mendus

Changing the course of cancer treatment

2022

YEAR-END REPORT

January – December

Significant events of Q4 2022

» Net sales for the period amounted to KSEK – (–)

» Result for the period amounted to KSEK -43,280 (-32,843).

» Earnings and diluted earnings per share totaled SEK -0.22 (-0.16).

» Mendus presented positive survival and immunomonitoring data from the ADVANCE II trial evaluating DCP-001 as a maintenance therapy in AML at the American Society of Hematology (ASH) meeting

» Mendus hosted a key opinion leader event on immunotherapy for maintenance treatment of Acute Myeloid Leukemia patients in remission

» Mendus secured a first shareholder loan from Van Herk Investments and signs the final documentation with Negma Group

» Mendus presented data at SITC 2022 demonstrating the potential of the DCOne platform to expand memory NK cells for therapeutic purposes

» Mendus secured a manufacturing partner for establishing the potential pivotal trial-stage and commercial production of DCP-001

» Mendus reported positive clinical and preclinical data in ovarian cancer at the European Society of Gynaecological Oncology 2022 Congress

» Mendus received final payment as a result of the completion of the EU Horizon 2020 AML-VACCiN project

Significant events after end of period

» Mendus announced the request for a first tranche of the convertible loan from Negma Group. For a summary of all outstanding convertible debentures and issued shares upon conversion in accordance with the financing agreement with Negma, please refer to the "Convertible Debentures" section of the investor page on Mendus website.

Financial summary

Amounts in KSEK	2022 oct-dec	2021 oct-dec	2022 jan-dec	2021 jan-dec
Revenue	–	–	–	–
Operating profit/loss	-41,557	-31,746	-133,957	-130,100
Net profit/loss	-43,280	-32,843	-138,786	-133,410
Earnings/loss per share, before and after dilution (SEK)	-0.22	-0.16	-0.70	-0.73
Cash	41,851	155,313	41,851	155,313
Shareholders equity	514,439	656,742	514,439	656,742
Average number of employees	33	30	31	29

CEO Comment

Mendus focuses on changing the course of cancer treatment by developing immunotherapies that combine durable clinical responses with a benign safety profile

We do so by making use of our unique expertise in allogeneic dendritic cell biology. Durability of response and safety are particularly relevant in maintenance therapies, aimed at the prevention of tumor recurrence. The positive Phase 2 data we presented at the American Society for Hematology conference last December for our lead program DCP-001 in acute myeloid leukemia (AML) underline these principles. The data provide the basis for broader positioning and, eventually, the path to market registration of DCP-001 as a new maintenance treatment in AML. In 2022 we also reported the first positive clinical safety data with DCP-001 in ovarian cancer and completed the preparations for a next clinical trial with our intratumoral primer ilixadencel. In January 2023 the World Health Organization (WHO) confirmed that they selected vididencel as the International Nonproprietary Name (INN) for DCP-001 and we will start using the name vididencel in our future communication. Finally, our preclinical research resulted in a novel method for the expansion of memory NK cells, potentially creating the starting point for a promising new pipeline program in the exciting upcoming field of NK cell-based therapies. We are very happy with the progress we have made on all fronts in 2022 and the continued commitment of our entire team to develop impactful new cancer therapies. For 2023, we have taken necessary steps to focus on our most value-generating projects.

One of the most challenging cancers to address with an immunotherapy approach is acute myeloid leukemia (AML), an aggressive blood-borne tumor leading to rapid disturbance of the bone marrow and blood count. Even when AML is treated successfully with high-dose chemotherapy and results in complete remission according to clinical parameters, relapse rates are very high. Therefore, there is a big medical need for maintenance therapies, designed to prevent or delay relapse. This is the opportunity we seek to exploit with our immunotherapy product candidate vididencel (DCP-001).

In December 2022, Mendus presented positive Phase 2 data from the ADVANCE II trial. The trial is evaluating vididencel (DCP-001) as a maintenance treatment for AML patients who are unable to receive a transplant. All patients enrolled in the trial had undergone chemotherapy, but still showed measurable residual disease (MRD), which is associated with a very high relapse rate and poor survival outcome. The ADVANCE II data, which we presented during the American Society for Hematology (ASH) 2022 conference, demonstrated that the majority of patients, 12 out of 20, were alive and disease-free after the completed active study period remained disease-free in long-term follow-up ranging from 16 to 47 months at the time of the data cut. The main product-related side effects observed were redness and other inflammation-related symptoms at the site of injection, confirming the product's excellent safety profile and mode-of-action. Improved immune responses against tumor antigens following vididencel (DCP-001) treatment were observed in most patients and correlated with clinical outcome. The positive monotherapy Phase 2 data from the ADVANCE II trial put us in a position to develop vididencel (DCP-001) in the broader AML maintenance setting and this will be a key priority for the company in 2023. In parallel to the clinical development, we will implement a commercial-scale manufacturing process and for this we have initiated in 2022 a collaboration with Minaris, a multinational contract manufacturing organization.

Also in 2022, we published first data of our ongoing Phase 1 trial with vididencel in ovarian cancer at the European Society of Gynecological Oncology (ESGO) meeting. The positive safety data represent a first important step to position as a potential maintenance therapy in solid tumors.

For our intratumoral immune primer ilixadencel, we have made progress

towards the start of a new Phase 2 trial in gastrointestinal stromal tumors (GIST). These tumors are particularly difficult to treat after first-line treatment failure. Therefore, we explored how ilixadencel can be best combined with currently available and upcoming second- or third-line treatments. In parallel, we have focused on improving the manufacturing process for ilixadencel required for future clinical development and commercial manufacturing of this product. On both fronts, we have achieved meaningful progress. Interest in the medical community to evaluate ilixadencel in the clinic in GIST and potentially additional indications remains high and the basis for a more robust manufacturing process is now in place.

Next to supporting the clinical pipeline and process development activities of the company, our preclinical research has focused on the identification of potential new pipeline programs. It has delivered multiple novel concepts including the design of next-generation immune primers derived from the DCOne cell line and combination approached based on vaccination and intratumoral priming. Preclinical data demonstrating the synergistic effect of combining vaccination with intratumoral priming in ovarian cancer were presented at the ESGO conference, potentially opening up additional treatment methods in this disease. Preclinical data supporting the combination potential of ilixadencel with CTLA-4 checkpoint inhibitors were published in the peer-reviewed journal OncoImmunology. The strong anti-tumor effect observed specifically with CTLA-4 inhibition provides preclinical rationale to explore this combination

Erik Manting, Chief Executive Officer.

therapy in the clinic. In 2022 we have ended our collaborations with Glycotope and PCI, in order to focus on our in-house programs.

