-7.23
Diluted earnings per share	-3.24	-14.97	-7.23
Equity per share	36.96	40.20	46.15
Dividend	0	0	0
Number of shares			
Average shares outstanding	4,209,011	3,542,643	2,543,091
Weighted average number of shares outstanding, diluted	4,209,011	3,542,643	2,543,091
Shares outstanding at end of period	4,209,011	4,209,011	2,876,275

Figures for 2018 have not been restated in accordance with RFR 2, which may entail a lack of comparability.

Notes to the financial statements

Notes

Note 1
General information

AQILION AB (publ), with its registered office in Helsingborg, is a Swedish public limited company with company reg. no. 556623-2095, and is parent company to the wholly owned subsidiary AQILION FILIA AB, company reg. no. 559293-2718. The company's visiting address is Henckels Torg 3, 252 36 Helsingborg.

Aqilion has changed its strategy in recent years and now conducts research and development in-house. The company still retains shareholdings in a few project companies.

Aqilion is a biotech company that focuses on developing new innovative treatments for diseases caused by chronic inflammation and dysfunctional immune reactions such as autoimmune diseases. Its mission is to identify innovations based on solid research with clear biological support that will make it possible to develop new drugs that offer both clinical relevance and patient benefit.

This Annual Report and Consolidated Financial Statements were approved by the Board of Directors on April 27, 2021 and will be presented for adoption at the Annual General Meeting on June 18, 2021.

Note 2
Significant accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations as adopted by the EU. In addition, RFR 1 Supplementary Accounting Rules for Groups have been applied. This is the first Annual Report in which Aqilion presents consolidated financial statements. The date of transition to IFRS is January 1, 2019.

The parent company has prepared its Annual Report in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The recommendation entails that the parent company applies the same accounting principles as the Group except in cases where the Swedish Annual Accounts Act or current tax rules restrict the possibility of applying IFRS. The date of transition is the beginning of the comparative year, January 1, 2019. The transition to RFR 2 has had no effect on the parent company's performance, position or cash flow, with the exception that one shareholding has been reclassified as securities held as non-current assets, see Note 16.
The differences between the accounting policies of the parent company and the Group are set out under the parent company's accounting policies below.

Basis for preparing the financial statements

The Group's functional currency is Swedish kronor (SEK), as is the reporting currency for the parent company and the Group. Financial reports are always presented in thousands of Swedish kronor (SEK 000s) rounded to the nearest thousand, unless otherwise stated. Rounding to SEK 000s may mean that the amounts do not add up.

Assets and liabilities are recognized at historical cost, except for certain financial assets and liabilities that are measured at fair value. The balance sheet items that are classified as current assets and current liabilities are expected to be recovered and paid within 12 months. All other balance sheet items are expected to be recovered or paid at a later date.

The preparation of the financial statements in conformity with IFRS requires the Board of Directors and management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on historical experience and knowledge of the industry in which Aqilion operates and appear to be reasonable under current conditions. The results of the estimates and assumptions are then used to determine the carrying amounts of assets and liabilities that are not otherwise apparent from other sources. Actual outcomes may differ from these estimates and assumptions. The estimates and assumptions are reviewed regularly and revisions are recognized in the statement of profit or loss. Judgments made by the Board of Directors and management in the application of accounting policies under IFRS that may have a significant impact on the financial statements, as well as judgments that may result in material adjustments to financial statements in subsequent years are described in more detail in Note 4.
The following accounting policies for the Group were consistently applied in all periods shown in the consolidated financial statements unless stated otherwise below.

New and amended standards applied by the Group

No standards to be applied by the Group for the first time on January 1, 2020, have had or are expected to have an impact on the consolidated financial statements.

New standards and interpretations not yet applied by the Group

A number of new standards and interpretations are effective for financial years beginning after January 1, 2020 and have not been applied in the preparation of this Annual Report. The new standards and interpretations that are not yet effective are not expected to have any impact on the consolidated financial statements.

Statement of profit or loss by function of expense

In connection with the transition to IFRS, the company has decided to move to a statement of profit or loss by function of expense, which better corresponds to the way the company conducts and manages its business and thus facilitates analysis of the company's activities. The expense functions that will be included in the presentation are Research and development costs and Administrative expenses.
See also Note 6.

Consolidated accounts

Subsidiaries are the companies over which the Group has a controlling influence. The Group controls a company when it is exposed to or has the right to a variable yield from its holding in the company and has the ability to affect the yield through its influence over the company. Subsidiaries are consolidated from the date on which the controlling influence is transferred to the Group. They are deconsolidated from the date the controlling influence ceases.
The Group uses the acquisition method to recognize its business combinations. The purchase consideration for the acquisition of a subsidiary consists of the fair value of transferred assets and liabilities incurred to the previous owners of the acquired entity and the shares issued by the Group. The purchase consideration includes the fair value of all assets or liabilities arising from an agreement regarding contingent consideration.

Identifiable acquired assets as well as liabilities assumed in a business combination are measured initially at their fair values on the acquisition date. Acquisition-related costs are expensed as incurred.
For each acquisition, the Group determines whether non-controlling interests in the acquiree are carried at fair value or at the non-controlling interest's proportionate share of the carrying amount of the acquiree's net identifiable assets.

Intra-Group transactions, balance sheet items, and unrealized gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are recognized as equity transactions, i.e. as transactions with the owners in their role as owners. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. In the case of acquisitions from non-controlling interests, the difference between the fair value of the consideration paid and the actual share acquired of the carrying amount of the net assets of the subsidiary is recognized in equity. Gains and losses on disposals to non-controlling interests are also recognized in equity.

Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are valued using the currency of the economic environment in which the entity mainly operates (the functional currency).
The consolidated financial statements use Swedish kronor (SEK), which is the presentation currency of the Group.

Transactions and balance sheet items
Foreign currency transactions are translated into the functional currency using the exchange rates in effect on the transaction date or the date on which the items were remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate are recognized through profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash are recognized through profit or loss as financial income or expense. All other foreign exchange gains and losses are recognized net in Other operating income or Other operating expenses in the statement of profit or loss.

Intangible assets and property, plant, and equipment

Intangible assets and property, plant, and equipment are recognized at cost less depreciation and amortization.
Cost includes expenditures directly attributable to the acquisition of the asset. Additional expenses are added to the carrying amount of the asset or recognized as a separate asset only where it is likely that the future economic benefits associated with the asset will flow to the Group and the asset's cost can be measured in a reliable manner. Expenditures for repairs and maintenance are recognized as expenses through profit or loss over the period in which they arise. The Group currently has no recognized intangible assets or property, plant and equipment other than right-of-use assets relating to leases for premises.

