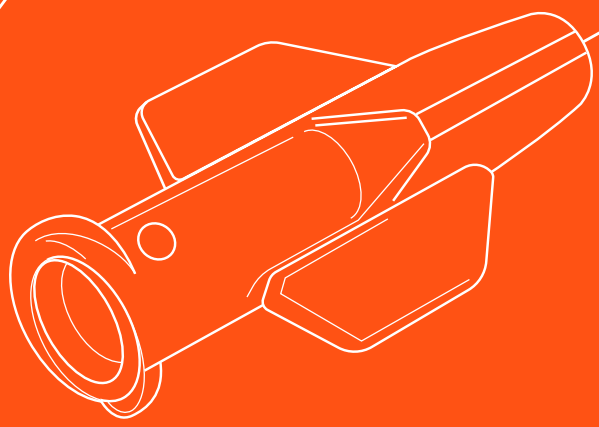
ANNUAL REPORT 2025

The future of targeted therapies



SmartCella

SmartCella is a global drug delivery company providing first-in-class delivery platforms for targeted therapies, including the main technology, the FDA 510(k)-cleared Extroducer® for localized endovascular delivery to hard-to-reach organs and tissues, and a proprietary stem cell platform for the delivery of mRNA therapeutics.

Purpose

To unlock the full potential of targeted therapies for every patient in need

Mission

To provide first-in-class delivery platforms for targeted therapies

Vision

To revolutionize targeted therapeutic delivery

Contents

Statement from the Chairperson and CEO
Read more on page 6

Market overview
Read more on page 8

About the Extroducer®
Read more on page 16

Scientific Advisory Board
Read more on page 30

2025 IN BRIEF

Strong progress in shaping the future of targeted therapies

Key events

- **Agreement** with Professor Johan Ericson from the Department of Cell and Molecular Biology at Karolinska Institutet, securing exclusive rights to advance his research on cell replacement therapies for Parkinson's disease (SMART02) in February 2025
- **Strengthened** the Executive Management Team with Veena Rao-Mirmira as Chief Strategy Officer in February 2025 and Sabine Ott as Chief Commercial Officer and Head of Business Development in March 2025
- **Updated approval** from the Swedish Medical Products Agency for the manufacturing and quality control testing of sterile biological medicinal products for cell therapy in May 2025
- **XyloCor Therapeutics dosed** the first patient in July 2025 using the Extroducer® technology for their XC001 therapy, in a Phase IIb clinical trial to treat refractory angina
- **Extraordinary** general meeting, held in July 2025, adopted a new long-term incentive program (LTIP 2025) through the issue of a maximum of 1,325,000 stock warrants to senior executives and key personnel
- **Scientific Advisory Board established**, chaired by board member Professor Anna Martling, and in November 2025, Professor Jan Lundberg joined as the latest addition
- **Significant progression** in expanding the Extroducer® partnership pipeline
- **Finalized documentation** for Clinical Trial Applications to enable start of SmartCella's phase I/IIa study evaluating direct delivery of chemotherapy into pancreatic tumors, using the Extroducer®, with planned start in H1 2026

Events after the end of the year

- **In January 2026,** SmartCella entered a non-exclusive license agreement with Catalent, Inc. to use their proprietary off-the-shelf GMP compliant induced pluripotent stem cells (iPSCs)
- **In March 2026,** SmartCella decided to increase focus and investment in the unique Extroducer® technologies which represent the companies' best path toward solving the challenge of targeted therapeutic delivery across multiple disease areas
- **Consequently,** the cell therapy programs SMART01 and SMART02, and the SmartCella GMP facility will be divested
- **In April 2026,** SmartCella entered into a non-exclusive licensing agreement with Oloker, a biotech company developing proprietary cardiac cell therapies about to enter clinical stage development. This partnership validates the Extroducer®'s relevance in cutting-edge drug delivery

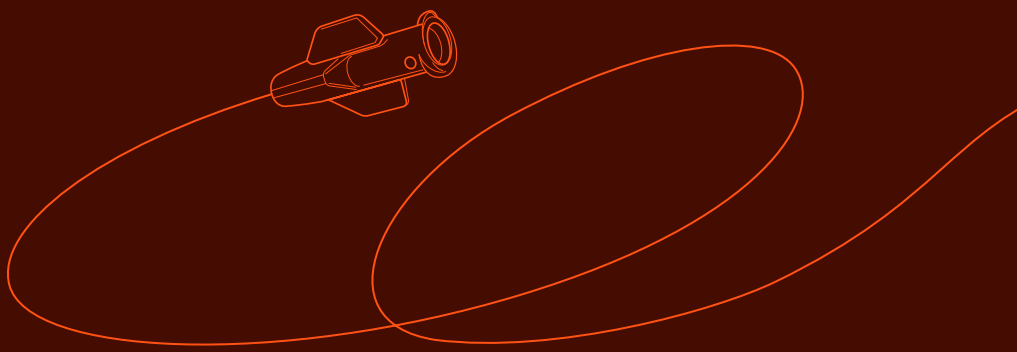
THIS IS SMARTCELLA

The partner-of-choice for targeted therapeutic delivery

SmartCella is a global drug delivery company pioneering innovative delivery solutions for targeted therapies. The main technology, the Extroducer®, is a modality-agnostic endovascular delivery device designed for localized delivery to hard-to-reach organs, tumors, and tissues. The Extroducer® is FDA 510(k)-cleared for use in peripheral (including abdominal) tissues to inject diagnostic and therapeutic solutions into the perivascular space. It is currently in clinical investigation for additional indications.

SmartCella commercializes the Extroducer® through non-exclusive partnerships with global biotech and pharma companies, enabling broad application across all development phases. The company also offers a proprietary stem cell platform for the delivery of mRNA therapeutics, featuring a proof-of-concept program focused on Osteoarthritis.

Founded in 2014, SmartCella is built on world-class research from Sweden's Karolinska Institutet. The international team consists of scientists, visionary innovators, and experienced business leaders, all dedicated to shaping the future of targeted therapies and delivering life-changing treatments to patients.



The issue

- Systemic delivery can lead to unwanted side effects outside the desired organ, low efficacy because the full dose of the drug is not delivered at the site of need
- Many diseases remain untreated due to the difficulty in getting the payload to the right place

Our solutions

- Main technology, Extroducer®, a proprietary endovascular delivery platform to enable safe, repeatable access to organs and tumors
- Proprietary stem cell platform for the delivery of mRNA therapeutics

Our impact

- Unlocking new therapies where delivery is the gating factor
- Partners may rely on SmartCella's targeted delivery solutions to bring medicines directly to the target tissue

Our positioning

- To become a partner-of-choice for biotech and pharma
- To be an enabler of next-generation precision medicine in cardiology, oncology, CNS, and beyond

STATEMENT FROM THE CHAIRPERSON AND CEO

A dedication to solving drug delivery challenges

The overarching theme that shaped 2025 was a continued strengthening of the Extroducer® pipeline, including several discussions moving into deeper technical levels and evaluations.

Notably, we recently entered into a non-exclusive licensing agreement with Oloker, a biotech company developing proprietary cardiac cell therapies about to enter clinical stage development. This partnership underscores the Extroducer®'s relevance in cutting-edge therapeutic development. We also had steady and important advancements in 2025 across our scientific programs.

2025 was also the year when we faced a changing market reality. While our origins are rooted in a broad range of regenerative medicine and cell therapies, the global biopharma landscape has shifted. Resource allocation is now increasingly focused on clinical data and scalable manufacturing. In response, we have decided to sharpen our focus on where we can create the most immediate and long-term value in addressing a clear medical unmet need, namely through our unique and innovative targeted drug delivery technology platform, the Extroducer®.

Solving the "last mile" of delivery

The greatest challenge in medicine today is ensuring that therapy reaches the specific organ, tumor, or tissue where it is needed. Systemic delivery often dilutes the effect and increases side effects. Our Extroducer® technology addresses this "last mile" hurdle directly. By utilizing the body's network of arteries and veins as a direct highway, it has been thoughtfully designed to be minimally invasive and deliver locally into hard-to-reach tissues.

Targeted delivery is no longer just a clinical preference, it is a necessity. The Extroducer®'s capacity to work across virtually any therapeutic area, tissue type, treatment modality and development stage opens a near-limitless landscape of applications, and we believe it has the potential to become the global standard of care. With the Extroducer®'s unique modality-agnostic design, we are not simply riding a wave of strong growth across oncology, cardiology, and neurology, we are positioned to redefine targeted therapeutic delivery.

For SmartCella, the potential is already becoming reality. In 2025, we saw a major validation of our platform as our partner XyloCor Therapeutics dosed the first patient in their

> Targeted delivery is no longer just a clinical preference; it is a necessity.

Phase IIb trial using the Extroducer® to deliver their lead gene therapy candidate for the treatment of refractory angina. Throughout the year, the feedback from global partners has been consistent: there is a significant, unmet need for localized drug delivery solutions, both for traditional treatments and the new modalities of therapies.

A streamlined business model

To support our strategic shift, we are streamlining SmartCella's business model. We have decided to divest our cell therapy programs SMART01 and SMART02, and are seeking a new owner for our labs and GMP manufacturing facilities in Tullinge. While these programs represent world-class science, this move allows us to significantly reduce our cost base and move closer to cash-flow breakeven. By focusing our resources on the Extroducer® and its associated technologies, we can more determinedly pursue the commercial licensing and partnership opportunities that will accelerate our revenue growth and value creation. We remain committed to finding partners for our mRNA delivery platform including the proof-of-concept program for Osteoarthritis SMART03.

We enter 2026 with a streamlined organization focused on execution and on building new partnerships through licensing deals across therapeutic areas. SmartCella is not only scientifically innovative but operationally disciplined and commercially driven. We want to thank all our shareholders for their continued trust and support. We also thank our teams for their determination in reshaping SmartCella into a leaner, faster, and more focused organization.

SmartCella's path forward is clear. We are dedicated to solving the drug delivery challenges of modern medicine, and in doing so, driving long-term value for our shareholders and better outcomes for patients.

Christian Kinch
Chairperson

Niklas Prager
CEO

MARKET OVERVIEW

Unmet medical need for targeted delivery

Science today is making significant advances in developing therapies and treatment approaches for widespread and serious health conditions, such as cardiovascular disease, diseases in the brain, and cancer. Despite the significant progress being made on the therapeutics side, in general, the methods used to deliver these treatments have remained largely unchanged.

There is a significant opportunity to create new treatment alternatives by localizing the delivery of a therapeutic payload. The global targeted delivery market is underpinned by a growing demand for precision medicine solutions that can overcome the limitations of conventional systemic administration such as suboptimal therapeutic concentrations at the disease location and side effects attributed to whole body exposure. As a result, certain diseases may remain untreated or undertreated due to delivery barriers.

The demand for more advanced and efficient healthcare is driven by several converging factors. The challenges of an aging global population and the rising prevalence of chronic and complex diseases, such as cardiovascular disorders, oncology, and neurodegenerative conditions, is placing strain on healthcare systems across the globe. Simultaneously, there is an ongoing transition toward value-based healthcare which is intensifying the requirement for therapies that are both clinically effective and more economically viable. This economic and clinical pressure is accelerating international interest in innovative targeted delivery approaches that have the potential of reducing drug dosages and having strong clinical impact.

As the drug delivery and biopharma industries move toward more sophisticated modalities such as cell and gene therapy, the ability to ensure that these high-value treatments reach their target with precision is a fundamental requirement for therapeutic success.

> In science, we are making significant strides in developing new therapies and treatment approaches for serious yet common health issues. A major challenge clinicians face is how to effectively deliver these innovative treatments. This is where the Extroducer® holds great potential, particularly for targeting solid tumors and supporting tissue repair.

Anna Martling, board member and Chairperson of the Scientific Advisory Board

Multibillion-dollar opportunities in targeted delivery

Targeted delivery has evolved from a clinical preference into a necessity for addressing the next generation of therapeutic payloads such as cell and gene therapies, biologics, and mRNA. By utilizing the endovascular system (the network of arteries and veins) as a direct highway to specific tissues, organs, or tumors, it may be possible to deliver drugs directly to the site of disease, thus shifting from systemic distribution to local delivery. This approach gives the potential for the therapies to reach their intended location with maximum clinical impact and minimum side effects.

SmartCella's proprietary Extroducer® targeted delivery platform exemplifies this trend, with the expected benefits to enable direct, minimally invasive delivery of therapeutic agents, including cell and gene therapies, biologics, and mRNA into hard-to-reach tissues, organs and tumors. In addition, the technology may provide an opportunity to reduce the burden of systemic toxicity of small molecules such as chemotherapies.

Roots Analysis, a market research firm specializing in the pharmaceutical, biotechnology, medical devices, and contract manufacturing sectors, projects the targeted delivery market to grow from USD 427 million in 2026 to USD 2.2 billion in 2035 with a CAGR of around 20 percent. The main therapeutic areas driving this expected increase in the market are cardiovascular, neurological, oncology, and ophthalmology. Currently, most of the payloads being contemplated for localized delivery are cell and gene therapies but there is an expansion into immunotherapy as well. These trends reflect a broader shift in medicine: whether delivering advanced therapeutics or targeting hard-to-reach sites such as tumors or deep tissue, localized delivery is becoming a requirement rather than an added benefit.

High-impact prospects in cardiology and oncology

The following section highlights the two leading therapeutic areas, cardiovascular disease and oncology, where the Extroducer® platform could offer a meaningful clinical advantage for patients and healthcare providers while presenting significant commercial opportunities for SmartCella.

Cardiovascular diseases (CVDs), such as advanced heart failure and refractory angina, represent large patient populations with significant unmet medical needs. Current therapies are primarily focused on symptom management but generally lack regenerative or disease-modifying effects. One of the largest causes for hospitalization in adults above the age of 65 is advanced heart failure, with recurring hospital readmissions.

Developing novel intra-myocardial therapies requires precise delivery to the heart tissue. Traditionally, accessing the myocardium has necessitated invasive surgical procedures with significant risks of complications, significant recovery periods, and high healthcare costs. Furthermore, systemic delivery frequently fails to achieve sufficient local concentrations of advanced therapeutics to repair cardiac tissue. These challenges often mean that the frailest patients, who are at the highest risk for complications, are excluded from receiving potentially life-saving regenerative treatments.

To address these limitations, there is a growing emphasis on minimally invasive, catheter-based delivery systems. Technologies, like the Extroducer®, can facilitate direct delivery to affected cardiac regions via the endovascular system. By navigating through the existing network of blood vessels, the device allows a needle to be inserted into the ventricle and thus create a micro working channel directly into the target tissue, typically from within the cavity of the left ventricle. This approach offers a localized, targeted alternative to surgery, potentially expanding the treatable patient population by reducing procedural trauma.

Based on the current standard of care for heart failure and refractory angina, and that no approved disease-modifying or regenerative therapies are available, the addressable patient population for each of these two indications is estimated at approximately 2.3 million to 2.4 million individuals globally, according to a market report performed by life science advisor Back Bay on behalf of SmartCella in 2025. The market for heart failure therapies is characterized by robust growth, with a compound annual growth rate (CAGR) of approximately eight percent, and as of 2025, the chronic heart failure market is valued at approximately USD 10 billion. In addition, the heart failure population is expected to increase from around 15 million to 17 million people by 2030, largely driven by an aging population and obesity driving rising incidence across all geographies. The market opportunity for relevant analogue drugs in these indications is substantial, with single-asset peak revenue forecasts between USD 260 million and USD 4 billion.

SmartCella's focus within oncology centers on three high-priority indications: pancreatic, kidney, and liver cancer.

Additional indications for the treatment of other solid tumors are planned as follow-ons including small cell lung cancer, head and neck cancer, esophageal cancer, and glioblastoma. The hypothesis driving localized delivery treatments is that intra-tumoral delivery may facilitate improved immune activation and enable repeat dosing, while minimizing the adverse effects associated with systemically delivered payloads. The Extroducer® represents a potentially strong fit for these indications, as it has been designed to locally deliver a payload and can navigate to tumors that may not be accessible by any other means. Targeted delivery has the potential to offer significant advantages over systemic delivery, particularly for advanced modalities such as cell and gene therapies, by enhancing local retention of the therapeutic payload directly at the site that needs it the most.

The Back Bay 2025 market report indicates that the oncology market is characterized by rapid growth, with compound annual growth rates (CAGR) of up to 38 percent in single oncology indications. This is underpinned by a robust pipeline of approximately 550 therapies in development within the highest unmet need indications (pancreatic, kidney, and liver cancer) and with 70 approved branded therapies. Most research and clinical success for new modalities such as cell and gene therapies to date has been concentrated on blood cancers, where therapies are more readily delivered systemically. The challenge remains to adapt advanced modalities for solid tumors, where localized, tumor-directed delivery could prove to be beneficial in terms of safety and efficacy.

Based on the current standards of care, the addressable patient population for each unmet need oncology indication is estimated to be between approximately 200,000 to two million individuals. The market opportunity for relevant analogue drugs in these indications is significant, with single-asset peak revenue forecasts ranging from USD 500 million to USD 1.5 billion.

This dynamic environment highlights substantial license partnering opportunities for the Extroducer®, particularly as the market shifts toward more mature, targeted, and combination therapeutic paradigms.

Global CVDs data

19.8

Approximately 19.8 million people die from cardiovascular diseases (CVDs) each year

85%

85% of all CVD deaths are caused by heart attacks and strokes

32%

Approximately 32% of all global deaths are CVD related – some 33% of these deaths occur prematurely in people under the age of 70

Global oncology data

9.7–10

Approximately 9.7 million to 10 million people die from cancer each year

16%

Approximately 16% of all deaths are oncology related

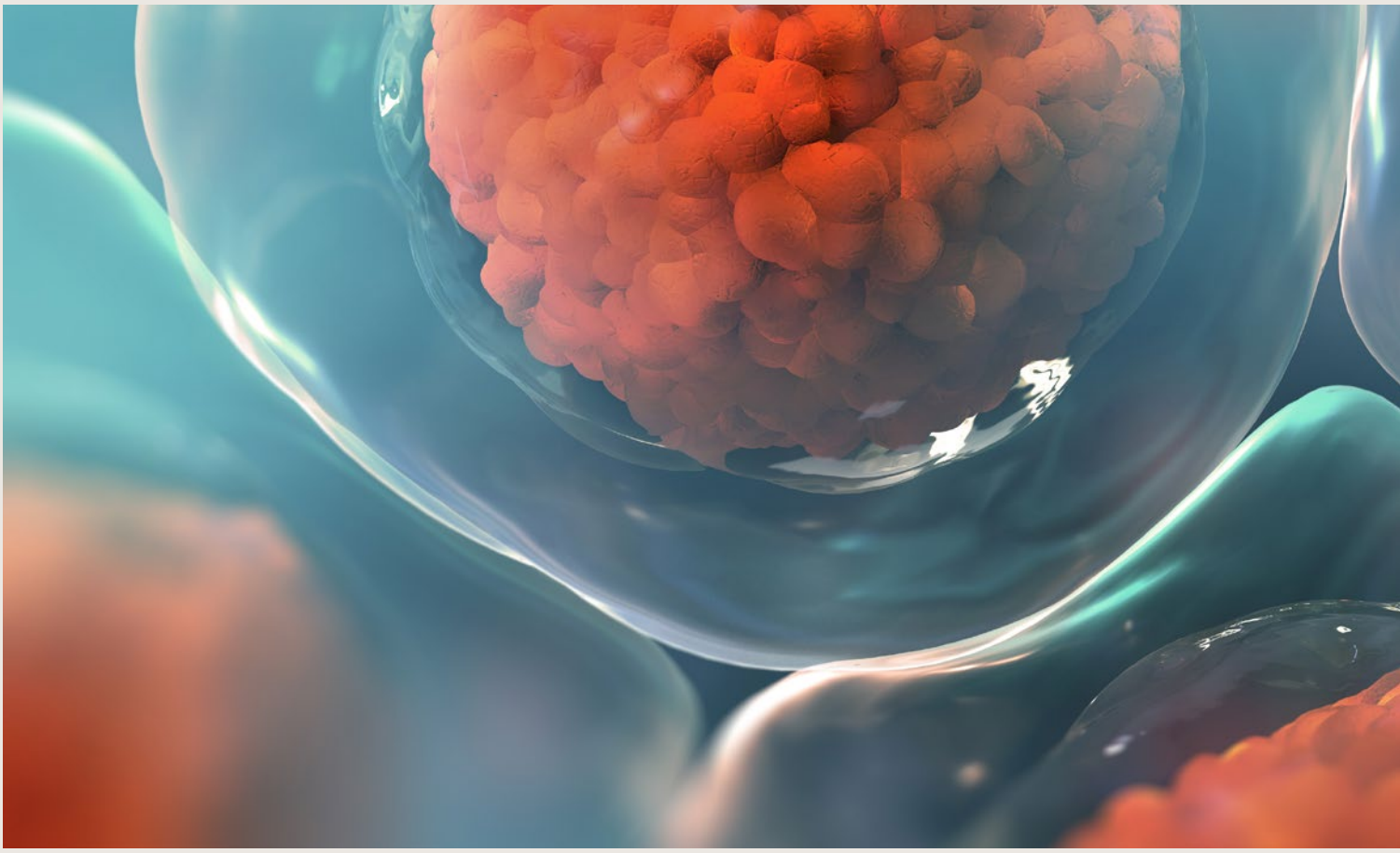
50%

Roughly 50% of all deaths are considered premature, occurring under the age of 70

90%

Over 90% of oncology deaths are caused by solid tumors, particularly when they reach the metastatic stage

Source: World Health Organization, Global Burden of Disease, and the International Agency for Research on Cancer



STRATEGY

Strategy and business model

Non-exclusive partnerships

SmartCella's strategy is to partner with global biotech and pharma companies across development phases, treatment modalities and indications, utilizing the Extroducer® to bridge the translational gap from early scientific discovery to clinical and commercial application. We commercialize the Extroducer® delivery platform through non-exclusive, tailored licensing agreements designed for optimal value potential and operational flexibility. This approach enables simultaneous revenue streams from multiple partners while maintaining full platform ownership with minimal capital investment.

By offering the technology on a non-exclusive basis, SmartCella intends to facilitate a wide range of applications, including direct tissue access for cell and gene therapies, traditional small molecules, diagnostics, and other modalities across different indications such as cardiovascular (heart), cancer (solid tumors) and central nervous system (brain).

