

Corporate Brochure 2022

Enzymatica AB (publ)



Enzymatica

THE SCIENCE THAT PROTECTS

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Operations

This is Enzymatica

Enzymatica develops and sells medical devices to treat infection-related diseases in the upper respiratory tract. The products are based on a barrier technology that includes marine enzymes. The company's main product is ColdZyme®, a mouth spray that protects against cold viruses. ColdZyme has been launched in over 30 markets on four continents. The business model is based on long-term partnerships with leading consumer health companies such as STADA and Sanofi. Enzymatica's headquarters is located in Lund, Sweden, while production and parts of its development operations are based in Reykjavik, Iceland.



Business concept

Enzymatica's unique barrier technology protects people's health by creating a barrier against microorganisms such as viruses and bacteria that cause colds and infections. We focus on global expansion through innovation and partnerships.

Vision

To help achieve a world that is free from the insecurity caused by contact with viruses and the risks viruses pose to our health.

Mission

To create self-care solutions that protect people and help them protect their health and lifestyle.

*Enzymatica's share is listed on Nasdaq First North Growth Market, Stockholm.



Operations

The year in figures

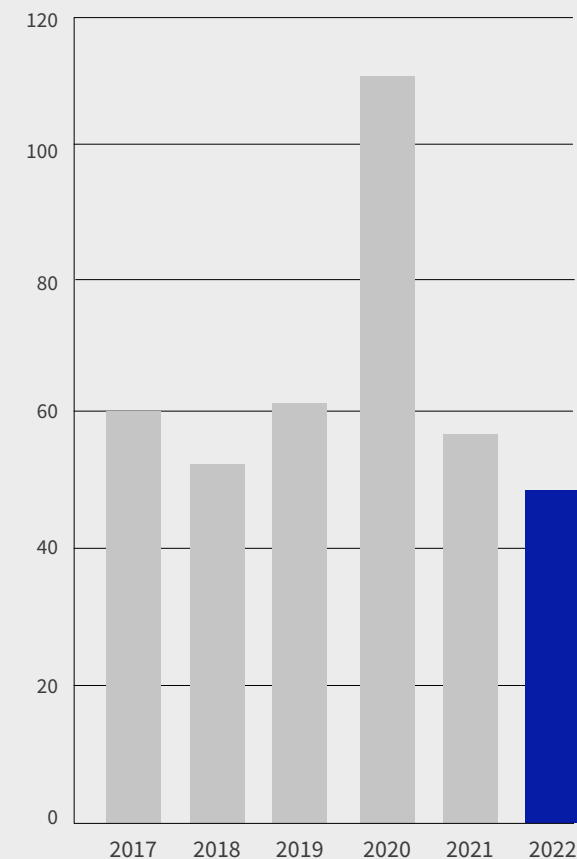
Key figures

(SEK thousand)	2022	2021	2020	2019	2018
Net sales, SEK thousands	48,948	57,243	111,245	61,306	52,560
Profit/loss for the year, SEK thousands	-68,657	-45,393	-13,221	-40,979	-42,579
Cash flow for the period, SEK thousands	19,083	7,525	-5,468	-40,975	59,428
Gross margin, %	58	58	68	73	70
Equity/assets ratio, %	72	80	66	81	86
Debt/equity ratio, times	0.4	0.3	0.5	0.2	0.2
Equity (SEK thousand)	126,293	124,972	106,649	119,203	159,660
Cash flow for the year, operating activities, SEK thousands	-64,566	-35,869	-10,652	-37,576	-28,793
Net investments, SEK thousands	-3,717	-6,133	-4,837	-866	-520
Average number of employees	23	25	18	19	21
Number of shares at end of period	164,256,840	149,324,400	142,823,696	142,823,696	142,823,696
Earnings per share, basic and diluted, SEK ¹	-0.44	-0.31	-0.09	-0.29	-0.45
Equity per share, SEK	0.77	0.84	0.75	0.83	1.12

¹ Based on weighted average of the number of outstanding shares.

See page 29 for definitions of the key figures

Sales trend (SEK m)



Equity ratio

72%

Cash flow for the year

19.1
SEK m

Equity

126.3
SEK mNet
investments3.7
SEK m

Operations

Important events during the year



Q1

- » In January, Enzymatica's partner STADA took over responsibility for marketing, sales and distribution of ColdZyme in Denmark, Norway and Finland. The ColdZyme brand is being phased out on in these three markets and moving forward, the product will be sold under the ViruProtect® brand.
- » In January 2022, a research group at the University of Innsbruck, Austria, published an article with results showing that ColdZyme® blocks the SARS-CoV-2 virus to prevent it from adhering to human tissue. The study was done on the researchers' own initiative and was not funded by Enzymatica.
- » In March, Enzymatica was granted a patent in Australia for the cod trypsin that is one of the key components in ColdZyme. The patent is valid until 2036.
- » In March, Enzymatica announced that its mouth spray would be launched in Mexico by its partner Sanofi in 2022. The product will be sold under the Aderogyl brand.

Q2

- » In April, Enzymatica announced that its mouth spray would be launched in Turkey by its partner Sanofi in 2022. Sanofi will sell the product under the Bisolviral brand.
- » In June, Enzymatica AB signed a loan agreement with the three largest owners, as well as the company's CEO and chairman of the board, for a maximum of SEK 20 million that can be used to support the company's liquidity in periods with lower sales.
- » In June, data from an ongoing *in vitro* study showed that ColdZyme blocks the omicron virus from binding to human cells. Continued clinical trials are needed to determine the effect in humans.
- » The first delivery was sent to Mexico in preparation for Sanofi's launch on the Mexican market. This is the first time that Enzymatica's mouth spray is sold on the other side of the Atlantic.

Q3

- » On July 1, Enzymatica submitted its application for approval of ColdZyme under the EU's MDR regulatory requirements.
- » To ensure the long-term financing of the business, the Board of Directors decided to raise SEK 74.7 million through a rights issue. The rights issue was completed in September and was 100% guaranteed through subscription commitments together with guarantee commitments from the company's three largest shareholders, the chairman of the board and the CEO.

Q4

- » On October 31, the journal Respiratory Research published a study from the Medical University of Innsbruck which showed that ColdZyme blocks the widespread and highly transmissible omicron variants BA.4 and BA.5 from adhering to and infecting human cells. The study was conducted by the same research team as the study presented in January 2022. According to the researchers, the new study opens for the possibility that ColdZyme can be used to prevent the spread of SARS-CoV-2. Continued clinical trials are needed to confirm the effect in humans.



Operations

How Enzymatica is affected in an uncertain environment

The coronavirus pandemic had a very strong impact on Enzymatica's sales in 2020-2021 and the effects of the pandemic on the company's business continued to be seen in 2022. Russia's invasion of Ukraine has created great uncertainty in markets around the world, which also affects Enzymatica's operations.

The war in Ukraine has created global economic uncertainty, which is reflected in rising inflation, higher interest rates and rising costs for transports, energy, equipment and supplies. Enzymatica is closely monitoring developments and in 2022 the changed economic environment had relatively little impact on business.

In contrast, the effects of the coronavirus pandemic on business have been much greater, with an extremely negative impact on sales and other activities for several years. The incidence of cold viruses was very low in 2020, 2021 and the first half of the 2022 cold seasons because of measures such as social distancing, lockdowns and other pandemic-related restrictions. The summary on the right shows the impact of the external environment on different parts of the business in 2022.

Market The second half of 2022 saw a return to normal cold virus levels in most markets. Plans to launch in Russia and Ukraine have been canceled due to the war.

Funding Because of lower sales as a result of the pandemic, the Board resolved to raise SEK 74.7 million before issue expenses through a rights issue.

Distribution Many of Enzymatica's partners had large inventories of the product in 2022, since sales had been low during the pandemic. Partner sales picked up again toward the end of the fourth quarter 2022. Because sales targets were not achieved, Enzymatica had to pay one-off costs in compensation to some partners.

Authorities The pandemic saw increased lead times for patent and product approvals in many markets, as authorities were also affected by the pandemic. Consequently, Enzymatica has not received product approval in important markets at the planned rate.

Production The pandemic had no impact on the Enzymatica's production, other than minor delays in equipment deliveries. The current economic uncertainty around the world has led to a general increase in costs, which has marginally impacted the company's production costs.



Comments from the CEO

A year that laid the foundation for growth

Sales and earnings for 2022 continued to be affected by the impact of the large inventories built up in 2020 as our partners entered new markets and placed large orders before launch. Because of restrictions and lockdowns, and especially because the incidence of cold viruses was virtually non-existent during the pandemic, many of these products were not sold to consumers but remained in stock.

