



mendus

Changing the course of cancer treatment

Content

DESCRIPTION OF OPERATIONS

Year in Brief	3
CEO Comment	4
Mendus in Short	6
Market and Strategy	9
Vision, mission and strategy	12
Technology Background	13
Q&A with Alex Karlsson-Parra	15
Mendus share	17
Board of Directors	19
Management Team	21

FINANCIAL INFORMATION

Board of Directors' Report	24
Financial information – The Group	25
Financial information – Parent Company	26
Significant events	27
Financial reports – The Group	29
Notes	34
Financial reports – Parent Company	44
Notes	49
Assurance of the Board of Directors and CEO	54
Auditor's report	55

CORPORATE GOVERNANCE

Corporate Governance Report	60
-----------------------------	----

OTHER INFORMATION

Welcome to the 2022 Annual General Meeting	69
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The Annual Report according to the Swedish Annual Accounts Act is included on pages 23-54 in this document. 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.

Significant events of 2022

Q1

- » Immunicum transferred patent rights for modified adeno-virus to Elicera Therapeutics
- » Immunicum provided a pipeline and strategy outlook

Q2

- » Immunicum finalized the move into its new facilities in Leiden, The Netherlands
- » Immunicum announced positive interim results from ADVANCE II study in Acute Myeloid Leukemia (AML). The analysis demonstrated the potential of DCP-001 to control measurable residual disease (MRD), based on the complete read-out of all 20 evaluable patients and included promising relapse-free and overall survival data
- » The company presented preclinical data demonstrating synergy of DCP-001 with standard treatments for AML at the CIMT Annual Meeting
- » The US Food and Drug Administration (FDA) granted orphan drug designation for ilixadencel in Gastrointestinal Stromal Tumors (GIST)
- » The company appointed Leopold Berteau as Chief Technology Officer to oversee all process development and CMC activities to further optimize the manufacturing and supply chain of the company's current and future products
- » The company announced its participation in the Dutch cancer research consortium Oncode-PACT
- » Immunicum announced a corporate rebranding and name change to Mendus

Q3

- » Mendus published preclinical results demonstrating synergies of intratumoral immune priming with CTLA-4 checkpoint inhibition in the peer-reviewed journal Onco-Immunology
- » Mendus secured financing commitments totaling up to SEK 250 million from Van Herk Investments and Negma Group

Q4

- » Mendus presented positive survival and immunomonitoring data from the ADVANCE II trial evaluating videncel 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 signed final documentation with Negma Group
- » The company 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 potential pivotal trial-stage and commercial production of DCP-001
- » Positive clinical and preclinical data in ovarian cancer were presented 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-VACCIiN project

Financial summary – The Group

Amounts in KSEK	2022	2021
Revenue	–	–
Operating profit/loss	-133,957	-130,100
Net profit/loss	-138,786	-133,410
Earnings/loss per share before and after dilution (SEK)	-0.70	-0.73
Cash	41,850	155,313
Shareholders equity	514,439	656,742
Average number of employees	31	29

2022 – a breakthrough year for Mendus

In 2022, multiple key milestones were achieved. The positive Phase 2 data we reported in December for our lead program vididencel in acute myeloid leukemia (AML) was undoubtedly the highlight of 2022. The data provide the basis for broader positioning and the path to market registration of vididencel as a new maintenance treatment in AML. In 2022, we also reported the first positive clinical data with vididencel in ovarian cancer and completed the preparations for a next clinical trial with our intratumoral primer ilixadencel. Finally, our preclinical research resulted in a novel method for the expansion of memory NK cells, creating a 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.

Vididencel reaching clinical proof-of-concept

In December 2022, Mendus presented positive Phase 2 data for its lead program vididencel (product ID: DCP-001) at the annual American Society for Hematology (ASH) 2022 conference. The ADVANCE II trial is a monotherapy study evaluating vididencel as a maintenance treatment for AML patients. All patients enrolled in the trial had undergone chemotherapy and achieved complete remission, but still showed measurable residual disease (MRD), which is



Erik Manting, Chief Executive Officer

associated with a very high relapse rate and poor survival outcome. The data presented at ASH2022 demonstrated that the majority of patients, 12 out of 20, were alive and disease-free after the completed active study period and remained disease-free in long-term follow-up ranging from 16 to 47 months. The product's excellent safety profile was confirmed and immunomonitoring data support vididencel's mode of action as a whole cell-based vaccine which boosts immune control over residual disease. The positive monotherapy Phase 2 data from the ADVANCE II trial put us in a position to develop vididencel 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 have initiated a collaboration with Minaris, a multinational contract manufacturing organization, to implement a com-

mercial-scale manufacturing process for vididencel.

Also in 2022, we published the 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 vididencel as a potential maintenance therapy in solid tumors.

Ilixadencel prepared for a next clinical trial

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.

Preclinical data supporting the combination potential of ilixadencel with CTLA-4 checkpoint inhibitors were published in 2022 in the



Mendus preclinical research has focused on the identification of potential new pipeline programs.

peer-reviewed journal *OncolImmunology*. The strong anti-tumor effect observed specifically with CTLA-4 inhibition provides preclinical rationale to potentially explore this combination therapy in future clinical trials.

Research drives pipeline growth

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. Preclinical data demonstrating the strong synergistic effect of combining vaccination with intratumoral priming in ovarian cancer were presented at the ESGO conference, potentially opening up new treatment

methods in this disease. We reported a new method to expand memory natural killer (NK) cells, which are associated with improved clinical outcome in hematological tumors, at the Society for Immunotherapy of Cancer (SITC) conference in November. The data mark the start of a potential new pipeline program in the exciting upcoming field of NK cell-based therapies.

Focus for 2023

Following the successful read-out of the ADVANCE II monotherapy trial, our first priority is to broaden the positioning of the vididencel 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 potentially additional indications. Finally, we will develop our method to expand memory NK cells into a new pipeline program.

I wish to express gratitude towards the entire Mendus team, shareholders, collaborators, the hospitals and patients involved in our trials for supporting our progress in changing the course of cancer treatment.

Sincerely,

Erik Manting, Ph.D.
Chief Executive Officer

Mendus in Short – 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 the prevention or delay of tumor recurrence.



Cancer treatment without harming health or quality of life.

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 sig-

nificant 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.

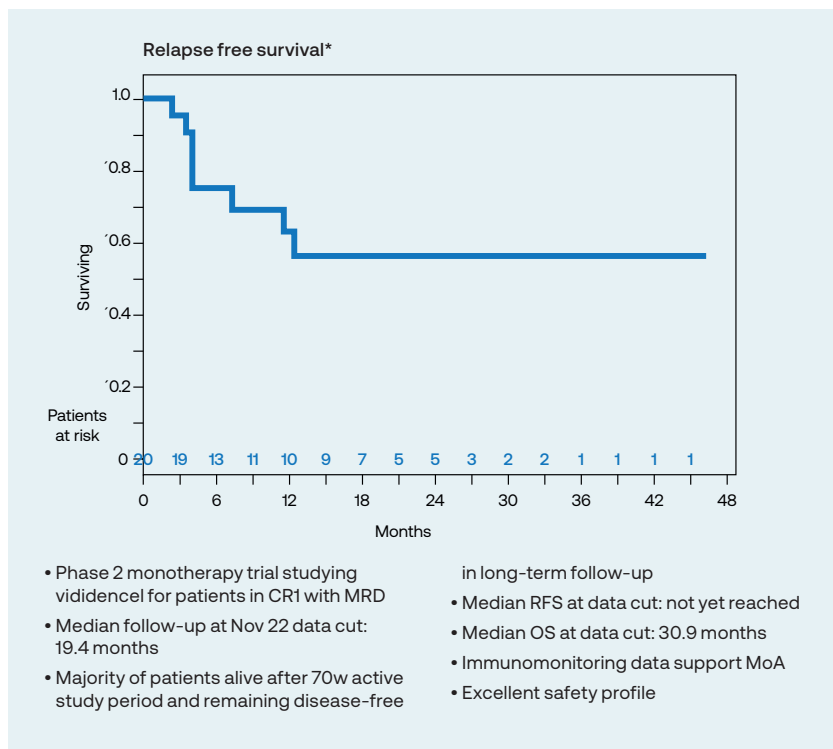
Vididencel-based treatment resulted in an MRD response in 7 out of 20 evaluable patients, with 5 patients converting to MRD negativity and 2 patients with a decline in MRD of at least 10-fold. Patients converting to MRD negativity following vididencel treatment showed significantly improved overall survival,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

The successful read-out of the ADVANCE II trial opens the possibility to broaden the positioning of vididencel as a new maintenance treatment in AML maintenance and this will be the basis for next clinical development and, eventually, market registration. In 2022, Mendus has initiated the tech transfer to an external manufacturer, Minaris, to support pivotal- and commercial-scale manufacturing of vididencel.

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 vididencel in ovarian cancer. 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 Oncol-

Highlights of the ADVANCE II Data Presented at ASH 2022



*Patients undergoing HSCT are censored from Kaplan-Meier analysis at time of transplant (V)

ogy (ESGO) congress, on October 27, 2022, and demonstrated that vididencel was safe and well-tolerated in ovarian cancer patients. An update on the ALISON study is being presented at the AACR Annual Meeting 2023 taking place on April 18, 2023. The initial read-out with respect to improvements in the patients' immune cell status and T-cell responses induced by our vaccine are encouraging. Vididencel continued to be well-tolerated, with only mild to moderate adverse events observed in the trial.

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 consists 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 and keeping open the option for additional indications. In 2022, Mendus has also established a more robust manufacturing process to support future product supply of ilixadencel, as a prerequisite for continued clinical development.

Preclinical pipeline

Next to supporting the clinical development and manufacturing processes of the Company's lead programs, Mendus' 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 2022 congress demonstrated a potent and synergistic effect of combining vaccination with intratumoral priming in ovarian cancer.

Mendus also reported data demonstrating the potential of the DCOne platform to expand memory natural killer (NK) cells at the Society for Immunotherapy of Cancer (SITC) Annual Meeting in November 2022 and in March 2023 presented an update of the program at the Innate Killer Summit. 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.

The NK cell research at Mendus focuses on using our proprietary DCOne platform to improve NK cell quality and specifically to expand memory NK cells. The presence of activating ligands on the cell surface of DCOne-derived mature dendritic cells provide a mechanistic rationale for the observed expansion of memory NK cells with well-characterized molecular signatures. Methods to expand this class of NK cells may 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 therapeutic product candidates, which have the potential to change the course of today's cancer treatment by combining relevant clinical responses with a benign safety profile. In addition, we are utilizing our expertise in the field of allogeneic dendritic cell biology to design next-generation immune primers and to expand NK cells and other immune cells for therapeutic purposes. 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

Ongoing studies	Preclinical	Phase 1	Phase 2	Pivotal	Status
Vididencel (product ID: DCP-001)					
AML (monotherapy) Maintenance for acute myeloid leukemia patients with measurable residual disease.	ADVANCE II				<ul style="list-style-type: none"> Active study phase completed Positive survival data presented at ASH2022 Long-term follow-up ongoing Orphan Drug Designation
AML (monotherapy) New study, maintenance for post-transplant patients with measurable residual disease.					<ul style="list-style-type: none"> New trial Dose escalation trial focused on safety Step up to pivotal trial
AML (with oral 5'aza) New study, combination with approved maintenance treatment.					<ul style="list-style-type: none"> New trial Proof of concept trial for oral 5'aza combination Step up to pivotal trial
Ovarian Cancer (with SoC) Maintenance therapy.	ALISON				<ul style="list-style-type: none"> Recruiting Safety and feasibility study
Ilixadencel					
Solid tumors (multiple) Combination with tyrosine kinase inhibitors in renal cell carcinoma, gastro-intestinal stromal tumors, hepatocellular carcinoma, combination with pembrolizumab in multiple tumors.					<ul style="list-style-type: none"> Multiple completed Phase I/II trials Regen. Medicine Advanced Therapy Designation (RCC) Orphan Drug Designation (HCC)
GIST, other New study, combination with TKI					<ul style="list-style-type: none"> New trial Prioritized indications: GIST, other sarcoma's Fast Track and Orphan Drug Designation
Preclinical pipeline					
NK cell platform Method for expansion of memory NK cells					<ul style="list-style-type: none"> Basis for novel NK cell-based therapies



Markets and Strategy

CANCER THERAPY MARKET

According to the International Agency for Research on Cancer (IARC), a specialized cancer agency of the World Health Organization, cancer is expected to surpass cardiovascular disease as the leading cause of premature death in most industrialized countries during this century. IARC's latest estimates show that the global cancer burden rose to 19.3 million new cases and 10.0 million cancer deaths in 2020. IARC also predicts that by 2040 cancer incidence will almost double, to 30.2 million new cases.⁽¹⁾

Developing novel cancer therapies has been a significant growth driver for the pharmaceutical industry and is expected to continue to be a key driver for growth in this industry segment. According to a market research report by Market Data Forecast, the size of the global cancer therapy market is predicted to value USD 241.65 billion by 2026 from USD 155.34 billion in 2021, growing at a CAGR of 9.24% during the forecast period.⁽²⁾

ACUTE MYELOID LEUKEMIA

According to the National Cancer Institute, acute myeloid leukemia (AML)

affects about 20,000 people per year in the United States and leads to more than 11,000 cancer deaths in the US alone. The five-year survival rate is estimated at about 30 percent overall, with survival rates dropping to about 10 percent for patients older than 65. Patients with AML frequently relapse, even after achieving complete remission with initial chemotherapy.⁽³⁾ For several years, therapeutic options to support patients in cancer remission following a successful first line of treatment were very limited. In 2020, an oral version of azacitidine, a chemotherapy agent, was approved by the United States Food and Drug Administration specifically for AML maintenance therapy.⁽⁴⁾ The approval in the European Union was announced in June 2021⁽⁵⁾. The treatment, which is marketed under the brand name Onureg®, generated annual revenues of USD 124 million in 2022⁽⁶⁾. It is expected that the need for additional therapeutic options in the AML maintenance market will further grow after this first approval of a maintenance-specific product.

Mendus intends to provide a new therapeutic option for AML maintenance through the development of vididencel in this indication. In 2022,

Mendus reported multiple updates based on the ADVANCE II monotherapy Phase 2 trial, studying vididencel as a novel AML maintenance therapy. Most notably, Mendus reported positive survival data from the ADVANCE II trial at the annual American Society of Hematology conference (ASH). The positive Phase 2 monotherapy data will allow Mendus to develop vididencel in the broader AML maintenance setting, including the combination with oral azacitidine. Also in 2022, Mendus initiated the technology transfer for large-scale manufacturing of vididencel.

OVARIAN CANCER

According to the Centers for Disease Control and Prevention (CDC), one of the major operating components of the US Department of Health and Human Services, ovarian cancer is the second most common gynecologic cancer in the United States. The American Cancer Society estimates that some 20,000 women will receive a new diagnosis of ovarian cancer the US alone, and some 13,000 women will die from ovarian cancer.⁽⁷⁾ Ovarian cancer causes more deaths than any other cancer of the female reproductive system, due to its high recurrence

rate following initial treatment. ⁽⁸⁾ Available treatment options have shown to be less effective with each recurrence, further highlighting the need for maintenance therapies aimed at reducing recurrence and extending the progression-free survival. In the past, maintenance therapy using chemotherapy regimens showed little improvement and carried significant toxicity. The more recent development of targeted molecular therapies such as PolyADP-ribose polymerase (PARP) inhibitors has resulted in greater maintenance therapy options with less toxicity and greater therapeutic benefit but significant room for improvement remains. ⁽⁹⁾

Mendus is addressing the ovarian cancer market through the development of vididencel as a potential novel maintenance treatment in this indication. In 2022, Mendus reported positive initial clinical data from the ongoing Phase 1 ALISON trial at the European Society for Gynaecological Oncology, confirming vididencel's excellent safety profile in this indication. Mendus expects to report additional data from the ALISON trial in 2023.

GASTROINTESTINAL STROMAL TUMORS

Current estimates by the American Cancer Society state that a total number of gastrointestinal stromal tumors (GIST) cases diagnosed each year in the United States range from about 4,000 to about 6,000. ⁽¹⁰⁾ Sarcomas, including GIST, are a group of heterogenous tumors which comprise more than 100 subtypes. They are broadly considered immunologically inert or "cold" tumors resulting in the need for treatment options that can help overcome the immunosuppressive strategies of the tumor.

Besides surgery, several lines of treatment are available with targeted therapies in the form of tyrosine kinase inhibitors (TKI) representing the dominant treatment class. The standard therapy for unresectable or metastatic GIST is first-line imatinib, second line sunitinib and third-line regorafenib. Clinical outcomes and benefit measured by overall response rate, progression-free and overall survival, have shown to drop significantly with each additional line of treatment highlight the need for safe and effective combination partners for the TKI

drug class in this indication.

Mendus is aiming to become active in GIST and the broader sarcoma field through the development of ilixadencel-mediated intratumoral immune priming in combination with TKI. In 2022, Mendus has prepared for a clinical trial with ilixadencel in GIST and potentially other sarcomas based on feedback from a broad network of clinical experts. In parallel, Mendus has set up an in-house process development program to improve the ilixadencel manufacturing process, as a necessary step to support future clinical development and, eventually, commercialization.

NATURAL KILLER CELL THERAPY

Natural Killer (NK) cells are a first line of defense against virus-infected and cancerous cells and therefore hold large therapeutic potential. ⁽¹¹⁾ The rapidly evolving field of NK cell-based therapies generally focuses on the manufacturing of therapeutic quantities of NK cells and on methods to improve NK cell function and persistence in the body following administration. Memory NK cells are



a specific class of NK cells which have been associated with improved tumor cell killing capacity and clinical benefit in hematological tumors.⁽¹²⁾ In 2022, Mendus has presented a method to expand donor-derived memory NK cells for therapeutic purposes at the annual Society for Immunotherapy of Cancer (SITC) conference. The method is based on Mendus' DCOne platform and can potentially be used to generate high-quality NK cells for different therapeutic applications in blood-borne and other tumors. Mendus aims to develop the expansion method for memory NK cells into a novel pipeline program, to be developed by Mendus alone or in partnership with other companies.

RESEARCH COLLABORATIONS

Mendus continues to explore new product opportunities based on its current technology platform, as well as novel therapeutic concepts. The

company has established a broad network of collaboration partners to explore new treatment options and therapeutic concepts. The publicly disclosed alliances include:

- » A research collaboration with the University Medical Center Groningen to explore novel treatment options for ovarian cancer based on the combination of vididencel with immune checkpoint inhibitors. The alliance receives grant funding from Health-Holland, an organization supported by the Dutch Ministry of Economic Affairs and Climate Policy.
- » Resesearch collaborations with the RadboudUMC, Nijmegen, The Netherlands and with Icahn School of Medicine at Mount Sinai, New York City, to gain further insight on the interaction of vididencel with antigen-presenting cells and vididencel-mediated activation of tumor-specific T cells.

» Preclinical collaborations with PCI Biotech Holding ASA (OSE: PCIB) and Glycotope GmbH, which were completed and subsequently terminated in the fourth quarter of 2022. The programs fall outside of the scope of Mendus' current pipeline focus.

