2025

AQILION

ANNUAL REPORT

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AQILION

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.

Aqilion in brief

Aqilion is a biotech company that focuses on developing novel treatments for diseases caused by chronic inflammation and dysfunctional immune reactions such as autoimmune diseases.

We identify innovative ideas with the potential to become new pharmaceuticals and refine them into commercially attractive projects. The ideas that we choose are based on solid scientific grounds, where reasonable assumptions allow us to understand the underlying biology, clinical relevance and patient benefit.

The company is mainly active in the early phases of drug discovery, from idea to proof-of-concept in clinical trials. Aqilion runs its development programs in a partly virtual organization in close collaboration with selected partners with specific expertise in drug development.

Key events 2025

- Aqilion resumed development of the TAK1 program and has chosen to proceed with a new topical formulation for the treatment of psoriasis. Preclinical studies during the year have generated results showing a strong disease-modifying effect in a well-established model of skin inflammation.
- Aqilion sold its entire holding in Oncorena to existing shareholders in Oncorena Holding AB for SEK 13.7 million. The sales proceeds, together with a rights issue that was subscribed for SEK 11.1 million, financed the company's operations during the year.
- Aqilion reported results from a clinical pharmacokinetic study of AQ280, evaluating a specific formulation developed for patients with eosinophilic esophagitis. The results clearly showed that the new formulation demonstrates a pharmacokinetic profile very similar to the capsule used in the initial ARIA-1 study.

Value creation for the future

Ready for Phase 2

Ready to initiate Phase 2 trials for novel treatment of eosinophilic esophagitis (EoE), with market potential exceeding USD 1 billion in annual sales.

Focus on business

Business development is the top priority through out-licensing of drug candidates. This applies to all three programs in Aqilion's pipeline, which are expected to reach several value-creating milestones over the next three years.

Ready for IPO

A privately owned company that is ready for an IPO. During 2025, Aqilion ensured that the company is ready to go public in terms of both corporate governance and financial reporting.

Team

Experience from research to clinical practice. Proven track record among global pharmaceutical companies in obtaining FDA approval for drugs.

Significant events in 2025

February

Aqilion resumed development of the TAK1 program

After regaining all rights and conducting a review and analysis of the data package, Aqilion decided to resume development of the program.

Divested its entire holding in Oncorena Holding AB

Aqilion divested its entire holding in Oncorena Holding AB. The decision is in line with Aqilion's strategy to focus the business on its internal pipeline programs in chronic inflammation. Aqilion sold its holding to existing shareholders in Oncorena Holding AB for SEK 13.7 million.

March

Carried out a rights issue of approximately SEK 11.1 million

The proceeds from the new share issue were intended to finance the final preparations prior to the start of the Phase 2 study for AQ280. Through the rights issue, Aqilion raised approximately SEK 11.1 million before issue costs.

April

Aqilion presented results from a biomarker study in patients with eosinophilic esophagitis (EoE) at the Digestive Disease Week conference

Aqilion presented results from a study conducted together with Professor Evan Dellon of the University of North Carolina at Chapel Hill, after the research group's abstract had been accepted for this year's Digestive Disease Week in San Diego. The aim of the study was to investigate blood markers in patients with eosinophilic esophagitis (EoE) in order to identify simpler methods for diagnosis and treatment monitoring in the future.

May

Aqilion announced that the US Food and Drug Administration (FDA) approved the company's Investigational New Drug (IND) application for the drug candidate AQ280.

The first US study was designed to confirm the pharmacokinetic profile of a new formulation of AQ280 developed specifically for treating patients with EoE.

June

Aqilion announced positive results from new studies with the molecule AQ128 from the company's lead series in the TAK1 program.

The results showed a strong disease-modifying effect in a well-established model of skin inflammation.

July

Aqilion completed the pharmacokinetic study of its drug candidate AQ280, using the specific formulation developed for patients with EoE.

The study was initiated in June, and the last study participant left the clinic in the US in mid-July.

November

Aqilion reported positive results from the clinical pharmacokinetic study of the drug candidate AQ280

The results clearly showed that the new formulation exhibits a pharmacokinetic profile very similar to the capsule used in the initial ARIA-1 study, with a favorable safety and tolerability profile.

KEY EVENTS AFTER THE END OF THE YEAR

March

Aqilion sharpens its focus on AQ280 and AQ128 – ready for the next phase in inflammatory diseases

Aqilion announces that the company has decided to focus on two of its pipeline projects: the drug candidates AQ280 for eosinophilic esophagitis and AQ128 as a topical treatment for psoriasis.

Aqilion presents preclinical data at Digestive Disease Week showing that AQ280 counteracts the dysfunctional epithelial barrier in eosinophilic esophagitis

Aqilion announces that the company, in collaboration with Professor Arjan Bredenoord at Amsterdam University Medical Center and Dr. Mirelle Kleuskens at the University of Utrecht, will present new data from the AQ280 program at the scientific conference Digestive Disease Week (DDW), May 2–5 in Chicago. The study aims to increase understanding of how the deterioration of barrier function in the esophagus can be counteracted in patients with EoE.

Comments by the CEO

A year of delivery under challenging conditions
2025 has been a year that tested Aqilion financially, organizationally and strategically. It has also been a year in which, despite these challenges, we have delivered on the goals that are most important for the company's long-term value. We have completed all preclinical and clinical preparatory studies required ahead of a Phase 2 trial in patients with eosinophilic esophagitis, an area of significant medical need where we are convinced that our drug candidate AQ280 can make a real difference. These achievements are a source of pride and stem from the dedication, expertise and loyalty of our team.

AQ280 — ready for the next phase
The core of Aqilion's pipeline is the AQ280 project, our drug candidate for the treatment of eosinophilic esophagitis (EoE). EoE is a chronic inflammation of the esophagus that makes it difficult for patients to swallow solid food. The prevalence of the disease has increased markedly in the U.S., where the proportion of diagnosed patients under the age of 65 has grown fivefold over ten years, from about 2,000 to one in 700. The socioeconomic costs amount to USD 1.3 billion annually, and the number of emergency visits due to EoE-related incidents has tripled. The need for effective treatments is clear, and competition in clinical development is limited, which strengthens our conviction that AQ280 is positioned in an attractive and medically important segment.

In 2025, we took the final decisive steps toward Phase 2. In May, we received IND approval in the US, and in July we completed ARIA-2, a pharmacokinetic study in healthy volunteers. The purpose of the study was to confirm that our new water-soluble tablet formulation demonstrates a pharmacokinetic profile comparable to the capsule used in the initial ARIA-1 study, as recommended by the US Food and Drug Administration (FDA) at our pre-IND meeting. The results were clear and positive: the new formulation is bioequivalent to the capsule and has a favorable safety and tolerability profile. This formulation is also specifically designed with patients in mind, as many EoE patients find swallowing tablets uncomfortable or daunting. We have developed a dosage form that dissolves in water and can be swallowed as a drink.

Continued on next page

With ARIA-2 completed, all preclinical and clinical preparatory studies have been carried out. GMP manufacturing of the active substance for AQ280 has been completed, and the project team is now preparing GMP production of the formulated investigational medicinal product. The planned Phase 2 study is designed as a combined Phase 2a and 2b, placebo-controlled, double-blind trial with three dose groups. The study will be conducted across the US, Canada and Europe, and will enroll approximately 120 patients over a little more than a year, with a participation period of 16 weeks per patient. The initiation of the study is contingent on securing financing.

During the second half of 2025, we also expanded our collaboration with Professor Arjan Bredenoord's research group to further clarify mechanism of action of AQ280 and its clinical relevance in tissue samples from patients with EoE. The results are expected in the third quarter of 2026 and represent an important scientific link between our preclinical work and the planned Phase 2 study.

Preclinical programs, selective prioritization with promising progress

In 2025, the three preclinical projects — AQ128, AQ312 and PKCtheta — were conducted at a reduced pace to conserve the company's resources and ensure that focus and capital were primarily channeled to the clinical development of AQ280. Nevertheless, we made important progress in these projects.

During 2025, we conducted a strategic analysis of the TAK1 program, having regained the intellectual property rights and data following the conclusion of our collaboration with Merck KGaA in autumn 2024. The conclusion is that the program holds unique scientific value with significant commercial potential across several indications.

In 2025, we generated novel and supportive data for the drug candidate AQ128, focused on topical treatment of psoriasis. The results are very encouraging, and the project has also attracted interest from potential future partners. The next steps are to establish a formulation for topical treatment and to plan the toxicology studies required ahead of an initial Phase 1 clinical trial in humans.

The PKCtheta program, which targets the enzyme PKCtheta and its role in inflammatory bowel diseases such as ulcerative colitis and Crohn's disease, is in an early stage, focused on the design of selective inhibitors. The latest generation of molecules appears promising, and the next step is to optimize both the molecule and synthesis chemistry to enable nomination of a drug candidate.

During the year, we have had to make difficult resource prioritization decisions. We have therefore decided to discontinue the AQ312 project, and we will for the time being place the early-stage discovery project PKCtheta on hold. This decision frees up resources for the programs with the greatest potential to achieve value-creating milestones. The decision to discontinue AQ312 is primarily based on the project's development risk.

Financing and strategic restructuring

In 2025, we have made deliberate adjustments to address the financial situation. Operations were financed through the divestment of the company's holding in Oncorena during the first quarter, a partial sale of approximately 30 percent of its holding in AcuCort, and a rights issue of SEK 11 million carried out during the spring. In addition, we have implemented cost savings by adjusting the size of the team and pausing or discontinuing activities in the preclinical programs.

Current cash and cash equivalents provide financial capacity for just over six months, given an unchanged organization and planned activities. During the year, the Board of Directors and management have pursued two parallel paths to ensure a stable financial foundation for 2026 and 2027. One path entails an active partner process for AQ280, where we seek an agreement that either involves the divestment of the entire project or financing through the sale of an option to acquire AQ280 at a later stage.

A standalone stock market listing has been our second path, but it has proven difficult to carry out in the current market climate, even though there are alternative routes to a listed share. One such solution is a strategic transaction in which Aqilion merges with an already listed company — a solution that would provide Aqilion with cash sufficient for at least twelve months of planned operations, create liquidity in the share and broaden the investor base. In the first quarter of 2026, such negotiations were initiated but later discontinued, as it proved difficult to secure the capital required to complete the transaction.

Looking ahead

2025 has shown that Aqilion can deliver on its scientific goals even under financially constrained conditions. However, we assess that conditions are not conducive for Aqilion to operate as a biotech company with its own project portfolio, nor do we see sufficient financial support to carry out a listing independently. The Board of Directors and management are now reviewing the remaining strategic alternatives for Aqilion.

The current priority is to continue working on opportunities for the divestment of projects or to finance them through separate companies.

What we bring to the table is a robust clinical program in AQ280, promising preclinical assets and an organization that has proven its capability. We are now working purposefully to secure the financial conditions required to take the next step for the company, for our shareholders, and, above all, for the patients awaiting better treatment options.

I would like to express my sincere thanks to the team for your efforts during a demanding year and to our shareholders for your continued trust and commitment.

Sarah Fredriksson
Chief Executive Officer

About Aqilion

"The current priority is to continue working on opportunities for the divestment of projects or to finance them through separate companies. What we bring to the table is a robust clinical program in AQ280, promising preclinical assets and an organization that has proven its capability. We are now working purposefully to secure the financial conditions required to take the next step for the company, for our shareholders, and, above all, for the patients awaiting better treatment options."

Sarah Fredriksson, CEO

Vision

Aqilion's vision is that chronic inflammation will no longer pose a threat to quality of life.

Business concept

We create conditions for new treatments of chronic inflammation by identifying, developing and clinically proving 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 and the patient.

Strategy

Aqilion will pursue a risk-adjusted and innovative pipeline of projects and divest them before or during clinical development. Choice of project, optimization of our pipeline over time and the in-flow and outflow of projects determine how well this strategy succeeds. We focus on innovative drugs within the field of inflammatory diseases.

Key areas of our strategy:

- Build a pipeline with clear focus on innovation with timing and a balanced risk profile to proactively and carefully manage financing and cash flow over time.
- Nurture and actively build contacts and networks within industry and academia to validate the project portfolio.
- Establish and maintain a highly experienced leadership and operational team combined with a network of specialists, experts, opinion leaders and stakeholders.
- Prioritize active and continual business development to boost interest in Aqilion's pipeline and potential financial collaborations.
- Work continuously with a proactive and transparent communication strategy.
- Strengthen confidence in the Aqilion business model by actively cultivating long-term relationships with potential investors and development partners.

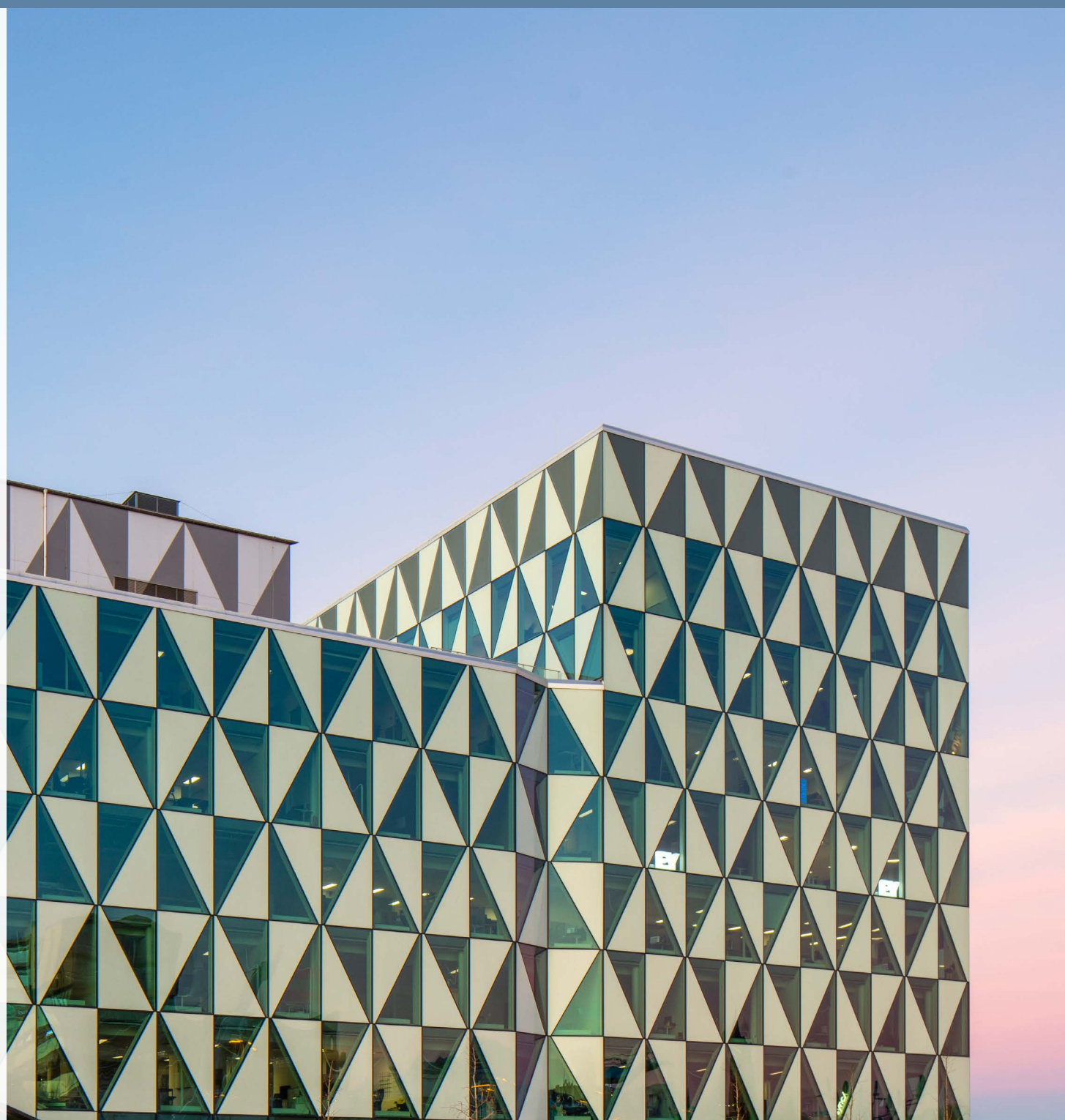
VISION, BUSINESS CONCEPT AND STRATEGY

Our business model

Aqilion's business model centers on identifying promising innovative pharmaceutical projects and developing them to proof-of-concept in clinical trials, which in turn creates value for potential collaboration partners, buyers or licensees. This means that Aqilion chooses projects with great potential to attract biotech and pharmaceutical companies to collaborate, purchase or license the projects at an early phase.

The Aqilion team initiates and runs new development projects. If the data generated during the pre-project phase prove to confirm the idea behind the project, it is further developed into a pharmaceutical program. The business model is based on an early focus on the biology underlying chronic inflammation, patient need and a clear logic based on scientific and preferably clinically verified data that show why a certain drug candidate can make an effective difference for a specific illness. Each project is also verified with the assistance of external experts, opinion leaders within each disease area and future industrial partners.

Aqilion's development program manages the cost side of the model, while revenue and return are generated through collaboration with industrial partners, license agreements, or by selling projects. In individual cases, additional venture capital may be necessary before the project can reach the level of maturity that generates a return.



OUR GOALS

Aqilion's long-term goals:

- Develop a creative and resource-effective biotech company with leading-edge expertise that develops and sells early-stage pharmaceutical projects with a focus on chronic inflammatory diseases.
- Be a competitive market participant with the ability to attract partners who have the resources to guide projects onward to finished product for the benefit of patients.
- Be an attractive employer and client 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 and commercial interest.
- The aim is to create a competitive and growing biotech company with the potential for a successful IPO, which can generate a good return on our owners' investment while creating sustainable long-term development.