As part of our preclinical research activities, we have studied the use of leukemic-derived dendritic cells from the DCOne cell line to stimulate immune cells ex vivo for therapeutic purposes. Data showing the application of the DCOne platform to expand so-called memory natural killer (NK) cells with potentially improved therapeutic purposes were reported at the Society for Immunotherapy of Cancer (SITC) conference in November. The data mark the start of a potential novel program in the Mendus pipeline in the exciting upcoming field of NK cell-based therapies.

The year 2022 has been a challenging year for the biotechnology sector. Global political instability continued to weigh on the capital markets, resulting in a negative performance of all major biotechnology indices and increasing strain on the sector's ability to fund research activities, clinical development, and operations. In 2022, Mendus was able to secure SEK 250 million of financing commitments in the form of a loan by its main shareholder Van Herk Investment and a revolving credit facility by Negma Group. This allowed us to remain fully operational and to reach the ADVANCE II data read out on a robust financial basis.

In 2023, we are still facing challenging macroeconomic and capital market conditions. Like many biotechnology companies we will have to focus our activities and adjust to more limited available financial resources. Following the successful read-out of the ADVANCE II monotherapy trial, our first priority is to broaden the positioning of the DCP-001 program in the AML maintenance landscape and to prepare the program for market registration, including the commercial-scale manufacturing. Additional clinical activities will comprise the continuation of the ALISON Phase 1 trial in ovarian cancer and moving ilixadencel forward in the clinic to establish proof-of-concept in GIST and potential additional indications. Finally, in 2023 we continue to develop our method to expand memory NK cells into a new pipeline program for Mendus. Next to pursuing these next steps by ourselves, we will explore partnering and collaboration options to accelerate our clinical programs. With a rich pipeline, strong clinical data and continued support from our shareholders, we will do so with confidence.

Sincerely,

Erik Manting, Ph.D.
Chief Executive Officer

Mendus in Short – Q4 2022

Mendus is developing novel cancer therapies based on harnessing the power of the immune system to establish durable clinical responses without harming health or quality of life. This is particularly relevant for maintenance therapies, aimed at prevention or delay of tumor recurrence.

The Company leverages its expertise in allogeneic dendritic cell biology to design off-the-shelf immunotherapies which enhance anti-tumor immunity via vaccination or intratumoral priming. In clinical trials, our product candidates have shown promising signs of clinical efficacy in blood-borne and solid tumors combined with an excellent safety profile, which contributes to their positioning as maintenance therapies and makes them suitable for combination with other therapeutic modalities.

Changing the course of cancer treatment

In today's cancer therapy landscape, many cancer patients experience an initial treatment success, leading to clinical remission. However, tumor recurrence remains an imminent threat in many cases and causes the vast majority of cancer-related deaths. Secondly, cancer treatments are often still associated with severe side effects and patients going through multiple lines of treatment face a significant impact on their quality of life. As a result of this situation, there is an increasing need for maintenance therapies, particularly in tumor indications with a high recurrence rate. The search for maintenance therapy options that focus on controlling residual disease and prolonging disease-free and overall survival while keeping the patient's quality of life front and center is expected to see continued growth.

Vididencel –a novel cancer relapse vaccine

Vididencel (product ID: DCP-001) is currently being evaluated in acute myeloid leukemia (AML) and ovarian cancer as a potential therapy to reduce tumor recurrence. Vididencel is an intradermal vaccine derived from the Company's proprietary DCOne® leukemic cell line. During manufacturing, DCOne cells are shifted towards a mature dendritic cell phenotype, resulting in cells that are highly immunogenic and express a multitude of tumor antigens. This provides the basis for an attractive cancer vaccine candidate for acute myeloid leukemia (AML) and potentially additional tumor indications. Promising clinical data with vididencel were presented at various cancer-focused scientific conferences, including the American Society of Hematology (ASH) Annual Meeting, the Association for Cancer Immunotherapy (CIMT) Annual Meeting and the European Hematology Association (EHA) Congress. The results consistently demonstrated the ability to induce immune

responses against a broad range of tumor-associated antigens in AML patients. Preclinical results have also shown that combining vididencel with established and upcoming AML treatments such as azacitidine and venetoclax led to enhanced efficacy and synergistic effects.

At the American Society of Hematology Annual Meeting (ASH) 2022 Annual Meeting, survival data based on the completed active study period and long-term follow-up data from the Company's ADVANCE II Phase 2 monotherapy trial were presented in an oral presentation. The ADVANCE II study evaluates vididencel as a maintenance therapy in AML for patients brought into complete remission through chemotherapy, but with measurable residual disease (MRD). The presence of MRD puts patients at a high risk of relapse, and therapeutic options to successfully control or push back MRD are expected to improve patients' chances of long-term survival broadly.

As of the data cut-off for ASH on 22nd of November, median follow-up for the entire study population was 19.4 months. Median relapse-free survival (RFS) was not yet reached, with 12 out of 20 patients still in complete remission, ranging from 16 to 47 months after start of treatment. Median overall survival (OS) currently stands at 30.9 months.

Increased immune responses against tumor-associated antigens were seen in 17 out of 20 patients following vididencel administration, with a significantly higher number of immune responses observed in patients with an MRD response. The main product-related side effects observed were redness and other inflammation symptoms at the site of injection, confirming vididencel's strong safety profile and mode-of-action.

Vididencel-based treatment resulted in an MRD response in 7 out of 20 evaluable patients, with 5 patients converting to MRD negativity and 2 patients with a decline in MRD of at least 10-fold. Patients converting to MRD negativity following vididencel treatment showed significantly improved overall survival, with all still being alive and disease-free at the 22nd November cut-off.

Mendus is developing novel cancer therapies based on harnessing the power of the immune system to establish durable clinical responses without harming health or quality of life.

In June 2021, Mendus initiated the ALISON Phase I clinical trial in ovarian cancer. The trial is carried out at the University Medical Center in Groningen, The Netherlands, and aims to establish safety and feasibility of DCP-001 in ovarian cancer. Also, in the ALISON trial, we have incorporated immunomonitoring assays, to demonstrate that the DCP-001 vaccination results in the activation of anti-tumor responses. Ovarian cancer is the deadliest gynecological cancer, due to a high rate of tumor recurrence. First clinical data from the ALISON study were presented at the European Society of Gynecological Oncology (ESGO) congress, on October 27 and demonstrated that DCP-001 was safe and well-tolerated in ovarian cancer patients.