» Mendus participates in the public-private partnership On-code-PACT, which is supported by the National Growth Fund, an initiative of the Dutch Ministry of Economic Affairs and Climate Policy and the Ministry of Finance. The National Growth Fund invests 325 million euros in the Oncode-PACT plan to accelerate the preclinical development process of cancer drug. Within the framework of Oncode-PACT, Mendus may be eligible for matching funds to support part of its research and development programs.

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Erik Manting, CEO:

Vision, Mission and Strategy



How would you describe the vision of the company?

To become a relevant player in the treatment of cancer. Relevant both in terms of clinical benefit for patients and as a company with a solid foundation and long-term future in the biopharmaceutical industry.

And how does that translate into Mendus' mission?

Our mission is to change the course of cancer treatment. More cancer patients than ever are experiencing initial treatment success, but tumor recurrence is a constant threat and responsible for the majority of cancer-related deaths. Mendus focuses on harnessing the power of the immune system to control residual disease in order to achieve deeper and longer-lasting clinical remissions, ultimately leading to a potential cure of tumors that are among the deadliest due to their high recurrence rate. Because we apply this principle as maintenance therapy, when patients have already undergone harsh previous treatments such as chemotherapy, our product candidates must have a strong safety profile. If successful, this approach can make

a real difference for clinical outcomes and patient well-being.

What is Mendus' development strategy?

Because the immuno-oncology landscape is very crowded, with many new therapies being combined with immune checkpoint inhibitors as the leading class of compounds, it is important to have a differentiated strategy. Mendus has focused on maintenance therapy, for which immunotherapy is ideally suited based on the opportunity to achieve durable clinical responses combined with relatively mild side effects.

Monotherapy data, based on the effect of a single drug rather than the combination with another compound, are generally a good starting point to demonstrate proof-of-concept. This is why we had chosen acute myeloid leukemia (AML) as a first indication. AML is a disease characterized by very fast relapse, creating a high medical need for maintenance therapy. It was also a disease without any approved maintenance drug when we initiated the ADVANCE II trial, making a monotherapy trial even more interesting. The survival data reported

end of 2022, combined with the extensive immunological analyses carried out as part of the trial, therefore represent clinical proof-of-concept and allow us to move forward more broadly in the AML maintenance setting. Also with our other indications, we deliberately focus on tumors that have been poorly responding to existing therapies, such as ovarian cancer and gastrointestinal stromal tumors.

And Mendus' partnering strategy?

The ability to position our programs in the competitive landscape and move them forward in an optimal way is our key priority. We will keep our options to partner one or more of our programs open, if a partnership allows us to accelerate and broaden our clinical development. Of course, this is also dependent on the commercial terms, which will have to be balanced with the future value of such a potential partnership versus the product value as a whole. We are currently pursuing indications that have substantial commercial value, but are small enough, so we could pursue them by ourselves, at least in the near-term.

Technology background

Dendritic cells play a central role in adaptive immune responses. They train the immune system to recognize antigenic sequences produced by infections or tumor cells and provide for co-stimulation to facilitate the proliferation of T cells and other immune cells. Increasing evidence suggests that there are dynamic interactions between dendritic cells, involving cellular crosstalk and the exchange of cellular content.

ALLOGENEIC DENDRITIC CELL BIOLOGY

These mechanisms are crucial to the priming of anti-tumor responses and need to be considered when designing cancer immunotherapies based on dendritic cell biology^(1,2, 3, 4). These biological pathways also support the design of allogeneic cell-based therapies, which do not rely on patient material and allow for the development of highly immunogenic products with improved manufacturability. Mendus has leveraged its expertise in allogeneic den-

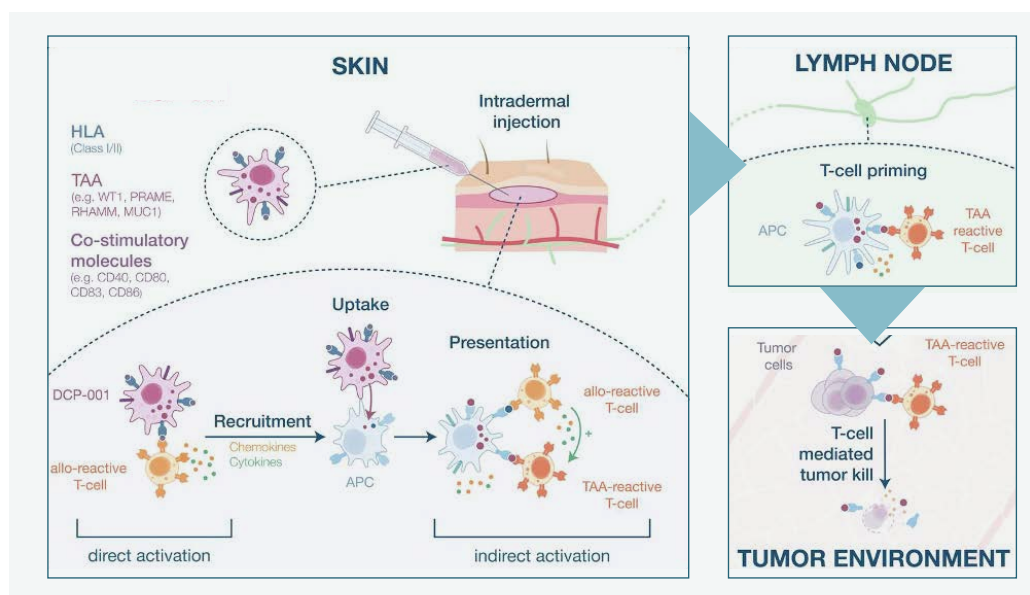
dritic cell biology to design its lead therapeutic programs, vididencel and ilixadencel. Each product relies on specific interactions with the patient's immune cells, including the patient's dendritic cells. In addition, Mendus applies its technology to expand so-called memory natural killer (NK) cells, which may be used as the basis for novel therapeutic approaches.

VIDIDENCEL

Vididencel is a whole cell-based cancer vaccine derived from Mendus' proprietary DCOne myeloid leukemic cell line. For vididencel manufacturing, the leukemic DCOne cells are cultured from a qualified working cell bank and are then reprogrammed towards a mature dendritic cell phenotype. This renders the cells highly immunogenic and provides for the basis for the vaccine. The resulting cells comprise a broad array of endogenous tumor antigens combined with a mature dendritic cell co-stimulatory profile. Upon intradermal injection of vididencel, the product induces a local inflammatory reaction, leading

to recruitment of antigen-presenting cells (APCs) in the skin, which phagocytose ("eat") the vaccine and become activated in the process. These activated APCs subsequently migrate from the skin towards the draining lymph nodes, where they trigger a broad anti-tumor response. Immune responses against multiple tumor antigens have been observed following vididencel vaccination, including increased levels of tumor antigen-specific T cell activities. The proposed mode of action for vididencel is based on clinical observations and detailed preclinical research^{5,6}.

Vididencel- Mode of Action



ILIXADENCEL

Activated, allogeneic dendritic cells derived from healthy donor material represent the basis for ilixadence. These cells, following the administration directly into the tumor, induce a local inflammatory reaction and lead to recruitment and activation of NK cells and recruitment of the patient's own dendritic cells into the tumor microenvironment. The activated NK cells are responsible for the killing of tumor cells and the recruited dendritic cells will encounter and engulf dying tumor cells and tumor cell debris, including tumor specific (neo-)antigens, that will act as an antigen source to activate tumor specific T cells. The proposed mode of action for ilixadence has been demonstrated in preclinical studies and is supported by clinical observations (7,8).

MEMORY NK CELLS

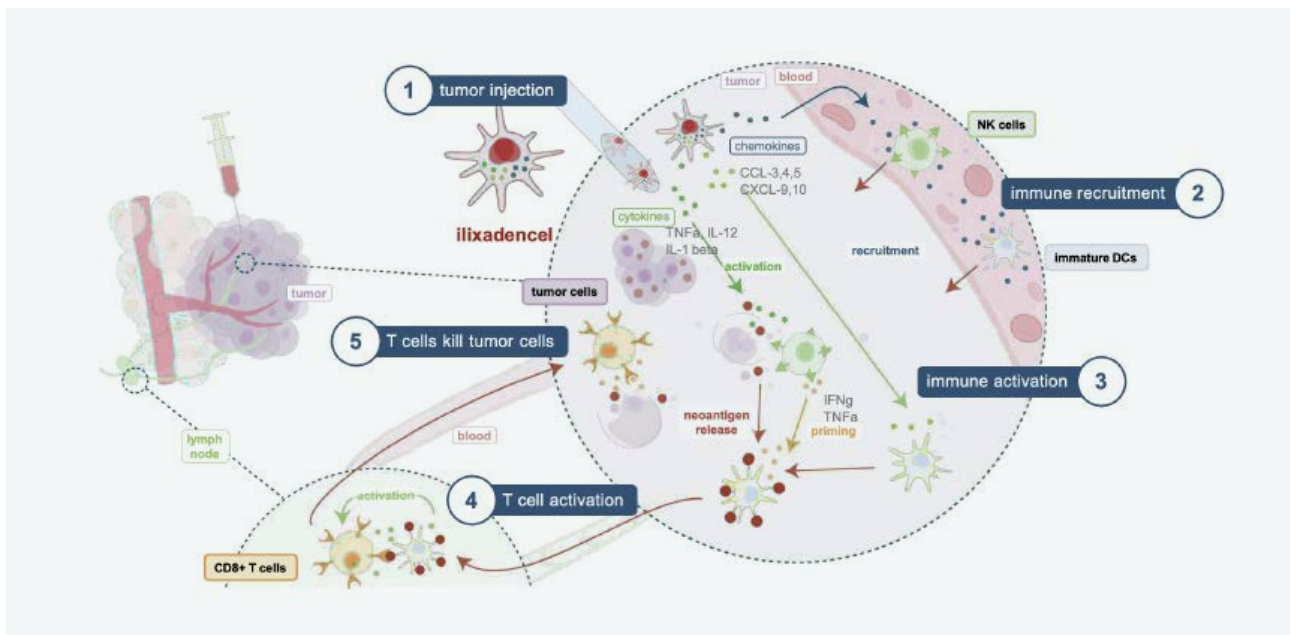
NK cells are part of the innate immune system and form a first line of defense against infections and tumor cells. (9) So-called "memory" or "adaptive" NK cells are associated with improved tumor cell killing and significantly reduced

relapse rates in bone marrow-transplanted leukemia patients^(10,11). Memory NK cells therefore hold great therapeutic promise in the treatment of hematological cancers and potentially other tumor types. The NK cell research at Mendus has focused on using the proprietary DCOne platform to improve NK cell quality and specifically on the expansion of memory NK cells, which subsequently can be used in different therapeutic applications.

References

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ilixadence – Mode of Action



The figure above shows that ilixadence produces recruiting and activating molecules in the tumor, which then recruit and activate natural killer (NK) cells for the release of tumor antigens and the patient's own dendritic cells (DCs) for the uptake of these tumor neoantigens. Thus, what Immunicum expects to accomplish by means of a standardized primer is to subsequently load the patients' own dendritic cells with their tumor-specific neoantigens in vivo, and in this way offer patients a more potent, individualized treatment. This is something that makes ilixadence a unique cancer immune primer with a favorable positioning.

”The big potential of our research pipeline”

One of the key pillars of Mendus’ strategy is to translate expertise and research capabilities in the field of dendritic cell biology into new pipeline programs. Studies at Mendus’ new research facilities in Leiden, The Netherlands, have led to the design of next-generation immune primers and novel concepts based on the combination of vaccination and intratumoral priming. Excitingly, the Research team has also recently discovered that DCOne-derived dendritic cells have the strong ability to activate and expand natural killer cells (NK cells), including a subset with immunological memory. Alex Karlsson-Parra, co-founder and CSO at Mendus, talks about Mendus’ projects in the preclinical phase.

Alex Karlsson-Parra has had a long career in Immunology, leading corporate and academic research groups. He is passionate about his current research together with his team in Leiden. “While others think about retirement, I prefer to work on new research publications and welcome the opportunity to test novel theories with our great research team.”

What are you and your team focusing on right now?

“We have a number of exciting ongoing projects based on our



Alex Karlsson-Parra, Chief Scientific Officer and cofounder.

DCOne cell line, which is also the source of our most advanced drug candidate in the clinic, vididencel. Initially, we mainly focused on designing DCOne-derived intratumoral immune primers. We also explored the combination of intratumoral immune priming and vaccination. We discovered that combining

vaccination and intratumoral priming is very potent, with striking outcomes including complete tumor clearance in a preclinical ovarian cancer model. We have an ongoing clinical program with vididencel in ovarian cancer, and the combination approach could open up new possibilities to treat this very tough cancer

Q&A

type. More recently, our research efforts shifted towards natural killer (NK) cells, because we have developed a method to expand NK cells with potential improved functionality, allowing us to enter the exciting new field of NK cell therapies.”

But first, about the “next-generation intratumoral immune primers”.

Could you elaborate?

“Intratumoral immune priming is a powerful concept to turn a cold tumor that is largely invisible for the immune system into a hot tumor. Frankly speaking, our industry hasn’t yet cracked the code how to develop them successfully and bring them to the patients. But if you’d ask physicians whether they would want to use such a tool as part of their treatment strategy, many will say “Yes”. The early-stage project we are working on is again based on our DCOne-derived mature dendritic cells, but we coat them with a special type of antibody to activate macrophages and NK cells when we inject the cells into the tumor. We turn them into “super-primers”. The other difference to the intra-

tumoral immune primer ilixadencel, that we have in clinical development, is that we can use our own cell line DCOne instead of starting material sourced from a blood donor. This gives rise to potential advantages with regard to the cells’ capabilities, and not least for the manufacturing of a future product. It will however take time to prepare this program for clinical development, so ilixadencel remains our lead product candidate in intratumoral priming.”

How did you discover your NK cell program?

“One discovery led to another. During the research on next-generation immune primers, we focused on methods to activate and expand NK cells, which have an important function in intratumoral immune priming. Under certain conditions, we observed specific expansion of memory NK cells, which are associated with improved tumor cell killing and survival benefit in hematological cancers, making them a sought-after cell type. So far, there were only very few methods available to make sufficient quantities of these memory cells for therapeutic

purposes. The quantities of cells that we are able to make are sufficient for so-called cell-based adoptive immunotherapy, meaning that the expanded cells are injected back into the patient. We therefore realized that our discovery could give us a competitive advantage in the evolving NK cell therapy landscape. We presented our data for the first time at the Society for Immunotherapy of Cancer Meeting in November 2022 and recently presented an update at the annual Innate Killer Summit in March 2023.

What is next?

Our research continues to support our lead clinical programs vididencel and ilixadencel, for example by testing novel combination therapies with existing and upcoming new drugs in the preclinical setting. The NK cell therapy field is new and there is limited clinical experience, so to further characterize our memory NK cells and to prepare our program for future clinical testing will be the main goal that we are working on in 2023 and beyond.”



The Mendus Share

Mendus AB (publ) is a Swedish public limited liability company and is regulated by the Swedish Companies Act (2005:551). Mendus's shares are issued in accordance with the Swedish Companies Act and are denominated in SEK. Shareholders' rights may only be changed in accordance with the procedures set out in the Companies Act.

Each share in the Company entitles the holder to one vote at general meetings. All shares carry equal rights to the Company's assets and profits. At general meetings, shareholders may vote for the total number of shares they own and represent, with no limitations on the voting rights. All shares in the Company are of the same class and are freely transferable. The share book is maintained by Euro-clear Sweden AB.

The Mendus share has been traded since April 22, 2013, on Nasdaq First North. As of January 15, 2018, the share is traded on Nasdaq Stockholm Small Cap list under the ticker IMMU.

Share Performance

In 2022, the Mendus share price decreased by 43.8 percent. In comparison, the OMX Stockholm Small Cap PI decreased by 24.6 percent in the same period. The highest closing price in 2022 was SEK 4.29 and the lowest price was SEK 1.75. Mendus market capitalization totaled SEK 480 million at the end of 2022.

Liquidity

The average trading volume per trading day was SEK 644,532 (compared to 3.7 million in 2021). In total, 63 million shares (compared to 115 million in 2021) in Mendus were traded in 2022, corresponding to a value of approximately SEK 240 million (2021: 570 million).

Analyst Coverage

During 2022, the total number of analysts covering the stock remained unchanged. The analyst covering the stock at Year-End 2022 were: Soo Romanov and Harry Shrivs, Edison Investment Research; Christian Binder, Redeye AB; and Jacob Mekhael, Kempen.

Share Capital

The number of shares and votes in Mendus remained unchanged in 2022

The number of shares and votes in the Company as of December 31, 2022 amounted to 199,400,599 compared to a total of 199,400,599 shares and 199,400,599 votes at Year-End 2021.

The quotient value per share is SEK 0.05.

Shareholder Structure

At year-end 2022, Management and Supervisory Board of Mendus held 2.10 percent of total Mendus shares (up from 1.94 percent at Year-End 2021). The single largest shareholder was Adrianus Van Herk with 85,397,754 total shares at Year-End 2022 corresponding to 42.8% of total shares. Mendus's ten largest shareholders owned 64.0 percent of the capital and votes (compared to 65.2 percent in the previous period).

Share capital development

Year	Event	Change in no. of shares	Total no. of shares	Change in share capital (SEK)	Total share capital (SEK)	Quota value (approx. SEK)
2010	New share issue	1,326	6,629	33,150,00	165,725	25,00
2012	New share issue	600	7,229	15,000,00	180,725	25,00
2012	Split 1,000:1	7,221,771	7,229,000	-	180,725	0,025
2012	Bonus issue	12,771,000	20,000,000	319,275,00	500,000	0,025
2013	Reverse split 2:1	-10,000,000	10,000,000	-	500,000	0,05
2013	New share issue	2,675,000	12,675,000	133,750,00	633,750	0,05
2013	New share issue	1,100,000	13,775,000	55,000,00	688,750	0,05
2014	New share issue	3,500,00	17,275,000	175,000,00	863,750	0,05
2014	New share issue	2,755,000	20,030,000	137,750,00	1,001,500	0,05
2016	New share issue	130,000	20,160,000	6,500,00	1,008,000	0,05
2016	New share issue	5,798,541	25,958,541	289,927,05	1,297,297,05	0,05
2017	New share issue	24,999,990	50,958,531	1,249,999,50	2,547,926,55	0,05
2018	New share issue	41,299,000	92,257,531	2,064,950,00	4,612,876,55	0,05
2020	New share issue	73,909,635	166,167,166	3,695,481,75	8,308,358,30	0,05
2021	New share issue	33,233,433	199,400,599	1,661,671,65	9,970,029,95	0,05

With regards to the geographic split, shareholding in Sweden totaled 51.8 percent (compared to 51.9% at the end of fiscal year 2021) of total capital and 48.2 (2021: 48.1) percent foreign ownership.

Proposed Dividend

Mendus currently has no pharmaceutical products being sold in the market, which means that the Company does not generate substantial revenues and is reporting negative earnings. For the 2023 Annual General Meeting, the Board of Directors has proposed that no dividend be paid out for the 2022 financial year.

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 management and other employees in line with the interest of the shareholders. There are currently two outstanding incentive programs in the Company.

In accordance with a decision by the Annual General Meeting in May 2021, a share-based incentive program; "LTI 2021/2024" was introduced.

In total 1,236,092 options and 590,000 restricted shares have been granted, which corresponds to a dilution of 0,94% if fully utilized.