While the cold seasons have now returned, we will not see an immediate effect on our sales to distributors because of these large inventories. Despite a weaker than expected 2022, our financial targets remain unchanged: We are aiming for targets of sales of SEK 600 million and an EBIT margin over 28% by the end of 2026. These targets, which were set by the Board of Directors in November 2021, are ambitious but fully achievable.

Close collaboration with partners

Throughout the pandemic, we have maintained a positive and constructive dialogue with our partners and found solutions to cope with lower than expected sales over the past two years. Since certain targets were not met, we have paid compensation to two of our partners. The times have been trying for all of us, but I am glad that we have been able to keep working together so closely and with such a solution-oriented approach. In 2022, Sanofi successfully launched our mouth spray in Mexico and Turkey, opening new markets with over 200 million consumers.

Marketing initiative in Sweden

In September, we completed a rights issue where we raised SEK 74.7 million for the company, before issue expenses. These additional funds gave us the financial muscles necessary to conduct more clinical trials, as well as the resources to carry out a powerful marketing campaign in Sweden. We are

investing in TV commercials, digital advertisements, influencer collaborations and sampling to strengthen ColdZyme on its home market. In a few years, it is expected that other markets will have left Sweden behind in terms of value and volume, but for now it is still our largest market, and it is a market where we control the complete value chain.

Sweden is also where we have the majority of our organization and during the year we reviewed how we work. As a result, we have somewhat fewer employees than previously and we use consultants to a somewhat lesser extent. The exception is the resources necessary to submit our application for MDR certification, which entailed an extensive effort during the first half of the year. I am extremely pleased that we were able to submit the application much earlier than planned.

Change in consumer behavior

We see our continued success as resting on three cornerstones: The good protection ColdZyme offers, the growing relevance of the product on the market and strengthened relationships with our partners. Both prior and recently conducted studies have shown that ColdZyme has the ability *in vitro* to protect human respiratory cells from different types of viruses in the coronavirus family, including different variants of SARS-CoV-2.

The study from the Medical University of Innsbruck published in October shows that ColdZyme blocks omicron variants from adhering to human tissue and the researchers point to ColdZyme as a possible complement to the recommended vaccines. We will continue to explore the beneficial effects of ColdZyme in clinical studies in collaboration with the University of Kent, which is investigating how ColdZyme can help elite athletes to prevent or reduce the length of colds and other upper respiratory tract infections.



Market studies after the pandemic show a change in consumer behavior where face masks are being replaced by other means of protection against infection. I believe that every single person has longed to return to normal life, without restrictions and lockdowns, and at the same time consumers are now much more willing to protect themselves against contagious viruses. Here ColdZyme has a role to play as a complement to the recommended vaccines and as part of the consumer's self-care to protect against infection. We offer a solution that is affordable, user friendly and provides additional protection.

Ready for a comeback

Sales to consumers in Sweden are increasing and our market share remains strong. Sales to our partners outside Sweden are expected to increase again as our partners' stocks decrease with the return of colds. The challenges of 2022 resulted in improved structures and processes, as well as closer cooperation with our partners. The end of the fourth quarter of 2022 and the beginning of the first quarter of 2023 saw a clear improvement in sales compared with the same period last year, and I remain convinced that we will reach our financial targets for 2026. Overall, I am confident about 2023. Enzymatica is ready for a comeback.

Claus Egstrand, CEO



Targets & strategy

Good reasons to invest in Enzymatica

The low sales in recent years as a result of the coronavirus pandemic have challenged Enzymatica in many ways. At the same time, it has laid the foundation for an entrepreneurial and creative culture where every part of the company has had to review its operations in terms of both working efficiently and keeping costs down. As a result, Enzymatica is now an efficient company ready for rapid growth as soon as the normal cold seasons return.

1 UNIQUE AND APPRECIATED PRODUCT

ColdZyme represents a paradigm shift in how consumers can protect themselves against upper respiratory viruses, such as the coronavirus (cold) and the flu virus. The unique barrier technology is based on science and the efficacy of the product has been verified through in vitro and clinical studies.

ColdZyme receives very high ratings from consumers: 70% are satisfied or very satisfied with the product's effect and 74% say it is very likely that they will continue to use ColdZyme.

(Source: IPSOS, 2022)

2 GLOBAL MARKET WITH GREAT POTENTIAL

The countries where ColdZyme has been launched, or will be launched within the next few years, have a total cold remedy market of approximately USD 18 billion.

The global pandemic has increased consumer interest in protection against viruses, not least because it is no longer socially acceptable to display symptoms in social contexts. Changed social behaviors after the pandemic may contribute to sales growth.

3 SCALABLE BUSINESS MODEL

Enzymatica has large and strong partners with extensive experience in consumer health. Lessons from mature markets are used to launch in new ones.

The company is well equipped for geographic expansion as soon as the pandemic subsides. Production and other parts of the business are prepared for rapid growth.



Targets & strategy

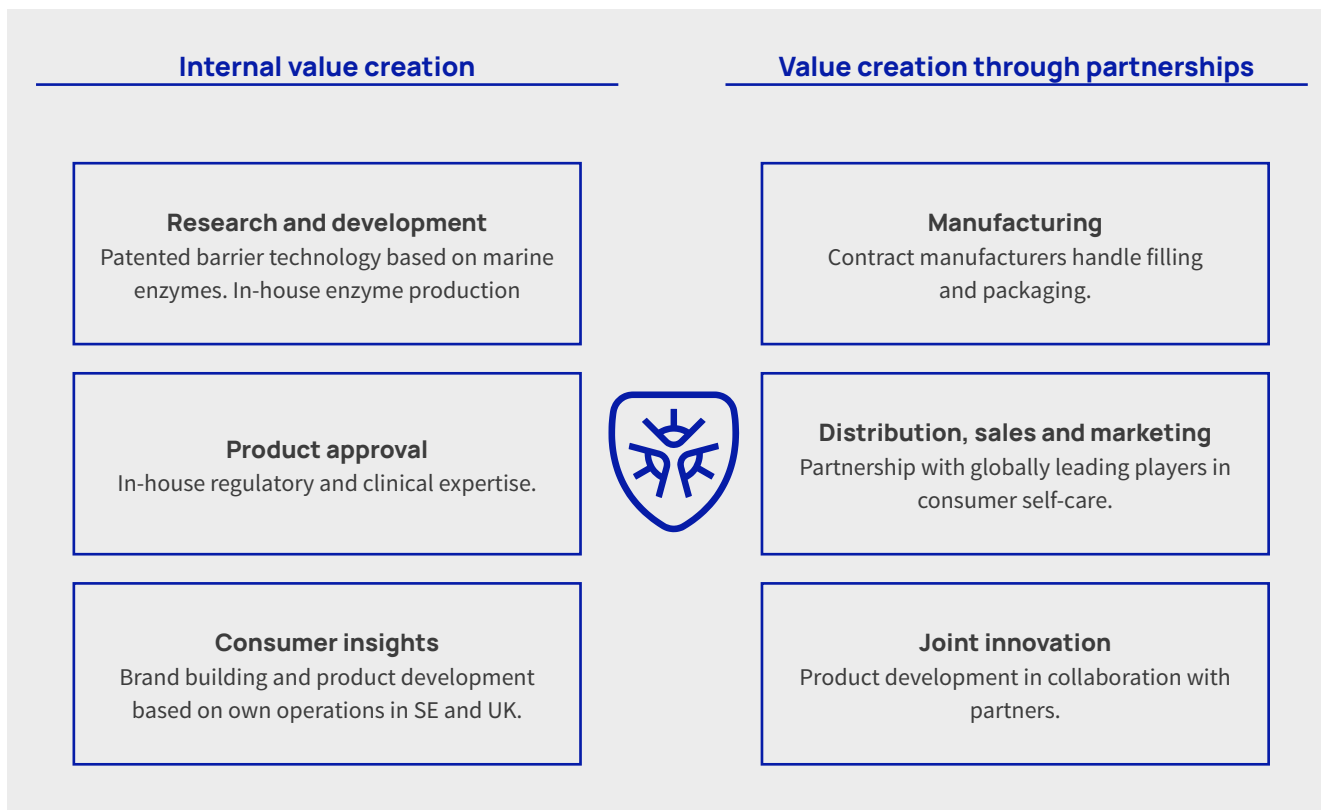
Business model built on scalability and collaboration

Flexibility and scalability are hallmarks of the Enzymatica business model. By combining our expertise with the strengths of our partners, together we can expand in existing and new markets, and with good profitability.

Under this model, Enzymatica owns the central processes (enzyme production, patents, regulatory documentation, etc.), while our partners are responsible for marketing, sales and distribution in markets around the world. In Sweden and the United Kingdom, Enzymatica controls all sales and marketing, which provides the central functions of the company with in-depth insight into best practices for marketing the product.