Objectives for 2026:

- **Financing the development of the company's pipeline**
  Secure full funding for operations in 2026 and 2027.
- **AQ280 program**
  Initiate Phase 2 studies.
- **AQ128 (TAK1) program**
  Optimize the topical formulation and produce study material for IND-enabling toxicology studies.
- **PKCtheta program**
  Resume development with the goal of presenting an optimized drug candidate.

Aqilion's goal fulfillment during the year

Goal	Description
Financing the company's pipeline 2025–2026	Aqilion's rights issue and the sale of its holding in Oncorena during the first quarter of 2025 secure its key priorities for 2025 while work on more long-term financing continues.
Conduct a pharmacokinetic study with the new AQ280 formulation in the US per FDA recommendation, followed by submission of Phase 2 study applications	The company conducted the pharmacokinetic study during the summer of 2025 but was unable to initiate Phase 2 due to insufficient funding.
Present a development plan for AQ128 in a new indication	Aqilion has presented a new development plan for AQ128 as a new topical treatment for psoriasis.
Preclinical safety studies for AQ312	At the beginning of 2026, Aqilion decided to discontinue development of the program and terminated the project.

HOW WE WORK

The importance of choosing the right project

The pharmaceutical programs should be at the core, with the company's stakeholders in mind. Stakeholder groups specifically include patients, investors and owners as well as the company's current and future partners. We will build a pipeline of innovative development programs with a well-balanced risk profile, a clear focus, scalable potential and interesting competitive advantages that increase the potential for long-term value creation.

Choosing the right project is the key to success for the Aqilion business model. To help make the right choice, Aqilion has formulated a set of criteria that link our focus on chronic inflammation to the efficacy targets required to develop new drugs that make a clear difference for the patient.

New project ideas are generated both internally within the company and sometimes in collaboration with external parties. We monitor and analyze international patent databases, news from clinical trials and research in chronic inflammation in order to identify potential projects. We also actively explore ideas by interacting with academic groups and experts in the fields of inflammation and autoimmune diseases.

Our strategy for choosing projects is based on the biology underlying inflammation. Aqilion has chosen to focus on cytokines, which act as messengers of inflammation in the body. By blocking the signal triggered in our cells in response to cytokine activity, it is possible to reduce inflammation. We have chosen to use small molecules that are efficiently absorbed by the cells in which they reach their target and exert their effect.

Aqilion focuses specifically on kinases as the target with which our drugs should interact. Kinases are a group of enzymes that exert their action in response to signaling pathways triggered by cytokines. By choosing the right kinase, the effect of not only one cytokine, but groups of cytokines, can be substantially reduced. Several inflammatory diseases are driven by a group of cytokines; the probability of developing more effective drugs increases when the correct kinase is matched with the cytokine patterns in a particular disease.

An evaluation based on the overall project criteria is included already in the pre-project phase. Here, the Aqilion team delves into the project to gain an understanding of its unique challenges and opportunities. Aqilion is investing dedicated staff and resources to both test our assumptions externally and to develop the first prototypes of the molecules in the laboratory and test their effects in various biochemical, cell and disease models.

Our early idea generation and research activities are important for creating a common vision with advisors, experts and stakeholders in the market. Early drug projects often face challenges. Courage and integrity, combined with curiosity and intensive collaborative efforts, strengthen the prospects for development and assessment of the project's potential for success. Not all projects cross the finish line.

It is essential for the team to possess enough knowledge and integrity to fully leverage those projects that have the greatest potential to succeed, but these attributes are also necessary for making decisions to terminate projects that fail to achieve their milestones and consequently will not generate long-term value for Aqilion.

Aqilion's project criteria are based on four cornerstones:

1

Clear medical need and favorable market potential
We look for projects that fill a clear medical need in the field of chronic inflammation.

2

Science and innovation
There must be a clear data-driven scientific basis behind the choice of the target protein, often a kinase, on which our new drug candidate will exert its effect. Moreover, there should be a strong idea of an innovative chemical structure that can act as a starting point when we develop new molecules, or an idea of how to produce a model candidate within a realistic timeframe and budget.

3

Patent protection
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.

4

Focus on industrial partners
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.

OUR PATENT PORTFOLIO

Strategic objectives behind new programs

Aqilion's most important contribution to a global sustainable future lies in contributing to the innovation and development of effective and safe drugs for diseases caused by chronic inflammation.

Aqilion is a small Swedish biotech company with limited resources to bring to market globally the drugs that have been developed with its research contributions. Consequently, it is an explicit strategy to find partners with a well-established infrastructure to ensure the drug reaches the patient.

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. All programs in Aqilion's pipeline follow a well-defined strategy based on biological and medical grounds, as well as on patient needs.

At the end of the year, Aqilion has four development programs in its pipeline, all in different phases of development. All programs focus on developing novel treatments for chronic inflammatory diseases where there is currently a pronounced patient need, but for which few treatments are available. Aqilion actively manages the Discovery program, where new project ideas are tested before potentially nominating a project for its own program.

Our pipeline

At the end of 2025, Aqilion had four development programs at different stages of development in its pipeline. At the beginning of 2026, the AQ312 program was discontinued, which means that our current pipeline consists of three programs.All programs focus on developing novel treatments for chronic inflammatory diseases where there is currently a pronounced patient need, but for which few treatments are available.

Program	Target protein	Indication	Research phase	Development of pharmaceutical substance	Preclinical development	Clinical phase 1	Clinical phase 2
AQ280	JAK1	Eosinophilic esophagitis	→	→	→	→	
AQ128	TAK1	Psoriasis	→	→			
PKCtheta	PKCtheta	IBD	→				

AQ280

AQ280 is an innovative drug candidate that Aqilion is developing for a potential treatment of eosinophilic esophagitis (EoE), an inflammatory disease of the esophagus, also known as allergic esophagitis, which makes swallowing difficult. Aqilion acquired the AQ280 program from LEO Pharma at the end of 2021.

Target
AQ280 is an oral, small-molecule selective JAK1 inhibitor. JAK1 is an enzyme, a kinase, that accelerates inflammatory processes, which control conditions such as allergic diseases and fibrosis. Inhibiting its mechanism may facilitate symptom mitigation and disease progression in chronic inflammatory diseases. A selective compound has the potential to optimize efficacy and minimize side effects. Drugs with a similar mechanism of action have shown good clinical efficacy in autoimmune and inflammatory diseases.

Activities and planning ahead
In August 2022, Aqilion initiated the first-in-human clinical trial with AQ280 in the UK. The Phase 1 study, ARIA-1, was successfully completed in fall 2023 with positive results. AQ280 was well tolerated and the exposure achieved, in both single and multiple doses, was in line with estimates of a therapeutically effective range based on preclinical models in terms of dose, safety, pharmacokinetics and pharmacodynamics. The next step in clinical development is a Phase 2 study in patients. The study is planned as a combined Phase 2a and 2b trial, and preparatory toxicology studies, GMP-compliant production of the investigational drug and development of a new formulation have been completed.

The company has also conducted a pre-IND meeting with the FDA in the US and an advisory meeting with the Medical Products Agency in Sweden in preparation for the planned Phase 2 study. EoE patients have difficulty swallowing and oral therapies must be adapted to facilitate their intake of medication. Aqilion has developed a formulation that enables EoE patients to drink the medicine dissolved in water. During the third quarter of 2025, Aqilion received the results from the second Phase 1 clinical study (ARIA-2) in the US, conducted as part of the AQ280 development program. The ARIA-2 study evaluated the pharmacokinetic profile of a novel, water-dissolvable tablet formulation of AQ280 intended for the treatment of eosinophilic esophagitis (EoE). The results clearly showed that the new formulation demonstrates a pharmacokinetic profile very similar to the capsule used in the initial ARIA-1 study, with a favorable safety and tolerability profile.

The application to initiate the Phase 2 study in Europe and North America is planned to be submitted as soon as funding for the study has been secured. The company's Scientific Advisory Board has worked closely with Aqilion's management in planning the planned Phase 2 study. The study can only begin once full financing is secured. This requirement has not yet been met, and the company is working to secure the investment or, alternatively, to enter into an agreement with a partner for continued clinical development.

Market description
Over the past ten years, the prevalence has increased from approximately 1 in 2,000 affected individuals to 1 in 700 in the population under 65 years of age, and it is expected to rise further. It is estimated that by 2038 there will be approximately 900,000 diagnosed EoE patients across the US and the four largest European countries (Clin Gastroenterol Hepatol. 2024 Oct 31:S1542-3565(24)00977-7. doi: 10.1016/j.cgh.2024.09.031.).

At present, there is a significant unmet medical need for the treatment of EoE, and no approved therapies currently share the same mechanism of action as AQ280. Currently, one biologic drug, Dupixent, has been approved for treatment of EoE in the US and Europe since 2022, and treatment with corticosteroids has been approved in the US since 2025 and in Europe since 2018. Around 30% of patients do not benefit from corticosteroids.

Dupixent has opened up the market for treating EoE, resulting in more patients now receiving accurate diagnosis and treatment. The underlying rate of new EoE cases also indicates a strong rising trend. Thus there is a clear incentive to develop new treatments for EoE. Aqilion has a clear biological rationale for why AQ280 could potentially work well as a treatment and aims to be the first JAK1 inhibitor to treat patients with EoE.

Aqilion's assessment of the market for the AQ280 program, in a base scenario, relies on the assumption of a 10% market penetration among patients eligible for advanced therapy. The market potential (peak year sales) is estimated at approximately USD 1.6 billion for the US, the four largest EU countries and the UK in this scenario. External partners have conducted the market analysis and valuation of a number of different market scenarios for the AQ280 program. The aim of the analyses has been to evaluate the investment in the planned Phase 2 study in terms of both return on investment and risk profile. The results from the market analysis support the investment in the next stage of development.

Goal
Aqilion aims to identify an industrial partner to out-license the AQ280 program after completion of the combined Phase 2a/2b studies, or after Phase 3 studies.

AQ280

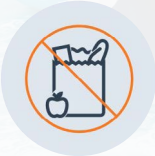
Eosinophilic esophagitis (EoE) is a serious disease that often leads to acute difficulty swallowing

Eosinophilic esophagitis in brief

- EoE is a chronic and progressive inflammatory disease of the esophagus
- Allergens in food or the environment trigger inflammation of the esophagus, causing an influx of eosinophilic cells that further aggravate the condition
- The majority of patients are children, teenagers and adults under the age of 50. In the US, approximately 1 in 700 people are affected by EoE.
- There is a significant medical need given the long-term risks of strictures or narrowing of the esophagus and the severely reduced quality of life for those affected.

Symptoms and challenges for the patient

Difficulty swallowing food, chest pain, regurgitation or impact on food choices. Major negative impact on quality of life and social interaction.



Avoidance of foods that trigger symptoms or modification of foods to make them easier to swallow.

Misdiagnosed as GERD (gastroesophageal reflux disease).

Surgical intervention for severe esophageal fibrosis.

Scientific Advisory Board for AQ280

Aqilion's Scientific Advisory Board works closely with Aqilion's management in the development of the AQ280 program ahead of planning Phase 2 studies in patients with the inflammatory disease eosinophilic esophagitis (EoE). Aqilion is actively collaborating with its advisors on other research projects, including a study on biomarkers for EoE and a study to evaluate AQ280 and its impact on the progression of EoE. The three recognized researchers who are part of the team are:

Luc Michel Biedermann, MD, PhD
Head of the Department of Inflammatory Bowel Diseases (IBD)
Senior Physician Gastroenterology & Hepatology, USZ, Zurich

Professor Albert J (Arjan) Bredenoord, MD, PhD
Consultant Gastroenterologist at the Amsterdam University Medical Center Amsterdam, Professor of Neurogastroenterology & Motility at the University of Amsterdam

Professor Evan S. Dellon, MD, MPH
Dept. of Medicine, Division of Gastroenterology and Hepatology, Adjunct Professor of Epidemiology, Director, Center for Esophageal Diseases and Swallowing Director, CGIBD Biostatistics and Clinical Research Core School of Medicine, University of North Carolina at Chapel Hill.

AQ128 (TAK1)

TAK1 is an enzyme, a kinase, that activates several inflammatory mediators (cytokines). By reducing its activity, it is possible to slow and delay the development of serious and chronic diseases. TAK1 and its activity have been identified as a key mechanism by both academia and industry and have generated significant interest in several indication areas.

Target
The TAK1 program is based on a selective inhibitor of TAK1 (TGF-beta activated kinase 1). The enzyme is a central mediator of various inflammatory signals and the activation of multiple inflammatory mediators (cytokines).

Activities and planning ahead
In 2023, Aqilion signed an exclusive license agreement and strategic research collaboration with Merck KGaA (Merck) to discover, develop and commercialize small-molecule inhibitors of TAK1. This collaboration was discontinued in 2024 due to new data that impacted the risk-benefit profile within the intended disease areas.

After reviewing and analyzing the entire data package, Aqilion has resumed development of the program, as the company now fully owns the rights to it. In 2025, new preclinical proof-of-concept studies were conducted for chronic skin inflammations. The results show a strong disease-modifying effect in a well-established model of skin inflammation, such as psoriasis. Aqilion's lead compound, AQ128, demonstrated a significant improvement across all outcome measures. The results are at least comparable to, and in some cases even better than, those achieved with corticosteroid-based positive controls.

These compelling findings indicate that inhibition of TAK1 with AQ128, applied directly to the skin, may provide substantial therapeutic benefits for several severe chronic skin diseases. The company is now continuing development toward a well-characterized drug candidate, focusing on an optimized formulation and preparations for Phase 1 studies.

PKCtheta

Aqilion is exploring potential new projects that could strengthen its pipeline in the long term and in spring 2024, this resulted in a new pipeline program, PKCtheta. The project is named after the enzyme that is the target of the intended drug candidate and treatment.

PKCtheta has received considerable attention from the pharmaceutical industry and with the help of the drug discovery process, Aqilion aims to develop the best PKCtheta inhibitors. Aqilion has identified highly potent and selective PKCtheta inhibitors using advanced structure-based design. This approach has resulted in a unique set of molecules with excellent pharmacological properties.

Target
PKCtheta is a kinase that plays a crucial role in T-cell receptor signaling and is a highly relevant target for T-cell–driven inflammatory and autoimmune diseases, such as ulcerative colitis and rheumatoid arthritis.

Activities and planning ahead
In 2025, Aqilion filed a patent application describing parts of the project and results to date, but due to the financial situation, the project's operational activities have been paused.

Discovery activities

To ensure future new projects, Aqilion is exploring new opportunities to reduce and counteract chronic inflammation. This work is ongoing within our Discovery (Dx) program. The goal is to identify new projects with high potential from both a medical and a business development perspective. Aqilion has focused on studying the role of T cells in chronic inflammation and dysfunctional autoimmune responses. We have chosen to continue with indications in the gastrointestinal tract in order to leverage the knowledge generated in-house within EoE and UC. We conduct all innovation internally and promptly validate it through external discussions with potential future partners.

Activities and planning ahead
In 2026, Aqilion will prioritize the pipeline projects and hold off on nominating new programs.

OUR PATENT PORTFOLIO

The patent portfolio protects Aqilion's scientific advances

An active patent strategy is essential to protect the value of the scientific advances that Aqilion delivers through development in-house or through acquired programs. Aqilion aims to have broad international patent protection.

As of December 31, 2025, the patent portfolio covers five patent families as shown in the table below.

The company has successfully established strong intellectual property protection for its three projects (AQ280 through acquisition from LEO Pharma, TAK1 and PKCtheta programs) in all major geographical markets, including the US, EU, Japan and China.

The company has registered a national trademark with number 551279 for "AQILION" in class 5 (including medical and pharmacological research).

Patent family	Countries	Status	Expiration date*
Patent family 1: AQ280 (JAK1) - Composition of Matter			
	EU*, Australia, US, South Africa, Algeria, China, Israel, India, South Korea, Taiwan, Ukraine, Mexico, Malaysia, China, Japan, Hong Kong, Brazil, Singapore and New Zealand.	Granted	20380110
	Canada, Egypt, Gulf Cooperation Council (GCC)	Application	20380110
Patent family 2: AQ280 (JAK1) - Method of Use			
	Application submitted	Application	
Patent family 3: AQ128 (TAK1) - Composition of Matter I			
	Australia, Brazil, Canada, China, Egypt, Hong Kong, EPO, Indonesia, Israel, Japan, South Korea, Mexico, New Zealand, Taiwan, Singapore, US, UK and South Africa	Application	20420630
Patent family 4: AQ128 (TAK1) - Composition of Matter II			
	Application submitted	Application	
Patent family 5: PKCtheta - Composition of Matter			
	Application submitted	Application	
Patent family 6: AQ312 (AhR) - Composition of Matter			
Applications abandoned	UK and China	Abandoned	Abandoned
Applications abandoned	EPO, Australia, US, Canada, Hong Kong, India, Japan and South Korea	Abandoned	Abandoned
Patent family 7: AQ312 (AhR) - Method of Use			
Applications abandoned	EPO, Australia, USA, Canada, China, Hong Kong, India, Japan and South Korea	Abandoned	Abandoned

* Approved in the following EU countries: Austria, Belgium, Bulgaria, Spain, Finland, France, United Kingdom, Greece, Croatia, Switzerland, Cyprus, Czech Republic, Germany, Denmark, Estonia, Serbia, Sweden, Slovenia, Slovakia, Turkey, Malta, Netherlands, Norway, Portugal, Poland, Romania, Hungary, Ireland, Iceland, Italy, Lithuania and Latvia.

Shareholdings in previous project companies

In 2019, Aqilion changed its strategy to focus on developing programs in-house and has since divested its holdings in former project companies. At the end of 2025, Aqilion was still a shareholder in the listed company AcuCort but reduced its holding during 2025, a process that has continued in 2026. In February 2025, Aqilion divested all shares in Oncorena Holding AB to the company's existing shareholders.

