Oxcia AB (publ)

Annual report

January – December 2022

Contents

The year in brief

Significant events during the period

Science

- New publication with OXC-101 (karonudib, TH1579) demonstrating that OXC-101 can also improve the effect of conventional chemotherapy in preclinical acute myeloid leukemia (AML) disease models. (Centio et al., "Inhibition of oxidized nucleotide sanitation by TH1579 and conventional chemotherapy cooperatively enhance oxidative DNA-damage and survival in AML", Mol Cancer Ther, 2022 May 4;21(5):703-714, doi: 10.1158/1535-7163.).
- New publication with OXC-101 (TH1579) demonstrating that cancer cells with amplified levels of c-Myc are particularly sensitive to treatment with OXC-101. (Henriksson et al., Overexpressed c-Myc Sensitizes Cells to TH1579, a Mitotic Arrest and Oxidative DNA Damage Inducer., Biomolecules 2022 Nov 29;12(12):1777. doi: 10.3390/biom12121777).
- The Swedish Ethical Review Authority approves supplementary application for the clinical Phase 1 blood cancer study concerning the addition of a further clinical study center (Örebro University Hospital) and amendments to exclusion criteria.
- Scientific advisory meeting at the Swedish Medical Products Agency for the planned clinical Phase 2 solid cancer study.
- Agreements with FGK Clinical Research GmbH in Munich, Germany to write study protocols, and to contact clinical sites in Europe and the US to obtain documentation on which countries and clinical sites are to be contracted ahead of the clinical Phase 2 study.
- Agreements with Pantheon UK Ltd (Thermofisher) for labeling, packaging, and distribution of OXC-101 tablets for the clinical Phase 2 study.
- Successful manufacture of OXC-101, 40 kilograms of drug compound produced, despite difficulties in obtaining the raw material due to the impact of the COVID-19 pandemic.
- Recommended clinical Phase 2 dose and dosage regimen for solid cancers established.
- The OXC-201 project was presented at the 6th Annual IPF Summit in Boston, August 29–September 1.
- New publication with OXC-201 (TH5487) that demonstrates a positive effect in the treatment of allergic asthma in disease models (Tanner et al., "Pharmacological OGG1 inhibition decreases murine allergic airway inflammation", Frontiers in Pharmacology, October 17, 2022; DOI 10.3389/fphar.2022.999180).
- Delivery from Mercachem Syncom Weert B.V. (Symeres) of scaled-up amounts of OXC-201 and an analogue for impending safety studies.

Organisation

- Emil Lindmark, Corporate lawyer, began his employment in March.
- Austin Smith was appointed Chief Medical Officer (CMO), succeeding Cecilia Ahlin.
- William Stafford, Translational Director and Sandra Ekstedt, Senior Scientist, began their employment in September

Governance and Finance

- Subscription of new shares through the use of warrants was carried out in late January, generating SEK 20,616,102 for Oxcia before issue costs.
- On April 1, 2022, an Extraordinary General Shareholder Meeting resolved on the election of Eva Nordström as a new ordinary Board member of Oxcia and, as a preparation ahead of the IPO, a 10:1 split in shares. Furthermore, decisions were made on two warrant programs: one for management with 120,000 warrants (after the split) and one for the Board of Directors with 120,000 warrants (after the split).
- The Annual General Meeting on June 14 re-elected the Board of Directors and auditor, discharged the Board and CEO from liability, and approved the various proposals of the Board on mandates for share issues, options and convertibles.
- The Board of Directors decided to postpone the company's listing of company's shares, due to the negative financial market environment. The company is now investigating alternative financing.

Significant events after the end of the period

- Thomas Helleday's Foundation for Medical Research receives approved patent BR112015011497, which includes OXC-101, in Brazil. Oxcia has a lifetime, exclusive license to the patent rights from the foundation.
- The EIC awards Oxcia AB with an EIC transition grant of 2.5 million Euros for development of OXC-201.
- New publication with OXC-201 (TH5487) demonstrating promising therapeutic effects in IPF disease models (Tanner et al., Small-molecule-mediated OGG1 inhibition attenuates pulmonary inflammation and lung fibrosis in a murine lung fibrosis model., Nature Communication, 2023, 26 January, doi 10.1038/s41467-023-36314-5,)
- MPA approves extension cohort in endometrial, ovarian and prostate advanced cancer in first-in-human clinical phase 1 trial in advanced solid cancers using OXC-101.
- Oxcia receives 3 million SEK in a grant from Swelife and MedTech4Health call for Collaborative projects for better health. The call aims to finance the development of innovative and sustainable life science solutions that contribute to strengthen Swedish competitiveness and increase patients benefit. The grant is received for an extension group in R/R AML patients in an on-going clinical phase 1 trial in blood cancers.
- No other significant events that affect earnings and financial position occurred after the end of the period.

CEO comment

Dear shareholders,

The aim of Oxcia is to develop revolutionizing treatments through an innovative use of high endogenous level of oxidative stress, oxidative DNA damage, and changed DNA Damage Response (DDR) existing in unhealthy cells in cancer, inflammation and fibrosis. Both of Oxcia's projects, OXC-101 and OXC-201, belong to completely new drug classes with the potential to become first-in-class drugs, meaning that Oxcia is breaking new ground.

In continuously fruitful collaborations with the Karolinska Institutet, Misvik Biology Oy, Karolinska University Hospital, Sahlgrenska University Hospital and several others, we have furthered our understanding of how OXC-101 kills cancer cells and how the safety profile looks in advanced cancer patients. Together with the Karolinska Institutet, Lund University, and University of Texas Medical Branch at Galveston, we have obtained promising data on the effect of OXC-201 in disease-pathways involved in idiopathic pulmonary fibrosis and allergic asthma.

One of Oxcia's aims for 2022 was to increase the awareness of Oxcia and its activities to potential collaborators and investors. I had the opportunity to present OXC-101 at Nordic Life Science (NLS) days as a "rising star". Along with Oxcia team members, we have attended LSX and BioEurope congresses with 1:1 meetings, as well as presented the projects at a number of scientific congresses (e.g. DDR summit, IPF summit, AACR). Creating relationships takes time and in 2023 we will continue to build on the large interest obtained during the past year.

Several business deals have been carried out during the past year, supporting the great interest from Pharma in Oxcia's business areas. For instance, Roche's deal with Repare Therapeutics, where the latter received $125 million upfront and $1.2 billion in milestones for Camonsertib, an ATR inhibitor (within DDR area) under clinical phase 1/2 development in ovarian cancer, and Abbvie acquiring DJS, a biotech company in Great Britain, for $255 million for their antibody platform and drug candidate (preclinical phase) against idiopathic pulmonary fibrosis.

To be successful with drug development, many different aspects need to be fulfilled. Not only is great science and strong preclinical and clinical development crucial, you need an experienced team that believes in the project, is open for opportunities, and knows how to handle challenges that per definition occurs in all drug development programs. During 2022, Oxcia's organization continued to grow. I employed a new Chief Medical Officer, a Translational Director, a Senior Scientist, and a Corporate Lawyer. Additional consultants, including for instance a regulatory expert, were also contracted. As a leader of a small company, it is uplifting to see how all employees - permanent as well as consultants - are a part of Oxcia and are highly motivated to ensure that OXC-101 and OXC-201 will reach patients and the market.

During 2022, an important milestone was achieved when the dose-escalation part was finalized in advanced solid cancer patients. As a result, we established a recommended phase two

dose and dose regimen for OXC-101. Conclusions to date from the on-going clinical trials are that OXC-101 is well tolerated and shows clinical benefits in these fragile, heavily pretreated, advanced cancer patients with no other treatment options available. Strengthened by the positive results, Oxcia is planning a clinical phase 2 trial to investigate the efficacy and safety of OXC-101 in less advanced patients and in combination settings utilizing standard of care treatments in Europe and the US. The original plan was to finance the clinical phase 2 trial in connection with an IPO. However, the current financial market climate makes this unfavorable. Therefore, the board decided to postpone an IPO until the capital market recovers.

Thus, the start of the planned phase 2 trial will also be moved until capital can be raised. Oxcia plans to organize information meetings about the company, capital raising and the way forward.

Oxcia received two prestigious grants in the first quarter of 2023. The grant awarded from the European Innovation Council (EIC) for OXC-201 (€ 2.5MM, 2023-2025) means that OXC-201 is almost completely financed through preclinical safety assessment studies and the first-in-human, healthy volunteer study. The grant from the call "Collaboration project for better health" by Swelife and MedTech4Heath for OXC-101 (SEK 3MM, 2023-2025) enables us to perform a smaller efficacy study using OXC-101 in an expansion cohort in refractory/relapsed AML (a type of blood cancer) patients. These are critical steps for the development of the projects. The received grants show that Oxcia's science, project team, and business model are very competitive.

We want to use this positive momentum for 2023 and continue to develop our projects. However, the market situation will affect how we prioritize and focus. I still have good hope that we will find a way to raise additional capital and/or find collaboration partners to be able to start the planned clinical phase 2 trial in solid cancers. Oxcia's journey is very exciting, and we hope to have more investors and partners on-board for 2023 and beyond. We are goal-oriented and ready to go.

Ulrika Warpman Berglund
CEO

Oxcia in brief

Oxcia AB is revolutionizing treatments in cancer, inflammation and fibrosis through innovative use of oxidative stress and DDR, with the goal of saving and improving lives globally.

Oxcia develops unique and revolutionary treatments through the innovative use of oxidative DNA damage and DNA Damage Response (DDR) processes to treat not only cancer but also inflammatory and fibrosis-related diseases. The body uses DDR to repair damage to DNA in various ways. Oxcia's projects make use of the fact that the diseased cell has altered DDR, with high levels of DNA damage and oxidative stress, to treat the disease.

Oxcia currently has two small molecule drug candidates, both with the potential to be first in their class. OXC-101 is in late clinical phase 1 development in cancer patients with advanced solid cancers and blood cancers. OXC-201 is being developed to treat inflammatory and fibrosis-related diseases, with a focus on pulmonary fibrosis, and is in the preclinical stage.

What is DNA Damage Response (DDR)

DDR is a cascade of different cellular processes that identifies, hinders, and repairs damage on our DNA. Some of the DDR signalling pathways work together and others in parallel. Which DDR signaling pathway that is activated depends on the type of DNA damage.

Oxcia is deeply involved in oxidative DNA damage and DDR research and has partnered with both national and international groups of researchers to develop new projects and treatments for patients over several indications, using DDR as a technology platform.

Company Highlights:

- **Proprietary technology platform:** oxidative stress and DNA damage.
- **First deliverables, two novel small molecule projects with first-in-class potential, OXC-101 and OXC-201.**
- **Strong compound matter IP portfolio.**
- **OXC-101: Well tolerated with clinical benefits in advanced solid and blood cancers**, supporting further clinical development.
- **OXC-101: CMC and logistic processes** for GMP production supporting clinical development (100mg tablets).
- **OXC-201: Preclinical support for breakthrough strategy for treatment of pulmonary fibrosis.** EIC grant finance most of the development up to clinical trial in healthy volunteer.
- **Flexibel and experienced organisation within all necessary functions.** Deep knowledge within DDR and drug development.
- **Many publications in prestigious peer-reviewed journals.** Extensive network and many international collaborators.
- **Both projects have potential for faster way to market due to huge medical need.**
- **Large market potential** in first selected indications as well as in additional indications.

What is oxidative stress?

Oxidative stress can generate DNA damage and contribute to emergence of diseases. Oxidative stress occurs when cells have unbalanced levels of reactive oxygen species (ROS). ROS are highly reactive species formed during chemical reactions involving oxygen. They easily react with other molecules like proteins or DNA in a reaction called oxidation.

The cell naturally produces ROS through normal metabolic processes and ROS can have both positive and negative effects on cells,and when unbalanced it causes problems. Cells usually have many protective mechanisms to cope with oxidative stress and oxidative DNA damage. One of these protection mechanisms includes DDR.

Summary of problems and Oxcia's solutions

	What?	Problem today?	Oxcia's solution	Benefits
OXC-101	Treating cancer by taking advantage of the high load of endogenous DNA damage and oxidative stress in cancer cells.	Cancers are heterogeneous, not only between indications but also within same indication, between patients and within tumor and cancer cells. Resistance development. Lack of tolerability.	OXC-101 ensures that cancer cells stop in mitosis and cannot repair the increased oxidative DNA damage, so the cancer cell cannot grow and subsequently dies.	Broad anti-cancer effect, new innovative way of treating cancer through DDR and oxidative stress, well tolerated, potential response in resistant tumours, tablets, potential to strengthen immune-oncology therapy.
OXC-201	Treating diseases caused by inflammation and fibrosis, e.g. pulmonary fibrosis, via DNA damage response pathways.	Treatment for these diseases are unsatisfactory. Risk for major loss of organ function, increased mortality and high costs for society.	OGG1 inhibitor attenuates the inflammatory response and efficiently inhibits the development of fibrosis and hence the disease.	Acts broadly with anti-inflammatory and antifibrotic effects and has the potential to treat several inflammatory and fibrotic conditions and diseases. Is expected to be well tolerated.

Vision, mission, and business strategy

Oxcia's vision is to build a globally profitable Swedish drug company through leading-edge research that offers life-changing treatments for patients who are suffering from cancer and inflammation.

Oxcia's mission is to develop revolutionary treatments for cancer and inflammation by targeting DNA damage response and oxidative stress, with the goal of saving and improving lives globally.

Oxcia's employees put their heads, hands, and hearts into everything they do, because they are inspired by their passion for new knowledge and the desire to improve people's lives.

Through innovative science and an openness to global partnerships, Oxcia will develop the next generation of treatments for cancer as well as inflammatory and fibrosis-related diseases.

Oxcia's overarching business strategy is to promote research and development, and the sale of medical products for cancer and inflammation based on its DNA damage response (DDR) and oxidative stress technology platform. Oxcia's business objective is to save lives and globally improve quality of life by developing novel drugs. From a base in Sweden, Oxcia will develop into a globally profitable drug company. The business model is to use new and existing projects, as well as external financing, to create a sound economy at Oxcia that permits the long-term build-up of the company to attain Oxcia's vision profitably.

Oxcia's goal is to develop the company's proprietary research projects through preclinical studies and clinical development up to Phase 3 studies, and to prepare the product for pivotal trials and market approval. For commercialization, Oxcia's initial goal is to out-license to, or enter into partnerships with, drug companies that have the capacity to launch the product in the market with broad clinical application.

Oxcia prioritizes indications with significant medical need for new treatments, including rare or uncommon diseases. This increases the possibility of an orphan drug designation, fast-track opportunities and other special programs such as PRIME (the European Medicines Agency's support program for priority drugs) for a faster path into the market.

Oxcia develops products for the global market, and has a broad patent portfolio that covers Europe, the US, Asia, and large parts of the rest of the world. Its operations are grounded in science, but also prioritize listening to patient needs, understanding their challenges, and working with scientific experts and clinicians to find innovative solutions.

Oxcia will enter into partnerships and/or licensing agreements with partners from drug companies, the biotech industry, and academic research groups. Partnerships with others that have projects with products that have mechanisms of action that complement Oxcia's drug candidates are an area of particular interest for Oxcia.

Core Values at Oxcia

The Oxcia team is using our head, hands and hearts in everything we do. We are inspired by our passion for knowledge and desire to improve patient's quality of life. Through innovative science and openness to global collaborations, Oxcia will develop the next generation of treatments against cancer and inflammation- and fibrotic-related diseases.

Summary project pipeline

The company's product portfolio consists of two main projects targeting DDR and oxidative stress. One is in the field of oncology and the other in the field of inflammation related diseases, with first indication lung fibrosis (IPF, Idiopathic Pulmonary Fibrosis).

Project pipeline

Candidates	Indication	Pre-clinic	Phase 1	Phase 2	Phase 3
OXC-101[1]	Solid cancer				Potential Fast track / Conditional approval in indications with high unmet medical need.
	Blood cancer				
OXC-201[2]	IPF[3]				Potential for Orphan Drug Designation.
New targets within DDR & oxidative stress	Cancer/ inflammation				

1) OXC-102: Karonudib, TH1579, 2) OXC-201:OGG1 inhibitor, TH5487, 3) IPF:Indiopatic pulmonary fibrosis

Ongoing/planned activities 2023

OXC-101

(Late phase 1 trial in advanced solid cancers):

Expansion cohort in advanced ovarian, endometrial and prostate cancer patients at recommended phase 2 dose (RP2D) and dose schedule.

OXC-101

(Continued clinical development OXC-101):

Obtain approval for clinical phase 2 trial, a multistage, multi-arm study in solid cancer patients.

OXC-101

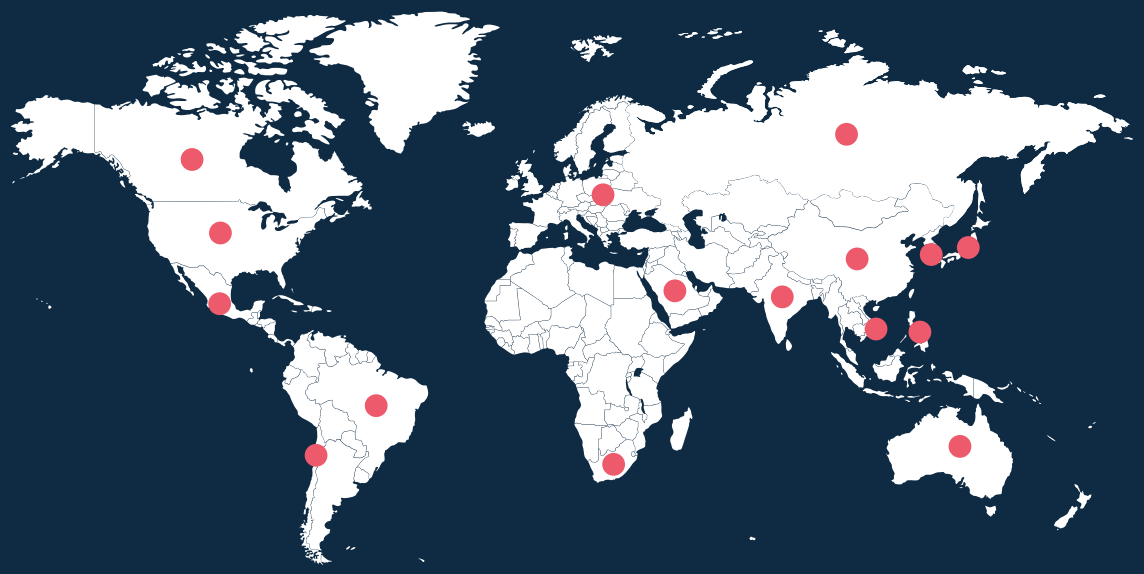
(Clinical phase 1 trial in advanced blood cancers):

Establish safety, RP2D and initiate expansion cohort at RP2D.

OXC-201:

(Preclinical phase):

Obtain further preclinical proof in additional IPF disease models, e.g human IPF tissue, and initiate the safety assessments in two species.



Immaterial rights

Oxcia has lifelong, exclusive and royal free licenses to the following novel chemical matter patents for Oxcia's assets from Thomas Helleday Foundation for Medical Research. Oxcia has appointed Brann AB as patent law firm.

Oxcia has five patent families

Patent name	Covers	Pending patent	Approved patent
WO2014084778a1: pyrimidine-2,4-diamine derivatives for treatment of cancer.	OXC-101 covered in this patent.		Approved patent in 38 countries including US and 17 European countries.
WO201587088a1: mth1 inhibitors for treatment of cancer.	Analogues to OXC-101 covered.		US
WO2015187089a1: mth1 inhibitors for treatment of inflammatory and autoimmune conditions.	OXC-101 covered.		Japan and US
WO2019166639a1: substituted benzodiazoles and use thereof in therapy.	OXC-201 covered.	US, EPO, China, Canada & Japan	
Use patent application filed for **OGG1-inhibitors in NASH**		Filed 2022-10-26	

Background to Oxcia and Oxcia's projects

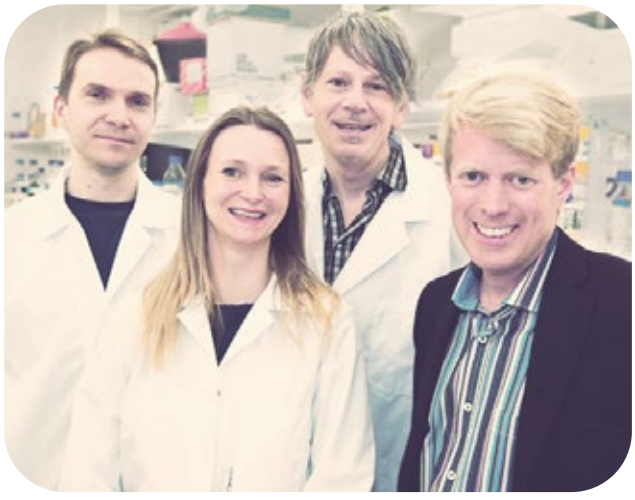
Oxcia's assets originate from more than 15 years of research at Karolinska Institute at Professor Thomas Helleday's laboratory. The Helleday laboratory consists of a translational research group, performing state-of-the art science.