At the annual general meeting in May 2022, it was decided to introduce an incentive program with warrants "LTI 2022/2025". The employee stock option program is awarded free of charge. The exercise price of the options is based on the volume-weighted average price of the share ten days after the annual general meeting 2022.

The number of warrants issued amounts to 3,000,000. This corresponds to a dilution of approximately 1.50 percent when all warrants are exercised.

For more information about these programs, see the minutes from the 2021 and 2022 annual general meetings, published on the group's website www.mendus.com.

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%

The Board of Directors



CHRISTINE LIND

Chairman since 2021

MBA in Finance and Management from Columbia Business School, born 1974.

Shares:
80,000 (through related)

Experience: Christine Lind is an American citizen, born in 1974. Christine Lind holds a bachelor's degree in finance and information system from New York University, Stern School of Business, and an MBA-degree in finance and management from Columbia Business School. Christine Lind has extensive experience from management roles in the global biotech industry (e.g. Vice President Business Development at LifeCell Corporation and Executive Vice President Business Development and subsequently CEO of Medivir AB) and as a strategic and financial advisor to biotech and pharmaceutical companies (at Merrill Lynch & Co). Christine Lind is currently a board member of Xspray Pharma AB, CEO and chairman of the board of directors of Lind Growth Strategy AB and Vice President, Commercial of NDA Group AB.

Ongoing engagements: Board member of Xspray Pharma AB, CEO and chairman of the board of directors of Lind Growth Strategy AB and Vice President, Commercial of NDA Group AB

Independency: Christine Lind is independent in relation to the company, its senior executives and major shareholders.



SVEN ANDREASSON

Board Member since 2020

MSc from Stockholm School of Economics and Business Administration, born 1952.

Shares: 25,000

Experience: Sven Andreasson is a Swedish citizen, born in 1952 and resides in Washington DC, US. Sven holds a degree in business administration from Stockholm School of Economics and MBA-educations from IMEDE Lausanne, INSEAD Fontainebleau and Ashridge London. Sven Andreasson has broad experience from biotech and pharmaceutical companies. He was CEO of Active Biotech AB 1999-2008, Beta-Cell NV in Belgium 2008-2012 and Isconova AB 2012-2013 where he initiated and completed a sale of the company in 2013 to the American company Novavax. Sven has also held several senior management positions within Pharmacia in Sweden, Germany, Belgium and France. Previous experience from board assignments includes e.g., TiGenix NV, Belgium, Immunicum AB and Cantargia AB as well as Chairman of Erytech SA, France.

Ongoing engagements: Sven is currently working as Senior Vice President of Novavax with responsibility for Business Development. Board member of Cellastra Inc., US and Erytech SA, France.

Independency: Sven Andreasson is independent in relation to the company, its senior executives and major shareholders.



ANDREA VAN ELSAS

Board Member since 2021

Ph.D. in Immunology and Oncology and an M.S. in Molecular and Cell Biology, born 1966.

Aktier: –

Experience: Andrea van Elsas has previously served as Chief Scientific Officer at Aduro Biotech, following the acquisition of BioNovion, a company he co-founded in 2011, and held various positions at Organon (acquired by Schering-Plough and later by Merck) in The Netherlands and Cambridge, Massachusetts, US. While working for Organon and Schering-Plough, he directed the immuno-oncology portfolio and led the anti-PD1 program that later became known as pembrolizumab. As a postdoctoral researcher, he worked in the lab of 2018 Nobel Laureate Jim Allison at the University of California, Berkeley and is a co-inventor on the original anti-CTLA-4 patents that formed the basis for the development of ipilimumab, the first checkpoint inhibitor approved in 2011 by the FDA for the treatment of melanoma.

Ongoing engagements: Partner with Third Rock Ventures, Interim CSO at Abata Therapeutics, Supervisory Board member at InteRNA Technologies, Scientific Advisory Board member at Lava Therapeutics (Chair).

Independency: Andrea van Elsas is independent in relation to the company, its senior executives, and major shareholders.



DHARMINDER CHAHAL

Board Member since 2021

Master's degree in Business Economics, master's degree cum laude in Aerospace Engineering born 1976.

Shares: 1,323,073

Experience: Dharminder Chahal is currently the CEO and co-founder of SkylineDx, The Netherlands, developing diagnostic tests in oncology. He is also owner and managing director of Exponential BV in which capacity he acts as consultant to Van Herk Investments. Previously he has held various positions in investment banking and asset management including at Kempen & Co and Robeco.

Ongoing assignments: Board member of BioInvent, Ceradis, Medis Medical Imaging, Sensara and Vitalnext as well as advisory board member of BioGeneration Ventures II, Thuja Capital Fund I and Gilde Healthcare Funds II and III.

Independency: Dharminder Chahal is independent in relation to the company and its senior executives, and dependent in relation to the major shareholders.



HANS PREUSTING

Board Member since 2021

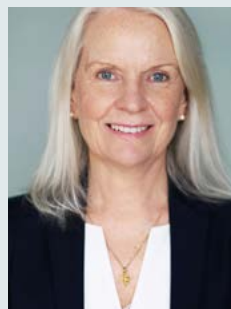
Ph.D. in Biochemistry and a M.B.A. from the Rotterdam School of Management born 1962.

Shares: 50,000

Experience: Hans Preusting has previously served as the Chief Business Officer and interim COO of uniQure. Prior to that he was the VP of Process Development and Manufacturing at AMT, the predecessor of uniQure. Hans now works as an independent consultant for several biotech companies and is co-founder of two biotech start-up companies. He holds two patents and has published over 20 scientific articles. His expertise is focused on business development, product development and manufacturing. He earned a Ph.D. in biochemistry from the University of Groningen, the Netherlands and an M.B.A. from the Rotterdam School of Management, the Netherlands.

Ongoing assignments: Dr. Preusting is currently CEO of Synerkine Pharma B.V. and CDO of DegenRx B.V.

Independency: Hans Preusting is independent in relation to the company, its senior executives, and major shareholders.



HELÉN TUVESSON

Board Member since 2020

MSc, Ph.D. from Lund University born 1962.

Shares: 16,000

Experience: Helén Tuveesson is a Swedish citizen, born in 1962 and holds a doctor's degree in cellular and molecular biology in medical science at Lund University. She has more than 25 years of experience from the pharmaceutical industry in various positions within Pharmacia and Active Biotech, including as Chief Scientific Officer at Active Biotech for 6 years. In this role she was responsible for the operational research activities and the company's project portfolio in late stage clinical development in neurodegenerative diseases and cancer indications. Since 2017, Helén is the CEO of Active Biotech AB.

Ongoing assignments: CEO, Active Biotech AB

Independency: Helén Tuveesson is independent in relation to the company, its senior executives and major shareholders.

* Antal aktier per den 31 december 2021.

The Executive Management Team



ERIK MANTING

Chief Executive Officer

Ph.D. in Molecular Microbiology and M.Sc. in Medical Biology, born 1971.

Shares: 1,328,474

Stock options:

419,614 (LTI 2021/2024),
900,000 (LTI 2022/2025)

Experience: Erik Manting holds a MSc in Medical Biology and a PhD in Molecular Microbiology. He worked for a number of years as a post-doctoral researcher in the field of immunology before making a career switch to banking in 2001. He spent more than 15 years in different commercial and management roles and his last five years in banking as Executive Director Corporate Finance at Kempen & Co. He became CEO of DCPrime BV in 2018 and CEO of Immunicum AB in March 2021, following the merger between both companies. The combined company was renamed Mendus in June 2022.

Ongoing engagements:

Supervisory board member Synerkine Pharma BV, Independent Director Transcode Therapeutics Inc.



LOTTA FERM

Chief Financial Officer

Degree in Business Administration and Economics from Högskolan Kristianstad and Växjö University, born 1966.

Shares: 300,000

Stock options:

188,806 (LTI 2021/2024),
420,000 (LTI 2022/2025)

Experience: Lotta Ferm has nearly 30 years of finance and controlling experience from a range of corporations including most recently Doktor24 Healthcare AB and Medivir AB in the healthcare and life science sectors. She has held CFO, Head of Finance and Head of Controlling positions consistently over the last decade and led the corporate finance and accounting functions for multiple transitions for dynamic and innovative companies.

Ongoing engagements: –



ALEX KARLSSON-PARRA

Chief Scientific Officer

M.D., Ph.D. Adjunct Professor in Clinical Immunology, Uppsala University, Sweden, born 1950.

Shares: 621,736 (private and through related persons' holdings), 184,000 (warrants)

Stock options:

188,806 (LTI 2021/2024),
420,000 (LTI 2022/2025)

Experience: Alex Karlsson-Parra has more than 20 years of experience within transplantation immunology. In addition to his position as Co-Founder and CSO at Mendus, he also serves as Associate Professor in Clinical Immunology at Uppsala University, Uppsala, Sweden, with special expertise in transplantation immunology and cancer immunotherapy and is former chairman of the Swedish Expert Group for Clinical Immunology. In 2014, Dr. Karlsson-Parra was awarded the Athena Prize, the most prestigious award for clinical research in the the Swedish healthcare community. Prior to his current positions, he served as Associate Professor and Senior Physician at the Department of Clinical Immunology at Sahlgrenska University Hospital, Gothenburg, Sweden and Uppsala University Hospital, Sweden.

Ongoing engagements: –



JEROEN ROVERS

Chief Medical Officer

M.D., Ph.D., Dr. Rovers has a medical degree from Leiden University and a Ph.D. in Surgical Oncology born 1970.

Shares: 544,000

Stock options: 188,806 (LTI 2021/2024), 420,000 (LTI 2022/2025)

Experience: Jeroen Rovers trained as a pharmaceutical physician at the European Center of Pharmaceutical Medicine in Basel. In the past 20 years he worked in different academic institutes and companies, such as Wyeth and Organon and most recently at Kiadis Pharma where he held the role as Chief Medical Officer. Most of the products he worked on are related to oncology, haematology and transplantation.

Ongoing engagements: –



LEOPOLD BERTEA

Chief Technology Officer

Ph.D. in Chemical Engineering, born 1964

Shares: –

Stock options: 420,000 (LTI 2022/2025)

Experience: Leopold Bertea joined Mendus from Collectis in 2022, a clinical-stage biotechnology company using a proprietary gene-editing platform to develop cell and gene therapies, where he most recently held the position of Senior Vice President Technical Operations Europe and Member of the Collectis Executive Committee. With previous senior roles at Novartis, LFB Biotechnologies, and LFB's subsidiary CELLforCURE, Sanofi, and Ciba-Geigy, Dr. Bertea brings a total of 27 years of biopharmaceutical industry experience to Mendus.

Ongoing engagements: –

* Antal aktier per den 31 december 2021.

FINANCIAL INFORMATION

Board of Directors' Report

The Board of Directors and the CEO of Mendus AB (publ), 556629-1786, is hereby authorised to submit consolidated and annual accounts for the financial year 2022-01-01-2022-12-31.

Mendus AB was founded in 2002 as a spin-off from Sahlgrenska University Hospital in Gothenburg. In December 2020, Mendus acquired 100% of the shares in Mendus BV, a Dutch privately held company. The company's shares are listed on Nasdaq Stockholm Small Cap. The company is a public limited liability company registered in Sweden, with its registered office in Stockholm. The company has its laboratories and additional facilities in Leiden, the Netherlands. The address of the head office is Västra Trädgårdsgatan 15, 11153 Stockholm, Sweden.

Mendus's business

Mendus is a clinical-level biopharmaceutical company that, based on the company's expertise in allogeneic dendritic cell biology, focuses on the development of immunotherapies that address tumor recurrence and difficult-to-treat established tumors.

The company reported data from the ongoing ADVANCE II phase II trial of its lead program DCP-001 in acute myeloid leukemia (AML) at the 2022 year edition of the American Society for Hematology Conference. The US Food and Drug Administration (FDA) granted orphan drug designation for ilixadencel in gastrointestinal stoma cell tumours

(GIST). During the year, work on the evaluation and preparation of the TROY study, which will evaluate the potential of Ilixadencel, in gastrointestinal stromal tumors (GIST) was ongoing. Furthermore, Mendus presented data at SITC 2022 showing the potential of the DCOne platform to expand the memory of NK cells for therapeutic purposes. Finally, Mendus has an ongoing phase I study in ovarian cancer, ALISON I.

Immunicum announced a new brand identity and name change to Mendus. The name change took effect on June 23.

In addition to the clinical operations, Mendus conducts preclinical research, which aims to advance the company's understanding of dendritic cell biology and further optimization of its manufacturing processes.

Management changes

During the year, Leopold Berteau was appointed Chief Technology Officer. Dr. Berteau will lead all process development and CMC activity to further optimize the manufacturing and supply chain for the company's current and future products.



Financial information

The Group

Revenue

No revenue was reported for 2022. Other operating income for the full year amounts to KSEK 3,375 (31) and relate to the transfer of patents to Elicera and foreign exchange gains on supplier invoices.

Operating expenses

Total operating expenses for 2022 amounted to KSEK -137,059 (-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. There has been a slight increase in costs in 2022 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 full year amounts to KSEK -87,049 (-85,796). 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. There has been a slight increase in costs in 2022 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 full year amounts to KSEK -48,876 (-43,490). The increased costs 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 to the detriment of Mendus AB.

Result

Full-year operating profit amounts to KSEK -133,685 (-130,100). Earnings per share before and after dilution amounted to SEK -0.70 (-0.73) for the full year.

Tax

No tax was recognized for the full year.

Cash flow, investments, and financial position

Cash flow from operating activities for the full year amounted to KSEK -109,332 (-138,033). 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 year, cash flow from investing activities amounted to KSEK -12,324 (-1,316) KSEK. The cash flow relates to equipment for the new facility in Leiden. Cash flow from financing activities for the year amounts to KSEK 8,195 (127,029) for the full year. The capital comes from the shareholder loan that the Company was granted in the last quarter of 2022.

The company's cash and cash equivalents as of December 31, 2022, amounted to KSEK 41,850 (155,313).

Total equity as of December 31, 2022, amounted to KSEK 514,439 (656,742), corresponding to SEK 2.58 (3.29) per share. The Company's equity/assets ratio at year-end is 83% (91%).

Financial summary - The Group

Amounts in KSEK	2022	2021
Net sales	-	-
Operating profit/loss	-133,684	-130,100
Profit/loss before tax	-138,785	-133,410
Profit/loss for the period	-138,785	-133,410
Earnings per share before and after dilution (SEK)	-0.70	-0.73
Cash flow from operating activities	-109,331	-138,033
Shareholders' equity	514,439	656,742
Cash and cash equivalents end of period	41,850	155,313

Financial information

Parent Company Mendus AB (publ)

Revenue

No revenues was reported for the full year. Other operating income amounted to KSEK 5,740 (4,318) and relate to the transfer of patents to Elicera and invoiced costs to Mendus B.V.

Operating expenses

Total operating expenses for 2022 amounted to KSEK -69,893 (-73,911). 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 full year amounted KSEK -24,963 (-38,953). 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

During 2022, administration expenses amounted to KSEK -43,814 (-34,157). Included administrative expenses (G&A) are mainly attributable to the finance department, group management and costs linked to activities for investment. The increased costs 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 2022 was KSEK -64,153 (-69,593). Earnings per share before and after dilution for the Parent Company was reported to SEK -0.32 (-0.39) for 2022.

Tax

No tax was recognized for the full year 2022.

Cash flow, investments, and financial position

Cash flow from operating activities for the full year 2022 amounted to KSEK -65,979 (-70,018). 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 full-year 2022, cash flow from investing activities amounted to KSEK -61,442 (-71,811). 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 full year amounted to KSEK 10,107 (128,951) and relates to new loans.

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

Total equity as of December 31, 2022 amounted to KSEK 721,832 (786,177), corresponding to SEK 3.62 (3.94) per share. The Company's equity/assets ratio at year-end is 97% (98%).

Financial summary – Parent Company

Amounts in KSEK	2022	2021	2020	2019	2018
Net sales	-	-	-	-	-
Rörelseresultat	-64,153	-69,593	-106,621	-132,32	-97,846
Profit/loss before tax	-64,647	-69,347	-106,308	-134,016	-97,860
Profit/loss for the period	-64,647	-69,347	-106,308	-134,016	-97,860
Earnings per share before and after dilution (SEK)	-0,32	-0,39	-1,13	-1,46	-1,9
Cash flow from operating activities	-65,979	-70,018	-120,690	-145,80	-104,670
Shareholders' equity	721,832	786,177	726,123	272,781	406,041
Cash and cash equivalents end of period	27,840	145,156	157,762	296,811	443,798

Significant events

- » The company transferred patent rights for modified adenovirus to Elicera Therapeutics.
- » The company provided a pipeline and strategy outlook. In 2022, the clinical development focus will be on i) continued and additional clinical data updates of the ADVANCE II study evaluating DCP-001 in the maintenance setting of acute myeloid leukemia (AML), ii) the continuation of the ALISON study in ovarian cancer, which will provide a first clinical readout in 2022 and iii) the evaluation and preparation of the TROY study, which will evaluate Ilixadencel's potential in gastrointestinal stromal tumors (GIST).
- » The company has made further progress in establishing its new research facility in Leiden, the Netherlands, which will incorporate the company's process development and manufacturing capabilities for cell-based immunotherapies. The company expects to complete the move to its new facilities in Q2 2022.
- » Continued progress in exploring potential synergies between the Company's platform and current standard-of-care product candidates in the Company's key cancer indications and other cell-based cancer therapies and biologics in development in oncology.
- » The company announced positive interim results from the ADVANCE II study in acute myeloid leukemia (AML). The analysis demonstrated the potential of DCP-001 to control measurable residual disease (MRD), based on the complete readout of all 20 evaluable patients, and included promising data in terms of relapse-free and overall survival.
- » The company presented preclinical data at the CIMT Annual Meeting showing synergy between DCP-001 and standard treatments for AML.
- » The US Food and Drug Administration (FDA) granted orphan drug status for Ilixadencel in Gastrointestinal Stromal Tumors (GIST).
- » The company appointed Leopold Berteza as Chief Technology Officer. Dr. Berteza will oversee all process development and CMC activity to further optimize the manufacturing and supply chain for the company's current and future products.
- » The company announced its participation in the Dutch cancer research consortium Oncode-PACT
- » Immunicum announced a corporate rebranding and name change to Mendus. The name change took effect on June 23.
- » Mendus published preclinical results demonstrating synergies of intratumoral immune priming with CTLA-4 checkpoint inhibition in the peer-reviewed journal Onco-Immunology.
- » Mendus secured financing commitments totaling up to SEK 250 million from Van Herk Investments and Negma Group.
- » Mendus presented positive survival and immunomonitoring data from the ADVANCE II trial evaluating vididencel 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 signed final documentation with Negma Group.
- » The company 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 potential pivotal trial-stage and commercial production of DCP-001.
- » Positive clinical and preclinical data in ovarian cancer were presented 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-VACCIiN project.

THE CRISIS IN UKRAINE

Mendus has no direct exposure to Ukraine or Russia in its day-to-day operations and ongoing clinical trials.

Mendus is a research and development company without historical earning capacity

Mendus has not yet, either independently or via partners, launched any cancer immune primers or any other drug on the market. Therefore, the Company has not engaged in the sale of any pharmaceutical products, nor has it generated any revenue. If the present product candidates' introduction on the market is delayed, are made more expensive, or never occur, it could have a significant negative impact on the Company's business operations, financial results and financial position.