AcuCort – allergy
Aqilion is a shareholder in AcuCort AB, a public company listed since 2017 on the Spotlight Stock Market in Sweden. AcuCort has developed Zeqmelit™, a fast-dissolving oral film containing the glucocorticoid dexamethasone, primarily for the treatment of acute and severe allergic reactions.

Ownership
Aqilion owned 2.3% of the shares in AcuCort as of December 31, 2025. www.acucort.se

Sustainability

Values
Our values permeate our thoughts, decisions and actions. They create a sense of community, strengthen our corporate culture and lead the way in our collaboration with advisors, specialists, innovators and CRO companies. Aqilion's cornerstones are: **curiosity, courage, cooperation** and **consistency**.

Code of Conduct
In the Code of Conduct we describe how Aqilion takes responsibility and contributes in a sustainable manner.

Aqilion wants to create added value for partners, 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 care chain. Our goal is that this will lead to innovative treatments that make a difference for patients who currently lack an effective treatment, and we always prioritize this when choosing the programs to which we dedicate resources.

Fundamental principle
Next-generation drug development is dependent on scientific progress. By respecting integrity while safeguarding and upholding our values in all interactions, we promote our research, maintain a good reputation and inspire public confidence. We conduct innovative research and development with the same high standards of ethics and integrity wherever we operate. We comply with laws, regulations, codes and guidelines for best practices related to safety, quality, sustainability and the work environment.

SUSTAINABILITY

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 and long-term profitable company with a focus on effective treatments.

Our work
We must include sustainable development in our business if we are to realize our business concept. Our organizational culture builds on the fundamental values of a sustainable society. Our most important contribution to a global sustainable future is innovation that can contribute to better health. To achieve the objective of a sustainable business model we have chosen to focus on those areas in the UN's Agenda 2030 where we can make the greatest difference, see below.

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.

Research and development are at the heart of everything we do and are therefore central to 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.

Research takes time and can require considerable resources. Our development work starts with primarily digital methods, such as software support for chemical design and characterization of substances, databases and virtual methods. As the program progresses, the new substances are tested in more advanced and laboratory-intensive models.

Targets – UN Agenda 2030	AQILION's targets	Fulfillment
Target 3.4 Reduce mortality from noncommunicable diseases and promote mental health.	Our overarching goal is to deliver drug candidates that can be developed into new treatments for chronic inflammatory diseases.	During the period, Aqilion had four drug candidates in development.
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. The objective is to increase the number of women in teams, management and the Board of Directors to achieve gender balance across all levels of the organization.	Aqilion's team consisted of four women and five men. The Board of Directors consisted of four men and two women. The management team consisted of three men and two women, including the CEO.
Target 12.4 Sound chemical and waste management.	We aim to use our resources in a way that promotes sustainable development in both laboratory and clinical development activities As Aqilion does not conduct laboratory work in-house our objective is to ensure that our subcontractors operate in line with our goals and that, in our role as client, we ensure that protocols and studies align with these goals.	In 2024, Aqilion implemented a quality management system to help us ensure procurement is conducted in accordance with our established objectives.

SUSTAINABILITY

Employees
Our people are a key to success. Our work with sustainable development creates opportunities to attract and retain highly talented and dedicated employees who can advance the company's interests. Aqilion strives to ensure that each project in the portfolio has the best team possible.

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 strives to continuously offer a stimulating environment and healthy working methods. We foster a sustainable workplace environment where we, along with other organizations, can help to actively reduce our footprint on the environment and promote active responsibility at every level. This approach permeates our choice of premises, management of materials, business travel and IT support that facilitates remote work and creates flexibility for our employees in daily life. We care about creating an environment that protects the health of our employees.

Compliance
We aim to develop new high-quality products that not only comply with legal requirements but are also ethically justified. Our activities are subject to rigorous legal regulations in a wide range of areas, with which we diligently comply.
Through compliance with laws, regulations, codes, guidelines and standards of good practice related to safety, quality, research and bioethics, we commit to:

- maintaining ethical, scientific and clinical standards and complying with all laws and regulations in all research and development activities
- ensuring the safety of patients and subjects participating in clinical trials, protecting their privacy and complying with data protection laws
- following laws and regulations that govern how we gain approval to sell our products and how we interact with policy makers and other officials.

Aqilion complies with the guidelines, requirements and legislation on ethics and what is appropriate in research and drug development. This means that we adhere to the strict ethical principles and regulations set out for the treatment of research animals.

We support efforts to find viable alternatives to animal testing according to the '3R principles' of animal ethics, which stipulate that no unnecessary experiments should be performed and that no animals should be used in experiments unless absolutely necessary. The 3R principles are:

- **Replace** animals with alternative methods where possible
- **Refine** methods and implementation to avoid pain and discomfort
- **Reduce** the number of animals

Our history

2002

AQILION AB is founded, initially under the name and business of PULS (Partners for Development Investments in Life Sciences, P.U.L.S. AB).

2019

The company name was changed to AQILION AB. The name change marked a new phase in the company's development; three preclinical programs focused on chronic inflammation were initiated during the year.

2020

Aqilion became a public limited company.

2021

Acquired the AQ280 program from LEO Pharma.

2022

Aqilion achieved a historical milestone when the company transitioned from preclinical development to clinical Phase 1.

2023

Aqilion entered into a strategic license and collaboration agreement with Merck regarding the TAK1 program.

The company completed the Phase 1 study in the AQ280 program with positive results.

2024

Aqilion nominates a new immunology project in its pipeline, focusing on the kinase PKCtheta as a drug target.

Aqilion holds advisory meetings with the Swedish Medical Products Agency and the FDA regarding the AQ280 Phase 2 study in EoE.

Regained the rights to the TAK1 program from Merck.

2025

Aqilion decided to resume development of the TAK1 program and has nominated AQ128 as a new drug candidate for topical treatment of psoriasis.

The company opened an IND in the US and conducted a clinical pharmacokinetic study (ARIA-2) with AQ280 in a new formulation developed for patients with swallowing difficulties. The study showed that the new formulation exhibits a pharmacokinetic profile very similar to the capsule used in the initial ARIA-1 study, with a favorable safety and tolerability profile.

ORGANIZATION

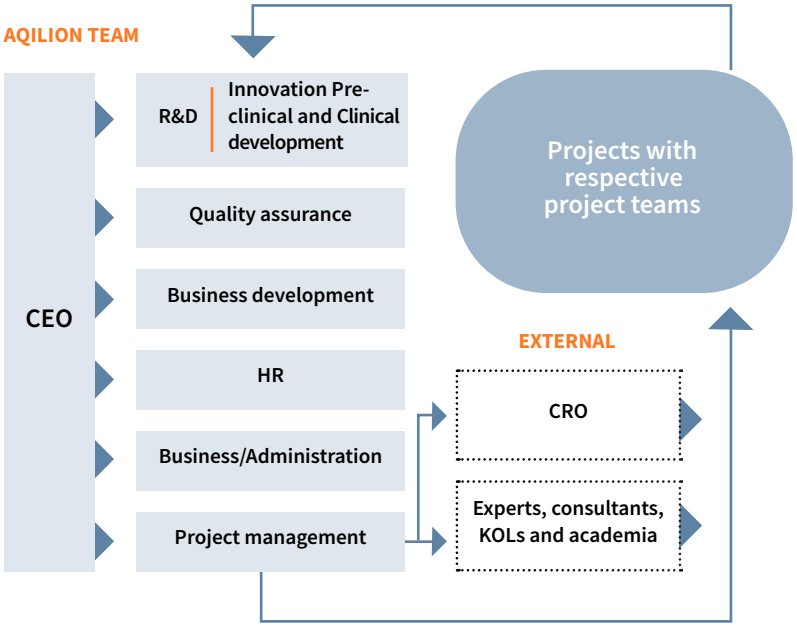
A virtual organization fosters research advances

Aqilion works as a virtual organization with an internal management and operational team that cooperates with the laboratories around the world that best suit our model. Our employees work in a variety of roles in our projects and are responsible for project management and planning, analyzing results, and decision-making regarding partners. A virtual organization allows us to be agile and flexible, based on the needs and schedules of our development programs.

Each program in our pipeline requires specific expertise and knowledge and we contract with our partners based on these needs. Aqilion works with about ten partners in Europe, the US and India.

Equally central is the work with business development linked to each program. To ensure clear differentiation and good positioning with potential partners in the pharmaceutical industry, active market intelligence is required combined with identification and specification of potential stakeholders.

Aqilion's operating organization



Our team

Our success and development depend on the excellence and strong commitment of our people. We strive to attract, recruit, develop and retain talented and creative employees.

Aqilion is organized to have the necessary skills and knowledge that an innovative biotech company needs. The organization consists of highly educated employees with solid experience in drug discovery, business development and entrepreneurship. Six out of nine employees have a PhD in biochemistry, biology, chemistry, or medicine. At the end of the year, the Aqilion team had 4 (7) employees and 5 (5) consultants, including 4 women and 5 men.

Aqilion engages consultants on longer contracts for specific roles within the company and for duties within areas of expertise that the company lacks or only needs periodically.

44%
Aqilion is a gender-balanced company with 44% women and 56% men

6 of 9
employees at Aqilion hold PhDs

< 2%
sick leave in 2025

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.

Bertil Lindmark

Chairman of the Board since 2022,
Member of the Remuneration Committee since 2022
Born: 1955
Holdings: 30,792 shares* and 24,010 warrants**.
Education: MD, PhD 1986 at Lund University, Ph.D. 1991 at Lund University, Professor 2019 at the University of Gothenburg.
Experience and previous assignments: Professor Bertil Lindmark has a long and successful career in biopharma with leading global positions at AstraZeneca and Almirall, as well as in several biotech companies. His focus on the respiratory system, immunology and cancer has contributed to global drug approvals and successful product launches. He has also been involved in numerous IPOs, major fundraising campaigns and acquisitions.**Other current directorships:** Board member and chairman of the science committee at ALK-Abelló A/S, Venture Partner at XGEN Venture, Strategic Advisor at Vicore Pharma AB.

Gunilla Savring

Board member since 2021,
Member of the Remuneration Committee since 2021
Born: 1962
Holdings: 3,072 shares*.
Education: Executive MBA, EFL (Executive Foundation Lund), as well as studies in marketing and communication at Lund University.
Experience and previous assignments: Gunilla Savring has many years of experience of corporate management and investor relations at development and growth companies such as Axis Communications, Precise Biometrics and Clinical Laserthermia Systems within the IT, pharmaceutical and chemical technology sectors. She also has experience from serving on the board of several listed companies. **Other current directorships:** Chief Investor Relations Officer at aXichem AB as well as senior consultant in her own company Board member of Incendia AB.

Anders Kronborg

Board member since 2023
Member of the Remuneration Committee since 2023
Born: 1964
Holdings: 7,700 shares* and 17,150 warrants**.
Education: Degree in Economics from the University of Copenhagen in 1989.
Experience and previous assignments: Anders Kronborg previously held the position of COO at Kinnevik Investments AB. From 2015-2022 he was the CFO and interim CEO at LEO Pharma. Experience from transactions in the pharmaceutical industry, both in the early and late stages. **Other current directorships:** Active as CEO of Resother Pharma, Chairman of the Board of SynAct AB (publ)

Roland Andersson

Board member since 2018
Born: 1955
Holdings: 40,718 shares* and 17,150 warrants**.
Education: Medical degree 1981 at Lund University, Specialist in general surgery 1987, Professor of surgery 2000 at Lund University
Experience and previous assignments: Professor Roland 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 cancer itself. He has published about 650 original articles, reviewed articles and book chapters, and supervised 34 PhD students. He also has an extensive international network and has founded six companies in his role as an entrepreneur. **Other current directorships:** Chairman of the Board and founder of Reccan AB, Nordic Biotechnology AB, Foresight Pharma AB and Board member of ApoGlyx AB.

Martin Olovsson

Board member since 2019
Chair of the Remuneration Committee since 2020
Born: 1967
Holdings: 24,954 shares* and 17,150 warrants**.
Education: B.Sc., business administration, Lund University 1992.
Experience and previous assignments: Martin Olovsson is the CEO of OnDosis AB, a medtech/healthtech company that he co-founded in 2017. Martin has many years of experience in the pharmaceutical industry with responsibility for portfolio and product strategies, life cycle management, collaboration between R&D and marketing, as well as commercialization. Martin has extensive experience from in- and out-licensing of both pharmaceuticals and technologies. 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 business area. **Other current directorships:** CEO of OnDosis AB.

Kristina Masson

Board member since 2023
Born: 1980
Holdings: 17,150 warrants**.
Education: PhD in molecular signaling from Lund University, postdoctoral training from the Broad Institute of MIT and Harvard, extensive experience in cancer drug discovery and entrepreneurship, and Executive MBA at MIT Sloan School of Management, 2023.
Experience and previous assignments: Kristina Masson is co-founder, board member and EVP Business Operations of Acrivon Therapeutics Inc, a US biotech company listed on NASDAQ-USA (ACRV). She is the founder and CEO of its Swedish subsidiary Acrivon AB. **Other current directorships:** Holds the position of CEO of Acrivon AB as well as board member and EVP Business Operations for Acrivon Therapeutics Inc.

Holdings as of December 31, 2025. *Own or related party or legal entity's holdings of shares and other financial instruments in the company. ** Aqilion AB (publ) Warrant Program series 2023/2027S.

Management team

SENIOR EXECUTIVES

Sarah Fredriksson

Chief Executive Officer
In current position since 2017.
Born: 1968
Holdings: 37,680 shares* and 68,602 warrants**.
Education: PhD in Biochemistry in 1999 and MSc in Chemistry in 1993 from the Faculty of Engineering, Lund University
Experience and previous assignments: Sarah Fredriksson founded Genovis AB and while serving for more than 15 years as CEO, Genovis' product concept was developed and launched and the company was listed on First North, Nasdaq OMX Nordic. Sarah Fredriksson has years of experience from research and development in biotech from both academia and industry. She has been active for several years as an entrepreneur, CEO and board member in unlisted and listed life science companies such as Genovis AB (publ), Edvince AB, Geccodots AB, Respiratorius AB (publ) as well as the board of Lund University and the association for the life science industry SwedenBIO.
Other current directorships: Member of the Board of Directors of the Faculty of Engineering, Lund University (LTH).

OTHER MEMBERS OF THE MANAGEMENT TEAM:

Fredrik Lindgren

Vice President, Chief Scientific Officer
In current position since 2018.
Born: 1967
Holdings: 33,800 shares* and 24,100 warrants**.
Education: PhD in chemistry, 1994 and B.Sc. in chemistry 1989, Umeå University.
Experience and previous assignments: Fredrik Lindgren's background is in the pharmaceutical industry, with experience from key positions in areas such as business development processes at AstraZeneca and LEO Pharma. Most recently he held the position of Senior Director, Head of Global Business Development, at LEO Pharma. **Other current directorships:** -

Johan Lund

Vice President, Chief Scientific Officer
In current position since 2021.
Born: 1957
Holdings: 41,160 and 21,010 warrants**.
Education: MD, PhD 1986 Karolinska Institutet; Post-doctoral studies 1987-1989 UT Southwestern Medical Center, Texas; Associate Professor 1990 Karolinska Institutet; Professor 1996 University of Bergen.
Experience and previous assignments: Dr. Johan Lund has many years of experience from executive positions in pharmaceutical research and development. He is the CEO and founder of Neuventis Therapeutics AB and the founder of MBS Pharma AB, KyNexis B.V. and Mesenkia Therapeutics AB. He has served as 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. **Other current directorships:** Chairman of the Board of NEOGAP Therapeutics AB, Mesenkia Therapeutics AB and PharmNovo AB, and board member of Pelago AB, Neuventis Therapeutics AB and MBS Pharma AB. Venture Partner in Sciety.

Holdings as of December 31, 2025. *Own or related party or legal entity's holdings of shares and other financial instruments in the company. ** Aqilion AB (publ) Warrant Program series 2023/2027S.

Management team

OTHER MEMBERS OF THE MANAGEMENT TEAM:

Anneli Tinnerholm

Vice President, Senior Director, Clinical Operations
In current position since 2022.
Born: 1986
Holdings: 5,660 shares* and 21,011 warrants**.
Education: Bachelor of Medical Science in Medical Biology at Linköping University and studies in clinical drug development at Uppsala University.
Experience and previous assignments: Anneli Tinnerholm has more than 15 years of clinical trial experience as a Clinical Research Associate and Clinical Trial Project Manager. She has held operational positions in the CRO companies NORMA and LINK Medical, after which she served as advisory clinical project manager at SDS Life Science, with a focus on small pharmaceutical and biotech companies. Anneli's expertise in clinical activities spans development from first in humans (FIH) to Phase I – IV clinical trials in different indications and disease areas. **Other current directorships:** -

Jan Törnell

Vice President, Chief Medical Scientist
In current position since 2018.
Born: 1960
Holdings: 9,936 shares* and 21,011 warrants**.
Education: Medical degree, University of Gothenburg, 1985; PhD in Physiology, Faculty of Medicine, Gothenburg, 1990; and Associate Professor in Physiology, 1992.
Experience and previous assignments: Jan Törnell has been involved with Aqilion/PULS 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. **Other current directorships:** Chairman of the Board of Glactone Pharma AB and Innoext AB.

Aqilion team

Carina Eldh

Senior Director Financial and Business Administration
In current position since 2019, employed since 2011.
Born: 1970
Holdings: 10,950 shares* and 20,000 warrants**.
Education: Secondary school economics 1989, Graduate in accounting 1999, certified controller 2021.
Experience and previous assignments: Carina Eldh 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.
Other current directorships: -

René Egebro

Senior Director of CMC (Chemical, Manufacturing & Control)
In current position since 2023.
Born: 1974
Holdings: -
Education: M.Sc. in Pharmacy from the Faculty of Pharmaceutical Sciences, University of Copenhagen 2000.
Experience and previous assignments: René Egebro has more than 23 years of experience from senior positions in Chemical, Manufacturing & Control from preclinical development to late-stage clinical development. René has extensive experience as Senior Director and CMC outsourcing manager and has been responsible for the development, manufacturing, formulation and analysis of cGMP drug substances and drug products from early to late phase at international CMOs. René has held positions at Novo Nordisk, Lundbeck, NeuroSearch and several small biotech companies where he has led CMC development, ensured progress and monitoring of several development programs, provided strategic advice on CMC development and represented the company before the FDA and other regulatory authorities.
Other current directorships: -

Holdings as of December 31, 2025. *Own or related party or legal entity's holdings of shares and other financial instruments in the company. ** Aqilion AB (publ) Warrant Program series 2023/2027S.