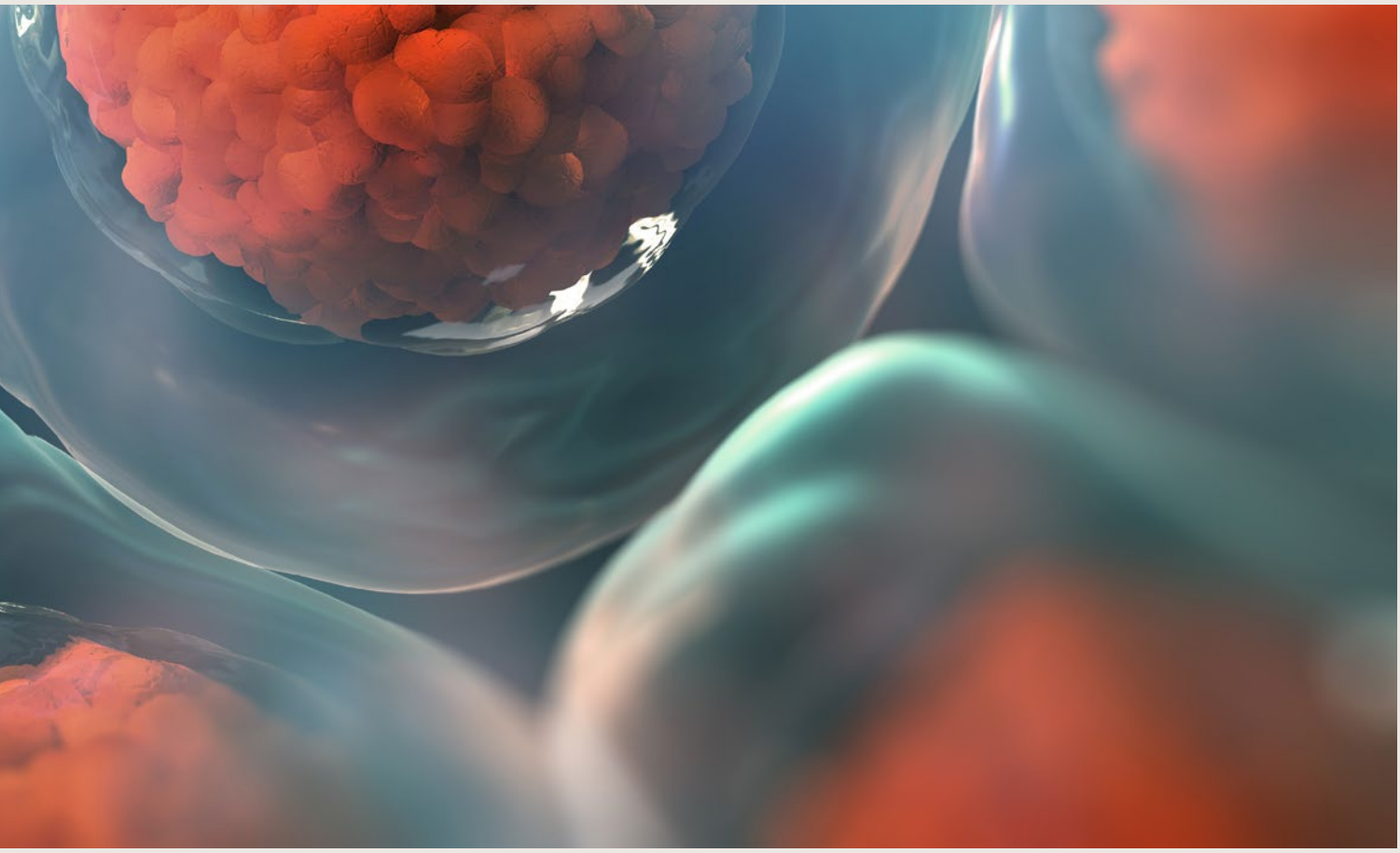
Targeting a broad portfolio across high-value therapeutic indications allows us to diversify market risk while scaling the global reach of the Extroducer® technology.

Scalable business model

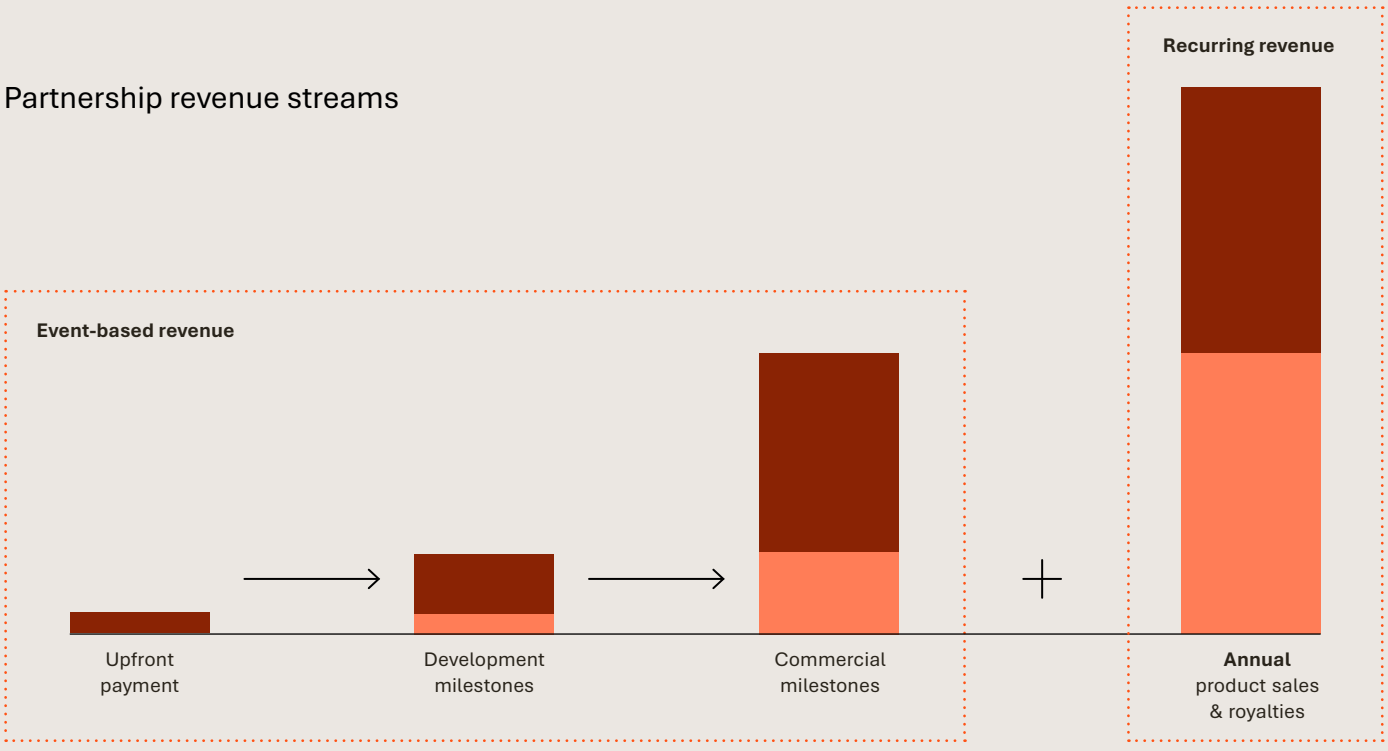
SmartCella's business model holds multiple potential revenue streams. Revenues include upfront payments (technology access fees), development milestones (compensation at key stages, such as clinical trial start and regulatory approvals), commercial milestones (compensation tied to commercial sales levels) and payments for Extroducer® product sales during both clinical development and commercialization (unit-based pricing) and royalties (revenue share from partner therapies sales).

As mentioned, we target partnerships with both early stage and commercial-stage therapies, and with different modalities in different indications. This structure allows us to scale revenue across a broad partner base, reduce risk through diversification, and secure attractive financial upside through the high-margin profile of licensing income.

The model is inherently scalable and capital-efficient, characterized by very low customer acquisition costs and the vast majority of development costs for the Extroducer® have already been realized.



Partnership revenue streams



Partner categories

To maximize reach and long-term value for the Extroducer®, we target three primary categories of partners across the value chain.

1

Large pharma: Offers experience, scalability, and financial strength, making them ideal for broad commercialization and late-stage development.

2

Biotech: Provides strong growth potential and early adoption of innovative delivery platforms, often pursuing accelerated clinical development with cutting edge science and the blockbusters of tomorrow.

3

Academic institutions and key opinion leaders: Contribute scientific expertise and clinical validation. These partners act as a multiplier by generating early data that increases the platform's attractiveness for future biopharma partnerships.

Partnership generation and execution process

Identified prospects → Business development discussions → Technical discussions (typically 1-month process) → Evaluation discussion (including proof-of-concepts) → Signing and execution

Proof-of-concept programs

In some cases, SmartCella conducts pre-clinical or clinical studies using the Extroducer® to demonstrate efficacy and facilitate commercialization in new application areas.

To generate proof-of-concept data on the clinical validity of delivering therapeutic payloads directly to solid tumors, we are initiating a study at Karolinska Institutet in Sweden. This project, targeting late-stage pancreatic cancer patients, is intended to start Phase I/IIa clinical trials in the first half of 2026.

The company also offers a proprietary stem cell platform for the delivery of mRNA therapeutics. This includes a proof-of-concept program focused on Osteoarthritis, where our strategy is to sell or out-license the program to a strategic partner.

Read more about the pipeline of programs on page 26.

Guiding principles

SmartCella operates according to a set of guiding principles that are deeply embedded throughout the organization. These core principles are centered on patients, science, and entrepreneurship and innovation.

Patients
We put patients first

To improve outcomes and enable delivery of cures for longer, healthier lives is at the heart of everything we do.

Science
We pioneer new treatment delivery paradigms through world-class science

Our decisions are based on solid data and research to ensure the highest ethical standards.

Entrepreneurship
We are curious, innovative, and visionary

We embrace change, thrive on challenges, and strive to achieve more with less. And importantly, we bridge the gap from labs to clinics.

OPERATIONS

About the Extroducer®

The Extroducer® is SmartCella's modality-agnostic endovascular delivery device designed for localized delivery to hard-to-reach organs, tumors, and tissues. The Extroducer® is FDA 510(k)-cleared for use in the peripheral vasculature to inject diagnostic and therapeutic solutions into the perivascular space. It is currently in clinical investigation for additional indications.

A minimally invasive endovascular delivery technology

Traditional systemic therapies, such as chemotherapeutics, often suffer from limited tissue targeting capabilities, resulting in unwanted systemic side effects and potentially suboptimal dosing at the site of disease. The Extroducer® platform has been designed to be a minimally invasive, catheter-based delivery technology that utilizes arteries and veins as natural access routes to locally inject therapeutic agents directly into target tissues. This approach has been designed to enable repeatable dosing while limiting systemic exposure of the payload. By enabling localized, minimally invasive endovascular administration, the Extroducer® has the potential to improve the tolerability of existing treatments and could open the door to novel therapeutic strategies for indications that have historically been difficult to treat, such as solid tumors in the pancreas, liver and kidney as well as heart conditions such as refractory angina to name a few.

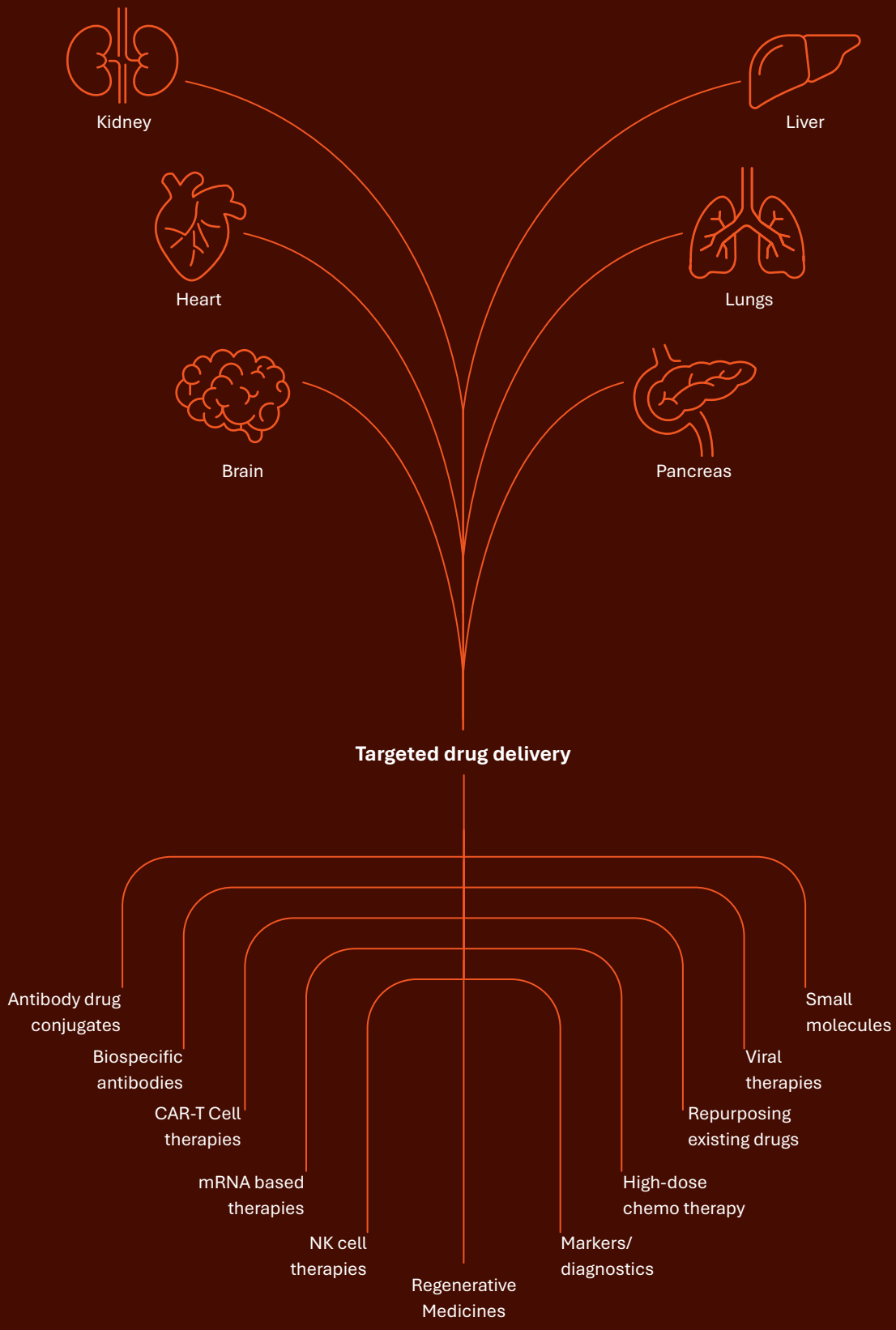
The Extroducer®'s modality-agnostic design can be leveraged for a broad range of therapeutic approaches, including cell and gene therapies, biologics, and mRNA, while integrating seamlessly into existing clinical workflows in hospitals and outpatient surgical/interventional radiology centers.

The main components

The Extroducer® delivery platform is comprised of two main components: an outer protective sheath and an infusion needle. The outer protective sheath is a thin polymer tube equipped with a hemostatic valve and side port, designed to protect the needle tip during positioning and help navigation within the vasculature. The infusion needle, constructed from super-elastic Nitinol and featuring a proprietary sharpened tip, is engineered for efficient and minimally invasive penetration of the vessel wall, enabling localized delivery of payloads directly into the target tissue. The microtip has been designed to create a self-sealing working channel through the vessel wall. The infusion needle is fitted with a radio opaque needle collar which is intended to act as depth limiting for added safety, reducing the risk for over-penetration of the needle.

The device is packaged with a 0.25 mL syringe, with a male Luer connection which can be connected to either the outer protective sheath for flushing or the infusion needle hub for injection of diagnostic or therapeutic solutions. Additional syringes with volumes ranging from 0.25 mL to 1 mL may also be used, provided they have a male Luer connection.

A wide range of possible application areas with the Extroducer®



Overview of the components of the Extroducer®

Design features

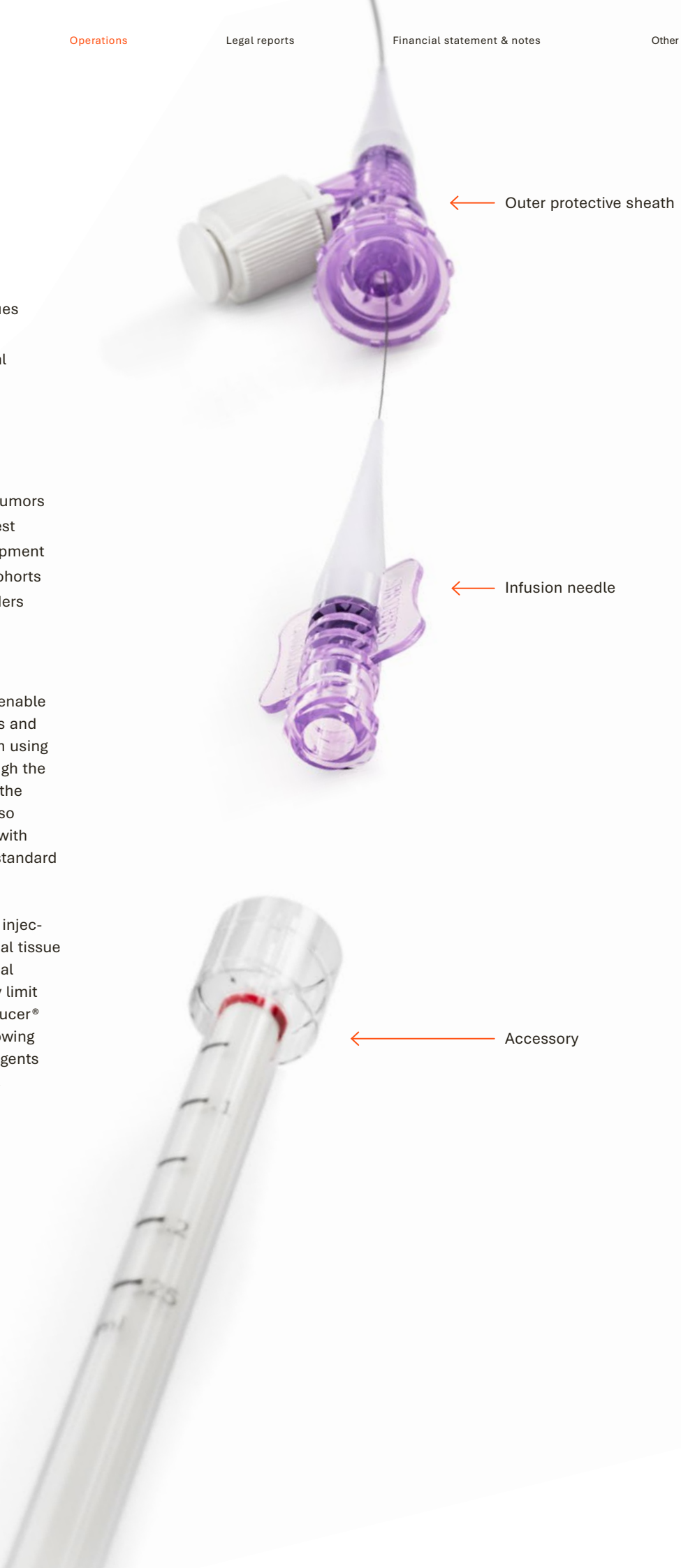
- Access difficult or risky-to-reach tissues
- Pass through vascular wall
- Precision navigation with conventional methods
- Minimally invasive procedure
- Multiple injection possibility

Expected benefits

- Potential to reach inaccessible solid tumors
- Direct access to tissue/organ of interest
- Can leverage standard operating equipment
- Could be suitable for fragile patient cohorts
- Minimal training for health care providers

The Extroducer® has been designed to enable medical professionals to access tissues and organs that are difficult or risky to reach using conventional methods by passing through the inside of the vascular wall directly into the tissue or organ. The Extroducer® has also been designed to work in combination with standard guide or microcatheters and standard imaging equipment.

The Extroducer® has been designed for injection of different payloads into myocardial tissue and solid tumors, as shown in preclinical animal studies. The real-world viscosity limit for substances injected with the Extroducer® excludes gel-like substances, while allowing highly viscous fluids such as contrast agents or high cell concentration suspensions.



Technology and innovation

SmartCella has been developing the Extroducer® technology, invented in the laboratory of Professor Staffan Holmin, MD, PhD, at Karolinska Institutet, since 2015. Staffan Holmin is also the Chief Medical Officer of SmartCella, part of the Executive Management Team, and member of SmartCella's Scientific Advisory Board.

In 1953, Sven-Ivar Seldinger developed a technique to safely insert catheters into blood vessels, leading to the development of the Introducer. This was the foundation of endovascular techniques which have revolutionized many aspects of healthcare. Inspired by this, Staffan Holmin's team developed the Extroducer®, a novel device designed to enable the controlled exit from within blood vessels to access adjacent tissues, representing an application of an "inverted" Seldinger technique.

A combination of external and in-house manufacturing

The Extroducer® is currently manufactured by Arrotek Medical Limited in Ireland, which manages all supplier agreements and receives all deliveries, while SmartCella maintains direct management of sterilization and final quality release. To complement this partnership and match the increasing market demand, we are developing our own manufacturing capacity in Tullinge, Sweden. This expansion is expected to be completed during 2026, significantly improving workflow efficiency and reducing material handling while providing critical redundancy through dual processing capabilities.

By establishing manufacturing in-house, SmartCella gains full control over all manufacturing steps and component suppliers, creating a hub where process improvements can be validated before being transferred to contract manufacturing sites. Ultimately, this internal foundation ensures a continuous and reliable supply and provides a proven blueprint that will make it significantly more efficient to scale additional contract manufacturers in the future as capacity needs grow.

SmartCella's headquarters in Tullinge, Sweden

The XyloCor partnership

SmartCella signed the first commercial licensing and supply agreement for the Extroducer® in 2024. The partner, XyloCor Therapeutics, is a US-based biotech company and in July 2025, they dosed the first patient using the Extroducer® for their XC001 therapy in a Phase IIb clinical trial to treat refractory angina.

The Extroducer® in the XC001 program

The non-exclusive licensing and supply agreement grants XyloCor Therapeutics a non-exclusive license to use the Extroducer® as the delivery platform for their lead gene therapy candidate XC001. Under the agreement, XyloCor Therapeutics has the non-exclusive right and license to use, market, and sell the Extroducer® for studies, clinical trials, commercialization, and administration of its pharmaceutical drug XC001.

In consideration for these rights, XyloCor Therapeutics has undertaken to pay milestone payments during the clinical development and regulatory approval process, as well as royalties on net sales of the combination therapy. In addition, they pay for each Extroducer® used in clinical development and during commercialization.

SmartCella also supports XyloCor Therapeutics with submitting clinical trial applications and conducting trials in the US and Europe for the XC001 program. This program relates to the treatment of refractory angina, a chronic heart condition. The study is a double-blinded Phase IIb clinical trial, which reached a significant milestone with the first patient dosed in July 2025.