Risks related to possible future income

Mendus' future earnings will, inter alia, be dependent on the Company being able to enter into agreements for the licensing of the Company's product candidates and/or technology platforms. If Mendus fails to enter into agreements for the licensing of products, sales of intellectual property rights or similar transactions on terms and conditions that are favorable to the Company, if such agreements lead to delays and/or increase costs, or if payments to be made pursuant to such agreements are delayed or are not received at all, this could have a significant negative impact on the Company's business operations, financial results and financial position.

Additional financing needs

It may take a long time for the Company's pharmaceutical products to be sold commercially and generate regular cash flow from the Company's operations. The Company's planned clinical studies entail significant costs and there is a risk that the Company's development of product candidates can be more time- and resource-demanding than planned. Mendus will therefore continue in the future to have a need to raise additional capital in order to carry out further research and development. There is a risk that new capital cannot be obtained when the need arises, that it cannot be acquired on preferential terms, or that it cannot be acquired at all. If Mendus cannot obtain financing, the Company may be forced to seriously restrict its research and development activities or in the worst case, suspend its operations, which could have a significant negative impact on the Company's business operations, financial results and financial position.

Dependence on key people and qualified personnel

Mendus activities are highly dependent on a number of key individuals, some of whom hold senior positions and are shareholders in the Company. If Mendus cannot recruit and retain key persons and other qualified personnel to the extent and under the terms and conditions that are required, it could have a significant negative impact on the Company's operations, financial results and financial position.

Research and Development

The preclinical development and clinical studies that the Company pursues are based on ilixadencel and the DCone® technology platform. Neither ilixadencel nor any product based on this technology platform has yet to be approved for release on the market. Before a medicinal product can be put on the market, the safety and efficacy concerning the treatment of humans must be assured for each individual indication, which is proven by preclinical investigations carried out with animals and with clinical trials in humans. Unforeseen trial results or the late or non-recruitment of patients may delay or prevent the market launch of product candidates, should government agencies or other decision-makers

decide that the Company's product candidates do not meet the established criteria. If Mendus cannot prove to a sufficient extent via clinical studies that a product candidate is safe and effective, and thus enabling it to be commercialized, that could have a significant negative impact on the Company's business operations, financial results and financial position.

Intellectual property rights, know-how and confidentiality

Mendus' future success will largely depend on its ability to obtain and maintain the protection of intellectual property rights, mainly patent protection, in the USA, EU, Asia and other countries, for the intellectual property rights relating to the Company's product candidates. There is a risk that the Company will not be able to maintain its intellectual property rights or that these will not provide adequate commercial protection, which would have a significant negative impact on the Company's business operations, financial results and financial position.

Competition

Mendus operates in a competitive industry, and many companies, universities and research institutions are engaged in research and development of pharmaceutical products, including those who can, or may in the future, compete with the Company's product candidates. If the Company is not able to effectively compete in the market, it could have a significant negative impact on the Company's business operations, financial results and financial position.

Changes in the pharmaceutical industry can make the company's products obsolete

The pharmaceutical industry is characterized by rapid changes in legislation, authorization requirements, technology, new technological advances and an ongoing improvement of industrial know-how. There is a risk that such conditions could increase the Company's costs, impede the development of the company's product candidates or cause the Company's existing or future planned products to lose their commercial value, which would have a significant negative impact on the Company's business operations, financial results and financial position.

The recommendation of the Board of Directors for the appropriation of the Company's profits/losses

Amount in SEK

The following unrestricted shareholders' equity are available to the Annual General Meeting for its disposition:

Share premium reserve	1,415,824,526
Retained earnings	-639,316,456
Net profit/loss for the year	-64,647,324
Total	711,860,745

The Board of Directors proposes that the profits available for distribution and unrestricted reserves be allocated as follows:

To be carried forward	711,860,745
Total	711,860,745

FINANCIAL REPORTS
THE GROUP

Consolidated income statement

Amounts in KSEK	Not	2022	2021
Net sales	7	–	–
Other operating income	7	3,375	31
Total revenue and other operating income		3,375	31
OPERATING EXPENSES			
Administration expenses	8, 9, 10, 11	-48,876	-43,490
Research and development expenses	8, 9, 10, 11	-87,049	-85,796
Other operating expenses	12	-1,134	-845
Operating profit/loss		-133,684	-130,100
RESULT FROM FINANCIAL ITEMS			
Financial income	13	163	–
Financial costs	14	-5,264	-3,310
Profit/loss after financial items		-138,785	-133,410
TOTAL PROFIT/LOSS BEFORE TAXES			
Income tax expense	15	–	–
PROFIT/LOSS FOR THE PERIOD		-138,785	-133,410
Earnings/loss per share before and after dilution (SEK), for profit attributable to owner of the parent company's shareholders.	16	-0.70	-0.73

Consolidated statement of comprehensive income

Amounts in KSEK	Not	2022	2021
Result for the period		-138,785	-133,410
Other comprehensive income		–	–
Exchange differences on translation of foreign operations		-3,819	106
Other comprehensive income for the period		-3,819	106
Total comprehensive income for the period		-142,604	-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	Not	2022-12-31	2021-12-31
ASSETS			
NON-CURRENT ASSETS			
Goodwill	17	108,350	108,350
Technology	17	424,091	424,091
Right-of-use assets	8	26,216	361
Equipment	19	13,899	2,109
Other long term receivables	20,21	618	843
Other long term receivables		573,174	535,754
CURRENT ASSETS			
Other receivables	22	3,442	19,702
Prepaid expenses and accrued income	23	1,919	10,214
Cash and cash equivalents	24	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	25	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	26	22,844	36,666
Lease liabilities	8	23,706	-
Total non-current liabilities		46,550	36,666
Current liabilities			
Lease liabilities	8	2,413	309
Accounts payable		7,411	11,610
Short-term part of long-term liabilities to credit institutions	27	29,198	-
Other liabilities	27	4,765	5,147
Accrued expenses and deferred income	28	15,610	10,510
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 2022-01-01	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	30	302	-	-	302
Share issue	-	-	-	-	-
Costs for new share issue	-	-	-	-	-
Total transaction with owners	-	302	-	-	302
Shareholders' equity 2022-12-31	9,970	1,130,636	-181	-625,985	514,440
Opening shareholders' equity 2021-01-01	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	30	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 2021-12-31	9,970	1,130,334	3,638	-487,199	656,743

Consolidated statement of cash flows

Amounts in KSEK	Not	2022	2021
Operating activities			
Operating profit/loss		-133,684	-130,100
Adjustment for items not included in cash flow	32	-1,542	2,298
Interest expense paid	14	-1,135	-140
Cash flow from operating activities before changes in working capital		-136,361	-127,942
Increase/decrease in other current receivables		23,465	-4,357
Increase/decrease in accounts payable		-4,146	10,729
Increase/decrease in other current liabilities		7,711	-16,461
Cash flow from operating activities		-109,331	-138,033
Investment activities			
Investment in tangible fixed assets	19	-12,097	-1,361
Increase/decrease in other current liabilities	20,21	228	-
Cash flow from investment activities		-12,324	-1,361
Financing activities			
New Share issue		-	141,242
New share Issue costs		-	-12,291
Repayment of borrowings	26	-2,731	-1,922
New loans	26	10,925	-
Cash flow from financing activities		8,194	127,029
Cash and cash equivalents at the beginning of the period		155,313	167,643
Cash flow for the period		-113,461	-12,365
Foreign echange difference in cash and cash equivalents		-2	35
Cash and cash equivalents at the end of the period		24	41,850
		41,850	155,313

Notes

Note 1 – General information

This report covers the Swedish company Mendus AB (publ) (Mendus), Swedish corporate identity no. 556629-1786. The Company is a Swedish public limited company registered in Stockholm and with its registered office in Stockholm. The Board of Directors approved this Annual Report on April 17, 2023, and it will be presented for adoption at the Annual General Meeting on May 12th, 2023.

Note 2 – Accounting policies

The note contains a list of the significant accounting principles applied when these annual and consolidated accounts were prepared. These principles have been applied consistent for all years presented, unless otherwise stated.

2.1 Basis for the preparation of the report

The annual and consolidated accounts 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) that have been adopted by the EU. The consolidated financial statements have been prepared according to the acquisition value method. To prepare reports in accordance with IFRS requires the use of some important estimates for accounting purposes. Furthermore, the management is required to do some assessments in the application of the Group's accounting principles. The areas that include a high degree of assessment, which are complex or such areas where assumptions and estimates are essential for the consolidated accounts is stated in note 5.

2.2 Consolidated financial statements Subsidiaries

Subsidiaries are all companies over which the Group has controlling influence. The Group exercises a controlling influence over a company when it is exposed to or is entitled to a variable return from its holding in the company and has the opportunity to influence the return through their influence in the company. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which it controlling influence ceases.

The acquisition method is used for reporting the Group's business acquisitions, see 2.3 Business acquisitions. Intra-group transactions, balance sheet items and unrealized gains and losses on transactions between Group companies are eliminated. The accounting principles for subsidiaries have, where applicable, been changed to guarantee one consistent application of the Group's principles.

2.3 Business acquisitions

The acquisition method is used for reporting the Group's business acquisitions, regardless of whether the acquisition consists of equity components or other assets. The purchase price for the acquisition of a subsidiary consists of the fair value of shares issued by the Group. Identifiable assets acquired, liabilities assumed and assumed contingent liabilities in a business combination valued, with a few exceptions, initially at fair values on the acquisition date. Acquisition-related costs are expensed when incurred. Goodwill refers to the amount by which compensation is transferred exceeds the fair value of identifiable acquired net assets. If the amount is less than the fair value of the acquired net assets, in the event of an acquisition at a low price, the difference is reported directly in the income statement.

Reverse acquisition

A reverse acquisition exists if an entity acquires shares in another entity by issuing shares in its own entity to such an extent that the control over the newly formed Group, from an accounting perspective, is attributable to the shareholders of the acquired entity. This means that it is the acquiring entity's assets and liabilities that are assessed at fair value on the acquisition date when preparing a purchase price allocation. In the consolidated accounts, the legal Parent Company is treated as a subsidiary and the legal subsidiary as the Parent Company.

2.4 Foreign currency translation Functional currency and reporting currency

The entities in the Group have the local currency as their functional currency, as the local currency has been defined as the primary economic environment in which each entity operates. The consolidated accounts are presented in SEK, which is the Parent Company's functional currency and the Group's presentation currency. All amounts are, unless otherwise stated, rounded off to the nearest thousand kronor (KSEK).

Transactions and balance sheet items

Transactions in foreign currency are translated into the functional currency according to the exchange rates that apply on the transaction date. Receivables and liabilities in foreign currency have recalculated at the exchange rate on the balance sheet date. Exchange rate gains and exchange losses on the business' receivables and liabilities are added to the operating profit. Gains and losses on financial receivables and liabilities are reported as financial items.

Group companies

Earnings and financial position for all Group companies which has a functional currency other than the reporting currency are converted to the Group's reporting currency as follows:

- » Assets and liabilities for each of the balance sheets are translated at the exchange rate on the balance sheet date;
- » Income and expenses for each of the income statements are translated at the average exchange rate, and
- » All resulting exchange differences are recognized in other comprehensive income.

2.5 Government grants

Grants received are reported in the balance sheet as prepaid income and recognized in the income statement in the period when the cost which the grant is intended to be reported. Government grants are reported as other operating income when it is clear that the conditions that are associated with the contributions are met.

2.6 Leasing

The Group as a lessee

Lease contracts are normally signed for fixed periods of between one and two years with an option for extension. The conditions are negotiated separately for each lease and include a large number of different terms. Lease contracts are recognized as right-of-use assets and corresponding liabilities on the date when the leased asset becomes available for use by the Group. Each lease payment is apportioned between the finance charge and depreciation of the outstanding liability. Interest is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability recognized in the respective period. Right-of-use assets are depreciated on a straight-line basis over the shorter of the expected useful life of the asset and the lease term. Assets and liabilities arising from leasing agreements is initially reported at present value. Included in the leasing debt the present value of fixed fees and / or variable leasing fees which depends on an index or an interest rate. Future fees are discounted using the agreement's implicit interest. If it can not be determined, the Group's marginal borrowing rate is used instead.

Right-of-use assets are valued at acquisition value and include the following:

- » The initial valuation of the lease liability and
- » Payments made at or before the time when it the leased asset is made available to the lessee.

For leases where the underlying asset is of low value or for short-term leases, the Group applies the recognition exemptions in IFRS 16, which means that the lease payment is expensed on a straight-line basis over the lease term in the income statement and no right-of-use asset or lease liability is recognized in the balance sheet.

The Group recognizes a right-of-use asset in the balance sheet and a lease liability at the present value of future

lease payments. In the consolidated statement of cash flows, the main payment attributable to leases is recognized in financing activities as payments pertaining to repayment of lease liabilities. The interest portion is recognized in operating activities and is included in the item "Interest paid".

Options to extend and terminate agreements

Options to extend or terminate a lease are included in the asset and the liability in cases when it is considered reasonably certain that the Company will exercise extension options or not exercise options to terminate the lease.

2.7 Remuneration to employees

Short-term benefits

Short-term employee remunerations are calculated without discounting and recognized as an expense when the related services are performed. A provision for the expected cost of payments is made when the Company has a current obligation to make such payments as a result of services received from employees and the obligation can be reliably estimated.

Termination remunerations

An expense for remuneration in connection with the termination of staff is reported when the Company is obligated, without realistic possibility of withdrawal, by a formal plan to terminate employment before the normal time.

Post-employment obligations

For defined contribution plans, the Company pays contributions to pension insurance. The Company has no further payment obligations once the contributions are paid. The contributions are recognized as personnel expenses when they fall due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments may benefit the Company.

Share-based payments

The group has a share-based compensation plan there the company receives services from employees as remuneration for the group's equity instrument.

Employee stock option program

The Group has an employee stock option program that entitles employees to allot options based on employment. The options are reported as a personnel cost with a corresponding increase in equity.

For further information, see Note 30.

2.8 Income tax

The Company is currently not in a tax position and therefore does not pay income tax. Deferred tax assets relating to unutilized losses carried forward and deductible temporary differences are recognized only to the extent that it is probable that these will be able to be utilized against future taxable profits. As there is uncertainty as to when in time the Company's loss carry-forwards will be able to be used

for settlement against taxable profits, deferred tax assets are only recognized to the extent that there are future taxable temporary differences. The remaining part of the loss carry-forwards is not assigned any value.

Deferred tax is reported on all temporary differences which arises between the tax value of assets and liabilities and their carrying amounts in the consolidated accounts. However, deferred tax liabilities are not reported if they arise as a result of goodwill. Deferred tax is also not reported if it arises as a result of a transaction that constitutes the first accounting of an asset or liability that is not a business combination and which, at the time of the transaction, does not affect accounting or taxable results. Deferred income tax is calculated using tax rates and laws which has been decided or announced on the balance sheet date and which is expected to apply when the deferred tax asset is concerned realized or the deferred tax liability is settled.

Deferred taxes relating to temporary differences holdings in subsidiaries are not reported as the parent company can control the time of reversal of the temporary differences and it is not considered probable that such a return will take place in the foreseeable future.

Deferred tax assets and liabilities are reported net when there is a legal right of offset current tax receivables and liabilities and when the deferred tax assets and liabilities relate to taxes charged by one and the same tax authority and refers to either the same tax subject or different tax subjects, where there is an intention to regulate the balances through net payments.

2.9 Goodwill

Goodwill is calculated according to the principles in 2.3 Business acquisitions. Goodwill is not amortized, but is impaired annually or more often about events or changes in relationships indicates a possible depreciation. Goodwill is reported to acquisition value less accumulated write-downs.

In order to test impairment, goodwill is distributed as acquired in a business combination to cash-generating units or groups of cash-generating units expected benefit from synergies from the acquisition. Each device or group of units to which goodwill has been allocated the lowest level in the Group at which the goodwill in question monitored in the internal control, which for Mendus corresponds to the group as a whole. Thus, there is only one cash-generating unit.

2.10 Expenditures for research and development

Research costs refer to expenditures for research aimed at obtaining new scientific or technical knowledge. Development expenditure means expenditure when research findings or knowhow are applied to achieve new or improved products or processes in accordance with IAS 38 Intangible assets. Research costs are expensed in the

period incurred. Development expenditure is recognized as an intangible asset in the event that the asset is expected to generate future economic benefits and then only on condition that it is technically and financially possible to complete the asset, the intention and the conditions exist to use the asset in operations or sold and the value can be measured reliably. The Company has made the assessment that there is currently no prerequisite for capitalization of development costs.

2.11 Technology

Technology that has been acquired through a business acquisition is reported at fair value on the acquisition date. Technology consists of the cell therapy product ilixadencel which is an immune activator that is storable and developed for the treatment of solid tumors. The asset is not yet in such a state that it can be used to generate income.

2.12 Equipment

Equipment is valued at acquisition value less accumulated depreciation. The acquisition value is including expenses that can be directly attributed to the acquisition of the asset. Equipment is depreciated on a straight-line basis over the assets' expectations useful life amounting to 5 years.

2.13 Impairment of non-financial assets

Goodwill and intangible assets that are not ready for use, is not written off but tested annually, or in the event of an indication of impairment, with regard to any impairment. Assets that are depreciated are assessed with respect to impairment whenever events or changes in conditions indicate that it reported the value may not be recoverable. An impairment loss is made with the amount by which the asset is reported value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. At assessment of impairment needs, assets are grouped at the lowest levels where there is essentially independence cash flows (cash-generating units). For assets (other than goodwill) that has previously been written down is made per each balance sheet date a test of whether reversal should be made.

2.14 Financial instruments

Financial instruments are any form of agreement that provides giving rise to a financial asset, financial liability or a equity instrument in another company. For the group this includes cash and cash equivalents, other current receivables, other long-term receivables, other long-term securities holdings, accounts payable, other liabilities and borrowings. Cash and cash equivalents consist of bank balances and are reported at fair value.

Accounting for financial instruments

A financial asset or financial liability is recognized in the balance sheet when the Group becomes a party to the instrument contractual terms. Debt is taken up when the counterparty has performed and contractual obligation exists to pay, even if the invoice has not yet been received. Accounts payable is taken up when the invoice is received.

A financial asset is removed from the balance sheet when the rights in the agreement are realized, fall due or the group loses control over them. The same applies to part of a financial asset. A financial debt is removed from the balance sheet when the obligations are fulfilled.

The agreement is fulfilled or otherwise extinguished. The same applies to part of a financial liability. Acquisition and sale of financial assets are reported on the business day, which constitutes the date on which the company undertakes to acquire or divest the asset. Then the terms of a financial debt transfer, hand read, and not booked off the balance sheet, one is reported profit or loss in the statement of comprehensive income the loss is calculated as the difference between the original the contractual cash flows and the modified cash flows are discounted to the original effective interest rate.

Classification and valuation of financial instruments

The classification depends on the intention to acquire it financial instrument. The Group classifies and values its financial assets in the category of accrued acquisition value. The classification of investments in debt instruments depends on the Group's business model for management of financial assets and the contractual terms for assets' cash flows.