Aqilion team

Malin Hultqvist

Senior Director, Biology Discovery
In current position since 2022.
Born: 1979
Holdings: 10,335 shares*.
Education: Master of Medicine in Pharmaceutical Bioscience at the University of Gothenburg and PhD in Medical Inflammation Research at Lund University.
Experience and previous assignments: Malin Hultqvist has more than 15 years of experience in R&D and early drug discovery. She has held several positions at Redoxis AB, including Project Leader Drug Discovery and Director of CRO Studies, and has served as CEO of the company since 2016. Malin has extensive experience in immunology and preclinical models in inflammation and autoimmunity. **Other current directorships:** CEO of Redoxis AB.

Fredrik Zetterberg

Vice President Head Of Medicinal Chemistry
In current position since 2024.
Born: 1968
Holdings: 2,300 shares*.
Education: Ph.D. in Organic Chemistry from Uppsala University 1998.
Experience and previous assignments: Fredrik has 25 years of experience in the pharmaceutical industry, most recently as VP and Director of Medicinal Chemistry at Galecto Biotech, where he developed several drug candidates, including the first orally available galectin-3 inhibitor, GB1211, currently in phase 2 studies. He began his career at Astra in 1994 and has held various roles at Astra/AstraZeneca, contributing to several clinical candidates in cardiovascular medicine, including ticagrelor. Fredrik has 46 academic publications, 26 patent applications, and collaborates with Lund University, co-supervising PhD students and giving lectures in medicinal chemistry. **Other current directorships:** Board member and CEO of BIOZET AB.

Holdings as of December 31, 2025. *Own or related party or legal entity's holdings of shares and other financial instruments in the company. ** Aqilion AB (publ) Warrant Program series 2023/2027S.

Management Report

The Board of Directors and the Chief Executive Officer of AQILION AB (publ), company registration number 556623-2095, with registered office in Helsingborg, hereby present the Annual Report for the 2025 financial year.

OPERATIONS
The Group consists of the parent company Aqilion AB (publ) and the subsidiary Aqilion Filia AB, with registered office and headquarters in Helsingborg, Skåne County, Sweden. Business is conducted in the parent company while the subsidiary was dormant during the financial year. Aqilion operates from the company's headquarters in Helsingborg.

Aqilion focuses 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 look for and work with ideas that could potentially improve patient quality of life, while generating value for health services and society.

Aqilion identifies ideas based on data-driven research from which we can reasonably understand 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.

Aqilion does not build a large fixed organization, but instead adapts the organization to each project, which provides the ability and opportunity for good cooperation – an important aspect of the Aqilion business model. The 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.

Organization and personnel
Aqilion works as a virtual research organization with an internal management and operational team that cooperates with the laboratories around the world that best suit our model. Our employees work in a variety of roles in our projects and are responsible for project management and planning, analyzing results and decision-making regarding partners. A virtual organization allows us to be more agile and flexible, based on the needs and schedules of our development programs.

Each program in our pipeline requires specific expertise and knowledge and we contract with our partners based on these needs. Aqilion works with about ten partners in Europe, the US and India.

Aqilion is organized to have the most necessary skills and knowledge that an innovative biotech company needs. The organization consists of highly educated employees with solid experience in drug discovery, business development and entrepreneurship. 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. Six out of twelve employees have a PhD in biochemistry, biology, chemistry, or medicine.

Aqilion strives to continuously develop a stimulating environment and healthy working methods. We foster a good sustainable environment in our workplace where we, along with other organizations, can help to actively reduce Aqilion's footprint on the environment and promote active responsibility at every level. This approach permeates our choice of premises, handling of materials, business trips and our investment in IT support that makes it easier for employees with long commutes to work remotely, while creating flexibility for our employees in daily life. We care about creating an environment and culture that protects the health of our employees.

Aqilion engages consultants on longer contracts for specific roles within Aqilion and for duties within areas of expertise that the company lacks or only needs periodically. At the end of the period, the Aqilion team consisted of 9 employees, comprising 4 (7) permanent staff and 5 (5) consultants, 4 of whom are women and 5 are men.

Shareholder information
The purpose of Aqilion's deliberate, relevant and transparent communication regarding progress and other events within the company and its projects is to achieve broad reach both domestically and internationally, helping to establish a solid foundation for discussions about new projects as well as exit activities. During the year, the CEO and representatives from the Aqilion team presented the company at several partnering meetings and conferences, including JP Morgan/ Biotech Showcase in San Francisco, DDW in San Diego, BIO 2025 in Boston and NLS Days in Gothenburg. The company has also been featured on several occasions through CEO interviews on BIOStock's YouTube channel and through presentations broadcast by Redeye.

Share capital in Aqilion AB (publ) amounts to SEK 3,857 thousand. The total number of shares and votes in the company as of December 31, 2025 was 7,714,958. All shares are ordinary shares and carry equal rights to one vote at the AGM. At the end of 2025, the company had just over 130 shareholders, with the twelve largest shareholders owning about 81% of outstanding shares.

Environment, sustainability and social responsibility
Aqilion's activities do not pose any particular environmental risks nor do they require any specific environmental permits or decisions from authorities. Aqilion believes that it conducts its business in accordance with applicable health and safety regulations. No workplace accidents were reported to the Swedish Work Environment Authority in 2025.

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 make a difference.

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 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. We aim to provide a working environment that promotes health and well-being and a healthy work-life balance.

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 Prisma office building, which is certified to meet the standard for the Gold level of the Miljöbyggnad environmental certification system.

Pipeline
As of December 31, 2025, the company had four development programs, in various stages of development, in its pipeline. All programs focus on developing novel treatments for chronic inflammatory diseases where there is currently a pronounced patient need, but for which few treatments are available. In March 2026, the Board of Directors and management decided to prioritize three of the projects and therefore discontinued the development of AQ312.

The three remaining programs are AQ280, AQ128 (TAK1) and PKCtheta. In addition to the three programs in the pipeline, Aqilion runs an ongoing Discovery program where new project ideas are tested before they are mature enough for investment as a new pipeline program.

AQ280:
Aqilion is developing the drug candidate AQ280 as a potential treatment for eosinophilic esophagitis (EoE), a serious chronic inflammatory disease of the esophagus that makes it difficult to swallow. AQ280 is an orally available, small-molecule selective JAK1 inhibitor. JAK1 is an enzyme, a kinase, that accelerates inflammatory processes, which control conditions such as allergic diseases and fibrosis. Inhibiting its mechanism may facilitate symptom mitigation and disease progression in chronic inflammatory diseases.

A selective compound has the potential to optimize efficacy and minimize side effects. Drugs with a similar mechanism of action have shown good clinical efficacy in autoimmune and inflammatory diseases.

In August 2022, Aqilion initiated the first-in-human clinical trial with AQ280 in the UK. The Phase 1 study, ARIA-1, was successfully completed in fall 2023 with positive results. AQ280 was well tolerated and the exposure achieved, in both single and multiple doses, was in line with estimates of a therapeutically effective range based on preclinical models in terms of dose, safety, pharmacokinetics and pharmacodynamics.

The company has also conducted a pre-IND meeting with the FDA in the US and an advisory meeting with the Medical Products Agency in Sweden in preparation for the planned Phase 2 study. Aqilion has developed a formulation that allows EoE patients, who often have difficulty swallowing, to take the medicine dissolved in water. During the third quarter of 2025, Aqilion received the results from the second Phase 1 clinical study (ARIA-2) in the US, conducted as part of the AQ280 development program. The ARIA-2 study evaluated the pharmacokinetic profile of a novel, water-dissolvable tablet formulation of AQ280 intended for the treatment of eosinophilic esophagitis (EoE). The results clearly showed that the new formulation exhibits a pharmacokinetic profile very similar to the capsule used in the initial ARIA-1 study, with a favorable safety and tolerability profile.

The application to initiate the Phase 2 study in Europe and North America is planned to be submitted as soon as funding for the study has been secured.

AQ128 (TAK1) program:
TAK1 is an enzyme, a kinase, that functions as a central mediator, or a kind of switch, for various inflammatory signals that activate several inflammatory mediators (cytokines). By reducing its activity, it may be possible to slow or delay the progression of serious and chronic diseases. TAK1 and its activity have been identified as a key mechanism by both academia and industry and have generated significant interest in several indication areas. In 2023, Aqilion signed an exclusive license agreement and strategic research collaboration with Merck KGaA (Merck) to discover, develop and commercialize small-molecule inhibitors of TAK1. This collaboration was discontinued in 2024 due to new data that impacted the risk-benefit profile within the intended disease areas.

Aqilion has resumed development of the program as the company now once again owns and controls all rights to it. In 2025, new preclinical proof-of-concept studies were conducted using a well-established model for chronic skin inflammation. The results show a strong disease-modifying effect in conditions such as psoriasis. AQ128 demonstrated a significant improvement across all outcome measures. The results are comparable to, or even better than, those achieved with corticosteroid-based positive controls. The company is now continuing development toward a well-characterized drug candidate, focusing on an optimized formulation and preparations for Phase 1 studies.

PKCtheta:
PKCtheta is a kinase that plays a crucial role in T-cell receptor signaling and is a highly relevant target for T-cell–driven inflammatory and autoimmune diseases, such as ulcerative colitis and rheumatoid arthritis. PKCtheta has received considerable attention from the pharmaceutical industry, and Aqilion has identified highly potent and selective PKCtheta inhibitors using advanced structure-based design. In 2025, Aqilion filed a patent application describing new PKCtheta inhibitors. Due to the financial situation, the project's operational activities have been paused, but the goal is to present an optimized drug candidate in 2027.

SIGNIFICANT EVENTS DURING THE 2025 FINANCIAL YEAR

February
Aqilion resumed development of the TAK1 program
After regaining all rights and conducting a review and analysis of the data package, Aqilion decided to resume development of the program.

Divested its entire holding in Oncorena Holding AB
Aqilion divested its entire holding in Oncorena Holding AB. The decision is in line with Aqilion's strategy to focus the business on its internal pipeline programs in chronic inflammation. Aqilion sold its holding to existing shareholders in Oncorena Holding AB for SEK 13.7 million.

March
Carried out a rights issue of approximately SEK 11.1 million
The proceeds from the new share issue financed the final preparations prior to the start of the Phase 2 study for AQ280. Through the rights issue, Aqilion raised approximately SEK 11.1 million before issue costs.

April
Aqilion presented results from a biomarker study in patients with eosinophilic esophagitis (EoE) at the Digestive Disease Week conference
Aqilion presented results from a study that the company conducted together with Professor Evan Dellon after the research group's abstract was accepted for this year's Digestive Disease Week in San Diego. The aim of the study is to investigate blood markers in patients with eosinophilic esophagitis (EoE) in order to identify simpler methods for diagnosis and treatment monitoring in the future.

May
Aqilion announced that the US Food and Drug Administration (FDA) approved the company's Investigational New Drug (IND) application for the drug candidate AQ280.
The first US study was designed to confirm the pharmacokinetic profile of a new formulation of AQ280 developed specifically for treating patients with eosinophilic esophagitis (EoE).

June
Aqilion announced positive results from new studies with molecules from the company's lead series in the TAK1 program.
The results showed a strong disease-modifying effect in a well-established model of skin inflammation.

July
Aqilion completed the pharmacokinetic study of its drug candidate AQ280, using the specific formulation developed for patients with eosinophilic esophagitis.The final study participant left the clinic in the US in mid-July.

November
Aqilion reported positive results from the clinical pharmacokinetic study of the drug candidate AQ280 using the formulation specifically developed for patients with eosinophilic esophagitis.
The results clearly showed that the new formulation demonstrates a pharmacokinetic profile very similar to the capsule used in the initial ARIA-1 study, with a favorable safety and tolerability profile.

SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

March
Aqilion sharpened its focus on AQ280 and AQ128 – ready for the next phase in inflammatory diseases
Aqilion announced that the company decided to focus on two of its pipeline projects: the drug candidates AQ280 for eosinophilic esophagitis and AQ128 as a topical treatment for psoriasis.

Aqilion presented preclinical data at Digestive Disease Week, May 2–5, showing that AQ280 counteracts the dysfunctional epithelial barrier in eosinophilic esophagitis
Aqilion announced that the company, in collaboration with Professor ArjanBredenoord at Amsterdam University Medical Center and Dr.Mirelle Kleuskens at the University of Utrecht, will present new data from the AQ280 program at the scientific conference Digestive Disease Week (DDW) in Chicago. The study aims to increase understanding of how the deterioration of barrier function in the esophagus can be counteracted in patients with eosinophilic esophagitis (EoE).

SHARE CAPITAL DEVELOPMENT

AQILION AB's share capital as of December 31, 2025, amounted to SEK 3,857,479 distributed among 7,714,958 shares. The trend for the share capital over time can be seen in the table below.

Shareholder	Number of shares	Holdings in %
LMK Forward AB	1,669,811	21.6
Quantum Leben AG	1,244,468	16.1
Longbow	966,473	12.5
Aktiebolag Grenspecialisten	541,671	7.0
Länsförsäkringar Gbg Bohuslän	400,130	5.2
Nocroc Venture AB	396,323	5.1
LEO Pharma A/S	287,983	3.7
Länsförsäkringar Halland	233,400	3.0
Mikael Lönn	139,004	1.8
Björn Parkander	136,580	1.8
Grevermond Investments Ltd.	132,827	1.7
Henry Dunkers Förvaltnings AB	109,694	1.4
Total twelve largest shareholders	6,258,364	80.9
Other shareholders	1,456,594	19.1
Total	**7,714,958**	**100.0**

Source: Euroclear December 31, 2025

Date	Event	Number of shares	Total number of shares	Quota value per share	Increase in share capital	Total share capital	Capital contributed	Price/share
2002-02-01	Company formation	100,000	100,000	1:-	100,000	100,000	100,000	1
2003-10-31	Split	100,000	200,000	0.5		100,000		
2004-06-03	New share issue	56,000	256,000	0.5	28,000	128,000	1,680,000	30
2004-10-23	New share issue	200,000	456,000	0.5	100,000	228,000	6,000,000	30
2007-04-18	New share issue	84,790	540,790	0.5	42,395	270,395	4,239,500	50
2007-05-30	New share issue	12,000	552,790	0.5	6,000	276,395	600,000	50
2008-09-11	New share issue	100,000	652,790	0.5	50,000	326,395	5,200,000	52
2009-11-02	New share issue	36,852	689,642	0.5	18,426	344,821	1,916,304	52
2010-06-01	New share issue	770,000	1,459,642	0.5	385,000	729,821	40,040,000	52
2013-07-03	New share issue	289,855	1,749,497	0.5	144,927.50	874,748.50	19,999,995	69
2015-06-11	New share issue	100,000	1,849,497	0.5	50,000	924,748.50	6,900,000	69
2016-06-09	New share issue	360,410	2,209,907	0.5	180,205	1,104,953.50	28,832,800	80
2018-03-27	New share issue	666,368	2,876,275	0.5	333,184	1,438,137.50	99,955,200	150
2019-06-30	New share issue	1,332,736	4,209,011	0.5	666,368	2,104,505.50	99,955,200	75
2022-06-15	Issue in kind	221,527	4,430,538	0.5	110,763.50	2,215,269	-	-
2022-09-05	New share issue	1,619,752	6,050,290	0.5	809,876.00	3,025,145	30,775,288	19
2023-03-24	New share issue	809,876	6,860,166	0.5	404,938.00	3,430,083	20,246,900	25
2025-04-03	New share issue	854,792	7,714,958	0.5	427,396.00	3,857,479	11,112,296	13

MANAGEMENT REPORT

FINANCIAL OVERVIEW FOR 2025 - GROUP

Revenue and operating profit

As of December 31, 2025, the subsidiary AQILION FILIA AB was included in the Group. All operations are conducted in the parent company AQILION AB.

In 2025, the Group's total revenue was SEK 0 thousand (3,805) and other revenue SEK 0 thousand (0). The decrease is due to the absence of further revenue from the research collaboration with Merck after the first quarter of 2024.

The Group's operating expenses in 2025 totaled SEK 51,370 thousand (71,173), of which administrative expenses amounted to SEK 10,529 thousand (12,298) and research and development costs SEK 40,841 thousand (58,875). The Group's research and development costs include its own research resources, as well as costs for external development providers. The decrease in the Group's operating expenses is primarily attributable to reduced costs following the suspension in 2025 of preparations, planning and execution of the Phase 2 study for the AQ280 program, as well as to fewer employees and consultants in 2025 compared with 2024.

The Group reported an operating loss of SEK 51,370 thousand (loss: 67,368) for 2025.

Net financial items for 2025 totaled SEK -425 thousand (6,702). Financial income totaled SEK 1,720 thousand (8,104) in 2025, attributable to interest income of SEK 630 thousand and a capital gain of SEK 1,006 thousand from the sale of shares in Oncorena Holding. Financial expenses totaled SEK -2,145 thousand in 2025, attributable to a decline in the value of AcuCort shares of SEK -1,522 thousand and a capital loss of SEK -243 thousand from the sale of AcuCort shares.

The Group reported a loss before and after tax of SEK 51,795 thousand (loss: 60,666) for 2025.

CASH FLOW

The Group's cash flow from operating activities in 2025 totaled SEK -53,155 thousand (-63,805). Cash flow from investing activities was SEK 17,229 thousand (1,508) and cash flow from financing activities was SEK 9,958 thousand (-572).