Key points of the XC001 program

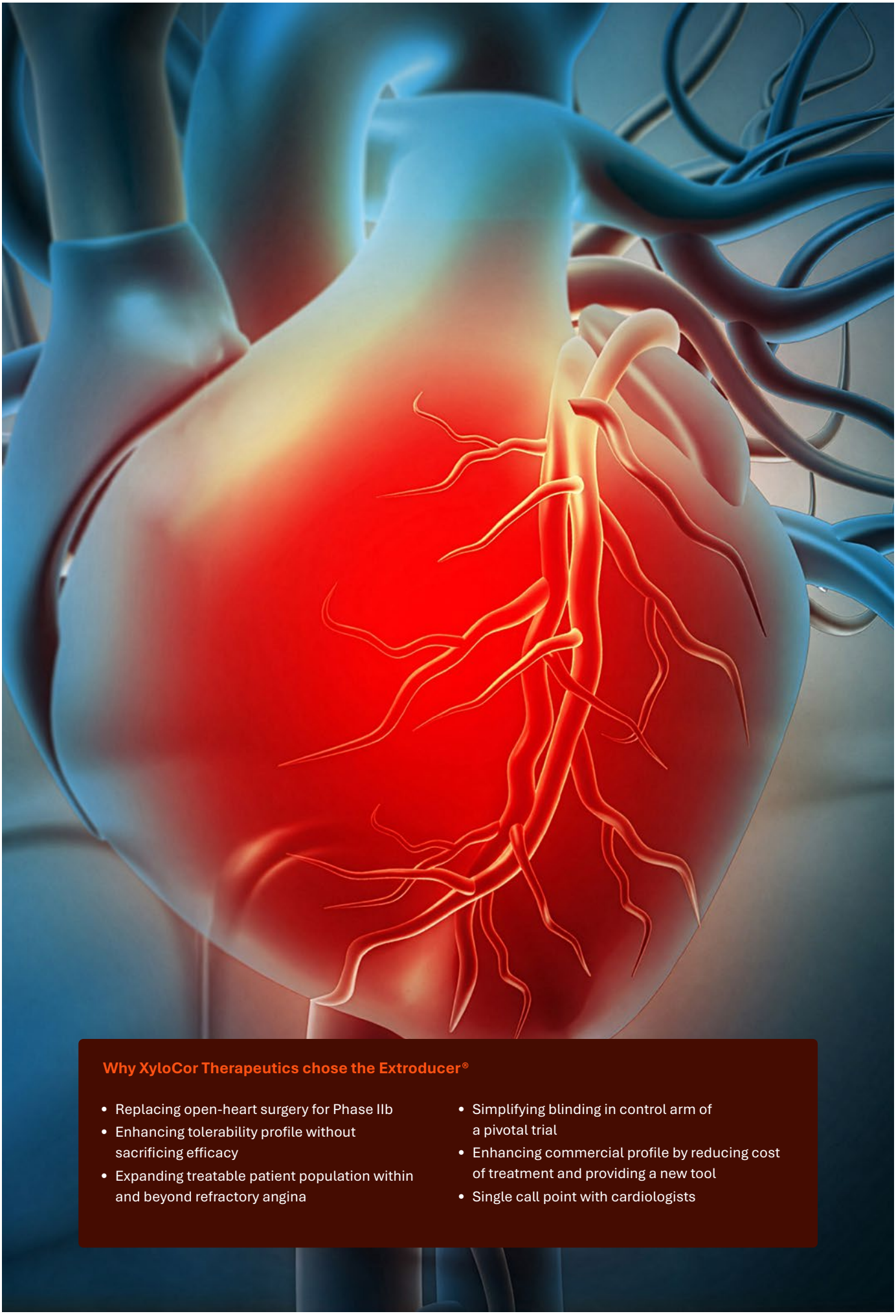
- Administration of a viral vector gene therapy designed to promote new blood vessels in the heart to improve blood flow.
- SmartCella is a key partner of Xylocor Therapeutics in this study providing the Extroducer®, eliminating the need for surgical administration.
- Direct injection into the heart allows XC001 to achieve higher gene expression in the heart while minimizing systemic vector circulation and associated side effects.
- Clinical Phase I/IIa data from XyloCor Therapeutics has demonstrated the disease-modifying potential to relieve chest pain and an overall improvement in quality of life.

XyloCor Therapeutics

2024
Partnership since July 2024

XC001
Double-blinded Phase IIb clinical trial

2025
First patient dosed in July 2025



Why XyloCor Therapeutics chose the Extroducer®

- Replacing open-heart surgery for Phase IIb
- Enhancing tolerability profile without sacrificing efficacy
- Expanding treatable patient population within and beyond refractory angina
- Simplifying blinding in control arm of a pivotal trial
- Enhancing commercial profile by reducing cost of treatment and providing a new tool
- Single call point with cardiologists

nEXT-GEM for late-stage patients with pancreatic cancer

To further generate human proof-of-concept data on the clinical validity of delivering chemotherapy directly to solid tumors utilizing the Extroducer®, SmartCella is preparing for a Phase I/IIa clinical study, nEXT-GEM, (formerly EXT-GemP) in collaboration with Karolinska University Hospital in Sweden.

The objective is to investigate the potential to treat inoperable pancreatic cancer patients, with the clinical trial consisting of nine patients. The first patient is anticipated to be dosed in Q2 2026.

Pancreatic cancer has seen a notable increase in incidence over the past decades with patients being diagnosed with cancer stemming from the pancreas or the periampullary region, a trend mirrored worldwide. According to a market report by life science advisor Back Bay, analyst projections of global pancreatic cancer incidence is expected to rise nominally by 2030, whereas the prognosis for pancreatic cancer remains grim.

Key points of nEXT-GEM

- Treatment of inoperable locally advanced pancreatic cancer, with a Phase I/IIa clinical trial currently in preparation.
- Utilizing the Extroducer® for administration of a standard of care chemotherapy gemcitabine directly to the tumor. Gemcitabine is typically delivered systemically where it is associated with significant side effects and limited efficacy.
- The aim is to investigate whether direct intratumoral injections can be administered safely and improve clinical outcomes, including tumor shrinkage, reduced systemic toxicity and the potential to enable surgical removal.

nEXT-GEM (Pancreatic tumors)

nEXT-GEM (formerly EXT-GemP) Phase I/IIa study in collaboration with Karolinska Hospital to treat inoperable pancreatic cancer patients.

Purpose is to generate proof-of-concept data on the clinical validity of delivering therapeutic payloads directly to solid tumors and investigate if direct delivery of gemcitabine can improve outcomes for this hard-to-treat patient population while reducing systemic toxicity.

Status

- Clinical trial application (CTA) finalized in Q4 2025 with approvals obtained under CTR and MDR in Q1 2026
- First patient expected to be dosed in Q2 2026

OPERATIONS

About the mRNA delivery platform

SmartCella is advancing a proprietary stem cell platform designed for targeted delivery of mRNA therapeutics. Our R&D is focused on cell-mediated delivery of mRNA to provide sustained therapeutic expression and includes SMART03, our lead proof-of-concept program targeting cartilage regeneration and pain relief in Osteoarthritis.

Next-generation approach to mRNA-based therapeutics
SmartCella's proprietary induced mesenchymal stem cell (iMSC) platform represents a next-generation approach to mRNA-based therapeutics. By leveraging the natural ability of the iMSC's cellular secretions to deliver mRNA, we strive to achieve site-specific production of therapeutic proteins to overcome the limitations of conventional delivery methods to unlock advanced regenerative treatments.

Overcoming the delivery challenge
Current delivery modalities often face challenges with targeting, biodistribution, and durable therapeutic protein expression. While most solutions address one limitation at the expense of another, our iMSC platform is designed to simultaneously provide localized sustained protein expression and a safety profile for repeat dosing. Research indicates that therapeutic applications of mRNA would require exponentially higher protein expression compared to that of mRNA vaccines (Rohner, E., et al. Nature Biotechnology 2022: 40; 1586-1600). Our iMSC platform strives to achieve this by extending protein expression for up to one week.

By harnessing innate immunomodulation, which is the body's natural process for regulating the immune response, we localize mRNA therapy to unlock multiple therapeutic areas, including chronic conditions such as Osteoarthritis. Furthermore, SmartCella's iMSC platform is derived from pluripotent stem cells, ensuring a homogeneous and renewable cell population. This approach directly addresses industry-wide key challenges of scaling and standardizing cell-based delivery, supporting robust manufacturing processes and consistent clinical outcomes.

A gap in standard of care for Osteoarthritis

Osteoarthritis (OA) is the most prevalent form of arthritis, affecting 8 percent of the population worldwide, with a higher prevalence in women than men. As a progressive degenerative joint disease characterized by the irreversible breakdown of cartilage, the protective tissue at the ends of bones, OA leads to chronic pain, disability, and a profound loss of mobility. Since cartilage cannot regenerate naturally, and no approved therapies exist today that can restore it, there is a significant gap in the standard of care for an estimated around 580 million patients globally, according to life science advisor Back Bay's Market Report on Global prevalence of Osteoarthritis.

The OA therapeutics market is poised for a robust compound annual growth rate (CAGR) of 4 to 24 percent, driven by the emergence of novel disease-modifying therapies currently in development. Notably, cell-based modalities now represent almost half (12 out of 27) of all clinical-stage programs in development, reflecting a substantial interest in regenerative medicine to address the limitations of conventional treatment options.

SMART03 – a potential disease-modifying strategy

SmartCella is currently advancing SMART03, our lead program utilizing our proprietary iMSC delivery platform for cartilage regeneration. SMART03 leverages the innate anti-inflammatory and immunomodulatory properties of mesenchymal stem cells, paired with the localized, sustained expression of regenerative mRNA payloads. Our "cell as a carrier" approach offers enhanced targeting, favorable safety profile and improved mRNA payload half-life compared to conventional delivery systems such as lipid nanoparticles (LNPs) or viral vectors.

To validate the platform's dual-action capability, we have selected two mRNA factors hypothesized to target both pain relief and cartilage regeneration. SMART03 is currently in pre-clinical development, with data from a long-term rodent efficacy study received in Q1 2026. Our objective is to out-license or seek an acquisition for the SMART03 program by a strategic partner, tapping into an mRNA landscape marked by early-stage, collaborative partnerships that can transition into milestone-weighted development plans or full asset acquisitions.

Strategic advantages of combining mRNA with cell therapy

- Efficiency: mRNA is considered an efficient and more cost-effective method for inducing protein expression compared to conventional recombinant protein.
- Sustained expression: SmartCella's iMSC delivery platform prolongs protein expression to up to one week in the body, potentially unlocking new treatment options for a range of diseases.
- Synergistic regeneration: The iMSCs exhibit well-documented anti-inflammatory effects through cellular secretory mechanisms, which may further enhance the regenerative potential of the therapy.
- Enhanced and differentiated delivery: The "stealth" properties of iMSCs enable them to evade the immune system, preventing mRNA degradation while avoiding the immunogenic side effects often associated with lipid nanoparticles.
- Demonstrated efficacy: In our pre-clinical rodent studies, treatment with SMART03 resulted in pain relief and statistically significant structural improvements in osteoarthritic knee joints.
- Disease modification: Our pre-clinical data indicate that the combination of therapeutic regenerative factors with the paracrine activity of iMSCs may represent a viable disease-modifying strategy for Osteoarthritis.

Pipeline of programs

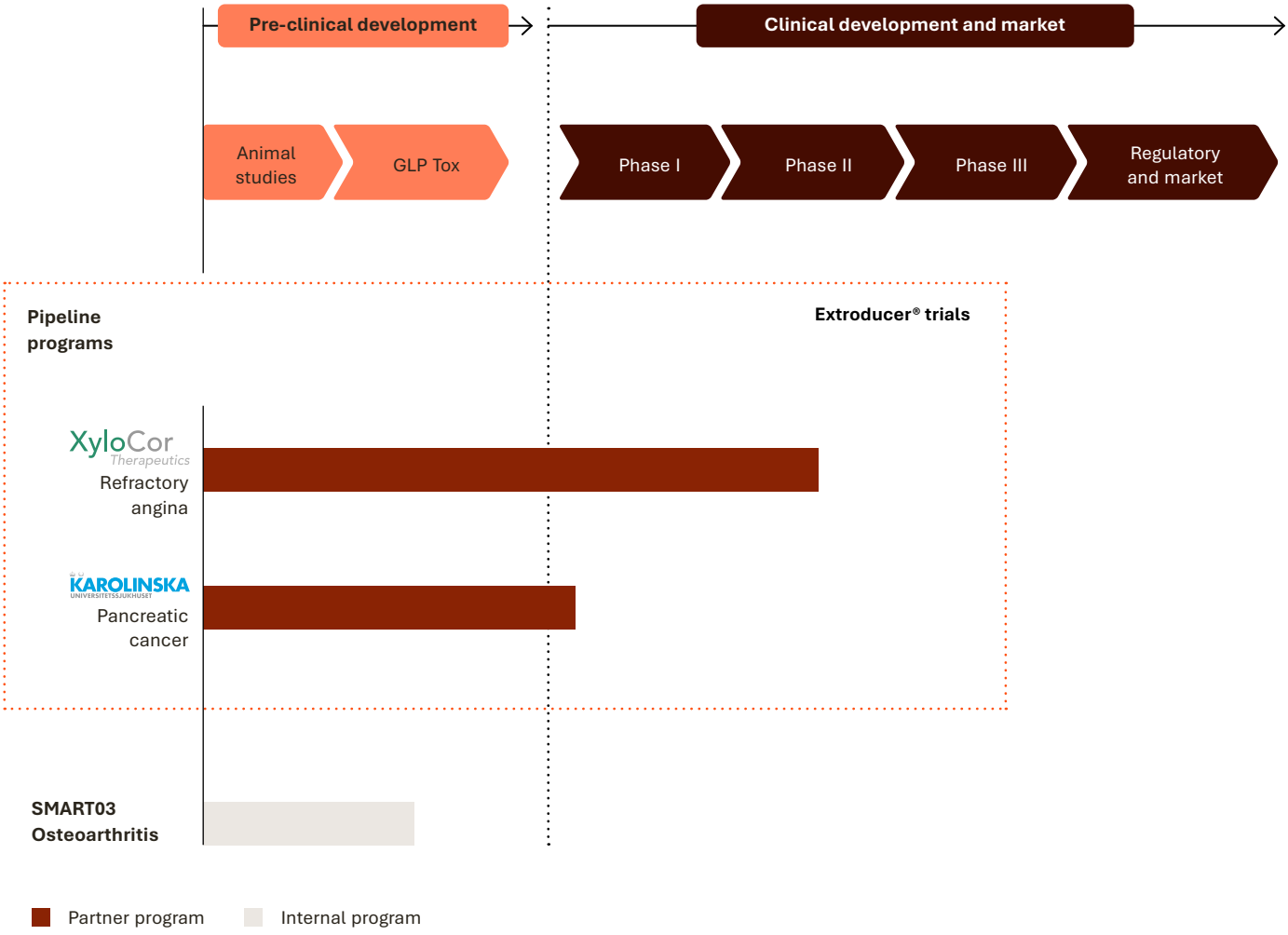
SmartCella conducts clinical and pre-clinical studies, both proprietary and in partnerships, using the Extroducer® to demonstrate efficacy and facilitate commercialization in new application areas. The focus is on indications with high unmet medical need that can benefit from targeted delivery.

There are currently two programs in the pipeline using the Extroducer®: XyloCor Therapeutics to deliver their therapy for refractory angina and, to generate proof-of-concept data on the clinical validity of delivering therapeutic payloads directly to solid tumors, we are preparing for a study to treat late-stage pancreatic cancer patients in collaboration with Karolinska University Hospital in Sweden.

Within SmartCella's proprietary stem cell platform for the delivery of mRNA therapeutics, a proof-of-concept program focused on Osteoarthritis is ongoing, where study results are expected in Q1 2026.

The illustration below provides an overview of the pipeline and development phases for the different programs.

Overview of programs



About the programs

XyloCor Therapeutics XC001 program (refractory angina)

The XC001 clinical trial for the treatment of refractory angina performed in the US and Europe is a double-blinded Phase IIb study. SmartCella participates in the study as supplier of the Extroducer®. SmartCella and XyloCor have been license partners since July 2024.

Status

- First patient dosed in Phase IIb EXACT-2 trial in July 2025 with the Extroducer® as delivery platform
- Program length standard for this phase – interim reporting as study progresses

nEXT-GEM (pancreatic tumors)

nEXT-GEM (formerly EXT-GemP) Phase I/IIa study to treat late-stage pancreatic cancer patients in collaboration with Karolinska University Hospital in Sweden.

Purpose is to generate proof-of-concept data on the clinical validity of delivering therapeutic payloads directly to solid tumors and investigate if direct delivery of gemcitabine can improve outcomes for this hard-to-treat patient population.

Status

- Clinical trial application (CTA) finalized in Q4 2025 with approvals obtained under CTR and MDR in Q1 2026
- First patient expected to be dosed in Q2 2026

Osteoarthritis (SMART03)

Proprietary induced mesenchymal stem cell (iMSC) mRNA delivery platform that leverages the natural anti-inflammatory properties of mesenchymal stem cells, boosted with the sustained expression of regenerative factors to target cartilage regeneration in Osteoarthritis.

Pre-clinical in vivo data demonstrated significant pain relief and structural improvement in Osteoarthritis models, validating SMART03's potential as a disease-modifying therapeutic.

Status

- Interim analysis of long-term animal study demonstrated positive and sustained pain relief in OA models
- Long-term efficacy study successfully completed in Q4 2025, with initial data confirming a significant reduction in pain
- Preliminary Q4 2025 results indicate promising cartilage regeneration, validating the platform's disease-modifying potential
- Comprehensive efficacy and structural data received in Q1 2026

OPERATIONS

Sustainability agenda

Approach to sustainability

Sustainability is a core part of SmartCella's strategy, directly linked to how we aim to build resilience, manage risk, and create long-term shared value across stakeholders such as employees, shareholders, partners, customers, authorities, government agencies, and patients. Sustainability is an integral part of our strategy, encompassing environmental, social, and governance dimensions.

We are mindful of social sustainability, with the aim of promoting health and well-being for our employees, upholding human rights, developing innovative solutions to reduce suffering and mortality, and strengthening global collaboration. SmartCella is committed to reducing our carbon footprint, ensuring robust governance practices, meeting increasing demands and expectations, and creating long-term value for the company, its stakeholders, and society at large. We have zero tolerance for corruption and bribery.

In 2024, SmartCella conducted a comprehensive materiality analysis based on an evaluation of the 17 United Nations Sustainable Development Goals (SDGs), tailored to our industry and geographical presence. Each of the 17 SDGs was reviewed and ranked according to SmartCella's capacity to contribute. In addition, a stakeholder analysis was performed to identify key expectations from SmartCella's most important stakeholders, including employees, shareholders, partners, customers, authorities, government agencies, and, most importantly, patients.

Based on the findings from these analyses, SmartCella identified SDG 3 (Good Health and Well-being), SDG 9 (Industry, Innovation, and Infrastructure), SDG 13 (Climate Action), and SDG 17 (Partnerships for the Goals) as the most material to the company, and thus the goals that will guide our sustainability initiatives going forward.

Sustainable Development Goals

SDG 3 aims to ensure healthy lives and promote well-being for all at all ages by ensuring access to high-quality healthcare, medicines and vaccines for everyone. SmartCella's contribution includes innovative and more effective delivery approaches for therapies which may result in reduced negative side effects, and improved treatment outcomes for patients.

SDG 9 aims to build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation and sustainable business. SmartCella can contribute by providing innovative targeted delivery approaches with the potential to revolutionize healthcare.

SDG 13 aims to take urgent action to combat climate change and its impacts. SmartCella can contribute by reducing carbon emissions through sustainable transportation and business travel.

SDG 17 aims to strengthen global partnerships by facilitating the sharing of knowledge, technology, and financial resources to support the achievement of the SDGs in all countries. SmartCella can contribute by serving as a bridge between academic research and major international pharmaceutical companies.

Additionally, we will focus on enhancing competencies and advancing in the areas of environmental sustainability, social sustainability and governance.

Environmental sustainability

SmartCella is committed to advancing environmental sustainability within its operations, with a particular focus on reducing the environmental impact associated with employee transportation and business travel. The company has implemented a range of measures to encourage the adoption of more sustainable transport options among its workforce. For example, SmartCella provides free charging facilities for electric and hybrid vehicles at its headquarters in Tullinge, Sweden, which is the primary workplace for the employees. This initiative is designed to incentivize the use of low-emission vehicles and support the transition to more sustainable commuting practices.

In addition, SmartCella has established a policy that prioritizes train travel over air travel for business trips within Sweden. This policy is intended to reduce our carbon footprint, as rail transport has a substantially lower environmental impact compared to air travel. Despite these efforts, air travel remains the largest single contributor to SmartCella's environmental and climate impact as participation in international conferences and meetings is often essential for scientific collaboration, business development, and engagement with financial markets. In certain cases, the geographical distance, limited availability of alternative transport modes, and the need to interact with global stakeholders make it challenging to fully substitute air travel with more sustainable options.

Social sustainability and governance

SmartCella is engaged in research and development activities with the objective of addressing significant unmet medical needs. The company's main focus is on the development of innovative delivery approaches for targeted therapies. These efforts are intended to improve treatment efficacy and patient outcomes, as well as to reduce adverse side effects. SmartCella's operations are concentrated in therapeutic areas where existing treatment options are limited.

The company offers its employees benefits that are comparable to those provided under collective bargaining agreements, with the aim of ensuring competitive compensation and comprehensive support. We conduct annual employee surveys to gather feedback on various aspects of the work environment, including alignment, collaboration, professional development, leadership, pride, recognition, and well-being. In 2025, the employee survey achieved a response rate of 64 percent. The insights gained from these surveys are used to identify areas for improvement and to enhance employee satisfaction. In addition, we undertake an annual salary review to promote fair and equitable compensation across all roles within the organization.

SmartCella is committed to maintaining high standards of transparency and integrity. SmartCella has a whistleblower function, managed by an independent third party, which enables employees to report concerns confidentially and without risk of retaliation. Furthermore, SmartCella places a strong emphasis on the safety and well-being of its employees. We have established rigorous safety protocols across our two facilities, including laboratories and cleanrooms, to ensure a secure and compliant working environment.

Performance indicators

Below is a summary of SmartCella's performance indicators within ESG. Climate footprint (energy, travel and consumption)

Year	Tons CO_2e
2025	1.25

Per employee (calculated based on 77 employees in 2025) per year. The calculation is done using Climate Hero's digital calculator, which is based on the GHG Protocol and considers the categories of energy, travel, and consumption (e.g. food, electronics and office consumables).

ENPS

Year	Total number of respondents	ENPS
2025	52	12

Showcases the total number of respondents and the number of employees who would recommend SmartCella as an employer to a friend. ENPS seeks to describe employee engagement.

Reported concerns

Year	Reported cases
2025	None

Showcases the number of reported cases of corruption or other irregularities reported through the whistleblower function.

The Scientific Advisory Board

SmartCella has a Scientific Advisory Board (SAB), chaired by Professor Anna Martling, who also serves on the Board of Directors of SmartCella.

The SAB provides scientific and clinical insights to guide SmartCella's strategic direction. The SAB is composed of prominent scientists, researchers, and medical specialists who discuss topics such as innovation, efficiency, healthcare economics, sustainability, and improved patient outcomes. These discussions are global in scope and focus on evaluating innovative technologies and therapies relevant to SmartCella's vision to revolutionize targeted therapeutic delivery. The SAB consists of core members with scientific profiles and invites additional specialists as needed for specific medical topics.

The SAB has met twice in 2025 and the discussions focused on efficient and safe delivery solutions for advanced therapies in regeneration, immunomodulation, and oncology, highlighting the Extroducer®'s role as an innovative delivery platform. The SAB will continue to explore other therapeutic areas, applications, and indications for the Extroducer® and related therapy development.

Professor Anna Martling

Chairperson of the Scientific Advisory Board and Member of the SmartCella Board of Directors

Professor Anna Martling is a globally recognized Swedish scientist and surgeon specializing in oncology. She is a Professor of Surgery and the former Dean at Karolinska Institutet in Stockholm, Sweden.

Her research focuses on developing new therapeutic strategies, biomarkers, and understanding the molecular mechanisms of colorectal cancer. Anna has also served as the Coordinating Chair of The Task Force for Implementing Precision Medicine into Healthcare at Karolinska Institutet.