Financial assets at accrued acquisition value

Assets held for the purpose of collecting contractual cash flows and where these cash flows only constitute capital amounts and interest are valued at accrued acquisition value. The carrying amount of these assets is adjusted with any expected credit losses reported (see Impairment of financial assets below). Financial assets are reported as current assets exceptions for items maturing more than 12 months after the balance sheet date, which are classified as fixed assets.

Impairment of financial assets

The Group values the future expected credit losses related to investments in debt instruments reported at accrued acquisition value on forward-looking information. The Group chooses a reservation method based on whether there has been a significant increase in credit risk or not.

Financial liabilities at accrued acquisition value

Loan liabilities and accounts payable are initially reported to acquisition value after deduction of transaction costs and after the first reporting opportunity to accrued acquisition value. The reported amount differs from the amount to be repaid at the due date, the difference is accrued as interest expense over the term of the loan using the effective interest method.

In this way, at the due date, it corresponds the reported amount and the amount to be repaid.

Offsetting of financial claim and financial debt

A financial asset and a financial liability are set off and reported with a net amount in the balance sheet only when

there is a legal right of set-off and when a regulation with net amount is intended to take place or when a simultaneous sale of the supply and settlement of the debt is intended to take place.

2.15 Share capital

Ordinary shares are classified as equity.

Transaction costs that can be directly attributed to the issue of new ones ordinary shares are reported, net after tax.

Earnings per share before dilution

Earnings per share before dilution are calculated by divide:

- results attributable to the parent company's shareholders
- with a weighted average number of outstanding shares during the period, adjusted for the bonus issue element in ordinary shares issued during the year.

Earnings per share after dilution

For the calculation of earnings per share after dilution, the amounts used to calculate earnings per share are adjusted. share before dilution by considering:

- the weighted average of the additional ordinary shares which would have been outstanding at a conversion of all potential ordinary shares.

2.16 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated

2.17 Accounts payable

Accounts payable are financial instruments and refer to obligations to pay for goods and services that have acquired in the day-to-day operations from suppliers. Accounts payable are classified as current liabilities if they fall due within one year. If not, they are reported as Long-term liabilities.

Accounts payable are initially reported at fair value value and thereafter to accrued acquisition value with application of the effective interest rate method.

2.18 Operating segment

It is on the basis of the Group as a whole that the Chief Executive Officer makes decisions on the allocation of resources and assesses results. Internal reporting is also based on the Group's result as a whole. The Group's operations currently consist of research and development for pharmaceuticals. In light of the above, the assessment is that the Group has one operation and thus has one operating segment, which constitutes the Group as a whole

2.19 Cash flow statement

The cash flow analysis is prepared according to the indirect method. The reported cash flow only includes transactions that resulted in inflows or outflow

2.20 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and in the statement of cash flows includes bank balances.

Note 3 – Financial risks and management of capital

Financial risks

Through its operations, the Group is exposed to different financial risks: market risks (including exchange-rate risk, interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of the financial markets and strives to reduce potential unfavorable effects on the Group's financial earnings. The Group's financial transactions and risks are managed centrally by the Company through the Company's CFO and CEO. The overall aim in relation to financial risks is to provide cost-effective financing and liquidity management as well as to ensure that all payment obligations are managed in a timely manner. Every year, the Board of Directors establishes a Finance Policy with associated risk parameters.

Currency risk

Mendus foreign exchange exposure increases as development projects progress in the value chain and the costs for services in connection with clinical trials increase. These services are partially carried out outside of Sweden and paid for in foreign currency. According to the Finance Policy, the Group is not to apply any form of currency hedging activities other than cash denominated in foreign currency. Mendus is primarily exposed to changes in the EUR/SEK and USD/SEK exchange rates related to accounts payable.

Exposure	2022-12-31	
Balance sheet exposure	EUR	USD
Trade payables	6,695	-279

Operating exchange rate differences for the financial year amount to a net loss of KSEK 1,134 (65).

The Group is exposed to certain effects regarding changes in foreign exchange rates, mainly for the currencies EUR and USD. A revaluation of book values in the balance sheet as of December 31, 2022 for items in foreign currencies following a change in exchange rates of +1% (where foreign currencies increase in value against SEK) would have a

earnings effect of +/- 94 KSEK for EUR, and +/- 2 KSEK for USD.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates to bank deposits, and from interest bearing liabilities. Interest rate risk exposure is considered low as the Group mainly has a fixed interest rate. During the financial year, the Group paid interest on interest-bearing liabilities totaling KSEK 5,264 (3,220).

Credit risk

Credit risk is the risk that a counterparty will not be able to complete its own agreed obligations towards Mendus and thus cause a financial loss to the company. Mendus invests its liquid assets with banks with a high credit rating. In accordance with the above investments are assessed credit risks as small.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulties fulfilling its obligations associated with financial liabilities. The Board of Directors manages liquidity risk by continuously monitoring the cash flow to reduce liquidity risk and to ensure the Company's ability to pay. Considering that the Group currently does not have its own earnings capacity, it is of the utmost importance that financing can be secured from owners and independent investors so that the Group's operations can be conducted according to plan. The Board of Directors conducts long-term work with owners and independent investors to ensure that liquidity is available for the Company as the need arises. The objective is to have cash on hand for at least 12 month runway.

The table below analyzes the Group's financial liabilities broken down by the time remaining on the balance sheet date until the contractual maturity date. The amounts disclosed in the table are the contractual, undiscounted cash flows. Future cash flows in foreign currency have been calculated on the basis of the exchange rate applied on the balance sheet date.

Note 4 – Management of capital

An effective risk assessment combines Mendus business opportunities and results with shareholders' and other stakeholders' demands for sustainable profitability, stable

As of December 31, 2022	Less than 1 year	Between 1 and 3 years	After 3 years	Total contractual cash flows	Carrying amount
Financial liabilities					
Other long-term liabilities	11,888	–	10,957	22,845	22,845
Lease liabilities	2,413	–	–	2,413	2,413
Other short-term liabilities	33,963	–	–	33,963	33,963
Accounts payable	7,411	–	–	7,411	7,411
Accrued expenses and deferred income	8,685	6,925	–	15,610	15,610
Total	64,359	6,925	10,957	82,241	82,241

long-term value development and control. Research and drug development until approved registration is both a risky and capital-intensive process. The Group's objective regarding the capital structure is to safeguard the Group's ability to continue its operations, so that it can continue to generate value growth for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to keep costs of capital down. In order to maintain, operate and broaden the research portfolio over time and thereby generate future values, Mendus needs a strong capital base. The Group's equity amounts to KSEK 514,439 (661,094). Cash and cash equivalents amount to KSEK 41,850 (167,643)

Note 5 – Key estimates and assessments for accounting purposes

The preparation of financial statements requires the use of accounting estimates, which will rarely correspond to actual profit or loss. Management also makes assessments when applying the Group's accounting principles. This note provides an overview of the areas that often involve a higher degree of complexity in assessments and over items where an adjustment due to incorrect estimates and assessments can in many cases become material.

Research and development

Development expenses are recognized as an intangible asset in the event that the asset is deemed to be able to generate future economic benefits and then only provided that it is technically and financially possible to complete the asset, the intention is and condition is that the asset can be used in the business or sold and that the value can be calculated reliably. The Group has made the assessment that there is currently no prerequisite for activation of development costs

Impairment test for goodwill and technology

Each year, the Group examines whether there is a need for impairment for goodwill and technology that is not ready for use, in accordance with the accounting policy described in Note 2. The acquisition of Mendus (reverse acquisition) which has given rise to the items goodwill and technology has taken place on market terms on 21 December 2020. See also Note 2.3

Note 6 – Segment assets

The total of non-current assets other than financial instruments and deferred tax assets, broken down by location of the assets, is shown in the following table:

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Sweden	532,441	532,441
Netherlands	40,116	2,470
Total	572,557	534,911

Note 7 – Income

No turnover was reported for the full year – (-). Other operating income amounts to KSEK 3,375 (31) and mainly consists of government support and the transfer of patents to Elicera.

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Exchange rate gains	352	22
Government grants	1,201	6
Transfer of patent Elicera	1,794	–
Other	28	3
Total	3 375	31

Note 8 – Leases

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
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The balance sheet shows the following amounts relating to leases:

Right-of-use assets:		
Properties	26,216	361
Total	26,216	361

Lease liabilities:		
Current	2,413	309
Non-current	–	–
Total	2,413	309

Depreciation charge of right-of-use assets:		
Properties	2,685	859
Total	2,685	859

Interest expense (included in finance cost)	1,073	39
Expense relating to short-term leases (included in R&D and Admin expenses)	793	1,203

Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administration expenses)	2,551	52
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The total cash outflow for leases in 2022 was KSEK 3,306 (928).

Maturity analysis for lease liabilities is presented in note 3.

Note 9 – Remuneration to the auditor

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
EY		
Audit fees	2,206	1,415
Ruitenburg		
Audit fees	455	363
Audit-related fees	23	19
Other fees	22	6
Total	2,707	1,803

The audit assignment involves review of the Annual Report, interim reports and financial accounts and the administration by the Board of Directors and the CEO.

Note 10 – Employees and personnel costs

Average number of employees geographically broken down by country	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Sweden	6	6
of which men	(1)	(1)
Netherlands	28	24
of which men	(12)	(11)
Koncernen totalt	34	30
Salaries, other remuneration and social costs		
Salaries and other remuneration	30,606	30,800
Social costs	11,431	6,597
(of which, pension costs)		
– avgiftsbestämda planer	(4,971)	(3,162)
Total	42,037	37,397

Salaries and other remuneration regarding other employees

Board Members and senior management	14,549	12,405
(of which bonus and similar remunerations)	–	(2 970)
Other employees	16,056	18,343
(of which bonus and similar remunerations)	(996)	(684)
Total	30,606	30,748
(of which bonus and similar remunerations)	(996)	(3,654)

For further information see parent company note 7.

Note 11 – Depreciation

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Equipment	2,163	992
Total	2,163	992

Note 12 – Other operating expenses

Other operating expenses amount to KSEK 1,134 (845) and refers to currency exchange loss from accounts payable.

Note 13 – Finance income

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Interest income	163	–
Total	163	–

Not 14 – Finance costs

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Interest costs	-4,191*	-3,284
Financial costs for lease liabilities	-1,073	-39
Foreign exchange difference in cash and cash equivalents	–	-26
Total	-5,264	-3,310

* Of the interest expenses, only TSEK -1,135 affects the cash flow.

Not 15 – Taxes

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Current tax	–	–
Deferred tax assets	–	–
Tax expense	–	–

Difference between recognized tax expense and an estimated tax expense based on the current tax rate:

Total profit/loss before taxes	-138,785	-133,410
Income tax according to current tax rate	20,818	20,012
Tax effect of non-deductible expenses	-89	-51
Tax effect of non-taxable income	–	149
Deductible issue costs reported over equity	–	–
Tax effect of a deductible deficiency for which no deferred tax assets have been taken into account	-24,283	-23,551
Tax expense	–	–

The current tax rate is 15,0% (16,5%)

Unutilized deductible deficiency for which no deferred tax asset has been recognized	1,249,447	1,093,442
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Note 16 – Earnings per share

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Earnings per share, before dilution	–	–
Net profit/loss for the year	-138,785,784	-133,410,426
Average number of shares outstanding	199,400,599	183,983,979
Earnings per share, before dilution, SEK	-0.70	-0.73
Earnings per share, after dilution	–	–
Net profit/loss for the year	-138,785,784	-133,410,426
Average number of shares outstanding	199,400,599	183,983,979
Earnings per share, after dilution, SEK	-0.70	-0.73

Earnings per share before dilution is based on the financial results for the year and the weighted average of the number of shares outstanding. Earnings per share after dilution is based on the financial results for the year and the weighted average of the number of shares outstanding plus the dilutive effect of potential shares. There is no dilution effect for the stock option program, as earnings for the periods have been negative.

Not 17 – Intangible assets

Amounts in KSEK	Goodwill	Teknologi
Opening balance	108 350	424 091
Acquisition of business	–	–
Closing balance accumulated acquisition values	108 350	424 091
Opening balance accumulated depreciation	108 350	424 091
Depreciation for the year according to plan	–	–
Closing balance accumulated depreciation	108 350	424 091
Closing book value December 31, 2022	108 350	424 091

Impairment tests for goodwill

The management assesses the operating performance based on the Group as a whole and monitor goodwill at the same level. The recoverable amount of goodwill has been determined based on calculations of the value in use. Management believes that the probability that the company's products will reach the market is the most significant assumption in the test to test the need for impairment, since the value of the assets depends on future expected

revenues. The calculations of value in use are based on estimates and assumptions about future pre-tax cash flows based on market data and management's forecasts. The operating margin and discount rate used in the model are based on data from corresponding companies in the pharmaceutical industry.

Significant assumptions used for calculations of value in use:

- Discount rate before tax, 14,7%
- EBIT margin, 50%

Sensitivity analysis for goodwill:

The recoverable amount exceeds the carrying amounts of goodwill by a margin. This also applies to assumptions if:

- the discount rate before tax had been 1.5% higher
- the EBIT margin had been 6% lower

Note 18 – Investments in subsidiaries

The Group had the following legal subsidiary as of December 31, 2022:

Name	Country of registration and operations	Operations	Ownership interest held by the group
Mendus B.V.	Netherlands	Research and development of cancer immunotherapies within the field of relapse vaccines.	100%

Note 19 – Equipment, tools and installations

Amounts in KSEK	Inventarier	Övrigt
Opening balance accumulated acquisition values, January 1 2021		636
Acquisition during the year	4,419	118
Exchange differences	93	13
Closing balance accumulated acquisition values, December 31, 2021	5,755	767
Opening balance accumulated depreciation	-2,933	-417
Depreciation for the year according to plan	-901	-91
Exchange differences	-63	-8
Closing balance accumulated depreciation, December 31, 2021	-3,896	-517
Closing book value, December 31, 2021	1,859	250
Opening balance accumulated acquisition values, January 1 2022		767
Acquisition during the year	12,097	1,025
Exchange differences	766	-115
Closing balance accumulated acquisition values, December 31, 2022	18,618	1,677
Opening balance accumulated depreciation	-3,896	-517
Depreciation for the year according to plan	-2,209	-227
Exchange differences	278	175
Closing balance accumulated depreciation, December 31, 2022	-5,827	-569
Closing book value, December 31, 2022	12,791	1,108

Note 20 – Other long term securities

Amounts in KSEK	2022-12-31	2021-12-31
Holdings of shares of LFF Service AB	1	1
Total	1	1

The share in LFF Service AB is pledged and gives Läkemedelsföreningens Service AB an option to acquire the share at its quotient value (KSEK 1) if Mendus AB (publ) withdraws from the share agreement with LFF Service AB.

Note 21 – Other long term receivables

Amounts in KSEK	2022-12-31	2021-12-31
Deposit lease	142	386
Deposit credit card	474	456
Other deposit	1	1
Total	617	843

Note 22 – Other receivables

Amounts in KSEK	2022-12-31	2021-12-31
Other receivables	2,624	2,858
Horizon2020 subsidy receivable	–	16,175
Other receivables	818	669
Total	3,442	19,702

Note 23 – Prepaid expenses and accrued income

Amounts in KSEK	2022-12-31	2021-12-31
Prepaid expenses relating to preclinical development/clinical trials	1,046	6,307
Prepaid insurance premiums	317	370
Other prepaid expenses	556	3,538
Total	1,919	10,214

Note 24 – Cash and cash equivalents

Cash and cash equivalents refers to cash at bank KSEK 41,850 (155,313).

Note 25 – Share capital

Equity consists of share capital, other contributed capital, reserves and balanced income including the period results. For information regarding the share capital, see the parent company's note 19.

Note 26 – Other long term liabilities

Amounts in KSEK	2022-12-31	2021-12-31
Non-current borrowings		
Conditional credits from Region Västra Götaland 1)	850	850
Innovation Credit RVO 2)	11 888	35 816
Van Herk Investment B.V 3)	10 107	–
Total non-current borrowings	22 844	36 666

- 1) The terms of repayment for the conditional credits from Region Västra Götaland are 5% per year of the debt from potential future income. The interest is calculated as the reference rate set by the Swedish National Bank

for the calendar half-year in question, plus an additional two percentage points.

- 2) The Innovation Credit RVO covers the project "Therapeutic Vaccine for AML", an interest rate of 9.5% is charged annually with repayment of interest of EUR 11,000. The remaining amount including interest needs to be repaid in case a commercial deal is closed for AML, or in case of an IPO or trade sale, but ultimately June 30, 2024. The amount outstanding of this part of the project is EUR 1,526,000 per December 31, 2022 (principal plus accumulated interest) of which 30% is due December 31, 2023. A provisional exemption was granted for the repayment of part of the project, constituting a principal of EUR 1,301,000 plus accumulated interest. A final decision on the repayment of provisionally granted part will be taken on May 1, 2023. The conditions for a definitive waiver of repayment are expected to be met.
- 3) Mendus AB has an outstanding long-term debt to Van Herk Investments B.V. of KSEK 10,107 which was signed on October 25, 2022. The loan refers to a shareholder loan with the right to borrow up to KSEK 50 000, of which KSEK 10,000 has been used and KSEK 107 refers to accrued interest. Repayment must take place no later than October 24, 2024. The interest rate for 2022 has been 6.00%. During the full year 2022, the interest has been paid with KSEK 107 (-).

Note 27 – Other liabilities

Amounts in KSEK	2022-12-31	2021-12-31
Wage taxes	1,970	1,527
Debt RVO ¹⁾	29,198	–
Bonus provision	847	–
Other	1,948	3,621
Total	33,963	5,147

1) See note 26

Note 28 – Accrued expenses and deferred income

Amounts in KSEK	2022-12-31	2021-12-31
Accrued expenses relating to preclinical development/clinical trials	7,020	4,242
Accrued personnel-related costs	1,151	5,221
Audit fee	1,200	290
Consultancy fee	336	220
Commitment fee Negma	3,700	–
Other accrued expenses	2,204	537
Summa	15 610	10 510

Note 29 – Financial assets and liabilities

Financial assets and liabilities as of December 31, 2022

Amounts in KSEK	Financial assets at amortized cost	Non-financial assets	Total reported value
Assets			
Financial fixed assets	618	–	618
Other receivables	818	2,624	3,442

Prepaid expenses and accrued income	1,919	–	1,919
Cash and cash equivalents	41,850	–	41,850

Liabilities			
Account payables	9,255	–	9,255
Long term interest bearing debts	22,845	–	22,845
Other current liabilities	32,129	1,834	33,963
Accrued expenses and deferred income	15,405	203	15,607

Financial assets and liabilities as of December 31, 2021

Amounts in KSEK	Financial assets at amortized cost	Non-financial assets	Total reported value
Assets			
Financial fixed assets	843	–	843
Other receivables	16,844	2,857	19,702
Prepaid expenses and accrued income	10,214	–	10,214
Cash and cash equivalents	155,313	–	155,313
Liabilities			
Account payables	11,610	–	11,610
Long term interest bearing debts	36,666	–	36,666
Other current liabilities	6,974	1,843	8,817
Accrued expenses and deferred income	5,290	1,551	6,842

Fair value

For all of the above items, the book value is an approximation of the fair value.

Note 30 – Share option program

The purpose of share-related 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 shareholders' interests. There are currently two active programs in the company.

LTI 2021/2024

At the annual general meeting on May 4, 2021, it was resolved to introduce an incentive program with warrants and restricted shares. The personal option program is awarded free of charge. The exercise price of the options is based on the volume-weighted average price of the share ten days after the annual general meeting 2021.