Research and Development
Expenditure on research aimed at gaining new scientific or technical knowledge is recognized as an expense as incurred.
Expenditure on development and studies, in which research findings or other knowledge can be applied to produce identifiable and unique drug candidates, is recognized as an intangible asset when specific criteria have been met relating to the technical feasibility of completing a drug candidate and the company has been able to identify a clear commercial interest and hence probable economic value.
The criteria to be met are:

- It is technically feasible to complete the drug candidate so that it can be used.
- The company's intent is to complete the drug candidate and to use or sell it.
- It is possible to use or sell the drug candidate.
- It can be shown how the drug candidate will generate probable future economic benefit and cash flow.
- Adequate technical, financial and other resources to complete the development and to use or sell the drug candidate are available.
- The expenditure attributable to the drug candidate during its development can be reliably measured.

The period when research and development projects are expected to be registered as medicinal products is far in the future, for which reason there is a high degree of uncertainty as to when any likely future economic benefits will accrue to the company.
The above criteria are normally considered to be met when development projects achieve market approval.

Directly attributable expenses, which are recognized as part of the drug candidate, include employee expenses and a reasonable proportion of indirect costs. Development costs expensed in prior periods are not recognized as an asset in the subsequent period. Capitalized development costs are recognized as intangible assets and amortized from the date the asset is available for use.

The Board regularly assesses whether to continue capitalization or whether there is a need for impairment.
Decisions are made based on a value-in-use assessment which is based on the progress of the projects, the status of patents and ongoing commercial discussions applied to provide an overall picture of the possibility of out-licensing/selling the projects, as well as an estimate of the potential market value.

Leases

When new leases are signed, a right-of-use asset and a lease liability are recognized in the balance sheet.
The cost consists of the discounted remaining lease payments for non-cancellable lease periods. Possible extension periods are included if the Group is reasonably certain that they will be used. When discounting, the company uses marginal loan interest rates, which are currently 6.2%.

The lease may change during the lease term, resulting in a revaluation of the lease liability and the right-of-use asset.
Lease payments are split between amortization of the lease liability and payment of interest.

The Group's material leases consist of contracts for the rental of office premises. The company applies the exemption for leases where the underlying asset has a low value and for short-term leases. These leases are expensed in the period incurred.

Participations in joint ventures and associates

Joint ventures and associates are companies in which the Group has a significant but not controlling influence, which generally applies to shareholdings of between 20% and 50% of the voting rights. Investments in joint ventures and associates are recognized under the equity method.
Under the equity method, the investment is initially measured at cost. The carrying amount is subsequently increased or decreased to reflect the Group's share of profit or loss and other comprehensive income after the acquisition date. Additions increase the carrying amount and dividends are recognized as a decrease in the carrying amount of the investment.

Financial assets

A financial asset is recognized in the balance sheet when the company becomes a party to the contractual provisions of the instrument. A financial asset or part of a financial asset is derecognized from the balance sheet when the contractual rights are realized, expire or the company loses control over them.

Classification and measurement

The company's policies for classifying and measuring financial assets are based on an assessment of both the company's business model for managing financial assets, and the characteristics of the contractual cash flows from the financial asset. Financial instruments are initially recognized at fair value including transaction costs, except for derivatives and instruments belonging to the category of financial assets which are recognized at fair value through profit or loss, which are recognized net of transaction costs. For the financial years presented, the company has the following categories of financial instruments:

Financial assets measured at amortized cost
Here the company recognizes the assets held within a business model whose objective is to hold financial assets to collect contractual cash flows, and the contractual terms of the assets give rise to cash flows that are only payments of principal and interest on the outstanding amounts at predetermined times. Financial assets measured at amortized cost are included in current assets, except for those items with maturities of more than 12 months after the balance-sheet date, which are classified as fixed assets. After the acquisition date, the asset is measured at amortized cost less any provision for loan losses.

Expected credit losses are recognized on an ongoing basis over the holding period, normally taking into account the risk of credit loss within the next 12 months. In the event of a significant increase in credit risk, a provision is made for the credit losses expected to occur throughout the life of the asset. Aqilion applies the simplified method for calculating credit losses, which is based on historical data regarding the payment patterns and payment capacity of the counterparty. Based on historical data, expected credit losses are considered to be extremely limited.

Financial assets measured at fair value through profit or loss
The Group holds shares in companies whose value is monitored by management on an ongoing basis, for which reason these shares are recognized under financial assets at fair value through profit or loss. Here, the Group recognizes holdings in listed companies that are not joint ventures and associates.

This holding has been recognized at fair value. The inputs to the fair value measurement are Level 1, i.e. quoted, unadjusted prices in active markets for identical assets and liabilities available to the company at the measurement date.

Cash and cash equivalents
Cash and cash equivalents, in both the balance sheet and the statement of cash flows, includes cash and bank balances and other current investments with maturities of less than three months from the time of acquisition.

Equity

Share capital
Ordinary shares are classified as share capital.

Other contributed capital
Consists of what has been paid in excess of the quota value in issues.

Issue costs
Transaction costs that can be directly attributed to the issue of new ordinary shares or warrants are recognized net of tax, in equity as a deduction from the issue proceeds.

Retained earnings
Include all historical net earnings after tax excluding non-controlling interest, less dividends paid.

Non-controlling interests
The shares of equity that pertain to non-controlling interest (minority shareholders), which may occur in subsidiaries.

Dividends
The dividend proposed by the Board of Directors reduces earnings available for distribution and is recognized as a liability when the Annual General Meeting has approved the dividend.

Financial liabilities

Financial liabilities measured at amortized cost
The Group only has financial liabilities that are classified and measured at amortized cost using the effective interest method. Initial recognition is at fair value, net after transaction costs. A financial liability is recognized in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. A financial liability or a part of a financial liability is derecognized from the balance sheet when the obligation in the agreement is fulfilled or otherwise extinguished.

Provisions

Provisions are recognized for legal and constructive obligations attributable to the financial year or previous financial years which, on the closing date, are either secure or probable with regard to their existence, but doubtful with regard to the amount or the time when they should be paid.

Contingent liabilities

A contingent liability is recognized when there is a possible obligation that arises from past events and whose existence is confirmed only by one or more uncertain future events, or when there is a commitment that is not recognized as a liability or provision because it is unlikely that an outflow of resources will be required.

Revenue from contracts with customers

Revenue from contracts with customers is recognized when the performance obligation is met and control of a product or service is transferred to the customer. This assessment shall be viewed from a customer's perspective considering indicators such as transfer of ownership and risks, customer acceptance, physical possession, and the right to invoice. An assessment must also be made as to whether control is transferred at a specific point in time or over time.

Services
The Group currently has limited revenue. The contract that generated revenue during the year was mainly for administrative services to

Group companies and associated companies. Revenue for services is recognized over time.
Transaction prices for services are represented by payments based on stage of completion. A contract asset arises when performance has been rendered and there is an unconditional right to payment, but invoicing has not yet occurred.