Enzyme production takes place in-house at the production facility in Iceland, while the final formulation, filling and packaging of bottles is carried out by contract manufacturers. There is also some joint product development with our partners, such as the STADAProtect® mouth spray, which is sold by STADA in Germany.

By combining internal and external value creation, the business model enables us to efficiently manage the company's global expansion from our headquarters in Lund, supported by the functions in Reykjavik and in close contact with our partners.



Targets & strategy

Three dimensions for expansion

Enzymatica's growth strategy comprises three pillars: strengthening existing markets, exploring new markets and developing new products. The product offering is also based on three directions to allow for multiple ways of expansion.

Growth strategy

The growth strategy is based on three pillars

Three models for the product offering

Enzymatica's product offering can be adapted to the regulatory conditions found in each market.

Medical device for colds

A medical device based on the enzyme technology can be sold under its own brand, our partners' brands, or by combining our brands with our partners' brands.

Mouth spray as a cosmetic product

A cosmetic product can be based on the enzyme technology and sold under a partner's brand, such as STADAProtect®, which has been sold by STADA on the German market since 2020.

Enzyme formulations for other products

Collaborations related to other areas of use for enzyme technology, such as the agreements that Enzymatica has with international cosmetics companies for delivery of enzyme formulations in bulk form.

1 STRONG POSITION ON EXISTING MARKETS

ColdZyme is currently available in over 30 markets on four continents, under its own name or under our partners' brands. Based on experience from the mature markets in Sweden and the United Kingdom, activities are carried out to increase market share while maintaining a margin.

2 EXPAND TO MORE GEOGRAPHIC MARKETS

The model for further geographical expansion is based on close cooperation with our partners. ColdZyme is not yet available in many of the largest cold remedy markets in the world — including the US, China and Japan — and the potential for expansion is therefore sizeable.

3 DEVELOP MORE UNIQUE PRODUCTS

The unique and patented barrier technology offers great potential for product development. This work is carried out in-house with a focus on finding new products for needs in the upper respiratory tract.



Targets & strategy

Strong partners all over the world

In recent years, Enzymatica has built strong relationships with some of the world's leading players in consumer health. Currently, there are distribution and collaboration agreements for around 60 markets on four continents, which brings the potential for future launches in almost 30 additional countries.

STADA

German STADA is the partner with the most extensive agreement for ColdZyme. The product is mainly sold under its own brand name, ViruProtect®.

In January 2022, STADA took over responsibility for marketing, sales and distribution of ColdZyme in Denmark, Norway and Finland. The ColdZyme brand has been phased out on in these three markets and moving forward, the product will be sold under the ViruProtect® brand.

Sanofi

French Sanofi has distribution agreements for France and Italy under the Physiomer Stop Virus and Zerinol Virus Defense brands, respectively. At the end of 2022, Sanofi sold the Zerinol brand to Zentiva and discussions are underway about future distribution. In 2022, Sanofi launched the product in Mexico under the Aderogyl brand and in Turkey under the Bisolviral brand.

Keyuan Xinahi

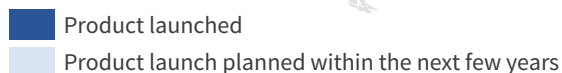
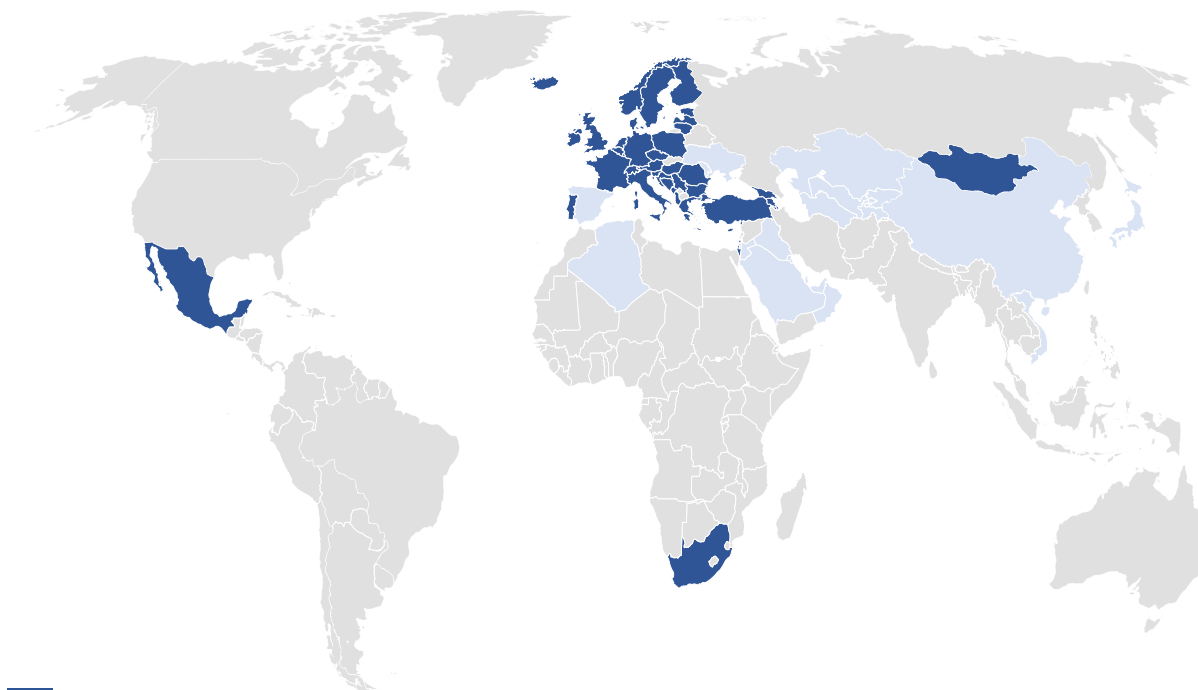
Since 2020, Enzymatica has had an agreement with Keyuan Xinhai (Beijing) Medical Products Trade Co., Ltd., a subsidiary of Shanghai Pharma, China's second largest pharmaceutical company. The agreement opens the door to one of the world's largest cold remedy markets, which is estimated to have sales of approximately SEK 37 billion annually. Registration work is in progress but has been delayed because of the pandemic. The launch is expected over the next few years.

Japan

In 2018, Enzymatica signed a contract with a large Japanese pharmaceutical company regarding registration, marketing, distribution and sales of ColdZyme. Registration work has been delayed because of the pandemic and the goal is to launch within the coming years.

Other partners

In addition to these four partners, Enzymatica has agreements with Chemipal for Israel, MS Pharma for the Middle East and North Africa, Abex Pharmaceuticals for South Africa, Evergreen Health Ltd for Hong Kong and Vistor for Iceland. Enzymatica also sells ColdZyme via Amazon in Sweden and the United Kingdom.



Targets & strategy

Financial targets for Enzymatica

In November 2021, the Board adopted financial targets for Enzymatica. At the end of 2026, the company will have sales of at least SEK 600 million, with an EBIT margin of at least 28%.

Three questions to Bengt Baron, Chairman of the Board

How has the Board of Directors arrived at these particular financial targets for the company?

Together with management, we conducted a comprehensive analysis of our existing markets and the potential of the markets where we expect to launch in the coming years. We looked at how ColdZyme has penetrated the market over time in Sweden and in other markets where the product is currently available, and based on that we estimated the growth. As we currently do not have a presence in several of the largest cold remedy markets in the world, there is a sizeable potential for ColdZyme.

Sales for 2022 were lower than for 2021 – was that a miscalculation in terms of financial targets?

We set the financial targets in November 2021 when the world was in the grip of a global pandemic. We could already see that the external situation affected both sales and establishing in new markets, and we took into account in our calculations that the return to normal cold remedy markets could take time. While we aren't satisfied with the performance in 2022, this doesn't affect our targets in the long term.

Wouldn't high financial targets contribute to uncertainty about the company?

I see it the other way around. The targets we set are a signal both internally and externally of the huge potential that we see, based on our position of having the best insight into the business and a solid understanding of the market. While we have full respect for the external situation, where we have just emerged from a global pandemic and now have the war in Europe, for Enzymatica's part, I believe we will see some highly successful years ahead. We also realize that the company's performance will vary on a quarterly basis as we launch in new markets. The whole point of long-term financial targets is to guide the market so it doesn't focus on individual quarters, whether they are better or worse than expected.



The share

The share and shareholding

At year-end Enzymatica had 7,995 shareholders – a decrease of about 5 percent compared with 2021. The share price trend was negative in 2022 and fell by 49% year over year. During the year a rights issue raised SEK 74.7 million for the company before issue expenses.