She holds an MD and PhD in Surgery from Karolinska Institutet, with her thesis specializing in rectal cancer. Her contributions to medical science have earned her multiple prestigious awards, including the Swedish Surgical Society's Great Research Prize (2013) and Cancer Researcher of the Year (2021) from the Swedish Cancer Society.

Professor Rolf Kiessling

Senior Professor of Experimental Oncology, Karolinska Institutet and Senior Consultant, Karolinska University Hospital

Professor Rolf Kiessling is a distinguished Swedish oncologist and immunologist renowned for his pioneering work in cancer immunotherapy. He is a Senior professor at Karolinska Institutet, where his research focuses on harnessing the immune system to develop innovative treatments for cancer and a Senior Consultant at Theme Cancer, Karolinska University hospital where he is developing and conducting cell therapy trials for advanced cancers. He is particularly recognized for his groundbreaking studies on natural killer (NK) cells and their role in tumor immunity, providing critical insights into how these cells identify and eliminate malignant cells. His work has led to the development of new therapeutic strategies in oncology. Throughout his career, Rolf has received numerous awards and honors, including prestigious grants and fellowships. His contributions continue to shape the field of immunotherapy and inspire researchers and clinicians worldwide.

Dr. A. M. James Shapiro

Professor of Surgery, Medicine, and Surgical Oncology, University of Alberta

Dr. James Shapiro is a British-Canadian surgeon globally recognized for developing the Edmonton Protocol, a groundbreaking islet transplant procedure for type 1 diabetes. He is a Professor of Surgery, Medicine, and Surgical Oncology at the University of Alberta and directs both the Clinical Islet Transplant Program and the Living Donor Liver Transplant Program with Alberta Health Services.

James revolutionized islet transplantation by optimizing engraftment, using multiple donors, and implementing a novel steroid-free antirejection strategy.

In 1999, he led the first successful clinical trial, with all seven patients achieving insulin independence for over a year. His landmark 2000 study led to the protocol's global adoption, with over 2,000 patients worldwide receiving transplants based on his research. Beyond islet transplantation, he has spearheaded international clinical trials, led the first-in-human stem cell transplant trials in 2014, and developed the Deviceless Technique for skin-based islet transplants. His research spans 30+ programs and 15 clinical trials, including an immune reset trial aimed at repairing the pancreas in newly diagnosed type 1 diabetes patients.

Dr. Regina Fritsche-Danielson

Senior Vice President, Global Head of Research and Early Development, AstraZeneca

Dr. Regina Fritsche-Danielson is a globally recognized scientist and Senior Vice President & Global Head of Research and Early Development for Cardiovascular, Renal, and Metabolic Diseases at AstraZeneca. She is also a Member of the SmartCella Board of Directors. Regina holds a PhD in Cardiovascular Physiology/Pharmacology from the University of Gothenburg. After her postdoctoral work, she was awarded a prestigious grant from the Swedish Natural Research Foundation (NFR) and led research teams at multiple international institutions, including the University of Gothenburg, University of Ottawa, University of Queensland, and University of Nevada.

Since joining AstraZeneca in 2001, she has contributed to the development of multiple candidate drugs, many of which have progressed into late-stage clinical trials. Her expertise lies in translational science, bridging the gap between laboratory research and clinical applications by identifying and validating new therapeutic targets.

Professor Matti Sällberg

Dean of KI Campus South and Professor of Biomedical Analysis, Karolinska Institutet

Professor Matti Sällberg is a distinguished Swedish researcher specializing in vaccines, chronic viral hepatitis, cancer, and severe viral infections.

Since 2024, he has served as Dean of the KI Campus South at Karolinska Institutet in Stockholm, Sweden. Previously, he was Head of the Department of Laboratory Medicine. He was one of the driving forces behind the establishment of the ANA Futura research facility at KI Campus South in 2019 now housing almost 300 researchers, clinicians and teachers, and the establishment of Karolinska ATMP Center, initiated in January 2024.

His research focuses on developing gene and cell-based therapies (GTMPs and ATMPs) to advance treatment options for viral diseases and cancer. Over his career, he has played a significant role in translational research, in particular taking three in-house developed novel genetic vaccines all the way to clinical testing.

Professor Staffan Holmin

Professor of Clinical Neuroimaging, Karolinska Institutet and Head of R&D for Medical Diagnostics, Karolinska University Hospital

Professor Staffan Holmin is the inventor of the Extroducer® delivery platform technology, co-founder of SmartCella and a globally recognized expert in clinical neuroimaging and endovascular techniques.

He is a Professor in Clinical Neuroimaging at Karolinska Institutet, senior consultant in Neuroradiology and head of R&D at Medical Diagnostics at the Karolinska University Hospital. Staffan leads a research group in neuroradiology and vascular radiology, working on clinical and experimental programs in stroke management and endovascular technique development for the central nervous system and other organ systems.

He has been responsible for coordination of the imaging research facilities leading to the Center for Imaging Research (CIR) at Karolinska Institutet and Hospital. His contributions to medical science have earned him prestigious honors, including the Seldinger Honorary Lecture at the European Congress of Radiology (2016), the Hans Wigzell Foundation Science Prize (2020), and the Karolinska Institutet Prize for Innovation and Utilization (2022).

Professor Jan Lundberg

Swedish pharmacologist and life sciences executive

Professor Jan Lundberg is a Swedish pharmacologist and life sciences executive with a distinguished career bridging academia and global pharma.

Formerly Global Head of R&D at Eli Lilly and AstraZeneca, he has led the research and development of over 250 drug candidates, resulting in several approved products including Mounjaro (type 2 diabetes), Zepbound (obesity), Taltz (psoriasis), Kisunla (Alzheimer's disease), and Verzenio (breast cancer).

He is also a former professor of pharmacology at Karolinska Institutet with more than 500 scientific papers published. Jan Lundberg has received several major awards, including the Fernström and Jahres prizes, and is an honorary doctor at Uppsala University.

LEGAL REPORTS

Board of Directors' report

This report is a translation of the Swedish report. In the event of any discrepancies between the language versions, the Swedish version shall prevail.

Group and the Parent Company

The Board of Directors and Chief Executive Officer of SmartCella Holding AB (corporate registration number 559171-6393), with its registered office in Stockholm, Sweden, hereby present the Annual Report for the 2025 financial year for the Group and the Parent Company. The results of the year's operations and the financial position of the Parent Company and the Group are presented in this report and in the subsequent income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement, and accompanying notes and disclosures, which together constitute the Annual Report.

About SmartCella

SmartCella is a global drug delivery company pioneering innovative delivery solutions for targeted therapies. The main technology, the Extroducer®, is a modality-agnostic endovascular delivery device designed for localized delivery to hard-to-reach organs, tumors, and tissues. The Extroducer® is FDA 510(k)-cleared for use in peripheral (including abdominal) tissues to inject diagnostic and therapeutic solutions into the perivascular space. It is currently in clinical investigation for additional indications.

SmartCella commercializes the Extroducer® through non-exclusive partnerships with global biotech and pharma companies, enabling broad application across all development phases. The company also offers a proprietary stem cell platform for the delivery mRNA therapeutics, featuring a proof-of-concept program focused on Osteoarthritis.

Founded in 2014, SmartCella is built on world-class research from Sweden's Karolinska Institutet.

The international team consists of scientists, visionary innovators, and experienced business leaders, all dedicated to shaping the future of delivering targeted therapies and life-changing treatments to patients.

Sustainability is a prioritized area of great importance within SmartCella's organization. The company's primary focus is on social sustainability, promoting health and well-being for employees. This also includes respect for human rights, the development of innovative solutions to reduce patient suffering, strengthening global collaboration, and lowering treatment costs through new and more efficient therapeutic and delivery methods.

In addition, the company strives to reduce its carbon footprint, ensure strong corporate governance practices, meet increasing requirements and expectations, and ensure long-term value creation for the company, its stakeholders, and society at large. SmartCella has zero tolerance for corruption and bribery.

Material risks, uncertainties, and future outlook

SmartCella's risk management process is designed to ensure that the company's decisions take into account its key risks, including how such risks are proactively managed. Risk management is an integrated part of SmartCella's corporate strategy, planning processes, including long-term forecasting, the annual budget, and quarterly forecasts, and overall business operations.

SmartCella has a process in which the company's risks are identified and assessed based on two parameters: (i) the likelihood of a risk occurring and (ii) the consequences of such a risk materializing. For the most relevant identified risks, an action plan is established with a focus on proactive risk mitigation measures.

SmartCella conducts an annual assessment of the company's key risks. The plan is discussed within the company's management team and the Board of Directors on an annual basis, with ongoing reporting to the Board throughout the year.

Outlined below are SmartCella's most significant risks and uncertainties related to strategic, operational, compliance, and financial aspects.

Strategic risks

- **Collaborations and partnerships:** Product and technology collaborations are key components of SmartCella's strategy, aimed at expanding the company's development capacity, increasing its commercial reach, and achieving profitability. SmartCella faces the following key risks in this area:
  - One or more of the company's existing collaboration agreements may be terminated
  - Failure to enter into additional such agreements in the future, whereby SmartCella's ability to realize the value of its products may be delayed or hindered due to the absence of partnership agreements
  - Differences of opinion may arise between SmartCella and its partners
  - The inability of SmartCella's partners to fulfil their contractual obligations or a decision to prioritize the development of alternative opportunities

Furthermore, it may be difficult to predict certain timelines within collaboration projects, as the schedules developed when partnerships are formed are indicative in nature. Lastly, approvals from regulatory authorities are not fully within SmartCella's control.

Operational risks

- **Product manufacturing:** SmartCella has a complex manufacturing process. As a result, there may be instances where established timelines and quality standards related to production are not met, which could affect the timing of future revenue streams.
- **Research and product development:** SmartCella conducts advanced R&D within the field of cell therapy, including proof-of-concept studies in animals and clinical trials in humans. The outcome of this type of research and development is inherently uncertain. The company continuously works to manage and mitigate R&D-related risks through ongoing project evaluations and by running parallel programs across different development stages.
- **Suppliers:** SmartCella is dependent on a limited number of key suppliers for its manufacturing operations related to the Extroducer®, and for the mRNA delivery program SMART03. As such, delays and the quality of input materials may impact SmartCella's ability to produce materials on time and at the required quality level.
- **IT and cyber risks, as well as the risk of data breaches:** A breach of the company's IT security could result in unauthorized access to critical data and/or the loss of sensitive data, potentially exposing business secrets and/or personal and patient information to unauthorized parties. These risks are managed continuously through regular IT security reviews, clear policies and procedures, perimeter protection, as well as internal controls and employee training.

Compliance-related risks

- In order to initiate and conduct clinical trials for a product candidate, and to manufacture and distribute the Extroducer®, a license or regulatory approval must be obtained from the relevant authorities in each applicable country or region. SmartCella is dependent on the procedures, interpretations, and requirements of these authorities to obtain such approvals, which may impact expected timelines or associated costs.

Financial risks

- **Financing risk:** As SmartCella's operations expand, the company is dependent on securing sufficient funding to operate its business. Both the scale and timing of SmartCella's future capital needs depend on several factors, such as operational costs, the potential success of research and development projects, and the company's ability to enter into partnership and licensing agreements for the Extroducer®, including the timing and amounts of milestone payments and royalties, as well as the market reception of potential products. Access to and the terms of additional financing are influenced by a number of factors, including market conditions and general sentiment in the financial markets.
- **Exchange-rate risks:** SmartCella is exposed to currency risks in the form of transaction exposure. SmartCella's headquarters are located in Sweden, and the company reports its financial position and performance in SEK. Transaction exposure arises from the purchase and sale of goods and services in currencies other than SEK, as well as the revaluation of the company's cash positions held in foreign currencies. A significant share of SmartCella's future revenues is expected to be denominated in foreign currencies, primarily USD and EUR.
- **Partner credit risks:** SmartCella's partners may be unable to fulfil their payment obligations, which could result in a financial loss for SmartCella. If SmartCella fails to adequately manage credit risk, the company's financial position and profitability could be negatively impacted.

Future Development

- **Revenue from partners and licensees:** The main share of SmartCella's future revenue is expected to come from partners and licensees (mainly milestone payments and sales-based royalties). All such revenue depends on the successful development of the partner's product, as well as the achievement of agreed-upon development and regulatory milestones, followed by product launch and market sales—factors over which SmartCella has no direct control.

Multi-year overview

Amounts in TSEK	2025	2024	2023
Revenue from contracts with customers	19	86,856	144,221
Operating profit, EBIT	–301,309	–126,472	–38,728
Total assets	490,932	779,139	377,091
Cash and cash equivalents and short-term investments	240,045	560,296	168,162
Average number of employees	77	68	58

Financial information

Revenue for 2025 amounted to 19 TSEK (86,856 TSEK), representing a decrease of 86,837 TSEK compared to the corresponding period last year. The decline was primarily due to lower revenue related to reduced recognition of historical milestone payments. EBIT for 2025 amounted to –301,309 TSEK (–126,472 TSEK), a decrease of 174,837 TSEK compared to the corresponding period last year. Lower revenue for the period, combined with expected increases in costs, mainly related to personnel expenses, were the main drivers of the lower EBIT.

The financial net, including foreign exchange effects, for 2025 amounted to –8,240 TSEK (12,285 TSEK), driven by negative foreign exchange movements and interest income on bank balances during the period.

Loss for the year 2025 amounted to –309,636 TSEK (–114,180 TSEK), a decrease of 195,456 TSEK compared to the corresponding period last year.

SmartCella operated with a negative cash flow during 2025, which was in line with expectations. As the business continues to develop, with new license agreements for the Extroducer® and the sale or out licensing of the SMART03 program, this is expected to change.

Cash flow from operating activities for 2025 amounted to –244,256 TSEK (–126,684 TSEK). Key contributing factors included the negative EBIT of –301,309 TSEK (–126,472 TSEK) and changes in net working capital (NWC) of 29,430 TSEK (–30,887 TSEK). Investments during 2025 amounted to 221,428 TSEK (–256,573 TSEK), primarily related to changes in short-term investments and capitalized costs.

Cash flow from financing activities for 2025 amounted to 4,792 TSEK (561,608 TSEK), representing a decrease of 556,816 TSEK, mainly related to SmartCella's share issue in 2024, which contributed a net positive cash inflow of 567,327 TSEK after fees.

As of December 2025, SmartCella held a liquidity position of 240,045 TSEK in available funds (560,296 TSEK).

Key events of the year

2025 was characterized by continued high activity within SmartCella to further strengthen the organization and advance key programs and partnerships, with a particular focus on development of the Extroducer®.

Key events during the year include:

- An agreement was signed with Professor Johan Ericson at the Department of Cell and Molecular Biology at Karolinska Institutet, securing exclusive rights to further develop his research on cell replacement therapies for Parkinson's disease (SMART02) in February 2025.
- Strengthening of the Executive Management Team through the recruitment of Veena Rao-Mirmira as Chief Strategy Officer in February 2025 and Sabine Ott as Chief Commercial Officer and Head of Business Development in March 2025.
- Updated approval from the Swedish Medical Products Agency for manufacturing and quality control testing of sterile biological medicinal products for cell therapy in May 2025.
- XyloCor dosed the first patient using the Extroducer® system for its XC001 therapy in a Phase IIb clinical trial for the treatment of refractory angina in July 2025.
- An Extraordinary General Meeting held in July 2025 resolved to adopt a new long-term incentive program (LTIP 2025) through the issuance of a maximum of 1,325,000 warrants to senior executives and key employees.
- Establishment of the company's Scientific Advisory Board, led by Board member Professor Anna Martling, with Professor Jan Lundberg joining as the latest addition in November.
- Significant progress in expanding the partnership pipeline for the Extroducer®.
- Completion of documentation for Clinical Trial Applications to enable the initiation of a Phase I/IIa study evaluating direct delivery of chemotherapy to pancreatic tumors using the Extroducer®, planned to commence in the first half of 2026.

Events after the balance sheet date

Following a thorough analysis of where SmartCella can generate the greatest positive impact on healthcare, create the highest commercial value, and maintain a balanced risk profile, the company has decided to increase its strategic focus on the Extroducer® technology.

The company believes this represents the most effective path to increasing revenue, maximizing shareholder value, and addressing the challenge of targeted delivery in modern medicine. This assessment is supported by the strong interest and positive momentum observed for the Extroducer® technology among partners worldwide.

As a result of this strategic shift, SmartCella has decided to divest ProCella Therapeutics AB, including the cell therapy programs SMART01 and SMART02 as well as the GMP facility in Tullinge. This reduces risk in the business model from both a financial and overall risk perspective, while significantly lowering the cost base and bringing SmartCella closer to cash flow break-even.

In April 2026, SmartCella entered into a non-exclusive licensing agreement with Oloker, a biotech company developing proprietary cardiac cell therapies about to enter clinical stage development. This partnership validates the Extroducer®'s relevance in cutting-edge drug delivery.

Other information

Share capital and ownership structure

As of December 31, 2025, SmartCella's share capital amounted to SEK 677 thousand, divided into 67,660,000 shares, each carrying one vote. The largest shareholder was Swib Holding AB with a total of 36,726,400 shares, corresponding to 54.3 percent of the votes and share capital.

Proposed disposition of loss for the financial year 2025

The Board of Directors proposes that retained earnings of SEK 1,045,523,002 be carried forward (see table below). The Board proposes that no dividend be distributed for the financial year 2025.

The Board of Directors proposes that the available retained earnings (SEK):	
Free share premium reserve	1,138,773
Retained loss	–36,793,741
Loss for the year	–56,456,498
Total	**1,045,523,002**
Allocated as follows:	
Balance to be carried forward	1,045,523,002
	1,045,523,002

For further information on the company's financial performance and position, refer to the following income statement and balance sheet with accompanying notes.


8
9

LEGAL REPORTS

Corporate Governance

SmartCella has implemented significant parts of the corporate governance and internal controls that are required for companies listed on the main list of Nasdaq Stockholm. This section describes the current corporate governance structure of the company and following a potential IPO, it will be developed into a formal Corporate Governance Report.

Governance structure
SmartCella has implemented a corporate governance structure in accordance with company law and accounting-related legislation, the Articles of Association, the Swedish Corporate Governance Code (the "Code").

Annual General Meeting
The Annual General Meeting is the highest decision-making body in a limited liability company and the shareholders exercise their influence over SmartCella at the general meeting. The general meeting resolves among others, on the Articles of Association and appoints SmartCella's Board of Directors and Chairperson of the Board.

According to the Swedish Companies Act, notice of the Annual General Meeting (AGM) shall be issued no earlier than six weeks and no later than four weeks before the AGM.

Annual General Meeting 2025
SmartCella's Annual General Meeting was held on May 14, 2025, at the company's headquarters in Tullinge outside Stockholm. Magnus Lindstedt at Nord Advokater was elected Chairperson.

The AGM adopted, inter alia, the following resolutions in line with the proposals of the Board of Directors:

- Adoption of the income statements and balance sheets for 2024 and a resolution that no dividend be paid.
- The Board and the CEO were granted discharge from liability for 2024.
- Agreement on the remuneration for the next mandate period for the Board of Directors.
- Christian Kinch, Magnus Tornling, Anna Martling, Claude Dartiguelongue and Regina Fritsche-Danielson were re-elected as Board Members.
- Christian Kinch was elected as the Chairperson of the Board.
- Öhrlings PricewaterhouseCoopers AB was elected as the auditing company until the end of the next AGM and a resolution was taken for fees to the auditor.
- Authorization for the Board to resolve to issue new shares, warrants and/or convertible bonds, with or without deviation from the shareholders' pre-emptive rights.

Extraordinary General Meeting 2025
An Extraordinary General Meeting held in July 2025 resolved to adopt a new long-term incentive program (LTIP 2025) through the issuance of a maximum of 1,325,000 warrants to senior executives and key employees.

Annual General Meeting 2026
SmartCella's 2026 Annual General Meeting will be held on May 27, 2026, at 13:00 CET at Miss Clara by Nobis, Sveavägen 48, 111 34, Stockholm.

Board of Directors
According to the Articles of Association, the Board of Directors ("Board") shall consist of at least three (3) and a maximum of eight (8) members appointed by the AGM. The members of the Board are elected for a period of one year and currently consist of five members. Five of whom are independent in relation to the company and management. Of those, three are also independent in relation to major shareholders. For further details see table The Board's attendance and independence 2025.

The tasks and responsibilities of the Board follow from the Swedish Company Act and the Swedish Corporate Governance Code and are reflected in the rules of procedures adopted by the Board.

The Board's work in 2025
In 2025, the Board held nine minuted meetings, including the statutory meeting in conjunction with the Annual General Meeting. At these meetings the Board discussed regular items, including the commercial and market situation, financial reporting, budgets and programs. General strategic issues were also analysed, including market issues, growth opportunities and sustainability.

Chairperson of the Board
The Chairperson of the Board is appointed by the AGM. The Chairperson of the Board represents the Board externally and internally. The Chairperson leads the Board's work, monitors the work and assumes responsibility for the Board completing its duties according to applicable legislation, the Articles of Association, the Code, and the Board of Director's rules of procedure. The Chairperson shall monitor SmartCella's progress through contact with the CEO, consult with the CEO on strategic matters and ensure that strategic considerations are recorded and addressed by the Board of Directors. The Chairperson shall also ensure that the Board of Directors, through the CEO, receives relevant and adequate information on an ongoing basis.

Board Committees

Members of the committees and its Chairperson are appointed at the statutory Board meeting for a period of one year at a time. Work in the committees is carried out based on the instructions that are adopted for each committee. The work of these committees is primarily preparatory and advisory in each area. However, the Board can delegate the decision-making authority to the committees for certain issues.

Audit Committee

The members of the Audit Committee (AC) are appointed by SmartCella's Board of Directors at the Board meeting following election at the AGM. The majority of the AC members must be independent of the company and its management (at least one of those should also be independent in relation to major shareholders). The members of the AC may not be employees of SmartCella. At least one member must possess expertise in accounting or auditing. SmartCella's Board of Directors also appoints the Chairperson of the AC, who can be the Chairperson of the Board.

The AC is established to facilitate the Board of Directors' supervisory responsibility. As a committee of the Board of Directors, the AC has limited decision-making powers. The Board of Directors shall annually adopt the Rules of procedure for the Committee at the Board meeting following election at the AGM. Minutes from the AC meetings shall be distributed to the Board.

The AC shall contribute to sound financial reporting that maintains confidence in SmartCella by specifically monitoring and controlling SmartCella's accounting principles, financial administration, resources, risk management, internal control and financial reporting.

Remuneration Committee

The members of the Remuneration Committee (RC) are appointed by SmartCella's Board of Directors at the board meeting following election at the AGM. SmartCella's Board of Directors also appoints the Chairperson of the Remuneration Committee RC, which can be the Chairperson of the Board. The RC shall have at least two members.

The Chairperson needs not be independent in relation to SmartCella and management. However, the other members must be independent in relation to SmartCella and management. The RC shall support the Board in salary and remuneration-related matters such as:

- Preparing the Board's decisions on matters concerning remuneration principles, remuneration and other terms of employment for management, and
- Monitoring and evaluating any ongoing programs for variable remuneration for senior management and any programs concluded during the year.
- In a listed environment, the RC will monitor and evaluate application of the guidelines for determining remuneration to senior management as adopted by the AGM according to law, and applicable remuneration structures and levels in the company.