Recognition of public grants

Public grants are recognized at fair value as soon as there is reasonable assurance that the conditions attaching to the grant will be met and that the grant will thereby be received. Grants received to cover costs are recognized under other revenue in the same period in which the costs are incurred.

Employee benefits

Pension obligations
The Group has defined contribution pension plans. A defined-contribution plan is a pension plan under which fixed contributions are paid to a separate legal entity.
Aqilion has no further payment obligations once the fees have been paid. The fees are recognized as personnel costs as they are earned. The company's obligations in respect of contributions to defined contribution plans are recognized as an expense in profit or loss as they are earned by employees in the course of their employment with the company.

Benefits upon termination of employment
Compensation upon termination of employment is paid when an employee's employment is terminated by Aqilion prior to the normal retirement date or when an employee accepts voluntary severance in exchange for certain compensation.
Aqilion recognizes severance compensation when Aqilion is demonstrably obligated either to terminate an employee pursuant to a detailed formal plan without the possibility of recall, or to provide compensation upon termination as a result of an offer made to encourage voluntary severance. Benefits payable more than 12 months after the balance sheet date are discounted to present value.

Borrowing costs
Borrowing costs which are directly attributable to the purchase, construction or production of qualifying assets are recognized as part of the cost of these assets. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Capitalization ceases when all activities necessary to prepare the qualifying asset for its intended use or sale are complete. All other borrowing costs are expensed as incurred.

Income tax

Recognition of income tax includes current tax and deferred tax. The tax is recognized through profit or loss, except where it relates to items recognized directly in equity. In such cases, the tax is also recognized in equity. Deferred tax is recognized using the balance sheet method for all material temporary differences. A temporary difference arises when the carrying amount of an asset or liability differs from its tax assessment value. Deferred tax is calculated by applying the tax rate that has been enacted or announced at the balance sheet date and that is expected to apply when the relevant tax asset is realized or the tax liability is settled.

Deferred tax assets are recognized to the extent it is probable that future fiscal surpluses will be available against which the temporary differences can be utilized.

Statement of cash flows

The statement of cash flows has been prepared using the indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, and for items of income or expense associated with investing or financing cash flows. Cash and cash equivalents include cash on hand and immediately available bank balances.

Earnings per share

Calculation of earnings per share is based on consolidated profit or loss for the year attributable to parent company shareholders and on the weighted average number of shares outstanding during the year. In the calculation of diluted earnings per share, the earnings figure and the average number of shares are adjusted to take into account the dilutive effects of warrants. There is no dilutive effect since earnings for the periods were negative.

Accounting policies of the parent company

The parent company applies the same accounting principles as the Group except in the respects set out below.

Participations in Group companies
Investments in subsidiaries are carried at cost, less any impairment losses. Cost includes acquisition-related costs and any additional consideration.
When there is an indication that investments in subsidiaries decreased in value, an estimate is made of the recoverable amount. If the recoverable amount is less than the carrying amount, an impairment loss is recognized. Impairment losses are recognized in Earnings from participations in Group companies.

Participations in joint ventures and associates and other securities held as non-current assets
Investments in joint ventures and associates are initially recognized at cost, including any transaction expenses that are directly attributable to the acquisition of the shares. Issue proceeds and shareholder contributions are added to the cost. If the fair value is lower than the carrying amount, the shares are written down to the fair value if it can be assumed that the fall in value is permanent.

Financial instruments
The parent company does not apply IFRS 9 except for the rules for the assessment and calculation of impairment requirements of financial assets. In the parent company, non-current financial assets are measured at cost, less any impairment and current financial assets at the lower of cost and fair value, less sales costs.

Leases
The parent company has chosen to exercise the exemption in respect of the application of IFRS 16 Leases, which means that all leases are recognized as a cost on a straight-line basis over the term of the lease.

Group contributions and shareholder contributions
The parent company recognizes both received and granted Group contributions as appropriations. Shareholder contributions paid are recognized as an increase in the value of shares. An assessment is then made as to whether there is a need for impairment of the value of the shares in question.

Note 3
Financial risk management

The Group is exposed through its activities to various financial risks such as market risk (including currency risk, interest rate risk in cash flow and price risk), credit risk and liquidity risk. The Group's overarching risk management policy, which was adopted by the Board of Directors, is to strive for minimal adverse effects on financial performance and position.

The information below relates to the Group, which corresponds in all material respects to the information for the parent company.

Market risk

Currency risk
Aqilion's revenues and the majority of its costs are denominated in Swedish kronor (SEK). The company uses SEK as both its functional and reporting currency, which limits the company's exposure to currency risk at this time.

If the SEK had weakened or strengthened by 10%, with all other variables held constant, the restated profit after tax at December 31, 2020, would have been SEK 46 thousand (7) higher or lower, mainly as a result of gains and losses on the translation of current receivables and liabilities.

Interest rate risk in cash flow
Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates. The Group currently only has interest-bearing financial assets in the form of bank deposits and interest-bearing liabilities in the form of lease liabilities.

Calculated on the basis of financial interest-bearing assets and liabilities with variable interest rates as at December 31, 2020, a one-percentage-point change in market interest rates would affect the Group's earnings by SEK 923 thousand (1,226).

Price risk
The Group's securities held as non-current assets are measured at fair value through profit or loss. The holding is exposed to price risk. Management monitors developments on an ongoing basis and plans to ensure that other liquidity is available for operating activities.

Credit and counterparty risk

Credit risk is the risk of one party in a transaction with a financial instrument failing to meet its obligation.

The maximum exposure to credit risk on financial assets as of December 31, 2020 was SEK 120,547 thousand (134,842). Cash and cash equivalents are only placed in cash accounts or similar and the Group only uses credit institutions with a high credit rating to minimize credit risk. See Note 22.

Liquidity risk/financing risk

For Aqilion, liquidity risk entails a lack of sufficient cash and cash equivalents for payment of its obligations. The company's policy is to have sufficient cash and cash equivalents for at least 12 months ahead.

Aqilion had liquidity amounting to SEK 93,372 thousand (122,568) as of December 31, 2020.

In March/April 2018, the company raised SEK 100 million through a private placement of "units," which was carried out in 2018 and continued in 2019. Each subscribed unit in the private placement gave the owner one (1) share and two (2) warrants. Full exercise of the warrants could raise an additional SEK 100 million for the company in the first half of 2019. All outstanding warrants have been converted to shares, which raised an additional SEK 100 million for the company. A total of 1,999,104 new shares were subscribed in 2018 and 2019.

The maturity structure of the Group's financial liabilities is shown in the table. The amounts are undiscounted.