Shares and share capital

At the end of 2022, the share capital of Enzymatica AB was SEK 6,570,275.97, distributed among 164,256,840 shares with a par value of SEK 0.04 per share. The company has only one class of shares and each share carries equal rights to a part of the company's assets and profit. Each share entitles the holder to one vote at the General Meeting, where each shareholder entitled to vote may do so for the full number of their owned and represented shares.

Share capital trend

The number of shares increased in 2022 by 14,932,440 through a rights issue.

Enzymatica's shares are traded on Nasdaq First North Growth Market. Average turnover per trading day in 2022 was approximately 108,783 shares. In 2022, the share price decreased by 49%, from SEK 8.74 to SEK 4.50. Market capitalization fell from SEK 1,305 million to SEK 739 million.

Rights issue

In September, the company raised SEK 74.7 million before issue expenses through a rights issue to ensure the long-term financing of the business. The rights issue was fully subscribed, including 63 percent subscribed with the support of subscription rights and 1 percent without the support of subscription rights. The company's three largest shareholders, along with the CEO and the Chairman of the Board subscribed for the remainder, corresponding to 36 percent, in accordance with the guarantee commitments.

Registered	Transaction	Increase in number of shares	Total number of shares	Change in share capital	Total share capital	Par value
2006	Founded	1,000	1,000	100,000	100,000	100.00
2009	Rights issue	200	1,200	20,000	120,000	100.00
2011	Rights issue	3,800	5,000	380,000	500,000	100.00
2011	Split	12,495,000	12,500,000	–	500,000	0.04
2011	Rights issue	2,220,000	14,720,000	88,800	588,800	0.04
2012	Rights issue	1,783,832	16,503,832	71,353	660,153	0.04
2012	Rights issue	1,375,319	17,879,151	55,013	715,166	0.04
2013	Rights issue	890,000	18,769,151	35,600	750,766	0.04
2014	Rights issue	4,692,287	23,461,438	187,691	938,457	0.04
2014	Rights issue	1,500,000	24,961,438	60,000	998,457	0.04
2016	Non-cash issue	20,905,942	45,867,380	836,238	1,834,695	0.04
2016	Rights issue	27,520,428	73,387,808	1,100,817	2,935,512	0.04
2016	Rights issue	17,500,000	90,887,808	700,000	3,635,512	0.04
2018	Rights issue	51,935,888	142,823,696	2,077,436	5,712,950	0.04
2021	Redemption of employee warrants	893,950	143,717,646	35,758	5,748,708	0.04
2021	Rights issue	4,924,955	148,642,601	196,998	5,945,706	0.04
2021	Redemption of employee warrants	1,575,749	149,324,400	27,272	5,972,978	0.04
2022	Rights issue	14,932,440	164,256,840	597,298	6,570,276	0.04

Amounts above are stated in SEK



The share

The share and shareholding

Ownership structure

The number of shareholders at year-end was 7,995, a decrease of 5% during the year. For information about the shares in Enzymatica held by Board members and senior executives, please see the company's website.

Dividend policy

The Board of Directors does not intend to propose any dividend until the Company generates a profit and cash flow is positive.

Analyses

Enzymatica engages two independent parties to conduct analyses. In 2022, the collaboration with ABG Sundal Collier ended.

In 2023, analyses are carried out by Redeye and Erik Penser Bank.

Redeye: Gustaf Meyer, gustaf.meyer@redeye.se

Erik Penser Bank: Maria Karlsson Osipova, maria.karlssonosipova@penser.se

The Enzymatica share

Ticker: ENZY

ISIN code: SE0003943620

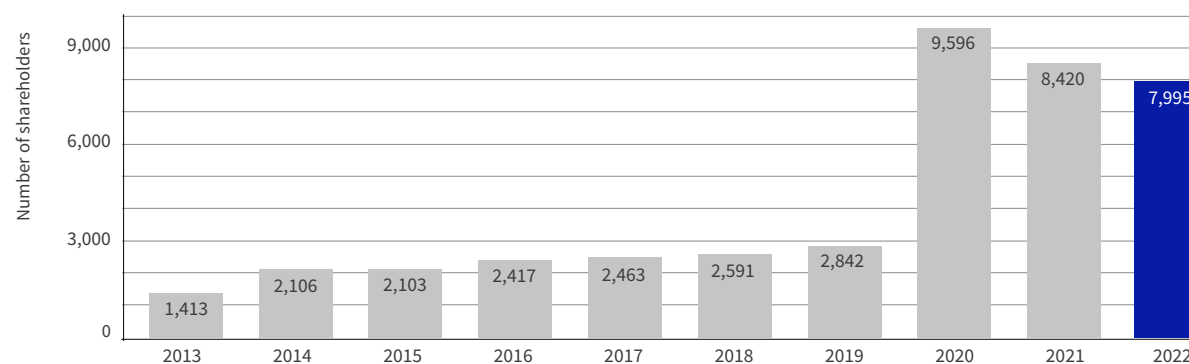
Sector: Health care

Enzymatica's ten largest shareholders December 31, 2022

Name	Number of shares	Percentage of capital and votes (%)
Mats Andersson (privately and through Abanico Invest AB)	36,398,195	22.16%
Håkan Roos (through Roosgruppen AB)	22,284,620	13.57%
Björn Algvist (through Fibonacci Growth Capital)	19,003,261	11.57%
Guðmundur Pálmason (through Fortus hf.)	7,045,837	4.29%
Ágústa Guðmundsdóttir	5,190,679	3.16%
Nordnet Pensionsförsäkring AB	5,016,657	3.05%
Aktiebolaget Possessor	4,180,000	2.54%
Avanza Pension	3,266,576	1.99%
Bengt Baron (privately and through 5653 Sweden AB)	2,958,027	1.80%
Swedbank Försäkring	2,812,711	1.71%
Holdings 10 largest shareholders	108,156,563	65.85%
Other	56,100,277	34.15%
Total	164,256,840	100.00%

Source: Euroclear

Shareholder trend 2013-2022



Product & market

ColdZyme builds a barrier against viruses


Enzymatica’s main product is ColdZyme® – a unique mouth spray that works against cold viruses. ColdZyme is based on Enzymatica’s patented barrier technology which prevents viruses from infecting the mouth and throat. ColdZyme protects against the cold virus, alleviates cold symptoms and can shorten the course of illness if used at an early stage when cold symptoms arise. The product is sold in about 30 markets on four continents, under the ColdZyme brand or under one of our partners’ proprietary brands.

Barrier against the cold virus


When ColdZyme is sprayed into the mouth and throat, a barrier forms on the mucous membrane. The barrier traps the virus and inactivates its ability to infect cells. This allows the body to get rid of the virus naturally. In vitro studies have shown that ColdZyme inactivates 11 different upper respiratory viruses, including the common cold virus and several variants of SARS-CoV-2 – the virus that can cause Covid-19.

Data from randomized, controlled clinical trials demonstrate a clinically proven effect where cold symptoms and sore throat can be relieved and the duration of the cold can be shortened by several days. Clinical trials have also shown that the viral load in the mouth and throat decreases and that endurance athletes can reduce the number of lost training days when using ColdZyme. Read more about the research on ColdZyme on page 21.

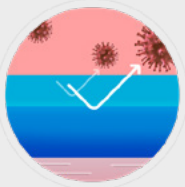
GLYCEROL + TRYPSIN



Traps
Glycerol creates an barrier that traps viruses.



Inactivates
Trypsin inactivates the binding capacity of viruses, thereby preventing them from infecting cells.



Protects
The barrier protects the mouth and throat so that the body can get rid of the inactivated virus naturally.

ColdZyme’s intended use and indication

ColdZyme is intended to be used to treat and relieve colds. The indications state that ColdZyme may be used on exposure to the cold virus, or at an early stage when cold symptoms arise. ColdZyme can be used from the age of four.

Medical device with high classification

ColdZyme is a CE-marked MDD class III product, which is the highest classification for a medical device. This means that ColdZyme has been reviewed and certified by a “notified body,” Eurofins, which has reviewed processes, documentation, efficacy, safety, intended use, indications and clinical benefits. Read more about the classification on page 22.



Product & market

Global market for cold products

The global market for over-the-counter (OTC) cold products is worth hundreds of billions of SEK. The US is the world's largest market, followed by China and Japan. Enzymatica has distribution agreements in most of the world's major markets. The total market value of OTC cold and cough remedies is estimated at USD 18 billion in the markets where ColdZyme has been launched or has distribution agreements.