Liquidity and financial position

The Group's cash and bank balances as of December 31 totaled SEK 14,140 thousand (40,368). Total assets as of December 31 amounted to SEK 32,887 thousand (78,302), of which current assets totaled SEK 18,626 thousand (42,370) and non-current assets SEK 14,261 thousand (35,932). Intangible assets at the end of the period totaled SEK 13,488 thousand (13,488).

Equity as of December 31, 2025 was SEK 29,078 thousand (70,350) and the Group's equity ratio was 88% (90).

The Board of Directors and the Chief Executive Officer are continuously evaluating a range of financing options to ensure ongoing operations and secure funding for the planned Phase 2 study of the drug candidate AQ280 in patients with eosinophilic esophagitis. The financing strategy includes business development aimed at securing new partnership agreements ahead of the Phase 2 study, as well as attracting new investors or pursuing a strategic transaction.

We are grateful for the continued support from our existing shareholders, who share our confidence in the potential of our pipeline. The rights issue announced in February 2025 was subscribed at 41.53% and raised SEK 11.1 million before issue costs. The sale of Oncorena Holding AB carried out in February 2025 brought in SEK 13.7 million for the company, and during 2025 the sale of shares in AcuCort AB (publ) added SEK 3.5 million. The share issue and sale of shares, together with strict cost control and strategic prioritization, have made it possible to complete the final preparations for the start of the Phase 2 study. The AQ312 project has been discontinued and the PKCtheta project has been paused.

The Board and management currently assess that there is no financing or working capital available to continue the development of the pipe line projects during 2026. The Board and management are evaluating various options for continued operations, including the potential sale of the pipeline projects AQ280 and AQ128 or financing through the spin-off of individual projects into separate companies. If the Board determines that this cannot be executed, it will propose a resolution to liquidate the company.

PROPOSAL FOR THE APPROPRIATION OF THE COMPANY'S PROFITS

The following amount, denominated in SEK, is at the disposal of the Annual General Meeting:

Retained earnings	75,581,870
Loss for the year	SEK 51,827,770
Total	**23,754,100**

The Board of Directors proposes that the available profits be appropriated as follows:

To be carried forward	23,754,100
Total	**23,754,100**

Regarding the company's financial performance and position in general, please refer to the following financial statements with associated notes.

DIVIDEND POLICY

According to the Board's dividend policy, no dividend will be distributed until the company's financial position so permits.

FINANCIAL OVERVIEW – Group

Statement of profit or loss (SEK thousand)	2025	2024
Net sales	-	3,805
Other operating income	-	-
Operating expenses	-51,370	-71,173
Operating profit/loss	-51,370	-67,368
Net financial items	-425	6,702
Profit/loss before tax	-51,795	-60,666
Income tax	-	-
Profit/loss for the year	**-51,795**	**-60,666**
Balance sheet, SEK thousand		
Non-current assets	14,261	35,932
Current receivables	1,200	2,002
Cash and cash equivalents	14,140	43,368
Financial asset held for sale	3,286	-
Total assets	**32,887**	**78,302**
Equity	29,078	70,350
Non-current and current liabilities	3,810	7,952
Total equity and liabilities	**32,887**	**78,302**
Statement of cash flows, SEK thousand		
Cash flow from operating activities	-53,155	-63,805
Cash flow from investing activities	17,229	1,508
Cash flow from financing activities	9,958	-572
Cash flow for the year	**-25,968**	**-62,869**
Key performance indicators		
Working capital, SEK 000	15,220	35,043
Acid test ratio, %	547	578
Equity/assets ratio, %	88	90
Debt/equity ratio, %	13	11
Share data, SEK		
Equity per share	3.77	10.25
Dividend	-	-
Number of shares		
Average number of shares outstanding	7,497,162	6,860,166
Number of shares at end of period	7,714,958	6,860,166

RISKS AND UNCERTAINTIES

Aqilion's primary business is pharmaceutical research and development, an activity that is both risky and capital-intensive. The business is associated with risks that could have a material adverse effect on the Group's operations, financial position and earnings. The risks can be divided into operational risks and financial risks, which may adversely affect the company. Such risks include:

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.

There is a risk that planned studies will be delayed. Delays can occur for a variety of reasons, including difficulties in reaching agreements with clinics on participation under acceptable conditions, problems identifying patients for studies, patients not completing a study, or not returning for follow-up.

Competing research projects could emerge that achieve better efficacy and reach the market faster, which could result in the future value of the drug being lower than expected.

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. These possibilities, along with the risk of being unable to raise relevant capital, could temporarily delay or stop clinical development and ultimately slow down Aqilion's operations, which would have a negative impact on the business.

Legislation and permits

Changes in legislation and permit requirements 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 to six months, which means that it may be difficult to replace key personnel on such 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, costly litigation could result. 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. Consequently, 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.

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. These limits are evaluated and reviewed annually.

INSURANCE

Aqilion has regular reviews with brokers and advisors, ensuring that the business and responsibilities are appropriately insured.

LEGAL DISPUTES

Aqilion has not been a party to any legal proceedings, arbitration or regulatory proceedings (including matters not yet resolved or those the company is aware may
arise) during the past twelve months that have had, or could have, a material impact on the company's financial position or profitability. Nor has the company been informed of any claims that could result in Aqilion becoming a party to such proceedings or arbitration.

PARENT COMPANY

The activities of the parent company are essentially the same as those of the Group, as all business is carried out in the parent company. The profit or loss for the year and the financial position of the parent company are essentially the same as the corresponding items for the Group, except for recognition of right-of-use assets; consequently, the comments for the Group also largely apply to the parent company.

SIGNIFICANT AGREEMENTS

In December 2021, Aqilion acquired the AQ280 program from LEO Pharma. Aqilion acquired the entire program, including knowledge, data and intangible assets behind a completely new drug candidate. Through this agreement, Aqilion acquired all rights to any potential use of the AQ280 asset. Moreover, Aqilion will make additional payments, which will be generated either from product sales or through revenue from out-licensing. However, Aqilion will not pay any development-
based milestones.

In February 2023, the Group entered into an exclusive license and strategic research collaboration agreement with Merck to discover, develop and commercialize small-molecule inhibitors of Transforming Growth Factor-β (TGF-β)-activated kinase 1 (TAK1). Under the agreement ("Merck agreement"), Merck received an exclusive global license to conduct research, develop, manufacture and commercialize therapies identified through the collaboration. Under the terms of the Merck agreement, Merck paid a non-refundable upfront payment of EUR 10 million (SEK 110 million) during the first quarter of 2023.

On June 20, 2024, Aqilion and Merck announced that they had decided to end the joint development of the TAK1 program. Merck has returned all rights under the license and cooperation agreement and this process was completed during the first quarter of 2025. Aqilion has no further commitments or obligations to Merck following the reacquisition of the TAK1 program.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

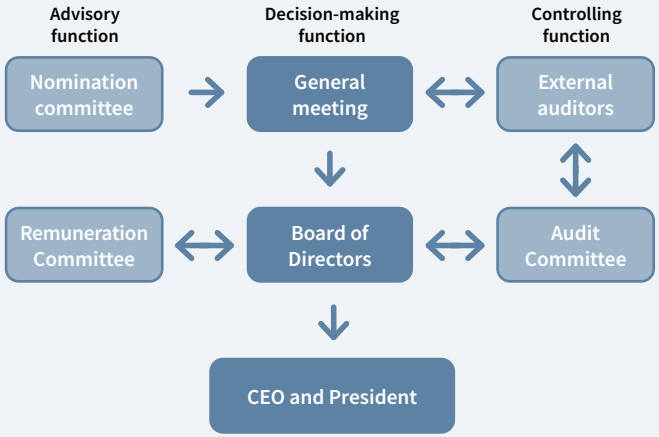
Corporate governance within Aqilion AB (publ) ("Aqilion") defines decision-making systems, clarifies roles and responsibilities between the board, management and control bodies and ensures transparency towards the Group's stakeholders.

Corporate Governance

Aqilion is a Swedish public limited company. The company's governance is based on Swedish laws and internal rules and guidelines for its corporate governance. Aqilion has prepared this corporate governance report in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Governance Code (the "Code"). Corporate governance in Aqilion aims to ensure that rights and obligations are distributed among the company's bodies in accordance with applicable laws, rules and processes. Effective and transparent corporate governance enables shareholders to assert their interests with respect to the company's management, while ensuring a clear division of responsibilities between management and the Board, but also elsewhere within the company. Aqilion strives for effective and transparent corporate governance that results in efficient decision-making, enabling Aqilion to act quickly when new business opportunities arise.

Aqilion was not required to comply with the Code in 2025, but has voluntarily chosen to prepare this corporate governance report, which has been formulated in accordance with the Swedish Annual Accounts Act and the Code and reports on Aqilion's corporate governance during the 2025 financial year. However, since Aqilion is not obliged to comply with the Code, deviations from the Code are not reported in this corporate governance report.

Overarching corporate governance structure



General meeting

The general meeting is the company's highest decision-making body. The shares in the company are of the same class and each share carries one vote. The Annual General Meeting (AGM) elects the Board of Directors and the auditor, and makes decisions in accordance with the Swedish Companies Act and the Articles of Association. The Board of Directors presents the annual accounts and consolidated accounts at the AGM. The auditors present the audit report and the group audit report. Information about the matters that will be up for vote is provided in the Notice to Attend the general meeting, which is published in a press release and on the website. Resolutions passed by vote are published by press release and on the website.

2025 ANNUAL GENERAL MEETING

Aqilion's Annual General Meeting was held on June 3, 2025, in Helsingborg, where 32.9% of the number of shares and voting rights were represented. Among the resolutions taken at the meeting were the following:

Adoption of the income statement and balance sheet, as well as appropriation of profit or loss

The Annual General Meeting adopted the income statement and balance sheet for the 2024 financial year as presented in the annual report. The meeting resolved that the entire amount at the disposal of the meeting should be carried forward.

Discharge from liability

The Annual General Meeting discharged the members of the Board of Directors and the CEO from liability for the 2024 financial year.

Dividend

The Annual General Meeting resolved that no dividend be paid for the 2024 financial year.

Determination regarding the number of Board members and election of the Board of Directors

The Meeting resolved that the Board will consist of six members without deputies. Roland Andersson (re-election), Bertil Lindmark (re-election), Martin Olovsson (re-election), Gunilla Savring (re-election), Kristina Masson (re-election) and Anders Kronborg (re-election) were elected as Board members for the period until the next Annual General Meeting. Bertil Lindmark was elected to serve as Chairman of the Board.

Determination of fees for the Board of Directors and the auditors

The Annual General Meeting resolved to pay fees until the close of the next Annual General Meeting in the amount of SEK 210,000 to the Chairman of the Board and SEK 100,000 for each Director of the Board who is not employed by the company. Remuneration to the auditor will be paid on approved account.

Election of auditor

Forvis Mazars AB Helsingborg was elected as auditor until the next Annual General Meeting, with authorized public accountant Andreas Brodström as principal auditor.

Adoption of principles for appointing the Nomination Committee and the task of the Nomination Committee

The Annual General Meeting resolved in accordance with the Board's proposal. The resolution on instructions for the Nomination Committee shall be in effect until such time that the general meeting decides otherwise.

Resolution to authorize the Board to resolve on the issue of shares, convertibles and/or warrants

The Annual General Meeting resolved to authorize the Board of Directors, on one or more occasions until the next Annual General Meeting, with or without preferential rights for shareholders, to resolve on the issuance of shares, convertibles and/or warrants. The issue may be made against cash payment and/or with a provision for in-kind or set-off, or otherwise with conditions in accordance with the Swedish Companies Act. By resolutions based on the authorization, the number of shares may be increased by a number corresponding to a maximum of thirty (30) percent of the outstanding shares in the company at the time when the Board of Directors first exercises the authorization.

The share and shareholders

The number of registered shares in Aqilion on December 31, 2025 amounted to 7,714,958 with a quota value of SEK 0.5. Each share carries one vote and each person entitled to vote may vote for the full number of shares.

CORPORATE GOVERNANCE

Corporate Governance
The Annual General Meeting on June 16, 2022, resolved that the Nomination Committee will consist of four members. The Chairman of the Board is the convener of the Nomination Committee. Nomination Committee members will not receive any remuneration. The members of the Nomination Committee appoint the chairman among themselves. As of November 2024, the Nomination Committee included the following members: Hites Jina, appointed by the shareholder LMK Forward AB, Linus Wiebe, appointed by the shareholder Quantum Leben AG, Katarina Berggren, appointed by the shareholder Grenspecialisten AB, and Philip Jansson, appointed by Länsförsäkringar Göteborg och Bohuslän.

Board of Directors
The Board of Directors is the highest decision-making body of the company after the general meeting. The duties of the Board of Directors are set out in the Swedish Companies Act, the company's Articles of Association and the Code. The work of the Board is also governed by written rules of procedure, which are adopted annually. The Rules of Procedure regulate, among other things, the division of tasks and responsibilities between the Board of Directors, the Chairman of the Board and the Chief Executive Officer. The Board also formulates instructions for the Board Committees, the Chief Executive Officer and for financial reporting. Board members are normally appointed by the AGM for the period until the end of the next AGM. According to the company's Articles of Association, the number of directors elected by the general meeting shall be not less than three and not more than ten, with not more than ten alternates.

According to the Code, the Chairman of the Board is elected by the general meeting and is responsible for ensuring that the work of the Board is carried out efficiently and that the Board fulfills its duties. The company's Board of Directors consists of six ordinary members. The company's 2025 Annual General Meeting resolved that the Board should consist of six ordinary members with no deputies. Roland Andersson (re-election), Bertil Lindmark (re-election), Martin Olovsson (re-election), Gunilla Savring (re-election), Kristina Masson (re-election) and Anders Kronborg (re-election) were elected as Board members for the period until the next Annual General Meeting. Bertil Lindmark was elected to serve as Chairman of the Board.

The Board's tasks and working methods
The Board of Directors is responsible for the company's organization and the management of the company's affairs, which includes, among other things, responsibility for establishing overall, long-term strategies and goals, budgets and business plans, adoption of guidelines to ensure that the company's operations create long-term value, reviewing and approving the financial statements, decision-making on matters relating to investments and sales, capital structure and dividend policy, development and discontinuation of central policies, ensuring that there are control systems for monitoring compliance with policies and guidelines, ensuring that there are systems for monitoring and controlling the company's operations and risks, significant changes in the company's organization and operations, appointing the company's CEO and determining the salary and other employment benefits for the company's CEO and other senior executives, in accordance with the guidelines for remuneration to senior executives adopted by the general meeting.

The Board meets according to an annual predetermined schedule. In addition to these meetings, additional Board meetings may be called to deal with issues that cannot be postponed until the next regular Board meeting.
In addition to the Board meetings, the Chairman of the Board and the Chief Executive Officer maintain an ongoing dialog regarding the management of the company.

Evaluation of the Board's work
The Board evaluates, in accordance with the Rules of Procedure, the work of the Board. This is done through discussions within the Board and through an annual written evaluation.

Summary of Board meetings held during the year
The Board held 16 meetings in 2025. The business situation and financial reporting were discussed at each of the larger board meetings. The external auditors attended one Board meeting. In addition to recurring items, issues addressed include updated long-term strategy, drug candidate development, business intelligence, collaboration opportunities, budget and funding. The members of the Board are listed in the table below.

Name	Title	Elected, year	Independence*	Board meetings	Audit Committee meetings	Remuneration Committee meetings
Bertil Lindmark	Chairman of the Board	2022	Yes/Yes	16/16		2/2
Roland Andersson	Board member	2018	Yes/Yes	15/16	5/5	
Gunilla Savring	Board member	2021	Yes/Yes	16/16		2/2
Kristina Masson	Board member	2023	Yes/Yes	13/16		
Anders Kronborg	Board member	2023	Yes/Yes	14/16	5/5	
Martin Olovsson	Board member	2019	Yes/Yes	15/16		2/2

* Refers to independence in relation to the company and its management and in relation to major shareholders of the company.

A presentation of the Board of Directors can be found on page 24 and remuneration to the Board of Directors for 2025 can be found in note 9.

Remuneration Committee
In 2018, the Board established a Remuneration Committee. During the year the Committee held two meetings. The members of the Remuneration Committee are Bertil Lindmark (chairman), Martin Olovsson and Gunilla Savring and their duties include preparing proposals relating to remuneration principles, remuneration and other employment benefits for management. The Remuneration Committee shall also monitor and evaluate ongoing programs and those concluded during the year for variable remuneration to executive management, the application of the guidelines for remuneration to senior executives that the general meeting is legally required to adopt, and the current general meeting remuneration structure and remuneration levels in the company.

Audit Committee
The company established an Audit Committee in 2023. The Committee held five meetings in 2025. The Audit Committee consists of Anders Kronborg (chairman) and Roland Andersson. The Audit Committee shall, without affecting the broader responsibilities and duties of the Board of Directors, monitor the company's financial reporting, monitor the effectiveness of the company's internal control and risk management, stay informed about the audit of the annual and consolidated financial statements, review and monitor the auditor's impartiality and independence, especially regarding any non-audit services provided to the company, and assist the Nomination Committee in drafting proposals for the general meeting's election of auditors.

Chief Executive Officer and senior executives
The Chief Executive Officer reports to the Board of Directors and is responsible for the day-to-day management and operation of the company. The division of tasks between the Board of Directors and the Chief Executive Officer is set out in the Rules of Procedure of the Board of Directors and the Instructions to the Chief Executive Officer. The Chief Executive Officer is also responsible for preparing reports and compiling information from management for Board meetings and presenting the material at Board meetings.

In accordance with the financial reporting instructions, the Chief Executive Officer is responsible for financial reporting in the company and must therefore ensure that the Board of Directors is provided with sufficient information to continually assess the company's financial position.

A presentation of senior executives can be found on page 24, and management's remuneration for 2025 is presented in Note 9.