At the annual general meeting on May 4, 2021, it was resolved to introduce an incentive program with warrants and restricted shares. The personal option program is awarded free of charge. The exercise price of the options is based on the volume-weighted average price of the share ten days after the annual general meeting 2021.

Input into the model for options that have been awarded during the year were:

- Exercise price: 7.39 SEK
- Share price on the issue date: SEK 2.41
- Expected volatility in the company's share price: 66%
- Expected dividend yield: 0%
- Risk-free interest rate: 0%

The expected volatility of the share price is based on the

historical volatility (based on the remaining maturity of the option), adjusted for the expected changes in future volatility due to available public information.

The number of warrants issued amounts to 1,286,092. The number of issued restricted shares amounts to 680,000. During 2021, two employees have left whereby 40,000 warrants has been forfeited. During 2022, 50,000 warrants and 50,000 restricted shares have been forfeited in connection with employees left. As a result, the number of issued restricted shares amounts to 590,000 and the number of issued warrants to 1,236,092. This corresponds to a dilution of 0.94%.

LTI 2022/2024

At the annual general meeting in May 2022, it was decided to introduce an incentive program with warrants "LTI 2022/2025". The employee stock option program is awarded free of charge. The exercise price of the options is based on the volume-weighted average price of the share ten days after the annual general meeting 2022.

The calculated fair value on the grant date regarding options granted in 2021 was SEK 0.46 per option right. The fair value of the warrants on the grant date has been calculated using a customized version of the Black & Scholes valuation model that takes into account the exercise price, the term of the option, the share price on the grant date and expected volatility in the share price and risk-free interest for the term of the option.

Input into the model for options that have been awarded during the year were:

- Exercise price: SEK 3.20
- Share price on the issue date: SEK 2.41
- Expected volatility in the company's share price: 40%
- Expected dividend yield: 0%
- Risk-free interest rate: 2,6%

The expected volatility of the share price is based on the historical volatility (based on the remaining maturity of the option), adjusted for the expected changes in future volatility due to available public information.

The number of warrants issued amounts to 3,000,000. This corresponds to a dilution of approximately 1.50 percent when all warrants are exercised.

For more information about the programs, see the minutes from the 2021 and 2022 annual general meetings, published on the group's website www.mendus.com.

Note 31 – Pledged assets

Amounts in KSEK	2022-12-31	2021-12-31
Pledged assets for own liabilities and provisions		
Pledged bank deposit	456	456
Summa	456	456

Note 32 – Adjustments in cashflow

Amounts in KSEK	2022-12-31	2021-12-31
Adjustments for items not included in the cashflow, consists of the following		
Depreciations	4,848	1,851
Warrants	302	450
Conversion difference	-3,397	-3
Accrued interest expense	3,215	-
Other, non cash items	-80	-
Total	-1,542	2,298

Note 33 – Transactions with related parties

The parent company Mendus AB is related to the subsidiary Mendus BV. 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 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 34 – Events after the balance date

- » On January 5 2023, Mendus announced the request for a first tranche of the convertible loan from Negma Group Ltd ("Negma").
- » On March 7 2023, Mendus announced that the Company has closed a second loan under the terms of the commitment from its largest shareholder Van Herk Investments ("VHI"). The 1-year loan in the amount of SEK 25M carries a 6% annual interest rate and will be repaid in cash at the end of the loan period. It is part of the total SEK 50M financing facility put in place between Mendus and VHI on August 26, 2022. In total, Mendus has drawn SEK 35M in loans from the facility.
- » On March 7 2023, Mendus announced that the Company has mutually resolved with Negma Group Ltd. to reduce the first tranche of convertible bonds issued on 3 January 2023 by way of redeeming convertible bonds for a nominal amount of SEK 5M.
- » On April 6 2023, Mendus announced that the Company has agreed with Negma to redeem the remainder of the first tranche of convertible bonds issued to Negma on 3 January 2023 for an amount of SEK 3.9M, corresponding to the nominal amount for the outstanding convertible bonds, plus paying an 8% premium in accordance with the provisions in the agreement with Negma. Following this redemption, there will be no remaining outstanding convertible bond

FINANCIAL REPORTS
PARENT COMPANY

Parent Company income statement

Amounts in KSEK	Note	2022	2021
Net sales	4	-	-
Other operating income	4	5,740	4,318
Total revenue		5,740	4,318
OPERATING EXPENSES			
Administration expenses	5, 6, 7	-43,814	-34,157
Research and development expenses	5, 6, 7	-24,963	-38,953
Other operating expenses	8	-1,116	-802
Operating profit/loss		-64,153	-69,593
RESULT FROM FINANCIAL ITEMS			
Financial income	9	163	272
Financial costs	10	-657	-26
Profit/loss after financial items		-64,647	-69,347
TOTAL PROFIT/LOSS BEFORE TAXES			
Income tax expense	11	-	-
PROFIT/LOSS FOR THE PERIOD		-64,647	-69,347

Parent Company statement of comprehensive income

Amounts in KSEK	Note	2022	2021
Result for the period		-64,647	-69,347
Other comprehensive income		-	-
Total comprehensive income for the period		-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	2022-12-31	2021-12-31
ASSETS			
Tangible assets			
Participants in Group companies	13, 14	711,422	649,980
Other long term receivables	15	394	394
Total financial assets		711,816	650,374
Total fixed assets		711,816	650,374
CURRENT ASSETS			
Intercompany receivables	27	1,076	4,283
Other receivables	16	1,480	1,035
Prepaid expenses and accrued income	17	854	5,073
Total current receivables		3,410	10,391
Cash and bank balances	18	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	19	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 unrestricted equity		721,832	786,177
LIABILITIES			
LONG-TERM LIABILITIES			
Other long-term liabilities	20	10,957	850
Total long-term liabilities		10,957	850
CURRENT LIABILITIES			
Accounts payable		773	2,449
Intercompany liabilities	27	1,844	9,753
Other liabilities	21	663	1,401
Accrued expenses and deferred income	22	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	Share premium reserve	Retained earnings inc. profit/loss for the period	Total
Opening shareholders' equity 2022-01-01	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 owner				
Issued warrants	-	302	-	302
Share issue	-	-	-	-
Costs for new share issue	-	-	-	-
Total transaction with owners	-	302	-	302
Shareholders' equity 2022-12-31	9,970	1,415,825	-703,963	721,832
<hr/>				
Opening shareholders' equity 2021-01-01	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	127,739	-	-129,401
Shareholders' equity 2021-12-31	9,970	1,415,523	-639,316	786,177

Parent Company cash flow statement

Amounts in KSEK	Note	2022	2021
Operating activities			
Operating profit/loss before financial items		-64,153	-69,593
Adjustment for items not included in cash flow	26	302	450
Interest expense paid	9, 10	-494	-26
Cash flow from operating activities before changes in working capital		-64,345	-69,169
Increase/decrease in accounts receivable		3,207	4,284
Increase/decrease in other current receivables		3,776	1,587
Increase/decrease in accounts payable		-9,585	-5,362
Increase/decrease in other current liabilities		968	10,384
Cash flow from operating activities		-65,979	70,018
Investment activities			
Increase/decrease in long term receivable, intra-group		-	-20,432
Investment in financial assets	14	-61,442	-51,379
Cash flow from investment activities		-61,442	-71,811
Financing activities			
New share issues		-	141,242
New share issues cost		-	-12,291
New loans	20	10,107	-
Cash flow from financing activities		10,107	128,951
Cash and cash equivalents at the beginning of the period		145,156	157,762
Cash flow for the period		-117,314	-12,878
Foreign exchange difference in cash and cash equivalents		-2	272
Cash and cash equivalents at the end of the period		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. The Board of Directors approved this Annual Report on April X, 2023, and it will be presented for adoption at the Annual General Meeting on 11 May, 2023.

Note 2 – Accounting policies

The most important accounting principles applied when this annual report has been prepared are stated below. These principles have been applied consistently for all years presented, unless otherwise stated.

The annual report for the parent company has been prepared in accordance with RFR 2 Accounting for Legal Entities and the Annual Accounts Act. In cases where the parent company applies other accounting principles than the Group's accounting principles, which are described in Note 2 to the consolidated accounts, these are stated below.

Presentation format

The income statement and balance sheet follow the presentation of the Annual Accounts Act. The statement of changes in equity follows the Group's presentation but must contain the columns specified in the ÅRL. Furthermore, it means a difference in terms, compared with the consolidated accounts, mainly regarding financial income and expenses and equity.

Lease agreement

All leasing agreements are reported as operational leasing, regardless of whether the agreements are financial or operational. The leasing fee is recognized as a cost linearly over the leasing period.

Note 3 – Financial risks and management of capital

The group applies joint risk management for all entities. The description found in the Group's Note 3 Financial risk management and Note 4 Management of capital is therefore in all material aspects also applicable to the parent company. Below follows supplementary quantitative information for the parent company.

Note 4 – Income

No turnover was reported for the full year – (-). Other operating income amounts to KSEK 5,740 (4,318) and mainly consists transfer of patents to Elicera and invoicing of management fees to Mendus B.V.

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Exchange rate gains	272	31
Exchange rate gains	3,674	4,284
Transfer of patent Elicera	1,794	3
Total	5,740	4,318

Note 5 – Operating leases

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
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The company's operating leases relate only to the rental of office premises where the business is conducted. Future minimum fees according to non-cancellable operating leases at the end of the reporting period fall due for payment as follows:

Within one year	168	-
Later than one year, but within five years	-	-
Later than five years	-	-
Total	168	-

During the year, the leasing cost for renting an office amounted to

759	816
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General description of significant leases for the company:

Lease agreement for office space in Gothenburg is an ongoing agreement with 6 months notice period. The agreement limits the company to operating within Life Science, the agreement contains an index clause based on changes in the CPI. A lease agreement for office space in Stockholm is an ongoing agreement with a 3-month notice period. The rent is listed at 3% per year from 2023-01-01.

Note 6 – Remuneration to the auditor

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Ernst & Young		
Audit fees	2,206	1,415
Total	2,206	1,415

The audit assignment involves review of the Annual Report, interim reports and financial accounts and the administration by the Board of Directors and the CEO.

Note 7 – Employees and personnel costs

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Average number of employees		
Men	1	1
Women	5	5
Total	6	6
Gender breakdown of Members of the Board and senior management		
Board Members	6	6
of which, men	4	4
CEO, and others in senior management	1	1
of which, men	–	–
Salaries, other remuneration and social costs		
Salaries, other remuneration and social costs	7,648	9,329
Social costs	4,018	1,683
(of which, pension costs)	(1,281)	(617)
Total	11,666	11,534
Salaries and other remuneration distributed between Board Members, senior management and other employees		
Board Members and senior management	4,258	2,341
(of which bonus and similar remunerations)		(101)
Other employees	3,390	6,936
(of which bonus and similar remunerations)	(187)	(227)
Total	7,648	9,726
(of which bonus and similar remunerations)	(187)	(327)
Remuneration and other benefits provided to Board Members		
Michael Oredsson, chairman until Jan 22th 2021	–	27
Charlotte Edenius	–	51
Steven Glazer	–	69
Christine Lind	675	574
Sven Andreasson	315	275
Helen Tuveesson	345	292
Dharminder Singh Chahal	345	273
Andrea Van Elsas	300	246
Hans Peusting	320	210
CEO's remuneration and employment benefits 1)		
Fixed salary 1)	–	–
Variable remuneration	–	–
Other benefits	–	–
Pension costs	–	–
1) Erik Manting was appointed CEO March 16, 2021. He is employed by Mendus B.V and his salary is paid by that company.		
Remuneration and employment benefits to other senior management		
One persons (four persons)		
Fixed salary 1)	1,958	1,782
Variable remuneration	–	101
Other benefits	8	8
Pension costs	439	82

1) During 2022, only the Company's CFO is included in senior executives. Other senior executives are employed by Mendus B.V. The Company's CFO is employed from November 1, 2021. During the time until then, the CFO received her compensation as a consulting fee. The company's COO and Head of CMC were members of the management team until March 15, 2021. The company's CSO is included in the documentation until May 31, 2021, after which the position is moved to Mendus B.V.

2) The variable remuneration refers to the bonus for the financial year 2021. In 2022, no bonus has been paid. For information on how bonuses are calculated, see below.

3) Other benefits refers to housing and travelling to and from the workplace and health insurance.

Remuneration to the Members of the Board of Directors

Fees are paid to the Board of Directors in accordance with the resolution of the Annual General Meeting. The Annual General Meeting on May 11, 2022 resolved that fees, based on a financial year comprising a period of 12 months, would be paid with SEK 275,000 to the members of the Board of Directors with an additional SEK 225,000 to the Chairman of the Board, SEK 70,000 to the Chairman of the Board and SEK 40,000 to each of the other Board members who are members of the Audit Committee. SEK 35,000 to the Chairman of the Board and SEK 20,000 each to the other Board members who are members of the Remuneration Committee and SEK 50,000 to the Board of Directors chairman and SEK 25,000 to board members who are part of the scientific committee.

Remuneration to Senior executives

At the Annual General Meeting on May 4, 2021, it was resolved to approve the Board of Directors' proposal for guidelines for remuneration to senior executives as set out below to be valid until further notice.

At the Annual General Meeting on May 4, 2021, it was resolved to approve the Board of Directors' proposal for guidelines for remuneration to senior executives as set out below to be valid until further notice.

Periods of notice and severance pay

For bolget's senior executives, there is a mutual notice period of three to six months. During the notice period, senior executives are entitled to full salary and other employment benefits. No agreement has been reached on severance pay. For the senior executives who have consulting contracts, the agreements must be timed.

Pension

For the CEO and other members of the management team, pension benefits, including health insurance, shall be defined contribution and may not exceed 30% of the fixed annual salary.

Bonus

The senior management has a possibility to earn a variable remuneration if meeting pre-set objectives. The bonus could according to the corporate guidelines not exceed 50 percent of the fixed yearly salary.

Note 8 - Other operating expenses

Other operating expenses amount to KSEK 1,116 (802) and refers to currency exchange loss from accounts payable

Note 9 - Interest income and similar items

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Interest income	163	-
Foreign exchange difference in cash and cash equivalents	-	272
Total	163	272

Note 10 – Interest expenses and similar items

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Interest expenses	-657	-26
Total	-657	-26

Note 11 - Income tax

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Current taxes	-	-
Deferred taxes	-	-
Recognised tax expense on the year's net income	-	-

Difference between recognised tax expense and an estimated tax expense based on the current tax rate:

Total profit/loss before taxes	-64,647	-69,347
Income tax according to current tax rate	13,317	14,175
Tax effect of non-deductible expenses	-41	-26
Tax effect of non-deductible income	-	-
Deductible issue costs reported over equity	-	-
Tax effect of a deductible deficiency for which no deferred tax assets have been taken into account	-13,276	-14,149

Tax expense - -

The current tax rate is 20.6% (20.6%)

Unutilised deductible deficiency for which no deferred tax asset has been recognised 790,315 725,582

Note 12 – Earnings per share, parent company

Amounts in KSEK	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Earnings per share, before dilution		
Net profit/loss for the year	-64,647,324	-69,348,059
Average number of shares outstanding	199,400,599	184,195,165
Earnings per share, before dilution, SEK	-0.32	-0.38
Earnings per share, before dilution, SEK		
Net profit/loss for the year	-64,647,324	-69,348,059
Average number of shares outstanding	199,400,599	184,195,165
Earnings per share, after dilution, SEK	-0.32	-0.38

Earnings per share before dilution is based on the financial results for the year and the weighted average of the number of shares outstanding.

Earnings per share after dilution is based on the financial results for the year and the weighted average of the number of shares outstanding plus the dilutive effect of potential shares. There is no dilution effect for the stock option program, as earnings for the periods have been negative.

Not 13 – Other long-term securities

Belopp i TSEK	2022-12-31	2021-12-31
Holdings of shares of LFF Service AB	1	1
Total	1	1

The share in LFF Service AB is pledged and gives Läkemedelsföreningens Service AB an option to acquire the share at its quotient value (SEK 1,000) if Mendus AB (publ) withdraws from the share agreement.

Note 14 – Shares in Group companies

Amounts in KSEK	2022-12-31	2021-12-31
Holdings of shares Mendus B.V.	711,421	649,979
Total	711,421	649,979

Mendus AB acquired all shares in DCprime BV (Mendus B.V.), organizational number 34224535, on 21 December 2020, with Mendus holding 100% of the capital and votes. Mendus B.V. is a Dutch company based in Leiden, The Netherlands. During the year, shareholder contributions were made with KSEK 61,443

Note 15 – Other longterm receivables

The company has an agreed card limit for Business Card amounting to KSEK 300 (300). The company has provided collateral for this credit through a general pledge of bank funds of KSEK 251 (251). Deposit for office rent at Kapitel 8 Kontor AB amounts to KSEK 142 (142).

Note 16 – Other receivables

Amounts in KSEK	2022-12-31	2021-12-31
VAT receivable	1,429	984
Other receivables	51	51
Total	1,480	1,035

Note 17 – Cash and cash equivalents

Cash and cash equivalents refers to cash at bank KSEK 27,840 (145,156).

Note 18 – Prepaid expenses and accrued income

Amounts in KSEK	2022-12-31	2021-12-31
Prepaid expenses relating to preclinical development/clinical trials	–	4,381
Förutbetalda		
Prepaid insurance premiums	261	334
Prepaid rents	155	145
Other prepaid expenses	438	213
Total	854	5,073

Note 19 – Share capital

Mendus's share capital as of December 31, 2022 amounted to KSEK 9,970,030 divided into 199,400,599 shares with a quotient value of SEK 0.05.

Note 19 – Other longterm liabilities

The Company has previously received financing in the form of conditional credits from Region Västra Götaland amounting to SEK 850,000. The terms of repayment for these loans are 5 percent of the debt per year of potential future income, with the addition of interest at the reference rate set by the Swedish National Bank for the calendar half-year in question, plus an additional two percentage points. Today, no repayment of the loan has begun.

Mendus AB has an outstanding long-term debt to Van Herk Investments B.V. of KSEK 10,107 which was signed on October 25, 2022. The loan refers to a shareholder loan with the right to borrow up to KSEK 50,000, of which KSEK 10,000 has been used and KSEK 107 refers to accrued interest. Repayment must take place no later than October 24, 2024. The interest rate for 2022 has been 6.00%. During the full year 2022, the interest has been paid with KSEK 107 (-).