Professor Helleday (co-founder, board member and chairman of the scientific advisory board) is one of the key opinion leaders within the DDR research. He invented the synthetic lethality concept and pioneered the use of PARP inhibitors in BRCA defected cancers. His innovation resulted in a new class of cancer therapy, PARP inhibitors, developed at Astra Zeneca, Pfizer, Glaxosmithkline, Clovis Oncology and many more companies. Today, PARP inhibitors are sold for over 3 billion dollars per year. After the first BRCA-PARP DDR synthetic lethal innovation, Professor Helleday started to search for other potential targets within the DDR field. In a so-called mismatch-repair screen, MTH1 was identified as an interesting anti-cancer target and a research program on this enzyme was initiated. MTH1 is an enzyme known to sanitize oxidized DNA building blocks, hindering oxidative DNA damage.

Since MTH1 was validated as an interesting novel anti-cancer target[1], proteins involved in downstream/surrounding pathways were further scrutinized as additional potential novel targets for treatments. One of these was the enzyme OGG1. OGG1 was known to cleave out the oxidized DNA building block, 8-oxoguanine, from DNA to repair the oxidized DNA damage. The group showed that OGG1 was an interesting target for inflammatory related disease[2].

In 2013, Oxcia AB (publ) was founded to assist the research group and Thomas Helleday Foundation for Medical Research (THF) with business strategy, development and commercialization of the academic projects. In Sweden, researchers employed at universities own their innovations and are therefore free to commercialize their ideas as they wish.

Oxcia's strengths are based on profound understanding of DDR signaling and oxidative stress in combination with extensive experience of drug development, commercialization, and business. Members of Oxcia have participated and led the work with OXC-101 and OXC-201 from early ideas. Building on this competence, Oxcia has continued to develop the mitotic MTH1 inhibitor OXC-101 into clinical phase and the OGG1 inhibitor, OXC-201 into preclinical phase. Oxcia has received several prestigious grants, alone and in collaboration with Prof. Helleday's research group at Karolinska Institute, acknowledging the front-line innovative science, the therapeutic potentials, the excellence of the team and the business model.



The original team initiating the MTH1 project was (from the left): Tobias Koolmeister, medicinal chemist who synthesised the early inhibitors and OXC-101. Dr. Ann-Sofie Jemth, biochemist, who purified MTH1 protein and established the biochemical assay. Dr. Helge Gad, biologist who did the initial cancer cell experiments validating the concept. Prof. Thomas Helleday, groupleader.

Breakthrough therapies

Oxcia's therapies innovatively use oxidative DNA Damage and DDR, aiming to cure cancer as well as inflammation- and fibrosis-related diseases

Improving cancer treatments: OXC-101

OXC-101

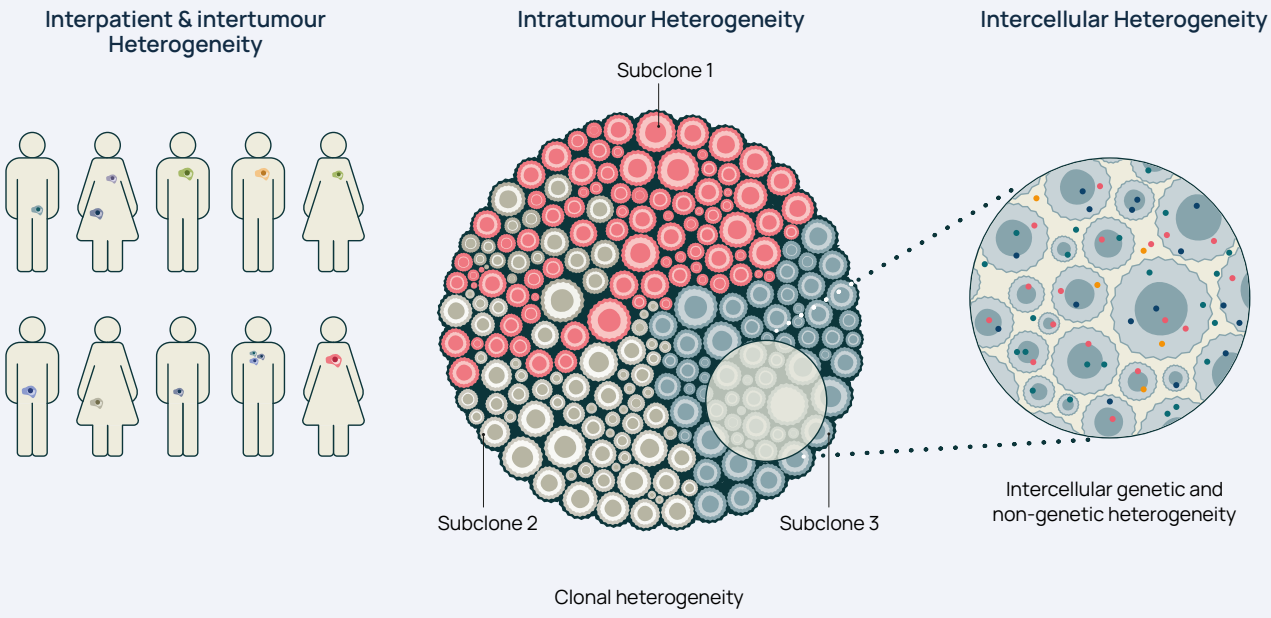
Oxcia is developing OXC-101, fighting cancer by taking advantage of one of the Achilles heels of cancer cells- the high endogenous oxidative stress and DNA damage.

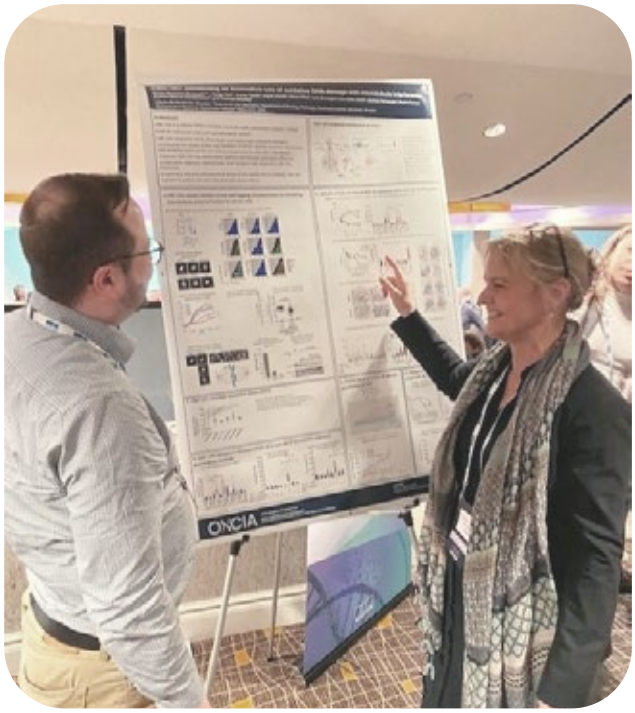
OXC-101 both stops cell division resulting in additional oxidative stress to the cancer cell and ensures that cancer cells cannot repair the oxidized DNA damage. The cancer cell cannot grow and subsequently dies. This dual mechanism is unique for OXC-101; increasing efficacy, tolerability and size of applicable patient population.

Why is it so difficult to treat cancer?

Despite targeted medicine and immune-oncology drugs, cancer is still one of the leading causes of death. Globally 19.3 million cancer cases in 2020, 10 million deaths. There is still an increasing incidence, due to our lifestyle and aging population, which is devastating for patients and places a burden on the healthcare system.

Cancers are heterogenous diseases, not only between indications but also within same indication, between patients and within tumor and cancer cells. Furthermore, therapy resistance is a major problem. It is responsible for most relapses of cancer, one of the major causes of death of the disease. Approximately 90% of failures in chemotherapy are related to drug resistance.





Oxcia's CEO, Ulrika Warpman Berglund, presented the unique Mode of Action at the DDR Summit in Boston in January.

Failing to kill all cancer cells due to inherent resistance and cancer heterogeneity, leads to recurrence and the "new cancer" is often more difficult to treat. The appearance of resistance to cancer therapy is hugely distressing for cancer patients. Resistance may occur:

- at the outset of drug treatment, as is frequently the case with tumors such as glioblastoma and pancreatic cancer,
- following initial response to successful first-line therapy.

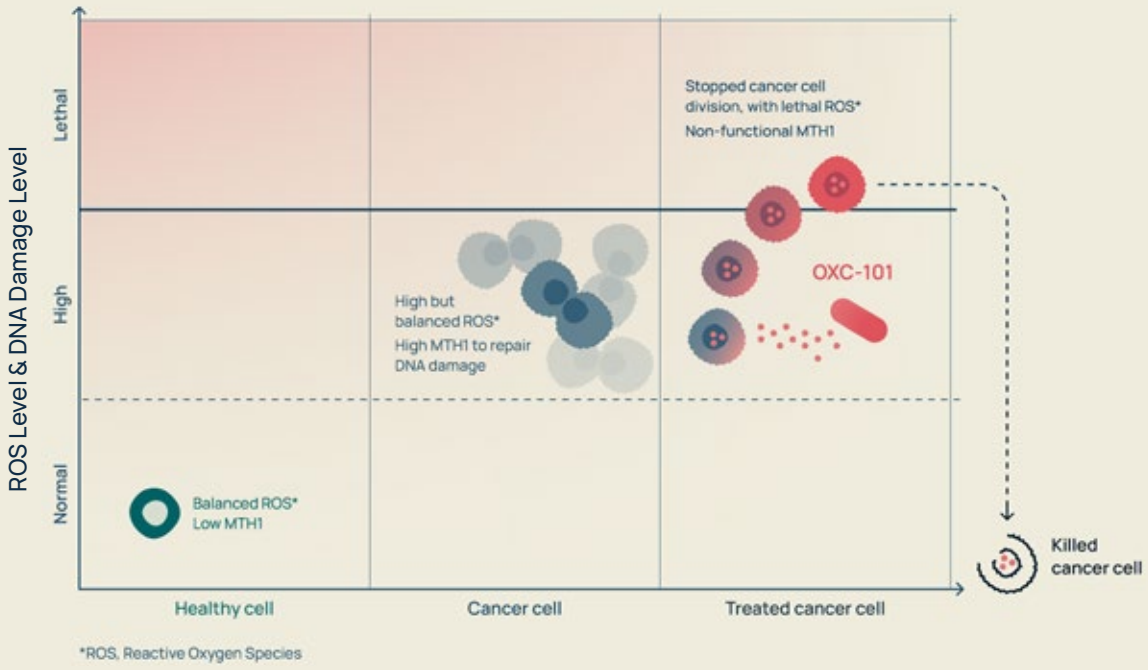
A common clinical experience is that the chance of response to a further drug or drug combination decreases with each relapse.

The medical need is still huge for a safe and effective drug that also works in heterogenous and resistant cancers.

Unique dual action makes the difference

OXC-101 is a mitotic MTH1 inhibitor and belongs to a completely new class of drugs. No similar compound exists in the pipeline of other Pharma companies. OXC-101 makes intelligent use of the inherently high levels of oxidative DNA damage and oxidative stress in cancer. OXC-101 causes mitotic arrest by disturbing microtubule function. This generates additional oxidative stress (i.e. ROS) and increased oxidative DNA building blocks. By inhibiting MTH1, more oxidative DNA building blocks are available for incorporation into DNA causing DNA damage. The cancer cell cannot handle the oxidative stress and DNA damage any longer and it dies. Healthy cells are impacted only marginally (as they have limited DNA damage and therefore no need to repair), which forms the foundation for OXC-101's excellent tolerability.

OXC-101:s unique synergistic dual mechanism



Summary of potential advantage for OXC-101 over standard of care:

Therapy/ Class	Therapy/MOA	Broad anticancer effect	Works in multiple-chemo resistant tumors	Addresses hetero-geneity within tumor	Effective in "cold" tumors	Toxcicity	MTH1 and ROS targeting	Injection/ Oral
DDR mechanism +Oxidative stress	OXC-101, dual action: 1) stops cancer division by disturbing microtubule polymerisation, adding extra oxidative stress 2) Inhibiting repair enzyme MTH1	Yes	Yes	Yes	Potential	Low	Yes	Oral
Chemotherapy	Platinum	Yes	No	Yes	Yes	High	No	IV
Chemotherapy	Taxanes	Yes	No	Yes	Yes	High	No	IV
Immunotherapy	E.g., Check point inhibitors (e.g., Anti-DPL1)	Medium	Yes/some	Yes/No	No	Medium	No	IV
Targeted therapies	TKIs, Erbitux EGFR inhibitor, Avastin VEGF inhibition	No	Yes/some	No	Yes	Medium	No	Oral/IV
DDR mechanisms	PARP inhibitors	No	Yes	No	Yes	Low/ Medium	No	Oral

Compared to its main competitors, OXC-101 offers a unique dual mechanism of action and applicability to many cancer indications & large patient populations, well tolerated and is administered as a tablet

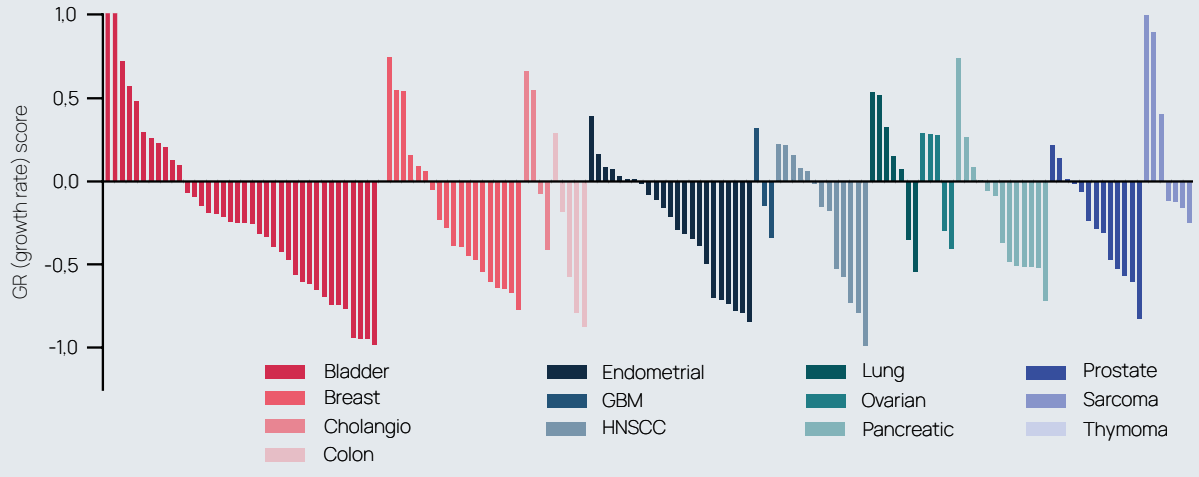
Applicability to many cancers indications & large patient populations

OXC-101 has been shown to have a broad anti-cancer effect in various disease models, and therefore the potential to treat many different types of cancer. This data has been published in several highly-ranked journals.[3-12] The anticancer activity is equally good or better compared to standard of care in disease models. Therefore OXC-101 has great potential for many cancer indications, cancer types and in many phases of the disease – as a single agent or in combination.

In a drug sensitivity study of biopsies from solid cancer patients (i.e. a precision medicine screen), OXC-101 was efficacious in a large proportion of the patient derived samples, with best responses in endometrial (73%), head and neck (73%), bladder (70%) and prostate (83%) cancer samples, supporting the broad anti-cancer effect previously observed in cancer cell lines and disease models. Work is ongoing to give more insights into responders/non-responders to be able to optimize patient stratification. Oxcia is collaborating with Misvik Biology Oy, Finland and Scilifelab, Sweden for ex vivo precision medicine screening as a potential method for further understanding of responders/ non-responders.

Please also read the interview with William Stafford, Oxcia's Translational Director on page 24 to learn more about how Oxcia works to gain further understanding of the Mode of Action and finding the most appropriate patient population.

The majority of all primary biopsies taken from various cancer patients respond to OXC-101 treatment.



Finalizing phase 1 and preparing for phase 2

OXC-101 is presently under late phase 1 clinical development. The first-in-human clinical phase 1 study in advanced solid cancer patients has finalized the dose-escalation part and a recommended phase two dose (RP2D) is established. An expansion cohort in advanced endometrial, ovarian and prostate cancer patients will be initiated during 2023 and patients treated with the RP2D. In addition, a clinical phase multistage, multi-arm phase 2 trial is planned for Europe and US investigating the efficacy of OXC-101 in less advanced patients. A clinical phase 1 study is on-going in advanced hematological cancer patients with possibility for expansion cohort. In the clinical Phase 1 studies, OXC-101 has been shown to be well tolerated and provide clinical benefit for patients with advanced cancers – something that will be investigated further in clinical Phase 2 studies.

The clinical strategy for phase 2 was developed during 2022 based on extensive analyses and feasibility studies and is presently being refined. We will select two solid cancer indications to start with in phase 2, establishing effect in less advanced patients than in the MASTIFF study. Phase 2 in a hematological cancer indication will follow later.

First -in-human phase 1 study in advanced solid cancer patients (MASTIFF)

Dose-escalation finished, RP2D [1]

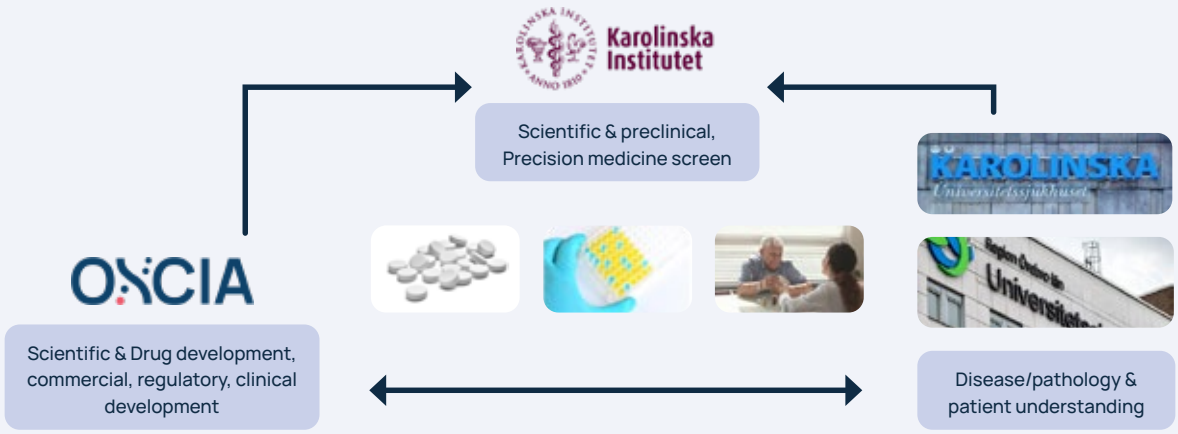
- **Indicaton:** advanced solid cancer
- **Location:** Karolinska University Hospital and Sahlgrenska University Hospital, Sweden
- **Recruted patients:** 50
- **Primary objectives:** To determine the **safety and tolerability** of OXC-101 in escalating doses for the treatment of patients with advanced solid malignant tumors
- **Secondary objectives:**
  - To define DLT and MTD
  - To determine (i) a recommended phase 2 dose (RP2D) and schedule, (ii) the pharmacokinetics, (iii)preliminary signs of clinical efficacy of OXC-101
- **Study design:** open label, 3+3
- **Next:** Expansion endometrial, ovarian, prostate

Phase 1 study in advanced hematological cancer patients (MAATEO)

On-going

- **Indication:** relapse refractory AML, ALL, DLBCL, Burkitt´s lymphoma, MM, MDS
- **Location:** Karolinska University Hospital, Huddinge, Sweden, Örebro University Hospital, Sweden
- **Recruited patients:** 10 [2]
- **Primary objectives:** To determine the **safety and tolerability** of OXC-101 in escalating doses for the treatment of patients with advanced hematological malignancies
- **Secondary objectives:**
  - To define DLT and MTD
  - To determine (i) a recommended phase 2 dose (RP2D) and schedule, (ii) the pharmacokinetics, (iii) preliminary signs of clinical efficacy of OXC-101
- **Study design:** open label, 3+3

Oxcia collaborates with academia and health care system to develop OXC-101 in blood cancers



Manufacturing

Together with Thermofisher Scientific, we have established a method to produce OXC-101 drug substance on a large scale according to the regulatory quality requirements (Good Manufacturing Practice, GMP). At the end of 2022 we produced a new 40kg batch of OXC-101 drug substance, which will now be formulated into 100 mg tablets. Both the drug substance and tablets are manufactured at ThermoFischer Scientific for the planned clinical phase 2 trial (please see the interview with Oxcia's CMC director Martin Scobie on page 25 for more information about the CMC (Chemistry, Manufacturing and Controls) activities for OXC-101)

Improving treatments of fibrotic and inflammatory diseases, starting with Idiopathic Pulmonary Fibrosis (IPF): OXC-201

OXC-201 in brief

The development of OXC-201, a novel small molecule OGG1 inhibitor, is also based on the DDR concept. In inflammation and fibrosis, the tissue is exposed to oxidative stress, which causes oxidative damage to DNA. OGG1 is a protein that binds to these damaged bases in a process called base excision repair, which was discovered by Professor Tomas Lindahl, and for which he was awarded the Nobel Prize in 2015. Recent evidence highlights an additional function of OGG1, a role in cellular reprogramming in inflammatory and fibrotic diseases. With the development of OXC-201 in IPF, Oxcia is taking advantage of these processes.