Ilixadencel - an intratumoral immune primer

Ilixadencel is injected into the tumor of a cancer patient to produce an inflammatory environment and ultimately a tumor-specific immune response. The product is made up of allogeneic proinflammatory dendritic cells derived from healthy donor material. Ilixadencel has been studied in the clinic in combination with existing cancer therapies including Tyrosine Kinase Inhibitors (TKI) and the immune checkpoint inhibitor (CPI) pembrolizumab in a range of solid tumor indications. Preclinical results suggest synergies between intratumoral priming and CTLA-4 inhibitors, another class of CPI. The results underscore ilixadencel's potential as a safe and feasible combination therapy. Based on the clinical signs of efficacy observed in the different clinical studies, Mendus believes that ilixadencel has the potential to provide new therapeutic solutions for hard-to-treat cancers. Based on extensive interactions with clinical experts, Mendus has prepared for a next clinical trial with ilixadencel to establish proof-of-concept in tumors that are poorly responding to current available therapies, with gastrointestinal stromal tumors (GIST) as a prioritized indication. In parallel, we have established a more robust manufacturing process to support future product supply. In 2023, Mendus aims to initiate a next clinical trial with ilixadencel, subject to additional funding or partnering.

R&D continues to fuel the pipeline

Next to supporting the clinical pipeline, Mendus' R&D activities are focused on i) improving the manufacturing processes of the Company's lead programs, to further optimize their competitive profile as allogeneic, off-the shelf products and ii) leveraging Mendus' expertise in dendritic cell biology to design novel cancer immunotherapies. Our research programs include the design of next-generation immune primers based on the DCOne cell line and combinations of vaccination and intratumoral priming. Preclinical data presented at the ESGO congress demonstrated a potent and synergistic effect of combining vaccination with intratumoral priming in ovarian cancer.

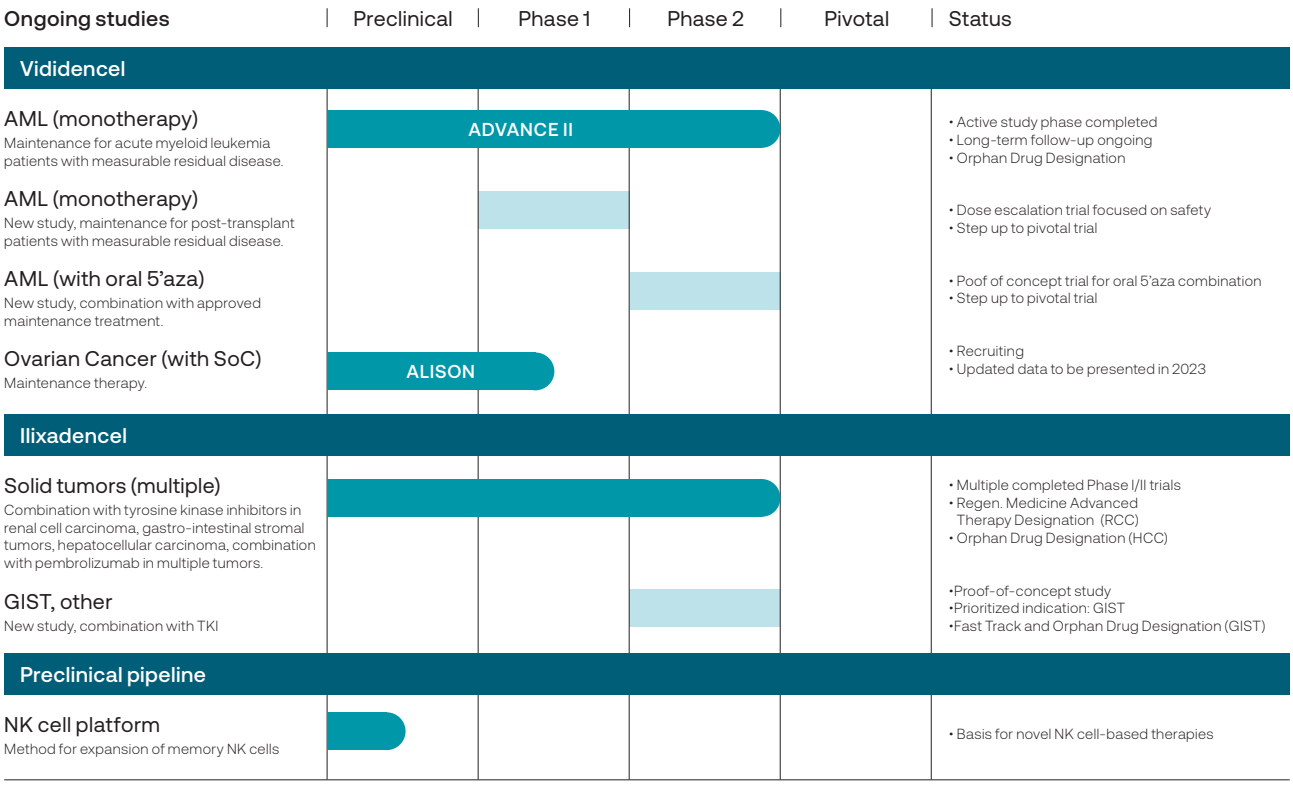
Recently, Mendus reported data demonstrating the potential of the DCOne platform to expand memory NK cells at the Society for Immunotherapy of Cancer (SITC) Annual Meeting. Memory NK cells have been identified as an important class of NK cells because of their longevity, resistance to immune suppression and correlation with improved clinical outcome in blood-borne tumors. Methods to expand this class of NK cells may therefore provide the basis for novel NK cell-based therapies and allow Mendus to enter this exciting upcoming field.

Mendus is constantly expanding its collaboration network to further solidify the Company's leading position in the field of allogeneic dendritic cell biology and to develop additional therapeutic concepts. Mendus is involved in the Dutch public-private partnership Oncode-PACT, and engages with multiple academic collaborators in Europe and the US.

Building value based on clinical validation and cell therapy expertise

The focus of Mendus is to develop a clinical pipeline of competitive product candidates, which benefit from a benign safety profile and have the potential to change the course of today's cancer treatment. In addition, we are expanding our expertise in the field of allogeneic dendritic cell biology to develop next-generation products and potential novel applications of our proprietary platforms in combination with other cell-based therapies, such as NK cell therapies. Mendus has its R&D facilities in Leiden, The Netherlands, its corporate headquarters in Stockholm and additional offices in Gothenburg, Sweden. The Company is publicly traded under ticker symbol IMMU on the Nasdaq Stockholm Main Market.

