



ANNUAL REPORT 2017

*Committed to improving life
with Wilson Disease*

WD

Wilson Disease

Wilson Disease is a rare genetic disorder of impaired copper transport and excretion caused by loss of function of the ATP7B copper-binding protein.

This leads to copper overload in the liver, causing release of free copper into the blood, and damaging accumulation of copper in the brain and other organs.

10 000
PATIENTS IN THE US

15 000
PATIENTS IN THE EU

1/30 000
PEOPLE WORLDWIDE ARE
AFFECTED BY WILSON DISEASE



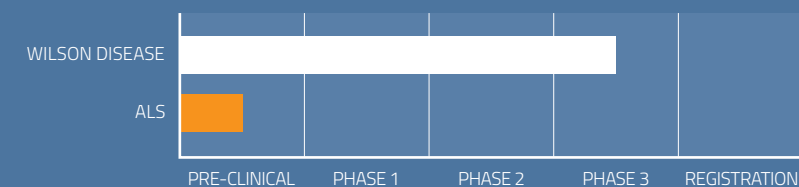
About us

Wilson Therapeutics is a biopharmaceutical company, based in Stockholm, Sweden, that develops novel therapies for patients with rare copper-mediated disorders. The company was founded in 2012 and is listed on Nasdaq Stockholm (WTX).

Wilson Therapeutics is developing WTX101 (bis-choline-tetrathiomolybdate) a first-in-class pharmaceutical product candidate with the potential to address the unmet medical needs in Wilson Disease. WTX101 has received orphan drug designation for the treatment of Wilson Disease in the US and EU.

Wilson Therapeutics is also exploring the possibility of developing WTX101 as a novel therapy for the treatment of a subset of patients suffering from Amyotrophic Lateral Sclerosis (ALS). WTX101 has received orphan drug designation for the treatment of ALS in the US.

Wilson Therapeutics pipeline: WTX101



WTX101

WTX101 is an investigational product in development as a novel treatment for Wilson Disease. A Phase 2 clinical study has been successfully completed. Clinical development is advancing and a global pivotal Phase 3 study (FOCuS) started in early 2018.



Symptoms & management



Hepatic, neurologic & psychiatric symptoms

Wilson Disease inevitably leads to hepatic, neurologic and psychiatric symptoms of varying combinations and severity and associated disabilities. These characteristics are non-exclusive for Wilson Disease and make the diagnosis challenging.

Lifelong therapy

Wilson Disease is fatal if left untreated so all patients diagnosed, irrespective of type and severity of symptoms, must receive lifelong therapy for their disease.

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Vision

Wilson Therapeutics' vision is to develop novel therapies for patients with rare copper-mediated diseases. Initially, Wilson Therapeutics is developing WTX101 as a first-in-class pharmaceutical product with the potential to address the unmet medical needs in Wilson Disease.

Strategy

Wilson Therapeutics aims to develop, register and market WTX101 as a therapy for Wilson Disease patients.

Wilson Therapeutics is also exploring the possibility of developing WTX101 as a novel therapy for the treatment of a subgroup of patients suffering from the neurodegenerative disorder ALS.

Summary

2017 IN SUMMARY

FINANCIAL DATA JANUARY 1 – DECEMBER 31, 2017

- Net sales amounted to SEK 0.0 M (0.0)
- Loss for the period was SEK 168.2 M (loss: 115.2)
- Loss per share, before and after dilution, totaled SEK 6.50 (loss: 6.84)
- The board of directors proposes that no dividend be paid for 2017

Significant events

DURING 2017

- EGM in January resolved to implement the long-term incentive program LTIP 2016
- Data from the successfully completed Phase 2 trial of WTX101 were presented at major scientific conferences
- Board strengthened with Dr. Birgitte Volck and Dr. Björn Odlander
- The AGM resolved to implement the long-term incentive program LTIP 2017
- US Orphan Drug Designation granted to WTX101 for the treatment of ALS
- Phase 2 data published in the Lancet Gastroenterology & Hepatology
- Preliminary long-term data from the extension phase of the Phase 2 study presented at scientific conference
- Agreement reached with the FDA and EMA to initiate pivotal Phase 3 FOCuS study
- A directed share issue raised SEK 244 M before issue costs
- WTX101 granted Fast Track Designation for the treatment of Wilson Disease

AFTER THE END OF THE REPORT PERIOD

- First patient enrolled in pivotal Phase 3 FOCuS trial
- New patents filed
- Public cash offer to acquire Wilson Therapeutics announced



CEO statement

PHASE 3 STARTED

After a highly successful year, we are excited that we now have entered the pivotal phase of development for WTX101. Backed by positive Phase 2 data, an experienced international team and a solid balance sheet, we are very well positioned to advance WTX101 through Phase 3.