Financial liabilities as of December 31, 2020 are due for payment:

	Within 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Later than 2 years
Lease liability	146	437	595	0
Accounts payable	984	0	0	0
Other liabilities and accrued expenses	193	0	0	0
Total	**1,323**	**437**	**595**	**0**

Development risk

Aqilion is conducting a number of development projects with the aim of identifying drug candidates that have the potential to undergo clinical trials and, ultimately, be approved as new medications. It is not certain that Aqilion will be able to identify compounds that potential partners will consider to have an efficacy and safety profile that is sufficient to justify further development. There is a risk that projects for which collaboration agreements have been signed will have to be discontinued, thereby losing potential revenue opportunities. Aqilion's strategy is to develop projects up to the start of clinical trials and then to enter into agreements with major pharmaceutical companies that will be responsible for clinical development. Even if Aqilion succeeds in developing drug candidates, it is not certain that the company will be able to enter into agreements with commercial parties for further development, or that such agreements can be entered into on terms that are attractive to the company. There is also a risk that future commercial partners may choose to discontinue ongoing collaborations due to situations such as changing market prospects or a change in the competitive situation. Failure to establish or discontinuation of collaborations may entail loss of revenue for the company, which in turn would adversely affect the company's financial position.

Capital risk management

The Group's objective with respect to capital structure, defined as equity, is to ensure the ability of the company to continue as a going concern in order to generate returns for shareholders and benefits for other stakeholders, as well as to ensure that the capital structure is optimal with respect to the cost of capital. Dividends to shareholders, redemption of shares, issuance of new shares, or sale of assets are examples of measures that the company may use to adjust its capital structure.

Consolidated debt/equity ratio	**Dec. 31, 2020**	**Dec. 31, 2019**
Total interest-bearing liabilities	1,062	0
Less: interest-bearing assets	**-93,372**	**-122,568**
Net debt	**-92,310**	**-122,568**
Total equity	119,897	139,337
Net debt/equity ratio, %	**-77**	**-88**

Net debt
Interest-bearing liabilities less rest-bearing assets (incl. cash and cash equivalents)

Net debt/equity ratio
Net debt in relation to equity expressed in %

Note 4
Critical accounting estimates and judgements

Listed below are the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of material adjustments to the carrying values of assets and liabilities within the next financial year. The main uncertainty is in non-current financial assets.

In the parent company, the unlisted financial shareholdings (investments in joint ventures and associates) have been valued by external valuers. Changes in the assumptions made by the valuer and management could have a material impact on financial performance and position.

The most significant assessments in recognition of leases are the length of the lease term and the discount rate to be used. In establishing the length of the lease, management considers all information available that provides an economic incentive to exercise an extension option, or to not exercise an option to terminate a lease. Options to extend a lease are only included in the lease's length if it is reasonably certain that the lease will be extended. Individual assessments on extensions are made regularly, lease by lease.

The Group's tax loss carry-forwards have not been valued and are not recognized as deferred tax assets. These tax loss carry-forwards are only valued when the Group has established a level of profit that management confidently deems will result in a tax surplus.

Note 5
Segment information

The financial information reported to the chief operating decision maker, as a basis for allocating resources and assessing the Group's performance, is not broken down by operating segment. The Group operates as one business unit. The starting point for identification of reportable segments is the internal reporting as reported to, and followed up by, the chief operating decision maker. The Group has identified the CEO as the chief operating decision maker. The internal management and reporting structure comprises only one business unit and the Group therefore has only one operating segment.
The Group has individual customers who account for 10% or more of its revenues; see Note 24 for additional information.

Note 6
Operating expenses by type

Operating expenses are presented in the statement of profit or loss with a classification based on the functions "Research and development costs" and "Administrative expenses."

Group	2020	2019
Research and development costs		
Personnel costs	6,189	6,864
External costs	15,485	11,151
Total costs for research & development	**21,674**	**18,015**
Administrative expenses		
Personnel costs	2,617	3,250
External costs	5,646	4,679
Total administrative expenses	**8,263**	**7,929**
Parent company		
Research and development costs		
Personnel costs excl. share-based compensation	6,189	6,864
External costs	15,485	5,888
Total costs for research & development	**21,674**	**12,752**
Administrative expenses		
Personnel costs	2,617	3,250
External costs	5,203	3,875
Total administrative expenses	**7,820**	**7,125**

Research and development costs mainly consist of employee benefits and external costs related to clinical and preclinical research and development activities, as well as costs related to intellectual property rights.
Administrative expenses mainly relate to employee benefits and external costs related to legal advisors, financial consultants, auditors and other administrative services.

Note 7

Leases

Group	2020	2019
Depreciation/amortization of right-of-use assets	0	0
Interest expense for lease liabilities	0	0

The parent company's expenses and commitments in respect of leases are set out below.

Leases in the parent company

Lease payments incl. rent for premises, annual cost	596	622
Lease payments are due as follows:		
Within one year	865	302
More than one year but within five years	576	12
Later than five years	-	-
	1,441	**314**

The entire lease payment relates to rent for offices in Helsingborg, Lund and Gothenburg. The lease payment is allocated on a straight-line basis over the lease term.

Note 8

Audit fees

"Audit fees" relate to the audit of the annual report and accounting records, as well as the administration of the company by the Board of Directors and the Chief Executive Officer, other tasks incumbent on the company's auditor and advice or other assistance resulting from observations made during audits or the performance of such tasks. Everything else is classified as "other assignments."

Group	2020	2019
Mazars AB		
Audit assignment	120	133
Non-audit assignments	15	4
Tax consulting	0	0
Other advisory services	0	9
Total	**135**	**146**

Parent company		
Mazars AB		
Audit assignment	89	60
Non-audit assignments	15	4
Tax consulting	0	0
Other advisory services	0	9
Total	**104**	**73**

Note 9

Employee benefits and personnel information

Group	2020	2019
Employee benefits		
Salaries and benefits	5,542	6,640
Social security costs	1,606	2,105
Pension expenses – defined-contribution plans	1,360	2,458
Total	**8,509**	**11,204**
Remuneration of the Board of Directors		
Board fees	645	1,090
Social security costs	184	289
Total	829	1,379
Total Group	**9,338**	**12,582**
Parent company		
Employee benefits		
Salaries and benefits	5,542	6,640
Social security costs	1,606	2,105
Pension expenses – defined-contribution plans	1,360	2,458
Total	**8,509**	**11,204**
Parent company		
Remuneration of the Board of Directors		
Board fees	645	721
Social security costs	184	209
Total	**829**	**930**
Total parent company	**9,338**	**12,134**

Average number of employees	2020	men	2019	men
Parent company, Sweden	5	2	6	2
Total	**5**	**2**	**6**	**2**

Gender balance for Board members and other senior executives	2020	men	2019	men
Parent company Board of Directors	7	5	7	5
CEO and other senior executives	2	1	1	0
Boards within the Group	0	0	6	3
Total	**9**	**6**	**14**	**8**

Parent company
The Chairman of the Board received a fee of SEK 210 thousand (200) and the other Board members received SEK 90 thousand (80). The CEO received a salary of SEK 1,530 thousand (1,500) and an occupational pension premium of SEK 312 thousand (315).