Advanced Pipeline Addressing High Medical Needs in Cancer Therapy



Financial information

The Group

Revenue

No revenue were reported for the fourth quarter or for the full year - (-). Other operating income amounts to 63 (-1) KSEK for the quarter and SEK 3,375 (31) thousand for the full year and consists of the transfer of patents to Elicera and exchange gains on accounts payable..

Operating expenses

Total operating expenses for the fourth quarter amounted to KSEK -41,620 (-31,745) and KSEK -137,060 (-130,131) for the full year. Operating expenses relate primarily to research and development costs related to the DCOne® platform and Vididencel (DCP-001) and Ilixadencel programs. Research and development costs can vary greatly between quarters and depend on the activities carried out. For the full year, there has been a slight increase in costs compared to the previous year, which partly stems from equipment for the new facility in Leiden.

Research and development costs

Research and development costs for the fourth quarter amounted to KSEK -27,957 (-20,160) and KSEK -87,049 (-85,796) for the full year. Costs are primarily related to preclinical development, process development and clinical development for the DCOne® platform as well as Vididencel (DCP-001) and Ilixadencel programs. Research and development costs can vary greatly between quarters and depend on the activities carried out. For the full year, there was a slight increase in costs compared with the previous year. This is mainly due to increased costs for Chemistry, Manufacturing and Controls (CMC) and LAB.

Administrative expenses

Administration expenses for the fourth quarter amounted to KSEK -13,535 (-11,373) and KSEK -48,876 (-43,490) for the full year. The increased costs in the quarter, and over the full year, are due to a closed dispute with a former advisor hired by Immunicum AB prior to the merger with DCPrime B.V. The dispute was settled in arbitration in november 2022 to the detriment of Mendus AB.

Result

Operating profit for the quarter amounted to KSEK -41,556 (-31 746). Full-year profit amounts to KSEK -133,685 (-130 100). Earnings per share before and after dilution amounted to KSEK -0.22 (-0.16) for the quarter and KSEK -0.70 (-0.73) for the full year.

Tax

No tax was recognized for the quarter - (-) or for the full year -(-).

Cash flow, investments, and financial position

Cash flow from operating activities for the quarter amounted to KSEK -21,369 (-25,619) and KSEK -109,332 (-138,033) for the full year. The negative cash flow is planned and is mainly explained by the Company's research and development activities for the DCOne® platform and the programs for Vididencel (DCP-001) and Ilixadencel. The improvement in cash flow in 2022 compared to 2021 is related to previously prepaid costs.

During the fourth quarter, cash flow from investing activities amounted to KSEK -1,898 (-45) and KSEK -12,324 (-1,316) for the full year. The cash flow relates to equipment for the new facility in Leiden.

Cash flow from financing activities for the quarter amounts to KSEK 10,167 (-508) and KSEK 8,194 (127,029) for the full year. The capital comes from the shareholder loan that the Company was granted in the last quarter.

The company's cash and cash equivalents on 31 December 2022 amounted to KSEK 41,851 (155,313).

Total equity as of 31 December 2022 amounted to KSEK 514,440 (656,742), corresponding to KSEK 2,58 (3,29) per share. The Company's equity/assets ratio at year-end is 83% (91%).

Financial information

Parent Company Mendus AB (publ)

Revenue

No revenue was reported for the fourth quarter or for the full year - (-). Other operating income amounts to KSEK 1,120 (4,287) for the quarter and KSEK 5,740 (4,318) for the full year and consists mainly of the transfer of patents to Elicera and invoiced costs to Mendus B.V.

Operating expenses

Total operating expenses for the fourth quarter amounted to KSEK -22,730 (-17,498) and KSEK -69,893 (-73,911) for the full year. Operating expenses are related to administrative and research and development costs for the DCOne® platform as well as the programs for Vididencel (DCP-001) and Ilixadencel. The lower costs for 2022, compared to 2021, primarily relate to lower activity in the projects during the year.

Research and development costs

Research and development costs for the fourth quarter amounted to KSEK -9,468 (-9,961) and KSEK -24,963 (-38,953) for the full year. The costs mainly consist of activities regarding clinical studies. The lower costs for 2022, compared to 2021, primarily relate to lower activity in the projects during the year.

Administrative expenses

Administration expenses for the fourth quarter amounted to KSEK -13,138 (-7,317) and KSEK -43,814 (-34,157) for the full year. Included administrative expenses (G&A) are mainly attributable to the finance department, group management and costs linked to activities for investment. The increased costs in the quarter and over the full year are due to a completed dispute with a former advisor hired by Immunicum AB prior to the merger with DCPrime B.V. The dispute was settled in arbitration to the detriment of Mendus AB.

Result

Operating profit for the fourth quarter was KSEK -22,089 (-13,198) KSEK and KSEK -64,647 (-69,347) for the full year. Earnings per share before and after dilution for the Parent Company was reported to KSEK -0.11 (-0.07) for the fourth quarter and KSEK -0.32 (-0.39) for 2022.

Tax

No tax was recognized for the fourth quarter or full year - (-).

Cash flow, investments, and financial position

Cash flow from operating activities for the fourth quarter amounted to KSEK -25,384 (-9,494) and KSEK -65,979 (-70,018) for the full year. The negative cash flow is according to plan and is mainly explained by the Company's research and development activities for the DCOne® platform and the programs for Vididencel (DCP-001) and Ilixadencel.

During the fourth quarter, cash flow from investing activities amounted to KSEK -9,324 (-20,836) and to KSEK -61,442 (-71,811) for the full year. The improvement in cash flow in 2022 compared to 2021 is attributable to a shareholder contribution that was disclosed to Mendus B.V. the previous year.

Cash flow from financing activities for the quarter and full year amounted to KSEK 10,107 (-) and relates to the admission of new loan.

The company's cash and cash equivalents 31th December 2022 amounted to KSEK 27,840 (145,156).

Total equity as of 31 December 2022 amounted to KSEK 721,832 (786,177), corresponding to KSEK 3,62 (3,94) per share. The Company's equity/assets ratio at year-end is 97% (98%).