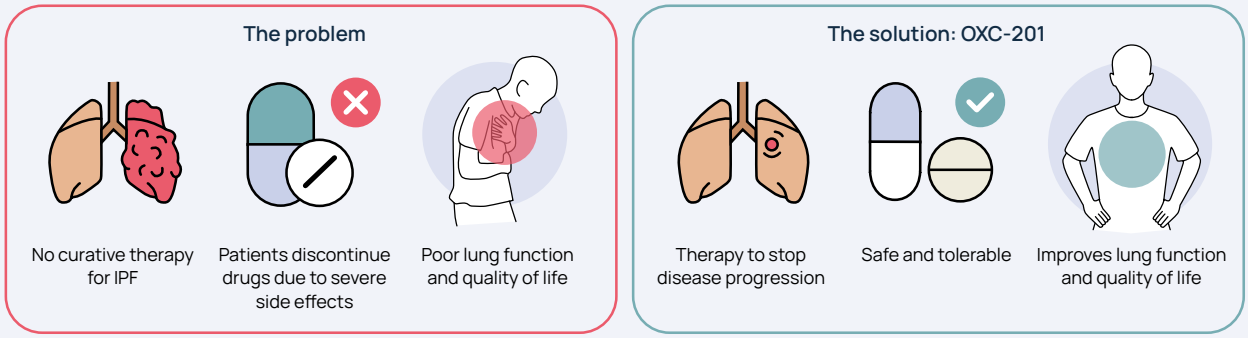
What is Idiopathic Pulmonary Fibrosis?

Idiopathic Pulmonary Fibrosis (IPF) is a serious progressive lung disease that severely affects physical well-being and is characterized by a high degree of illness and mortality. IPF is chronic (long-term) and the condition develops when lung tissue becomes thick and stiff. Over time permanent scarring in the lung, called fibrosis, happens and this makes it difficult to breathe. Besides shortness of breath that becomes worse over time, additional symptoms can be a dry cough that is not improving, achy joints and muscles, feeling tired/weak and slowly losing weight without trying to do so. Common complications of IPF are pulmonary hypertension and respiratory failure. This happens when the lungs cannot deliver enough oxygen to the rest of the body, including the brain.

The underlying cause of IPF is unknown, but risk factors are for instance male sex, aging, smoking, diabetes and a family history of IPF.

How is IPF currently treated?

Today there is no cure for IPF, but there are two approved drugs on the market - pirfenidone and nintedanib. They work by targeting certain cellular pathways involved in the development of fibrosis in the lungs. These treatments do not cure the disease but may slow down the progression of IPF and help the lungs work better. They are limited by severe adverse effects and drug interactions. Other treatments are oxygen therapy, ventilator support to help with breathing and for some patients with serious IPF lung transplantation can be an option. However, lung transplantation is challenging with risks for major complications such as infections and rejection of the new lung by the body.



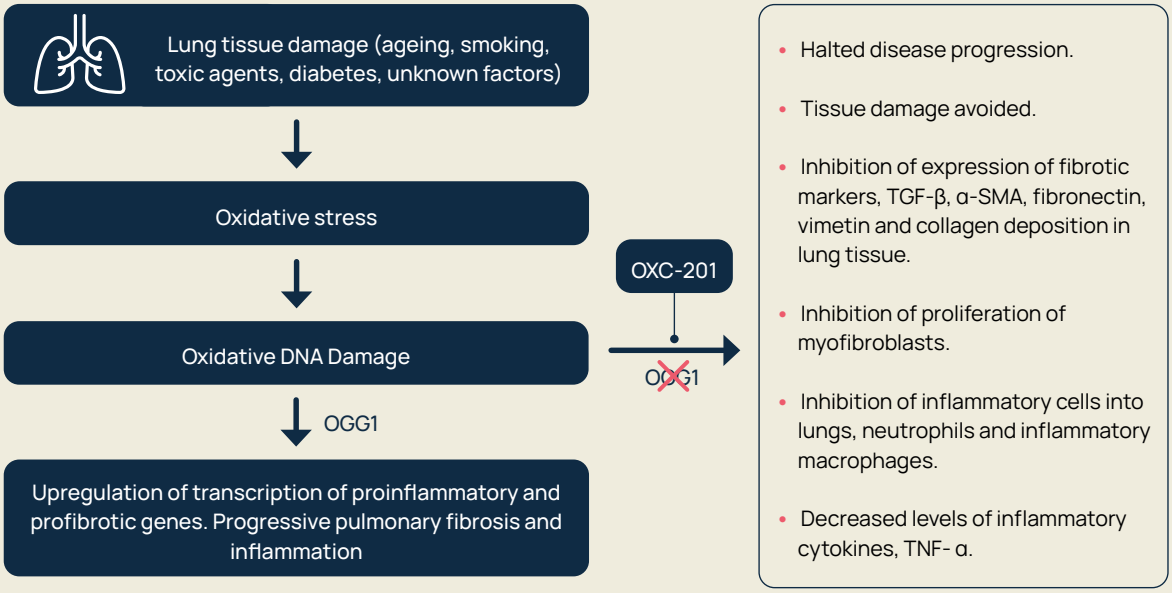
OXC-201 tackles IPF in a completely novel way

Oxcia is developing a novel solution, OXC-201, based on completely new science published in Science 2018 by Professor Helleday, academic collaborators and Oxcia team. OXC-201 has the potential to improve the lives of the patients suffering from the currently incurable IPF.

To understand how OXC-201 works, we first need to explain the underlying disease mechanisms of IPF. These involves a complex interplay between cell types and inflammatory and fibrotic signaling pathways. IPF starts with small injury-induced inflammation in the tiny air sacs located in lower part of the lung, also called lung alveoli, where the respiration occurs. With help from a multifunctional mediator (TGF-beta), tissue damage induces production of ROS and thus generates oxidative stress.

This in turn causes oxidative DNA damage in form of accumulation of 8-oxoG in DNA. The DNA repair enzyme OGG1 is the main protein in the cell to recognize oxidative (8-oxoG) damage. The binding of these two molecules, 8-oxoG and OGG1, plays an important role in inflammatory and fibrotic responses, leading to increase of inflammatory and fibrotic biomarkers, recruitment of immune cells and fibroblasts to the site of inflammation and accumulation of collagen in cellular walls in lung alveoli. In IPF these processes are chronic leading to formation of fibrotic scars, stiffness of the lung tissue and a progressive decrease in lung capacity. Interestingly, lungs from IPF patients have much more OGG1 expression than a healthy lung.

Schematic illustration of OXC-201 function in idiopathic pulmonary fibrosis



Oxcia's novel approach, OXC-201 binds to OGG1 and inhibits the function of OGG1. More precisely, by targeting OGG1, OXC-201 inhibits binding of OGG1 to 8oxoG and thereby suppresses a broad range of pro-inflammatory and pro-fibrotic signalling. The end result is decreased lung collagen accumulation, reduced lung damage and maintained structure of the lung alveoli.

In summary, OXC-201 tackles several components involved in the pathological processes in IPF and thus has the potential to halt the disease progression and avoid tissue damage.

OGG1 plays a significant role in modulating inflammation and fibrogenesis which opens up opportunities in several indications. OXC-201 has the potential to revolutionize the market for anti-fibrotic agents and also has significant anti-inflammatory properties, effects already demonstrated in disease models for acute lung injury (ARDS) and allergic asthma.

Market overview

OXC-101- Brief overview of market and regulatory landscape

Cancer medicine spending rose to $185Bn globally in 2021 and is expected to reach more than $300Bn by 2026. Growth in major markets is driven by an ageing population, unhealthy lifestyles, longer treatment durations, new branded products/innovation and is only partly offset by losses of exclusivity, including biosimilar impact. Growth in the last five years in the global oncology market totaled $85Bn, with $30.5Bn of growth from the U.S.[13] The U.S. remains the largest market by far globally followed by major countries in Europe. Spending in China shows a high growth rate.

The number of new cancer drugs with costs to the U.S. health system exceeding $200,000 per year has been increasing, accounting for 32% of launches in the past five years. But price growth is now slowing down and biosimilar impact has begun to impact the market since 2019. This trend will be reinforced by the newly introduced drug price negotiation process under the Inflation Reduction Act of 2022. Demonstrating health economics benefits is more important than ever and something Oxcia will focus on.

The number of treated cancer patients globally grew at an average of 4% over the past five years and is expected to accelerate in the next five years as patient care goes back to normal after COVID-19. Screening initiatives and widening access to care in lower income markets are resulting in higher numbers of patients receiving treatment each year. There are large variations across markets, with differences in biomarker testing rates, adoption of novel therapies, and the presence of infrastructure capacity to deliver some of the most advanced therapies, particularly those requiring frequent hospital visits. Use of checkpoint inhibitors for example is two to three times higher in some major developed countries than others (the U.S., France and Japan use almost three times more of these drugs per capita than smaller European markets) and is much higher than in lower income countries.

Cancer treatment involves surgery, radiation and drugs. Drug treatment includes chemotherapy, hormonal therapy, immunotherapy, targeted therapy or a combination of some of these. Chemotherapy is still the backbone of cancer therapy in most cancers. It is often generic why sales value is relatively low and its share of the market is declining. Immunotherapy and Targeted therapy are increasing. Immunotherapy is a type of cancer treatment that helps the immune system to fight cancer. Targeted therapy is a type of treatment that uses specific drugs or combinations of drugs to attack cancer cells specifically (in contrast to chemotherapy). These new drugs have contributed with substantial clinical benefits but unfortunately do not work for all patients.

Oncology drugs increasingly receive accelerated approvals, orphan or breakthrough designations in the US. Many of the medicines over the past five years have been approved based on relatively limited trial evidence, in single trials with a single study arm, and based on their demonstrated evidence in earlier phase trials. The number of new oncology compounds administered orally has been declining, at the same time as there has been a trend towards a preference for oral products following COVID-19 as oral products are easier to administer, e.g. reducing the need for specialty visits for IV infusions.

Cancer

- Cancer is one of the most common causes of death in the world, accounting for around 20 per cent of deaths in the West. Globally, more than 19 million people are diagnosed with cancer each year.
- Nearly 10 million lose their lives due to cancer-related diseases. That is as many as the entire population in Sweden.
- 2040 more than 30 million new cases of cancer are forecasted by Globocan 2021.

There were 10 new oncology drugs approved by the EMA in 2021, fewer than the 14 approved in 2020. Only three were associated with predictive biomarkers, including dostarlimab (Jemperli) a PD-1 checkpoint inhibitor, and trastuzumab deruxtecan (Enhertu), an antibody-drug conjugate targeting HER2-positive breast cancer. Five out of ten approvals are small molecules administered orally. Only three were developed to address rare cancers, notably different from the U.S. launches where nearly all received orphan designation. Nearly all were approved based on earlier phase trials, and half are conditional marketing authorizations. EMA has noted that these authorizations require further data post-approval to convert to full approvals. Checkpoint inhibitors have provided significant therapeutic improvements across a range of solid tumors; however, nine indications have been withdrawn or revoked for these drugs following accelerated approval.

Oncology trials more frequently utilize novel trial designs than trials for other disease areas, with 13% of oncology trials utilizing these mechanisms compared to just 5% in all other disease areas in 2021. Novel trial designs are predominantly utilized in Phase II trials for oncology (57%) which differs from all other disease areas where 50% of novel trial designs are utilized in Phase III trials. This is likely due to the fact that there are significantly fewer Phase III trials in oncology than other disease areas, as many oncology drugs receive approvals based on earlier phase trials.

OXC-201 – market for IPF (Lung fibrosis)

Idiopathic pulmonary fibrosis (IPF) is a progressive and fatal lung disease characterized by the formation of scar tissue in the lungs. The 5 year survival rate is only 20-40%. Datamonitor Healthcare estimates that in 2021, there were 377,280 incident cases and 1.0 million prevalent cases of idiopathic pulmonary fibrosis (IPF) in adults aged 20 years and older worldwide and forecasts those numbers to increase to 423,900 incident cases and 1.1 million prevalent cases by 2030. Asia is estimated to have the largest number of cases.

The global market for Idiopathic Pulmonary Fibrosis in 2022 is estimated at US$3.9 Billion of which the US accounts for 1.2 BUSD. It is projected to reach US$6.1 Billion by 2030, growing at a CAGR of 5.7% 2022-2030[14]. IPF is an orphan disease with a relatively low prevalence, but because of high unmet need, prices are high. The chance of obtaining orphan drug designation is considered relatively high.

There are currently only two drugs approved by the U.S. Food and Drug Administration (FDA) for the treatment of IPF: nintedanib (marketed by Boehringer-Ingelheim as Ofev) and pirfenidone (marketed by Roche as Esbriet). Ofev and Esbriet are both considered disease-modifying drugs, meaning they slow down the progression of IPF but do not cure it. A fairly high proportion of patients stop using these drugs due to tolerability issues, e.g. gastrointestinal side effects. Both drugs are likely to face generic competition in the near future.

Lung transplantation is the only treatment that increases the survival of patients, but this carries risks and is not feasible for all patients. Healthcare costs for IPF patients are very high. IPF remains an area of very high unmet clinical need. Improved drug safety and efficacy is a high priority, but also earlier diagnosis, improvements in patient quality of life and better treatments for patients with severe disease are high on the list. The research interest in the field is quite high, Boehringer-Ingelheim, Roche, Fibrogen, Galapagos and Pliant Therapeutics for example are active. Therapies in development for IPF focus on a wide variety of targets, there seems to be potential for better tolerability but so far no cure in sight.

Supporting drug development activities

To learn more about the new class, mitotic MTH1 inhibitor and what is needed in terms of manufacturing of drug, we have interviewed Dr. William Stafford, Director Translational Research and Dr. Martin Scobie, Director CMC.

William, as the Translational Director for Oxcia, how do you contribute to the development of OXC-101?

– As the Translational Director at Oxcia I lead the efforts to further understand the unique mechanism of action of OXC-101 as well as investigating what type of patients will have the most benefit from treatment by OXC-101. As part of this, I explore potential biomarkers that can facilitate this understanding. Many oncology drugs are effective only for limited patient populations and may be linked to a specific biomarker. One example is PARP inhibitors. If there are mutations in BRCA1 or BRCA2 genes, the likelihood that they will have effect is much higher. OXC-101, fortunately, has the potential to work for a very broad patient population and is not linked to a specific mutation. It is important to understand how different types of cancers respond to OXC-101 to optimize our patient populations and deliver OXC-101 in the effective setting.

– Another important role for me in the OXC-101 program is to maintain and facilitate academic collaborations across Sweden and abroad. For example, I have daily contact with Karolinska Institute. These academic collaborations are important for the exploration of OXC-101's mechanism of action, biomarker development, and potential additional indications outside cancer therapy.

How does translational work enable proof of concept studies?

– Translational work allows drug developers and oncologists to learn technical details about diseases, potential therapeutics, and their patients, allowing them to make more informed decisions for better therapeutic application. These studies can be highly specific or quite broad in scope, from characterizing the biological impact of a single mutation in DNA to examining vast populations of patients. For example, drug developers can test their candidate drug on hundreds of different types of tumors, each in an isolated dish, allowing the developer to understand which cancer type might be the most sensitive or insensitive to their candidate drug treatment. Ultimately, translational studies aim to help drug developers and oncologists to better understand diseases, develop more effective therapeutics for treatments, and improve the health care provided to patients. There are new technological advancements emerging every day that are further facilitating the clinical characterization of tumor types, therapeutic targeting, and therapeutic response that we plan to employ in our ongoing and upcoming clinical trials.

What are you doing to further understand the mode of action of OXC-101?

– To further understand the unique dual mechanism of action of OXC-101, we continue to collaborate with Karolinska Institute and other academic groups. Within these collaborations, we design and perform experiments to deepen our understanding of how OXC-101 functions on biochemical, cell-specific, and systemic levels. We continue to experimentally examine multiple parts of cell physiology, pathology and molecular dynamics using several state-of-the-art methods.

– The first part of OXC-101 mechanism works by disturbing microtubule polymerization, stopping cancer cells in mitosis (cell division), leading to prolonged time in cell division and generation of oxidative stress, In recent studies, we have identified novel functions of MTH1 in mitotic processes and are now examining how microtubule/tubulin, and other mitotic proteins and pathways, interact with MTH1. These experiments are well under way, and we are looking forward to sharing the results in the future.

– Regarding the second part of the OXC-101 mechanism, inhibition of the MTH1 enzyme results in pronounced accumulation of DNA damage that is produced through the first part of the compound's mechanism of action. MTH1's function is to remove damaged DNA building blocks (8-oxodG) before they are incorporated into DNA. With OXC-101 we have shown the capacity to directly interact with and inhibit this function of MTH1, and from this we observe increased amounts of 8-oxo-dG when exposing OXC-101 to cancer cells.

It is often asked, which part of the mechanism is the most important for the observed effect of OXC-101?

– We know that both parts of the mechanism of action are necessary for a cancer-specific, effective therapeutic response. If we do not cause disturbances in mitosis (cell division), the cancer cells do not die. We also know that MTH1 enzymatic inhibition is itself insufficient for killing cancer cells. Currently used chemotherapies inhibit mitosis and are an important part of today's therapeutic arsenal. However, chemotherapies cause serious side effects because they are not cancer cell specific and resistance often develops. OXC-101 addresses these issues with its dual action mechanism that is cancer-specific and well tolerated, increasing the possibilities of treating heterogeneous and chemoresistant cancers.

Martin, you are the CMC director of Oxcia, describe what you contribute to product development of OXC-101?

– I was involved in this project from its inception in the Helleday Labs at KI, and in the early drug discovery efforts which led to identification of the compound OXC-101. As the project progressed, I became increasingly involved in outsourcing activities. For example, relatively small-scale chemical synthesis of substances that were needed for preclinical studies. To be able to test the drug in humans we needed to have large (multi-kilogram) quantities of the active pharmaceutical ingredient and a suitable formulation into a finished product that would allow us to obtain sufficiently high exposure in man. This meant identifying contract manufacturing and development companies that could help us achieve these goals according to GMP guidelines. In addition to management of CMC outsourcing I'm involved in the regulatory submission process where the manufacturing route and specifications of the drug substance and drug product are reviewed by the medical authorities before use.

What kind of molecule and formulation is OXC-101?

– OXC-101 is a typical small molecule drug which we currently formulate and manufacture as an instant release tablet for oral dosage (100 mg). The synthesis of active ingredient is conveniently carried out using a low-cost manufacturing route comprising of just two synthetic steps followed by conversion into a suitable salt form. OXC-101 has good aqueous solubility and permeability that allow it to be rapidly transported across the gastrointestinal tract, into the blood supply, and onwards to the site of action (e.g. a solid or liquid tumour).

Are there any challenges with the manufacturing of OXC-101 regarding the technology, formulation, costs etc ?

– Generally speaking, there are quite a lot of challenges in manufacturing of both the drug substance and finished drug product, but manufacturing of OXC-101 is quite straightforward. Stability of drug substance over time is key. We find that batches of OXC-101 are chemically stable at room temperature for up to 5 years, which is very good. Naturally, the drug substance needs to be manufactured in high purity, in an efficient and cost-effective manner. This has been quite easy to achieve with our current route. Due to its chemical simplicity, manufacture of OXC-101 is fairly cost effective in comparison to many structurally much more complex anti-cancer drugs.