POSITIVE PHASE 2 DATA PRESENTED AT MAJOR CONFERENCES

During 2017, we presented final data from our successful Phase 2 clinical trial of WTX101 at various international scientific conferences. As previously reported, the primary

endpoint was reached, and the data demonstrated that once-daily dosing of WTX101 resulted in a rapid and significant reduction and control of free copper levels, which is crucial since elevated levels of free toxic copper is the underlying cause of Wilson Disease.

Furthermore, the patients' symptoms were ameliorated, with significant improvements observed in neurological status and patient-reported disability and liver function stabilized. Also, we showed that WTX101 was generally well tolerated, and importantly no cases of initial drug-induced neurological worsening – a serious and well-recognized side effect of chelator therapies for Wilson Disease – were observed in the study.

In April, the results from the Phase 2 study were selected as a late-breaker presentation at the Annual Meeting of the European Association for the Study of the Liver (EASL) in Amsterdam. EASL is the largest scientific conference for medical experts in the field of liver diseases in Europe. Data from the study were also presented in April at the American Academy of Neurology (AAN) Annual Meeting in Boston, and in June at the International Congress of Parkinson's Disease and Movement Disorders in Vancouver. In October, the results from the study were published in the well-renowned peer-reviewed scientific journal *The Lancet Gastroenterology & Hepatology*.

During the year, the extension phase of our Phase 2 study continued, and in October we presented the first set of long-term data for WTX101 treatment at the largest scientific meeting for liver specialists in the US, arranged by the American Association for the Study of Liver Diseases (AASLD) in Washington DC. Data showed that the initial improvements seen after 24 weeks were maintained or further improved after 48 weeks of treatment. We are very encouraged by these data as they indicate that WTX101 has the potential to address many of the unmet medical needs in this chronic and often disabling disease.

PHASE 3 FOCUS TRIAL STARTED AND FAST TRACK DESIGNATION GRANTED

During 2017, we were also occupied with the preparations for the pivotal Phase 3 FOCuS study, and in October we successfully concluded our discussions with the FDA and the EMA. Based on the agreed study design, we are confident that the trial has the potential to repeat and confirm the excellent data observed in our Phase 2 trial, and support future applications for market approval initially in the US and Europe. In December, WTX101 was also granted Fast Track designation by the FDA, supporting our view that WTX101 has the potential to address significant unmet medical needs in Wilson Disease.

The Phase 3 FOCuS trial will be a randomized, controlled, rater-blinded, multi-center study assessing the efficacy and safety of WTX101 monotherapy administered once daily for 48 weeks, compared to standard of care (SoC), in patients with Wilson Disease aged 18 years and older. The study will enroll approximately 100 patients with hepatic and/or neurological symptoms, who are treatment naïve or have previously received SoC therapy. The study will be conducted at approximately 30 sites in the US, EU and Israel, including sites that were involved in the completed Phase 2 study.

In February 2018, the last preparations were completed, and the first patient was enrolled in the study. This is the first global, randomized, controlled, multi-center study ever conducted in Wilson Disease, so not only is this a major milestone for us, but also for the entire global Wilson Disease community. Top-line data from the study are expected to be released in the second half of 2019.

SHARE ISSUE SUCCESSFULLY COMPLETED

In December, we completed a directed share issue to strengthen the financial position before the start of the Phase 3 study. The offering was heavily oversubscribed and generated strong demand from reputable institutions and sector specialist funds, internationally and in Sweden, including Oppenheimer, Polar Capital, Sphera Funds Management, Granite Point Capital Management, Handelsbanken, and Gladiator. We raised approximately SEK 244 M before issue costs, which means that the current Phase 3 program is fully funded and also that, in parallel, we can fund further pre-commercial activities.