The US, China, Japan, Germany and the UK are the world's five largest markets for OTC cold and cough remedies. Enzymatica's mouth spray has been launched in Germany and the UK, and work is underway to launch in Japan and China.

Over-the-counter is growing fastest

The market for over-the-counter (OTC) drugs and self-care products is growing faster than the market for prescription drugs. The largest categories are vitamins/minerals, followed by cold and allergy products, as well as painkillers. In the ten largest markets in the world, OTC products are sold for a total of over USD 100 billion annually. The market is expected to grow by an average of 4.1% per year until 2025 (Statista 2022).

Self-care is an area that attracts both the pharmaceutical industry and major players in fast-moving consumer products. The market is growing through the willingness of global companies to broaden the product base, drive innovation and increase their market focus. The competition is strong and it is therefore important for Enzymatica to have the right partners with the right sales and distribution channels in each market.

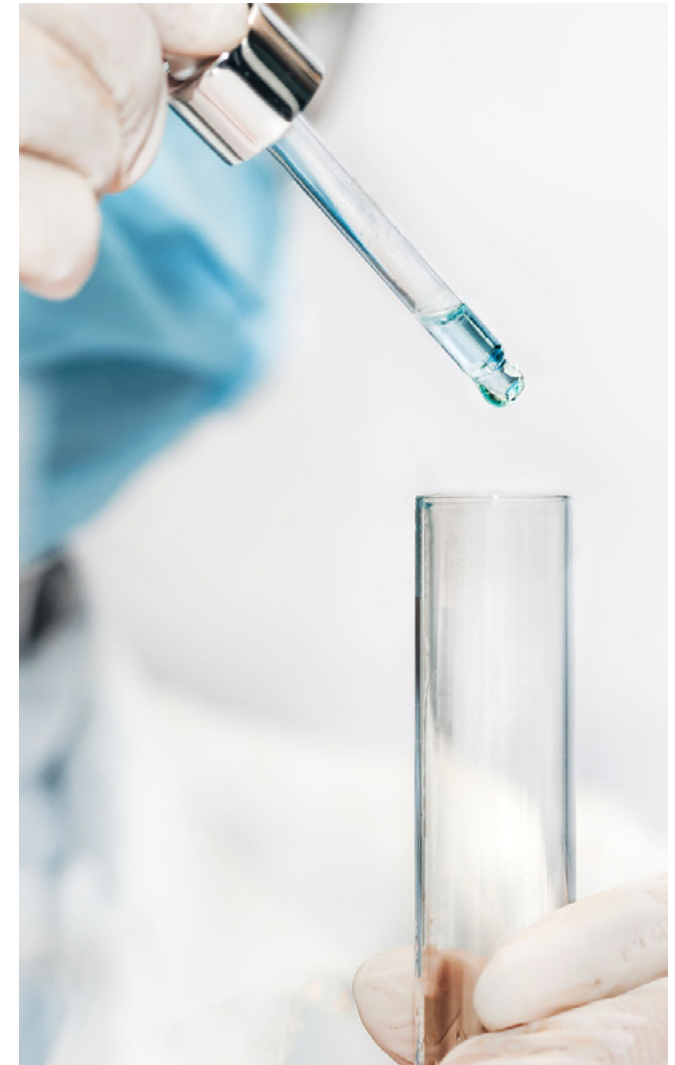
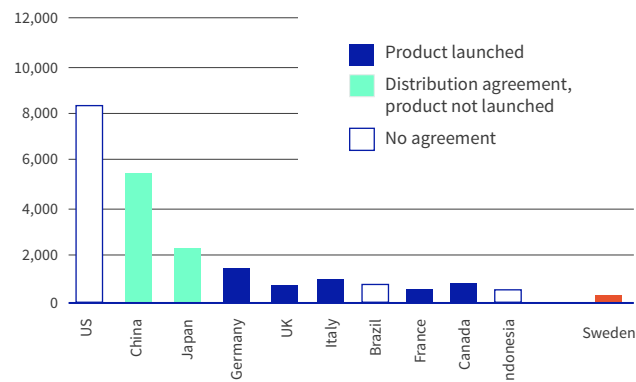
Impact of the coronavirus pandemic

The pandemic had a huge impact on the OTC market, with explosive sales growth for products such as hand sanitizer and face masks. For the cold category, the pandemic removed a large part of the market as common colds were almost non-existent for two full seasons. Demand has also shifted from preventive products to those that provide relief, with throat lozenges and

antipyretics being used by those with mild Covid-19 symptoms. Late 2022 and early 2023 saw a return to a more normal incidence of common colds, which has had a positive impact on sales in the cold category.

The top ten markets worldwide for cough, cold and allergy (hay fever) medicines

millions USD, Source: GlobalData 2021



Product & market

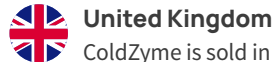
Developments in local markets

ColdZyme was sold at the end of 2022 on 36 markets worldwide, either under its own brand or under the brand of a partner. Below is a presentation of the market situation in some of the most important existing markets and the status for the launch in some of the upcoming markets.



Sweden

Sweden is Enzymatica's largest market, with approximately SEK 25 million in sales in 2022. Sweden also has the highest market share – 4.3% by value at the end of 2022. ColdZyme is sold by all major pharmacy chains, many of which also sell the product through their online stores. ColdZyme can also be purchased via Swedish Amazon. Sales to pharmacies are made using a contract sales force.



United Kingdom

ColdZyme is sold in the UK through an agreement with Boots, which is the largest pharmacy chain on the market. Sales are also made through Amazon, where ColdZyme is currently the best-selling mouth spray sold on the platform in the UK. A contract sales force is used, but the intention is to find a partner for sales and marketing to increase the presence on the British market.



Denmark, Norway & Finland

In January 2022, STADA took over responsibility for sales, marketing and distribution of ColdZyme in the three neighboring Nordic countries. During the year, the ColdZyme brand was phased out in these three markets and the product is now sold under STADA's ViruProtect® brand.



Germany

On the German market, a mouth spray for mouth and throat problems is sold in cooperation with STADA, which is responsible for sales and marketing. The product was launched in 2020 and is sold under the STADAProtect® brand.



France

In France, Sanofi has been responsible since 2020 for sales and marketing under its own Physiomer® Stop Virus brand.



Italy

Since 2020, Sanofi have been responsible for sales and marketing on the Italian market under the Zerinol® Virus Defense brand. At the end of 2022, Sanofi sold the Zerinol brand to Zentiva. Discussions are underway about how Enzymatica and Zentiva will continue to work together.



Mexico

In the fall of 2022, Sanofi launched the product in Mexico under the Aderogyl® brand. The launch campaign included TV commercials. In 2023, efforts continue to establish the product on the market and increase the number of pharmacies that sell it.



Turkey

Sanofi launched the product on the Turkish market in the fall of 2022 under the Bisolviral brand. The launch campaign included TV commercials.



Japan

Enzymatica has a cooperation agreement with a large Japanese pharmaceutical company regarding registration, marketing, distribution and sales of ColdZyme. Access to the Japanese market is subject to the approval of national authorities and this work was intensified in the second half of 2022. The goal is to launch the product in Japan over the coming years.



China

In China, Enzymatica has a cooperation agreement with Keyuan Xinhai – a subsidiary of Shanghai Pharma, China's second largest pharmaceutical company. The launch in China has been delayed by the pandemic, but discussions are ongoing on possible modalities for launching in the country. The launch is expected to take place within the next few years.



US

The US market is the largest cold remedy market in the world, but is also saddled with extensive regulatory requirements. The timing of the launch on the US market is difficult to assess.



Product & market

Marketing in close collaboration with partners

One of the cornerstones of Enzymatica’s business strategy is that successful marketing is based on good knowledge of the local market. That is why the company’s various partners are responsible for marketing in their respective markets. In Enzymatica’s own markets, Sweden and the UK, concepts are tested that can be used in other markets when appropriate. Here are some examples of marketing campaigns in 2022.



Sampling and sponsorship

ColdZyme has been handed out to consumers in cities such as Stockholm and London. Many consumers are curious and ask questions about the products and these activities have been effective. Enzymatica also sponsors athletic events and individual athletes with products.

Media relations

Enzymatica actively engages in PR work aimed at the media in Sweden and the UK, and has achieved good coverage, including news on how people can best protect themselves from colds.

It worked for me
 Carly Buckwell, 43, Kent
 'When my children are at school, we have a constant stream of colds in the house. I now use ColdZyme Mouth Spray (£10.99 for 7ml, Boots) as soon as I start to have symptoms. It either stops the cold from developing completely or shortens the length of it. The whole family now uses the spray. I'd really recommend it to others.'