Audit
The auditor shall examine the annual report and accounts of the company and the administration of the Board of Directors and the Chief Executive Officer. The audit of Aqilion's financial reports and accounts, as well as the administration of the Board of Directors and the Chief Executive Officer, is conducted in accordance with generally accepted auditing standards in Sweden. After each financial year, the company's auditor must submit an audit report and a consolidated audit report to the Annual General Meeting.

According to the company's Articles of Association, the Company must have one (1) auditor with or without deputy auditors. The company's auditor is Forvis Mazars, with Andreas Brodström as principal auditor. In addition to the audit assignment, Forvis Mazars has been engaged for additional services during the 2025 financial year. See also Note 8. Such services have always and only beenprovided to the extent consistent with the provisions of the Swedish Auditors Act and FAR's Code of Ethics regarding auditor impartiality and independence. Remuneration of the auditor is shown in note 8.

Internal control over financial reporting and risk management
Internal control is designed to regulate the division of responsibilities between the Board of Directors and the Chief Executive Officer and management, and is based on internal guidelines, responsibilities and role allocations that are monitored for compliance and continuously evaluated. Financial outcomes are subject to regular reporting and monitoring. Aqilion has established an internal control framework aimed at achieving an effective organization that meets the objectives set by the Board of Directors. This framework includes measures to ensure that the company's operations are conducted correctly and efficiently, that laws and regulations are adhered to, and that financial reporting is accurate, reliable and in compliance with applicable laws and regulations.

The Board has made the assessment that the company, in addition to existing processes and functions for internal governance and control, does not need a formal internal audit function. An annual assessment is made as to whether an internal audit function is considered necessary to maintain good internal control within Aqilion. In 2025, the company continued to expand documentation of processes and procedures and to update risk reporting.

Control environment
Aqilion's control environment is based on the division of labor between the Board of Directors, the Board's committees, the Chief Executive Officer and other senior executives, as well as the values based on which the Board of Directors and management work and communicate. In order to maintain and develop a well-functioning control environment and to comply with applicable laws and regulations, the company's Board of Directors, as the body with ultimate responsibility, has adopted a number of fundamental documents of importance for internal control and risk management, which consist of governing documents, policies and instructions, including the rules of procedure for the Board of Directors and the Audit Committee, instructions for the Chief Executive Officer, financial policy and communication policy.

Risk assessment
Aqilion has implemented a risk assessment framework whereby the Company conducts a quarterly risk analysis and evaluation.

The risk analysis increases the company's perception and understanding of identified risks. The main purpose of the analysis is to investigate the cause and potential impact of the risk, as well as the company's current control environment and procedures to manage the risk. The results of the risk analysis are then evaluated to determine whether the identified risks are within the company's risk appetite and accepted risk tolerance.

Based on the risk evaluation, Aqilion aims to manage risks that exceed the company's risk appetite and accepted risk tolerance by transferring, eliminating or controlling the risk through proposed risk management measures. Potential risk management measures are assessed by evaluating the impact on the level of risk compared with the investment in time and financial resources. Each proposed risk management measure has a designated owner and an expected completion date to ensure accountability for the risk management process.

Control activities
Aqilion has established a risk management process that includes a number of key controls to be established and operated in the risk management processes. The control requirements are an important tool that enables the Board to guide and evaluate information provided by management and to take responsibility for identified risks. The company has appointed different managers to be responsible for different risk categories. Constant communication and reporting of risks are essential elements of the company's risk management process.

Information and communication
Aqilion's Board of Directors has adopted a communication policy that governs the company's handling and communication of material information. Aqilion's communication shall be long-term and consistent with the company's brand, vision, business concept, strategies, objectives and values.

Communication should be open, factual, well-structured and well-planned. The company shall provide accurate, relevant and complete information in accordance with applicable laws and regulations.

Monitoring and follow-up
The company intends to carry out an annual self-assessment of the effectiveness of its internal controls. Amendments to the company's control framework must be approved by the Board of Directors.

Monitoring, evaluation and reporting
The Board continuously evaluates the information provided by management. The Board receives regularly updated financial information on Aqilion's performance. The Board monitors the effectiveness of internal controls, including ensuring that measures are taken to address any deficiencies, as well as following up on proposed measures identified by the external audit. The company also intends to carry out an annual self-assessment of the effectiveness of its internal controls. The Board of Directors meets annually with the company's auditor to discuss internal control and financial reporting.

FINANCIAL STATEMENTS

Consolidated statement of profit or loss

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	NOTE	2025	2024
SEK 000s			
Net sales	5	-	3,805
Gross profit/loss		**-**	**3,805**
Research and development costs	6,7,9	-40,841	-58,875
Administrative expenses	6,7,8,9	-10,529	-12,298
Operating profit/loss		**-51,370**	**-67,368**
Financial income	10	1,720	8,104
Financial expenses	10	-2,145	-1,402
Profit/loss after financial items		**-51,795**	**-60,666**
Profit/loss before tax		**- 51,795**	**-60,666**
Tax on profit/loss for the year	11	-	-
PROFIT/LOSS FOR THE YEAR		**-51,795**	**-60,666**
Profit/loss for the year attributable to:			
Equity holders of the parent company		-51,795	-60,666
Non-controlling interests		-	-
Shares outstanding at end of period		7,714,958	6,860,166
Average number of shares		7,497,162	6,860,166

There are no items in the Group that are recognized in other comprehensive income, for which reason comprehensive income
for the year is in agreement with profit/loss for the year

FINANCIAL STATEMENTS

Consolidated balance sheet

CONSOLIDATED BALANCE SHEET

	NOTE	2025-12-31	2024-12-31
SEK 000s			
ASSETS			
Non-current assets			
Intangible assets	12	13,488	13,488
Right-of-use assets	13	773	1,170
Financial assets			
Other securities held as non-current assets	15	-	21,274
Total non-current assets		**14,261**	**35,932**
Current assets			
Other receivables		286	710
Prepayments and accrued income	17	914	1,292
Cash and cash equivalents	18	14,140	40,368
Total current receivables and cash and cash equivalents		**15,340**	**42,370**
Financial assets held for sale	16	3,286	-
Total current assets		**18,626**	**42,370**
TOTAL ASSETS		**32,887**	**78,302**

CONTINUED

	NOTE	2025-12-31	2024-12-31
EQUITY AND LIABILITIES			
Equity	19		
Share capital		3,857	3,430
Other contributed capital		382,832	372,736
Retained earnings		-305,817	-245,150
Profit/loss for the year		-51,795	-60,666
Total equity		**29,077**	**70,350**
Non-current liabilities			
Lease liabilities	20	404	625
Total non-current liabilities		**404**	**625**
Current liabilities			
Lease liabilities	20	376	583
Accounts payable		1,052	1,424
Other liabilities		79	1,343
Accrued expenses and deferred income	21	1,899	3,977
Total current liabilities		**3,406**	**7,327**
Total liabilities		**3,810**	**7,952**
TOTAL EQUITY AND LIABILITIES		**32,887**	**78,302**

FINANCIAL STATEMENTS

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	Total equity
Opening equity, January 1, 2024	3,430	372,762	-245,150	131,042	131,042
Warrants, buyback		-26		-26	-26
Comprehensive income for the year			-60,666	-60,666	-60,666
Closing equity, December 31, 2024	**3,430**	**372,736**	**-305,816**	**70,350**	**70,350**
Opening equity, January 1, 2025	3,430	372,736	-305,816	70,350	70,350
New share issue	427	10,684		11,111	11,111
Issue costs		-588		-588	-588
Comprehensive income for the year			**-51,795**	**-51,795**	**-51,795**
Closing equity, December 31, 2025	**3,857**	**382,832**	**-357,611**	**29,078**	**29,078**

Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK 000s	NOTE	2025	2024
Operating activities			
Operating profit/loss		-51,370	-67,368
Interest received		671	2,600
Interest paid		-77	-102
Adjustment for non-cash items	23	536	584
Income tax paid		-	-
Cash flow from operating activities before changes in working capital		**-50,240**	**-64,286**
Cash flow from changes in working capital			
Change in operating receivables		802	1,109
Change in operating liabilities		-3,717	-628
Cash flow from operating activities		**-53,155**	**-63,805**
Investing activities			
Dividend received		-	1,508
Sale of non-current financial assets		17,229	-
Investment in other financial holdings		-	-
Cash flow from investing activities		**17,229**	**1,508**
Financing activities			
New share issue		10,524	-
Warrants, buyback		-	-26
Amortization of lease liability	20	-566	-546
Cash flow from financing activities		**9,958**	**-572**
Cash flow for the period		**-25,968**	**-62,869**
Cash flow for the period		-25,968	-62,869
Exchange rate difference in cash and cash equivalents		-260	222
Cash and cash equivalents at start of period		40,368	103,015
Cash and cash equivalents at close of period	18	**14,140**	**40,368**

FINANCIAL STATEMENTS

Parent company statement of profit or loss

PARENT COMPANY STATEMENT OF PROFIT OR LOSS

	NOTE	2025	2024
SEK 000s			
Net sales	5	-	3,805
Gross profit/loss		**-**	**3,805**
Research and development costs	6,7,9	-40,841	-58,875
Administrative expenses	6,7,8,9	-10,628	-12,362
Operating profit/loss		**-51,469**	**-67,432**
Profit/loss from financial items			
Profit/loss from other securities	10	-760	-1,300
Other interest income and similar profit/loss items	10	715	8,656
Interest expense and similar profit/loss items	10	-313	-552
Total financial items		-358	6,804
Profit/loss after financial items		**-51,827**	**-60,628**
Profit/loss before tax		**-51,827**	**-60,628**
Tax on profit/loss for the year	11	-	-
PROFIT/LOSS FOR THE YEAR		**-51,827**	**-60,628**

There are no items in the parent company that are recognized in other comprehensive income, for which reason comprehensive income for the year is in agreement with profit/loss for the year

FINANCIAL STATEMENTS

Parent Company balance sheet

PARENT COMPANY BALANCE SHEET

	NOTE	2025-12-31	2024-12-31
SEK 000s			
ASSETS			
Non-current assets			
Intangible assets			
Intangible assets	12	13,488	13,488
Non-current financial assets			
Participations in Group companies	14	25	25
Other securities held as non-current assets	15	-	21,274
Total non-current assets		**13,513**	**34,787**
Current assets			
Current receivables			
Other receivables		286	710
Prepayments and accrued income	17	914	1,292
Total current receivables		**1,200**	**2,002**
Current investments		3,286	-
Cash and bank balances	18	14,115	40,343
Total current assets		**18,601**	**42,345**
TOTAL ASSETS		**32,114**	**77,132**

CONTINUED

	NOTE	2025-12-31	2024-12-31
EQUITY AND LIABILITIES			
Equity	19		
Restricted equity			
Share capital		3,857	3,430
Statutory reserve		1,472	1,472
Total restricted equity		**5,329**	**4,902**
Unrestricted equity			
Share premium reserve		10,096	0
Retained earnings		65,486	126,114
Profit/loss for the year		-51,828	-60,628
Total unrestricted equity		23,754	65,486
Total equity		**29,083**	**70,388**
Current liabilities			
Accounts payable		1,052	1,424
Other liabilities		79	1,343
Accrued expenses and deferred income	21	1,899	3,977
Total current liabilities		**3,031**	**6,744**
TOTAL EQUITY AND LIABILITIES		**32,114**	**77,132**

FINANCIAL STATEMENTS

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
Opening balance January 1, 2024	3,430	1,472	20,752	47,953	57,435	131,042
Warrants, buyback			-26			-26
Resolution from the Annual General Meeting to be carried forward			-20,726	78,161	-57,435	
Comprehensive income for the year					-60,628	-60,628
Closing balance December 31, 2024	**3,430**	**1,472**	**0**	**126,114**	**-60,628**	**70,388**
Opening balance January 1, 2025	3,430	1,472	0	126,114	-60,628	70,388
New share issue	427		10,684			11,111
Issue costs			-588			-588
Resolution from the Annual General Meeting to be carried forward				-60,628	60,628	
Comprehensive income for the year					-51,828	-51,828
Closing balance December 31, 2025	**3,857**	**1,472**	**10,096**	**65,486**	**-51,828**	**29,083**

FINANCIAL STATEMENTS

Parent company statement of cash flows

PARENT COMPANY STATEMENT OF CASH FLOWS

	NOTE	2025	2024
SEK 000s			
Operating activities			
Operating profit/loss		-51,469	-67,432
Interest received		671	2,600
Interest paid		-10	-
Adjustment for non-cash items	23	-	-
Cash flow from operating activities before changes in working capital		**-50,808**	**-64,832**
Cash flow from changes in working capital			
Change in operating receivables		802	1,109
Change in operating liabilities		-3,715	-628
Cash flow from operating activities		**-53,721**	**-64,351**
Investing activities			
Dividend received		-	1,508
Sale of non-current financial assets		17,229	-
Cash flow from investing activities		**17,229**	**1,508**
Financing activities			
New share issue		11,112	-
Issue costs		-588	-
Warrants, buyback		-	-26
Cash flow from financing activities		**10,524**	**-26**
Cash flow for the period		**-25,968**	**-62,869**
Cash flow for the period		-25,968	-62,869
Exchange rate difference in cash and cash equivalents		-260	222
Cash and cash equivalents at start of period		40,343	102,990
Cash and cash equivalents at close of period	18	**14,115**	**40,343**

NOTES

Supplementary disclosures

Note 1
General information

Notes to the 2025 annual accounts for the Aqilion Group and its parent company, Aqilion AB (publ), reg. no. 556623-2095, with registered office in Helsingborg, Sweden; street address and postal address is Henckels Torg 3, 252 36 Helsingborg.

The Board of Directors approved these annual accounts and consolidated accounts for publication on April 29, 2026.

Note 2
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.

The Parent Company has prepared its annual report in accordance with the Swedish Annual Accounts Act (1995:1554) 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 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 statements are always presented in thousands of Swedish kronor (SEK 000s), unless otherwise stated.

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 through 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

New and amended standards, as well as improvements that came into force in 2025, have not had any significant impact on the consolidated financial statements for the financial year.

New and amended standards and interpretations that have not yet entered into force

The new and amended standards and interpretations that have been issued but that are effective for financial years beginning after January 1, 2025 have not yet been applied by the Group. It is management's assessment that when these new standards and interpretations are applied for the first time, they will not have a material effect on the consolidated financial statements.

The company is monitoring the development of the new accounting standard IFRS 18, which will take effect for financial years beginning on January 1, 2027. The standard is expected to affect the presentation of the consolidated statement of profit or loss and certain disclosure requirements but is not currently expected to impact the Group's earnings or financial position. The company has not yet completed its analysis of the full effects of the standard.

Consolidated financial statements

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 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 is accounted for by adjusting the carrying amounts of the controlling and non-controlling interests to reflect changes in their relative holdings 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. All amounts are stated and rounded to the nearest thousand (SEK 000s) unless otherwise stated.

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, cash and cash equivalents 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.

Revenue

Revenue is recognized at the fair value of the consideration to be received, excluding value added tax, discounts and other price reductions.

The transaction price is measured at the value that Aqilion estimates will accrue to the company at the time the agreement is entered into, less value added tax, discounts and other price deductions. The transaction price is updated on an ongoing basis if the assumptions underlying the estimate have changed.

License agreements
Revenue from license agreements is recognized based on the financial implications of the agreement. Revenue from license agreements may consist of one-off payments, as well as license, royalty and milestone payments for use of Aqilion's intellectual property rights. Under license agreements, Aqilion may be entitled to receive compensation for costs incurred. Revenue recognition reflects the earning of revenue based on the obligations performed under the specific contractual terms.

Aqilion applies the revenue recognition criteria to each separately identified obligation so that the economic substance of the transaction is reflected in the financial statements. As a result, the different transactions of the contract are split into distinct performance obligations which are accounted for separately. The agreements often include compensation for the use of Aqilion's intellectual property rights, which are licensed to the counterparty or fully transferred to the counterparty, and may also include compensation for costs incurred for further development or study. These commitments are analyzed to determine whether they are separate performance commitments to be disclosed individually or whether they should be considered as one commitment.

The principles for revenue recognition of the performance obligations related to license agreements are described below.

Out-licensing
Initial one-off payments are fixed by nature and license and milestone payments, compensation for development work and sales-based royalties are variable.

In cases where Aqilion receives an initial one-off payment at the signing of the agreement, it is recognized as revenue when the counterparty has obtained control of the license and in accordance with any contract-specific conditions that are met.

Additional potential license and milestone payments, i.e. variable consideration, that depend on the achievement of certain milestones in future drug development are recognized as revenue only when it is considered highly probable that a significant reversal of the cumulative revenue recognized will not occur. This point in time is deemed to occur only when it has been confirmed by the counterparty that the milestone has been reached. Milestone payments that are not within the control of Aqilion or the licensee, such as regulatory approvals, are recognized as revenue only when these approvals have been obtained.

Performance of services
Fees received for research and development services are recognized successively over the period to which they relate. If no such relationship exists, revenue is recognized based on the stage of completion of the respective project or contract. The percentage of completion is determined on the basis of time spent in relation to the estimated total time of the project or contract or based on clauses in the contract with the customer.

Royalties

A counterparty may also compensate Aqilion for the use of an IP right or for an acquired IP right by paying royalties on future sales of a drug based on the IP right. Revenue for sales-based royalties promised in exchange for a license of intellectual property is recognized only when the subsequent sale occurs.

Financial income and expenses

Financial income and expenses consist of interest income on bank deposits, receivables, interest expense on liabilities, revaluation of financial assets. Foreign exchange gains and losses are recognized net.

Intangible assets

Intangible assets acquired separately are recognized at cost less accumulated amortization and any accumulated impairment losses. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, unless such useful lives are indefinite. Estimated useful lives and amortization methods are reviewed if there is an indication that these have changed from the estimate at the previous balance sheet date. The effect of any changes in estimates and assumptions is recognized prospectively. Intangible assets with finite useful lives are amortized from the date they are available for use; the acquired development project, Regulus (AQ280), is not yet subject to amortization as development is not yet complete. The development project is subject to impairment testing at least once a year. No impairment has been identified.