Remuneration of senior executives

Remuneration of the Chief Executive Officer and other senior executives consists of basic salary and pension benefits.

Neither variable remuneration nor participation in incentive schemes are offered. Some of the Group's senior executives invoice their fees. The Group only has pension insurance obligations under defined-contribution plans. The company pays fixed fees to insurance companies. Retirement age is 65.

Severance pay

In the event of the dismissal of the Chief Executive Officer, a mutual notice period of six months applies. During the period of notice, the Chief Executive Officer shall be at the disposal of the company for such duties that the CEO has previously performed or is required to perform in the capacity of Chief Executive Officer. Regardless of which of the parties gives notice, the company has the right to relieve the Chief Executive Officer from the position for all or part of the notice period.

Note 10
Other operating income

Group	2020	2019
Sales to joint ventures and associates	2,605	1,529
Other sales	126	106
Total net sales	**2,731**	**1,635**

Parent company		
Sales to Group companies	245	1,145
Sales to joint ventures and associates	2,605	1,529
Other sales	80	106
Total net sales	**2,930**	**2,780**

Note 11
Financial items

Group	2020	2019
Financial income		
Interest income	0	20
Dividend	62	78
	62	98
Financial expenses		
Interest expense	-2	0
	-2	0
Change in value financial assets measured at fair value through profit or loss		
Fair value gain	14,751	0
Fair value loss	0	-12,853
	14,751	-12,853
Total net financial items	**14,811**	**-12,755**

Parent company		
Earnings from participations in Group companies		
Impairment	0	-13,052
Capital loss on sale	0	-19,839
	0	-32,891
Profit/loss from participations in joint ventures and associates		
Capital loss on sale	0	-277
	0	-277
Profit/loss from other securities that are non-current assets		
Reversal of impairment/impairment	12 853	-12 853
	12 853	-12 853
Profit/loss from other securities that are non-current assets		
Interest income	0	20
Dividend	62	78
	62	98
Interest expense and similar profit/loss items		
Interest expense	-2	0
	-2	0
Total financial items	**12,913**	**-45,923**

Note 12
Tax on profit/loss for the year

Group	2020	2019
Current tax for the year	0	0
Deferred taxes	0	0
Total tax on profit/loss for the year	0	0

The differences between recognized tax expense and calculated tax expense based on the relevant tax rate are as follows:

Profit/loss before tax	-19,439	-46,542
Income tax calculated according to the current tax rate (21.4%)	4,160	9,960
Tax effects of:		
Non-taxable income	13	40
Non-deductible expenses	-18	-10
Unrealized changes in value of financial assets	3,157	-2,751
Non-appraised tax loss carry-forwards	-7,312	-7,239
Tax on accumulated deficit	0	0

Accumulated tax loss carry-forwards for which no deferred tax asset has been recognized in the Group totaled SEK 131,225 thousand (104,085) at the end of the period, of which SEK 14,371 thousand (13,711) relates to the Trophea Group. These loss-carryforwards have been eliminated in early 2021 due to liquidation.

Parent company		
Current tax for the year	0	0
Deferred taxes	0	0
Total tax on profit/loss for the year	0	0

The differences between recognized tax expense and calculated tax expense based on the relevant tax rate are as follows:

Profit/loss before tax	-13,651	-63,020
Income tax calculated according to the current tax rate (21.4%)	2,812	12,982
Tax effects of:		
Reversal of impairment of financial items	2,648	0
Impairment, financial items	0	-9,480
Other non-taxable income	13	40
Other non-deductible expenses	-18	-9
Non-capitalized tax loss carry-forwards	-5,455	-3,533

Accumulated tax loss carry-forwards for which no deferred tax asset has been recognized in the parent company totaled SEK 116,854 thousand (90,374) at the end of the period.

Note 13
Right-of-use assets

Group	Dec. 31, 2020	Dec. 31, 2019
Opening cost	0	0
Additional contracts	1,111	0
Closing accumulated cost	**1,111**	**0**
Opening depreciation/amortization	0	0
Depreciation/amortization for the year	0	0
Closing accumulated depreciation/amortization	**0**	**0**
Carrying amount	**1,111**	**0**

Note 14

Participations in Group companies

Parent company	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Opening cost	13,052	32,979	0
Acquisitions during the year	25	0	0
Disposals during the year	0	-19,927	0
Reclassification to Group company	0	0	32,979
Closing accumulated cost	13,077	13,052	32,979
Opening impairment	-13,052	0	0
Impairment losses for the year	0	-13,052	0
Closing impairment	-13,052	-13,052	0
Carrying amount	**25**	**0**	**32,979**

	Percentage	Number of shares	Carrying amount
AQILION FILIA AB, 559293-2718 - Registered office Helsingborg	100	25,000	25
Trophea AB in liquidation, 559043-0616 - Registered office Helsingborg	72	168,509	0

The share of equity corresponds to the voting share.

Note 15

Participations in joint ventures and associates

Group	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Share of equity in joint ventures and associates			
Opening carrying amount	6,988	6,272	15,994
Share of profit/loss under the equity method	-7,044	-7,893	-13,290
Investment for the year	1,858	8,609	3,568
Carrying amount	**1,802**	**6,988**	**6,272**

There are no differences between the Group's share of the equity of the respective companies and the carrying amount as set out above.

	Percentage	Number of shares	Share of equity	
			2020	2019
Laccure AB, 556725-2076 - Registered office Gothenburg	25.9	198,001	865	1,290
Adenovir Pharma AB in liquidation, 556745-9986 - Registered office Helsingborg	39.2	486,621	0	0
Oncorena Holding AB, 556925-5192 - Registered office Helsingborg	30.7	76,265	937	5,698
			1,802	**6,988**

The share of equity corresponds to the voting share.