– The solid-state properties of the drug substance are also important to have control over during manufacture, the crystal form and particle size distribution can determine how easily it will be to process the API into tablets and play a part in determining the overall solubilty and chemical stability of the drug.

– The identification and selection of an optimal formulation of the active ingredient may also provide many challenges. For some drugs the active ingredient must be used as an injectable because it lacks permeability or is rapidly metabolised by the liver. If solubility is a problem some drugs may require advanced and costly formulation work to be able to deliver high enough doses to the patient. Fortunately, OXC-101 is a soluble, permeable and metabolically stable small molecule which is amenable to formulation as an instant release tablet using standard and low-cost excipients. The drug product stability is also very good and the tablets can be stored for at least 3 years at room temperature.

Which Contract Development and Manufacturing Organization (CDMO) do you work with and what is the present status?

– Together with Thermofisher Scientific (Regensberg, Germany), we have established a nice method to produce OXC-101 drug substance on a large scale according to the regulatory quality requirements (Good Manufacturing Practice, GMP). At the end of 2022 we produced a new 40kg batch of OXC-101 drug substance. This is an important milestone, we anticipate this is sufficient material for our planned phase 2 activities. The tablets needed for the clinic will also be manufactured by Thermofisher Scientific (Bourgoin, France) during the first half of 2023. Using the same provider for drug substance and drug product manufacture offers many advantages in terms of streamlining the supply chain and facilitating distribution to the clinic.

What do you find most interesting or rewarding with your job?

– I enjoy enabling the OXC-101 project by managing the production and distribution of our drug product to the clinic. The work is quite challenging but very rewarding and involves establishing many fruitful relationships with other scientists and service providers working within CMC. It is also very inspiring to contribute to the development of an innovative medicine with potential to prolong and improve patients' lives.

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Abbreviations

ALL	Acute lymphocytic leukemia, type of blood cancer
AML	Acute Myeloid Leukemia, cancer of the blood and bone marrow
BER	Base Excision Repair
CAGR	Compound Annual Growth Rate, average rate at which an investment moves from one value to another over a time period
CMC	Chemistry, Manufacturing and Control
DDR	DNA Damage Response
DLBCL	Diffuse large B cell lymphoma, type of blood cancer
DLT	Dose Limiting Toxicity
EIC	European Innovation Council
EMA	European Medicine Agency
endometrial cancer	cancer forming in the tissue lining the uterus
EPO	European Patent Office
GBM	Glioblastoma multiform
GMP	Good Manufacturing Practice
HNSCC	Head and Neck Squamous Cell Carcinoma
IPF	Idiopathic Pulmonary Fibrosis
MAATEO	Clincal phase 1 trial with OXC-101 in advanced blood cancers
MASTIFF	Clincal phase 1 trial with OXC-101 in advanced solid cancers
MDS	Myelodysplastic syndrome, type of blood cancer with increased risk of developing acute leukemia
MM	Multiple myeloma, type of blood cancer
MTD	Maximum Tolerated Dose
MTH1	MutT Homologue 1, enzyme destroying oxidised nucleotides (e.g. 8-oxodGTP)
NASH	Non-alcoholic steatohepatitis, type of liver disease
OGG1	Oxoguanine glycosylase-1, a DNA repair enzyme
OXC-101	TH1579, karonudib
OXC-201	TH5487
PAH	Pulmonary Arterial Hypertension
PRIME	EMA support to prioritised drugs
ROS	Reactive Oxygen Species
RP2D	Recommended Phase 2 Dose

Board of Directors

Under the Articles of Association for Oxcia AB (publ), ("Oxcia" or the "company"), the Board of Directors must comprise of at least three and at most six ordinary members and zero to four deputies. At present, the company's Board of Directors includes six ordinary members, including the Chairman of the Board. The current Board of Directors was elected at the Annual General Meeting on June 14, 2022 for the period up until the end of the 2023 Annual General Meeting. Holdings of shares and warrants were adjusted after the 10:1 split.

Jan Zetterberg

Board member since 2013 and Chairman of the Board since 2021.
CEO 2014–2021.

Born: 1951.

Education: LL. B. from Uppsala University, 1975.

Experience: Jan Zetterberg has many years of experience from various executive positions in AstraZeneca's legal division including Vice President, Strategy, Intellectual Property, Assistant General Counsel, and Head of Group Branding. Jan has over 35 years of experience in negotiations, technology transfer and licensing agreements, product commercialization, patent strategies, corporate and project transactions, due diligence, and intellectual property rights. Since 2012, he has run his own consultancy with a focus on life science companies.

Other ongoing assignments: Board member of Elicera Therapeutics AB, One-carbon Therapeutics AB, and the Helleday Foundation.

Independence: Jan Zetterberg is independent in relation to the company, company management, and the company's major shareholders.

Holdings: 220,000 Class B shares, 170,000 Series 2018/2026 call options, 15,000 Series 2021/2025 call options, and 30,000 Series 2022/2025 employee stock options.

Ulrika Warpman Berglund

Board member since 2014, Chairman of the Board 2014–2020.
CEO since 2021.

Born: 1967.

Education: M. Sc. (1991) and Ph. D. (1997) in Pharmacy from Uppsala University.

Experience: Ulrika Warpman Berglund has many years of experience in various executive positions in the pharma industry and academia. Ulrika has 15 years of experience in drug development in the industry as a project manager, section and division manager, and member of R&D management groups at Pharmacia, Biovitrum, and Prosidion Ltd (Oxford, UK). Ulrika was a deputy group leader for Professor Thomas Helleday at Karolinska Institutet, with whom she built up a major multidisciplinary research team dedicated to drug development, and was head of the OXC-101 OXC-101, 2012-2020. OXC-101 is now Oxcia's flagship project. Ulrika was acting group leader for the Helleday Laboratory from 2018 to 2020 and a member of the management group for the oncology-pathology division as well as a member of the Cancer Research KI Executive Group.

Other ongoing assignments: Board member of the Helleday Foundation. Member of the CBCS Steering Group, a national infrastructure for chemical biology research, and SciLifeLab.

Holdings: 450,000 Class B shares, 130,000 Series 2018/2026 call options, 15,000 Series 2021/2025 call options, and 30,000 Series 2022/2025 employee stock options.

Thomas Helleday

Board member since 2020.

Born: 1971.

Education: M. Sc. in Molecular Biology (1995), B. B. A. (1996), Ph. D. (2003), all from Stockholm University. Professor at Stockholm University, 2006; University of Sheffield, 2007; and Karolinska Institutet, 2012.

Experience: Thomas Helleday leads a large multidisciplinary research team focused on understanding DNA damage and its biology, and translating the discoveries into new cancer treatments and drug candidates. The Helleday Group was the first to develop the new concept of targeting the cancers that have lost a gene function through mutation. The concept is called synthetic lethality, and the group has been able to show that hereditary cancer (mutated, for example, in the BRCA1/2 genes) responded to PARP inhibitors. Thomas is sole discoverer behind the critical patent that has been outlicensed to all PARP inhibitors in the market and sold for roughly SEK 30 billion in 2021. For this breakthrough, Thomas has received several international research prizes and grants, including the Eppendorf-Nature Young European Award (2005) and ERC grants (2010, 2016). Thomas is an honorary professor at Sheffield University, where he was previously the Cancer Center Director, and before that a professor at the University of Oxford and Stockholm University. Founder of the Helleday Foundation and Oxcia AB.

Other ongoing assignments: Chairman of the Board of the Helleday Foundation. Chair of Oxcia's Scientific Advisory Board.

Holdings: 757,500 Class A shares, 5,508,040 Class B shares, and 15,000 Series 2021/2025 call options.

Eva Sjökvist Saers

Board member since 2020.

Born: 1962.

Education: M. Sc. and Ph. D. in Pharmacy from Uppsala University.

Experience: Eva Sjökvist Saers has many years of experience in various executive positions in R&D at AstraZeneca. For more than 15 years, Eva was CEO of APL (Apotek Produktion & Laboratorier AB), a pharma company and contract development and manufacturing organization (CDMO) with more than 500 employees and sales of SEK 1.4 billion. Previously, Eva was chair of the Swedish Pharmaceutical Society, deputy chair of SwedenBio and Board member of Karo Pharma AB, Recipharm AB, IDLO Biotech AB, and Karolinska Institutet Holding AB.

Other ongoing assignments: Eva is currently active on several boards in the life science industry, including Dicot AB (chair), Alligator BioScience AB, Bluefish Pharmaceuticals AB and Empowered Applications AB. Eva is also chair of Swelife, a strategic innovation program commissioned by the Swedish government.

Holdings: 4,250 Class B shares, 15,000 Series 2021/2025 call options, and 20,000 Series 2022/2025 employee stock options.

Ingvar Karlsson

Board member since 2021.

Born: 1956

Education: MBA from Lund University, 1980.

Experience: Ingvar Karlsson has broad experience from executive positions at several companies and as a board member. Ingvar previously was CFO of Lekolar Group and Doro AB (listed on Stockholm Nasdaq), and CFO and BA Controller for Perstorp AB in Sweden, France, and Italy. Ingvar was also previously Group Controller for Gambro Group. Today, Ingvar is part-time CFO at Idogen and Elicera Therapeutics, and recently listed these companies on Nasdaq First North Growth Market.

Other ongoing assignments: –

Holdings: 4,250 Class B shares (including via companies) and 20,000 Series 2022/2025 employee stock options.

Eva Nordström

Board member since 2022.

Born: 1970.

Education: M. Sc. in Pharmacy from Uppsala University, and Executive MBA from Stockholm School of Economics.

Experience: Eva Nordström was appointed Head of Clinical Development in 2012, Chief Operating Officer in 2020 and Deputy Chief Executive Officer in 2021. Eva is responsible for strategic and operational issues in biostatics, clinical operations, data management, global drug supply, and project and process management. Previously, Eva was a global project leader at the directorial and VP level at Pharmacia and AstraZeneca, based in both Sweden and the US. Eva has led international interdisciplinary teams through all phases of drug development – including Phase 3 and launch – and has worked in the management groups of various areas of therapy. She has been responsible for individual project strategies, including implementation and strategies for areas of therapy, drug pipeline administration, and inlicensing.

Other ongoing assignments: –

Holdings: 20,000 Series 2022/2025 employee stock options.

	Position	Member since	Independent in relation to	
			The company, and company management	Major shareholders
Jan Zetterberg	Chairman of the Board	2013	No	No
Ulrika Warpman Berglund	Board member	2014	No	No
Thomas Helleday	Board member	2020	Yes	No
Eva Sjökvist Saers	Board member	2020	Yes	Yes
Ingvar Karlsson	Board member	2021	Yes	Yes
Eva Nordström	Board member	2022	Yes	Yes

Executive Management

Ulrika Warpman Berglund

Board member since 2014, Chairman of the Board 2014–2020. CEO since 2021.

Born: 1967.

Education: M. Sc. and Ph. D. in Pharmacy from Uppsala University.

Experience: Ulrika Warpman Berglund has many years of experience in various executive positions in the pharma industry and academia. Ulrika has 15 years of experience in drug development in the industry as a project manager, section and division manager, and member of R&D management groups at Pharmacia, Biovitrum, and Prosidion Ltd (Oxford, UK). Ulrika was a deputy group leader for Professor Thomas Helleday at Karolinska Institutet, with whom she built up a major multidisciplinary research team dedicated to drug development, and was head of the OXC-101 project that was Oxcia's flagship project from 2012 to 2020. Ulrika was acting group leader for the Helleday Laboratory from 2018 to 2020 and a member of the management group for the oncology-pathology division as well as a member of the Cancer Research KI Executive Group.

Other ongoing assignments: Board member of the Helleday Foundation. Member of the CBCS Steering Group, a national infrastructure for chemical biology research, and SciLifeLab.

Holdings: 450,000 Class B shares, 130,000 Series 2018/2026 call options, 15,000 Series 2021/2025 call options, and 30,000 Series 2022/2025 employee stock options.

Monika Vedin

Business Strategist and Communication Director since 2021.

Born: 1963.

Education: M. Sc. in Economics with international concentration from the University of Gothenburg.

Experience: Monika Vedin has many years of experience from executive positions in marketing, business development, communication, finance, and supply chain in the drug and med tech industry, in companies both large and small. Her previous roles include CEO and Marketing Director. Monika runs her own consultancy, Vedin Affärsutveckling, which focuses on strategy, marketing, and business development and advises life science companies.

Other ongoing assignments: –

Holdings: 7,000 Series P 2022/2025 subscription warrants.

Christina Kalderén

Preclinical Director since 2021.

Born: 1960.

Education: M. Sc. in Biotechnology and Biochemistry from KTH Royal Institute of Technology, and Ph. D. in Medical Science from Karolinska Institutet.

Experience: Christina Kalderén has more than 25 years of experience from R&D in the pharma industry as a project manager, section head, and senior scientist. Christina began her career at KabiGen (later Kabi Pharmacia) as a researcher and section head, where she built up the section for prokaryotic process development of biological compounds such as growth hormone and therapeutic antibodies. In 2001, she was recruited to Biovitrum (later SOBI), where her focus was on small molecules. Since 2013, Christina has been a researcher at Karolinska Institutet's Helleday Laboratory and project leader for the OGG1 project.

Other ongoing assignments: –

Holdings: 25,000 Class B shares and 12,000 Series P 2022/2025 subscription warrants.

Håkan Nordlander

Head of Administration and Accounting since 2014.

Born: 1953.

Education: M. Sc. in Business and Economics from Uppsala University.

Experience: Håkan Nordlander has over 35 years of experience in accounting, budgeting, and financial reporting, as well as experience in business acquisitions. Håkan has held audit and CFO positions, and has many years of experience at AstraZeneca in various finance positions. Håkan has held financial responsibility for a number of different global arrangements such as in- and outlicensing, co-promotion, and global alliance arrangements.

Other ongoing assignments: –

Holdings: 12,500 Class B shares (including via companies), 60,000 Series 2018/2026 call options, and 10,000 Series P 2022/2025 subscription warrants.

Emil Lindmark

Legal Counsel since 2022.

Born: 1989.

Education: LL. B. and LL. M. in Environmental and Property Law from Umeå University.

Experience: Emil Lindmark worked for the National Land Survey of Sweden after completing his studies, and was subsequently employed at the City of Lidingö Environmental and City Planning Office beginning in 2017. He took office as Administrative Legal Counsel for the Environmental and City Planning Office in 2019.

Other ongoing assignments: –

Holdings: 12,000 Series P 2022/2025 subscription warrants.

Austin Smith

CMO since 2022.

Born: 1969.

Education: M. D. from the Royal College of Physicians, Ireland, followed by specialist training in oncology in southern London and a diploma in pharmaceutical medicine.

Experience: Austin Smith worked for eight years as an oncologist before spending the last 15 or so years in clinical development as Medical Director in his own consultancy, SwiftBio Consulting Ltd, and in various clinical contract research organizations (CROs) and biotech companies. Austin has extensive experience in oncology, clinical drug development, and strategic and regulatory issues, and has a broad network in Europe and the US.

Other ongoing assignments: Part-time CMO Ectin Research (20%), freelance regulatory support (5%), advice to Imperial Tech Transfer Office (5%)

Holdings: –

Scientific Advisory Board

Thomas Helleday, Ph. D., Professor at Karolinska Institutet, is the inventor of the concept of synthetic lethality for PARP inhibitors in BRCA-deficient cancers. Thomas is a key opinion leader in the field of DDR research, and leads a large multidisciplinary research team focused on DDR at the Department of Oncology-Pathology at Karolinska Institutet in Stockholm, Sweden. He has worked in both Sweden and the UK (Sheffield University and the University of Oxford) and has received numerous prestigious national and international grants and research prizes. Thomas is chair of Oxcia's Scientific Advisory Board.

Giorgio Massimini, MD, Ph. D., has dedicated his career to the clinical development of drugs in oncology. He was responsible for the clinical development of Roferon-A, Interleukin 2, and G-CSF, which led to international market approval for Roferon-A. He recently retired from his position as Vice President, Head Medical Officer at Merck KgaA in Germany and now runs his own consultancy.

Andrea Wahner Hendrikson, MD, Ph. D., Medical Oncologist at the Mayo Clinic, Chester, MN (USA). Andrea is a clinical researcher with a special interest in developing and testing new cancer treatments. She has many years of experience in evaluating new therapeutic targeted treatments, both in preclinical models and in clinical patient-based trials. Andrea is part of the Mayo Clinic's Phase 1 team and has received NIH-financed Mayo Clinic Ovarian Cancer Specialized Program of Research Excellence (SPORE) grants.

Sarah Danson, MD, Ph. D., Professor and Vice Director, Weston Park Cancer Centre, Sheffield (UK). Sarah is a Professor of Medical Oncology at the University of Sheffield and an Honorary Consultant in Medical Oncology at Weston Park Cancer Centre in Sheffield. She earned her degree in 1996 from the University of Nottingham, and was a Specialist Registrar and Cancer Research UK Clinical Research Fellow in Pharmacology at the Christie Hospital in Manchester before moving to Sheffield in November 2006. Sarah is the chair of the Adult Experimental Cancer Medicines Network (ECMC) in the UK. She is Vice Director of Weston Park Cancer Centre and the NHR Specialty Lead for early clinical phase cancer studies.

Mikael von Euler, MD, PhD, FFPM, Dr. Mikael von Euler is an oncologist with more than 30 years of experience in the pharmaceutical industry. He has served in a number of senior global roles in big pharma companies such as Cluster Head for the Her2 area (Herceptin, pertuzumab, T-DM1) at Roche/Genentech, Vice President of Oncology Europe at GlaxoSmithKline and Global Product Director of Arimidex/Nolvadex at AstraZeneca. For the past 10 years he has been supporting small and start-up companies in senior roles, as board member and as independent consultant. Dr. von Euler received his MD and PhD from the Karolinska Institute in Stockholm, Sweden.

The share

Oxcia AB is a public limited liability company. In 2022, the company had approximately 100 shareholders, following new share issues carried out the same year. The shares may be included in the portfolios of various asset managers without the company being aware of who is behind an endowment insurance or investment savings account.

Ownership structure

List of the 10 largest shareholders as of December 31, 2022.

Name	No. of shares	Share of votes (%)	Share of capital (%)
The Helleday Foundation	8,022,640	77.77%	37.14%
Thomas Helleday	5,855,040	13.30%	27.11%
Martin Scobie	575,000	0.60%	2.66%
Gryningskust Holding AB	494,340	0.52%	2.29%
Föreningen Svenska Smärtafonden	463,540	0.49%	2.15%
Ulrika Warpman Berglund	450,000	0.47%	2.08%
Traction Invest AB	332,640	0.35%	1.54%
Erik Lindbärg	302,000	0.32%	1.40%
Tobias Koolmeister	250,000	0.26%	1.16%
Helge Gad	250,000	0.26%	1.16%
Total, 10 largest shareholders	16,995,200	94.34%	78.68%
Subtotal, others	4,603,900	5.66%	21.32%
Total number of shares	**21,599,100**	**100.00%**	**100.00%**

Share capital

- The share capital is to amount to at least SEK 500,000 and at most SEK 2,000,000.
- The number of shares is to be a minimum of 16,000,000 and a maximum of 64,000,000.
- The registered share capital totals SEK 647,973.00.
- There are two classes of shares. As of December 31, 2022, there were 8,186,370 Class A shares with ten votes each and 13,412,730 Class B shares with one vote each.
- The company's share register is maintained by Euroclear Sweden AB, Box 7822, SE-103 97 Stockholm, Sweden.

Share capital trend

Year	Event	Quotient value	Increase in number of shares	Increase in share capital	Total number of shares	Total share capital
2013	Formation of the company	100	500	50,000.00	500	50,000.00
2014	New share issue	100	500	50,000.00	1,000	100,000.00
2014	1,000:1 split	0.10	999,000	–	1,000,000	100,000.00
2020	New share issue	0.10	724,137	72,413.70	1,724,137	172,413.70
2020	Stock dividend issue	0.30	–	344,827.40	1,724,137	517,241.10
2021	New share issue	0.30	301,700	90,510.00	2,025,837	607,751.10
2021	New share issue/Set-off	0.30	50,607	15,182.10	2,076,444	622,933.00
2022	New share issue/TO1	0.30	830,660	25,039.80	2,159,910	647,973.00
2022	1:10 split	0.03	19,439,190	–	21,599,100	647,973.00

Directors' Report

The Board of Directors and the CEO of Oxcia AB (publ), corporate identity number 556932-4717, hereby submit the Annual Report for the financial year January 1 to December 31, 2022.