Chief Executive Officer

Niklas Prager is the Chief Executive Officer (CEO) of SmartCella Group Holding AB. The CEO is appointed by the Board of Directors and is responsible for the daily administration of the company operations in accordance with the instructions and regulations of the Board. The most recent Instructions for the CEO were adopted by the Board in May 2025. The instructions for the CEO state what is included in the daily administration and what decisions should be referred to the Board. The CEO keeps the Board and Chairperson continually informed of the company's financial position and development and provides essential information and decision-making material for Board meetings. The CEO also functions as the Head of the Executive Management and makes decisions in consultation with other members of Executive Management. The Board evaluates the CEO's work and performance on an annual basis.

External auditors

For the purpose of reviewing SmartCella's annual report, accounting and the administration of the Board of Directors and the CEO, an auditor, or a registered accounting firm, shall be appointed at the AGM. The term of office of the current auditor is one year. Öhrlings PricewaterhouseCoopers AB has been SmartCella's auditor since June 2025. As auditor in charge, authorized public accountant Johan Engstam has been appointed.

Executive management team

The Executive management team consists of:

- Chief Executive Officer
- Chief Financial Officer
- Chief Medical Officer
- Chief Commercial Officer & Head of Business Development
- Chief Technology Officer & Head of Cell Therapies
- Head of Early Research
- Head of HR
- Head of Strategy
- Head of Communication & Investor Relations

Internal control

Within the company, internal control shall be based on the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission).

COSO defines internal control as:

"Internal control is a process that is influenced by the company's board, management and other personnel, which aims to provide reasonable assurance regarding the fulfillment of goals for the business, reporting and compliance in accordance with regulations"

The company's internal control work is led by the Internal control function. The Internal control function is responsible for implementing the COSO framework within the organization. Further, the function is responsible for coordinating, monitoring and reporting the internal control activities throughout the Group as well as for initiating training and updates of steering documents related to ICFR (Internal Control over Financial Reporting).

Governing documents

The governing documents in SmartCella are defined by one of the following steering document types:

- Regulatory documents: A regulatory document aims to ensure that the company fulfils its obligations according to applicable law.
- Board policies: A Board policy is a set of rules, principles or guidelines for the organization to follow to achieve a specific objective. An effective policy should outline what employees must do or not do, directions, limits, principles, and guidance for decision making.
- Management policies: A management policy has the same structure and objective as a Board policy but generally refers to a more detailed and/or specific area/subject and explains the requirements set by SmartCella for the respective subject/area to be respected by all. Management policies are approved by a specific role within the management team, e.g. CEO, CFO etc.
- Procedures: Provides descriptions intended to facilitate, quality assure or ensure correct implementation of specific tasks/processes e.g. Standard Operating Procedures and Work instructions.

The Board adopted the governing documents below during 2025.

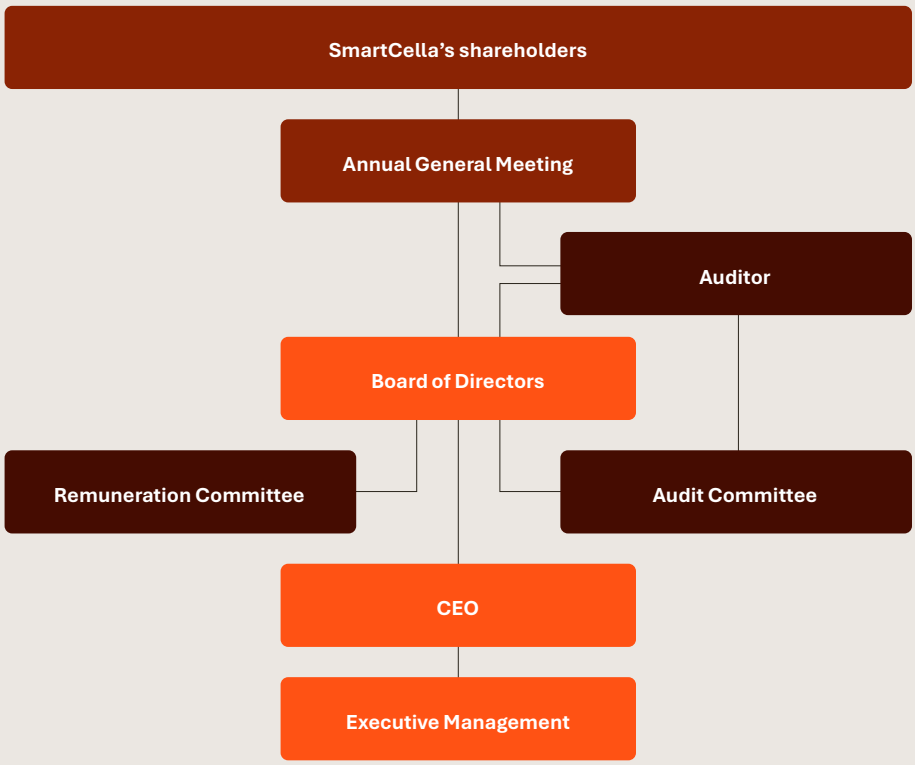
- Instructions for the CEO
- The Board of Directors' rules of procedure
- Instructions for financial reporting
- Instructions for Audit Committee
- Instructions for Remuneration Committee
- Remuneration principles for senior management
- Approval and Authorization instruction
- Corporate Governance Policy
- Finance Policy
- Related Party Transactions Policy
- Insider Policy[1)]
- Instructions for handling insider information[1)]
- Information Policy
- Risk Management Policy
- Whistle blowing Policy
- Diversity, Equity and Inclusion Policy
- Internal control Policy
- Sustainability Policy
- IT Policy

In addition, in 2025 the Board adoped the Code of Conduct and a policy on anti-corruption, gifts and hospitality. The governing documents are reviewed as relevant and at least annually to ensure they are compliant and up to date.

[1)] Not applicable until in a listed environment.

Organization and governance

The shareholders exercise their influence on SmartCella at the Annual General Meeting and other General Meetings. The General Meeting is the company's highest decisionmaking body. The Board of Directors and the CEO are responsible for the company's organization and administration in accordance with the Swedish Annual Accounts Act, other laws and ordinances the articles of association and the Board's internal steering instruments.



Board of Directors

Christian Kinch

Founder and Chairperson

Christian founded SmartCella together with Professor Staffan Holmin and Professor Kenneth Chien in 2014 and is one of the main shareholders. Christian is the founder and former CEO of Bactiguard and is a serial entrepreneur within pharmaceuticals and medtech, and has previously founded Netpharma AB and Kinchard AB. He is a Board Member of Swecare, an organization connecting public and private healthcare and promoting Swedish life science globally. Christian studied at Stockholm School of Economics.

Independence
Independent in relation to the company and management.
Not independent in relation to major shareholders.

Claude Dartiguelongue

Board member

Claude is an experienced top-level executive with a distinguished career in blue-chip companies across the Healthcare and Life Sciences industry. She is the former President of the Capsules and Health Ingredients division at Lonza where she was a member of the Executive Committee. She also led global business units at Thermo Fischer Scientific (Microbiology Division) and Becton Dickinson (BD Pharmaceutical Systems and BD Biosciences). Claude holds an MSc in Medical Management from ESCP Business School and an MSc in Biotechnology from the University of Grenoble.

Independence
Independent in relation to the company and management.
Independent in relation to major shareholders.

Regina Fritsche Danielson

Board member

Regina is Senior Vice President and Globaland Head of Research and Early Development, Cardiovascular, Renal and Metabolic Diseases at AstraZeneca. She is responsible for Metabolism, Biopharmaceuticals at AstraZeneca R&D with accountability for global research and early clinical development up to Ph3 in cardiovascular, renal and metabolic diseases. Regina has a broad scientific background in human and animal physiology and received her PhD in Cardiovascular Physiology/Pharmacology at the University of Göteborg in 1993. After her postdoc, Regina was awarded a prestigious grant from the Swedish Natural Research Foundation (NFR) and lead a research group working at the University of Göteborg, University of Ottawa, University of Queensland and University of Nevada. Regina joined AstraZeneca in 2001 and has held various leadership positions and she has delivered several candidate drugs, many of which have progressed into late-stage development.

Independence
Independent in relation to the company and management.
Independent in relation to major shareholders.

Anna Martling

Board member

Anna is a globally recognized and awarded scientist and surgeon with a focus on oncology. She is Professor of surgery and the former Dean at Karolinska Institutet where she currently serves as the Scientific Director Life Science. Additionally, Anna chaired The Task Force for Precision Medicine at Karolinska Institutet/Region Stockholm. She holds an MD and PhD in Surgery from Karolinska Institutet, with her thesis specializing in rectal cancer.

Independence
Independent in relation to the company and management.
Independent in relation to major shareholders.

Magnus Tornling

Board member

Magnus joined EQT Partners in Oslo in 2016 and is a Partner and Global Head of Equity Capital Markets at private equity firm EQT. Prior to joining EQT, Magnus spent twelve years in the Corporate Finance department of ABG Sundal Collier in Oslo, lastly as the Co-Head of Investment Banking and Head of Equity Capital Markets. Magnus holds an MSc in Finance from the Norwegian School of Management.

Independence
Independent in relation to the company and management.
Not independent in relation to major shareholders.

Executive Management Team

Niklas Prager

CEO

Niklas has extensive experience from the global biotech and pharma industry and has held leadership positions in research-focused pharmaceutical companies such as Merck/MSD and Pfizer, both in Sweden and the US. He has also been CEO and board member/chairperson of several medtech and biotech companies such as Medivir and CellaVision, and has experience from both private and public ownership. Niklas holds an MSc in Economics and Business Administration from Stockholm School of Economics, including studies at the University of Michigan.

Ricardo Baptista

Eng, PhD, CTO and Head of Procella

Ricardo is a biotech engineer bringing extensive global experience in Cell and Gene Therapy. He has managed technical teams at CCRM, Cell Gene Therapy Catapult, Cellectis, ProCella, and Alder, focusing on scalable bioprocess and analytical solutions. He was involved in the generation of induced pluripotent stem cell lines in GMP, and on the design of GMP facilities for the large-scale manufacturing of cell and gene therapies. Ricardo has a PhD in Bioengineering from Instituto Superior Técnico and post-doctoral training at Peter Zandstra's Stem Cell Bioengineering Lab.

Kylie Foo

PhD, Head of SmartCella Solutions

Kylie is a neuroscientist by training with a strong background in translational stem cell research. She holds a PhD in Neuroscience from Karolinska Institutet and was a research fellow at Columbia University, focusing on diabetes. Her discovery at Karolinska Institutet on cardiac stem cell therapy for treatment of heart disease formed the scientific foundation of ProCella. She was an Assistant Professor at Karolinska Institutet prior to joining SmartCella.

Ann Fredriksson

Head of HR and Internal Communication

Ann has extensive experience of senior HR and management positions from fast growing international businesses within Medtech, Biotech, IT and Software, companies such as Vironova AB and Jeeves Information Systems AB. She is a business-oriented HR professional with a sales and marketing background and has broad experience of working with organizations in change. Ann has held leadership positions at a strategic and operational level for more than 20 years and her competence covers the entire HR area with an emphasis on development and change management.

Staffan Holmin

MD, PhD, Scientific Advisor, CMO

Staffan is one of the founders of SmartCella and Professor in Clinical Neuroimaging at the department of Clinical Neuroscience, Karolinska Institutet. He is also Senior physician/Consultant in endovascular neurointerventional procedures in the department of Neuroradiology, University Hospital, as well as research group leader who has published widely on novel neuroimaging and interventional techniques. In 2016, he gave the Seldinger Honorary Lecture at the European Congress of Radiology. In 2020, he received the Hans Wigzell Foundation Science Prize and in 2022 he received the Karolinska Institutet prize for Innovation and Utilization.

Nina Nornholm

Head of Communication and Investor Relations

Nina has over 25 years of experience in the global financial industry, specifically in private equity and investment banking, with a focus on strategic communication, branding, and investor relations. She spent 15 years at the private equity firm EQT, leading their global communication, media, and branding efforts. Prior to that, Nina held communication specialist roles at SEB Asset Management and the investment bank Alfred Berg. She studied Business Administration (Marketing and Communication) at Stockholm University.

Veena Rao-Mirmira

PhD, Head of Strategy

Veena is an experienced commercial and technical leader with over 25 years of experience in the areas of drug development, med tech, medical devices, and digital health having held a number of roles in both large and small company environments. She has a background in technology innovation, market strategy, licensing, and corporate business development in addition to having led launch and go-to-market teams for novel drug and medical device products. She comes most recently from a role as President and Chief Business Officer of Portal Instruments, a clinical-stage, needle-free drug delivery company. Prior to Portal, Veena served as the Chief Commercial Officer and Head of Corporate Development & Strategy at Beta Bionics. Before Beta Bionics, she spent over a decade at Eli Lilly and Company with various commercial and technical roles including Vice President of External Innovation for the Lilly Device and Drug Delivery teams. Veena currently serves on the Board of Directors of Predictive Oncology (Nasdaq; POAI), and as an advisor to Digbi Health PharmStars digital health accelerator.

Veena has a B.S. in Chemical Engineering from the University of Minnesota, a PhD in Chemical Engineering from Stanford University and an MBA from the University of Virginia Darden School of Business.

Sabine Ott

PhD, CCO and Head of Business Development

Sabine is an experienced commercialization executive bringing more than 20 years of Cell and Gene (CGT) and Oncology business development and licensing experience to SmartCella. During her career, she has delivered numerous strategic partnerships and license deals encompassing technology and collaboration deals with both biotechs and pharmaceutical companies. Recently, she built and spearheaded Sirion Biotech's licensing division and managed, following the acquisition by Revvity, the commercialization of broader Revvity's CGT technology assets. Prior to this, Sabine held various BD and commercial positions at biotech companies specializing in oncology, regeneration, and molecular diagnostics.

Sabine holds a PhD in molecular genetics from the University Konstanz and a Diploma in molecular biology from the University Konstanz and Ludwig-Maximilians University Munich.

Oskar Steneryd

CFO

Oskar is a seasoned financial professional with extensive expertise in the Healthcare field stemming from his background in Private Equity and Investment Banking, focusing on Healthcare investments. He holds a MSc in Business and Economics from Stockholm School of Economics and HEC Paris, with a focus on Accounting and Finance. Oskar's prior experiences includes roles at Morgan Stanley Healthcare. Altor Private Equity, Novo Holdings and Impilo Private Equity.

STATEMENT FROM THE CFO

Strategic shift to streamline the business model

SmartCella's total operating income for 2025 amounted to SEK 1m (2024 87m) and EBIT was –SEK 301m (2024 –127m). Most of the revenue in 2024 related to periodization of historical milestone payments that ended in 2024, which also explains the decreased revenue in 2025. At year-end 2025, SmartCella had a cash position of SEK 240m.

In March 2026, SmartCella announced a decision to increase focus and investments in the unique Extroducer® technologies which represent the company's best path to grow revenues, balance long-term risk and financial profile, create shareholder value as well as address the challenge of targeted therapeutic delivery. The increased focus enables a higher pace in building Extroducer® partnerships with biotech and large pharma companies while continuing to strengthen our operational capabilities, including the expansion of in-house production of the technologies at our Tullinge site.

The strong commercial interest in the Extroducer® technology platform has continued into 2026. After this report was finalized, an additional non-exclusive partnership agreement was signed, further validating the commercial potential of the technology and supporting our strategy to build a scalable partnership-driven business model.

As a consequence of the strategic shift, it was also decided to divest the cell therapy programs SMART01 and SMART02, and the SmartCella GMP facility in Tullinge. In line with this strategy, the divestments will de-risk the business model and lower the cost base. Regenerative Medicine accounted for approximately SEK 187m of costs during 2025 and through the divestments, most of these costs will be taken out. This will significantly improve SmartCella's cash flow profile and take the company closer to cash flow breakeven. We remain committed to finding partners for our mRNA delivery platform including the proof-of-concept program for Osteoarthritis, SMART03.

With the execution of the strategic transformation of SmartCella, the company is a more focused, capital-efficient and commercially driven company, with clear momentum as we move forward.

Oskar Steneryd
CFO

Consolidated income statement

TSEK	Note	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Revenue	4,5	19	86,856
Other operating income	6	1,246	408
Total operating income		**1,265**	**87,264**
Capitalized work for own use	16	28,990	38,251
Expenses for material		–89,618	–60,552
Other external expenses	7	–110,062	–71,188
Personnel expenses	8	–102,700	–94,468
Depreciation and amortization	16,17,18	–29,097	–23,590
Other operating expenses	9	–87	–2,189
Operating profit, EBIT		**–301,309**	**–126,472**
Financial income	10	11,690	13,863
Financial expenses	11	–19,930	–1,578
Loss before tax		**–309,549**	**–114,188**
Income tax	12	–87	8
Loss for the year		**–309,636**	**–114,180**
Loss for the year attributable to:			
Equity holders of the parent company		–307,961	–114,180
Non-controlling interests		–1,675	–
Earnings per share			
Earnings per share before dilution (SEK)	13	–4.58	–1.79
Earnings per share after dilution (SEK)	13	–4.58	–1.79

Consolidated statement of comprehensive income

TSEK	Note	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Loss for the year		**–309,636**	**–114,180**
Other comprehensive income			
Items that may be reclassified to the income statement (net of tax)			
Translation differences		1,047	–268
Other comprehensive income for the year, net of tax		**1,047**	**–268**
Total other comprehensive income for the year, net of tax		**–308,589**	**–114,447**
Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
Equity holders of the parent company		–306,914	–114,447
Non-controlling interests		–1,675	–

Consolidated statement of financial position

TSEK	Note	31-12-2025	31-12-2024
Assets			
Non-current assets			
Goodwill	15	5,993	5,993
Intangible assets	16	154,951	101,387
Property, plant and equipment	17	39,430	45,232
Right-of-use assets	18	32,800	35,780
Total non-current assets		**233,173**	**188,391**
Current assets			
Trade receivables		–	–
Contract assets		–	–
Income tax receivables		2,663	1,643
Prepaid expenses	21	6,411	15,742
Other current assets		8,640	13,066
Short-term investments	19,20	–	287,139
Cash and cash equivalents	19,20,22	240,045	273,157
Total current assets		**257,759**	**590,747**
TOTAL ASSETS		**490,932**	**779,139**
EQUITY AND LIABILITIES			
Equity	23		
Share capital		677	677
Other contributed capital		1,138,773	1,132,275
Reserves		672	–374
Retained earnings including loss for the year		–749,002	–440,774
Total equity attributable to equity holders of the parent company		**391,120**	**691,803**
Non-controlling interests		–1,675	–
Total equity		**389,445**	**691,803**
Non-current liabilities			
Lease liabilities	18,20	27,721	29,426
Deferred tax liability	12	–	–
Total non-current liabilities		**27,721**	**29,426**
Current liabilities			
Accounts payable	19,20	16,790	19,855
Lease liabilities	18,20	6,600	6,415
Contract liabilities		–	–
Current tax liabilities		–	–
Accrued expenses	19,20,25	38,611	25,014
Other liabilities	19,20	11,766	6,625
Total current liabilities		**73,767**	**57,910**
TOTAL EQUITY AND LIABILITIES		**490,932**	**779,139**

Consolidated statement of changes in equity

	Attributable to equity holders of the parent company						
TSEK	**Share capital**	**Other contributed capital**	**Translation reserve**	**Retained earnings including loss for the year**	**Total equity attributable to equity holders of the parent company**	**Non-controlling interests**	**Total equity**
Opening equity 01-01-2024	**61**	**565,563**	**–107**	**–327,894**	**237,624**	**–**	**237,624**
Loss for the year	–	–	–	–114,180	–114,180	–	–114,180
Other comprehensive income for the year	–		–268	–	–268	–	–268
Total comprehensive income for the year	**–**	**–**	**–268**	**–114,180**	**–114,447**	**–**	**–114,447**
Reclassification [1]				**1,299**	**1,299**		**1,299**
Transactions with owners of the Group							
Bonus issue	615	–615	–	–	–		–
New share issue	–	574,227	–	–	574,227	–	574,227
Costs related to new share issue	–	–6,900	–		–6,900	–	–6,900
Total	**615**	**566,712**	**–**	**1,299**	**568,626**	**–**	**568,626**
Closing equity 31-12-2024	**677**	**1,132,275**	**–374**	**–440,774**	**691,803**	**–**	**691,803**
Opening equity 01-01-2025	**677**	**1,132,275**	**–374**	**–440,774**	**691,803**	**–**	**691,803**
Loss for the period	–	–	–	–307,961	–307,961	–1,675	–309,636
Other comprehensive income	–		1,047	–	1,047	–	1,047
Total comprehensive income for the year	**–**	**–**	**1,047**	**–307,961**	**-306,914**	**–1,675**	**-308,589**
Transactions with owners of the Group							
Issuance of warrants		6,498	–		6,498		6,498
Acquisition of non-controlling interests [2]	–		–	–268	–268	–	–268
Total	**–**	**6,498**	**–**	**–268**	**6,230**	**–**	**6,230**
Closing equity 31-12-2025	**677**	**1,138,773**	**672**	**–749,002**	**391,120**	**–1,675**	**389,445**

[1] The reclassification relates to non controlling interests
[2] Acquistion of 2% of shares in SmartCella Solutions AB, reg no. 559352-0330, resulting in ownership of 95,8%

Consolidated statement of cash flows

TSEK	Note	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Operation activities			
Operating profit, EBIT		–301,309	–126,472
Adjustments for non-cash items	26	26,264	26,035
Interest received		3,958	7,650
Interest paid		–1,579	–1,578
Income tax paid		–1,020	–1,433
Cash flow from operating activities before changes in working capital		**–273,686**	**–95,797**
Cash flow from changes in working capital			
Change in trade and other receivables		13,757	19,873
Change in trade and other payables		15,673	–50,760
Cash flow from changes in working capital		**29,430**	**–30,887**
Cash flow from operating activities after changes in working capital		**–244,256**	**–126,684**
Investing activities			
Disposal of short-term investments		–	–207,139
Acquisition of short-term investments		287,139	–
Interest received from short-term investments		4,458	–
Acquisition of intangible assets	16	–60,265	–41,773
Acquisition of property, plant and equipment	17	–9,903	–7,662
Cash flow from investing activities		**221,428**	**–256,573**
Financing Activities	23		
New share issue		–	567,327
Issuance of warrants		6,498	–
Acquisition of non-controlling interests		–268	–
Change of lease contracts	26	–1,438	–5,719
Cash flow from financing activities		**4,792**	**561,608**
Cash flow for the year		**–18,035**	**178,351**
Cash and cash equivalents at the beginning of the period		273,157	88,162
Exchange rate differences in cash and cash equivalents		–15,076	6,644
Cash and cash equivalents at the end of the year	22	**240,045**	**273,157**

Notes to the consolidated financial statements

1 Corporate information

This Annual Report and Consolidated Financial Statements comprise the Swedish parent company SmartCella Holding AB (“SmartCella”), corporate identity number 559171-6393, and its subsidiaries.