Summary of financial information for associated companies recognized under the equity method:

Laccure AB	2020	2019
Ownership share, %	25.9	23.7
Revenue	0	0
Profit/loss for the year	-4,839	-6,093
Aqilion's share of profit/loss for the period	-1,253	-1,444
Effect of rights issue	-1,030	-1,159
Total share of profit/loss for the year	**-2,283**	**-2,603**
Total non-current assets	2,566	3,071
Total current assets	1,386	3,917
Total current liabilities	-614	-1,544
Total net assets 100%	**3,338**	**5,444**
Aqilion's share of total net assets	**865**	**1,290**
Oncorena Group		
Ownership share, %	30.7	30.7
Revenue	0	0
Profit/loss for the year	-15,538	-12,790
Aqilion's share of profit/loss for the period	-4,761	-3,927
Effect of rights issue	0	-1,363
Total share of profit/loss for the year	**-4,761**	**-5,290**
Total non-current assets	1,956	2,042
Total current assets	3,890	18,564
Total current liabilities	-2,823	-2,224
Total net assets 100%	**3,023**	**18,382**
Aqilion's share of total net assets	**937**	**5,698**
Carrying amount under the equity method, joint ventures and associates	**1,802**	**6,988**

Parent company	Dec. 31, 2020	Dec. 31, 2019
Participations in joint ventures and associates		
Opening cost	**57,507**	**48,898**
Investment for the year	1,858	8,609
Reclassification to Group company	0	0
Closing cost	59,365	57,507
Opening impairment	-19,613	-19,613
Closing impairment	**-19,613**	**-19,613**
Carrying amount	**39,752**	**37,894**
Carrying amount: Laccure AB, 556725-2076	16,067	14,209
Oncorena Holding AB, 556925-5192	23,685	23,685
Adenovir Pharma AB in liquidation, 556745-9986	0	0

Note 16
Other securities held as non-current assets

Group	Dec. 31, 2020	Dec. 31, 2019
Opening carrying amount	11,203	13,411
Investment for the year	0	10,644
Change in fair value	14,751	-12,853
Carrying amount	**25,954**	**11,202**

	Percentage	Number of shares	Carrying amount	Market value Dec. 31, 2020
AcuCort AB, 556715-5113	25.9	5,069,066	25,954	25,954

Parent company	Dec. 31, 2020	Dec. 31, 2019
Opening cost	24,056	13,411
Investment for the year	0	10,644
Closing cost	24,056	24,055
Opening impairment	-12,853	0
Reversal/impairment for the year	12,853	-12,853
Closing impairment	**0**	**-12,853**
Carrying amount	**24,056**	**11,202**

Note 17
Prepayments and accrued income

Group	Dec. 31, 2020	Dec. 31, 2019
Prepaid rent	39	61
Prepaid charges for information databases	144	221
Other items	49	77
Carrying amount	**232**	**359**

Parent company	Dec. 31, 2020	Dec. 31, 2019
Prepaid rent	88	61
Prepaid charges for information databases	144	221
Other items	51	0
Carrying amount	**283**	**282**

Note 18
Cash and cash equivalents

Group	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Cash and cash equivalents comprise:			
Bank balances	93,372	122,568	68,435

Parent company	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Cash and cash equivalents comprise:			
Bank balances	92,950	121,620	59,383

The number of shares is 4,209,011; each share carries one vote. The quota value is SEK 0.50 per share.

Share capital development	Number of shares	Total number of shares	Increase in share capital	Total share capital
Feb. 1, 2002	100,000	100,000	100,000	100,000
Oct. 31, 2003	100,000	200,000		100,000
June 3, 2004	56,000	256,000	28,000	128,000
Oct. 23, 2004	200,000	456,000	100,000	228,000
April 18, 2007	84,790	540,790	42,395	270,395
May 30, 2007	12,000	552,790	6,000	276,395
Sept. 11, 2008	100,000	652,790	50,000	326,395
Nov. 2, 2009	36,852	689,642	18,426	344,821
June 1, 2010	770,000	1,459,642	385,000	729,821
July 3, 2013	289,855	1,749,497	144,927.50	874,748.50
June 11, 2015	100,000	1,849,497	50,000	924,748.50
June 9, 2016	360,410	2,209,907	180,205	1,104,953.50
March 27, 2018	666,368	2,876,275	333,184	1,438,137.50
June 30, 2019	1,332,736	4,209,011	666,368	2,104,505.50

Note 20
Lease liability

Group	Dec. 31, 2020	Dec. 31, 2019
Opening lease liability	0	0
Additional contracts	1,111	0
Amortization during the year, affecting cash flow	-49	0
Closing lease liability	1,062	0
Of which long-term	526	0
Of which short-term	536	0

Note 21
Accrued expenses and deferred income

Group	Dec. 31, 2020	Dec. 31, 2019
Accrued wages and salaries including holiday pay and social security contributions	555	480
Accrued Board fees incl. social security contributions	437	575
Other	102	407
Total accrued expenses and deferred income	**1,094**	**1,462**

Parent company	Dec. 31, 2020	Dec. 31, 2019
Accrued wages and salaries including holiday pay and social security contributions	555	480
Accrued Board fees incl. social security contributions	437	575
Other	102	376
Total accrued expenses and deferred income	**1,094**	**1,431**

Note 22
Financial instruments by category

Group	Dec. 31, 2020	Dec. 31, 2019
Financial assets measured at fair value through profit or loss		
Other securities held as non-current assets	25,954	11,203
	25,954	11,203
Financial assets measured at amortized cost		
Accounts receivable	0	11
Receivables from joint ventures and associates	150	196
Other receivables	1,071	864
Cash and cash equivalents	93,372	122,568
	94,593	123,639
Total financial assets	**120,547**	**134,842**

Financial assets measured at fair value through profit or loss
The Group has financial assets in the form of equities that are measured at fair value through profit or loss. Fair value has been determined using the current rate at the balance sheet date, which entails a Level 1 valuation.

Financial assets measured at amortized cost
The effective interest method has been applied in the valuation of financial assets measured at amortized cost. The Group applies the simplified method for calculating expected credit losses. Under this method, expected losses during the entire term of the receivable are used as a basis for the expected loss provision.
The Group currently has very limited accounts receivable and other receivables, for which reason no expected loss provision has been calculated.
The carrying amount of financial assets is deemed to correspond with fair value in all material respects.

Group	Dec. 31, 2020	Dec. 31, 2019
Financial liabilities measured at amortized cost		
Lease liability	1,062	0
Accounts payable	984	658
Other liabilities	44	291
Accrued expenses	149	364
Total financial liabilities	**2,239**	**1,313**

Financial assets measured at amortized cost
The Group only has financial liabilities that are classified and measured at amortized cost using the effective interest method.
The carrying amount of financial liabilities is deemed to correspond with fair value in all material respects.

Note 23
Non-cash items

Group	Dec. 31, 2020	Dec. 31, 2019
Profit/loss from participations in joint ventures and associates	7,044	7,893
Profit/loss on divestment of Group company	0	1,585
	7,044	9,478

Note 24
Related party transactions

Remuneration to the Board and Chief Executive Officer is presented in Note 9.
Aqilion's transactions with Group companies are eliminated in the consolidated financial statements.
Aqilion's transactions with associates are set out below.