CHOOSE WISELY
 'While alcohol isn't health amounts of red wine hav

Buy of the month
 Say yes to a sweet breakfast spread with Fearnle & Rosie's jam (£3.20 for 300g, fearnleandrosie.co.uk). It contains 40% less sugar than your average jar.



TV commercials

At the end of the year, a new commercial was produced that ran on TV and digital media in Sweden in the first quarter of 2023. In addition, Sanofi used TV advertising in both markets as part of its launch campaigns in Mexico and Turkey.

Digital marketing

In recent years, Enzymatica has focused on digital advertising to complement other marketing activities. Digital advertising is more effective and easy to monitor. These efforts include collaborations with leading influencers who have a high impact on the relevant target groups.





Production & development

Research on barrier technology potential

Enzymatica conducts research and development work in-house and with partners and universities. The work is aimed at understanding the possibilities of barrier technology, confirming previous research results and laying the foundation for an expanded range of enzyme-based products.

In 2022, Enzymatica’s research and development costs increased, mainly as a result of work on the documentation required for the MDR application (see page 22). This application has required a number of clinical studies, some of which are ongoing during part of the application period. The results will be reported as they come in, as long as such reporting is not prevented by regulatory requirements or by competition-related reasons.

Research and development is conducted in-house and with the company’s partners. In addition, Enzymatica is involved in the funding of research projects at several universities. In 2022, work was intensified with university researchers to investigate the function of ColdZyme against upper respiratory viruses, including variants of the SARS-CoV-2 virus. Read more about this work on page 21.

Research and development at Enzymatica is divided into three tracks:

1. Evaluate the possibilities of barrier technology
2. Expand the scientific documentation
3. Develop new products

Research and development work is led by the Enzymatica’s managers in Lund and Reykjavik, with the help of external consultants and laboratories.

An array of scientific studies and articles about ColdZyme and barrier technology have been published. A complete list is available on the Enzymatica website.

Product	Countries/markets	Granted, year	Relates to	Expires, year
ColdZyme	Europe	2020	Enzyme (ZT) from cod for purposes such as medical and cosmetic use.	2036
	Russia	2020		
	China	2021		
	US	2021		
	Japan	2021		
	Australia	2022		
	Mexico	2022		
Unspecified	Russia	2020	Combination treatment with cod enzymes and antibiotics for streptococcal biofilm.	2036
	Denmark	2021		
	US	2022		
	China	2022		
	Australia	2023		

Enzymatica has patent protection for the cod enzyme (ZT) which is one of the key components in ColdZyme. At the end of 2022, Enzymatica had this patent in 36 markets.



Production & development

New research projects in 2022

In 2022, Enzymatica initiated two major research projects with research groups at universities in Innsbruck (Austria) and Kent (UK). The Innsbruck study was presented in November 2022, while the results of the Kent study are expected to be ready after the summer 2023.

ColdZyme blocks several omicron variants

A research group at the Medical University of Innsbruck showed in vitro that ColdZyme stops viruses from adhering to the human respiratory tract. The study, published on November 1, 2022 in the prestigious journal Respiratory Research, highlights ColdZyme's ability to block the latest omicron variants BA.4 and BA.5, thereby protecting human cells from being attacked and infected by viruses. This builds upon previous data from the same research team, which showed that ColdZyme protects against the original BA.1 omicron variant as well as other SARS-CoV-2 variants.

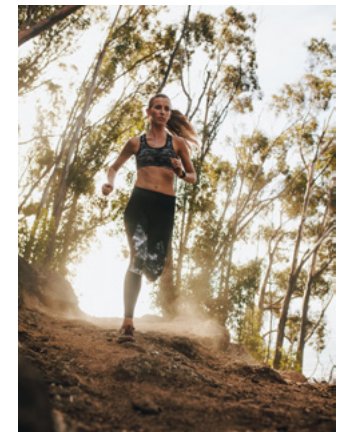


“We have demonstrated that ColdZyme mouth spray blocks the omicron variants BA.4/5 and BA.1 from infecting human airway cells in a fully differentiated cell culture of bronchial epithelial cells. The results from the study show that ColdZyme protects from BA.1 and BA.4/5 infections, maintains epithelial integrity, and that viral loads are significantly decreased by prophylactic treatment with ColdZyme mouth spray. Although the results from our in-vitro 3D models are not directly translatable to in-vivo efficacy, they open the exciting possibility that ColdZyme can be used to prevent SARS-CoV-2 transmission and spread,” says Professor Doris Wilflingseder, head of the research group.

ColdZyme has now been proven to block 11 different upper respiratory viruses, including several variants of SARS-CoV-2 and in 2023, Enzymatica will intensify efforts to investigate how ColdZyme can help to offer people extra protection against omicron variants and other coronaviruses, as a complement to recommended vaccines.

New study to show how ColdZyme helps elite athletes

In November, a new study was announced involving collaboration between Enzymatica and the University of Kent. The double-blind, placebo-controlled clinical study will explore the preventative effects of ColdZyme on upper respiratory tract infections in elite athletes. The study builds on a previous study from the same research group, which showed that treatment with ColdZyme can reduce the number of lost training days.



“ColdZyme's ability to reduce the number of lost training days could play an important role for many endurance athletes.

The previous study showed athletes who used ColdZyme had milder symptoms and half as many lost training days as athletes in the control group. Our new study will further explore ColdZyme's ability to allow athletes a speedier recovery from common colds and other upper respiratory virus infections,” said Professor Glen Davison, Head of School of Sport and Exercise Sciences at University of Kent.

The methodology is a double-blind, placebo-controlled clinical study, utilizing parallel groups design, in which participants will complete a daily training log and illness log according to the Jackson scale. Oropharyngeal swabs will be collected from both groups to identify virus strains causing the infections, as well as to measure viral load. The results of the study are expected to be presented after summer 2023.



Production & development

High level of regulatory expertise

Medical devices need to comply with extensive regulatory frameworks that differ from one market to another. Enzymatica has extensive expertise in regulatory issues and works continuously to ensure that the clinical documentation is sufficient for the product to meet the requirements of new and existing markets. At the end of 2022, ColdZyme held the highest classification for mouth sprays for colds on the European market.

ColdZyme is currently a CE marked medical device with the classification MDD Class III. During the year, an application was submitted to classify ColdZyme under the new MDR regulations, which will replace the previous MDD classification within a year or so. The MDR introduces several new and stricter requirements for technical documentation, preclinical data, clinical follow up and labeling. In addition, better traceability of the products through the distribution chain is required. New classification rules have also been introduced, due to new technology and new information, such as software, nanomaterials and substances.

Since 2021, Enzymatica has been engaged in an extensive effort to complete an application for certification of ColdZyme under the MDR. This work includes areas such as technical documentation, clinical data and preclinical data. The application was submitted in July 2022 and the MDR certification will be ready when the current MDD certification expires.

In addition to Europe, efforts are in progress to certify ColdZyme in several important cold remedy markets such as China, Japan and the US. These efforts rely on the support of local partners and in some cases have been delayed as local authorities have been affected by the coronavirus pandemic in terms of both staffing and workload related to vaccine approval. The assessment is that ColdZyme will be certified in several new major cold remedy market in the coming years.



Quality management system recertified

Enzymatica's quality management system is certified to ISO 13485:2016, which provides a framework for covering all essential processes required in the regulatory requirements of the different markets. In 2022, the quality management system was recertified by the British Standards Institution (BSI), the certification organ that monitors and challenges Enzymatica's quality efforts. The quality management system is also audited with respect to the MDD 93/42/EEC requirements by Eurofins, the notified body that certified ColdZyme as a class III medical device.



Production & development

Expansion of production capacity

The production of the enzyme that is one of the main components of ColdZyme takes place at Enzymatica's facility in Iceland. During the year, capacity was expanded as part of a three-year plan to upgrade the facility.

Efforts to upgrade the Enzymatica production facility in Iceland continued during the year. The aim is for the facility to be ready for rapid capacity expansion when ColdZyme is launched in new markets and demand increases in existing ones. The facility produces enzymes for ColdZyme, as well as enzymes for bulk formulations that are included in skin care products made by customers. The facility employs nine people and is located in one of Reykjavik's port areas.

Production takes place in two stages, with cryotin produced in the first and penzyme in the second. In 2022, cryotine production was upgraded, along with a substantial increase in capacity. In 2023, the same work will be done for the part that produces penzyme. A total of EUR 1.35 million will be invested in the facility over a three-year period and the work will be completed in 2023. The quality management system is also being upgraded. Consequently, two employees were recruited for quality work during the year; one of these new hires is the quality manager with primary responsibility.