Other information

Incentive program

The purpose of share-based incentive programs is to promote the company's long-term interests by motivating and rewarding the company's senior executives and other employees in line with the interests of the shareholders. There are currently two active programs in the company

At the Annual General Meeting on May 2021, it was resolved to introduce an incentive program with employee stock options and share rights "LTI 2021/2024". For more information about the program, see minutes from the Annual General Meeting 2021 published by the Company's website www.mendus.com.

In total, 1,286,092 employee stock options and 640,000 share rights have been subscribed for, which corresponds to a total of approximately 0.97 percent dilution upon full exercise.

At the Annual General Meeting in May 2022, it was resolved to introduce an incentive program with employee stock options "LTI 2022/2025". For more information about the program, see minutes from the 2022 Annual General Meeting published to the Company's website www.mendus.com.

Employees

As of December 31, 2022, the Group had 33 (29) employees, of which 22 (17) women and 11 (12) men.

The Mendus share

The share is traded on Nasdaq Stockholm's main list under the ticker IMMU, with ISIN code SE0005003654. As of 31 December 2022, the number of shares in the Company amounted to 199,400,599 (199,400,599) and the share capital in the Company amounted to SEK 9,970 (9,970) thousand. All shares have equal voting rights and share of Mendus' assets and profits.

Shareholders 2022-12-31

Source: Euroclear Sweden AB.

Owners	Shares	% of votes and capita
Adrianus Van Herk	85,397,754	42.8%
Fourth Swedish National Pension Fund	19,575,980	9.8%
Avanza Pension	8,301,681	4.2%
Nordnet Pension Insurance	4,612,508	2.3%
Holger Blomstrand Byggnads AB	2,975,386	1.5%
Martin Lindström	2,140,000	1.1%
Erik Manting	1,328,474	0.7%
Dharminder Chahal	1,323,073	0.7%
Swedbank Insurance	993,078	0.5%
Lennart Sten	875,000	0.4%
Handelsbanken Funds	843,728	0.4%
Ivar Nordqvist	830,256	0.4%
SEB Funds	814,249	0.4%
Bengt Andersson	671,319	0.3%
FCG Funds	624,374	0.3%
Alex Karlsson-Parra	621,736	0.3%
Hans Edvin Ståhlgren	600,000	0.3%
Mats Dahlgren	580,000	0.3%
Mats Artur Andersson	580,000	0.3%
Handelsbanken Liv Försäkring AB	574,898	0.3%
Others	65,137,105	32.7%
Total	199 400 599	100%

Review

This report has not been reviewed by the Company's auditor.

FINANCIAL REPORTS

THE GROUP

Consolidated income statement

Amounts in KSEK	2022 oct-dec	2021 oct-dec	2022 jan-dec	2021 jan-dec
Other operating income	63	-1	3,375	31
Total revenue and other operating income	**63**	**-1**	**3,375**	**31**
OPERATING EXPENSES				
Administration expenses	-13,535	-11,373	-48,876	-43,490
Research and development expenses	-27,957	-20,160	-87,049	-85,796
Other operating expenses	-127	-212	-1,134	-845
Operating profit/loss	**-41,556**	**-31,746**	**-133,685**	**-130,100**
RESULT FROM FINANCIAL ITEMS				
Financial income	163	–	163	–
Financial costs	-1,887	-1,097	-5,264	-3,310
Profit/loss after financial items	**-43,280**	**-32,843**	**-138,785**	**-133,410**
TOTAL PROFIT/LOSS BEFORE TAXES	**-43,280**	**-32,843**	**-138,785**	**-133,410**
Income tax expense	–	–	–	–
PROFIT/LOSS FOR THE PERIOD	**-43,280**	**-32,843**	**-138,785**	**-133,410**
Earnings/loss per share before and after dilution (SEK), for profit attributable to owner of the parent company´s shareholders.	-0.22	-0.16	-0.70	-0.73

Consolidated statement of comprehensive income

Amounts in KSEK	2022 oct-dec	2021 oct-dec	2022 jan-dec	2021 jan-dec
Result for the period	**-43,280**	**-32,843**	**-138,786**	**-133,410**
Other comprehensive income	–	–	–	–
Exchange differences on translation of foreign operations	-2,723	598	-3,995	106
Other,comprehensive income for the period	**-2,723**	**598**	**-3,995**	**106**
Total comprehensive income for the period	**-46,004**	**-32,245**	**-142,780**	**-133,305**

Profit/loss for the period and total comprehensive income, are in their entirety attributable to the parent company's shareholders.

Consolidated statement of financial position

Amounts in KSEK	31 dec 2022	31 dec 2021
ASSETS		
NON-CURRENT ASSETS		
Goodwill	108,350	108,350
Technology	424,091	424,091
Right-of-use assets	26,216	361
Equipment	13,899	2,109
Other long term receivables	618	843
Other long term receivables	**573,174**	**535,734**
CURRENT ASSETS		
Other receivables	3,442	19,702
Prepaid expenses and accrued income	1,919	10,214
Cash and cash equivalents	41,851	155,313
Total current assets	**47,212**	**185,229**
TOTAL ASSETS	**620,386**	**720,984**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	9,970	9,970
Additional paid-in capital	1,130,636	1,130,334
Reserves	-182	3,637
Retained earnings (including profit/loss for the period)	-625,985	-487,199
Total equity attributable to the shareholders of the parent company	**514,439**	**656,742**
LIABILITIES		
Non-current liabilities		
Other long-term liabilities	22,844	36,666
Lease liabilities	23,706	–
Total non-current liabilities	**46,550**	**36,666**
Current liabilities		
Lease liabilities	2,413	309
Accounts payable	7,411	11,610
Short-term part of long-term liabilities to credit institutions	29,198	–
Other liabilities	4,765	8 817
Accrued,expenses and deferred income	15,610	6,840
Total current liabilities	**59,397**	**27,576**
Total liabilities	**105,947**	**64,242**
Total shareholders' equity and liabilities	**620,386**	**720,984**

Consolidated statement of changes in equity

Attributable to owners of Mendus AB (publ)

Amounts in KSEK	Share capital	Additional paid in capital	Reserves	Retained earnings inc. profit/loss for the period	Total
Opening shareholders' equity 01/01/2022	**9,970**	**1,130,334**	**3,638**	**-487,199**	**656,743**
Profit/loss for the period	–	–	–	-138,786	-138,786
Other comprehensive income	–	–	-3,819	–	-3,819
Total comprehensive income	–	–	**-3,819**	**-138,786**	**-142,605**
Transactions with owners					
Issued warrants	–	302	–	–	302
Share issue	–	–	–	–	–
Costs for new share issue –	–	–	–	–	
Total transaction with owners	–	**302**	–	–	**302**
Shareholders' equity 31/12/2022	**9,970**	**1,130,636**	**-181**	**-625,985**	**514,440**