Note 21 – Other liabilities

Amounts in KSEK	2022-12-31	2021-12-31
Wage tax	565	692
Other	97	708
Total	663	1401

Note 22 – Accrued expenses

Amounts in KSEK	2022-12-31	2021-12-31
Accrued expenses relating to preclinical development/clinical trials	712	4 242
Accrued personnel-related costs	689	431
Audit fee	1,200	200
Consultancy fee	336	220
Commitment fee Negma	3,700	–
Other accrued expenses	360	628
Total	6,997	5,721

Note 23 – Financial assets and liabilities

Amounts in KSEK	Financial assets recognized at amortized cost	Not financial assets	Sum reported value
Financial assets			
Financial fixed assets	711,816	–	711,816
Other receivables	51	1,429	1,479
Prepaid expenses and accrued income	854	–	854
Cash and cash equivalents	27,840	–	27,840
Financial liabilities			
Account payables	2,617	–	2,617
Long term interest bearing debts	10,957	–	10,957
Other current liabilities	–	663	663
Accrued expenses and deferred income	6,794	203	6,997

Note 24 – Appropriation of profit and loss

Amounts in KSEK	2022-12-31
The following unrestricted shareholders' equity are available to the Annual General Meeting for its disposition:	
Share premium reserve	-1,415,824,526
Retained earnings	639,316,456
Net profit/loss for the year	64,647,324
Total	-711,860,745
The Board of Directors proposes that the profits available for distribution and unrestricted reserves be allocated as follows to be carried forward	
	-711,860,745
Total	-711,860,745

Note 25 – Pledged assets

Amounts in KSEK	2022-12-31	2021-12-31
Pledged assets for own liabilities and provisions		
Pledged bank deposit	251	251
Total	251	251

Note 26 – Adjustments in cashflow

Amounts in KSEK	2022-12-31	2021-12-31
Adjustments for items not included in the cashflow, consists of the following		
Depreciations	-	-
Warrants	302	450
Conversion difference	-	-
Other, non cash items	-	-
Total	302	450

Note 27 – Transactions with related parties*

The parent company Mendus AB is related to the subsidiary Mendus BV. 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 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.

* Summary of related party transactions as of 2022

The parent company Mendus AB is related to the subsidiary Mendus BV.

Amounts in KSEK	Sales of goods and services to related parties	Purchase of goods and services to related parties	Outstanding debts as of Dec 31	Outstanding receivables as of Dec 31
Mendus B.V.	3,674	16,243	1,844	1,076

Note 28 – Events after the balance date

- » On January 5 2023, Mendus announced the request for a first tranche of the convertible loan from Negma Group Ltd (“Negma”).
- » On March 7 2023, Mendus announced that the Company has closed a second loan under the terms of the commitment from its largest shareholder Van Herk Investments (“VHI”). The 1-year loan in the amount of SEK 25M carries a 6% annual interest rate and will be repaid in cash at the end of the loan period. It is part of the total SEK 50M financing facility put in place between Mendus and VHI on August 26, 2022. In total, Mendus has drawn SEK 35M in loans from the facility.
- » On March 7 2023, Mendus announced that the Company has mutually resolved with Negma Group Ltd. to reduce the first tranche of convertible bonds issued on 3 January 2023 by way of redeeming convertible bonds for a nominal amount of SEK 5M.
- » On April 6 2023, Mendus announced that the Company has agreed with Negma to redeem the remainder of the first tranche of convertible bonds issued to Negma on 3 January 2023 for an amount of SEK 3.9M, corresponding to the nominal amount for the outstanding convertible bonds, plus paying an 8% premium in accordance with the provisions in the agreement with Negma. Following this redemption, there will be no remaining outstanding convertible bond.

Assurance of the Board of Directors and CEO

The Board of Directors and the CEO hereby assure that the consolidated accounts and annual report were prepared as per the International Financial Reporting Standards (IFRS) as adopted by the EU, and generally accepted accounting principles, respectively, and provide a true and fair view of the development of the Group's and Parent Company's financial position and performance, and that the Board of

Directors' report provides a true and fair view of the Group's and Parent Company's operations, financial position and performance as well as describing material risks and uncertainties faced by the companies that are part of the Group. The income statements and balance sheets of the Parent Company and the Group are subject to adoption by the Annual General Meeting on May 12, 2023.

Stockholm, April X, 2023

Christine Lind
Chairman

Hans Preusting
Board member

Sven Andreasson
Board member

Helén Tuve
Board member

Andrea Van Elsas
Board member

Erik Manting
Chief Executive Officer

Dharminder Chahal
Board member

Stockholm on the day shown in our electronic signature
Ernst & Young AB

Charlotte Holmstrand
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Mendus AB (publ), corporate identity number 556629-1786

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Mendus AB (publ) for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 24-53 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the groups statement of comprehensive income and statements of financial position and the parent company income statement and balance sheet.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is

sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of goodwill and trademarks

DESCRIPTION

As of December 31, 2022, the Group's goodwill amounts to SEK 108 million and technology amounts to SEK 424 million. The Group examines, when indicating a decline in value, but at least annually, that the reported values do not exceed the estimated recoverable amounts for these assets. Recoverable amounts are determined using accepted discounted cash flow models based on management's estimates of future cash flows and other material assumptions such as discount rates and growth that may have a significant impact on estimated recoverable amount. Management's impairment test of intangible assets has therefore been considered a particularly important area of the audit. A description of the impairment test is set out in Note 17 and in the section "Important accounting estimates and judgements" in Note 5.

HOW OUR AUDIT ADDRESSED THIS KEY AUDIT MATTER

In our audit, we examined management's models, judgements and assumptions underlying the recoverable amount of intangible assets. We have reviewed and compared management's previously made forecasts against outcomes and reviewed the reasonableness of the forecasts and assumptions that form the basis for this year's impairment test. We have also examined assumptions made against comparable companies in the industry in which the Group operates. With the support of our valuation specialists, we have reviewed the Group's models and method for conducting impairment tests. We have conducted our own sensitivity analyses of key assumptions and possible influencing factors. Finally, we have reviewed the information provided in the annual report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-23 and 54-65. The remuneration report for the financial year 2022, which will be submitted after the date of this auditor's report, also constitutes of other information. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

If, when reading the remuneration report, we conclude that there is a material error in it, we must raise that issue with the Board of Directors and request that it be corrected.

Styrelsens och verkställande direktörens ansvar

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

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

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to 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 and consolidated accounts.

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

- » Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of the company's internal control relevant to 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 and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are

inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- » Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- » Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Uttalanden

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Mendus AB (publ) 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 parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the 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 and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The 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 the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Mendus AB for the year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Mendus AB 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting

of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets

the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

Ernst & Young AB, Hamngatan 26, 11147 Stockholm, was appointed auditor of Mendus AB by the general meeting of the shareholders on the 10 May 2022 and has been the company's auditor since the 25 April 2019.

Stockholm 2023-04-13
ERNST & YOUNG AB

Charlotte Holmstrand
Authorized Public Accountant

Corporate Governance Report

Mendus Aktiebolag (publ), corporate identity number 556629-1786, is a Swedish public company with its registered office in Stockholm. The company's shares are listed on Nasdaq Stockholm Small Cap and are traded under the abbreviation IMMU. Corporate governance refers to regulations and decision-making hierarchies that contribute to the efficient and controlled management of a company's operations.

Mendus' corporate governance is based on applicable laws, rules and recommendations for listing the companies, such as the Swedish Code of Corporate Governance (the "Code"), Nasdaq Stockholm's rules for issuers, the Articles of Association and company-specific rules and guidelines. This report, which is separate from the annual report, relates to the financial year 2022 and has been reviewed by the company's auditor.

Deviations from the Code, stock exchange rules or good practice in the stock market

The Company has not deviated from the Code or stock exchange rules and has not been subject to decisions by Nasdaq Stockholm's Disciplinary Board or decisions on breaches of good practice on the stock market by the Swedish Securities Council.

Corporate governance at Mendus

The purpose of corporate governance within Mendus is to create a clear division of roles and responsibilities between owners, the Board of Directors and company management. Governance, management and control of Mendus is divided between the Annual General Meeting, the Board of Directors, its elected committees and the CEO.

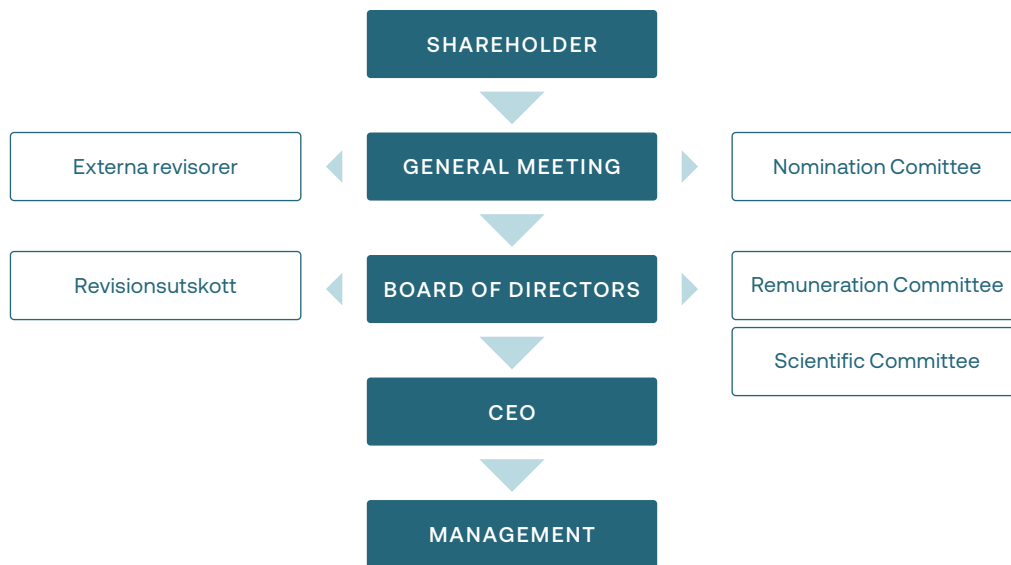
External regulations affecting corporate governance

- » Swedish Companies Act
- » Regulations for external accounting
- » Nasdaq Stockholm's Rule Book for Issuers
- » Swedish Code of Corporate Governance
- » Other applicable laws and regulations

Important internal regulations and documents

- » Incorporation
- » Rules of procedure for the Board including instructions for the Board's committees
- » CEO instruction including instructions on financial reporting
- » Guidelines for remuneration to senior executives
- » IT policy
- » Financial Handbook
- » Attestation instruction
- » Personnel handbook
- » Code
- » Information and insider policy

Corporate governance structure



Shareholders and the share

Mendus AB is a CSD-registered company, which means that the company's share register is kept by Euroclear Sweden AB. The share capital in Mendus AB consists of a class of shares entitling to equal voting value and equal rights to share in the company's assets. The Mendus share is admitted to trading on Nasdaq Stockholm in the Small Cap segment. At year-end, Mendus had 9,733 (9,720) shareholders, of which 419 (435) were registered as legal entities and 9,314 (9,206) as natural persons. The share capital is owned 51.8 (51.9) percent by Swedish-registered owners and 48.2 (48.1) percent by foreign owners. For further information about shareholders and the Mendus share, see the annual report pages 17-18 and www.mendus.se.

General meeting

In accordance with the Swedish Companies Act, the shareholders' influence in the company is exercised at the general meeting, which is the company's highest decision-making body. At the Annual General Meeting, the shareholders decide on key issues, including amendments to the Articles of Association, adoption of income statements and balance sheets, possible dividends and appropriation of the company's earnings, election of Board members and auditors, as well as resolution on remuneration to the same and discharge from liability for the Board of Directors and the CEO. The AGM also resolves on guidelines for remuneration to senior executives.

In accordance with the Articles of Association, notice of a general meeting shall be given by advertising in Post- och Inrikes Tidningar and by making the notice available on the company's website. At the same time as notice is given, the company shall, through an advertisement in Dagens Industri, inform that notice has been given. Notice of the Annual General Meeting and notice of an Extraordinary

General Meeting where the question of amendment of the Articles of Association will be dealt with shall be issued no earlier than six weeks and no later than four weeks before the Meeting. Notice of another extraordinary general meeting shall be issued no earlier than six weeks and no later than three weeks before the meeting.

Shareholders who have been entered in the share register in the manner prescribed in the Swedish Companies Act and who have registered with the company no later than the date stated in the notice convening the meeting have the right to participate in the meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth weekday before the meeting.

At the Annual General Meeting (AGM), the following matters shall be dealt with:

1. Election of chairman of the meeting
2. Preparation and approval of the voting list
3. Submission and approval of the agenda
4. Election of one or two persons to verify the minutes
5. Determination of whether the meeting has been duly convened
6. Presentation of the annual report and the auditor's report and, where applicable, the consolidated financial statements and the auditor's report on the consolidated accounts
7. Decision on:
 - a) adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet
 - b) the appropriation of the company's profit or loss according to the adopted balance sheet;
 - c) » discharge from liability towards the company for the members of the Board of Directors and the CEO
8. Determination of fees to the Board of Directors and auditors

9. Election of the Board of Directors and auditors and any deputy auditors
10. Other business that is the responsibility of the meeting in accordance with the Swedish Companies Act or the Articles of Association

Annual General Meeting 2022

Mendu's Annual General Meeting 2022 was held on Tuesday 10 May at Tändstickspalatset on Västra Trädgårdsgatan 15 in Stockholm. The AGM was attended by 55.57 per cent of the votes. Mats Dahlberg was elected Chairman of the Annual General Meeting. The Annual General Meeting resolved, among other things, on:

- » Discharge from liability for the Board of Directors and CEO for the financial year 20 21 and that no dividend would be paid for the financial year 2021.
- » Re-election of Board members Sven Andreasson, Dharminder Chahal, Andrea van Elsa, Christine Lind, Hans Preusting and Helen Tuveesson.
- » Re-election of Christine Lind as Chairman of the Board.
- » Election of the registered accounting firm Ernst & Young AB, which has appointed Charlotte Holmstrand as auditor in charge, for the period until the end of the next Annual General Meeting.
- » Implementation of a performance-based incentive program based on employee stock options aimed at senior executives and key employees, LTI 202 2/2025. The employee stock option program comprised a maximum of 3,000,000 employee stock options that could be offered and allotted to the participants in the program.
- » Authorize the Board of Directors to resolve on a new issue of shares and issue of warrants and/or convertibles during the period until the next Annual General Meeting, on one or more occasions and with or without deviation from the shareholders' preferential rights. The number of shares or warrants or convertibles entitling to subscription of shares shall amount to a maximum of 20 percent of the number of registered shares at the time of the Board's first resolution pursuant to the authorization.

Protokoll as well as complete resolutions and more detailed information from the Annual General Meeting 2022 are available at www.mendus.se, under Corporate governance.

Extraordinary General Meeting November 2022

In light of the financing arrangement based on convertible debentures that Mendus entered into with Negma Group Lt. d, an Extraordinary General Meeting was held on 18 November 2022 regarding a resolution on a new authorization to the Board of Directors to resolve on a new issue and issue of warrants and/or convertibles. The number of shares, or warrants or convertibles entitling to subscription of shares, that may be issued shall amount to a maximum of 20 percent of the number of registered shares in the Company at the time of the Board's first

resolution pursuant to the authorization. The new authorization means that the Board of Directors has the right to consider, for example with regard to convertibles, how many shares have actually been issued rather than how many shares could be issued based on the lowest conversion price for the convertible bond. The authorization replaced the current authorization from the Annual General Meeting on May 10, 2022.

A review as well as complete resolutions and more detailed information from the Extraordinary General Meeting are available at www.mendus.se, under Corporate governance.

Annual General Meeting 2023

Mendu's Annual General Meeting 2023 will be held on May 12 at 10:30 a.m. at Tändstickspalatset, Västra Trädgårdsgatan 15 in Stockholm. For further information and the right to participate, see page 69 in the Annual Report or www.mendus.se. The minutes from the Annual General Meeting will be available at www.mendus.se.

Nominating committee

The Nomination Committee represents Mendus' shareholders and is tasked with preparing the Annual General Meeting's resolutions on election and remuneration issues. In accordance with the instructions adopted by the Annual General Meeting on 4 May 2021, which applies until further notice, the Nomination Committee shall consist of four members appointed by the four largest shareholders, based on the ownership structure of Euroclear Sweden AB as of 31 August, who have accepted the invitation to participate in the Nomination Committee. If any of the four largest shareholders waives its right to participate in the Nomination Committee, the next largest shareholder in terms of voting rights, who does not already have the right to appoint a member of the Nomination Committee, shall be offered the opportunity to appoint a member to the Nomination Committee. The Nomination Committee shall elect a Chairman from among its members.

The members of the Nomination Committee shall be published on the company's website no later than six months before the Annual General Meeting. If four shareholders at this time have not notified their intention to participate in the Nomination Committee, the Nomination Committee shall consist of fewer members. If there is a change in the ownership structure of the Nomination Committee after 31 August but before the Nomination Committee's complete proposal for resolutions has been published, and if shareholders who after this change have become one of the four largest shareholders in terms of voting rights in the company submit a wish to the Chairman of the Nomination Committee to be a member of the Nomination Committee, this shareholder shall have the right to appoint an additional member of the Nomination Committee. The term of office of the Nomination Committee shall extend until a new Nomination Committee has been appointed. Changes in the composition of the Nomination Commit-

tee shall be announced as soon as they have occurred.

Shareholders in the company have the right to submit proposals for Board members for consideration by the Nomination Committee. The Nomination Committee shall take into account that the Board of Directors shall have an appropriate composition based on the company's operations, stage of development, etc., and demonstrate diversity and breadth in terms of qualifications, experience and background. The members of the Nomination Committee are not entitled to any remuneration. However, the company shall bear all reasonable costs for the work of the Nomination Committee. If deemed necessary, the Nomination Committee may engage external consultants to find candidates with relevant experience and the company shall bear the costs of such consultants. The company shall also assist with human resources necessary to support the work of the Nomination Committee.

Ahead of the 2022 Annual General Meeting, Chairman of Mendus, Christine Lind, contacted the largest shareholders to appoint a Nomination Committee. The following members have been appointed by the four largest shareholders who accept the invitation to participate in the Nomination Committee:

- » Erik Esveld, appointed by Van Herk Investments BV
- » Jannis Kitsakis, appointed by the Fourth Swedish National Pension Fund
- » Gunnar Hörnsten, appointed by Loggen Invest AB
- » Mats Blomstrand, appointed by Holger Blomstrand byggnads AB

The Nomination Committee has appointed Erik Esveld as Chairman of the Nomination Committee.

The composition of the Nomination Committee as described above was announced in a press release on 10 November 2022.

The Nomination Committee's assignment includes preparing the following proposals for resolutions to the Annual General Meeting 2023: (i) proposals for election of the Chairman of the Annual General Meeting; (ii) proposal for election of members of the Board of Directors; (iii) proposal for election of Chairman of the Board; (iv) proposals for directors' fees; (v) proposal for election of auditor; (vi) draft audit fees; and (vii) proposals to amend the principles for the nomination process for the Annual General Meeting (if necessary).

According to the Code, the Nomination Committee shall, in connection with the issuance of notice to the Annual General Meeting 2023, submit a reasoned opinion on the company's website regarding its proposal for the Board of Directors, taking into account the Code's rules on the composition of the Board, and in particular justify the proposal in light of the requirement that an even gender distribution shall be sought, and provide a brief account of how the Nomination Committee's work has been

conducted. On the website, the Nomination Committee shall at the same time provide relevant information about members proposed for new election or re-election, including main education and work experience, significant assignments within and outside the company and own or closely related persons' holdings of shares in the company.

Board

Composition and independence of the Board of Directors According to Mendus' Articles of Association, the Board of Directors shall consist of a minimum of three and a maximum of eight members without deputies. At the Annual General Meeting on 10 May 2022 six ordinary members were elected; Christine Lind (Chairman of the Board), Sven Andreasson, Andrea van Elsa, Dharminder Chahal, Hans Preusting and Helén Tuveßon, all of whom are appointed until the end of the next Annual General Meeting. Dharminder Chahal is considered to be independent in relation to the company and its management but dependent in relation to major shareholders in the company through his assignments for Van Herk Investments B.V. Other members are considered to be independent in relation to the company and its management as well as to the company's major shareholders. A major shareholder refers to a shareholder who directly or indirectly controls ten percent or more of the shares and votes in the company.