POTENTIAL FOR A FURTHER IMPROVED PATENT POSITION

Although WTX101 is already protected through existing patents and the orphan drug designation that grants market exclusivity for up to seven and ten years in the US and Europe respectively, during 2017 we explored ways to further strengthen our patent protection. As a result we recently filed two additional patent applications concerning clinical treatment with WTX101 and the production method for the product. We believe there is a high likelihood that these patents will be granted, and if granted, these patents have the potential to extend patent protection until 2039.

CONTINUED FOCUS ON PIVOTAL PHASE 3 TRIAL IN 2018

During 2018, we will continue to concentrate on a successful execution of the FOCuS study. Backed by positive Phase 2 data, an experienced international team and a solid balance sheet, we are very well positioned to advance WTX101 through Phase 3.

WTX101 has shown potential to address many of the unmet medical needs in Wilson Disease and, as a result, we are seeing significant support from physicians, as well as the patients and their families, for our work with WTX101. This is a great source of inspiration for all of us at Wilson Therapeutics as we have now entered the next development phase and taken another big step towards reaching our overall goal of improving the lives of patients with rare copper-mediated diseases.

Stockholm, April 27, 2018

Jonas Hansson
CEO, Wilson Therapeutics AB (publ)

Wilson Disease

A RARE GENETIC DISEASE

Copper is an essential trace element that plays a critical role in key physiological cellular processes. Due to its toxic potential, copper is normally tightly bound to copper-carrying proteins inside the liver, and excess copper is eliminated from the body via biliary excretion. Wilson Disease is a rare genetic disorder of impaired copper transport and excretion, caused by loss of function of the ATP7B copper-binding protein. This leads to copper overload in the liver, release of free copper into the blood, and damaging accumulation of copper in the brain and other organs. Untreated Wilson Disease inevitably leads to various combinations and severity of hepatic, neurologic and psychiatric symptoms, and is ultimately fatal.

Wilson Disease affects approximately one in every 30,000 people worldwide, corresponding to a prevalence of approximately 10,000 patients in the US and 15,000 patients in the EU.

The disease is however hard to differentiate from other serious hepatic or neurologic conditions, so not all patients that have the disease are diagnosed. The company estimates that only approximately 60% of the patients suffering from Wilson Disease have been diagnosed and treated, and approximately 300-350 new patients develop the disease in the US and EU every year.

25,000

IS THE ESTIMATED NUMBER OF PATIENTS SUFFERING FROM WILSON DISEASE IN THE US AND EU.

All patients diagnosed with Wilson Disease, irrespective of type and severity of symptoms, must receive life-long therapy for their disease. As Wilson Disease is a genetic disorder, family members of Wilson Disease patients are often proactively tested for identifying patients that have not yet developed any symptoms of Wilson Disease.

THE BODY'S COPPER METABOLISM

Copper is a trace element that has a critical role in key physiological cellular processes, including cellular respiration, biosynthesis processes, and anti-oxidative processes. A hallmark of copper metabolism is the strict physiological control of copper ions bound to copper carrier proteins.

Free copper that is not bound to appropriate carrier proteins is highly toxic and catalyzes the generation of free radicals that cause oxidative damage to cellular structures, e.g. peroxidation of lipids and inhibition of protein biosynthesis. It also causes life-threatening damage to mitochondria and the demise of cells and tissues. Therefore, accumulation of free copper in body tissues causes damage to the organs.

25%

OF THE PATIENTS WITH NEUROLOGICAL SYMPTOMS GET SIGNIFICANTLY WORSE FROM THE TREATMENT IN THE INITIATION PHASE.

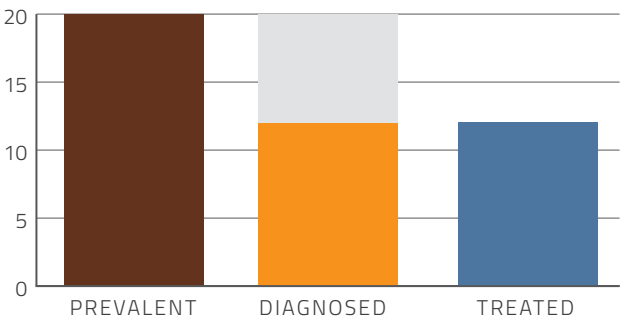
Copper homeostasis is determined by the net balance between absorption of copper from food and excretion of excess copper via the liver (biliary excretion) into feces. Copper excretion via the kidneys into urine is normally negligible. Given the essential physiological role of copper and its potential to cause damage when available in excess, the equilibrium between the rates of copper absorption and copper excretion is normally tightly regulated.