Opening shareholders' equity 01/01/2021	**8,308**	**1,003,044**	**3,532**	**-353,789**	**661,096**
Profit/loss for the period	–	–	–	-133 410	-133 410
Other comprehensive income	–	–	106	–	106
Total comprehensive income	–	–	106	-133 410	-133 305
Transactions with owners					
Issued warrants	–	450	–	–	450
Share issue	1 662	139 131	–	–	140 792
Costs for new share issue	–	-12 291	–	–	-12 291
Total transaction with owners	**1,662**	**127,290**	–	–	**128,951**
Shareholders' equity 31/12/2021	**9,970**	**1,130,334**	**3,638**	**-487,199**	**656,743**

Consolidated statement of cash flows

Amounts in KSEK	Note	2022 okt-dec	2021 okt-dec	2022 jan-dec	2021 jan-dec
Operating activities					
Operating profit/loss		-41,556	-31,746	-133,685	-130,100
Adjustment for items not included in cash flow	9	92	924	-1,542	2,298
Interest expense paid		-612	-300	-1 135	-140
Cash flow from operating activities before changes in working capital		**-41,849**	**-31,122**	**-136,362**	**-127,942**
Increase/decrease in other current receivables		15,585	-2,588	23,465	-4,357
Increase/decrease in accounts payable		3,997	17,236	-4,146	10,729
Increase/decrease in other current liabilities		898	-9 145	7,711	-16,461
Cash flow from operating activities		**-21,369**	**-25,619**	**-109,332**	**-138,033**
Investment activities					
Investering i materiella anläggningstillgångar		-1,898	-45	-12,324	-1,361
Increase/decrease in other current liabilities		–	–	–	–
Cash flow from investment activities		**-1,898**	**-45**	**-12,324**	**-1 361**
Financing activities					
New Share issue		–	–	–	141,242
New share Issue costs		–	–	–	-12 291
Repayment of borrowings		-758	–	-2,731	–
New loans		10,925	-508	10,925	-1,922
Cash flow from financing activities		**10,167**	**-508**	**8,194**	**127,029**
Cash and cash equivalents at the beginning of the period		55,403	181,504	155,313	167 643
Cash flow for the period		-13,100	-26,172	-113,461	-12,365
Foreign echange difference in cash and cash equivalents		-452	-19	-1	35
Likvida medel vid periodens slut		**41,851**	**155,313**	**41,851**	**155,313**

FINANCIAL REPORTS

PARENT COMPANY

Parent Company income statement

Amounts in KSEK	2022 okt-dec	2021 okt-dec	2022 jan-dec	2021 jan-dec
Other operating income	1,120	4,287	5,740	4,318
Total revenue	**1,120**	**4,287**	**5,740**	**4,318**
OPERATING EXPENSES				
Administration expenses	-13,138	-7,317	-43,814	-34,157
Research and development expenses	-9,468	-9,961	-24,963	-38,953
Other operating expenses	-124	-220	-1,116	-802
Operating profit/loss	**-21,610**	**-13,211**	**-64,153**	**-69,593**
RESULT FROM FINANCIAL ITEMS				
Financial income	163	15	435	272
Financial costs	-642	-2	-657	-26
Profit/loss after financial items	**-22,089**	**-13,198**	**-64,647**	**-69,347**
TOTAL PROFIT/LOSS BEFORE TAXES	**-22,089**	**-13,198**	**-64,647**	**-69,347**
Income tax expense	–	–	–	–
PROFIT/LOSS FOR THE PERIOD	**-22,089**	**-13,198**	**-64,647**	**-69,347**
Earnings/loss per share before and after dilution (SEK), for profit attributable to owner of the parent company´s shareholders.	-0.11	-0.07	-0.32	-0.39

Parent Company statement of comprehensive income

Amounts in KSEK	2022 okt-dec	2021 okt-dec	2022 jan-dec	2021 jan-dec
Result for the period	-22,089	-13,198	-64,647	-69,347
Other comprehensive income	–	–	–	–
Total comprehensive income for the period	**-22,089**	**-13,198**	**-64,647**	**-69,347**

Profit/loss for the period and total comprehensive income, are in their entirety attributable to the parent company's shareholders.

Parent Company balance sheet

Amounts in KSEK	Note	31 dec 2022	31 dec 2021
ASSETS			
Tangible assets			
Participants in Group companies	8	711,422	649,980
Other long term receivables		394	394
Total financial assets		**711,816**	**650,374**
Total fixed assets		**711,816**	**650,374**
CURRENT ASSETS			
Tax credits and related receivables		1,076	4,283
Other receivables		1,480	1,035
Prepaid expenses and accrued income		854	5,073
Total current receivables		**3,410**	**10,391**
Cash and bank balances		27,840	145,156
Total current assets		**31,250**	**155,547**
TOTAL ASSETS		**743,066**	**805,921**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted equity			
Share capital		9,970	9,970
Total restricted equity		**9,970**	**9,970**
Unrestricted equity			
Share premium reserve		1,415,825	1,415,523
Retained earnings		-639,316	-463,660
Profit/loss for the period		-64,647	-175,656
Total unrestricted equity		**711,862**	**776,207**
Total shareholders' equity		**721,832**	**786,177**
LIABILITIES			
LONG-TERM LIABILITIES			
Other long-term liabilities		10,957	850
Total long-term liabilities		**10,957**	**850**
CURRENT,LIABILITIES			
Accounts payable		773	2 449
Intercompany liabilities		1,844	9,753
Other liabilities		663	1,401
Accrued expenses and deferred income		6,997	5,291
Total current liabilities		**10,277**	**18,894**
Total liabilities		**21,234**	**19,744**
Total shareholders' equity and liabilities		**743,066**	**805,921**

Parent Company statement of changes in equity

Amounts in KSEK	Share capital	Retained Share premium reserve	earnings inc. profit/loss for the period	Total
Opening shareholders' equity 01/01/2022	**9,970**	**1,415,523**	**-639,316**	**786,177**
Profit/loss for the period	–	–	-64,647	-64,647
Total comprehensive income	–	–	**-64,647**	**-64,647**
Transactions with owners				
Issued warrants	–	302	–	302
Share issue	–	–	–	–
Costs for new share issue	–	–	–	–
Total transaction with owners	–	**302**	–	**302**
Shareholders' equity 31/12/2022	**9,970**	**1,415,825**	**-703,963**	**721,832**