Unless otherwise stated, all amounts are in SEK and figures in parentheses pertain to the corresponding period of the preceding year.

Information about the operation

Oxcia AB (publ) has its registered office in Stockholm Municipality and is a biotechnological research and development company. Oxcia's aim is to conduct and promote research, development, and sales of products in the medical field, and thereby to pursue a comparable operation as well as to own and manage shares and other securities.

Ownership structure

Oxcia AB is a public limited liability company. In total, there were approximately 100 shareholders at year-end. Oxcia's largest shareholder is the Helleday Foundation, with 803,494 shares (78.5% of the votes and 38.7% of the capital). For further details, refer to the page on the company's share and the company's web page.

Financial overview

Multi-year comparison

	2022	2021	2020	2019	2018
Net sales, SEK	419,998	316,659	94,700	3,078	–
Other operating income, SEK	9,225	3,062	1,227	369	633,720
Own work capitalized, SEK	–	–	–	7,609,785	–
Operating expenses, SEK	-32,709,720	-12,246,635	-28,932,759	-7,986,897	-1,851,713
Operating loss, SEK	-32,280,497	-11,926,914	-28,836,762	-373,672	-1,217,993
Loss for the year, SEK	-32,220,821	-11,969,591	-29,170,633	-830,855	-1,217,993
Average number of shares	21,475,616	1,875,139	1,206,329	1,000,000	1,000,000
Average number of warrants	343,942	80,343	–	–	–
Earnings per share before dilution	-1.48	-6.38	-24.18	-0.83	-1.22
Earnings per share after dilution	-1.48	-6.38	-24.18	-0.83	-1.22
Cash flow from operating activities, SEK	-25,135,980	-11,059,072	-9,407,546	-8,356,889	-5,659,039
Balance sheet total, SEK	50,879,338	56,346,832	3,675,716	23,064,038	16,692,145
Working capital, SEK	42,403,105	54,502,167	1,782,933	-382,756	847,524
Quick ratio, %	617	3,266	205	83	136
Equity/assets ratio, %	84	97	30	27	19
Return on equity, %	neg.	neg.	neg.	neg.	neg.

Accounting policies applied:

According to the Swedish Annual Accounts Act and RFR 2 (Swedish Financial Reporting Board).

Definitions of key figures:

All key figures have been restated for the 10:1 split.

Working capital
Total current assets (including cash) minus current liabilities.

Acid-test ratio
Total current assets (including cash) as a percentage of current liabilities.

Equity/assets ratio
Equity in relation to the balance sheet total.

Earnings per share before dilution
Earnings after tax divided by the average number of shares for the period.

Financial performance

Operating income and earnings

Net sales

Net sales for the period totaled SEK 429,223 (319,721). The majority of sales comprises invoicing for shared services for related companies (the Helleday Foundation and One-carbon Therapeutics).

Operating loss

The operating loss for the period totaled SEK -32,280,497 (-11,926,914), which is a change of SEK -20,353,583 compared to the year-earlier period.

The change in increased costs during the year amounted to SEK -20,463,085.

Loss for the period

Loss for the period totaled SEK -32,220,821 (-11,969,591). Earnings per share before and after dilution totaled SEK -1.48 (-0.64).

Liquidity and cash flow

Cash flow was impacted by the negative earnings and the positive effect of the new share issue.

- Cash flow from operating activities totaled SEK -25,135,980 (-11,059,072)
- Cash flow from investing activities amounted to SEK -186,027 (25,000).
- Cash flow from financing activities totaled SEK 19,647,272 (64,663,825). This includes the new share issue, including issue costs.
- Cash flow for the period amounted to SEK -5,674,735 (53,629,753).
- At the end of the period, the company's cash and cash equivalents totaled SEK 50,308,131 (55,982,865).

Financial position

As of December 31, 2022, the equity/assets ratio was 84% (97) and equity amounted to SEK 42,051,590 (54,625,139). As of December 31, 2022, total assets amounted to SEK 50,879,338 (56,346,832).

Investments

Oxcia's investments totaled SEK 186,027 (-25,000).

Significant events during the year

Development initiatives continued to perform well during the year.

The Swedish Ethical Review Authority approved the supplementary application for the clinical Phase 1 trial in blood cancers concerning the addition of a further clinical study center (Örebro University Hospital) and amendments to the exclusion criteria.

Recommended clinical Phase 2 dose and dosage regime for solid cancers established in a clinical Phase 1 trial. The company prepared for a clinical Phase 2 trial in solid cancers by manufacturing an additional 40 kilograms of OXC-101 compound for tablet manufacturing, obtained scientific advisory services from the Swedish Medical Products Agency, and signed agreements with Pantheon UK Ltd (Thermofisher) for labeling, packaging, and distribution of OXC-101. In addition, an agreement was signed with FGK Clinical Research GmbH in Munich, Germany to write study protocols and to contact clinical testing locations in Europe and the US to obtain documentation on which countries and testing locations are to be contracted ahead of the clinical Phase 2 study.

The development of OXC-201 continued to progress well during the year. Mercachem Syncom Weert B.V. (Symeres) delivered scaled-up amounts of OXC-201 and an analogue ahead of upcoming safety studies.

Oxcia participated in several conferences, and research into the company's drug candidates was published for OXC-101 (Biomolecules) and OXC-201 (Frontiers in Pharmacology).

During the year, the company conducted activities to strengthen its capital structure. In January, shares amounting to SEK 20.6 million before issue costs were subscribed for using subscription rights.

The organization has been strengthened. In April, the company elected Eva Nordström to the Board of Directors. The company also hired employees in the areas of business law and translational development as well as a Chief Medical Officer and Senior Scientist.

The efforts to prepare Oxcia for listing have progressed well, and the company is completely ready for listing. The share was registered with Euroclear. The web site was updated, and various guidelines were introduced.

In August, the Board of Directors decided to postpone the company's listing until the finance market has recovered.

Research and development

Oxcia AB pursues groundbreaking research through its unique method of utilizing oxidative DNA damage and DNA damage response (DDR) to develop new and safe treatments for patients who suffer from illnesses caused by cancer, inflammation, or fibrosis. Oxcia currently has two DDR drug candidates, both with the potential to be first in class. OXC-101 is in late clinical Phase 1 trials against solid and hematological cancers. OXC-201 is being developed to treat inflammatory and fibrosis-related diseases such as pulmonary fibrosis, and is in the preclinical stage.

Personnel and organization

As of December 31, the company had seven full- and part-time employees and four consultants working in a long-term partnership.

Oxcia's organization encompasses all the competence and experience that is necessary to run the company, with expertise in patents, preclinical research, clinical development, drug development, business development, finance, and law.

Close collaboration has been established with a number of contract research organizations, contract development and manufacturing organizations, and key consultants in patents, drug development, regulatory expertise for manufacturing and documentation, and quality assurance.

Remuneration to senior executives

Oxcia is to pay market-based, competitive salaries. Remuneration to employees consists of salary, and also includes pensions for members of the Management Team. Remuneration to consultants consists of daily or hourly remuneration. Remuneration is presented in Note 8 (Board of Directors) and Note 9 (senior executives). The applicable remuneration policy is included in the Corporate Governance Report.

Environmental information

Oxcia AB conducts operations that do not require permits and are not subject to notification requirements.

Risk management

Business and operational risks

Risks related to preclinical and clinical trials

Before a treatment can be launched on the market, its safety and efficacy when treating people must be verified for each individual indication, which is demonstrated in preclinical and clinical studies. In the preclinical phase, there is a risk that the development of potential drug candidates may need to be discontinued or that a back-up candidate may need to be developed before the drug candidate reaches clinical development or becomes commercially viable or available in the market. A back-up candidate is an alternate drug candidate to the primary drug candidate that is intended to replace the primary drug candidate if, for example, the safety of the primary drug candidate cannot be assured – meaning that there are several alternatives in the same indication. Oxcia may need to develop such back-up candidates for preclinical drug candidates, which could result in longer timelines and costs before the preclinical project reaches the clinical stage and the market.

Oxcia is in the final stage of the clinical Phase 1 trial for its most advanced development project, OXC-101 for solid and hematological cancers. The company intends to initiate the Phase 2 trial for these indications in late 2023 or early 2024. Since Oxcia is at the end of the clinical Phase 1 stage, there is no guarantee that the company will successfully take the drug candidate through to clinical Phase 2 for trials in humans. Accordingly, there is a risk that the planned trials will not indicate sufficient safety and efficacy for the treatments to be launched. There is also a risk that government authorities will not find the trials that form the basis for an application for clinical Phase 2 testing to be sufficient.

Clinical trials are associated with considerable uncertainty and risk in respect of schedules and trial results. Oxcia may also be required to conduct more extensive clinical trials than the company's Board deems sufficient at present, which could have a major impact on the company's costs, depending on the design of such trials, and result in delayed commercialization. There is also a risk that the partners conducting these preclinical and clinical trials will be unable to maintain the clinical and regulatory quality required for any future outlicensing, partnerships, sales or regulatory approval.

In the event these risks occur, there is a risk that revenue will not materialize, in full or in part, which could have a highly adverse effect on Oxcia's earnings capacity. The company considers the likelihood that the risks described above will occur to be high. This is characteristic of companies operating in the pharmaceutical development industry.

Risks related to patient enrollment

Oxcia is finalising clinical Phase 1 trials and is preparing for Phase 2 trials in solid cancer. The company and any potential partners are dependent on the ability to enroll patients in order to conduct the clinical trial. In the event that patients cannot be enrolled in the company's clinical trial in accordance with the existing schedule, this could lead to the company needing to include more study centers than are currently planned. The need to include more study centers could in turn lead to a delay in the company's clinical trial. There is also a risk of competition for patients in the same indications from other clinical tests that are in progress or that could be initiated in parallel. Delays and interruptions to the company's trial, or competition for patients from other trials, could mean that the company's development efforts become more costly than the company had planned, and that the expected revenue from sales is delayed and postponed to a future date.

The company considers the likelihood that the risks described above will occur to be moderate and is of the opinion that the risks, if they are realized, could have a moderately adverse impact on the company's operation and future prospects.

Risk of side effects

So far, the clinical Phase 1 trials that the company has conducted have worked well, with manageable and reversible side effects. However, there is a risk that patients taking part in Oxcia's planned clinical trials could suffer from side effects. Potential side effects may delay or stop the continued development and limit or prevent commercial use and thereby lead to increased costs and have a highly adverse impact on the company's future earnings capacity. Another consequence is that the company may be taken to court by patients suffering from side effects, after which the company may be liable for damages. In this respect, there is a high probability that each planned study will have limitations in terms of the scope and upper limits of its insurance cover. There is therefore a risk that the company's insurance cover will not fully cover possible future legal requirements, which could have an adverse impact on the company's costs. Finally, any side effect could also harm the company's reputation, which in turn could impact the company's position in relation to government authorities, suppliers, and partners.

Overall, the company considers the likelihood that the risks described above will occur to be moderate and is of the opinion that the risks, if they are realized, could have a moderately adverse impact on the company's operation and development.

Oxcia has not launched any drugs to date

Up to now, none of Oxcia's drugs have been launched in the market, either by the company or via partners, and the company has therefore not generated any revenue from sales. As mentioned in the description of the "Risks related to preclinical and clinical trials" above, there are major risks associated

with the preclinical and clinical phase that could result in the development of the company's drug candidates being discontinued before the products have become commercially viable or available in the market. Should the introduction of the current product candidates to the market be delayed, become more costly, or fail completely, this could have an adverse impact on the company's earnings capacity and its opportunities for commercialization.

There is thus a risk that the company's revenue will not materialize, in full or in part, which in turn could have a highly adverse impact on the company's earnings capacity and profitability. The company considers the likelihood that the risks described above will occur to be moderate.

Risks related to potential future revenue
Oxcia's future earnings will depend on various factors, including the company's ability to sign agreements for licensing or sales of its product candidates. The possibility of signing such agreements depends on factors such as Oxcia's credibility as a potential partner, the quality of the company's product candidates, and the robustness of the company's intellectual property rights. There is a risk that it will not be possible to sign agreements of this kind, or that it will only be possible to sign such agreements on terms that are unfavorable to the company. Furthermore, since the company is in clinical Phase 1, it may be difficult to assess Oxcia's sales potential since it will pursue development together with partners, or outlicense – or alternately sell – parts of this development. In order to sign agreements, potential partners could set requirements for the performance of supplementary studies on Oxcia's products, which could entail delays and cost increases for the company. If Oxcia is unsuccessful in signing product licensing agreements, selling intellectual property rights, or concluding similar transactions on terms that are favorable to the company, or if agreements of this kind lead to delays and cost increases, or if payments under the agreements are delayed or missed entirely, this could have an adverse impact on the company's earnings capacity.

The company considers the likelihood that the risks described above will occur to be moderate and is of the opinion that the risks, if they are realized, could have a moderately adverse impact on the company's operation and future prospects.

Price and reimbursement in the sale of drugs
The ability of Oxcia and its potential partners to successfully commercialize product candidates and the possibilities for any future sales will depend on factors including the extent to which the company's product candidates will qualify for subsidies from privately and publicly financed health care programs. A significant portion of the company's future revenue will likely depend on subsidies from third parties such as government agencies, state-owned health providers, or private health insurance providers. Some countries require that products first undergo lengthy reviews before public subsidies become a possibility. If the subsidies for Oxcia's product candidates are insufficient, discontinued, or limited in any market, it may become more difficult for the company or its partners to sell the company's drugs with an acceptable level of profitability.

The company considers the likelihood that the risks described above will occur to be moderate and is of the opinion that the risks, if they are realized, could have a moderately adverse impact on the company's future earnings capacity.

Market acceptance for Oxcia's drugs
There is a risk that Oxcia's product candidates will not gain market acceptance among doctors, patients, industry organizations, or other stakeholders in the medical community, and that the use of the pharmaceutical products will therefore not become widespread. Sales could be lower, or take longer to realize, than the company presently has reason to assume. The company considers the likelihood that the risks described above will occur to be moderate and is of the opinion that the risks, if they are realized, could have a moderately adverse impact on the company's future prospects and future earnings capacity.

Partners
Oxcia is a research and development company with a limited internal organization, and is therefore highly dependent on external partnerships to pursue its operations. The company will continue to depend on these partnerships, including as regards development of product candidates and clinical trials. The company's existing and/or future partnerships may perform negatively, and Oxcia may be unsuccessful in signing new agreements or only be able to sign agreements on terms that are unfavorable to the company. Agreements with partners could also require approval from government authorities, which in itself entails a risk of delays in trials and potential subsequent market launches of product candidates.

The company considers the likelihood that the risks described above will occur to be moderate and is of the opinion that the risks, if they are realized, could have a moderately adverse impact on operations in the form of delays and, potentially, limited or lost revenue.

Risks related to third-party manufacturing processes
For manufacturing of the company's drug candidates under the Good Manufacturing Practice (GMP) standard, the company has an ongoing agreement with Patheon UK Ltd (Thermofisher). This partnership ensures manufacturing of tablets ahead of the company's upcoming Phase 2 clinical testing. Oxcia is, and going forward will be, dependent on partners and other operators for manufacturing and delivery of the company's current and future products. There is a risk that Patheon UK Ltd (Thermofisher) or other current or future partners will choose to discontinue their partnership with the company, or that it will not be possible to continue the partnership on terms that are favorable to the company, and that Oxcia in such a situation will be unable to replace a partner of this kind in a satisfactory manner as regards time, quality, or finances. Nor can it be guaranteed that the company's partners or other operators will fully meet the quality requirements that the company or relevant authorities impose.

The company considers the likelihood that the risks described above will occur to be low and is of the opinion that the risks, if they are realized, could have a moderately adverse impact on operations in the form of delays and other difficulties.

Risk related to key individuals and qualified personnel
Oxcia has built an organization with qualified employees in order to create the best conditions possible for developing and commercializing the company's projects. However, Oxcia is still run by a relatively small organization, and the company's future growth is highly dependent on the knowledge, experience, and commitment of company management and other key individuals. The company may be unsuccessful in retaining these key individuals and in recruiting new qualified personnel in the future, which could have an adverse impact on the company's possibilities for commercializing any of its drug candidates and

thereby impact the company's profitability and future earnings capacity. New recruitment may also take a considerable amount of time to complete. If any of the company's key individuals terminate their employment, it could lead to delays or interruptions in Oxcia's operation and continued development. In this context, it is particularly important that personnel perceive Oxcia as a professional and stimulating employer. To succeed at this, requirements will be imposed on aspects such as professional Board activities, professional management, the fulfillment of development forecasts, and the company applying market-based financial incentive plans for its employees.

The company considers the likelihood that the risks described above will occur to be low and is of the opinion that the risks, if they are realized, could have a highly adverse impact on the company's operation.

Industry-related risks

Risks related to competitors in the market for oxidative DNA damage and DDR

Oxcia's concept – built on triggering oxidative DNA damage and obstructing DNA repair – is a relatively new field, which is why the competitive landscape may be difficult to assess. The company is not aware of any companies that are working with the technology it has, but the company is aware of a number of companies, universities, and research institutes that are conducting research and development in DDR. For example, the company has identified companies in the field such as Repare Therapeutics, Artios Pharma, IDEAYA Biosciences, Cyteir Therapeutics, Tango Therapeutics, Breakpoint Therapeutics, FoRx Therapeutics, and others. In addition, the company may also encounter competition from other areas and concepts that could potentially treat the same indications, such as products that are based on targeted medicine (kinase inhibitors) and immuno-oncology.

Extensive investments and development by a competitor could give rise to risks in the form of limited or lost revenue for the company. Furthermore, companies with global operations and significantly greater resources than Oxcia that are currently working in adjacent fields may decide to establish themselves in Oxcia's field of operation. Despite Oxcia's assessment that the price that will be charged for its products should provide a reasonable margin for covering its costs, it may be difficult to assess price levels and costs in advance at an early stage of development, especially since a number of large drug development companies may have larger organizations, enabling them to set more competitive prices for competing drugs. Lower price levels could have an adverse impact on Oxcia's earnings capacity and future profitability.

Increased competition could have a highly adverse impact on Oxcia's opportunities for commercializing any of its drug development projects, and thus a highly adverse impact on the company's profitability and future earnings capacity.

The company considers the likelihood that the risks described above will occur to be high.

Changes in the pharma industry could render the company's products obsolete

The pharma industry is characterized by rapid changes in technology, new technological gains and continual improvements to industrial know-how. Oxcia's potential successes will thus depend largely on the company's capacity to adapt to external factors of this type, to diversify its project portfolio, and to develop new and competitively priced products that meet demand from a constantly changing market. There is also a risk that future technological advances will mean that the company's planned products will lose their commercial value, either at present or in the future. If the company cannot adapt to technological developments, this could have an adverse effect on the company's operation and earnings capacity.

The company considers the likelihood that the risks described above will occur to be moderate and is of the opinion that the risks, if they are realized, could have a moderately adverse impact on the company's operation.

Financial risks

Risks related to the company's continuing financing needs

At present, the company has not launched any drug treatment either on its own or via partners, and has not therefore conducted sales or generated any revenue. Oxcia's development plans for drug projects entail increased costs for the company.

For the continued development of the company's treatments of oxidative DNA damage and DNA damage response (DDR), Oxcia will be dependent on financing, which is why there is a risk that Oxcia may continue to turn to the capital market to raise capital in the future as well. There is a risk that it will not be possible to obtain any additional capital on favorable terms, that the capital obtained will be insufficient to finance the company's development, or that it will not be possible to obtain such capital at all. This could mean that development is temporarily ceased, or that the company is forced to conduct operations at a slower pace than desired, which could have an adverse impact on company's ability to commercialize the drug candidates in accordance with the current plan and an adverse impact on the company's ability to generate revenue. Moreover, time and cost aspects may be difficult to determine with accuracy in advance from a development perspective. This entails a risk that planned development will be more costly than planned. Any setbacks in results and/or delays in clinical trials could have an adverse impact on the time it takes for the company to generate revenue, which in turn could increase the need for additional funds.

The company considers the likelihood that the risks described above will occur to be high and is of the opinion that the risks, if they are realized, could have a high adverse impact on the company's operation and future profitability.

Legal and regulatory risks

Risks related to intellectual property rights

Oxcia has exclusive rights under patents and patent applications in four patent families owned by the Helleday Foundation. The commercialization of Oxcia's projects depends on upholding the exclusive licenses obtained through agreements with the Helleday Foundation. The risk that the exclusive licenses obtained from the foundation will expire before the patent does is deemed to be low.