The normal copper requirement for adults is set at about 0.9 mg per day. However, the average dietary intake of an adult is approximately 2-5 mg per day. Dietary copper is absorbed from the gut, coupled to proteins, and transported via the portal vein to the liver. The liver cells absorb this dietary copper and incorporate it into the proteins and enzymes that regulate and mediate several vital biologic processes.

“Thankfully I was diagnosed fairly quickly with a liver biopsy, because my sister was already diagnosed.

Allan

Estimated number of patients in the US and EU5 in thousands



Source: Wilson Therapeutics Market Research 2016 (DE, ES, FR, UK, US)

The intracellular copper-binding protein ATP7B plays a central role in the regulation of copper balance by the liver cells. ATP7B mediates the loading of copper onto ceruloplasmin, a major copper-carrying protein in the blood. Ceruloplasmin loaded with copper is subsequently released from the hepatocyte into the blood and ensures safe distribution of ceruloplasmin to other tissues. When copper levels inside the liver cells exceed the needs, ATP7B instead facilitates removal of copper via the bile into feces.

For patients with Wilson Disease, a genetic defect on the ATP7B gene leads to loss of function of the ATP7B copper-binding protein. This in turn leads to copper overload in the liver, causing release of free copper into the blood.

SYMPTOMS IN WILSON DISEASE

Wilson Disease is clinically characterized by liver, neurological and psychiatric manifestations related to the accumulation of free copper in the liver and the brain. The clinical symptoms may vary significantly from patient to patient in both type and severity.

Clinical manifestations of the liver in Wilson Disease include persistently elevated serum aminotransferases, indicating liver damage, chronic hepatitis and cirrhosis.

Neurological manifestations include problems with

movement and posture (tremor, Parkinsonism, gait disturbances, dystonia, seizures), speech (dysarthria, pseudobulbar palsy), migraine or insomnia. Wilson Disease patients may also suffer from psychiatric symptoms, such as depression, personality changes or psychosis. None of these disease manifestations are however exclusive for Wilson Disease and could therefore be difficult to derive from Wilson Disease. Kayser-Fleischer rings, deposits of copper around the iris, are characteristic of Wilson Disease. However, only a subset of Wilson Disease patients develops Kayser-Fleischer rings.

DIAGNOSIS OF WILSON DISEASE

Patients with Wilson Disease are typically diagnosed in their teens or early twenties but can be as young as 3-5 years and as old as 70 when diagnosed. The diagnosis of Wilson Disease may often be challenging due to the heterogeneity and unpredictability in the manifestation of the disease. The diagnosis therefore needs to rely on the evaluation of a combination of biochemical markers and clinical symptoms.

Measuring the copper levels in the body is a central part in diagnosis, but the biochemical picture is complicated. Despite being a disease of excessive copper, total serum copper is typically reduced in Wilson Disease patients compared to other individuals, due to the decreased levels of ceruloplasmin. In contrast to the total copper level, the free toxic copper in the blood is usually elevated.

Experts in Wilson Disease have developed a scoring system for diagnosing Wilson Disease, and the system includes an evaluation of biochemical and genetic data and clinical symptoms from individual patients. This method for diagnosis has been included in the European clinical practice guidelines for Wilson Disease.

CURRENT TREATMENTS

The therapies currently being used in Wilson Disease were introduced in the 1950s and 60s. Since then, no new treatment options have been developed and considerable unmet medical needs still exist.

The treatment goals in Wilson Disease are centered on compensating for impaired copper metabolism, reducing toxic free copper and maintaining normal copper levels to improve the patients' symptoms. The drugs available today are penicillamine and trientine (so called general metal chelators), and zinc. Chelators bind and reduce the body's copper levels by increasing copper excretion via urine. Zinc reduces dietary uptake of copper in the gut.