Opening shareholders' equity 01/01/2021	**8,308**	**1,287,784**	**-569,969**	**726,123**
Profit/loss for the period	–	–	-69 347	-69,347
Total comprehensive income	–	–	**-69,347**	**-69,347**
Transactions with owners				
Issued warrants	–	450	–	450
Share issue	1,662	139,580	–	141,242
Costs for new share issue	–	-12,291	–	-12,291
Total transaction with owners	**1,662**	**-127,289**	–	**-128,951**
Shareholders' equity 31/12/2021	**9,970**	**1,415,073**	**-639,316**	**786,177**

Parent Company cash flow statement

Amounts in KSEK	2022 okt-dec	2021 okt-dec	2022 jan-dec	2021 jan-dec
Operating activities				
Operating profit/loss before financial items	-21,610	-18,649	-64,153	-69,593
Adjustment for items not included in cash flowt	-652	450	302	450
Interest expense paid	-703	–	-494	-26
Cash flow from operating activities before changes in working capital	**-22,965**	**-18,199**	**-64,345**	**-69,169**
Increase/decrease in accounts receivable	-210	-4,284	3,207	-4,284
Increase/decrease in other current receivables	-582	2,566	3,776	-1,587
Increase/decrease in accounts payable	1,749	808	-9,585	-5,632
Increase/decrease in other current liabilities	-3,824	9,615	968	10,384
Cash flow from operating activities	**-25,833**	**-9,494**	**-65,979**	**-70,018**
Investment activities				
Increase/decrease in long term receivable, intra-group	–	–	–	-20,432
Investment in financial assets	-9,324	-20,836	-61,442	-51,379
Cash flow from investment activities	**-9,324**	**-20,836**	**-61,442**	**-71,811**
Financing activities				
New share issues	–	–	–	141,242
New share issues cost	–	–	–	-12,291
New loans	10,107	–	10,107	–
Cash flow from financing activities	**10,107**	–	**10,107**	**128,951**
Cash and cash equivalents at the beginning of the period	52,899	175,471	145,156	157,762
Cash flow for the period	-25,051	-30,330	-117,315	12,878
Foreign echange difference in cash and cash equivalents	-8	15	-1	272
Cash and cash equivalents at the end of the period	**27,840**	**145,156**	**27,840**	**145,156**

Notes

Note 1 – General information

Mendus AB (publ) (hereinafter "Mendus"), 556629-1786 is a Swedish public company based in Stockholm. The address of the Company's head office is Västra Trädgårdsgatan 15, 111 53 Stockholm. On February 16, 2023, the Board of Directors approved this quarterly report for publication.

Note 2 – Accounting policies

The consolidated financial statements for Mendus have been prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups and International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. The consolidated financial statements have been prepared according to the cost method.

The interim report has been prepared in accordance with IAS 34 Interim Reporting and the Annual Accounts Act.

The Parent Company's interim report has been prepared in accordance with the Annual Accounts Act and the Recommendation of the Swedish Financial Reporting Council RFR 2.

The Group's accounting policies are unchanged and are set out in the Annual Report for 2021 (Note 2, pages 31-35).

In cases where the Parent Company applies different accounting policies than the Group's accounting principles, these are set out in the Annual Report 2021 (Note 2, pages 31-35).

Note 3 – Significant estimates and judgements for accounting purposes

The preparation of financial statements requires the use of accounting estimates, which will rarely correspond to the actual result. Management also makes assessments when applying the Group's accounting policies. These assessments are unchanged and are set out in the Annual Report for 2021 (Note 5 page 60).

Note 4 - Prospects, significant risks and uncertainty factors

The COVID-19 pandemic has had a significant impact on the global health system. Many hospitals, regions and countries have updated their guidelines and Mendus is following developments closely ready to take any necessary steps to fully comply with the new guidelines if necessary. Although the risks associated with Covid-19 have significantly decreased, Mendus will continue to assess the necessary measures to ensure the well-being, safety and security of the company's employees. At the time of the report, the impact of the Covid-19 pandemic on our business has been limited. However, there is still a risk that Covid-19 will result in a delay or gaps in the clinical study's data collection and/or treatment of CRO.

The crisis in Ukraine is expected to have significant consequences for the global economy and especially for the supply of natural resources, including natural gas. Currently, the company does not depend on direct deliveries from Ukraine or Russia. However, there may be indirect negative consequences for the company's supply chain and costs for raw materials. In addition, there is a general risk associated with the impact that the crisis in Ukraine will have on the global economy and, in particular, on capital markets. Therefore, if extended in time, it could adversely affect the Company's access to capital and have an additional negative impact on the Company's business.

Mendus is a research and development company. The Company has not generated any significant revenue historically and is not expected to do so in the short term. The Company's product candidates are dependent on research and development and may be delayed and/or incur higher costs. The Company is dependent on its ability to enter into license agreements and joint cooperation agreements, as well as reliance on a wide range of approval and compensation schemes and related laws, regulations, decisions and practices (as may be subject to change). In addition, the Company is dependent on intellectual property rights. The risk that is considered to be of particular importance for Mendus' future development is access to sufficient financial resources to support the Company's financing needs.

This report contains forward-looking statements. Actual outcomes may deviate from what has been stated. Internal factors such as successful management of research projects and intellectual property rights can affect future results. There are also external conditions, such as the economic climate, political changes and competing research projects that may affect Mendus' results.

For a more detailed description of significant risk factors, please refer to the Annual Report for 2021, which is available on the Company's website www.mendus.com.

Note 5 – Information on transactions with closely related parties

The parent company Mendus AB is related to the subsidiary Mendus BV. During the fourth quarter, purchases in Mendus AB of goods and services relate to KSEK -1,844 (-2,438) and sales relate to KSEK 1,076 (4,284). For the full year, purchases in Mendus AB amount to KSEK -16,243 (-9,675) and sales amount to KSEK 3,674 (4,284). Mendus AB has an outstanding long-term debt to Van Herk Investments B.V. of KSEK 10,107. During the quarter, interest was paid in the amount of KSEK 107 (-) and for the full year the interest paid amounts to KSEK 107 (-). No further transactions were made with related parties during the year. Transactions with related parties take place on market terms.

Note 6 – Financial instruments

Mendus' financial assets and liabilities consist of cash and cash equivalents, other current receivables, other long-term receivables, other long-term securities holdings, other long-term liabilities, other current liabilities and accounts payable. The fair value of all financial instruments is substantially consistent with their carrying amounts.