Patents and other intellectual property rights have a limited lifetime, and there is a risk that current and/or future patent portfolios and other intellectual property rights held by or licensed to the company will not provide adequate commercial protection. Should the company be forced to defend its patent rights from use by a competitor, this could give rise to significant costs, which could have a material adverse effect on Oxcia's operation, earnings and financial position. In addition, there is always a risk in this type of operation that Oxcia may infringe, or may alleged-

ly infringe, a patent held by a third party. Due to the uncertainty associated with patent protection, the outcome of such disputes is difficult to predict. Negative outcomes in disputes over intellectual property rights can lead to lost protection, a ban on the continued use of a particular right and an obligation to pay damages. A potential infringement of a third-party patent could therefore also limit opportunities for the company and its future partners to freely develop and commercialize one or more of Oxcia's products. Moreover, the costs of a dispute, even one with a positive outcome for the company, could be significant, which could have a highly adverse effect on Oxcia's profitability. In addition, the aforementioned could result in difficulties and/or lead to delays in future launches or possible outlicensing/sales.

Moreover, there is a risk that the company's pending patent applications, and possible future patent applications, will not be granted or only be granted in certain countries, which could affect Oxcia's opportunities for the continued development of its drug projects to a significant degree.

Overall, the company considers the likelihood that the risks described above will occur to be moderate and is of the opinion that the risks, if they are realized, could have a highly adverse impact on the company's operation and development.

Risks related to regulatory approval and registration
Before continuing clinical trials and marketing and administering treatments, Oxcia or its licensees must obtain regulatory approval and registration in each market from, for example, ethics committees, the US Food and Drug Administration (FDA) and the European Medicines Agency (EMA). Should Oxcia, directly or indirectly via possible future partners, be unable to obtain the necessary regulatory approval and registration, this could have a negative effect on the company in the form of delayed, altered, or – in the worst case – canceled clinical trials. Views on the company's proposed design of upcoming trials could also lead to delays and/or increased costs for Oxcia. The currently applicable rules and interpretations could change in the future, which could affect the ability of the company or its possible future partners to meet various regulatory requirements. Moreover, approvals and registrations may also be revoked.

The company considers the likelihood that the risks described above will occur to be moderate and is of the opinion that the risks, if they are realized, could have a highly adverse impact on the company's opportunities to commercialize and sell any of its drug projects.

Risks related to the share

Offering of shares or other securities in the future
Oxcia is still in an early clinical development phase and is yet to generate significant revenue. It is difficult to make a preliminary assessment of when the company can become profitable. Oxcia requires additional financing to enable the continued development of the company's drug projects. If new financing is provided through shareholder capital, this would entail additional new share issues. A future issue of shares or other securities such as subscription warrants, convertibles, or bonds could adversely impact the share price. Moreover, a new share emission could lead to a dilution of financial rights and voting rights for existing shareholders who do not exercise their right to subscribe for shares in the share issue, or if the company carries out a private placement where preferential rights for existing shareholders are disapplied.

Future performance

Oxcia has several projects in DDR and the oxidative stress technology platform, and is developing new treatments for cancer and inflammatory diseases. The company is now working on concluding the initial clinical trials with OXC-101 in both solid and hematological cancers, and is planning the continued development of OXC-101 as well as carrying out the preclinical activities for OXC-201.

Oxcia is believed to have great potential, and the Board of Directors has a positive view of the future.

Board of Directors in 2022

The overall tasks of the Board of Directors are its responsibility for the company's organization and the administration of company affairs. In carrying out its tasks, the Board is to take the interests of all its shareholders into account. According to the Articles of Association, the Board of Directors is to have at least three and not more than six members, with at most four deputies. Board members are elected annually at the Annual General Meeting (AGM) for the period until the close of the next AGM.

The Board of Directors consisted of Jan Zetterberg (chair), Thomas Helleday, Eva Sjökvist Saers, Ulrika Warpman Berglund, Ingvar Karlsson and Eva Nordström (as of April 1).

The Board held 11 meetings (14) during the year. The Board monitored research findings closely during the year and continuously allocated more resources. During the year, the Board of Directors increased the amount of time for planning the financing of the company's various development programs.

Extraordinary General Shareholder Meeting 2022

An Extraordinary General Shareholder Meeting was held on April 1, 2022 at the company's premises. The meeting passed a number of resolutions in preparation for the listing. The meeting resolved on a 10:1 share split and the election of Eva Nordström as a new ordinary member of the company's Board of Directors. Additionally, resolutions were passed on two warrant programs: one for executive management with a maximum of 120,000 warrants, and one for the Board of Directors with a maximum of 120,000 warrants. Five Board members subscribed for 120,000 warrants, and eight members of executive management subscribed for 93,000 warrants.

New shares can be subscribed for in April–May 2025 for SEK 37.05 per share (after the split).

Annual General Meeting 2022

The Annual General Meeting was held on June 14, 2022 at the Lifecity offices in Solna, Sweden.

The meeting resolved on the re-election of Jan Zetterberg (Chairman of the Board), Ulrika Warpman Berglund, Thomas Helleday, Eva Sjökvist Saers, Ingvar Karlsson and Eva Nordström.

Board fees were set at SEK 200,000 for the Chairman of the Board and SEK 100,000 for non-executive Board members.

EY, with Andreas Nyberg Selvring as auditor in charge, was re-elected as auditor.

Annual General Meeting 2023

The Annual General Meeting will be held on Tuesday, June 13, 2023 at 5:00 pm CEST at the Lifecity offices at Solnavägen 3, Solna, Sweden.

Shareholders will be summoned to attend via a notice in Post- och Inrikes Tidningar and on the company's web site, as well as through information in Svenska Dagbladet that the notice to attend has been issued, at the earliest six weeks and at the latest four weeks prior to the meeting.

Shareholders wishing to have a matter addressed at the Annual General Meeting can submit a written request to Oxcia AB (publ), Attn: Board of Directors, Norrbackagatan 70 C, SE-113 34 Stockholm, Sweden. The request must have been received by the Board at the latest seven weeks prior to the Annual General Meeting, or far enough in advance that the matter can be included in the notice to attend, if required.

The Annual Report will be made available on the web site at the latest four weeks prior to the meeting.

Nomination Committee

In accordance with the resolution of the Annual General Meeting, the three largest shareholders at the end of the third quarter of 2022 were asked to nominate their representatives on the Nomination Committee. Kristina Edfeldt (representing the Helleday Foundation) was appointed as chair of the Committee; Thomas Helleday and Mats Persson (representing Martin Scobie) were appointed as ordinary members.

The Nomination Committee submitted its proposal in February for re-election of the Board and auditor, with unchanged fees.

Related-party transactions

Oxcia has consulting agreements with two Board members.

Jan Zetterberg provides legal services through his company Zedur AB. Invoicing during the period totaled SEK 129,500 (129,211).

Ingvar Karlsson provides financial services concerning the stock market listing via his company St. Jacob Finans AB. SEK 702,000 (250,500) was invoiced during the period.

The Helleday Foundation was invoiced SEK 25,000 per month for various services provided during the period (previous year SEK 25,000). A total of SEK 300,000 (previous year SEK 300,000) has been invoices.

The One-carbon Therapeutics was invoiced SEK 10,000 per month for various services provided during the period (previous year SEK 0). A total of SEK 100,000 (previous year SEK 0) has been invoices.

Pricing was on market terms.

The share

Each subscription warrants from the spring of 2021 entitled the holder to subscribe for one (1) new share during the period from December 1, 2021 to January 31, 2022 at an exercise price of SEK 247 (24.70 after the split).

Through the subscription of new warrants supported by subscription rights, Oxcia generated 834,660 new shares and SEK 20,616,102. The number of shares increased from 20,764,440 to 21,599,100 (restated after the split). The share capital increased from SEK 622,933.20 to SEK 647,973.00.

Earnings after tax divided by the average number of shares for the period totaled SEK -1.48 (-0.64) for the reporting period. At the end of December 2022, Oxcia had approximately 100 shareholders. The number of shares totaled 21,599,100 (after the split, whereby one old share was split into ten new ones) at the end of the period. There are 8,186,370 Class A shares with ten votes each and 13,41,273 Class B shares with one vote each.

In addition, there are a total of 213,000 Series 2022/2025 subscription warrants.

Various warrant programs

Oxcia has a number of warrant programs for executive management and the Board of Directors.

Programs issued by the Helleday Foundation
The shares in these programs are owned by the Helleday Foundation, which will thereby sell shares to the various individuals who hold warrants if demanded upon exercise.

There are two programs in which the Helleday Foundation has issued subscription warrants to the Board of Directors and executive management. These programs are at no cost to Oxcia and do not entail any dilution. Each warrant conveys the right to subscribe for one Class B share.

The 2018-2026 program, in which a new share can be subscribed for by June 2026 at the latest for a subscription price of SEK 5 per new share (after the split), is intended for seven individuals on the Board of Directors and in executive management. In total, there are 450,000 warrants outstanding.

The 2021-2025 program, in which a new share can be subscribed for by December 2025 at the latest for a subscription price of SEK 80 per new share (after the split), is intended for five individuals who were on the Board of Directors at the time. In total, there are 75,000 warrants outstanding.

Programs issued by the company
The General Meeting on April 1, 2022 resolved on two warrant programs. Both can be exercised in April and May 2025, with the right to subscribe for one share at SEK 37.05 per new share for each warrant.

The S 2022-2025 program, which is being carried out under the Act on Employee Stock Options and encompasses 120,000 warrants, is intended for the Board of Directors.

The P 2022-2025 program, which encompasses 93,000 warrants, is intended for executive management and is combined with a stay-on program.

Both programs yield a dilution of 1% and a cost of around SEK 0.6 million for the stay-on program.

A resolution on a 1:10 split was passed at the General Meeting on April 1, 2022, which resulted in all previous programs being restated accordingly.

Significant events after year-end

After the end of the financial year, Oxcia was awarded support of EUR 2.5 million from the EU in order to carry out its preclinical program and first-in-human trial for OXC-201. Oxcia received a SEK 3 million grant from Swelife/MedTech4Health financing an extension cohort in R/R AML in on-going clinical phase 1 trial in advanced blood cancer.

The Helleday Foundation obtained approved patent BR112015011497-0 in Brazil with requirements that encompass OXC-101, and Oxcia has an exclusive lifetime license for the patent.

No other key events that impact the financial statements occurred after the end of the financial year.

Proposal for dividends

The Board of Directors and the CEO propose that no dividend (SEK 0.0 per new share, same as the previous year) be paid for the financial year January 1–December 31, 2022.

Proposed appropriation of earnings

Amounts in SEK	
Funds available for distribution by the AGM:	
Share premium reserve	73,624,438
Loss for the year	-32,220,821
	41,403,617
The Board of Directors proposes that earnings be disposed as follows:	
Loss for the year (SEK 32,220,821) to be offset against the share premium reserve, and the remaining reserve (SEK 41,403,617) to be carried forward:	
Carried forward:	41,403,617

Regarding the company's earnings and position in other respects, refer to the following income statement and balance sheet, statement of changes in equity, statement of cash flows and the accompanying comments on the financial statements and notes.

Income statement

(Amounts in SEK)	Note	2022	2021
Income			
Net sales		419,928	316,659
Other operating income	5	9,225	3,062
Own work capitalized		–	–
Total income		**429,223**	**319,721**
Operating expenses			
Other external costs	6, 7	-25,201,221	-8,983,735
Employee benefit expenses	8, 9	-7,476,725	-3,262,900
Depreciation and amortization of property, plant and equipment and intangible assets	15	-31,774	–
Total operating expenses		**-32,709,720**	**-12,246,635**
Operating loss		**-32,280,497**	**-11,926,914**
Profit/loss from financial items	10		
Other interest income and similar income		59,676	–
Other interest expenses and similar costs		–	-42,677
Total profit/loss from financial items		**59,676**	**-42,677**
Loss after financial items		**-32,220,821**	**-11,969,591**
Tax on net profit/loss for the year	11	–	–
Net loss for the year		**-32,220,821**	**-11,969,591**
Earnings per share before dilution (SEK/share)		-1.48	-6.38
Earnings per share after dilution (SEK/share)		-1.48	-6.38
Average number of shares		21,475,616	1,875,139
Number of shares at end of period		21,599,100	2,076,444

Statement of comprehensive income

(Amounts in SEK)	Note	2021	2020
Net loss for the year		-32,220,821	-11,969,591
Other comprehensive income		–	–
Comprehensive income for the year		**-32,220,821**	**-11,969,591**

Balance sheet

(Amounts in SEK)	Note	31 Dec 2022	31 Dec 2021
ASSETS			
FIXED ASSETS			
Intangible assets	12,13		
Capitalized expenditure for R&D and similar initiatives			–
Leases		100,000	100,000
Total intangible assets		**100,000**	**100,000**
Participations in Group companies		–	–
Other non-current receivables	14	22,972	22,972
Total financial assets		**22,972**	**22,972**
Machinery and equipment	15	154,253	–
Total property, plant and equipment		**154,253**	**–**
Total fixed assets		**277,225**	**122,972**
CURRENT ASSETS			
Current receivables			
Inventory			–
Other receivables		208,781	185,888
Prepaid expenses and accrued income	16	85,201	55,107
Total current receivables		**293,982**	**240,995**
Cash and bank balances		50,308,131	55,982,865
Total current assets		**50,602,113**	**56,223,860**
TOTAL ASSETS		**50,879,338**	**56,346,832**

Balance sheet (cont.)

(Amounts in SEK)	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
EQUITY	17		
Restricted equity			
Share capital		647,973	622,933
Total restricted equity		**647,973**	**622,933**
Non-restricted equity			
Share premium reserve		73,624,438	85,963,133
Loss brought forward		–	-19,991,336
Loss for the year		-32,220,821	-11,969,591
Total non-restricted equity		**41,403,617**	**54,002,206**
Total equity		**42,051,590**	**54,625,139**
Provisions, etc.	18		
Estimated employee benefit expenses		628,739	–
Total provisions		**628,739**	**–**
Non-current liabilities	19		
Other non-current liabilities		–	–
Total non-current liabilities		**–**	**–**
Current liabilities			
Accounts payable – trade		1,373,858	962,068
Tax liabilities		–	–
Other liabilities		463,581	192,954
Accrued expenses and deferred income	20	6,361,569	566,671
Total current liabilities		**8,199,008**	**1,721,693**
TOTAL EQUITY AND LIABILITIES		**50,879,338**	**56,346,832**

Statement of changes in equity

(Amounts in SEK)	Restricted equity	Non-restricted equity				
	Share capital	Share premium reserve	Conditional shareholder contribution	Earnings brought forward	Net loss for the year	Total equity
Opening balance January 1, 2021	**517,241**	**20,582,777**	**12,500,000**	**-3,320,703**	**-29,170,633**	**1,108,682**
Appropriation of earnings by AGM	–			-29,170,633	29,170,633	–
New share issues	105,692	69,903,890				21,000,018
Capital-raising expenses	–	-4,523,534				–
Conversion to unconditional shareholder contribution		–	-12,500,000	12,500,000		–
Loss for the year					-11,969,591	-11,969,591
Other comprehensive income for the year		–			–	–
Closing balance December 31, 2021	**622,933**	**85,963,133**	**–**	**-19,991,336**	**-11,969,591**	**54,625,139**

(Amounts in SEK)	Restricted equity	Non-restricted equity			
	Share capital	Share premium reserve	Earnings brought forward	Net loss for the year	Total equity
Opening balance January 1, 2022	**622,933**	**85,963,133**	**-19,991,336**	**-11,969,591**	**54,625,139**
Appropriation of earnings by AGM	–	-31,960,927	19,991,336	11,969,591	–
New share issues	25,040	20,858,902			20,858,902
Capital-raising expenses		-1,236,670			-1,236,670
Loss for the year				-32,220,821	-32,220,821
Other comprehensive income for the year	–	–		–	–
December 31, 2022	**647,973**	**73,624,438**	**–**	**-32,220,821**	**42,051,590**

Disclosures on shares	Number of shares
Number at January 1, 2022	20,764,440
Of which, Class A shares (10 votes)	8,186,370
Of which, Class B shares (1 vote)	12,578,070
Number at December 31, 2022	21,599,100
Of which, Class A shares (10 votes)	8,186,370
Of which, Class B shares (1 vote)	13,412,730
Number of warrants at December 31, 2022	213,000

Statement of cash flows

(Amounts in SEK)	Note	2022	2021
Operating activities			
Operating loss before financial items		-32,280,497	-11,926,914
Adjustment for non-cash items	21		–
Depreciation/Amortization		31,774	–
Provisions		628,739	–
Interest received		59,676	–
Interest paid		–	-42,677
Tax paid		–	–
Cash flow from operating activities before changes in working capital		**-31,560,308**	**-11,969,591**
Increase/decrease in other current receivables/inventory		-52,987	883,637
Increase/decrease in accounts payable		411,790	159,630
Increase/decrease in other current liabilities		6,065,525	-132,748
Cash flow from operating activities		**-25,135,980**	**-11,059,072**
Investing activities			
Investments in financial assets	22	–	–
Investment in property, plant and equipment	15	-186,027	25,000
Cash flow from investing activities		**-186,027**	**25,000**
Financing activities			
Amortization of loans		–	-822,223
New share issue		20,883,942	70,009,582
Capital-raising expenses		-1,236,670	-4,523,534
Cash flow from financing activities		**19,647,272**	**64,663,825**
Cash flow for the year		**-5,674,734**	**53,629,753**
Cash and cash equivalents at the beginning of the year		55,982,865	2,353,112
Cash and cash equivalents at year-end		**50,308,131**	**55,982,865**

Notes with accounting policies and comments on the financial statements

Note 1. General information

Oxcia AB is a limited liability company registered and headquartered in Solna, Sweden and with offices in Stockholm (Norrbackagatan 70C). The company's operations are presented in the Directors' Report.

The Annual Report for the financial year ended on December 31, 2022 was approved by the Board of Directors on May 16, 2023 and will be presented to the AGM for adoption on June 13, 2023.

Note 2. Note 2 Accounting policies

Summary of significant accounting policies
The main accounting policies applied in the preparation of this Annual Report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

This is the company's second Annual Report in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The transition from K3 to RFR 2 did not have any effect on the income statement, balance sheet, or cash flow for the period January 1–December 31 2020, which was reported in accordance with previous policies. The purpose of the change was to fulfill the requirements in conjunction with listing on Nasdaq First North Premier Growth Market.

The accounts were prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, including a number of new or revised standards, interpretations and improvements as adopted by the EU.

The income statement and the balance sheet for the company were prepared in accordance with the presentation forms of the Annual Accounts Act, whereas the statement of comprehensive income, statement of changes in equity, and the statement of cash flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

The company does not have any subsidiaries, and no consolidated statements are therefore issued. This means that reporting in accordance with the International Financial Reporting Standards (IFRS) accounting is not applicable.

The company's functional currency is the Swedish krona (SEK), which is also the company's reporting currency. This means that the financial statements are presented in SEK. All amounts, unless otherwise stated, are specified in SEK.

2.1 Basis for preparing the financial statements
The company has only one operating segment.

Effects of new or changed IFRS on the company's accounting policies
Amended accounting policies

The changes in RFR 2 Accounting for Legal Entities that were effective in earlier periods pertained to IFRS 16 Leases.

This new lease standard mainly entails changes in how lessees the manner in which leasing agreements must be reported at the lessee. A lessee is required to recognize all leases as assets and liabilities on the balance sheet, unless the lease term is 12 months or less or the underlying asset has a low value. The changes in RFR 2 related to IFRS 16 were adopted on January 1, 2019. The company has rental contracts that would increase the balance sheet total. No complete evaluation of the effects of IFRS 16 has been conducted. There is an exemption in RFR 2 for implementing IFRS 16 in a legal entity.

Adopted changes in RFR 2 that are not yet in effect
The Swedish Financial Reporting Board has also adopted a number of changes that are not yet in effect. These are not expected to affect Oxcia.

2.2 Foreign currencies
Monetary assets and liabilities denominated in foreign currency are reported using the closing rate. Transactions in foreign currency are restated using the exchange rate at the date of the transaction.

2.3 Income taxes
Income tax recognition includes both current and deferred taxes. Tax is recognized in profit or loss, except for cases where it pertains to items recognized directly against equity. In such cases, the tax is also recognized in equity.

Deferred tax is recognized according to the balance sheet method for all significant temporary differences. A temporary difference exists when the carrying amount of an asset or liability is different than its tax base.

Deferred tax is calculated using the tax rate enacted by the balance-sheet date. Deferred tax assets are recognized to the extent it is likely that there is a future taxable surplus against which the temporary differences can be used.