These treatments are all associated with significant shortcomings. With current treatments, improving symptoms can take several years and more than a third of patients presenting with neurologic symptoms show limited improvement after several years of treatment. Despite being standard of care, many patients receiving chelators develop side effects, some very serious. One of the most



serious side effects affecting approximately 25% of patients initiated on penicillamine and trientine is a drug-induced worsening of neurological symptoms during the initial phase of treatment. Up to 50% of patients who experience neurological worsening never recover to pretreatment levels and may be seriously and permanently disabled.

Chelators are administered as oral capsules two to four times per day without food at least one hour before or two hours after meals, and at least one hour before or after any other pharmaceutical product or milk.

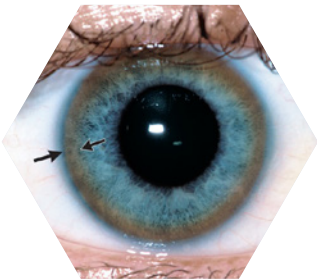
Zinc is recommended as an alternative to chelator therapy for treatment of asymptomatic or pre-symptomatic patients. But because of its slow onset of effect (6-12 months), during which time the disease can progress, zinc is generally reserved for maintenance therapy. Zinc has been shown to be less efficacious than chelating agents. One of the relatively common side effects of zinc is gastric irritation.

Zinc is administered as oral capsules up to five times per day in a fasted state at least one hour before or two to three hours after meals.

Scoring system for the diagnosis of Wilson Disease

TYPICAL CLINICAL SYMPTOMS AND SIGNS		OTHER TESTS	
Kayser-Fleischer rings		Liver copper (in the absence of cholestasis)	
Present	2	>5x ULN (>4 µmol/g)	2
Absent	0	0.8-4 µmol/g	1
Neurological symptoms		Normal (<0.8 µmol/g)	-1
Severe	2	Rodanin-positive granules	1
Mild	1	Urinary copper (in the absence of acute hepatitis)	
Absent	0	Normal	0
Serum ceruloplasmin		1-2x upper limit of normal	1
Normal (>0.2 g/L)	0	>2x upper limit of normal	2
0.1-0.2 g/L	1	Normal, but >5x upper limit of normal after D-penicillamine	2
<0.1 g/L	2	ATP7B mutation	
Coombs-negative hemolytic anemia		On both chromosomes detected	4
Present	1	On 1 chromosome detected	1
Absent	0	No mutations detected	0
Total score		Evaluation	
4 or more		Diagnosis established	
3		Diagnosis possible, more tests needed	
2 or less		Diagnosis very unlikely	

Source: EASL, 2012



KAYSER-FLEISCHER RINGS, DEPOSITS OF COPPER AROUND THE IRIS, ARE CHARACTERISTIC OF WILSON DISEASE.



“The permanent injury
forces me to stay home.”
Nanna

Interview with Nanna

HAVE HOPE FOR A BETTER FUTURE

Wilson Disease is extremely hard to diagnose and treat. Nanna, a patient from Fåborg, Denmark suffering from Wilson's disease, know this all too well. It took her almost eight years to get the right diagnosis.

“I was first diagnosed with the disease in 2000, when I was 17 years old. I started getting ill when I was 10, but back then nobody knew what was wrong with me”, she said.

It was not until the doctors did an MR scan of Nanna's brain that they found the copper signs and could diagnose her with Wilson Disease. At that time, they also tested her brother and established that he had the disease as well. According to Nanna, who is now 35, it was actually a relief to get the diagnosis.

“Now I knew what was wrong and I could have a chance to get better. Up until then, all the doctors had written me off as crazy”, she explained.

One reason why Wilson Disease is hard to diagnose is because it manifests itself in so many different forms, including liver disease, neurologic manifestations and psychiatric disturbances. The symptoms can differ a lot from patient to patient. In Nanna's case, she could no longer do normal things, such as walking, eating and talking. It was even difficult to shower and use the toilet.

“Basically all the things I had learned as a child”, she summarized.

“I sat in a wheelchair for 18 months and had to have daily help for every little thing in my life. I was unable to sit still, unable to sleep properly.”

Even if Nanna and her family were grateful that they now knew what was ailing her, it was a very difficult period for everybody. Nanna had been an active girl, with a rich social life with many friends and interests.