Dec. 31, 2020	Sale of services	Purchases	Liability on Dec. 31	Receivable on Dec. 31
Laccure AB	1,629	0	0	250
Oncorena Group	800	0	0	0
Adenovir Pharma AB in liquidation	176	0	0	0
Dec. 31, 2019				
Laccure AB	656	0	0	225
Oncorena Group	357	0	0	136
Adenovir Pharma AB in liquidation	516	0	0	45

The parent company Aqilion has a controlling influence in Oncorena Holding AB through shareholder agreements.
The parent company's receivable from Group companies amounts to SEK 0 thousand (47).
For the parent company, other operating income includes SEK 245 thousand (1,145) in invoicing to Group companies.
No purchases have been made from Group companies.

Note 25
Pledged assets and contingent liabilities

The contingent liability of the Trophea Group was eliminated in conjunction with the completion of the liquidation; no funds were required to be provided.

Note 26
Significant events after the end of the financial year

- Aqilion strengthened its operational team in line with the company's research strategy. Johan Lund assumed the position of Chief Scientific Officer.

- Aqilion expanded its collaboration with researchers at Örebro University to further strengthen the company's Alnitak pharmaceutical project in chronic inflammation.

Assurance of the Board of Directors and the CEO

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

Helsingborg, Sweden, on April 27, 2021

Johan Lund
Chairman of the Board

Roland Andersson
Board member

Marie Lidgard
Board member

Martin Olovsson
Board member

Andreas Segerros
Board member

Sarah Fredriksson
Chief Executive Officer

Our Audit Report was submitted on April 27, 2021
Mazars AB

Andreas Brodström
Principal auditor
Authorized public accountant

Bertil Toresson
Authorized public accountant


PARTNERS

Auditor's Report

mazars

To the Annual General Meeting of AQILION AB,
company registration number 556623-2095

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of AQILION AB for 2020. The annual accounts and consolidated accounts of the company are included on pages 28-60.
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 December 31, 2020 and of its financial performance and its cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of December 31, 2020 and of their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards, 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 Annual Meeting of shareholders adopt the statement of profit or loss 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

The Board of Directors and the Chief Executive Officer are responsible for this other information, which is found on pages 1–27 in this published annual report. Our opinion regarding the annual accounts and consolidated accounts does not cover this information, and we make no statement of assurance regarding this other information. In connection with our audit of the annual accounts and consolidated accounts, it is our responsibility 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 on 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 Chief Executive Officer

The Board of Directors and the Chief Executive Officer 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 Chief Executive Officer are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Chief Executive Officer are responsible for the assessment of the ability of the company and the Group to continue as a going concern. They disclose, as applicable, matters related to the ability to continue as a 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 Chief Executive Officer intend to liquidate the company, cease operations or have no realistic alternative but to do so.

Auditor's responsibility

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

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and, where applicable, the Chief Executive Officer.
- Conclude on the appropriateness of the Board of Directors' and the Chief Executive Officer'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, the latter is required to draw attention in the auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify the opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of the 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 represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Chief Executive Officer of AQILION AB for 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the General Meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Chief Executive Officer 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 Chief Executive Officer

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

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

Auditor's responsibility

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act. As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss are 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.

Helsingborg, Sweden, on April 27, 2021
Mazars AB

Andreas Brodström	Bertil Toreson
Authorized public accountant	*Authorized public accountant*

Invitation to the 2021 Annual General Meeting

The Annual General Meeting of AQILION AB will be held at **3:00 p.m. on Friday, June 18, 2021,** at the company's office, Henckels Torg 3 in Helsingborg.

The notice of the Annual General Meeting and the documents for resolutions on matters to be addressed at the Annual General Meeting will be mailed to shareholders by post in May.

Participation in the Annual General Meeting
Shareholders wishing to participate in the Annual General Meeting must be entered in the share register as of June 14, 2021 and must notify the company of their intention to participate no later than June 14, 2021.

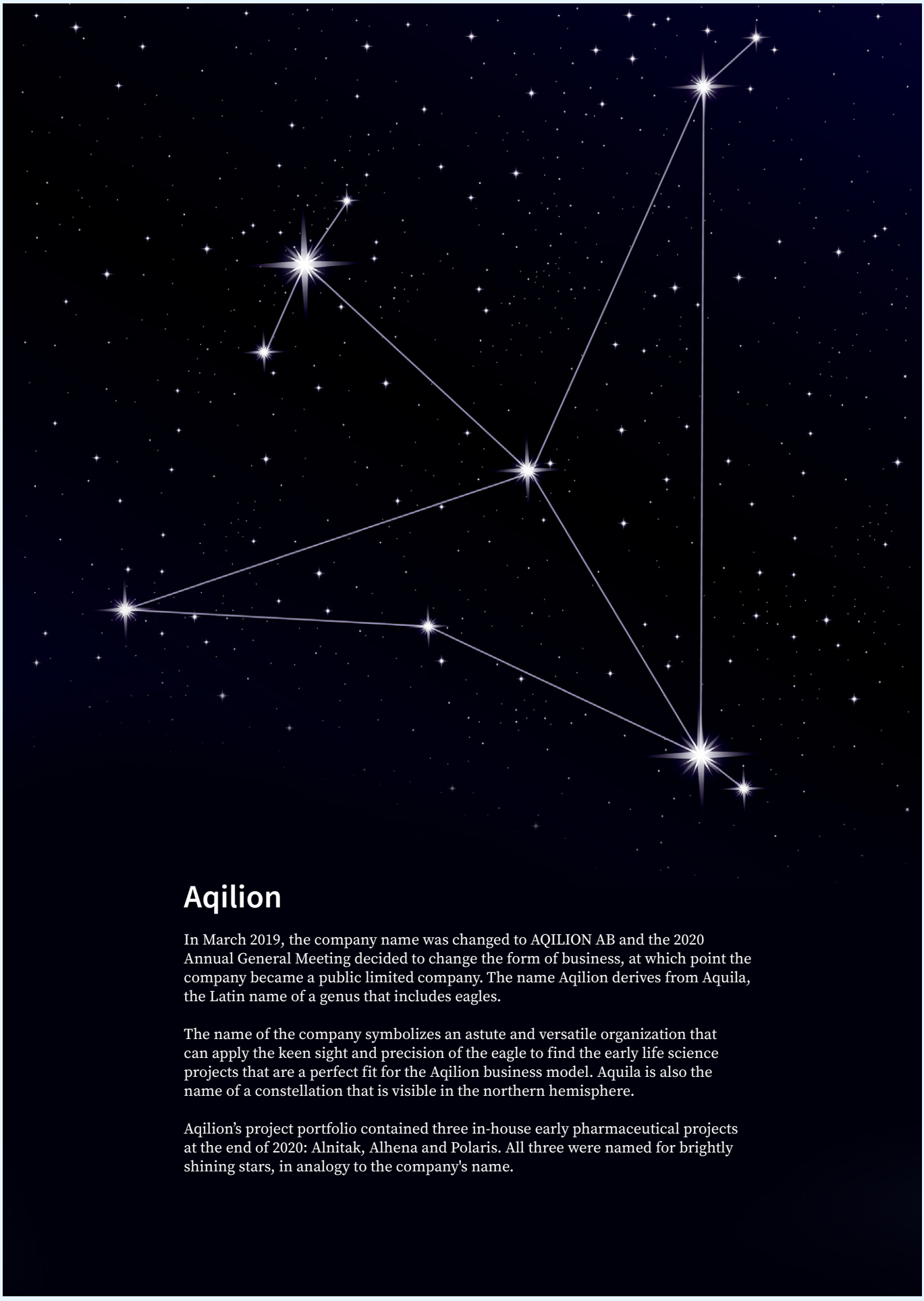
Shareholders may register by e-mail to carina.eldh@aqilion.com, by phone: +46-(0)70-664 94 77 weekdays between 9:00 a.m. and 5:00 p.m. or by postal mail to: AQILION AB, Redaregatan 48, SE-252 36 Helsingborg, Sweden.