SmartCella is a global drug delivery company pioneering innovative delivery solutions for targeted therapies. Its core technology, Extroducer®, is a modality-agnostic endovascular delivery device designed for localized administration to hard-to-reach organs, tumors, and tissues. The Extroducer® is FDA 510(k)-cleared for use in peripheral (including abdominal) tissues to inject diagnostic and therapeutic solutions into the perivascular space. It is currently in clinical investigation for additional indications. The company was founded in 2014 and is built on globally recognized science and research originating from Karolinska Institutet in Sweden.

The parent company is a limited liability company domiciled in Stockholm, Sweden. The address of its registered office is Alfred Nobels Allé 150, SE-141 52 Huddinge, Sweden. The Board of Directors approved this Annual Report and Consolidated Financial Statements on 21 April 2026. They will be submitted for adoption at the Annual General Meeting to be held on 27 May 2026.

2 Accounting policies

Basis of consolidated financial statements

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). In addition, the Group applies the Swedish Annual Accounts Act (1995:1554) and RFR 1 Supplementary Accounting Rules for Groups issued by the Swedish Corporate Reporting Board.

The Consolidated Financial Statements have been prepared on a going concern basis. Assets and liabilities are measured at historical cost. All amounts are presented in thousands of Swedish kronor (“TSEK”) unless otherwise stated.

Consolidation of subsidiaries

Subsidiaries are accounted for using the acquisition method and comprise all entities over which SmartCella has control. Subsidiaries included in the Consolidated Financial Statements are presented in Note 14 Investments in Group companies.

Currency

Functional and presentation currency

Items included in the financial statements of each entity within the Group are measured using the functional currency of that entity, which for the Group corresponds to the respective local currency of the country in which each entity primarily operates. The functional currency of the parent company is Swedish kronor, which is also the presentation currency of the Group.

Foreign currency transactions

Exchange differences arising on the translation of foreign currency transactions into the functional currency are recognized in the Group’s statement of profit or loss. Exchange gains and losses relating to operating receivables and operating liabilities are recognized partly in operating profit, where exchange gains are presented as Other operating income and exchange losses as Other operating expenses. Exchange gains and losses relating to other receivables and liabilities are recognized entirely as financial items, where exchange differences on receivables are presented as Finance income and exchange differences on liabilities as Finance costs.

Translation of foreign subsidiaries

Assets and liabilities of foreign operations are translated from the functional currency of the foreign operation into the Group’s presentation currency, Swedish kronor, using the closing exchange rate of the Swedish central bank (Riksbank) at the balance sheet date. Income and expenses of foreign operations are translated into Swedish kronor using the average exchange rate of the Riksbank, which approximates the exchange rates at the dates of the respective transactions.

Translation differences arising from the translation of foreign operations are recognized in other comprehensive income and accumulated in the translation reserve within equity.

Revenue from contracts with customer

The Group’s significant customer contracts consist of License and Product sales Agreements, License and Research Collaboration Agreements, and Research Services.

License and product sales agreement

The agreement comprises two performance obligations: a license for an intangible right in its existing condition and product sales of Extroducer®. The transaction price includes a fixed initial payment upon contract inception, variable compensation based on the customer’s usage, and consideration for products (a fixed price per unit).

The license grants the customer the right to use SmartCella’s intellectual property in its existing condition at the time the license is granted and is recognized as revenue at the point in time when the contract is entered into and the customer obtains access to the license. Subsequent variable compensation related to the license, based on the customer’s usage, is recognized as revenue at the point in time when the uncertainty regarding the outcome has been resolved.

Revenue from product sales is recognized at the point in time when the customer obtains control of the products, which occurs upon delivery in accordance with the agreed delivery terms.

License and research collaboration agreement

The agreement includes two performance obligations: the licensing of an intangible right in its existing condition (Extroducer®) and the licensing of an intangible right (cell technology) together with the provision of related research and development services. The research and development services are not distinct within the context of the agreement, as they are performed during the preclinical phase and involve activities that are considered to significantly modify and customize the related intangible right (the cell technology).

The transaction price consists of a fixed initial payment, variable consideration based on the customer’s usage, and fixed annual research fees. SmartCella uses the most likely amount method to estimate the variable consideration. Variable consideration based on the customer’s usage is included in the transaction price only when the uncertainty regarding the outcome has been resolved.

The license for the Extroducer® technology grants the customer the right to use SmartCella’s intellectual property in its existing condition at the time the license is granted and was therefore recognized as revenue at the point in time when the contract was entered into and the customer obtained access to the license. The license for the cell technology, together with the performance of the related research and development services, provides the customer with access to the technology over the license period. As a result, the related revenue is recognized on a straight-line basis over the term of the contract. The agreement with the customer was concluded in July 2024, and as of August 2024, no further performance obligations remained for the Group. Consequently, the previously recognized deferred revenue (contract liabilities) was recognized as revenue.

Note 2 cont.

Research services
The Group provides development and production activities that include the supply of both goods, consisting of specifically specified cells, and services. A contract consists of a framework agreement combined with a statement of work describing the activities planned to be carried out within the scope of the specific assignment, as well as a purchase order from the customer. SmartCella's performance obligation is to perform development and production activities, which in certain assignments also includes delivering specifically specified cells. The transaction price consists of variable consideration for services performed and material costs. SmartCella uses the most likely amount method to estimate the variable consideration. Variable consideration amounts are included in the transaction price only to the extent that it is highly probable that a significant reversal of accumulated revenue will not occur. Therefore, SmartCella assesses the risk of significant revenue reversal for each individual contract; see also Note 3 Significant estimates and judgments. For services, the customer simultaneously receives and consumes the benefits provided as SmartCella performs the development and production activities, since the customer benefits from each hour of work performed. The specifically specified cells delivered are customer-specific and therefore have no alternative use for the Group. Furthermore, under the contract, the Group has the right to receive compensation for completed performance. SmartCella therefore recognizes revenue from development and production activities over time. The Group applies a method based on costs incurred relative to budgeted costs. This method best reflects the company's performance, as program progress is represented by the proportion of costs incurred, which strongly correlates with hours worked. The agreement with the customer was concluded in July 2024, and as of August 2024, no further performance obligations remained for the Group.

Contract assets
A contract asset is initially recognized for revenue from SmartCella's contracts with customers when the right to consideration is conditional on something other than the passage of time. Upon completion of the performance obligation and the customer's approval, the amount recognized as a contract asset is reclassified to trade receivables.

Contract liabilities
A contract liability is recognized when consideration from contracts with customers has been invoiced but revenue has not yet been earned.

Employee benefits

Defined contribution pension plans
SmartCella's pension obligations consist solely of defined contribution plans. The Group's obligations for contributions to defined contribution plans are recognized as an expense in the consolidated income statement as they are earned through employees providing services to the Group during the period.

Long-term incentive programs

The Company applies IFRS 2 – Share-based Payment in accounting for long-term incentive programs (LTIPs). The programs may comprise shares, share options, performance shares or other equity-based instruments granted to employees and senior executives. SmartCella's long-term incentive programs are described in Note 24 Long-term incentive programs.

Goodwill

Goodwill is recognized at cost less any accumulated impairment losses. Goodwill is considered to have an indefinite useful life and is therefore tested for impairment at least annually at the end of the financial year. For detailed information on the Group's impairment testing, see Note 15 Goodwill and internally generated intangible assets under development.

Intangible assets

The Group's intangible assets consist of internally generated intangible assets and acquired intangible rights, patents, and licenses. The Group's intangible assets have a determinable useful life and are recognized at cost, net of accumulated amortization and any accumulated impairment losses. SmartCella recognizes development expenditures as an internally generated intangible asset when the criteria for recognition in the Group's statement of financial position are met. When regulatory conditions or other uncertainties indicate that the criteria for recognizing an internally generated intangible asset are not fulfilled, the expenditure is expensed in the consolidated income statement. This is typically the case prior to obtaining approval for a product from the relevant regulatory authority. When the recognition criteria are met, development expenditures are capitalized as an internally generated intangible asset in the Group's statement of financial position. In the Group, internally generated intangible assets relate to the development of Extroducer®. The capitalized expenditures include development costs for employees and consultants working on the development of Extroducer®, as well as amortization of patents and material costs associated with the development work. Expenditures that do not meet the criteria for recognition as an intangible asset (such as research and maintenance costs) are recognized as an expense in the consolidated income statement as incurred.

Depreciation and amortization policies
Amortization is applied on a straight-line basis over the estimated useful life of the asset. The applicable useful lives are:

Internally generated intangible assets	10 years
Intangible rights, patents, and licenses	5–10 years

The Group performs an impairment test if there are indications of impairment of intangible assets. Internally generated intangible assets under development are tested for impairment annually at the end of the financial year. For detailed information on the Group's impairment testing, see Note 15 Goodwill and internally generated intangible assets under development.

Property, plant, and equipment

The Group's property, plant, and equipment consist of machinery and other technical installations, as well as equipment, tools, and fixtures. Property, plant, and equipment are recognized at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation policies
Depreciation is applied on a straight-line basis over the estimated useful life of the asset. The applicable useful lives are:

Machinery and other technical installations	5 years
Equipment, tools, and fixtures	5 years
Leasehold improvements	5 years

The Group performs an impairment test if there are indications of impairment of tangible assets.

Lease agreements

At the commencement date of a lease agreement, i.e., when SmartCella gains access to the leased asset, the Group recognizes a lease liability corresponding to the present value of the fixed lease payments to be made over the lease term. The lease term is determined as the non-cancellable period of the lease, together with any periods covered by options to extend or terminate the lease if the Group is reasonably certain to exercise such options. Costs for variable lease payments are recognized under Other external expenses. Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and are adjusted for remeasurements of the lease liability. The cost of the right-of-use asset includes the initial amount of the lease liability recognized, initial direct costs, and any advance payments made on or before the commencement date, less any lease incentives received. SmartCella's lease agreements for premises typically include extension options, and SmartCella assesses, on a case-by-case basis, whether the Group is reasonably certain to exercise the option.

Note 2 cont.

Application of practical expedients
SmartCella applies the practical expedients for short-term leases and leases of low-value assets. Short-term leases are defined as lease agreements with an initial lease term of no more than 12 months, taking into account any options to extend the lease. Leases in which the underlying asset is of low value are defined by the Group as agreements where the underlying asset could be purchased for no more than 100 TSEK. These primarily consist of office equipment within the Group. The amount is based on the value of the asset when new. Costs related to short-term leases and leases of low-value assets are recognized under Other external expenses.

Inventories
Inventories are measured at the lower of cost and net realizable value. The Group determines cost using the first-in, first-out (FIFO) method/a method based on weighted average cost.

Financial instruments
Classification and measurement
The Group's financial instruments are measured at amortized cost. SmartCella's financial instruments are presented in Note 19 Financial Instruments.

Impairment of expected credit losses
The Group's financial assets are subject to impairment for expected creditlosses. Expected credit losses related to trade receivables and contract assets are recognized using the simplified approach. This means that expected credit losses are reserved for the full remaining lifetime, which is expected to be less than one year for all receivables. The Group applies a credit rating-based method to calculate expected credit losses based on probability of default, expected loss, and exposure at default. For the Group's receivables, an individual assessment is performed, taking into account historical, current, and forward-looking information. Cash and cash equivalents are subject to impairment under the general approach (three-stage impairment model). The Group applies a credit rating-based method for assessing expected credit losses related to cash and cash equivalents. Changes in the loss allowance are recognized under Other external expenses.

Statement of cash flows
The statement of cash flows has been prepared in accordance with IAS 7 Statement of Cash Flows. The statement of cash flows is prepared using the indirect method, whereby operating profit is adjusted for transactions that have not resulted in cash inflows or outflows during the period, as well as for any income and expenses attributable to investing or financing activities.

New or amended standards after 2025
A number of new and amended accounting standards have not yet come into effect and have not been early adopted in the preparation of the Group's and Parent Company's financial statements. The Group intends to apply these new and amended standards when they become effective.

IFRS 18 Presentation and Disclosures in financial statements
In April 2024, the IASB issued the new standard IFRS 18 Presentaion and Disclosures in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. IFRS 18 was endorsed by the EU in February 2026, and early application of the standard is therefore permitted for companies within the EU.

The new standard introduces three areas with new requirements aimed at improving the comparability, transparency and usefulness of financial statements. The first area introduces new requirements for the structure of the Group's statement of profit or loss through the introduction of categories and requires entities to present two new defined subtotals ("Operating profit" and "Profit before financing and income taxes"). The second area introduces new requirements for disclosures of certain key performance measures used by the entity in its external financial communication, so-called Management-defined Performance Measures ("MPMs"). The third area introduced by IFRS 18 aims to provide enhanced guidance on the aggregation and disaggregation of information in the financial statements and notes. The standard also provides guidance on how entities determine whether information about an item should be presented in the primary financial statements or disclosed in the notes. As a consequence of the implementation of IFRS 18, amendments will also be made to other standards, such as IAS 7 Statement of Cash Flows, IAS 34 Interim Financial Reporting and IAS 33 Earnings per Share.

SmartCella has initiated a preliminary assessment of the effects of IFRS 18 and will continue to assess the impact during 2025. The adoption of IFRS 18 may require changes to the structure of the Group's statement of profit or loss, as well as assessments regarding the grouping of items in the financial statements and notes. The presentation of the statement of cash flows will also be affected by the implementation of IFRS 18. Furthermore, the adoption of IFRS 18 will require the identification of relevant MPMs for the Group and the preparation of related disclosures in the notes.

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 relating to the classification and measurement of financial instruments. The amendments clarify, among other things, the timing of derecognition of financial liabilities and provide additional guidance for electronic payments. The amendments also clarify the assessment of the characteristics of contractual cash flows of financial assets with specific features, including those related to sustainability-linked arrangements. Subject to endorsement by the EU, the amendments shall be applied for annual periods beginning on or after 1 January 2026, with retrospective application through an adjustment to the opening balance of retained earnings.

SmartCella has initiated a preliminary assessment of the effects of the amendments to IFRS 9 and IFRS 7 and will continue to assess the impact during 2026. The amendments are not expected to have a material impact on SmartCella.

Amendments to IFRS 19 Subsidiaries without Public Accountability
The new standard allows eligible entities to reduce the extent of disclosures compared with the disclosure requirements in other IFRS Accounting Standards issued as of 28 February 2021. However, entities are still required to apply the recognition, measurement and presentation requirements of other IFRS Accounting Standards.

In August 2025, amendments to IFRS 19 were issued, which in summary introduce reduced disclosure requirements also for new and amended IFRS Accounting Standards issued between February 2021 and May 2024. The amendments to IFRS 19 have not yet been endorsed by the EU, and there is currently no indication of when such endorsement may occur.

SmartCella has initiated a preliminary assessment of the effects of the amendments to IFRS 19 and will continue to assess the impact during 2026. The amendments are not expected to have a material impact on SmartCella.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates
In November 2025, amendments to IAS 21 were issued regarding the translation of a functional currency in a non-hyperinflationary economy into a presentation currency of a hyperinflationary economy. For such situations, the amendments clarify that both assets and liabilities, as well as income and expenses, shall be translated at the closing rate (the spot exchange rate at the end of the reporting period). The amendments also clarify how an entity whose presentation currency is that of a hyperinflationary economy shall adjust comparative information for a foreign operation whose functional currency is that of a non-hyperinflationary economy. In such cases, comparative amounts shall be adjusted for inflation using a general price index so that the comparative information is presented in the current measuring unit at the end of the reporting period (carrying amounts are adjusted by a factor reflecting current purchasing power). In addition, the amendments introduce certain disclosure requirements when translation into a presentation currency of a hyperinflationary economy is applied.

The amendments are effective for annual periods beginning on or after 1 January 2027, with earlier application permitted. However, for entities within the EU, endorsement is generally required before the amendments can be applied. No other new or amended standards are expected to have a material impact on the Group's financial statements.

3 Significant estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments and estimates as well as assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Estimates and assumptions are based on historical experience and a number of other factors that are considered reasonable under the prevailing circumstances.

Below is a summary of the key accounting policies whose application is based on significant judgments, as well as the primary sources of estimation uncertainty that SmartCella considers may have the most significant impact on reported profit and financial position. This section is divided into Judgments made by management in the application of SmartCella's accounting policies and Sources of estimation uncertainty and assumptions.

Judgments and estimates are continuously evaluated and are based on historical experience and expectations of future events that are considered reasonable in light of the current circumstances.

Judgments made by management in the application of SmartCella's accounting policies

In applying the Group's accounting policies, management has made the following judgments that have the most significant impact on the reported values in the financial statements:

Internally generated intangible assets

Development expenditures are recognized as an intangible asset in SmartCella's balance sheet, provided that the definition of an intangible asset is met and the criteria for recognizing an internally generated intangible asset can be demonstrated. This means that SmartCella makes judgments regarding, among other things, the success of the programs, their technical feasibility, and the expected market for the final product or service. Changes in the assumptions underlying these judgments could have a significant effect on the carrying value of internally generated intangible assets.

Judgments regarding the inclusion of extension options in the calculation of lease liabilities

SmartCella considers the presence of any significant improvements made to a leased property during the lease term that are expected to provide the Group with substantial economic benefits when assessing whether SmartCella is reasonably certain to exercise any extension options in lease agreements.

Sources of estimation uncertainty and assumptions

The key assumptions about the future and other sources of estimation uncertainty that exist as of the balance sheet date and that have a significant risk of resulting in a material adjustment to assets and liabilities in the next financial year are described below. Assumptions and estimates are based on the information available when the financial statements were prepared. Conditions and assumptions regarding future developments may change due to market fluctuations or other circumstances beyond the Group's control. Such changes are considered in the assumptions when they occur.

Impairment testing of goodwill and intangible assets

To determine whether the value of goodwill or internally generated intangible assets under development has decreased, the cash-generating unit to which the asset is allocated is valued by discounting the unit's future cash flows. In applying this method, SmartCella relies on several historical data points and other assumptions, including historical cash flows, future estimated cash flows, and the company's Weighted Average Cost of Capital (WACC). Changes in the assumptions and estimates underlying these calculations could significantly affect the valuation of goodwill and intangible assets. See Note 15 Goodwill and internally generated intangible assets under development for further details on the assumptions used in the impairment tests.

4 Operating segments

The Group has, for reporting and monitoring purposes, divided its operations into two segments based on how the chief operating decision-maker reviews the business for resource allocation and performance assessment. The CEO of SmartCella is identified as the chief operating decision-maker. The segment classification is based on the product and service areas offered by SmartCella. The Group's operations are divided into the following reportable segments:

Targeted Delivery

The Targeted Delivery segment includes revenue from partnerships related to the FDA-approved Extroducer®, an endovascular device that enables direct tissue or organ infusion to hard-to-reach organs and tumors.

Regenerative Medicines

The Regenerative Medicines segment includes the Group's offerings in new mRNA therapies and the development of stem cell therapy. Key areas include building a pipeline of stem cell-based therapies across multiple therapeutic areas, focusing on heart failure, Parkinson's disease, and Osteoarthritis.

The chief operating decision-maker primarily uses revenue and the performance measure operating profit, EBIT to assess segment results. The same accounting principles apply to the segments as to the Group, and no operating segments have been aggregated. Group-wide items include the Group's central functions.

01-01-2025 – 31-12-2025, TSEK	Targeted Delivery	Regenerative Medicines	Total segments	Group-wide items	Total Group
Revenue from external customers	–	19	**19**	–	**19**
Other operating income	320	749	**1,068**	178	**1,246**
Total operating income	**320**	**768**	**1,088**	**178**	**1,265**
Capitalized work for own use	28,990	–	**28,990**	–	**28,990**
Expenses for material	–19,971	–69,647	**–89,618**	–	**–89,618**
Other external expenses	–17,179	–43,891	**–61,070**	–48,992	**110,062**
Personnel expenses	–11,499	–53,946	**–65,445**	–37,255	**–102,700**
Depreciation and amortization	–2,267	–19,858	**–22,125**	–6,973	**–29,097**
Other operating expenses	–	–	**–**	–87	**–87**
Operating profit, EBIT	**–21,606**	**–186,574**	**–208,180**	**–93,129**	**–301,309**
Financial income				11,690	**11,690**
Financial expenses				–19,930	**–19,930**
Profit before tax				**–101,369**	**–309,549**

01-01-2024 – 31-12-2024, TSEK	Targeted Delivery	Regenerative Medicines	Total segments	Group-wide items	Total Group
Revenue from external customers	10,524	76,332	86,856	–	**86,856**
Other operating income	152	198	349	**59**	**408**
Total operating income	**10,676**	**76,530**	**87,205**	**59**	**87,264**
Capitalized work for own use	38,251	–	38,251	–	**38,251**
Expenses for material	–28,472	–31,917	–60,388	**–163**	**–60,552**
Other external expenses	–7,602	–29,721	–37,323	**–33,865**	**–71,188**
Personnel expenses	–15,893	–45,809	–61,703	**–32,765**	**–94,468**
Depreciation and amortization	–543	–17,269	–17,813	**–5,777**	**–23,590**
Other operating expenses	–	–1,888	–1,888	**–302**	**–2,189**
Operating profit, EBIT	**–3,584**	**–50,075**	**–53,658**	**–72,814**	**–126,472**
Financial income				**13,863**	**13,863**
Financial expenses				**–1,578**	**–1,578**
Profit before tax				**–60,529**	**–114,188**

Revenue from external customers by country, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Sweden	–	76,332
USA	19	10,524
Total	**19**	**86,856**

Non-current assets by geographic region, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Sweden	233,173	188,391
USA	–	–
Total	**233,173**	**188,391**

The reported amounts of external revenue are based on the location of the customers. No single customer accounted for more than 10% of revenue in 2025. Revenue of approximately SEK 76 million relates to a single external customer in 2024.

The reported carrying amounts of current assets are based on the location of the assets. Non-current assets in the table above comprise goodwill, other intangible assets, property, plant and equipment, and right-of-use assets.

5 Revenue

The Group's significant customer agreements consist of license and product sales agreements, license and research collaborating agreements and research services. For further details, refer no Note 2 Accounting policies.

01-01-2025 - 31-12-2025, TSEK	Targeted Delivery	Regenerative Medicines	Group-wide items	Total Group
Type of goods/services				
License revenue	–	–	–	–
Sales of development-related goods and services	–	19	–	19
Revenue	**–**	**19**	**–**	**19**

01-01-2025 - 31-12-2025, TSEK	Targeted Delivery	Regenerative Medicines	Group-wide items	Total Group
Geographical region				
Sweden	–	–	–	–
USA	–	19	–	19
Revenue	**–**	**19**	**–**	**19**

01-01-2024 - 31-12-2024, TSEK	Targeted Delivery	Regenerative Medicines	Group-wide items	Total Groupt
Type of goods/services				
License revenue	10,524	58,927	–	69,451
Sales of development-related goods and services	–	17,405	–	17,405
Revenue	**10,524**	**76,332**	–	**86,856**

01-01-2024 - 31-12-2024, TSEK	Targeted Delivery	Regenerative Medicines	Group-wide items	Total Group
Geographical region				
Sweden	–	76,332	–	76,332
USA	10,524	–	–	10,524
Revenue	**10,524**	**76,332**	**–**	**86,856**

Contract balances — unfulfilled

A contract asset is initially recognized for revenue from SmartCella's customer agreements at payment. Upon completion of the performance obligation and customer approval, the amount previously recognized as contract assets is reclassified to trade receivables. A contract liability is recognized when compensation from customer agreements has been invoiced, but revenue has not yet been earned.