She became much more restricted and could not even attend school. Medication was another big problem – at one point she had to take more than 40 pills a day. Involuntary movements were one area where she needed extra help.

“It was very hard for everybody”, she said.

It was not until the doctors found the right kind of medicine that she started getting better. She was down to four penicillamine pills a day – and they seemed to work.

Nanna bravely soldiers on with her daily life. There are some good days and some not so good days, and she still has some limitations. Her memory is still really bad, as is her concentration. And sometimes people find it hard to understand what she is saying.

“This permanent injury keeps me from taking a job, getting an education or any other thing like that. I am forced to stay at home, which was difficult at first to accept, but it's really OK with me now.

“But I function fine in my daily life, and I still have a good life with my family and friends who accept and love me and my flaws”, she said emphatically.

What is her message to other people who suffer from this severe, life-long disorder?

“Take your medicine. Always have hope for a better future and keep fighting!”

WTX101

OUR LEAD CANDIDATE

WTX101 has a unique mechanism of action that has the potential to translate into a more effective and well tolerated treatment option compared to standard of care in patients with Wilson Disease.

WTX101 (bis-choline tetrathiomolybdate) is a first-in-class copper-protein-binding agent with a unique mechanism of action, under investigation as a novel therapy for Wilson Disease. In contrast to current treatments, WTX101 provides an alternative copper-protein binding mechanism by forming a tripartite complex with copper and albumin. WTX101 thereby detoxifies excess copper in both liver and blood, and promotes copper clearance through biliary excretion (the body's natural route of elimination).

A Phase 2 study evaluating the efficacy and safety of WTX101 in patients with Wilson Disease has successfully been completed. In addition, the active moiety of WTX101, tetrathiomolybdate, has been tested in several previous clinical studies in Wilson Disease patients. The data from these studies suggest that WTX101 can reduce and control free copper levels and improve symptoms and associated disabilities. The data also suggest that WTX101 is generally well tolerated with a low risk of drug-induced neurological worsening. The tolerability profile and the expected once-daily dosing regimen have the potential to improve compliance in Wilson Disease patients, leading to fewer treatment failures and ultimately improved outcomes. WTX101 has received Fast Track designation in the US and orphan drug designation for the treatment of Wilson Disease in the US and EU.

PROJECT STATUS

WTX101 has been evaluated in a Phase 2 study. The study was a 24-week open-label Phase 2 study evaluating the

efficacy and safety of WTX101 monotherapy in 28 adult newly-diagnosed patients with Wilson Disease, who had received either no prior treatment for Wilson Disease or a standard of care agent for up to two years. All patients who successfully completed the 24-week study period elected to stay on WTX101 in an extension phase of the study.

On April 22, 2017, the final data were presented as a late breaker presentation at the annual EASL liver meeting. The results were also presented at the annual meetings of the American Academy of Neurology (AAN) and of the International Parkinson and Movement Disorder Society and the results were also published in the peer-reviewed scientific journal The Lancet Gastroenterology & Hepatology. The study met its primary endpoint of copper control. WTX101 monotherapy reduced mean serum free copper by 72% at week 24 compared to baseline. Mean serum free copper levels were reduced below the upper limit of normal after 12 weeks of treatment.

Secondary endpoints included various hepatic and neurological measures. Liver function, as measured by modified Nazer score, remained stable at week 24. Liver status, as measured by Model for End-Stage Liver Disease (MELD), was also unchanged throughout the study, indicating stabilization. Neurological disability and status were measured as Unified Wilson Disease Rating Scale (UWDRS) part 2 and 3 respectively. Significant neurologic improvements from baseline to week 24 were observed in patients' disability and neurological status.

Treatment with WTX101 was generally well tolerated with most reported adverse events being mild (grade 1)

Comparison of copper binding features between standard of care and WTX101

Feature	Chelators	WTX101	Impact of unique WTX101 feature
Specific copper binding	✗	✓	Does not bind iron or zinc, avoiding potential deficiencies
High affinity to copper	✗	✓	Allows for removal of copper from intracellular stores in the liver
Loads copper onto proteins forming tripartite complexes	✗	✓	Safe transport of copper in blood, reducing the risk of drug-induced neurological worsening
Clears copper through biliary excretion	✗	✓	Excretes excess copper via natural route