For several years, Enzymatica has engaged Recipharm to handle final formulation, filling and packaging for each market at its facilities and Spain and Italy. The finished product is then distributed to Enzymatica or to one of its partners.

By keeping enzyme production in-house, Enzymatica ensures good control of the value chain and retains business-critical knowledge within the company. In 2022, some organizational changes were made to the Iceland operation to streamline work and decision-making processes. A General Manager for Iceland is now in charge of the entire operation and is part of the company's management group.

Value chain for Enzymatica

Enzymatica controls the value chain from enzyme production to finished product. Manufacturing takes place partly in-house, and partly through contract manufacturers according to Enzymatica's specifications and quality requirements. Marketing and sales take place either in-house or through partners, depending on the market.



Production & development

Focus on social sustainability

By using a by-product that would otherwise be thrown away, Enzymatica has developed a medical device that helps people in their daily lives. Sustainability work focuses on both people and the environment, with the aim of continuously reducing climate impact and maintaining a corporate culture that promotes personal development.

One of the cornerstones of Enzymatica's business involves using a product that would otherwise be wasted. The cod enzyme that is one of the key components in ColdZyme is extracted from what is left over after the fish is cleaned, which would otherwise be thrown away.

Enzymatica's method of extracting cod enzymes from the remains of the fish can be seen as a kind of reuse of the cod, which has already been caught. The remains are used, refined and become part of a product that helps people to achieve better health and increased well-being. Enzymatica contributes to social sustainability through a product that enables people to avoid or reduce the duration of colds.

Environment

Enzymatica's environmental work is part of the quality management system and is described in the company's environmental policy. The goal is to use materials efficiently and reduce environmental and climate impact as far as possible through ongoing efforts in our own operations and clear requirements for partners and suppliers.

The external packaging and other packing materials used for the products are recyclable. In 2022, a new plan was formulated to reduce packaging materials and other components of the product. The contract manufacturer, Recipharm, is certified to ISO 14001, which also applies to most of the company's sales channels – pharmacies and health food chains.

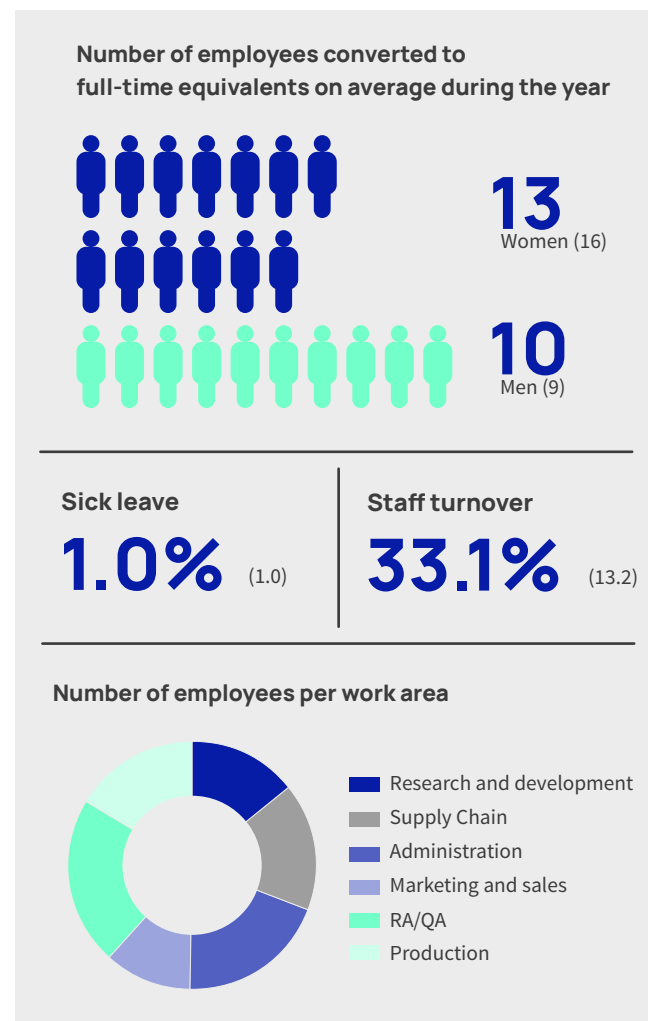
Code of conduct

Enzymatica shall be a reliable partner, as specified in the company's code of conduct. The code describes how the company should act professionally as an employer, business partner and as a participant in the community. The Code of Conduct is based on the UN Global Compact and its ten principles on human rights, labor rights, environmental protection and anti-corruption. Laws, regulations and norms set the minimum levels for the Company's actions. The Code of Conduct applies to all employees and board members, as well as others who represent the Company, such as consultants.

Corporate culture

Working at Enzymatica should be safe, rewarding and promote personal development. The Company's working methods and organization should be such that all employees have the opportunity to influence their personal development and the development of the Company. The employees should have the resources and opportunities for development necessary to maintain a high level of expertise within their field. The work environment should be characterized by respect and trust for each individual employee. Harassment and all forms of discrimination are unacceptable and employees are expected to treat each other in the same way that they themselves would like to be treated. Matters regarding the work environment, health and safety are regulated by the Company's Code of Conduct and handled within the framework of local legislation.

In 2022, staff turnover was higher than normal due to the organizational changes that were necessary because of lower sales and a change in working methods.





Corporate governance

Corporate governance report

Governance of Enzymatica takes place through the General Meeting, the Board of Directors, the CEO and senior management in accordance with the Swedish Companies Act, the Articles of Association, Enzymatica's internal policy documents and the current rules and recommendations for companies that are listed on Nasdaq First North Growth Market. In 2022, 20 Board meetings were held that addressed topics such as the effects of the pandemic, financing, the budget and the company's financial targets.

General Meetings

The General Meeting is the highest decision-making body and the forum through which shareholders exercise their influence over the Company. The General Meeting resolves on how to address a number of central issues for the company – including disposition of the company's profit or loss, adoption of the income statement and balance sheet, discharge from liability for the Board of Directors and the CEO, election of the Board of Directors and the auditor, as well as fee-related issues. The General Meeting also chooses the Chairman of the Board. An Extraordinary General Meeting may be held if the Board

considers that there is a need to do so, or if the company's auditors or owners of at least 10 percent of the shares should so request.

Board of Directors

In 2022, the Board of Directors consisted of six members who are elected for one year by the General Meeting. According to the Articles of Association, the Board of Directors is to consist of at least three and a maximum of ten members, as well as a maximum of ten deputies. The Board of Directors elects its officers at a meeting held immediately after the Annual General

Meeting. The 2022 General Meeting resolved that a total of SEK 1,625,000 shall be paid in board fees, excluding committee fees, with SEK 500,000 paid to the Chairman of the Board and SEK 225,000 paid to each of the other Board Members who are not employed by the company. The Meeting also resolved that SEK 175,000 will be paid to the Chair of the Audit Committee and SEK 50,000 will be paid to each of the other members of the Audit Committee, but no remuneration will be paid for work in the Remuneration Committee. The table on this page shows the Board Members' shareholdings and meeting attendance. A more detailed description of the Board of Directors can be found on the company's website.

Chairman of the Board

In addition to leading Board meetings, the Chairman of the Board is responsible for ongoing contact with the CEO, monitoring the development of the company and consulting with the CEO on strategic matters. The Chairman of the Board shall, in consultation with the CEO, be responsible for notice to attend Board meetings and the agenda, as well as for ensuring that matters are not handled in violation of regulations. Once a year, the work of the Board of Directors is evaluated under the direction of the Chairman of the Board.

Name	Number of shares	Attendance at Board meetings	Attendance Audit Committee	Independent in relation to the principal owners/Independent in relation to the company
Bengt Baron, Chairman of the Board	2,958,027	19/20		Yes/Yes
Mats Andersson	36,398,195	18/20		No/Yes
Helene Willberg	163,423	20/20	6/6	Yes/Yes
Louise Nicolin	43,000	18/20	6/6	Yes/Yes
Gudmundur Palmason	7,045,837	20/20		Yes/Yes
Moa Fransson (from April 28, 2022)	0	15/20		Yes/Yes
Fredrik Lindberg (until April 28, 2022)		5/20		



Corporate governance

Committees

The Board has established an Audit Committee and a Remuneration Committee. The Audit Committee shall, without prejudice to the Board's responsibilities and tasks in general, monitor the company's financial reporting and the effectiveness of its internal control, stay informed about the audit of the annual accounts and consolidated accounts, review and monitor the impartiality and independence of the auditor while paying special attention to whether the auditor provides the company with services other than auditing services, and assist in the preparation of proposals for the AGM's decision on the election of an auditor. In 2022, the Audit Committee consisted of Louise Nicolin and Helene Willberg (Chair). The committee held six meetings in 2022.