Property, plant and equipment

Property, plant and equipment are recognized in the Group at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price and expenditure directly attributable to the asset to bring it to the location and condition necessary for it to be capable of operating in the manner intended. Depreciation is recognized on a straight-line basis over the estimated useful life of the asset. The Group's property, plant and equipment consist entirely of right-of-use assets relating to premises, see "Leases" below.

Impairment

At each reporting date, an assessment is made as to whether there is any indication of impairment other than the depreciation recognized in respect of the Group's intangible assets and property, plant and equipment.

Impairment of intangible assets and property, plant, and equipment

If there is an indication of impairment, the recoverable amount of the asset is calculated. If it is not possible to determine substantially independent cash flows for an individual asset and its fair value less costs to sell cannot be used, the assets are grouped for impairment testing at the lowest level at which substantially independent cash flows can be identified (cash-generating units).

The recoverable amount is the higher of fair value less costs to sell and value in use. In calculating value in use, future estimated cash flows are discounted using a discount rate that reflects the risk-free interest rate and the risk associated with the specific asset.

Impairment of financial assets

At each reporting date, the entity assesses whether there is objective evidence that a financial asset or group of assets is impaired. Objective evidence consists of observable events that have occurred and have a negative impact on the recoverability of the cost and a significant or prolonged decline in the fair value of an investment in a financial investment classified as an available-for-sale financial asset.

Reversal of impairment

A previous impairment loss is reversed when there has been a change in the assumptions used to determine the asset's recoverable amount at the time of impairment and the impairment loss is no longer considered necessary. Reversals of previous impairment losses are individually assessed and recognized through profit or loss.

Research and development

Expenditure on research aimed at gaining new scientific or technical knowledge is recognized as an expense as incurred. Expenditures on development and testing, 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 probable 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.

The Group currently has no capitalized development expenditure.

Leases

When new leases are signed, a right-of-use asset and a lease liability are recognized in the balance sheet. The cost is 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 estimated at 7.5%.

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.

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 classified as financial assets measured at fair value through profit or loss, which are recognized excluding 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
Other securities held as non-current assets are measured at fair value through profit or loss. Holdings in listed companies are measured at fair value in Level 1; the valuation is based on quoted market prices on the balance sheet 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, which are exposed to an insignificant risk of fluctuations in value.

Equity

Equity corresponds to shareholders' paid-in capital, adjusted for profit or loss from previous years less issue costs and any dividends. 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. When warrants are exercised, the company issues new shares. Payments received are credited to share capital (quota value) and other paid-in capital.

Warrant program

Share-based incentive programs are accounted for according to IFRS 2. There are two outstanding incentive programs based on warrants for the CEO, employees and the Board of Directors. Those who subscribed to the warrants paid a premium corresponding to the market value of the warrant calculated using the Black & Scholes formula. As the market value has been paid, there is no impact on the company's profit or loss for the period, or for its financial position. A description of the warrant programs is provided in Note 19.

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 company 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. If the outflow of resources is expected to occur far in the future, the expected future cash flow is discounted and the provision is recognized at a present value. The discount rate corresponds to the market rate before tax and the risks associated with the liability.

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.

Government grants

Government grants are recognized when the entity meets the conditions attached to the grants and it is certain that the grants will be received. Contributions received are recognized in the balance sheet as deferred income and are charged to the income statement in the period in which the related costs are recognized. Government grants are recognized as other income when it is clear that the conditions attached to the grants have been met. The group has not received any government grants.

Loans

The Group does not have any loans.

Employee benefits

Short-term employee benefits such as salaries, social security contributions, bonuses, vacation pay, paid sick leave and other benefits, and pensions are recognized in the period in which the employees render the services.

The Group has only defined contribution pension obligations. A defined-contribution plan is a pension plan under which fixed contributions are paid to a separate legal entity. The company 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.

Compensation upon termination of employment is paid when an employee's employment is terminated by the company prior to the normal retirement date or when an employee accepts voluntary severance in exchange for certain compensation. The company recognizes severance compensation when the company 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 are recognized in profit or loss in the period in which they arise, since there are no assets in the Group that can be subject to capitalization of interest.

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 in other comprehensive income or in equity. In such cases, the tax is also recognized in other comprehensive income or 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.

Accounting policies of the Parent Company

The parent company applies the same accounting principles as the Group except in the respects set out below. The following accounting policies for the parent company were consistently applied in all periods shown in the parent company's financial statements unless stated otherwise below. The principles are unchanged from the previous year.

Classification and presentation

The parent company's statement of profit or loss and balance sheet are presented in accordance with the schedules of the Swedish Annual Accounts Act. The difference in relation to IAS 1, Presentation of financial statements, that is applied in the preparation of the consolidated financial statements mainly refers to the recognition of financial income and expenses, non-current assets and equity.

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 Profit/loss from participations in Group companies.

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 expensed 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.

NOTES

Note 3
Financial risk management

Financial risk management

The Group is exposed through its activities to various financial risks such as market risk (including currency risk, interest rate risk 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 Board of Directors establishes guidelines and principles for overall risk management as well as for specific areas such as liquidity risk, market risk, credit and counterparty risk, refinancing risk and development risk. The information below relates to the Group, which corresponds in all material respects to the information for the parent company.

Market risk

Currency risk

Currency risk is the risk of fluctuations in the value of a financial instrument due to changes in foreign exchange rates. This risk is related to changes in expected and contracted cash flows (transaction exposure), the revaluation of foreign currency liabilities (translation exposure) and financial exposure in the form of currency risk in investment cash flows. The Group is affected by fluctuations in exchange rates and the Group's objective is to minimize the impact of these changes wherever practical and cost effective. Fluctuations in DKK, EUR, GBP and USD have the greatest impact. The company uses SEK as both its functional and reporting currency.

If the SEK had weakened or strengthened by 10%, with all other variables held constant, the restated profit after tax at December 31, 2025, would have been SEK 54 thousand (1,000) higher or lower, mainly as a result of gains and losses on the translation of current receivables and liabilities.

Interest rate risk

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, 2025, a one-percentage-point change in market interest rates would affect the Group's earnings by SEK 134 thousand (392).

Price risk

The Group's former securities held as non-current assets, AcuCort AB, 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. The holding has now been reclassified as financial assets held for sale. A change in the market value for AcuCort AB of 20% corresponds to SEK 657 thousand (1,716).

Credit and counterparty risk

Credit risk is the risk of one party in a transaction with a financial instrument failing to meet its obligation and thus cause a financial loss to the Group. The Group's exposure to credit risk is currently limited. 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. The maximum exposure to credit risk on financial assets as of December 31, 2025 was SEK 27,794 thousand (68,513).

The company's Investment Policy states that excess liquidity may be invested as deposits with a bank or equivalent credit institution. In addition, investments in interest-bearing securities may also be made in accordance with the guidelines specified in the Investment Policy.

Refinancing risk

Refinancing risk is the risk that cash and cash equivalents are not available and that financing can only be obtained partially or not at all, or at an increased cost. At present, the Group's operations are financed entirely by equity and are therefore not exposed to risks related to external debt financing. The main risks therefore relate to the risk of not receiving additional capital injections and investments from owners when needed. Issuance of equity instruments is the Group's primary source of funding and also the dominant source for planned studies.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulties in meeting its obligations associated with financial liabilities. The Group manages liquidity risk by continuously monitoring cash flow and establishing liquidity planning to ensure that funds are available for planned activities, thereby reducing liquidity risk and ensuring solvency. The Board of Directors and management are engaged in long-term efforts with owners and independent investors to ensure that liquidity is available for the company as needs arise. Aqilion had liquidity amounting to SEK 14,140 thousand (40,368) as of December 31, 2025. In March 2025, Aqilion raised SEK 11.1 million through a rights issue. To strengthen liquidity, the company also divested financial assets totaling SEK 17.2 million during the year, comprising its shareholdings in Oncorena Holding AB and AcuCort AB (publ).

The maturity structure of the Group's financial liabilities is shown below. Amounts are nominal.

Financial liabilities due for payment as of December 31, 2025:

SEK 000s	Within 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Later than 2 years
Lease liability	105	315	420	-
Accounts payable	1,052	-	-	-
Other liabilities and accrued expenses	856	-	-	-
Total	**2,013**	**315**	**420**	**-**

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 cooperation 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 pharmaceuticalcompanies 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, for example due to 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. The Group may continue to require significant capital for research and development in order to conduct studies and develop drugcandidates.

NOTES

Changes in the Group's capital are presented in the Consolidated statement of changes in equity.

Consolidated debt/equity ratio SEK thousand	2025-12-31	2024-12-31
Total interest-bearing liabilities	856	1,208
Less: interest-bearing assets	-14,075	-40,368
Net debt	**-13,219**	**-39,160**
Total equity	29,084	70,350
Net debt/equity ratio	**-45%**	**-56%**

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

Net debt/equity ratio in percent
Net debt in relation to to equity

Note 4
Important estimates and judgments

The preparation of financial statements in conformity with the applicable generally accepted accounting principles requires the Board of Directors and management to use certain estimates that affect the reported amounts of assets, liabilities, income and expenses.

Estimates and assumptions are evaluated regularly, based on historical experience and other factors, including expectations of future events which may be deemed reasonable under prevailing circumstances. Changes in estimates are recognized in the period the change is made if it only affects this period, or in the period the change is made and future periods if the change affects both the current period and future periods. Uncertainties in estimates entail a significant risk that the values of assets or liabilities may need to be adjusted materially in the next financial year.

Listed below are the key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet 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.

Revenue

The company has complex license agreements and management must make judgments and estimates in the application of revenue recognition policies. The section on accounting policies for revenue sets out the areas where judgments and estimates are required. Areas of importance in the assessment are the breakdown and identification of the different obligations in the contracts, how the price of these obligations should be allocated, when in time and how the obligations should be accounted for (at one point in time or over time). The entity must also determine whether a contract containing a license to use the entity's intellectual property is a right to use, which is recognized at a point in time, or whether it is a right to access, which is recognized over time.

Other securities held as non-current assets/Financial assets held for sale

The Group's securities held as non-current assets are measured at fair value, SEK 0 thousand (21,274), in the consolidated balance sheet. Listed holdings are measured at the quoted price on the balance sheet date (Level 1). The holding was reclassified in 2025 to Financial assets held for sale, which amounted to SEK 3,286 thousand (0) as of December 31, 2025.

Unlisted holdings are measured at fair value in Level 3, which means that several key inputs are not based on observable market information. Inadequate and/or incorrect assumptions may affect the valuation of these holdings.

Inputs

Inputs are expensed at the time of purchase as they are not intended for sale or when providing services. It is management's assessment that inputs such as proprietary drug candidates or inputs used in studies should be expensed as incurred.

Deferred tax asset

The Group's tax loss carryforwards amount to SEK 263,100 thousand (212,054). Given the company's current position and the fact that there are no taxable temporary differences that can offset the tax loss carryforwards, the assessment is that no deferred tax asset should be recognized.

In the event that the Group had the opportunity to recognize a deferred tax asset for the entire tax loss carryforwards, earnings and equity would increase by SEK 54,393 thousand (43,683). There is no maturity date that limits the utilization of the tax loss carryforwards.

Note 5
Operating segments and revenue

Operating segments

The business focuses on developing drug candidates and operates as a unified entity. 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.

Consequently, the entire Group's operations form a single operating segment. The operating segment is monitored in a manner consistent with internal reporting and the group has identified the chief operating decision maker as the CEO.

Revenue

Aqilion's net sales are attributable to revenue from license agreements relating to license rights to Aqilion's intangible assets for drug candidates. Revenue from license agreements may consist of one-off payments (e.g. signing fees), license, royalty and milestone payments for use of Aqilion's intellectual property rights and Aqilion may also be entitled to compensation for costs incurred or performance of services under license agreements.

Revenue by geographical area

Group and parent company SEK thousand	2025	2024
Europe	-	3,805
Total	**-**	**3,805**

Revenue by type of revenue

Group and parent company SEK thousand	2025	2024
Out-licensing	-	-
Performance of services	-	3,805
Total	**-**	**3,805**

100% of the Group's assets are in Sweden.

All revenue comes from one customer and invoicing has been done to Switzerland which is the customer's billing address. No revenue has been recognized in Sweden.

The Company's assessment is that all revenue from license agreements is attributable to the company's core business and that all such revenue should be recognized as Net sales.

NOTES

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 SEK thousand	2025	2024
Research and development costs		
Personnel costs	9,893	14,600
External costs	30,948	44,275
Total costs for research & development	**40,841**	**58,875**
Administrative expenses		
Personnel costs	4,633	5,278
External costs	5,361	6,435
Depreciation/Amortization	535	585
Total administrative expenses	**10,529**	**12,298**

Parent company		
Research and development costs		
Personnel costs	9,893	14,600
External costs	30,948	44,275
Total costs for research & development	**40,841**	**58,875**
Administrative expenses		
Personnel costs	4,633	5,278
External costs	5,995	7,084
Total administrative expenses	**10,628**	**12,362**

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

The Group's leases that are right-of-use assets relate to office premises and apply from January 1, 2025.

Group SEK thousand	2025	2024
Amortization of right-of-use assets	535	585
Interest expense for lease liabilities	60	102

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	591	650
Lease payments are due as follows:		
Within one year	376	583
More than one year but within five years	404	625
Later than five years	-	-
Total lease liabilities	**780**	**1,208**

The entire lease payment relates to rent for offices in Helsingborg. Additional rights of use at the end of the year amounted to SEK 780 thousand, corresponding to a rental period of 2 years. The notice period for the lease is a rolling six months. The lease payment is allocated on a straight-line basis over the lease term. Rent charges are linked to the CPI and fluctuate with the market as a whole.

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 SEK thousand	2025	2024
Forvis Mazars AB		
Audit assignment	171	170
Non-audit assignments	-	57
Tax consulting	63	30
Other advisory services	-	-
Total	**234**	**257**

Parent company		
Forvis Mazars AB		
Audit assignment	171	170
Non-audit assignments	-	57
Tax consulting	63	30
Other advisory services	-	-
Total	**234**	**257**

NOTES

Note 9
Employee benefits and personnel information

Group and parent company SEK thousand	2025	2024
Employee benefits costs		
Salaries and benefits	7,023	11,073
Social security costs	2,500	3,507
Pension expenses – defined-contribution plans	1,728	2,394
Total	**11,251**	**16,974**
Parent company	2025	2024
Remuneration of the Board of Directors		
Board fees	710	723
Social security costs	157	161
Total	**867**	**884**
Total parent company	**12,118**	**17,858**
Average number of employees	2025	2024
Parent company, Sweden	5	8
Total	**5**	**8**
Gender balance for Board members and other senior executives CEO and other senior executives, number on the balance sheet date (of which women)	2025	2024
Board members	6(2)	6(2)
CEO and other senior executives	5(2)	6(2)
Boards within the Group	-	-
Total	**11(4)**	**12(4)**

Parent company

Board fees

The Chairman of the Board received a fee of SEK 210 thousand (210) and the other Board members received SEK 100 thousand (100).

Remuneration of senior executives

Remuneration of the Chief Executive Officer and other senior executives consists of basic salary, variable remuneration (bonus) and pension benefits. Bonus programs are offered at the individual level based on company-wide goals, with a maximum of two monthly salaries. Senior executives include the CEO, CFO, CBO, CSO, CMO and DCO. This note includes only those senior executives who have an employment relationship, comprising the CEO and three (three) additional individuals. Some of the Group's senior executives invoice their fees, see note 24.

The Group only has pension insurance obligations under defined contribution plans. The company pays fixed fees to insurance companies. Retirement age is 65.

Remuneration of senior executives

Name	Fixed compensation		Variable compensation				
	Basic salary	Other	Bonus	Warrant program	Pension premium	Total compensation	Percentage fixed compensation
Sarah Fredriksson, CEO							
Total 2025	1,866,100	4,200	-	-	575,600	2,445,900	76%
Total 2024	1,791,800	16,400	176,100	-	568,000	2,552,300	71%
Other senior executives							
Total 2025	3,929,600	32,700	-	-	774,100	4,736,400	84%
Total 2024	6,164,700	49,100	478,600	-	1,128,900	7,821,300	79%

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. In 2025, the Board of Directors decided that in the event of termination by the company (except for gross breach of contract), severance pay of 12 months' salary would be paid. The employment is governed by a CEO contract.

NOTES

Note 10
Financial items

Group SEK thousand	2025	2024
Financial income		
Interest income	633	2,600
Change in value of other securities held as non-current assets	-	3,774
Exchange rate fluctuations	81	222
Dividend/gain on disposal of shares in Oncorena Holding AB	1,006	1,508
Total financial income	1,720	8,104
Financial expenses		
Exchange rate fluctuations	-313	-
Interest expense	-67	-102
	-380	-102
Change in value of financial assets measured at fair value through profit or loss		
Fair value loss	-1,765	-1,300
Total financial expenses	-2,145	-1,402
Total net financial items	**-425**	**6,702**

CONTINUED

Parent company	2025	2024
Gain/loss on other securities		
Reversal of impairment	33,765	0
Gain/loss on disposal of securities	-34,525	-1,300
Total gain/loss	-760	-1,300
Other interest income and similar profit/loss items		
Interest income	633	2,600
Exchange rate fluctuations	81	774
Dividend	-	1,508
Reversal of impairment losses on securities	-	3,774
Total other interest income and similar profit/loss items	715	8,656
Interest expense and similar profit/loss items		
Interest expense	-10	-552
Exchange rate fluctuations	-303	-
Total interest expense and similar profit/loss items	-313	-552
Total net financial items	**-358**	**6,804**

NOTES

Note 11
Tax on profit/loss for the year

Group SEK thousand	2025	2024
Current tax for the year	-	-
Deferred taxes	-	-
Total tax on profit/loss for the year	**0**	**0**
Profit/loss before tax	-51,795	-60,666
Income tax calculated according to the current tax rate, 20.6%	10,670	12,497
Tax effects of:		
Impairment or reversal of impairment of financial items	-	-268
Non-taxable income	6,956	1,093
Non-deductible expenses	-7,111	-10
Effect of deficit for which deferred tax assets have not been recognized	-10,515	-13,302
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:

Parent company	2025	2024
Current tax for the year	-	–
Deferred taxes	-	–
Total tax on profit/loss for the year	0	0

CONTINUED

Parent company	2025	2024
Profit/loss before tax	-51,827	-60,628
Income tax calculated according to the current tax rate, 20.6%	10,676	12,489
Tax effects of:		
Impairment of financial items	-	-268
Non-taxable income	6,956	1,093
Non-deductible expenses	-7,117	-2
Effect of deficit for which deferred tax assets have not been recognized	-10,515	-13,302
Tax on profit/loss for the year	**0**	**0**

The Group's accumulated unused tax loss carryforwards amounted to SEK 263,100 million (212,054) as of December 31, 2025. There is no maturity date that limits the utilization of the tax loss carryforwards. However, it is uncertain when these tax loss carryforwards will be able to be used to offset taxable profits.
Deferred tax assets attributable to the tax loss carryforwards are therefore not recognized at any value.