According to the Code, a majority of the members of the Board of Directors shall be independent in relation to the company and its management. At least two of the members who are independent in relation to the company and its management shall also be independent in relation to the company's major shareholders. In accordance with the above description, Mendus fulfils the requirement for board members' independence in the Code.

Information about the members of the Board of Directors with information about year of birth, year of election to the Board, education, experience, current and previous assignments and shareholding in the company can be found in the Annual Report 2022 on pages 19-20. Shareholding in the company includes own and/or closely related persons' holdings.

Responsibilities of the Board of Directors and its work

The duties of the Board of Directors are regulated in the Swedish Companies Act, the Articles of Association and the Code. The Board has also adopted written rules of procedure that regulate the Board's work, division of duties and responsibilities between the Board, committees, Chairman of the Board and CEO. In addition, the rules of procedure deal with the number of ordinary meetings and matters to be dealt with at them, the form of notices, the meeting and decision-making procedures, documentation for Board meetings, the duties of the Chairman of the Board, minutes, conflicts of interest and conflicts of

interest, mandatory matters that the CEO must submit to the Board, financial reports and signatories. The rules of procedure of the Management Board shall be adopted annually. In addition, the Board of Directors has adopted instructions for the CEO and other special policies such as ethical guidelines (so-called Code of Conduct), finance policy and authorization instructions, as well as information and insider policy. In addition to Board meetings, the Chairman and CEO have an ongoing dialogue regarding the company for material issues.

The Board of Directors is responsible for the company's organization and management of its affairs, the company's overall business plan, significant organizational changes, changes in the company's business focus and income statement and balance sheet. The Board of Directors shall also decide on investments, acquisitions or disposals of significant assets, shares or businesses, loans and credits, the provision of guarantees, and the conclusion or amendment of significant agreements or agreements between the company and shareholders. In addition, the Board of Directors shall deal with matters referred to the Board by the CEO. The Board of Directors has overall responsibility for ensuring that the company's organization is designed so that accounting, asset management and the company's financial conditions in general are controlled in a satisfactory manner and is responsible for ongoing evaluation of the CEO's work. The Board is also responsible for ensuring the quality of financial reporting, including systems for monitoring and internal control of the company's financial reporting and position. In addition, the Board of Directors is responsible for ensuring that the company's external disclosure of information is characterized by openness and is correct, relevant and clear. The Board is also responsible for drawing up the necessary guidelines and other policy documents.

The Chairman of the Board leads and organises the work of the Board and has a special responsibility for ensuring that the Board's work is well organised and conducted efficiently. The Chairman of the Board is responsible, in consultation with the company's CEO, for ensuring that an agenda for each meeting and the necessary decision documentation are provided to the members in sufficient time before each Board meeting. The Chairman of the Board shall also ensure that each Board member continuously updates and deepens his or her knowledge of the company and that a new Board member undergoes the necessary introductory training and other training that the Chairman of the Board and the new member deem appropriate. The Chairman of the Board is also responsible for contacts with shareholders on ownership issues and for conveying the views of the shareholders to the Board and also for ensuring that the Board's work is evaluated annually through a systematic and structured process with the aim of developing the Board's working methods and methodology. The results of the evaluation are reported to the company's Nomination Committee.

The Board's work and significant events during 2022

The Board normally meets six times a year. In addition to these meetings, additional meetings may be organised to deal with matters that cannot be referred to a regular meeting. During 2022, the Board held twelve (12) recorded meetings excluding per capsulam meetings. The attendance of members at Board meetings is shown in the table on page 65. During 2022, the Board dealt with the following issues:

- » The company's strategic direction
- » Financing
- » Product development
- » Risk management and risk assessment
- » Governing documents
- » Evaluation of the CEO
- » Financial reports including reporting from the auditors

For 2023, the Board has scheduled six (6) meetings.

Board committees

The Board has established three committees from among its members; The Audit Committee, the Scientific Committee and the Remuneration Committee, which work in accordance with the Board's established instructions.

Audit committee

The Board of Directors has appointed an Audit Committee consisting of Board members Dharminder Chahal (Chairman of the Committee), Sven Andreasson and Christine Lind. The committee meets the requirements of the Swedish Companies Act for independence and accounting and auditing competence.

The Board of Directors shall annually draw up instructions for the Audit Committee's duties. According to the instructions to the Audit Committee, the Audit Committee shall, without prejudice to the Board's responsibilities and tasks in general, monitor the company's financial reporting, monitor the effectiveness of the company's internal control and risk management with regard to financial reporting, keep itself informed about the audit of the annual report and other financial reports, review and monitor the auditor's impartiality and independence, paying particular attention to the auditor provides the Company with services other than auditing services. The Audit Committee shall also meet annually with the auditor to keep itself informed about the scope and focus of the auditor's review, as well as the auditor's observations in the audit work. The Audit Committee shall also evaluate the audit work and assist in the preparation of proposals to the Annual General Meeting and decisions on the election of auditors. In addition, the Audit Committee shall, together with the company's auditor, review related party transactions and significant accounting principles in connection with quarterly reports and annual reports. The Audit Committee shall hold at least four meetings per year and the Chairman of the Audit Committee shall submit

a report at Board meetings on what has been discussed during the last meeting of the Audit Committee. The Audit Committee has met four (4) times during the year. At these meetings, the committee has discussed periodic financial information, risks, internal control, accounting principles, the auditors' review of the company and the financial reports.

Scientific committee

The Board has appointed a Scientific Committee consisting of Board members Helen Tuvésson (Chairman of the Committee), Andrea van Elsas and Hans Preusting. None of the members of the committee are employees of the company.

The Management Board shall annually draw up the rules of procedure for the work of the Scientific Committee. The Chairman of the Scientific Committee and one other member of the Scientific Committee shall be members of the Board of Directors and none of these shall be employed by the company. The company's Chief Scientific Officer and/or the CEO shall prepare the meetings of the Scientific Committee. The Scientific Committee may, if necessary, seek external advice or advice from the company's Scientific Council. The Chair of the Scientific Committee shall inform the Management Board of the work of the Committee and shall annually evaluate its work and compliance with the Statutes.

The Scientific Committee has met three (3) times during the year. At these meetings, the committee has mainly discussed the development of the company's two product candidates, Ilixiadencel and Vividencel. The committee has also discussed the preclinical studies and has had an ongoing dialogue with the company's CMO and CSO.

Remuneration Committee

The Board of Directors has appointed a Remuneration Committee consisting of Board members Christine Lind (Chairman of the Remuneration Committee), Hans Preusting and Helén Tuvésson. The committee fulfils your Koden's requirements for independence and is deemed to have the necessary knowledge and experience in matters of remuneration to senior executives.

The main tasks of the Remuneration Committee are to prepare the Board's decisions on matters relating to remuneration principles, including the preparation of proposals for the Annual General Meeting's resolution on guidelines for remuneration to senior executives, remuneration and other terms of employment for the company's CEO and senior executives, to monitor and evaluate variable remuneration for senior executives and to monitor and evaluate the application of the guidelines for remuneration to senior executives executives and current remuneration structures and levels in the company. In addition, the Remuneration Committee shall monitor and continuously evaluate ongoing and completed programs for variable remuneration to senior executives and prepare questions regarding proposals for possible incentive programs. The Remuneration Committee has met three (3) times during the year. At these meetings, the committee discussed existing compensation systems in the company, proposed guidelines for the CEO and senior executives and ongoing incentive programs.

For information on salaries and remuneration to the CEO and senior executives, see Note 7 in the Annual Report 2022.

The 2022 annual general meeting decided the fees for the board members

	Function	Independence in relation to the		Compensation, KSEK				
		Company	Owners	Board fees	Audit Committee	Remuneration Committee	Scientific Committee	Total
Christine Lind	Chairman	x	x	600	40	35		675
Helén Tuvésson	Board member	x	x	275		20	50	345
Sven Andreasson	Board member	x	x	275	40			315
Dharminder Chahal	Board member	x		275	70			345
Andrea van Elsas	Board member	x	x	275			25	300
Hans Preusting	Board member	x	x	275		20	25	320
				1,975	150	75	100	2,300

	Attendance			
	Board	Audit Committee	Remuneration Committee	Scientific Committee
Christine Lind	12/12	4/4	3/3	
Helén Tuvésson	11/12		3/3	3/3
Sven Andreasson	10/12	4/4		
Dharminder Chahal	12/12	4/4		
Andrea van Elsas	10/12			3/3
Hans Preusting	12/12		3/3	3/3

1) Excluding board meetings per capsulam

The CEO and management

The CEO is responsible for the day-to-day management and development of Mendus in accordance with applicable legislation and applicable rules, including Nasdaq Stockholm's Rule Book for Issuers as well as the Code and the guidelines, instructions and strategies established by the Board of Directors. The CEO shall ensure that the Board receives such factual and relevant information as is required for the Board to be able to make well-founded decisions. In addition, the CEO monitors compliance with Mendus' goals, policies and strategic plans established by the Board and is responsible for informing the Board about Mendus' development between Board meetings.

Erik Manting has been the company's CEO throughout 2022. The CEO leads the work of the management team, which is responsible for the overall development of the company's operations and business. In addition to the CEO, the management team during the year consisted of Mendus' Chief Financial Officer (CFO), Chief Medical Officer (CMO), Chief Scientific Officer (CSO) and, as of May, also Chief Technology Officer (a total of five people).

A presentation of the CEO and other members of the management team can be found under the section Organization on page 21-22 in the annual report.

Remuneration

REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS

The Nomination Committee, which is appointed according to the principles approved by the AGM, provides its proposals for fees to the Board of Directors. Fees to the Board are payable pursuant to the resolution by the AGM and are presented in the table on page 65.

REMUNERATION TO SENIOR MANAGEMENT

Remuneration matters for senior executives are addressed by the Board of Directors' Remuneration Committee. The Board of Directors decides the CEO's remuneration based on the proposal from the Remuneration Committee. Remuneration and terms for senior executives are to be based on market conditions and a balanced mix of a fixed annual salary, variable salary, pension benefits, other benefits and terms upon termination of employment.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

According to the guidelines for remuneration to senior executives that were adopted at the AGM on May 4, 2021, Immunicum shall offer a total compensation package at market level that enables the recruitment and retention of qualified senior executives. Compensation to the senior executives shall be comprised of a fixed salary, variable salary based on the individual's achievement of objectives and other benefits. If the Board of Directors considers that new share-based incentive schemes – for example, employee stock options – should be introduced, the Board of Directors shall propose that such schemes are resolved upon by the General Meeting. The Board annually prepares a remuneration report regarding the implementation of the company's remuneration guidelines.

Fixed salary

The fixed salary shall take into account the individual's performance of its position considering the areas of responsibility and experience. Evaluation and re-consideration are normally made annually.

Variable salary

The variable salary shall, if applicable, be based on the individual's achievement of qualitative and quantitative goals. The variable part of the salary may, for the CEO and other senior executives, amount to a maximum of 50 percent of the fixed annual salary.

Pension

Pension benefits shall be premium-based. The pension premium for the CEO and other senior executives may not exceed 30 percent of the annual fixed salary.

Severance pay, etc.

The notice period for senior executives shall be a maximum of twelve months. In the event of termination by the company, severance pay corresponding to a maximum of twelve months' fixed salary may be paid.

Other benefits

Other benefits, which may include travel and medical insurance, shall be in line with market conditions and represent only a limited part, not exceeding 15 percent of the fixed annual salary, of the total remuneration.

Preparation and decision-making process

The CEO's compensation shall be prepared and resolved on by the Board of Directors. Other senior executives' remuneration shall be prepared by the CEO who shall propose remuneration to the Board of Directors for approval. The Board of Directors is entitled to deviate from the

forementioned guidelines if justified due to special circumstances in the individual case.

Deviation from guidelines

The Board of Directors may decide to deviate from the guidelines, in whole or in part, if there are specific reasons in an individual case and a deviation is necessary to meet the long-term interests of the Company or to ensure the financial viability of the Company. The Board has not deviated from the guidelines in 2021.

EXTERNAL AUDITOR

The Company's auditor is elected by the AGM. Immunicum's auditor is the registered accounting firm Ernst & Young AB. Authorized public accountant Charlotte Holmstrand is the auditor in charge.

The external audit plan and risk management are discussed with the Audit Committee. The auditors perform a general review of the quarterly report for the third quarter and audit the annual accounts. The auditors also express an opinion as to whether this Corporate Governance Report has been prepared and whether certain information contained within it is compatible with the annual accounts. The Auditors report the result of their audit of the annual accounts and their review of the Corporate Governance Report in the audit report and the Corporate Governance Report as well as in a special opinion on compliance with remuneration of senior executives, which are presented to the AGM. In addition, the Auditors submit accounts of performed reviews to the Audit Committee and to the Board of Directors in its entirety.

The fees invoiced by the auditors for the last two financial years are reported in Note 6 in the 2021 Annual Report.

Internal control and risk management

The overall purpose of the internal control is to ensure to a reasonable degree that the company's operative strategies and goals are followed up and that the owners' investments are protected. The internal control is also to ensure that the external financial reporting is to a reasonable degree reliable and prepared in accordance with good accounting practice, that applicable laws and regulations are followed, and that the demands made on listed companies are met. At Immunicum, internal control of the financial reporting is, for example, directed at ensuring an effective and reliable handling and reporting of accrued costs.

The internal control environment is largely comprised of the following five elements: control environment, risk assessment, control activities, information and communication, and follow-up.

Control environment

The control environment at Immunicum constitutes the frame for the direction and culture communicated to the organization by the company's Board and management. Internal management and control in accordance with accepted frameworks are a prioritized area of the management work. Immunicum's Board and management define and shape decision pathways, powers and responsibilities which are clearly defined and communicated in the organization. The company's Board also strives to ensure that steering documents such as internal instructions and policies cover identified significant areas and that they provide the right guidance to the different senior executives in their work at the company.

Risk assessment

Immunicum's Board works continuously and systematically with risk assessments in order to identify risks and take appropriate measures in respect of these. The company has an annual risk process in place where risks are identified from a company perspective to provide an overview of the most important risks for Immunicum, which are followed up by the management team during the year. Each identified risk is to be documented with

a potential action plan to reduce the risk whenever possible. The risk assessment is also designed to identify such risks that significantly impact the internal control of the financial reporting.

Control activities

The primary purpose of the control activities is to prevent, discover and rectify errors in the financial reporting. Routines and activities have been designed to manage and deal with significant risks which are related to the financial reporting. The activities include analytical follow-up and comparison of earnings trends or items, reconciliation of accounts and balance sheet specifications, as well as approval of all bank transactions and cooperation agreements, powers of attorney and authorization instructions, and accounting and valuation principles. Access to financial systems is restricted according to authority, responsibility and role.

Information and communication

In addition to the very high demands of Nasdaq Stockholm and supervisory authorities regarding the scope and accuracy of information, Immunicum has internal control functions for information and communication in place to ensure that correct financial and other company information is communicated to co-workers and other stakeholders.

The company's internal instructions and policies are available to all co-workers and give detailed information about routines that apply in all parts of the company and describe the control functions and how they are implemented.

The security around all information that can affect the company's market value and ensuring that such information is communicated externally in a correct and timely manner are cornerstones in the company's commitment as a listed company. These two factors and the routines for managing them ensure that the financial reports are received by the financial market's actors at the same time and present a true and fair view of the company's financial result and position.

Follow-up

Compliance with internal policies, directives, guidelines and codes, and the suitability for purpose and functionality of established control activities are followed up continuously. Measures and routines in respect of the financial reporting are subjected to continuous follow-up. The CEO ensures that the Board of Directors constantly receives reports on the development of the company's operations, including the development of the company's results and position as well as information about important events including research results and important agreements. The Board reviews the Annual Report and interim reports prior to their publication. The Board meets the company's auditors once a year to discuss the internal control and the financial reporting.

Special assessment of the need for internal audit

Immunicum has no special scrutinizing function (internal audit). The company has an uncomplicated legal and operative structure in which the Board continually follows up the company's internal control in conjunction with external and internal financial reporting. In addition, the Audit Committee monitors the efficiency of the internal control and the risk management of the financial reporting. In light of the foregoing, the Board of Directors has decided not to establish a separate internal audit function but shall evaluate the matter annually.

External audit

The company's auditor is appointed by the AGM for the period until the end of the next AGM. The auditor shall review the Annual Report and financial accounts and the management by the Board of Directors and the CEO. Following each financial year, the Auditor is to submit an audit report to the AGM. Every year, the company's Auditors report their findings and their assessments of the company's internal controls to the Board of Directors.

Stockholm, April 14, 2022

Christine Lind
Chairman

Hans Preusting
Board member

Sven Andreasson
Board member

Helén Tuve
Board member

Andrea Van Elsas
Board member

Erik Manting
Chief Executive Officer

Dharminder Chahal
Board member

Auditor's report on the corporate governance statement

To the Annual General Meeting of Mendus AB (publ),
corporate identity number 556629-1786.

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2022 on pages 60-68 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement

is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 2023-04-13
ERNST & YOUNG AB

Charlotte Holmstrand
Authorized Public Accountant



Welcome to the 2023 Annual General Meeting

Mendus Annual General Meeting will be held on May 12, 2023 at Tändstickspalatset, Västra Trädgårdsgatan 15 in Stockholm at 10:30. Registration starts at 09:00. Shareholders who wish to participate shall be registered in the shareholders' register maintained by Euroclear by 2 May 2023.

Notification

Registration for participation in the Annual General Meeting must be made no later than 4 May 2023. Registration must be made in writing to Mendus AB (publ), Västra Trädgårdsgatan 15, 111 53 Stockholm, or via e-mail to info@mendus.com.

In the notification, the shareholder shall provide:

- » Name
- » Personal/Corporate Registration Number
- » Address and daytime telephone number
- » Number of shares
- » Where appropriate, information about any proxies/assistants

Nominee-registered shares

Shareholders who have had their shares registered with a bank or another nominee must, in order to be entitled to participate in the Annual General Meeting, temporarily re-register the shares in their own name. Shareholders who wish such re-registration, so-called registration of voting rights, must in good time before 2 May 2023, when the re-registration must be executed, request it from its trustee.

Proxy

Shareholders who will be represented by a proxy must issue a written, signed and dated power of attorney. If the power of attorney is issued by a legal entity, a certified copy of relevant registration certificates for the legal entity or an equivalent document for foreign legal entities) must be attached to the power of attorney. Power of attorney is valid for one year after issuing, or the longer applicable period given in the document, though no longer than five years.

Shareholder information

Interim reports, annual reports and Immunicum's press releases are available on Mendus.se and can be ordered from Mendus AB, Västra Trädgårdsgatan 15, 111 53 Stockholm. The annual report for 2022 in printed format is sent to anyone who so requests and is constantly available for download on mendus.se.

Calendar 2023

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|---|------------|
| » Publication of the annual report for 2023 | 17 April |
| » Annual General Meeting 2023 | 12 May |
| » Publication of Q1 interim report | 12 May |
| » Publication of Q2 interim report | 29 August |
| » Publication of Q3 interim report | 9 November |