As of December 31, 2022, deferred tax assets tax pertaining to unused tax loss carryforwards amounted to SEK 82.2 million (48.8), which gave rise to a deferred tax asset of SEK 16.9 million (10.1). Deferred tax has not been recognized on the tax loss carryforward since executive management is not yet able to determine when the loss can be utilized against future surpluses. As a result, the company has no tax expense, nor measurement of deferred tax.

2.4 Intangible assets

Intangible assets consist of capitalized expenses for an unlimited right-of-use period for a lease.

Because the company is in the research stage, expenses are recognized as costs.

Development expenditures are recognized as intangible assets when the following criteria are met:

- it is technically and commercially feasible to complete the intangible asset
- intent and ability to sell or use the intangible asset
- it is probable that the asset will generate revenue or result in cost savings
- the costs can be measured reliably

The cost of an internally generated intangible asset comprises the directly attributable expenses required for the asset to be used in the manner intended by company management. Internally generated intangible assets are amortized over their estimated useful lives.

No patent costs were capitalized since the costs relate to various patent applications.

2.5 Property, plant and equipment

Property, plant and equipment are recognized at cost less depreciation. The cost includes expenses directly attributable to the acquisition of the asset.

Property, plant and equipment comprises machinery with an expected service life of five years. Machinery is depreciated on a straight-line basis over five years.

2.6 Leases (rental agreements)

All leases for which the company is the lessee are recognized as operating leases. Lease payments are recognized as a cost on a straight-line basis over the lease term.

2.7 Provisions

Provisions are recognized when the company has, or may be considered to have, an obligation resulting from a past event and it is probable that an outflow of resources will be required to settle the obligation. One condition is that the amount of the obligation can be estimated reliably.

2.8 Financial instruments

Due to the connection between accounting and taxation, the company has decided, in accordance with RFR 2, not to apply IAS 9 but instead to apply a method based on cost pursuant to the Annual Accounts Act.

Receivables

Other receivables are recognized as current assets, since there are no items with a maturity later than 12 months, when they are recognized as fixed assets. Receivables are recognized at the amount expected to be received, after individual assessment.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances. In cases where short-term investments have a maturity of less than three months, they are classified as cash and cash equivalents.

Liabilities

Liabilities are recognized at amortized cost applying the effective interest method.

2.9 Employee benefits

Employee benefits are in the form of paid out salaries and earned holidays, with a reserve for social security expenses. Pension is paid under the ITP1 program. Pension is defined-contribution.

Remuneration of various people who are consultants is paid according to consultancy agreements, under which the individual consultant is responsible for salary, pension and social security expenses, as well as for their own work equipment.

2.10 Statement of cash flows

The statement of cash flows is prepared using the indirect method. The recognized cash flow only includes transactions resulting in cash inflows and cash outflows. In addition to liquid funds, the company's classification of cash and cash equivalents includes balances of liquid current assets that can easily be converted into a known cash amount and carry an insignificant risk of changes in the asset value.

Note 3. Note 3 Estimates and assessments

Preparing the financial statements in accordance with RFR 2 requires that company management make assessments, estimates and assumptions that affect the carrying amounts of assets and liabilities, other information provided in the annual accounts, and the income and expenses recognized during the period. Estimates, assessments and assumptions are reviewed regularly. The actual outcome may differ from these assessments, estimates and assumptions. The estimates and assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are primarily intangible assets. Where there is an indication of impairment of an asset, the recoverable amount of the asset is determined. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired to its recoverable amount.

Note 4. Note 4 Financial risk management

The company is exposed to various types of financial risks that could give rise to variations in profit/loss for the year, cash flow and equity. In addition, the company is exposed to financing and liquidity risk.

The financial risks can primarily be divided into the following categories: market risk (including currency risk, interest-rate risk and price risk), credit risk, and financing and liquidity risk.

Currency risk
Future sales may be denominated in both SEK and foreign currency. The various purchases are denominated in SEK and foreign currency (increased portion). At present, Oxcia is not exposed to any significant currency risk and has no activities designed to delay the effects of currency fluctuations.

Interest-rate risk
Oxcia has no loans but has considerable amounts of cash which are currently not interest bearing. An increase in interest rates could result in financial income on the cash.

Price risk
The company has no investments that could give rise to price risk.

Credit risk
The company has no accounts receivable and thus no credit risk.

Financing and liquidity risk
Financing risk is defined as the risk that costs will increase and financing opportunities will be limited, and that it will not be possible to meet payment obligations due to insufficient liquidity or difficulties in obtaining funding.

The company works continuously to address its liquidity and supply of capital. The supply of capital could come from private placements and preferential rights issues, various grants and, in the future, through revenue.

Note 5. Other operating income

	2022	2021
Licensing revenue	9,225	3,062
Total	**9,225**	**3,062**

Note 6. Operating leases (including rent)

	2022	2021
Future minimum lease fees, which are to be paid in respect of non-cancelable leases:		
Due for payment within one year	102,672	94,296
Due for payment within two to five years	308,016	282,888
Due for payment after five years	–	–
Total	**410,688**	**377,184**
Lease fees expensed during the period	89,937	92,102

Leases pertain to rental agreements for office premises Norrbackagatan 70C. The leases are classified as operating leases, whereby lease fees are distributed straight line over the lease term.

Note 7. Remuneration of auditor

EY	2022	2021
Audit	192,000	213,800
Other assignments	–	43,600
Total	**192,000**	**257,400**

Fees and reimbursements for expenses are divided into four components: audit work (refers to the examination of the annual accounts and accounting records and of the Board of Directors and Chief Executive Officer's administration), other audit work, taxation and other assignments.

Note 8. Remuneration of the Board of Directors

2022	Fees	Other remuneration	Pension	Other benefits	Total
Chairman of the Board (JZ)	200,880	129,500	–	–	330,380
Other Board members	426,870	708,147	–	–	1,135,017
Total	**627,750**	**837,647**	**–**	**–**	**1,465,397**

The fees resolved are SEK 200,000 for the Chairman of the Board and SEK 100,000 per Board member. Fees are paid on a monthly basis in the various years they are earned.

The Board of Directors has received employee stock options. Chairman of the Board Jan Zetterberg and CEO Ulrika Warpman Berglund have received 30,000 employee stock options each, while the remaining Board members have received 15,000 employee stock options.

Refer to Note 23.

2021	Fees	Other remuneration	Pension	Other benefits	Total
Chairman of the Board	126,440	131,232	–	18,288	275,960
Chairman of the Board (UWB)	10,000	845,750	158,680	2,024	1,016,454
Other Board members	240,660	250,500	–	–	491,160
Total	**371,100**	**1,227,482**	**158,680**	**20,312**	**1,783,574**

Guidelines for the remuneration of senior executives
The General Meeting on December 9, 2021 established guidelines for individuals who are part of Oxcia AB's Management Team, which currently consists of the CEO, CMO, CMC Director, Corporate Lawyer, Preclinical Director, Business Strategy & Communication Director, Intellectual Property Director, Clinical Development Director, and Head of Administration and Accounting. The guidelines also cover any remuneration of Board members for work in addition to Board fees. The guidelines can be found in full in the Corporate Governance Report.

Note 9. Salaries, other remuneration and social security expenses

Number of employees	2022	2021
Women	4	8
Men	3	1
Total	**7**	**9**
Average number of employees (FTE)	**3.9**	**1.5**

The number of employees pertains to part-time personnel with varying work hours. Consultants are not included in the average number of employees.

Salaries, remuneration, social security contributions and pension expenses	2022	2021
Salaries and remuneration of other employees	2,575,873	929,782
Social security contributions according to law and agreement	397,719	215,268
Pension expenses for other employees	299,176	39,217
Other benefits	25,380	3,870
Total	**3,298,148**	**1,188,137**

Personnel consists of full- or part-time employees as well as part-time consultants who work via their own companies on a long-term basis. Consultants invoice their fees and are personally responsible for social security expenses, pensions, and similar costs. Remuneration to consultants is listed under "Salary/Fees" and "Variable remuneration".

2022	Salary/Fees	Variable remuneration	Pension	Other benefits	Total
CEO Ulrika Warpman Berglund	1,636,254	–	362,631	–	1,998,885
Other Management Team members (7 persons)	2,575,873	3,530,383	299,176	–	6,405,432
Total	**1,833,385**	**3,530,383**	**197,897**	**–**	**8,404,317**

2021	Salary/Fees	Variable remuneration	Pension	Other benefits	Total
CEO Ulrika Warpman Berglund	855,750	–	158,580	2,024	1,016,454
CEO Jan Zetterberg	126,440	131,232	–	18,288	275,960
Other Management Team members (7 persons)	851,195	1,398,570	39,217	–	2,288,982
Total	**1,833,385**	**1,529,802**	**197,897**	**20,312**	**3,581,396**

Current CEO Ulrika Warpman Berglund has been employed since April 1, 2021.

Four of the senior executives are employees (full-time, part-time, and hourly) with a period of notice of three to six months. Employees have a normal pension according to ITP1. In 2021, there were seven (five) senior executives.

The senior executives who have consultancy agreements receive fixed remuneration per hour or day. Apart from that, they have no benefits. The various consultancy agreements are subject to a period of notice of one month. Remuneration to consultants is reported under "Salary/Fees" and "Variable remuneration".

Note 10. Profit/loss from financial items

	2022	2021
Interest income	59,676	
Interest expenses	–	-42,677
Total	**59,676**	**-42,677**

Note 11. Tax on net profit/loss for the year

	2022	2021
Recognized loss before tax	-32,220,821	-11,969,591
Tax rate (%)	20.6	20.6
Tax calculated at applicable tax rate	6,637,489	2,465,736
Tax effect of non-taxable income		
Tax effect of non-deductible expenses	-9,589	-1,984
Tax effect of capital-raising expenses recognized against equity	254,754	931,848
Loss carryforwards not capitalized	-6,882,654	-3,395,600
Recognized tax expense	**0**	**0**

Unused tax loss carryforwards amounted to SEK 82.2 million (approximately 48.8) and do not have a timescale. In accordance with the accounting policies, the company's tax loss carryforwards are not recognized as assets.

Note 12. Participations in Group companies

	2022	2021
Opening cost	–	75,000
Acquisitions for the year	–	–
Sales for the year	–	-75,000
Closing accumulated cost	**–**	**–**

Specification of ownership share, previous years

	No. of shares,	%	Carrying amount
Zelibra AB, 556881-7224	500	100	0 (50,000)
Voxis AB, 559247-3937	100,000	-75,000	0 (25,000)
Total			**0 (75,000)**

Subsidiary / Corp. Reg. No. / Registered office In 2021, both companies were sold at book value. Neither company conducted operations.

Expenditure for development and similar activities	2022	2021
Opening cost	–	21,094,635
Capitalized expenditure for the year		–
Sales and disposals		-232,955
Closing accumulated cost		20,861,680
Opening impairment	–	–
Impairment for the year		-20,861,680
Closing accumulated impairment		**-20,861,680**
Closing residual value according to plan	**–**	**–**

Note 13. Leases

	2022	2021
Opening cost	100,000	100,000
Closing accumulated cost	**100,000**	**100,000**

The lease is for Oxcia's office, which has been rented under an unlimited right-of-use period.

Note 14. Non-current receivables

	2022	2021
Rental deposit	22,972	22,972
Total	**22,972**	**22,972**

Note 15. Machinery and equipment

	2022	2021
Purchases for the year	186,027	–
Closing accumulated cost	**186,027**	–
Depreciation for the year	-31,774	–
Closing accumulated depreciation	**-31,774**	–
Closing residual value according to plan	**154,253**	–

Note 16. Prepaid expenses and accrued income

	2022	2021
Prepaid rent	10,695	29,466
Prepaid insurance	48,863	25,641
Travel costs	25,643	–
Total	**85,201**	**55,107**

Note 17. Equity

One Oxcia AB share has a quotient value of SEK 0.03.

The number of shares at the end of the financial year was SEK 21,599,100 (20,764,440) and the share capital was SEK 647,973 (622,933).

At the start of the year, a total of 1,629,180 warrants had been issued by Oxcia. Of these, 834,660 were exercised to subscribe for new shares, and the remaining warrants were forfeited. 213,000 warrants were issued during the year. These warrants can be exercised in May 2025. The number of warrants as of December 31 was therefore 213,000.

Note 18. Note 18 Provisions

	2022	2021
Future costs for stay-on bonuses	628,739	–
Total	**628,739**	–

The provision pertains to future stay-on bonuses for individuals who are participating in the 2022/2025 warrant program. The assumption is that all personnel will be employed throughout the period, with the same social security expenses in 2022.

Note 19. Non-current liabilities

Other liabilities to credit institutions	2022	2021
Almi invest (interest rate 5.2%)	–	–
Total	**–**	**–**

In 2021, the entire liability to Almi was repaid: both SEK 822,223 in long-term loans and SEK 666,666 in short-term loans.

Note 20. Accrued expenses and deferred income

	2022	2021
Audit fees	100,000	85,000
Accumulated OXC-101 project costs	5,514,829	130,000
Accumulated OXC-201 project costs	288,865	–
Accrued employee benefit expenses	416,441	300,815
Various accrued expenses	41,434	51,856
Total	**6,361,569**	**567,671**

Note 21. Non-cash items

	2022	2021
Depreciation/Amortization	31,774	–
Provisions	628,739	–
Total	**660,513**	**–**

Note 22. Investment in financial assets, cash flow

	2022	2021
Investments in subsidiaries	–	–
Total	**–**	**–**

Investments were also made in Zelibra in 2020, but did not impact cash flow.

Voxis AB was acquired for SEK 25,000 (corresponding to net assets) in 2020 and was then sold to the Helleday Foundation in 2021.

Note 23. Pledged assets and contingent liabilities

Oxcia previously pledged assets in the form of mortgages that are now back with the company.

Pledged assets	2022	2021
Opening cost	–	–
Total	**–**	**–**

Contingent liabilities
The company does not now have, nor has it had, any contingent liabilities in the last three years.

Note 24. Related-party transactions

Oxcia has consulting agreements with two Board members.

Jan Zetterberg provides legal services through his company Zedur AB. Invoicing during the period totaled SEK 129,500 (129,211).

Ingvar Karlsson provides financial services the stock market listing via his company St. Jacob Finans AB. SEK 724,258 (250,500) was invoiced during the period.

The dormant companies Voxis AB and Zelibra AB were transferred to the Helleday Foundation in 2021. The prices for all shares in Voxis and Zelibra were SEK 25,000 and SEK 50,000, respectively, which are the same as the net assets. The transactions thus had no impact on earnings.

The Helleday Foundation was invoiced SEK 25,000 (25,000) per month for various services provided during the period. A total of SEK 300,000 (300,000) has been invoiced.

One-carbon Therapeutics AB was invoiced SEK 10,000 (0) per month for various services provided during the period. A total of SEK 100,000 (0) has been invoiced.

Pricing was on market terms.

Note 25. Events after the balance-sheet date

No other key events that impact the financial statements occurred after the end of the period.

The company's income statement and balance sheet will be presented to the AGM on June 13, 2023 for adoption and are thereby approved for publication.

The Board of Directors and the CEO affirm that the annual accounts have been prepared in accordance with generally accepted accounting standards and RFR 2 (Swedish Financial Reporting Board), and provide a true and fair view of the company's earnings financial position.

The Directors' Report for the company provides a fair overview of the development of the company's operations, earnings and financial position, and describes material risks and uncertainties facing the company.

Stockholm, May 16, 2023

Jan Zetterberg
CHAIRMAN OF THE BOARD

Eva Sjökvist Saers
BOARD MEMBER

Thomas Helleday
BOARD MEMBER

Ingvar Karlsson
BOARD MEMBER

Eva Nordström
BOARD MEMBER

Ulrika Warpman Berglund
BOARD MEMBER AND CEO

Our audit report was issued on 16 May 2023
Ernst & Young AB

Andreas Nyberg Selvring
AUTHORIZED PUBLIC ACCOUNTANT

Auditor's report

To the general meeting of the shareholders of Oxcia AB, corporate identity number 556932-4717

Report on the annual accounts

Opinions

We have audited the annual accounts of Oxcia AB for the year 2022. The annual accounts of the company are included on pages 35-55 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of 31 december 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

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

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 in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Other Information than the annual accounts

This document also contains other information than the annual accounts and is found on pages 1-34. The Board of Directors and the Managing Director are responsible for this other information.

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

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

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. 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 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 or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the annual accounts. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinions.

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

Report on other legal and regulatory requirements

Opinions

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

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size, 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 financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

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

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

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

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

Stockholm 16 May 2023
Ernst & Young AB

Andreas Nyberg Selvring
AUTHORIZED PUBLIC ACCOUNTANT

Corporate Governance Report

Oxcia AB (publ), ("Oxcia" or the "company") is a Swedish public limited liability company that intends to be listed on Nasdaq First North Premier in Stockholm. Corporate governance in Oxcia is based on Swedish law, the Articles of Association, Nasdaq Stockholm's Rule Book for Issuers, and internal regulations and provisions. The company is applying the Swedish Corporate Governance Code ("the Code") for the first time. The complete Code is available at www.bolagsstyrning.se.

Corporate governance

The trust of the company's markets, owners and the public are paramount to Oxcia's continued success. It assumes that the Board of Directors and executive management act in a responsible, dedicated and transparent manner. Therefore, it is reassuring that the company had a well-functioning Board during the year that constructively analyzed and decided on key issues regarding the company's long-term financing and the progress of its development projects.

Equally important for Oxcia's credibility is its transparency with the market and that the company provides information regularly regarding initiatives and the outcome of these in the operations. This is the basis of a value-creating relationship with all stakeholders where both existing and new shareholders should feel confident that they receive the correct information at the right time. Oxcia has applied the relevant regulations for communication to the stock market since November 2021.

Application of the Code

The Code applies to all Swedish companies whose shares have been admitted to trading on a regulated market in Sweden. The company is not required to comply with all the rules in the Code since the Code states that companies may deviate from the rules provided that they report each deviation, describe their own solution and explain why in the corporate governance report (in accordance with the "comply or explain" mechanism).

Oxcia has chosen not to appoint any Board committees; instead, the entire Board of Directors has served as the Audit and Remuneration Committees. This is justified by the fact that the Board of Directors is comprised of only six members, and considering the size of the company in terms of employees and consultants. The auditor will report once a year as of 2022. The Q3 interim report was not reviewed in 2022.

At present, the company has not identified any other deviations from the Code.

Shareholders

On December 31, 2022, the total number of shares in the company was 21,599,100, distributed among approximately 100 shareholders. The total number of votes was 95,276,430, with 8,186,370 Class A shares with ten votes each and 13,412,730 Class B shares with one vote each. For more information about the company's ownership structure and major shareholders, refer to page 34 in the Annual Report.

Articles of Association

Oxcia's Articles of Association stipulate that the company's operation is to conduct and promote research and sales of products in the medical field, and thereby to pursue a comparable operation as well as to own and manage shares and other securities. The Articles of Association otherwise contain provisions regarding the number of shares, the number of Board members and auditors as well as the Annual General Meeting. Oxcia has two classes of shares. Class A shares convey the right to ten votes, and Class B shares convey the right to one vote. In the event of a preferential rights issue, holders of Class A and Class B shares have precedence in subscribing for shares of the same class.

The Articles of Association contain no separate provisions pertaining to the appointment or removal of Board members or the amendment of the Articles of Association. The Articles of Association in their entirety can be downloaded at www.oxcia.com

Annual General Meeting

Shareholders exercise their influence over Oxcia at the Annual General Meeting, which is the company's highest decision-making body. The Annual General Meeting convenes at least once per year and decides on such matters as the adoption of the company's balance sheet and income statement, including the appropriation of the company's earnings, discharge from liability for the Board of Directors and CEO, election of the Board of Directors and auditors, fees to the Board of Directors and auditors, and procedures for appointment of the Nomination Committee. Amendments to the Articles of Association also require a resolution at the Annual General Meeting. Shareholders who wish to participate in the meeting must be registered in the share register under their own name no later than five business days before the meeting and notify the company of their intention to participate no later than the date stipulated in the notice. Shareholders are to attend the meeting in person or via a proxy.

The Annual General Meeting is, or can be, held in Stockholm or elsewhere in Stockholm County during the first half of every year. In conjunction with the Q3 interim report, Oxcia's shareholders are notified of the time and place of the Annual General

Meeting as well as their right to have matters addressed at the meeting. The notice of the Annual General Meeting is published no earlier than six weeks and no later than four weeks before the meeting via an advertisement in Svenska Dagbladet and Post & Inrikes Tidningar. The complete notice is posted on the web site. Extraordinary General Shareholder Meetings can be held if the Board of Directors feels there is a need or if requested by the company's auditors or shareholders who hold at least 10% of the shares.