Note 7 - Significant events after end of period

Mendus announced the request for a first tranche of the convertible loan from Negma Group. For a summary of all outstanding convertible debentures and issued shares upon conversion in accordance with the financing agreement with Negma, please refer to the "Convertible Debentures" section of the investor page on Mendus website.

Note 8 – Participations in Group Companies

Shares in Group companies refer to shares in Mendus B.V, which were acquired on December 21, 2020. Mendus holds 100% of the equity and voting rights. The number of shares amounts to 60,000,000 shares.

Note 9 – Adjustments for items not included in cash flow

Consolidated	2022 okt-dec	2021 okt-dec	2022 jan-dec	2021 jan-dec
Adjustments for items not including consist of following				
Depreciation	457	478	4 139	1 851
Warrants	-882	450	302	450
Translation differences	1,573	4	-3,397	-3
Other, non cash items	-1 056	–	-2 586	–
Total	**92**	**924**	**-1 542**	**2 298**

Parent Company	2022 okt-dec	2021 okt-dec	2022 jan-dec	2021 jan-dec
Adjustments for items not including consist of following				
Depreciation	–	-	-	-
Warrants	-882	-	302	-
Translation differences	230	-	-	-
Other, non cash items	–	-	-	-
Total	**-652**	-	**302**	-

Key performance measurements

The Company presents in this report certain key performance measures, including two measures that is not defined under IFRS, namely expenses relating to research and development/operating expenses and equity ratio. These financial performance measures should not be viewed in isolation or be considered to replace the performance indicators that have been prepared in accordance with IFRS. In addition, such performance measure as the Company has defined it should not be compared with other performance measures with similar names used by other companies. This is because the above-mentioned performance measure is not always defined in the same manner, and other companies may calculate them differently to Mendus.

The Group

	2022 okt-dec	2021 okt-dec	2022 jan-dec	2021 jan-dec
Share capital at end of period, SEK	9,970	9,970	9,970	9,970
Equity at the end of period, KSEK	514,439	656,742	514,439	656,742
Earnings per share before and after dilution, SEK	-0.22	-0.16	-0.70	-0.73
Research and development costs, KSEK	-27,957	-20,160	-87,049	-85,796
Research and development costs/operating expenses, %	67%	64%	64%	66%

Parent Company

	2022 okt-dec	2021 okt-dec	2022 jan-dec	2021 jan-dec
Total registered shares at the beginning of period	199,400,599	199,400,599	199,400,599	166,167,166
Total registered shares at the end of period	199,400,599	199,400,599	199,400,599	199,400,599
Share capital at end of period, SEK	9,970	9,970	9,970	9,970
Equity at the end of period, KSEK	721,832	786,177	721,832	786,177
Earnings per share before and after dilution, SEK	-0.32	-0.07	-0.32	-0.39
Research and development costs, KSEK	-9,468	-9,961	-24,963	-38,953
Research and development costs/operating expenses, %	44%	57%	39%	53%

Definitions and reconciliation of alternative performance measurements

Alternative performance measurementsments	Definition	Justification
Equity ratio	Total shareholders' equity divided by total assets	The key ratio provides useful information of the Company's capital structure.
Research & development costs/operating expenses, %	Research & development costs/ operating expenses, %	The research and development /operating expenses ratio is an important complement because it allows for a better evaluation of the Company's economic trends and the proportion of its costs that are attributable to the Company's core business.

Derivation The Group

	2022 okt-dec	2021 okt-dec	2022 jan-dec	2021 jan-dec
Equity ratio at the end of the period %				
Total shareholders equity at the end of the period, KSEK	514 439	656 742	514 439	656 742
Total assets at the end of the period, KSEK	620 387	720 984	620 387	720 984
Equity ratio at the end of the period, %	83%	91%	83%	91%
Research & Development costs/operating expenses,				
Research & development costs	-27 957	-20 160	-87 049	-85 796
Administrative costsr	-13 535	-11 373	-48 876	-43 490
Other operating expenses	-127	-212	-1 134	-845
Total operating expenses	-41 620	-31 745	-137 060	-130 131
Research & development costs/operating expenses, %	67%	64%	64%	66%

Derivation Parent Company

	2022 okt-dec	2021 okt-dec	2022 jan-dec	2021 jan-dec
Equity ratio at the end of the period %				
Total shareholders equity at the end of the period, KSEK	721 832	786 177	721 832	786 177
Total assets at the end of the period, KSEK	743 066	805 921	743 066	805 921
Equity ratio at the end of the period, %	97%	98%	97%	98%
Research & Development costs/operating expenses, %				
Research & development costs	-9 468	-9 961	-24 963	-38 953
Administrative costs	-13 138	-7 317	-43 814	-34 157
Other operating expenses	-124	-220	-1 116	-802
Total operating expenses	**-22 730**	**-17 498**	**-69 893**	**-73 911**
Research & development costs/operating expenses, %	42%	57%	36%	53%

Financial Calendar

• Publication of 2022 Annual Report	14 April 2023
• Annual General Meeting	12 May 2023
• Publication of Q1 Report	12 May 2023
• Publication of Q2 Report	29 August 2023
• Publication of Q3 Report	9 November 2023
• Publication of Year-end Report 2023	14 February 2024

For further information, please contact:

Erik Manting, CEO, Mendus
Phone: +46 (0)8 732 8400
E-mail: ir@mendus.com

Lotta Ferm, CFO, Mendus
Telephone: +46 (0)8 732 8400
E-mail: ir@mendus.com

Postal address: Västra Trädgårdsgatan 15
SE- 111 53 Stockholm, Sweden
Corporate identity number: 556629-1786

The information contained in this report is that which Mendus (publ), is obliged to publish in accordance with the Swedish Securities Market Act (SFS 2007:528).
The information was submitted for publication, through the agency of the contact persons set out above, on February 17, 2023, at 08:00 a.m. CET.

The Group is referred to unless otherwise stated in this Year-end report. Figures in parentheses refer to the corresponding period last year.

This report has been prepared in a Swedish original version and translated into English. In the event of any inconsistency between the two versions, the Swedish language version should have precedence.

www.mendus.com

Head Office
Västra Trädgårdsgatan 15
111 53 Stockholm
Sweden

R&D Offices
Emmy Noetherweg 2K
2333 BK Leiden
The Netherlands

mendus

Changing the course of cancer treatment

www.mendus.com