Notice of attendance must include the shareholder's name, personal or company registration number, address, daytime phone number and shareholding, as well as information about any advisors (maximum 2), proxies, or representatives.

If the shareholder is represented by proxy, a power of attorney in original form (together with the any authorization documents such as a registration certificate) must be provided to Aqilion before the Annual General Meeting.

Calendar

- May 28, 2021, Interim Report for the period January-March 2021
- June 18, 2021, Annual General Meeting
- August 27, 2021, Interim Report for the period January-June 2021
- November 26, 2021, Interim Report for the period January-September 2021
- February 25, 2022, Year-end Report 2021



Aqilion

In March 2019, the company name was changed to AQILION AB and the 2020 Annual General Meeting decided to change the form of business, at which point the company became a public limited company. The name Aqilion derives from Aquila, the Latin name of a genus that includes eagles.

The name of the company symbolizes an astute and versatile organization that can apply the keen sight and precision of the eagle to find the early life science projects that are a perfect fit for the Aqilion business model. Aquila is also the name of a constellation that is visible in the northern hemisphere.

Aqilion's project portfolio contained three in-house early pharmaceutical projects at the end of 2020: Alnitak, Alhena and Polaris. All three were named for brightly shining stars, in analogy to the company's name.

Definitions of key performance indicators

Number of employees

Average number of employees during the financial year

Total assets

Total assets of the company

Net sales

The operating income, invoiced costs, side income and revenue adjustments of the business

Profit/loss after financial items

Profit/loss after financial income and expenses, but before taxes

Operating profit/loss

Profit/loss after depreciation/amortization and items affecting comparability, but before financial income and expenses

Equity/assets ratio (%)

Equity as a percentage of total assets

Working capital

Current assets excluding cash and cash equivalents and tax assets, less non-interest-bearing liabilities excluding tax liabilities

Acid test ratio

Total current assets excluding inventory as a percentage of current liabilities

Debt/equity ratio

Interest-bearing liabilities as a percentage of equity

Glossary

Check point inhibitors

Checkpoint inhibitors bind to white blood cells and as they do so, they activate the immune system, thereby making the tumor cells sensitive to immune system cells. Immunomodulatory therapy affects immune system cells instead of directly attacking tumor cells

Clinical trial

Drug testing performed on humans. A clinical trial of drugs is carried out in accordance with a trial protocol that has been determined in advance. A study may last from a few weeks up to a year or more, depending on the research question, disease, the nature of the treatment and how easy or difficult it is to recruit study participants. The results of clinical trials are an important part of the documentation required to obtain marketing authorization for medicinal products

Drug target

The structure or molecule which is the target of the medicinal product in the body and which the medicinal product affects in one way or another

FDA

The US equivalent of the Swedish National Food Agency and the Medical Products Agency, or the European Medicines Agency (EMA)

IFRS

The International Financial Reporting Standards (IFRS) are international accounting standards for reporting financial information from companies and organizations. IFRS are regulated by the International Accounting Standards Board

Immunotherapy

Immunotherapy is used to stimulate the body's immune system to attack diseased tissues such as cancer cells, similar to the way that the immune system protects us against other infectious agents

Inflammasome

Among the most important inflammatory processes is the formation of a protein complex called inflammasome. Inflammasomes are part of the innate immune system and play a vital role by helping to recruit immune cells to sites of infection and inflammation. Dysfunctional inflammasomes are involved in harmful inflammation that can become chronic in many diseases

Inflammation

In simple terms, inflammation is one of the body's defense mechanisms against harmful factors. It entails a complex reaction from blood components that arises when surrounding tissue is subjected to damage. Such damage may be caused by bacteria or viruses that have penetrated the tissue, mechanical damage to the cells, or irritating substances. Inflammation represents the effort made by the organism to remove the disruptive factors and begin the healing process. Inflammation has an acute phase and is sometimes followed by chronic inflammation, which instead of healing can contribute to a number of medical conditions, including cancer, neuroinflammation and Crohn's disease

Orphan drug

To stimulate drug discovery for patients suffering from rare diseases with unmet medical needs, regulatory authorities around the world have introduced the "orphan drug" classification

Phase 1 study

Studies mainly of the safety and tolerability of a drug. Conducted on a limited number of healthy volunteers or patients

Phase 2 study

Studies of the safety and efficacy of a drug in clinical practice. Conducted on a large number of patients

Preclinical phase

Studies in preparation for clinical trials of drug candidates

Preclinical trial

Studies conducted in model systems; in other words, not on humans

Pre-project

Aqilion's name for exploratory studies aimed at preparing for the start of new projects

Proof-of-concept in clinical phase

Proof-of-concept demonstrates the efficacy of a drug in humans and is usually carried out in early clinical development during Phase 1 and Phase 2 trials

PROTAC

Proteolysis targeting chimera (PROTAC) is a relatively new type of drug molecule that can both identify a target molecule, such as a protein, in the body's cells while simultaneously causing the cells to break down the identified target

Research phase

Early research focuses on studying and clarifying the underlying molecular disease mechanisms and formulating drug candidates

Target protein

A drug target that is a protein. Proteins are substances that build up several important cellular components in the body, such as enzymes

Tolerability

How a person reacts to a medication

PHOTOGRAPHERS in this Annual Report:
Alexander Olivera (pages 2-3).
Ramon Andrade/3dciencia (page 4).
Rebecca Gustafsson, Apelöga AB (pages 7, 10, 23, 61).
Freddy Billqvist (pages 17, 24-27, though not Torgeir Vaage, private photo).

AQILION

AQILION AB · Visiting address: Henkels Torg 3, Helsingborg, Sweden
Mailing address: Redaregatan 48, SE-252 36 Helsingborg, Sweden
info@aqilion.com · www. aqilion.com