Extraordinary General Shareholder Meeting, April 1

An Extraordinary General Shareholder Meeting was held on April 1, 2022, and was conducted in a Covid-safe manner via postal voting. The meeting passed a number of resolutions in preparation for the listing. The meeting resolved on a 10:1 share split and the election of Eva Nordström as a new ordinary member of the company's Board of Directors. Additionally, resolutions were passed on two warrant programs: one for executive management with a maximum of 120,000 warrants, and one for the Board of Directors with a maximum of 120,000 warrants. Five Board members subscribed for 120,000 warrants, and eight members of executive management subscribed for 93,000 warrants.

A total of five shareholders voted, corresponding to 91.8% of the existing votes.

Annual General Meeting 2022

Oxcia's Annual General Meeting was held on June 14, 2022 in Solna, Sweden. It was the first "normal" meeting since the start of the pandemic. A total of 12 shareholders voted, corresponding to 92.9% of the total number of votes.

The company's Board of Directors, executive management, the Nomination Committee and auditors did not attend the meeting due to Covid restrictions.

The following resolutions were passed:

Oxcia's income statement and balance sheet were adopted. Furthermore, it was decided that dividends for the 2021 financial year would amount to SEK 0.00 per share. The Board of Directors and the CEO were discharged from liability.

The Annual General Meeting authorized the Board of Directors, for the period up until the next Annual General Meeting, to make decisions on new issues of shares and issues of subscription warrants and/or convertibles, on one or more occasions and with or without deviation from shareholders' preferential rights.

Jan Zetterberg, Thomas Helleday, Eva Sjökvist Saers, Ingvar Karlsson, Eva Nordström and Ulrika Warpman Berglund were re-elected to the Board. Jan Zetterberg was elected Chairman of the Board. Re-election of EY, with Andreas Nyberg Selvring as auditor in charge.

Fees to the Board of Directors were unchanged and are presented in the table on page 60 and in Note 8 of the Annual Report.

The minutes of the Annual General Meeting were published on the web site within one week of the AGM. The materials from the meeting, such as the notice and the minutes, can be found on Oxcia's web site. The complete resolutions of the meeting as listed above are available from the company at the address: Norrbackagatan 70C, SE-113 34 Stockholm, Sweden, and will be sent to shareholders who request a copy.

Nomination Committee

The Nomination Committee's primary duty is to submit proposals for the composition of the Board of Directors to be resolved on at the Annual General Meeting.

The work of the Nomination Committee is distinguished by transparency and discussion with the ambition of creating a well-balanced Board of Directors in relation to the needs of the company. The Nomination Committee then nominates members to the Board of Directors for the next term, submits proposals for Board and auditor fees, and provides proposals regarding the election of an audit firm when applicable.

Nomination Committee ahead of the 2023 Annual General Meeting

The meeting in June 2021 resolved on rules for appointing a Nomination Committee. The major shareholders are to appoint a Nomination Committee ahead of the 2023 Annual General Meeting, which is to comprise one representative for the three largest shareholders in terms of votes at the end of September 2022. Should a shareholder decline, the invitation passes to the next largest shareholder/group of shareholders. The first meeting of the Nomination Committee is to be convened by the Chairman of the Board, who is co-opted at Committee meetings. The composition of the Nomination Committee was announced in a press release in November. Kristina Edfeldt (representing the Helleday Foundation) was appointed as chair of the Committee, and Thomas Helleday (representing Thomas Helleday) and Mats Persson (representing Martin Scobie) were appointed as ordinary members.

The Nomination Committee held one meeting during the 2022/23 period. The Nomination Committee's interim proposal was presented in addition to the press release in February and supplemented ahead of the notice of the AGM in May 2023. The press releases are available on the company's web site together with a reasoned statement regarding the proposed Board of Directors.

Board of Directors

The Board of Directors and, by extension, the CEO administer the company's affairs on behalf of the owners. The Board appoints the CEO who is responsible for the day-to-day management of the company. How the work and responsibilities are divided between the Board and the CEO is described in the rules of procedure for the Board and the instructions for the CEO.

The Board is elected by the shareholders at the Annual General Meeting for a term lasting from one Annual General Meeting through to the end of the next. On behalf of the owners, the Board of Directors is responsible for the administration of the company by setting targets and strategies, monitoring the economic situation, assessing operating management and ensuring that systems are in place for follow-up and control of set targets. The Board is also responsible for ensuring that a communication plan is in place and that the company's communication is accurate, relevant and reliable.

If more than half of the members are present, the Board constitutes a quorum. Under Oxcia's Articles of Association, the Board of Directors must consist of at least three and at most six members, with at most four deputies. The Board is constituted at the inaugural meeting held immediately after the Annual General Meeting.

Chairman of the Board

Since 2021, Oxcia's Board of Directors has been led by Chairman of the Board Jan Zetterberg. The Chairman of the Board is elected by the Annual General Meeting. The Chairman of the Board organizes and leads the work of the Board, ensures that the Board constantly improves its knowledge of the company, conveys the owners' opinions and provides support to the CEO. The Chairman of the Board and the CEO prepare proposals for Board meeting agendas. The Chairman is responsible for monitoring that the Board's decisions are effectively carried out, that the work of the Board is evaluated every year and that the Nomination Committee is informed of the outcome of the evaluation.

The Board's rules of procedure

Each year, the Board of Directors establishes rules of procedure for its work. The current rules of procedure were adopted on June 14, 2022. The rules of procedure are reviewed annually and establish the duties of the Board and the Chairman of the Board, audit matters, and which reports and financial information the Board will receive ahead of each regular Board meeting. Decisions regarding Board committees are made at the inaugural meeting when the Board's rules of procedure are adopted. The various policies – especially the information policy – are reviewed annually.

Evaluation of the work of the Board

Under the leadership of the Chairman of the Board, the Board evaluates its work once a year. The evaluation reviews the structure, the flow of information between executive management and the Board, and the work atmosphere. Furthermore, the focus of the Board's is evaluated, along with access to and the need for special expertise on the Board. The evaluation is used as a tool to improve the Board's work and communication with executive management. In accordance with the Swedish Corporate Governance Code, relevant segments of the outcome are presented to the Nomination Committee.

Composition of the Board of Directors, 2022

In 2022, the Board of Directors initially consisted of five Board members with no deputies. Eva Nordström was elected as a new member at an Extraordinary General Shareholder Meeting on April 1. At the ordinary Annual General Meeting on June 13, Jan Zetterberg, Thomas Helleday, Eva Sjökvist Saers, Ulrika Warpman Berglund, Ingvar Karlsson, and Eva Nordström were re-elected to the Board.

The Board members possess extensive experience and expertise in research, clinical testing and medical regulations such as legal and finance, as well as business and international operations. The composition of the Board complies with the Code's requirement concerning independent members. Information concerning Board members required in accordance with item 10.2 of the Code can be found on page 60.

The work of the Board in 2022

In 2022, Oxcia's Board held a total of 11 (14) minuted meetings. One larger meeting is held every quarter. Attendance was excellent, made easier by the fact that all meetings except two were digital. By and large, this enabled all members to attend all meetings.

The CEO of the company is an elected member and therefore participates in all of the Board's meetings.

Board meetings and main issues

The regular meetings reviewed the progress of the company's research and its financial status.

Month (minutes no.)	No. of meetings	Main items
Feb (55,56,57)	3	Subscription warrant allocation, Q4, annual planning, and notice of the AGM
Apr (58,59,60)	3	Clinical planning, warrants, Q1, notice of the AGM
Jun (61)	1	Inaugural Board meeting
Aug (62)	1	Q2 and policies
Oct (63)	1	Capitalization
Nov (64)	1	Q3, risks and policies
Dec (65)	1	Business plan

Attendance of the Board

Name	Independent in relation to the company	Independent in relation to owners	Remuneration (SEK thousand)	Board meeting attendance
Jan Zetterberg	No	No	200	11/11
Thomas Helleday	Yes	No	100	10/11
Eva Sjökvist Saers	Yes	Yes	100	10/11
Ulrika Warpman Berglund	No	No	–	11/11
Ingvar Karlsson	Yes	Yes	100	11/11
Eva Nordström	Yes	Yes	67	5/11

CEO and the company's executive management

The CEO is appointed by and receives instructions from the Board. Oxcia's CEO for 2022, Ulrika Warpman Berglund, was responsible for the company's day-to-day management as well as strategic and operating issues in accordance with the Board's guidelines and instructions. The current instructions for the CEO were adopted by the Board on June 14, 2022. The CEO prepares information and decision-making material in collaboration with the Chairman ahead of Board meetings and presents information at the meetings. The Board regularly evaluates the work of the CEO by following up set targets. A formal evaluation is performed annually that is then discussed with the CEO.

Composition of executive management, 2022

The CEO has appointed a Management Team that is responsible for various aspects of Oxcia's operations. In 2022, in addition to the CEO, the Management Team consisted of seven members:

- CMO
- CMC Director
- Preclinical Director
- Business Strategy & Communication Director
- Intellectual Property Director
- Clinical Development Director
- Head of Administration and Accounting
- Legal Counsel

Most of the company's staff and executive management work at the company's office in Stockholm, Sweden. The Management Team has minuted meetings during which operations-related issues are discussed, measures are decided on or referred to the Board, and minutes are taken. Assignments from the Board are followed up and reported back to the Board. Every year, executive management drafts a business plan and targets for the year ahead that are adopted by the Board during the first quarter. A presentation of the CEO and the Management Team is available on page 31-29, along with information concerning the CEO required in accordance with item 10.2 of the Code.

Auditors

The external auditors elected by the Annual General Meeting review the administration of the Board and CEO and examine the financial reporting. The auditors are nominated by the Nomination Committee and elected by the Annual General Meeting for a term of one year. The 2022 Annual General Meeting re-elected EY as auditors for the period up until the 2023 Annual General Meeting.

Authorized public accountant Andreas Nyberg is the auditor in charge. The auditor is tasked with auditing Oxcia's annual report and annual accounts, as well as the administration of the Board and the CEO, on behalf of the shareholders. In addition to the annual audit, the auditor normally reviews at least one of the company's interim reports each year (generally Q3). This did not take place in 2022. The auditor's fee are paid in accordance with approved account. Refer to Note 7 for the amount.

Remuneration

Salaries, remuneration and other benefits to the Board of Directors, the CEO and other senior executives are presented in the Annual Report in Note 9. Remuneration of the Board of Directors can also be viewed in the table on page 51.

Remuneration guidelines

The Extraordinary General Shareholder Meeting on December 9 established guidelines for remuneration.

These guidelines refer to the members of Oxcia AB's ("**Oxcia**" or the "**company**") Management Team, which currently consists of the CEO, CMO, CMC Director, Preclinical Director, Business Strategy & Communication Director, Intellectual Property Director, Clinical Development Director, Head of Administration and Accounting, and Legal Counsel.

The guidelines also cover any remuneration of Board members for work in addition to Board fees.

The guidelines are applicable to remuneration agreed, and changes made to remuneration already agreed after adoption of the guidelines at the Extraordinary General Shareholder Meeting on December 9, 2021. For senior executives who perform their duties as consultants, relevant segments of the guidelines apply. The guidelines do not cover remuneration resolved by the Annual General Meeting, such as fees to Board members and share-based incentive programs.

Types of remuneration, etc.

Remuneration is to be in line with market conditions and competitive, and consist of one or more of the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. The level of remuneration for each individual senior executive is to be based on such factors as duties, expertise, experience, position and performance. In addition, the Annual General Meeting may – irrespective of these guidelines – decide on share-based and share price-based remuneration.

Concerning terms of employment that adhere to regulations other than Swedish regulations in terms of pension benefits and other benefits, appropriate adaptations may be made to comply with such statutory regulations or established local practice so that the overall intention of these guidelines is met as far as possible.

Fixed salary

The CEO and other senior executives are to be offered a fixed annual cash salary. The fixed salary is to reflect the senior executive's expertise, sphere of responsibility and performance. A review of the fixed salary should be made annually. For senior executives who perform their duties as consultants, consultant fees are to be settled in accordance with agreed remuneration policies.

Variable cash remuneration

In addition to a fixed salary, the CEO and other senior executives may receive variable cash remuneration in accordance with separate agreements. Variable cash remuneration covered in these guidelines is intended to reward the achievement of targets that promote Oxcia's business strategy and long-term interests, including its sustainability. The company's size and financial situation are to be taken into account.

The achievement of the criteria for awarding variable cash remuneration shall be measured over a one-year period. The annual variable cash remuneration may not exceed one sixth (1/6) of the fixed annual salary for the CEO and one twelfth (1/12) of the fixed annual salary for other senior executives and may not be paid out more than once a year per individual for other senior ex-

ecutives, at which point the individual maximum levels are to be set based on the individual's position and other factors. Variable cash remuneration shall not qualify for pension benefits.

The variable cash remuneration shall be linked to predetermined and measurable criteria set by the Board that may be financial, such as meeting the budget, or non-financial, such as delivery in line with project deadlines or significant progress in collaborations with external partners. More than 50% of the variable cash remuneration shall be based on non-financial criteria. Because the targets link Oxcia's financial and operational progress to the senior executives' remuneration in a clear and measurable manner, they promote the implementation of the company's business strategy, long-term interests and sustainability.

When the qualification period for the criteria for awarding variable cash remuneration has ended, the extent to which the criteria have been met is to be assessed and determined. Oxcia's Board – or remuneration committee, if such a committee has been established by Oxcia's Board to carry out these duties – is responsible for this assessment. The fulfillment of financial criteria is to be determined based on the company's most recent published financial information. The Board is to have the opportunity to reclaim, either in whole or in part, variable cash remuneration that subsequently proves to be incorrect.

Additional variable cash remuneration may be awarded in the event of extraordinary circumstances, on the condition that such extraordinary arrangements are on made on an individual level, either with the intent to recruit or retain executives, or as remuneration for extra work above and beyond the individual's ordinary duties. Such remuneration may not exceed an amount corresponding to one eighth (1/8) of the fixed annual salary and may not be awarded more than once a year per individual. Decisions regarding such remuneration are to be made by the Board. The Remuneration Committee, if Oxcia's Board has established one, is responsible for the preparation of such a decision by the Board.

Pensions benefits

Pensions, including health insurance, are normally to comprise a defined-contribution plan (ITP1). The premiums for defined-contribution plans, including health insurance, may not exceed 25% of the fixed annual salary for the CEO or the terms of ITP1 for other senior executives. Extraordinary provisions may be made when these are based on terms of employment or salary renunciation.

Other benefits

Other benefits may consist of life insurance, medical insurance and company cars. Premiums and other costs associated with such benefits may not collectively exceed 10% of the fixed annual salary.

Termination of employment and severance pay

A maximum six-month period of notice applies when employment is terminated by Oxcia. Severance pay, in addition to salary and other remuneration during the period of notice, may not exceed an amount that corresponds to six times the cash monthly salary. A maximum six-month period of notice applies when employment is terminated by the senior executive.

Compensation for commitments to non-compete clauses may be awarded to compensate for any possible loss of income. Such compensation may only be awarded if the former senior executive is not entitled to severance pay. Compensation is be based on the fixed salary at the time of termination, may not exceed 60% of the fixed salary at the time of termination, and is to be paid during the period for which the non-complete clause is valid, which is not to exceed 12 months after employment is terminated. This is to be set off against other forms of income from employment.

Employee salaries and terms of employment

In the preparation of the Board's proposal for these remuneration guidelines, salary and terms of employment for Oxcia's employees have been considered by including data on the employees' total income, the components of remuneration, and the increase in remuneration and growth rate over time in the Board's evaluation of whether the guidelines and the limitations stipulated are reasonable.

Consultant fees to Board members

To the extent a Board member performs services for the company, in addition to the Board assignment, the company will pay market-based consultant fees for such services to the Board member or to a Board member-controlled company provided that such services promote the implementation of Oxcia's business strategy and safeguard Oxcia's long-term interests, including its sustainability.

Preparation and decision-making procedure

Oxcia's Board, or remuneration committee if such a committee has been established by Oxcia's Board to carry out these duties, is tasked with preparing proposed guidelines for senior executive remuneration for resolution. The Board shall prepare a proposal for new guidelines at least every four years and submit it to the Annual General Meeting for resolution. Adopted guidelines are to apply until new guidelines are adopted by the Annual General Meeting. Oxcia's Board, or remuneration committee if such a committee has been established by Oxcia's Board to carry out these duties, is also responsible for monitoring and evaluating the program for variable remuneration to company management, the application of the guidelines for senior executive remuneration, and the remuneration structures and levels in the company. Neither the CEO nor other members of company management participate in the Board's processing of and decisions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including it sustainability, or to ensure the company's financial viability. As set out above, the duties of any remuneration committee include preparing the Board's resolutions on remuneration-related matters, including any resolution to derogate from the guidelines.

Information regarding resolved remuneration not yet due for payment

In addition to the obligation to pay regular remuneration such as salary, pension and other benefits, no previous resolved remuneration amounts to any senior executive are outstanding. For further information regarding senior executive remuneration, refer to Oxcia's Annual Report.

The Board of Directors' report on internal control and risk management concerning financial reporting

This internal control report regarding financial reporting is submitted by Oxcia's Board of Directors and is prepared in accordance with the Swedish Corporate Governance Code.

Background

According to the Swedish Companies Act and the Code, the Board is responsible for internal control.

Control environment

The basis for internal control is the overall control environment. A good control environment is rooted in an organization that has clear decision-making procedures in which responsibility, authority, the flow of communication and decisions are clearly defined. Oxcia has policies, guidelines and procedural descriptions for the various stages of running the business, from handling transactions to accounting and the preparation of external reporting. Visma is used for accounting, storage and backup in the cloud.

Risk assessment

The Board is responsible for identifying and managing material financial risks and the risk of misstatements in external reporting. Every year, the Board reviews the need for risk management and prepares written policies for both overall risk management and for specific areas such as currency risk, interest-rate risks, etc. A detailed review of risks was carried out during the year. The risks were classified according to likelihood and impact. A number of risks were then selected where executive management is engaged in various initiatives to reduce the risk or its effect.

Control activities

Control activities are primarily designed to prevent and detect errors as early as possible so that corrections can be made and shortcomings can be remedied. Procedures and activities have been designed to detect and manage the most material risks related to the financial reporting. The Board receives monthly reports in which the CEO presents the company's results and financial position for the most recent period. The procedures for monthly financial statements and the annual report are well defined, and reporting follows standardized reporting templates, including comments for all material income and balance sheet items. A significant aspect of internal control is the division of responsibility among different people for procurement, authorization of invoices and payments. This ensures more controls of the company's financial statements, thereby reducing the risk of misstatement.

For the moment, the review indicates that the company's size and risk exposure do not warrant the introduction of an internal audit function. It is the Board's assessment that given the existing monitoring and control procedures, there is no need for one at this time.

Information and communication

Oxcia's procedures and systems for communicating information aim to provide the market with relevant, reliable, accurate and current information about the company's progress and financial position. The Board has adopted an information policy that stipulates what should be communicated, by whom and in what manner the information shall be released to ensure that the external information is accurate and complete. Financial information is made available regularly in the form of interim reports, annual reports and press releases about news that is share-price sensitive. The material is published in Swedish and English on the company's web site.

Follow-up

Compliance with and the effectiveness of the internal controls are followed up regularly. The company's financial situation and strategy in regard to its financial position are addressed at every Board meeting where the Board receives detailed monthly reports on the financial position and progress of the operations. Every interim report is analyzed by the Board, feedback is given and discussed with the CEO, and the report is approved by the Board ahead of publication.

Activities in 2022

Oxcia is continuously engaged in minimizing risks by eliminating unnecessary manual stages in the company's processes. The company will expand the use of Visma to other areas such as salary management.

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of Oxcia AB, corporate identity number 556932-4717.

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2022 (the financial year 2022-01-01 – 2022-12-31) on pages 56–61 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

We conducted our audit in accordance with FAR`s standard RevR 16 The auditor's examination of the corporate governance statement. That standard requires that we have planned and performed the audit to obtain reasonable assurance that the corporate governance statement is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the information included in the corporate governance statement. We believe that our audit procedures provide a reasonable basis for our opinions.

Opinion

A corporate governance statement has been prepared. It is consistent with the annual accounts and the consolidated accounts and is in accordance with the Annual Accounts Act.

Stockholm 16 May 2023
Ernst & Young AB

Andreas Nyberg Selvring
AUTHORIZED PUBLIC ACCOUNTANT

Financial calendar

Annual General Meeting	June 13, 2023
Interim report January–June 2023	August 23, 2023
Interim Report January–September 2023	November 24, 2023
Year-End Report 2023	February 23, 2024

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This information is also available in Swedish. The English text is an unofficial translation of the original Swedish text. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

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