Revenue recognized during the year, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
As included in the contract liability as of 1 January	–	69,734

6 Other operating income

TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Foreign exchange gains on trade receivables and trade payables	1,246	408
Other items	0	-0
Total	**1,246**	**408**

7 Auditor's fees

TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Öhrlings PricewaterhouseCoopers AB		
Audit services	1,280	1,500
Tax advisory services	35	–
Other services	3,034	–
Total	**4,349**	**1,500**
R3 Revisionsbyrå AB		
Audit services	–	48
Total	**–**	**48**

Audit services refers to the examination of the annual report and the accounting records, as well as the administration of the Board of Directors and the CEO. Other services refer to other duties that the company's auditor is required to perform, as well as advice or other assistance arising from observations made during the audit or in the course of performing such duties.

8 Employees and personnel expenses

	01-01-2025 –31-12-2025			01-01-2024 –31-12-2024		
Average number of employees	**Average number of employees**	**Of which women %**	**Of which men %**	**Average number of employees**	**Of which women %**	**Of which men %**
Parent company	14	41%	59%	11	41%	59%
Subsidiaries in:						
Sweden	62	68%	32%	56	56%	44%
USA	1	100%	–	2	100%	0%
Total in the Group	**77**	**63%**	**37%**	**68**	**45%**	**55%**

	31-12-2025			31-12-2024		
Gender distribution Board of Directors, and Executive Management	**Number at reporting date**	**Of which women %**	**Of which men %**	**Number at reporting date**	**Of which women %**	**Of which men %**
Board members	5	60%	40%	5	60%	40%
Cheif Executive Officer and other senior executives	9	56%	44%	9	44%	56%
Total in the Group	**14**	**57%**	**43%**	**14**	**50%**	**50%**

Note 8 cont.

Personnel expenses, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Parent Company		
Board of Directors, Chief Executive Officer, and equivalent senior executives		
Salaries and other compensatio	17,391	13,634
Social security contributions	4,867	3,363
Pension costs	2,812	2,159
Total	**25,070**	**19,156**
Other employees		
Salaries and other compensation	4,317	5,920
Social security contributions	3,894	4,516
Pension costs	1,742	1,583
Other personnel expenses	2,232	1,590
Total	**12,185**	**13,609**
Subsidiaries		
Board of Directors, Chief Executive Officer, and equivalent senior executives		
Salaries and other compensation	1,741	4,614
Social security contributions	635	1,225
Pension costs	361	648
Total	**2,737**	**6,487**
Other employees		
Salaries and other compensation	45,594	41,405
Social security contributions	8,300	6,277
Pension costs	7,236	6,113
Other personnel expenses	1,578	1,421
Total	**62,708**	**55,216**
Total in the Group	**102,700**	**94,468**

Remuneration to other employees includes fixed and variable salary, pension contributions, and other benefits.

Renemeration to the Chief Executive Officer and Executive Mangement

01-01-2025 –31-12-2025	Base salary and board fees	Variable remuneration	Pension cost	Other benefits	Total
Chairperson of the Board					
Christian Kinch	1,750	–	–	–	1,750
Board member					
Magnus Tornling	420	–	–	–	420
Regina Fritsche Danielson	–	–	–	–	–
Claude Dartiguelongue	420	–	–	–	420
Anna Martling	420	–	–	360	780
Cheif Executive Officer		–	–		
Niklas Prager	3,392	750	693	–	4,835
Other members of Executive Management (9 individuals)	11,586	405	2,480	3,000	17,470
Total	**17,988**	**1,155**	**3,173**	**3,360**	**25,675**

Note 8 cont.

01-01-2024 –31-12-2024	Base salary and board fees	Variable remuneration	Pension cost	Other benefits	Total
Chairperson of the Board					
Christian Kinch	1,433	–	–	–	1,433
Board member					
Magnus Tornling	308	–	–	–	308
Regina Fritsche Danielson	–	–	–	–	–
Claude Dartiguelongue	225	–	–	–	225
Anna Martling	225	–	–	180	405
Thomas von Koch	62	–	–	–	62
Cheif Executive Officer					
Niklas Prager	3,027	500	600	180	4,307
Other members of Executive Management (8 individuals)	9,760	364	2,207	1,962*	14,293
Total	**15,040**	**864**	**2,807**	**2,322**	**21,033**

*) The figures for 2024 have been revised compared with previously reported amounts.

Remuneration and terms for Executive Management

Remuneration to the Chief Executive Officer (CEO) and the Executive Management consists of fixed and variable salary, pension, and other benefits. Executive Management refers to individuals who are part of the Executive management team. Other compensation includes consultancy fees and other benefits. The Managing Director has a notice period of 12 months if termination is initiated by the Group, with severance pay equivalent to 12 months' fixed cash salary. If the Managing Director terminates the employment, the notice period is 6 months with no severance pay.

Share-based compensation arrangements

In 2025, a new long-term incentive program (LTIP 2025) was adopted through an issue of warrants to senior executives and key personnel. The warrants were acquired by the participants at market value, determined in accordance with the Black–Scholes model. The warrants entitle the holder to subscribe for shares in SmartCella, and the exercise price is SEK 120. During the period from 2022 to 2024, call options were issued by SmartCella Holding AB's principal shareholder, Swib Holding AB. The call option program is based on the market value of the options in accordance with the Black-Scholes model, taking into account factors such as duration, volatility, and strike price to ensure fair value. The program provides a limited number of employees within the Group, through Swib Holding AB, the opportunity to acquire shares in SmartCella Holding AB [(publ.)] from Swib Holding AB under certain conditions and within a specified timeframe. The table below shows the number of issued options. It should be noted that these options do not result in any dilution, as they are solely related to the acquisition of shares from Swib Holding AB. The call options were purchased by the participants at fair market value.

Number of shares in stock option-program subject to vesting conditions, TSEK	2025	2024
Outstanding as of January 1		**9,147**
Granted		5,457
Exercised		–
Outstanding as of December 31		**14,604**

The estimated fair value at each grant date was calculated using the Black–Scholes model. The following input data was used in the valuation model: the market value of SmartCella at the time of issue of the options, exercise price, terms (years), the risk-free interest rate, and volatility confirmed based on a subset of SmartCella peers.

9 Other operating expenses

Other operating expenses, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Impairment of prepaid material	–	–1,101
Capital loss on disposal of intangible assets	–	–196
Capital loss on disposal of tangible assets	–	–892
Exchange rate loss on operating receivables and operating liabilities	–87	–
Total	**–87**	**–2 189**

10 Financial income

Other financial income TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Interest income	8,416	7,650
Foreign exchange gain on cash and cash equivalents	3,274	6,213
Total	**11,690**	**13,863**

11 Financial expenses

Other financial expenses TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Interest expenses	–37	–57
Foreign exchange loss on cash and cash equivalents	–18,351	–
Interest expenses on lease liabilities	–1,542	–1,521
Total	**–19,930**	**–1,578**

12 Tax

Current tax, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Current tax on profit for the year	–87	–98
Adjustments related to previous years	–	–
Total current tax	**–87**	**–98**
Deferred tax		
Deferred tax on temporary differences	189	106
Deferred tax on tax loss carryforwards	–189	–
Total deferred tax	**–**	**106**
Reported tax in the income statemet	**–87**	**8**

Reconciliation of effective tax rate, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Profit before tax	**–309,549**	**–114,188**
Tax at applicable tax rate for the parent company (20.6%)	63,767	23,523
Tax effects of:		
Different tax rates for foreign subsidiaries	–7	572
Non-taxable income	2	–7,902
Non-deductible expenses	–655	–149
Increase in tax loss carryforwards without recognition of deferred tax	–63,194	–16,035
Reported tax	**–87**	**8**
Effective tax rate	0.0%	0.0%

Disclosure of Deferred Tax Assets and Liabilities

The tables below present the tax effects of temporary differences.

Deferred tax assets	Tax loss carryforwards	Lease liabilities	Total
Opening carrying amount as of 1 January 2024	**9,828**	**7,648**	**17,476**
Recognized:			
In profit or loss	–9,828	–618	–10,446
Closing carrying amount as of 31 December 2024	**–**	**7,030**	**7,030**

Deferred tax liability	Contract liabilities	Right-of-use assets	Total
Opening carrying amount as of 1 January 2024	**–10,047**	**–7,429**	**–17,476**
Recognized:			
In profit or loss	10,047	399	10,446
Closing carrying amount as of 31 December 2024	**–**	**–7,030**	**–7,030**

Deferred tax assets	Tax loss carryforwards	Lease liabilities	Total
Opening carrying amount as of 1 January 2025	**–**	**7,030**	**7,030**
Recognized:			
In profit or loss	–359	170	–189
Closing carrying amount as of 31 December 2025	**–359**	**7,200**	**6,841**

Deferred tax liability	Contract liabilities	Right-of-use assets	Total
Opening carrying amount as of 1 January 2025	**–**	**–7,030**	**–7,030**
Recognized:			
In profit or loss	–84	273	189
Closing carrying amount as of 31 December 2025	**–84**	**–6,757**	**–6,841**

Deferred tax, net	31-12-2025	31-12-2024
In the statement of financial position, the following are presented:		
Deferred tax assets, net	6,841	7,030
Deferred tax liabilities, net	–6,841	–7,030

There are tax loss carryforwards for which deferred tax assets have not been recognized in the statement of financial position, amounting to 479, 929 TSEK, (195,976) per 31 december 2024. These have no expiration date. Deferred tax assets have not been recognized for these items as it is not probable that the Group will utilize them for offsetting against future taxable profits.

13 Earnings per share

Earnings per share, SEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Loss for the year	–309,635,521	–114,179,501
Weighted average number of ordinary shares outstanding*	67,660,000	63,678,579
Earnings per share before dilution (SEK)	–4.58	–1.79
Earnings per share after dilution (SEK)	–4.58	–1.79

*) Adjusted retrospectively for the share split decided by the extraordinary general meeting on May 23, 2025. The resolution of the meeting meant that one existing share was split into 500 shares. Following the share split , the total number of shares in SmartCella Holding AB amounted to 67,660,000 shares.

The call option program does not generate any dilution, as no additional shares are to be issued under that program.

14 Group companies

The parent company, SmartCella Holding AB, holds direct and indirect subsidiaries that are included in the consolidated financial statements, as shown in the table below:

			Ownership/voting rights	
Company	**Registration number**	**Domicile**	**31-12-2025**	**31-12-2024**
SmartCella Holding AB	559171-6393	Stockholm, Sweden	Parent company	Parent company
SmartCella Solutions AB	559352-0330	Stockholm, Sweden	96%	94%
Procella Therapeutics AB	559036-4609	Stockholm, Sweden	100%	100%
Smartwise Sweden AB	556991-4210	Stockholm, Sweden	100%	100%
SmartCella Inc	320758850	New Castle County, Delaware	100%	100%

			Carrying amount (TSEK)	
Company	**Registration number**	**Domicile**	**31-12-2025**	**31-12-2024**
SmartCella Holding AB	559171-6393	Stockholm, Sweden	Parent company	Parent company
SmartCella Solutions AB	559352-0330	Stockholm, Sweden	86,891	86,623
Procella Therapeutics AB	559036-4609	Stockholm, Sweden	430,793	245,793
Smartwise Sweden AB	556991-4210	Stockholm, Sweden	217,722	132,722
SmartCella Inc	320758850	New Castle County, Delaware	104	104
			735,511	**465,243**

15 Goodwill

TSEK	Goodwill
Opening balance January 1, 2024	**5,993**
Business combinations	–
Closing balance December 31, 2024	**5,993**
Business combinations	–
Closing balance December 31, 2025	**5,993**

Carrying amount	
As of January 1, 2024	5,993
As of December 31, 2024	5,993
As of December 31, 2025	5,993

Goodwill by segment

TSEK	Targeted Delivery	Regenerative Medicines	Total Group
31-12-2025	4,827	1,166	5,993
31-12-2024	2,397	3,596	5,993

Following a remeasurement of the Group's cash-generating units, a reallocation of goodwill between segments has been carried out during the year.

Key assumptions: Discount rate (WACC)		
31-12-2025	12.5%	12.5%
31-12-2024	12.6%	12.6%
Key assumptions: Terminal growth beyond forecast period		
31-12-2025	2.0%	2.0%
31-12-2024	2.0%	2.0%

The Group's total goodwill of 5,993 TSEK (5,993) arose from the acquisition of subsidiaries. Goodwill is monitored and allocated per segment, namely Targeted Delivery and Regenerative Medicines. Within these segments, it is possible to identify separate cash flows, upon which the impairment testing is conducted for the subsidiaries associated with the respective segments (cash-generating units and their respective carrying amounts). The impairment test assesses whether the cash-generating unit's recoverable amount is higher than its carrying amount. The recoverable amount has been calculated based on the unit's value in use, which represents the present value of the unit's expected future cash flows. These calculations are based on estimated cash flows derived from financial budgets covering a ten-year period. The budget and cash-flow predictions for the ten-year period are in accordance with the long-term plan adpoted by the Board of Directors. Cash flows beyond the ten-year period are extrapolated using an assessed growth rate. The calculations do not indicate any impairment requirement, and a sensitivity analysis shows that changes in key assumptions would not result in an impairment requirement for any of the years 2024 to 2025. The key assumptions are the pre-tax discount rate and growth projections.

Sensitivity analysis

A comprehensive sensitivity analysis of the variables used in the valuation model has been conducted for each cash-generating unit. The analysis considers an increase in the discount rate and a reduction in the growth assumption. The following assumptions have been tested separately for the period 2024–2025:

- A decrease in the growth rate beyond the explicit forecast period by –1 percentage point.
- An increase in the discount rate by +1 percentage point. The results of the sensitivity analysis indicate that no impairment requirement exists for the surplus values associated with each cash-generating unit (segment).

16 Intangible assets

Intangible non-current assets in the Group consist of internally generated intangible assets as well as acquired intangible rights, patents, and licenses which are recognized at cost less accumulated depreciation and have an estimated useful life of 10 years. The internally generated intangible assets relate to the development of Extroducer® and expenditures have been capitalized in accordance with the capitalization criteria starting after approval from the US FDA had been obtained.

Accumulated cost, TSEK	Intangible rights, patents and licenses	Internally generated intangible assets	Total intangible assets
Opening balance January 1, 2024	**70,015**	**47,020**	**117,035**
Internally generated	–	38,251	38,251
Investments for the year	3,522	–	3,522
Closing balance December 31, 2024	**73,537**	**85,271**	**158,808**
Internally generated	–	28,990	28,990
Investments for the year	31,276	–	31,276
Closing balance December 31, 2025	**104,812**	**114,261**	**219,073**
Accumulated amortization, TSEK			
Opening balance January 1, 2024	**–53,191**	–	**–53,191**
Amortization for the year	–4,229	–	–4,229
Closing balance December 31, 2024	**–57,421**	–	**–57,421**
Amortization for the year	–5,749	–952	–6,701
Closing balance December 31, 2025	**–63,170**	**–952**	**–64,122**
Carrying amount			
As of December 31, 2024		85,271	101,387
As of December 31, 2025		113,308	154,951

Research and development expenses

Research and development expenses that do not meet the criteria for recognition as an intangible asset are expensed in the period they are incurred. Total research and development expenses for the year amount to 103,222 TSEK (22,944), which have been reported under Expenses for material and Other external expenses in the Group's income statement.

17 Property, plant and equipment

Property, plant and equipment in the Group consist of leasehold improvements, machinery, and equipment, which are recognized at cost less accumulated depreciation and have an estimated useful life of 5 years.

Accumulated cost, TSEK	Leasehold improvements	Machinery and other technical equipment	Fixtures, tools, and installations	Total property, plant and equipment
Opening balance January 1, 2024	**35,577**	**35,425**	**2,463**	**73,465**
Investments for the year	–	6,200	1,462	**7,662**
Reclassifications	–35,577	–	35,476	**–102**
Disposals	–	–572	–1,092	**–1,663**
Closing balance December 31, 2024	**–**	**41,053**	**38,308**	**79,362**
Investments for the year		9,565	338	**9,903**
Closing balance December 31, 2025	**–**	**50,618**	**38,646**	**89,265**
Accumulated depreciation, TSEK				
Opening balance January 1, 2024	**–6,112**	**–14,156**	**–764**	–21,032
Depreciation for the year		–3,665	–9,976	**–13,642**
Reclassifications	6,112	–6,112	–2,563	**–2,563**
Disposals		3,009	97	**3,107**
Closing balance December 31, 2024	**–**	**–20,924**	**–13,206**	**–34,130**
Depreciation for the year	–	–14,516	–941	**–15,457**
Reclassifications	–	–	–	**–**
Disposals	–	–	–248	**–248**
Closing balance December 31, 2025	**–**	**–35,440**	**–14,395**	**–49,835**
Carrying amount				
As of December 31, 2024	–	**20,129**	**25,103**	**45,232**
As of December 31, 2025	**–**	**15,178**	**24,252**	**39,430**

18 Leases of premisesl

The Group's right-of-use assets relate entirely to rental leases. The table below presents the Group's closing balances for right-of-use assets and lease liabilities, as well as changes during the year.

Accumulated cost, TSEK	Right-of-use assets
Opening balance January 1, 2024	**45,896**
New agreements for the year	3,732
Closing balance December 31, 2024	**49,628**
Revaluations	1,318
Closing balance December 31, 2025	**50,945**
Accumulated depreciation, TSEK	
Opening balance January 1, 2024	**–8,129**
Depreciation for the year	–5,719
Closing balance December 31, 2024	**–13,848**
Depreciation for the year	–6,939
Revaluations	2,641
Closing balance December 31, 2025	**–18,145**
Carrying amount	
As of December 31, 2024	35,780
As of December 31, 2025	32,800

Lease liabilities, TSEK	31-12-2025	31-12-2024
Current	6,600	6,415
Non-current	27,721	29,426
Total	**34,320**	**35,841**

Amounts related to lease operations recognized in the Group's statement of profit or loss, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Depreciation of right-of-use assets	6,939	5,719
Interest expenses on lease liabilities	1,542	1,524
Expense related to short-term leases	480	80
Expense related to low-value leases	-	-
Total expenses related to lease operations	**8,961**	**7,323**

SmartCella reports a cash outflow related to lease agreements amounting to 2,619 TSEK and 513 TSEK 2024. Numbers for 2024 have been revised compared with previously reported amounts.

For a maturity analysis of the Group's lease liabilities, see Note 20 Financial risks.

19 Financial instruments

Measurement of financial assets and liabilities as of December 31, 2025

Financial assets, TSEK	Note	Financial instruments measured at amortised cost	Total carrying amount
Short-term investments		–	
Cash and cash equivalents	22	240,045	240,045
Total		**240,045**	**240,045**
Financial liabilities, TSEK			
Trade payables		16,790	16,790
Accrued expenses[1)]	25	31,235	31,235
Total		**48,025**	**48,025**

[1)] Refers to accrued expenses, excluding accrued personnel costs.

Measurement of financial assets and liabilities as of December 31, 2024

Financial assets, TSEK	Note	Financial instruments measured at amortised cost	Total carrying amount
Short-term investments		287,139	287,139
Cash and cash equivalents	22	273,157	273,157
Summa		**560,296**	**560,296**
Financial liabilities, TSEK			
Trade payables		19,855	19,855
Accrued expenses[1)]	25	12,866	12,866
Total		**32,721**	**32,721**

[1)] Refers to accrued expenses, excluding accrued personnel costs.

The Group has no financial assets or liabilities that have been offset in the financial statements or that are subject to a legally binding netting agreement. The maximum credit risk of the assets corresponds to the net amounts of the recognized values in the tables above. The Group has not received any pledged collateral for the financial net assets.

Disclosure of fair value

Current receivables and liabilities

For current receivables and liabilities, such as trade receivables and trade payables, the carrying amount is considered a reasonable approximation of fair value.

20 Financial risks

The Group's results, financial position, and cash flow are affected by both changes in the external environment and the Group's own actions. The risk management process aims to clarify and analyze the risks the company faces and, as far as possible, prevent and mitigate potential negative effects.

The Group is exposed to various types of financial risks through its operations, including credit risk, market risks, liquidity risk, and refinancing risk. The CEO and CFO have overall responsibility for the Group's risk management, including financial risks. Risk management involves identifying, assessing, and evaluating the risks the Group is exposed to. Priority is given to risks that, based on an overall assessment of potential impact, probability, and consequences, are deemed to have the most negative effect on the Group. The Group's overarching goal for financial risk management is to always maintain an updated overview of key risks, including a proactive action plan.

Credit risk

Credit risk is the risk that the Group's counterparty in a financial instrument is unable to fulfill its obligation, thereby causing the Group a financial loss. The Group currently has no material trade receivables, but looking forward, the Group's credit risk is primarily associated with trade receivables. The Group assesses credit risk exposure at each reporting date, taking into account forward-looking factors.

Trade receivables (simplified method for credit loss reserves)

The Group has a high concentration of credit risk, as trade receivables and contract assets have historically been attributable to a limited number of customers, all of whom have a very strong credit rating. The Group has established guidelines to ensure that agreements are made with customers with an appropriate credit background. Payment terms are generally 30 days. Historical credit losses have been to an insignificant amount in relation to the Group's revenue.

Cash and cash equivalents (general method for credit risk reserve)

Cash and cash equivalents amounting to 240,045 TSEK (560,296 TSEK 2024) are placed with well-reputed Swedish financial institutions (SEB) and consist of cash deposits as well as a minor portion in 6- and 12-month fixed-interest accounts. The Group's analysis indicates that the credit risk associated with cash and cash equivalents is insignificant, and therefore, no credit risk reserve is recognized.

Credit risk exposure and credit risk concentration

The Group's credit risk exposure consists of trade receivables and cash and cash equivalents. As of the end of 2025, the Group has no trade receivables. Going forward, trade receivables are expected to be concentrated among a few large customers.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risks are divided into three types: currency risk, interest rate risk, and other price risks. The market risks affecting the Group mainly consist of currency risk, which overall is assessed to be low.

Currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risks arise from the translation of foreign operations' assets and liabilities into the Parent Company's functional currency, known as translation exposure. A significant portion of the Group's sales and purchases are also conducted in foreign currencies, known as transaction exposure. The company currently has no material trade receivables, and the majority of its cost base is in SEK, which is why this risk is generally assessed as low.

Sensitivity analysis, impact in TSEK from currency positions in EUR

	Delta EUR (%)	Equity
2024	–5%	–567
	0%	0
	5%	567
2025	–5%	–6,605
	0%	0
	5%	6,605

Sensitivity analysis, impact in TSEK from currency positions in USD

	Delta USD (%)	Equityl
2024	–5%	–343
	0%	0
	5%	343
2025	–5%	–890
	0%	0
	5%	890

Liquidity risk and refinancing risk

Liquidity risk is the risk that a company will encounter difficulty in fulfilling obligations related to financial liabilities that are settled with cash or other financial assets. The Group's operations are primarily financed through equity. The Group manages liquidity risk through continuous monitoring of operations, where it regularly forecasts future cash flows based on various scenarios to ensure that financing is secured in a timely manner. Available liquid assets and rolling cash flow forecasts for 12 months and up to 3 years are key parameters that the CFO and CEO continuously assess. As of year-end 2025, SmartCella is well-capitalized with 240,045 TSEK in available liquid assets and short-term investments.