The Remuneration Committee addresses matters concerning remuneration and benefits for senior executives. The committee consists of Bengt Baron, Mats Andersson and Gudmundur Palmason. Mats Andersson is chairman of the Remuneration Committee. The Committee held two meetings during the year, covering proposed salary revisions and bonus models for 2022 and 2023.

Board meetings

During the year, the Board of Directors held 20 meetings at which the minutes were recorded, 7 of which were digital and 6 per capsulam. Topics addressed by the meetings include interim reports, strategy, financial targets, organization and regulatory issues and the impact of the pandemic. The CEO and CFO participate regularly at Board meetings and other executives participate as needed. The company's auditor participates in at least one of the Board's regular meetings during the year, which took place in connection with the year-end report when the Board also met with the auditor without the presence of the company's management.

Auditor

Deloitte was re-elected as the company's auditor at the 2022 Annual General Meeting, for the period until the next Annual General Meeting. In addition to the annual audit, the auditor reviews the interim report for the third quarter each year. Deloitte has been the company's auditor since 2017 and Jeanette Roosberg, authorized public accountant, has been the principal auditor since 2021.

CEO and senior management

The CEO is appointed by the Board of Directors and leads the company in accordance with the guidelines and instructions adopted by the Board. The CEO appoints a Management Group. At the end of 2022, this group consisted of five people in addition to the CEO, as well as an adjunct Communication Manager. A more detailed description of the Management Group can be found on the company's website.

Remuneration to senior executives

Remuneration to the CEO and other senior executives comprises basic salary and car benefit. In addition, individual bonus agreements provide extra compensation as a percentage on top of the basic salary if certain targets are achieved. These targets are set by the CEO in consultation with the Board of Directors. The CEO prepares proposals for decisions on remuneration and benefits for senior executives and presents these to the Board. Decisions on remuneration and benefits to the CEO have been taken by Enzymatica's Board of Directors. An Extraordinary General Meeting held in 2021 resolved to approve an incentive program for the CEO.

The CEO's employment agreement cites a period of notice from the Company of six months during which the level of salary and other benefits paid remains unchanged. The period of notice for the CEO is six months. No special severance package is paid. The

period of notice for other senior executives is between three and six months, and the period of notice for the Company is between three and nine months. No special severance package is paid.

Nomination Committee

In accordance with the principles for the Nomination Committee adopted at the Annual General Meeting in 2019, the Nomination Committee for the next Annual General Meeting shall consist of representatives of the four largest shareholders registered in the register of shareholders held by Euroclear Sweden AB as of September 30 each year, together with the Chairman of the Board, who shall also convene the Nomination Committee for its first meeting.

Internal control

Internal control in the company follows the procedures and principles established in the company using various systems, controls and ongoing reporting. The Board of Directors is responsible for compliance with these procedures and principles. Each individual entity in the company is followed up with reporting according to a set schedule and scope. Authorization guidelines and rules of procedure regulate who and how decisions are made regarding length of contract, costs or risk for the Company. Signing on behalf of the Parent Company and subsidiaries, as well as managing cash and cash equivalents, are handled by several people to create good control. The Board's assessment is that no internal audit function is needed in the company since this is not justified based on the scope and risk exposure of the company.



Corporate governance

Comments from the Chairman of the Board

Good operational governance

We are living in very turbulent and uncertain times and the role of the Board in 2022 was to support management and other key personnel in their strategic work for both the short and long term. No sooner had the world emerged from a global pandemic than war broke out in Europe with great human suffering, as well as economic consequences in many markets.

The Board has actively participated in the important preparations for Enzymatica's application for MDR certification and I am both pleased and impressed that the management and staff were able to submit the application ahead of schedule. We have also engaged in dialog with the management related to the discussions needed with a couple of our partners after some targets in our agreements were not achieved because of the impact of the pandemic on the company's sales. I am glad that we have maintained good and constructive communication with all of our partners and suppliers, and that together we come through these challenging times in a way that will ultimately benefit everyone. A broad variety of areas are represented on the Board, where we always have active and informed discussions and find it easy to reach decisions.

During the year, we have continuously monitored the financial targets set by the Board of Directors in November 2021. Following an extensive strategic process, the Board arrived at well-founded levels that are fully reasonable for a company with Enzymatica's potential. While sales of SEK 600 million in 2026

is a high target compared with sales today, we must not forget that the current situation is due to the effects of a pandemic with rarely seen consequences for both society and the company. The EBIT target of 28% clearly shows the scalability of Enzymatica's business model. The Board believes that these objectives will be achieved.

The successful rights issue completed in September has provided the company with important capital that lays the foundation for increased market investments, more clinical studies and continued development of our production resources. Together with the company's three largest shareholders and the CEO, I guaranteed the issue, which reflects my belief in this company. We have long-term owners with a firm belief in the company and its potential, and the Board must manage this trust in the best possible way. My role as the chair includes an ongoing dialog with our largest shareholders, but I am also pleased with the constructive suggestions related to the company's development and operations that are constantly coming from smaller shareholders. It is important to take advantage of the commitment to ColdZyme and Enzymatica.

Although Enzymatica is a relatively small company in terms of number of employees, there are stable procedures and processes for corporate governance. From the Board's side, we have an active Audit Committee that advises management both on an ongoing basis and in conjunction with reporting occasions. A good quality management system is in place and



the company has also addressed sustainability issues, where we will see a changed and in-depth effort in the coming years.

During the year, the Board supported the CEO in his new role and also participated in the organizational changes that were necessary to put an efficient organization in place. The company's management performs its duties competently and efficiently, and the Board of Directors feels confident in the deep specialist expertise that exists within the company.

The war in Ukraine is casting a shadow over the global economy and life in Europe, while also challenging our way of life and how we view the future. For Enzymatica, we see clear signs of an improved market situation and therefore see a bright future in our business area. We have laid the foundation for global expansion, to ensure that more consumers discover our amazing product.

Bengt Baron, Chairman of the Board



Financial Overview

(SEK thousand)	2022	2021	2020	2019	2018
Net sales, SEK thousands	48,948	57,243	111,245	61,306	52,560
Profit/loss for the year, SEK thousands	-68,657	-45,393	-13,221	-40,979	-42,579
Cash flow for the period, SEK thousands	19,083	7,525	-5,468	-40,975	59,428
Gross margin, %	58	58	68	73	70
Equity/assets ratio, %	72	80	66	81	86
Debt/equity ratio, times	0.4	0.3	0.5	0.2	0.2
Equity (SEK thousand)	126,293	124,972	106,649	119,203	159,660
Cash flow for the year, operating activities, SEK thousands	-64,566	-35,869	-10,652	-37,576	-28,793
Net investments, SEK thousands	-3,717	-6,133	-4,837	-866	-520
Average number of employees	23	25	18	19	21
Number of shares at end of period	164,256,840	149,324,400	142,823,696	142,823,696	142,823,696
Earnings per share, basic and diluted, SEK ¹	-0.44	-0.31	-0.09	-0.29	-0.45
Equity per share, SEK	0.77	0.84	0.75	0.83	1.12

¹ Based on weighted average of the number of outstanding shares.

Definitions of – Alternative performance measures

Enzymatica uses alternative performance measures to increase understanding of the information in the financial statements, both for external analysis and comparison, and for internal evaluation.

Alternative performance measures are measures that are not defined in financial statements prepared in accordance with IFRS.

The following ratios are used:

Gross margin

Net sales for the period less costs for raw materials and supplies in relation to net sales. Gross margin shows earnings in relation to net sales and margin to cover other expenses, as well as profit margin.

Equity per share

Reported consolidated shareholders' equity divided by the number of outstanding shares. Shows the share of equity attributable to each share.

Earnings per share

Profit/loss for the year in relation to average number of outstanding shares. Shows the share of profit/loss for the year attributable to each share.

Earnings per share, diluted

Profit/loss for the year in relation to average weighted number of shares increased by the amount at full dilution. Shows the share of profit/loss for the year attributable to each share after taking potential shares such as warrants into account.

Debt/equity ratio

Total liabilities divided by shareholders' equity Shows the company's net debt and is used as a measure to measure debt and future financing needs.

Equity ratio

Equity as a percentage of total assets. Shows the share of equity in relation to total assets.

Net investments

Cash flow from investing activities Shows the amount used to invest in property, plant and equipment during the year.

Net cash

Interest-bearing current and non-current liabilities, less cash and cash equivalents.



Enzymatica's unique barrier technology protects people's health by creating a shield against viruses and bacteria that cause colds and infections. We focus on global expansion through innovation and partnerships.



Enzymatica
THE SCIENCE THAT PROTECTS

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