NOTES

Note 12
Intangible assets

Group and parent company	2025-12-31	2024-12-31
Opening cost	13,488	13,488
Acquisition av development project	-	-
Closing accumulated cost	**13,488**	**13,488**

The Group's intangible assets consist in their entirety of the Regulus (AQ280) project, which was purchased in 2022 for a total of SEK 13,488 thousand through a cash payment of USD 0.5 million, corresponding to SEK 4,583 thousand, and a payment in shares of SEK 8,905 thousand via an issue in kind of 221,527 shares at a share price of SEK 40.20 per share.

Development is not yet completed, for which reason amortization has not begun. The project was tested for impairment at the balance sheet date.

Note 13
Right-of-use assets

Group	2025-12-31	2024-12-31
Opening cost	1,170	1,754
Terminated contracts	-1,170	-584
Additional contracts	773	-
Closing accumulated cost	**773**	**1,170**
Opening amortization	0	0
Terminated contracts	535	585
Amortization for the year	-535	-585
Closing accumulated amortization	**0**	**0**
Carrying amount	**773**	**1,170**

Note 14
Participations in Group companies

Parent company	2025-12-31	2024-12-31
Carrying amount	**25**	**25**

	Percentage	Number of shares	Carrying amount
AQILION FILIA AB, 559293-2718 -Registered office Helsingborg	100	25,000	25

The share of equity corresponds to the voting share.

Note 15
Other securities held as non-current assets

The opening balance of SEK 21,274 thousand consisted of holdings in Oncorena Holding AB (SEK 12,694 thousand) and AcuCort AB (SEK 8,580 thousand). During 2025, the entire holding in Oncorena Holding AB was divested, and the holding in AcuCort AB was reclassified as financial assets held for sale in the Group and as Current investments in the Parent Company. Part of the holding in AcuCort AB was divested during 2025, and the remaining portion is intended to be divested in 2026.

Group and parent company	2025-12-31	2024-12-31
Opening carrying amount	21,274	18,800
Disposal of unlisted non-current securities for the year	-12,694	-
Reclassification during the year from Other non-current securities to Financial assets held for sale	-8,580	-
Change in fair value	-	2,474
Carrying amount	**0**	**21,274**

NOTES

Note 16
Financial assets held for sale

Group	2025-12-31	2024-12-31
Opening carrying amount	-	-
Reclassification during the year from Other non-current securities to Financial assets held for sale	8,580	-
Carrying amount of shares disposed of	-3,529	-
Losses on disposal	-243	-
Change in fair value	-1,522	-
Carrying amount	**3,286**	-

	Percentage	Number of shares	Carrying amount	Fair value 2025-12-31
AcuCort AB, 556715-5113	2.3	5,476,008	3,286	3,286

Note 17
Prepayments and accrued income

Group	2025-12-31	2024-12-31
Prepaid rent	116	184
Prepaid charges for information databases	782	1,067
Other items	16	41
Carrying amount	**914**	**1,292**
Parent company		
Prepaid rent	116	184
Prepaid charges for information databases	782	1,067
Other items	16	41
Carrying amount	**914**	**1,292**

NOTES

Note 18
Cash and cash equivalents

Group	2025-12-31	2024-12-31
Cash and cash equivalents comprise:		
Bank balances	14,140	40,368
Parent company		
Cash and cash equivalents comprise:		
Bank balances	14,115	40,343

Note 19
Equity

The number of shares totals 7,714,958, each carrying one vote. The quota value is SEK 0.50 per share.

As of December 31, 2025, the registered share capital comprised 7,714,958 ordinary shares with a quota value of SEK 0.50/share; all shares carry 1 (one) vote and all shares are fully paid. No shares are held by the company itself or its subsidiaries.

Warrant program 2023
The Annual General Meeting on June 1, 2023, resolved to establish two long-term incentive programs (Series 2023/2027A and 2023/2027-S) aimed at senior executives, employees and the Board of Directors of the company. The programs are designed to provide long-term incentives for the company's employees and senior executives, and to encourage investment in and ownership of the company's shares.

The warrants have been transferred at market value according to a Black & Scholes calculation performed by a third party. The fair value per warrant amounted to SEK 2.54 per warrant. In September, 358,477 warrants (including 161,212 to the Board of Directors and the Chief Executive Officer) were subscribed to and payments was completed in October. No additional warrants will be allocated.

Each warrant entitles the holder to subscribe for 1 share in the company at an exercise price of SEK 50 per share during the period September 1, 2027 - September 30, 2027. If all warrants are exercised for subscription of shares, the number of shares in the company will increase by 358,477, which corresponds to SEK 179,238 in share capital. and a dilution of approximately 4.5% based on the current number of shares. For further information on the current incentive program, please refer to the company's website.

Note 20
Lease liability

Group	2025-12-31	2024-12-31
Opening lease liability	1,208	1,754
Additional contracts	138	-
Amortization during the year, affecting cash flow	-566	-546
Closing lease liability	**780**	**1,208**
Of which non-current	404	625
Of which current	376	583

Note 21
Accrued expenses and deferred income

Group	2025-12-31	2024-12-31
Accrued wages and salaries including vacation pay and social security contributions	497	739
Accrued Board fees incl. social security contributions	544	544
Accrued costs in an ongoing clinical trial	594	633
Accrued preliminary team bonus	-	1,485
Accrued patent expenses	130	222
Other	134	354
Total accrued expenses and deferred income	**1,899**	**3,977**

Parent company	2025-12-31	2024-12-31
Accrued wages and salaries including vacation pay and social security contributions	497	739
Accrued Board fees incl. social security contributions	544	544
Accrued costs in an ongoing clinical trial	594	633
Accrued preliminary team bonus	0	1,485
Accrued patent expenses	130	222
Other	134	354
Total accrued expenses and deferred income	**1,899**	**3,977**

NOTES

Note 22
Financial instruments by category

Group	2025-12-31	2024-12-31
Financial assets measured at fair value through profit or loss		
Other securities held as non-current assets	-	21,274
Financial assets held for sale	3,286	-
	3,286	21,274
Financial assets measured at amortized cost		
Accounts receivable	-	-
Other receivables	-	12
Cash and cash equivalents	14,075	40,368
	14,075	40,380
Total financial assets	**14,075**	**61,654**

Financial assets measured at fair value through profit or loss
The Group's other securities held as non-current assets are measured at fair value through profit or loss. Holdings in listed companies are measured at fair value in Level 1; the valuation is based on quoted market prices on the balance sheet date.

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	2025-12-31	2024-12-31
Financial liabilities measured at amortized cost		
Accounts payable	1,052	1,424
Accrued expenses	857	1,209
Total financial liabilities	**1,909**	**2,633**

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	2025-12-31	2024-12-31
Depreciation/Amortization	535	584
Exchange rate differences	-	-
Total	**535**	**584**

Parent company	2025-12-31	2024-12-31
Exchange rate differences	-	-
Total	**-**	**-**

Note 24
Related party transactions

Remuneration to the Board of Directors, Chief Executive Officer and senior executives is presented in Note 9. Aqilion's transactions with Group companies are eliminated in the consolidated financial statements. Aqilion's transactions with associates, related parties and remuneration to key personnel are set out below. Purchases from board members and management functions as described below have been made via invoicing from companies. The following refers to 2 (2) individuals with consultancy assignments who are included among the senior executives.

2025-12-31	Sale of services	Purchase of services	Liability on Dec. 31	Receivable on Dec. 31
Management functions without employment relationship	-	1,612	-	-
Board members	-	-	414	-
2024-12-31				
Management functions without employment relationship	-	1,641	164	-
Board members	-	-	414	-

Remuneration for management functions relates to the company's acquisition of services that are usually performed by key personnel in managerial positions. The Board member's invoicing relates to time spent on consultations within research and development.
There have been no sales to related parties and no loans have been issued to related parties.
Disclosures regarding remuneration of senior executives are presented in note 9.
The parent company's receivable from Group companies amounts to SEK 0 thousand (0). For the parent company, other operating income includes SEK 0 thousand (0) in invoicing to Group companies. No purchases have been made from Group companies.
No sales or purchases have been made to or from any member of the Board of Directors. Liability as of December 31 consists of accrued but unpaid Board fees of SEK 414 thousand.

NOTES

Note 25
Pledged assets and contingent liabilities

There are no pledged assets or contingent liabilities.

Note 26
Significant events after the balance sheet date

MARCH 2026

Aqilion sharpened its focus on AQ280 and AQ128 – ready for the next phase in inflammatory diseases

Aqilion announced that the company decided to focus on two of its pipeline projects: the drug candidates AQ280 for eosinophilic esophagitis and AQ128 as a topical treatment for psoriasis.

Aqilion presents preclinical data at Digestive Disease Week, May 2–5, showing that AQ280 counteracts the dysfunctional epithelial barrier in eosinophilic esophagitis

Aqilion announces today that the company, in collaboration with Professor ArjanBredenoord at Amsterdam University Medical Center and Dr.Mirelle Kleuskens at the University of Utrecht, will present new data from the AQ280 program at the scientific conference Digestive Disease Week (DDW) in Chicago. The study aims to increase understanding of how the deterioration of barrier function in the esophagus can be counteracted in patients with eosinophilic esophagitis (EoE).

Note 27
Appropriation of profits

At the Annual General Meeting on June 17, 2026, the Board of Directors will propose that unrestricted equity be appropriated as follows:

The following unrestricted funds (SEK) are at the disposal of the Annual General Meeting:	
Retained earnings	75,581,870
Profit/loss for the year	-51,827,770
	23,754,100

The Board proposes that the profits be appropriated as follows:	
Carry forward to new account	23,754,100
	23,754,100

Note 28
Approval of financial statements

The Annual Report was finalized on April 16, 2026.

The annual accounts and consolidated accounts were approved for the Board to issue on April 29, 2026. The consolidated statement of profit or loss and statement of financial position, as well as the Parent Company's balance sheet and statement of profit or loss will be presented for adoption by the Annual General Meeting to be held on June 17, 2026.

The Board of Directors and CEO hereby certify that the annual report has been prepared in accordance with the Annual Accounts Act and RFR 2 "Accounting for legal entities" and provides a true and fair view of the company's financial position and earnings, and that the administration report provides a fair overview of the development of the company's operations, position and earnings, as well as a description of significant risks and uncertainties that the company faces. The Board of Directors and the Chief Executive Officer hereby certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and provide a true and fair view of the Group's financial position and earnings, and that the Management Report for the Group provides a fair overview of the development of the Group's operations, position and earnings, and describes significant risks and uncertainties faced by the companies included in the Group.

Signature page follows.

DECLARATION BY THE BOARD OF DIRECTORS AND THE CEO

Declaration by the Board of Directors and the CEO

The Board of Directors and the Chief Executive Officer hereby certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and provide a true and fair view of the Group's financial position and earnings, and that the Management Report for the Group provides a fair overview of the development of the Group's operations, position and earnings, and describes significant risks and uncertainties faced by the companies included in the Group.

Helsingborg April 29, 2026

Bertil Lindmark
Chairman of the Board

Roland Andersson
Board member

Anders Kronborg
Board member

Kristina Masson
Board member

Martin Olovsson
Board member

Gunilla Savring
Board member

Sarah Fredriksson
Chief Executive Officer

Our Audit Report was submitted on April 29, 2026, Forvis Mazars AB

Andreas Brodström
Principal auditor
Authorized public accountant

AUDITOR'S REPORT

To the Annual General Meeting of Aqilion AB
Corporate ID no. 556623-2095

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Aqilion AB for 2025.

In our opinion, the annual accounts and consolidated 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, 2025 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, 2025 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.

Material uncertainty regarding the going concern assumption

We draw attention to the information in the Management Report under the heading Liquidity and financial position, which describes management's assessment that there is no financing or working capital available for continued project development in 2026. If the projects cannot be sold, the Board will propose a resolution to liquidate the company. These conditions indicate the existence of material uncertainties that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information than the annual accounts and the consolidated accounts

The Board of Directors and the Chief Executive Officer are responsible for this other information. The Board of Directors and the Chief Executive Officer are responsible for this other information, which is found on pages 1-27 in the published annual report and consolidated accounts. 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, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of 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.
- Plan and perform the Group audit to 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 review of the audit work performed for the purpose of the group audit. We remain solely responsible for our opinions.

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

AUDITOR'S REPORT

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Chief Executive Officer of Aqilion AB for 2025 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.

Our auditor's report was submitted in Helsingborg on the date indicated by our electronic signature.

Helsingborg April 29, 2026
Forvis Mazars AB

Andreas Brodström
Authorized public accountant

Invitation to the Annual General Meeting

The Annual General Meeting of AQILION AB will be held at **6:00 p.m. on Wednesday, June 17, 2026**, at the company's office, **Henckels Torg 3** in Helsingborg.

The notice and supporting documentation for the matters to be addressed at the Annual General Meeting are published on the company's website and through announcements in the Official Swedish Gazette and Dagens Industri. The notice is also sent by email to shareholders who have provided their email address to the company.

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 8, 2026 and must notify the company of their intention to participate no later than June 12, 2026.

Shareholders may register by e-mail carina.eldh@aqilion.com, by phone: +46 70 664 94 77 weekdays between 9:00 a.m. and 5:00 p.m. or by postal mail to: AQILION AB, HETCH, 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 two), 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.

Financial calendar

April 29, 2026
Interim report for the period January-March 2026

June 17, 2026 6:00 p.m.
Annual General Meeting in Helsingborg

August 27, 2026
Interim report for the period January-June 2026

November 19, 2026
Interim report for the period January-September 2026

February 18, 2027
Year-end report 2026

DEFINITIONS AND GLOSSARY

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 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

AhR Aryl Hydrocarbon Receptor, a protein that regulates expression of certain genes.

Central nervous system (CNS) The part of the body's nervous system that consists of the brain and the spinal cord.

Cytokines When the immune system detects unwelcome intruders in the body, such as viruses or bacteria, cytokines are produced to fight these intruders. Cytokines are small proteins that signal the cells to act against the virus or bacteria.

Eosinophilic Esophagitis (EoE) EoE refers to an eosinophilic-driven inflammation of the esophagus. The main symptom is difficulty swallowing. Both children and adults can be affected; illness is most common in people aged 20-50 years. The disease is more common in men than in women (3:1).

Phase 1 clinical trial Studies mainly of the safety and tolerability of a drug. Conducted on a limited number of healthy volunteers or patients.

Phase 2 clinical trial Studies on the safety and efficacy of a drug in clinical practice. Conducted on a large number of patients.

FDA The Food and Drug Administration (FDA) is the agency in the United States responsible for protecting public health by ensuring the safety, effectiveness and security of human and veterinary drugs, biological products, medical devices, our nation's food supply, cosmetics, and products that emit radiation

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

Healthy volunteers Phase 1 clinical trials are carried out on a few healthy volunteers to see whether the drug is tolerated by humans and to get an idea about a suitable dose. This group usually does not include women of childbearing age.

IBD IBD, Inflammatory Bowel Disease, is an autoimmune condition and a collective term for ulcerative colitis and Crohn's disease. In addition, unclassified colitis occurs. Common to the diseases is that they are characterized by the body's immune system attacking its own intestinal mucosa, which causes chronic inflammation.

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.

IND The Investigational New Drug (IND) program is the mechanism through which a pharmaceutical company obtains permission to start human clinical trials and to ship an experimental drug across state lines prior to the approval of a marketing application for the drug.

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 IBD.

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.

JAK1 Janus kinase 1 is an enzyme that accelerates inflammatory processes; inhibiting its effect dampens inflammation.

Kinases Kinases are a group of enzymes that catalyze (accelerate) phosphorylation of proteins. Especially significant are those reactions in which the protein that is phosphorylated is an enzyme. Phosphorylation can either turn an enzyme on or off.

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.

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.

PCT application Patent Cooperation Treaty, international patent application. A PCT application covers most countries, with the exception of certain countries in South America, the Middle East and Asia.

PKCtheta Protein Kinase C theta is an enzyme within the PKC family. It is primarily expressed in blood cells and it plays an important role in processes such as T-cell signaling.

Preclinical phase Studies in preparation for clinical trials of drug candidates.

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

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.

TAK1 Transforming growth factor-β-activated kinase 1 (TAK1) is an enzyme, also known as MAP3K7. TAK1 acts as a master regulator of inflammatory signaling.

Tolerability How a person reacts to a medication.

Tox study Common name for safety and toxicology study. A drug to be evaluated in humans in a clinical trial must first be tested in non-clinical trials with respect to its efficacy (pharmacology) and safety (safety pharmacology and toxicology)

GRAPHIC DESIGN: Windh & Design
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