The company currently has no external financial debt with credit institutions, and refinancing risk is linked to the potential future need to raise liquid funds through new share issues. The company has demonstrated the ability to execute this under favorable conditions and raised 567,327 TSEK in liquid funds through a new share issue during 2024.

The Group's contractual and undisounted interest payments and repayments of financial liabilities are shown in the table below.

	31-12-2025			
Maturity analysis	**<6 months**	**6–12 months**	**1–5 år**	**Total**
Lease liabilities	2,746	3,854	27,721	**34,321**
Other current liabilities	40,045	10,332	–	**50,377**
Trade payables	16,790	–	–	**16,790**

	31-12-2024			
Maturity analysis	**<6 months**	**6–12 months**	**1–5 år**	**Total**
Lease liabilities	3,325	3,091	29,426	**35,841**
Other current liabilities	13,560	18,079	–	**31,640**
Trade payables	19,855	–	–	**19,855**

Capital management

The Group's objective regarding capital structure is to safeguard its ability to continue operations so that it can generate returns for shareholders and benefits for other stakeholders while maintaining an optimal capital structure to keep the cost of capital low. To maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt. The business has been financed through generated earnings from future successful research and development activities, product sales, and new share issuances. Equity is therefore considered the Group's capital.

21 Prepaid expenses and accrued income

TSEK	31-12-2025	31-12-2024
Prepaid expense for research study	1,893	6,332
Prepaid material	1,286	4,898
Accrued interest income	3,232	1,704
Other prepaid expenses	–	2,809
Carrying amount	**6,411**	**15,742**

22 Cash and cash equivalents

TSEK	31-12-2025	31-12-2024
Availiable bank deposits	240,045	273,157
Carrying amount	**240,045**	**273,157**

23 Equity

Share capital

The registered share capital of 677 TSEK consists of 135,320 shares. SmartCella Holding AB [(publ.)] has only one share class, where all shares have equal voting rights. The quota value of the shares is 0,01 kr.

At the extraordinary general meeting held on 23 May 2025, it was resolved to subdivide each existing share into 500 shares. Following the share split, the total number of shares in SmartCella Holding AB amounted to 67,660,000 shares.

In 2024, a new share issue was carried out, adding 567,327 TSEK in new capital to SmartCella through the issuance of 12,443 new shares. Translation reserves consist of exchange rate differences from foreign operations that prepare their financial statements in a functional currency different from the currency in which the Group's financial statements are presented. Other equity including profit for the year consists of retained earnings and profit for the year.

TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Number of outstanding shares at the beginning of the year	**135,320**	**122,877**
Share split	67,524,680	–
New share issue	–	12,443
Number of outstanding shares at the end of the year	**67,660,000**	**135,320**

24 Long-term incentive programs

Employee stock option programs

Incentive program 2025

In July 2025, the extraordinary general meeting resolved to adopt a new long-term incentive program (LTIP 2025) through an issue of up to 1,325,000 warrants to senior executives and key personnel, corresponding to a potential conversion into 1,325,000 shares. The warrants were acquired by the participants at market value and, accordingly, no share-based payment expense has been recognised in the income statement. The premium paid for the warrants has been recognised as Other contributed capital within equity. The warrants entitle the holder to subscribe for shares in SmartCella, and the exercise price of the warrants is SEK 120. The fair value at the grant date was calculated using the Black–Scholes model, taking into account the terms and conditions prevailing at the time of grant. The warrants vest over a period of two years, with one-eighth of the total number of warrants vesting each quarter. The fair value of the warrants was estimated at the grant date based on the following assumptions:

- Price per underlying share: SEK 92 (based on the most recent valuation round of SmartCella)
- Exercise price: SEK 120
- Cap: 225% of the current price per underlying share
- Term: 2 years
- Risk-free interest rate: 1.8%
- Expected volatility: 35

Classification under IFRS 2

The program is classified as an equity-settled share-based payment. The fair value is determined at the grant date and is based on the Black–Scholes model.

Movement in the number of options

Event	Number	Weighted average fair value per option (SEK)
Outstanding at the beginning of the year	–	–
Granted during the year	698,750	9.30
Outstanding at the end of the year	**698,750**	

25 Accrued expenses

TSEK	31-12-2025	31-12-2024
Accrued personnel expenses	7,376	12,148
Accrued consulting expenses	21,398	3,826
Other items	9,837	9,041
Total accrued expenses	**38,611**	**25,014**

26 Cash flow statement

Adjustments for differences between profit before tax and net cash flow, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Depreciation and amortization	29,097	23,590
Other adjustments	–2,833	2,445
Total	**26,264**	**26,035**

Other adjustments refer to items related to disposals of non-current assets as well as items of a financial nature.

Changes to liabilities related to financing activities

	01-01-2025	Cash flow from financing activities	Changes not affecting cash flow: New and amended leases	31-12-2025
Lease liabilities	35,841	–1,438	–83	34,320
Total liabilities related to financing activities	**35,841**	**–1,438**	**–83**	**34,320**

	01-01-2024	Cash flow from financing activities	Changes not affecting cash flow: New and amended leases	31-12-2024
Lease liabilities	37,212	–5,719	4,348	35,841
Total liabilities related to financing activities	**37,212**	**–5,719**	**4,348**	**35,841**

27 Related parties

SmartCella Holding AB is 54,3% owned by SWIB Holding AB.

A list of the Group's subsidiaries, which are also related parties to the parent company, is provided in Note 14 Group companies. All transactions between SmartCella Holding AB and its subsidiaries have been eliminated in the consolidated financial statements. For further information on related parties of the Parent Company, please refer to Note 17 Related Parties.

For information on remuneration to key management personnel, see Note 8 Employees and personnel expenses. SmartCella's other transactions with related parties primarily consist of companies owned by the principal shareholders of the Group's parent company.

SmartCella's other related party transactions primarily comprise transactions with companies owned by the principal owners of the Group's parent company.

TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Companies within the parent company's group or owned by its principal shareholders		
Purchase of goods/services	10,746	8,309
Liability at the balance sheet date	394	626
	11,140	**8,935**
Companies owned by board members or key management personnel		
Purchase of goods/services	2,056	6,272
Liability at the balance sheet date	202	585
Total purchases	**12,803**	**14,581**
Total liabilities	**596**	**1,211**

28 Events after the balance sheet date

Following a thorough analysis of where SmartCella can have the greatest positive impact on healthcare, create the most commercial value, and at the same time maintain a balanced business risk profile, we have decided to increase our strategic focus on the Extroducer® technology. The Company believes this represents the best path to increasing revenues, maximizing shareholder value, and contributing to solving the challenge of targeted delivery in modern medicine. This assessment is supported by the strong interest and positive development we are seeing for the Extroducer® technology among partners worldwide. As a result of this strategic shift, SmartCella has decided to divest ProCella Therapeutics AB, including the cell therapy programmes SMART01 and SMART02, as well as the GMP facility in Tullinge. This reduces the risks in the business model from both a financial and overall risk perspective, while significantly lowering the cost base and bringing SmartCella closer to a cash flow break-even position.

In early April 2026, SmartCella entered into a non-exclusive agreement with Oloker, a biotech company developing proprietary cardiac cell therapies about to enter clinical stage development. This partnership validates the Extroducer®'s relevance in cutting-edge drug delivery.

Parent company income statement

TSEK	Note	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Net sales	3	45,606	27,629
Other operating income		113	59
Total operating income		**45,719**	**27,687**
Operating expenses			
Expenses for material		–	–163
Other external expenses	4	–54,431	–35,304
Personnel expenses	5	–37,255	–32,765
Depreciation and amortization	9	–34	–58
Other operating expenses		–	–302
Operating profit, EBIT		**–46,001**	**–40,905**
Finance income and expenses			
Financial income	6	9,351	9,775
Financial expenses	7	–19,806	–15
Profit after financial items		**–56,456**	**–31,145**
Appropriations			
Group contribution received		–	2,585
Income tax	8	–	–
Loss for the year		**–56,456**	**–28,559**

Parent company statement of comprehensive income

TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Loss for the year	**–56,456**	**–28,559**
Other comprehensive income		–
Total comprehensive loss for the year	**–56,456**	**–28,559**

Parent company statement of financial position

TSEK	Note	31-12-2025	31-12-2024
ASSETS			
Non-current assets			
Property, plant and equipment	9	102	136
Investments in group companies	11	735,511	465,243
Total non-current assets		**735,613**	**465,379**
Current assets			
Trade receivables		–	–
Receivables from group companies	10	100,656	124,253
Income tax receivables		674	300
Prepaid expenses	10,12	907	3,897
Other receivables		543	1,204
Short-term investments	10	–	287,139
Cash and cash equivalents	10,13	239,839	233,221
Total current assets		**342,618**	**650,014**
TOTAL ASSETS		**1,078,231**	**1,115,393**
EQUITY AND LIABILITIES			
Equity	14		
Share capital		677	677
Free share premium reserve		1,138,773	1,132,275
Retained earnings including loss for the year		–93,250	–36,794
		1,046,200	**1,096,158**
Total equity		**1,046,200**	**1,096,158**
Current liabilities			
Accounts payable	10	5,937	4,648
Liabilities to group companies	10	–	4,887
Accrued expenses	10,15	19,237	7,162
Other liabilities		6,857	2,538
Total current liabilitie		**32,031**	**19,235**
TOTAL EQUITY AND LIABILITIES		**1,078,231**	**1,115,393**

Parent company statement of changes in equity

	Restricted equity	Unrestricted equity		
TSEK	**Share capital**	**Free share premium reserve**	**Retained earnings including loss for the year**	**Total equity**
Opening equity 01-01-2024	**61**	**565,563**	**–8,234**	**557,390**
Appropriation of the previous year's result	–	–	–	–
Loss for the year	–	–	–28,559	–28,559
Total comprehensive income for the year	**–**	**–**	**–28,559**	**–28,559**
Transactions with owners of the Partent Company				
Bonus issue	615	–615	–	–
New share issue	–	574,227		574,227
Costs related to new share issue	–	–6,900	–	–6,900
Total	**615**	**566,712**	–	**567,327**
Closing equity 31-12-2024	**677**	**1,132,275**	**–36,794**	**1,096,158**
Opening equity 01-01-2025	**677**	**1,132,275**	**–36,794**	**1,096,158**
Appropriation of the previous year's result	–	–	–	–
Loss for the year	–	–	–56,456	–56,456
Total comprehensive income for the year	**–**	**–**	**–56,456**	**–56,456**
Transactions with owners of the Partent Company				
Issuance of warrants	–	6,498		6,498
Total	**–**	**6,498**	**–**	**6,498**
Closing equity 31-12-2025	**677**	**1,138,773**	**–93,250**	**1,046,200**

Parent company statement of cash flows

TSEK	Note	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Operating activities			
Operating profit, EBIT		–46,001	–40,905
Adjustments for non-cash items	16	34	–0
Interest received	6	3,951	6,233
Interest paid		–19	–15
Income tax paid		–373	–
Cash flow from operating activities before changes in working capital		**–42,409**	**–34,688**
Cash flow from changes in working capital			
Change in trade and other receivables		27,248	–80,514
Change in trade and other payables		12,796	–933
Cash flow from changes in working capital		**40,405**	**–81,447**
Cash flow from operating activities after changes in working capital		**–2,365**	**–116,135**
Investing activities			
Change in short-term investments		287,139	–207,139
Interest received from short-term investments		4,458	
Acquisition of property, plant and equipment	9	–	–249
Disposal of property, plant and equipment	9	–	341
Cash flow from investing activities		**291,597**	**–207,046**
Financing Activities			
New share issue		–	567,327
Issuance of warrants		6,498	–
Acquisition of shares in subsidiaries		–	–104
Received shareholder contributions		–	2,585
Repayment of shareholder contributions		–270,268	–35,000
Cash flow from financing activities		**–263,770**	**534,808**
Cash flow for the year		**25,462**	**211,627**
Cash and cash equivalents at the beginning of the period		233,221	18,031
Exchange rate differences in cash and cash equivalents		–18,844	3,563
Cash and cash equivalents at the end of the year	**13**	**239,839**	**233,221**

Parent company notes

1 Accounting policies

The Parent Company prepares its financial statements in accordance with the Swedish Annual Accounts Act (1995:1554) and the recommendation RFR 2 Accounting for Legal Entities, issued by the Swedish Corporate Reporting Board. The Parent Company applies the same accounting policies as the Group, with the exceptions and additions specified in RFR 2. This means that IFRS is applied with the deviations stated below. The accounting policies specified below have been applied consistently to all periods presented in the Parent Company's financial statements unless otherwise stated.

Presentation

The income statement and balance sheet for the Parent Company are presented in accordance with the format required by the Swedish Annual Accounts Act, while the statement of comprehensive income, statement of changes in equity, and statement of cash flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

Leases

The rules for accounting for lease agreements under IFRS 16 are not applied in the Parent Company, in accordance with the exemption in RFR 2. This means that lease payments are recognized as an expense on a straight-line basis over the lease term, and that right-of-use assets and lease liabilities are not included in the Parent Company's balance sheet. The identification of a lease agreement is performed in accordance with IFRS 16, meaning that an agreement is, or contains, a lease if it conveys the right to control the use of an identified asset for a specified period in exchange for consideration.

Investments in group companies

Investments in group companies are recognized in the Parent Company in accordance with the cost method. This means that transaction costs are included in the recognized value of the investment.

If the carrying amount exceeds the Group's consolidated value, an impairment is recognized in the income statement. An impairment review is performed at the end of each reporting period. If a previously recognized impairment is no longer justified, it is reversed. Assumptions are made about future conditions to estimate future cash flows that determine the recoverable amount. The recoverable amount is compared to the carrying amount of these assets and serves as a basis for possible impairments or reversals. The key assumptions affecting recoverable amount are future financial performance, discount rate, and useful life. If future market conditions or circumstances change, these assumptions may be adjusted, impacting the recognized values of the Parent Company's assets.

Shareholder contributions and group contributions

The Parent Company recognizes both received and paid group contributions as appropriations in accordance with the alternative rule. Paid shareholder contributions are recognized directly against equity in the recipient's accounts and recorded as shares and investments in the Parent Company. Received shareholder contributions are recognized as an increase in unrestricted equity.

Financial instruments

The Parent Company applies the exemption from IFRS 9 Financial Instruments for legal entities and instead applies the cost method in accordance with the Swedish Annual Accounts Act (ÅRL). Consequently, financial non-current assets in the Parent Company are measured at cost, while financial current assets are measured at the lower of cost or market value, with impairment for expected credit losses applied in accordance with IFRS 9 for assets classified as debt instruments.

Impairment of financial assets

Financial assets, including intra-group receivables, shall be written down for expected credit losses. For methods related to impairment of expected credit losses, see Note 20 Financial risks in the consolidated financial statements. Expected credit losses for intra-group receivables are estimated using a rating-based method where the creditworthiness of group companies is assessed.

2 Significant estimates and judgments

No significant estimates or judgments have been made in the preparation of the Parent Company's financial statements.

The valuation of shares in subsidiaries is an area that involves judgements and/or uncertainties for the Parent Company, in addition to the applicable critical accounting policies and key sources of estimation uncertainty presented by the Group.

3 Revenue

The Parent Company's revenue primarily relates to intragroup services based on contracts within the Group, in accordance with market terms.

Type of gooods/service, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Management fee, intra-group service	45,606	27,629
Research services	–	–
Revenue	**45,606**	**27,629**

Geographical region, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Sweden	45,606	27,629
Revenue	**45,606**	**27,629**

4 Auditor's fees

Öhrlings PricewaterhouseCoopers AB, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Audit services	842	1,174
Other services	3,034	–
Total	**3,876**	**1,174**

R3 Revisionsbyrå AB, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Audit services	–	48
Total	**–**	**48**

Statutory audit refer to the audit of the annual report and accounting, as well as the management of the Board of Directors and the CEO. Other audit-related services refer to additional tasks that the company's auditor is responsible for performing, as well as advisory services or other assistance arising from observations during the audit or execution of such tasks.

5 Employees and personnel expenses

For salaries and remuneration to employees and senior executives, as well as information on the number of employees, see the Group's Note 8 Employees and personnel expenses.

6 Financial income

Other financial income, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Interest income on cash and cash equivalents	3,951	6,233
Interest income on short-term investmentst	4,458	–
Foreign exchange gain on cash and cash equivalents	943	3,543
Total	**9,351**	**9,775**
Total financial income	**9,351**	**9,775**

7 Financial expensese

Other financial expenses, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Interest income	–19	–15
Foreign exchange loss on cash and cash equivalents	–19,787	–
Total	**–19,806**	**–15**

8 Tax

TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Current tax	–	–
Change in deferred tax related to temporary differences	–	–
Reported tax	**–**	**–**

Reconciliation of effective tax rate, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Profit before tax	**-56,456**	**–28,559**
Tax according to the applicable tax rate for the Parent Company 20.6%	11,630	5,883
Tax effect of:		
Non-taxable income	0	0
Non-deductible expenses	–265	–128
Increase in tax loss carryforwards without recognition of deferred tax	–11,365	–5,755
Reported tax	**–**	**–**
Effective tax rate	0%	0%

9 Property, plant and equipment

Property, plant and equipment consist of equipment, tools, and installations, which are recognized at cost less accumulated depreciation and have an estimated useful life of 5 years.

Acquisition cost, TSEK	31-12-2025	31-12-2024
Opening balance	**169**	**262**
Investments for the year	–	249
Disposals	–	–341
Closing balance	**169**	**169**
Accumulated depreciation		
Opening balance	**–34**	**–15**
Depreciation for the year	–34	–58
Disposals	–	40
Closing balance	**–68**	**–34**
Closing carrying amount	**102**	**136**

10 Financial instruments

Financial assets, TSEK	Not	31-12-2025	31-12-2024
Accounts receivable		–	–
Receivables from group companies		100,656	124,253
Other short-term investments		–	287,139
Cash and cash equivalents		239,839	233,221
Accrued income	12	–	2,470
Total		**340,494**	**647,083**
Financial liabilities			
Accounts payable		5,937	4,648
Liabilities to group companies		–	4,887
Accrued expenses	15	19,237	7,162
Total		**25,714**	**16,697**

Fair value disclosures

Short-term receivables and liabilities

For current receivables and liabilities, such as accounts receivable and accounts payable, the carrying amount is considered a reasonable approximation of fair value.

Financial risks

See the Group's Note 20 Financial risks regarding disclosures on the Group's exposure and management of financial risks.

Receivables from group companies (general method for loss allowance)

SmartCella's analysis indicates that the loss allowance for receivables from group companies is insignificant, and therefore no credit risk provision is recognized.

11 Investments in group companies

TSEK	31-12-2025	31-12-2024
Opening acquisition cost	**465,243**	**430,139**
Acquisitions/shareholder contributions	270,268	35,104
Disposals	–	–
Closing acquisition cost	**735,511**	**465,243**

The following list includes shares and participations directly owned by the Parent Company

Company	Registration number	Domicile	Ownership/ voting rights	Number of shares
SmartCella Solutions AB	559352-0330	Stockholm, Sweden	96%	96%
Procella Therapeutics AB	559036-4609	Stockholm, Sweden	100%	100%
Smartwise Sweden AB	556991-4210	Stockholm, Sweden	100%	100%
SmartCella Inc	320758850	New Castle County, Delaware	100%	100%

	Reported equity	
Company, TSEK	**31-12-2025**	**31-12-2024**
SmartCella Solutions AB	10,296	34,225
Procella Therapeutics AB	15,762	26,168
Smartwise Sweden AB	63,051	2,489
SmartCella Inc	464	564
Closing carrying amount	**89,573**	**63,447**

	Carrying amount of investments in Group companies	
Company, TSEK	**31-12-2025**	**31-12-2024**
SmartCella Solutions AB	86,891	86,623
Procella Therapeutics AB	430,793	245,793
Smartwise Sweden AB	217,722	132,722
SmartCella Inc	104	104
Closing carrying amount	**735,511**	**465,243**

	Reported profit	
Company, TSEK	**31-12-2025**	**31-12-2024**
SmartCella Solutions AB	–23,929	–21,483
Procella Therapeutics AB	–195,406	–18,335
Smartwise Sweden AB	–24,438	–9,705
SmartCella Inc	–161	650
Closing carrying amount	**–243,935**	**–48,873**

12 Prepaid expenses and accrued income

TSEK	31-12-2025	31-12-2024
Accrued interest	–	–
Accrued income	–	2,470
Prepaid expenses	907	1,427
Carrying amount	**907**	**3,897**

13 Cash and cash equivalents

TSEK	31-12-2025	31-12-2024
Cash and cash equivalents	239,839	233,221
Carrying amount	**239,839**	**233,221**

14 Equity

For information on equity, see the Group's Note 23 Equity.

15 Accrued expenses and deferred income

TSEK	31-12-2025	31-12-2024
Accrued personnel expenses	2,611	5,186
Accrued consulting expenses	15,108	1,306
Other items	1,518	670
Reported value	**19,237**	**7,162**

16 Cash flow information

Adjustments for differences between profit before tax and net cash flow, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Depreciation and impairment	34	58
Unrealized foreign exchange differences	–	–59
Total	**34**	**–0**

17 Related parties

SmartCella Holding AB is 54.3% owned by SWIB Holding AB. A list of subsidiaries, which are also related parties to the parent company, is provided in Note 11 Investments in group companies. All outstanding receivables and liabilities between SmartCella Holding AB and its subsidiaries are presented in Note 10 Financial instruments. For information on remuneration to senior executives, see Note 8 Employees and personnel expenses.

SmartCella's other related party transactions primarily consist of transactions with entities owned by the principals of the Group's Parent Company. All transactions are conducted under market conditions.

Group companies, TSEK	01-01-2025 –31-12-2025	01-01-2024 –31-12-2024
Sales of goods/services	45,606	16,583
Purchase of goods/services	399	1,439
Receivables at balance sheet date	100,656	124,253
Liabilities at balance sheet date	–	4,887
Companies within the Parent Company's group or owned by its principal shareholders, TSEK		
Purchase of goods/services	8,636	991
Liabilities at balance sheet date	394	331
Companies owned by board members or key management personnel, TSEK		
Purchase of goods/services	698	3,031
Liabilities at balance sheet date	75	585
Total sales	**45,606**	**16,583**
Total purhcase	**9,334**	**4,022**
Total receivables	**100,656**	**124,253**
Total liabilities	**469**	**916**

18 Proposed appropriation of loss for the financial year 2025

The Annual General Meeting has the following funds at its disposal, TSEK:	31-12-2025
Free share premium reserve	1,138,773
Accumulated loss	–36,794
Loss for the year	–56,456
	1,045,523
To be allocated as follows:	
Balance to be carried forward	1,045,523
	1,045,523

19 Events after the balance sheet date

For information on events after the balance sheet date, refer to the Group's Note 28 Events after the balance sheet date.

Stockholm April 21, 2026

Niklas Prager
Chief Executive Officer

Christian Kinch
Chairperson

Magnus Tornling
Board Member

Anna Martling
Board Member

Claude Dartiguelongue
Board Member

Regina Fritsche Danielson
Board Member

Stockholm April 21, 2026

Öhrlings PricewaterhouseCoopers AB

Johan Engstam
Authorized Public Accountant

OTHER

Financial calendar

Annual General Meeting 2026

May 27

Q1 2026

May 13

Q2 2026

August 21

Q3 2026

November 13

SmartCella

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