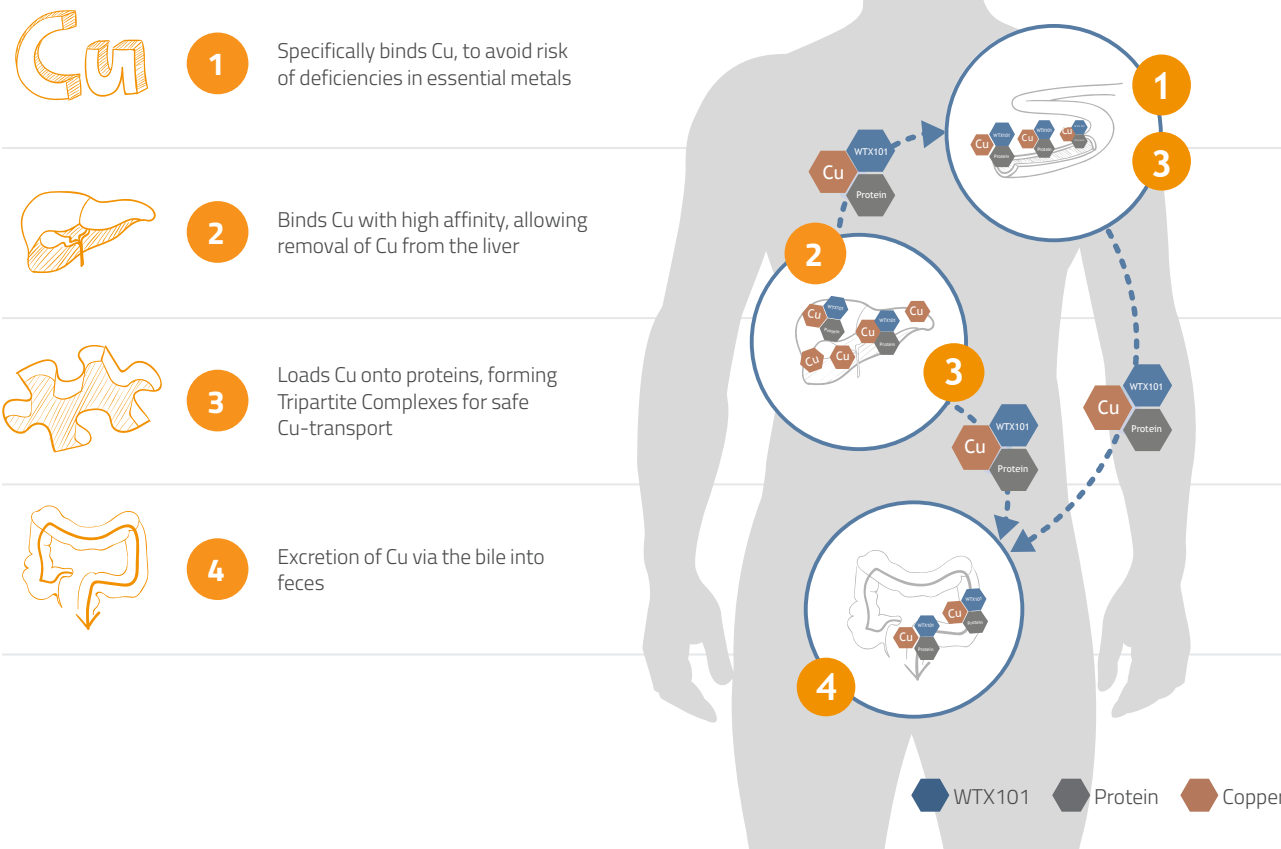
to moderate (grade 2). Reversible early liver transaminase elevations were reported in 39% of patients. These elevations were generally mild to moderate, asymptomatic and normalized with dose adjustments. No initial drug-induced neurological worsening upon initiation of WTX101 was observed.

In October 2017 preliminary 48-week data from the ongoing extension part of the Phase 2 trial were presented at the AASLD annual liver meeting. Liver function parameters remained unchanged or improved at week 48 compared to week 24, indicating stability of liver function. Patients showed continued improvements in both patient-reported disability and neurological status. WTX101 was generally well tolerated. Reversible liver enzyme elevations that were observed in the Phase 2 trial were not observed in the extension period.

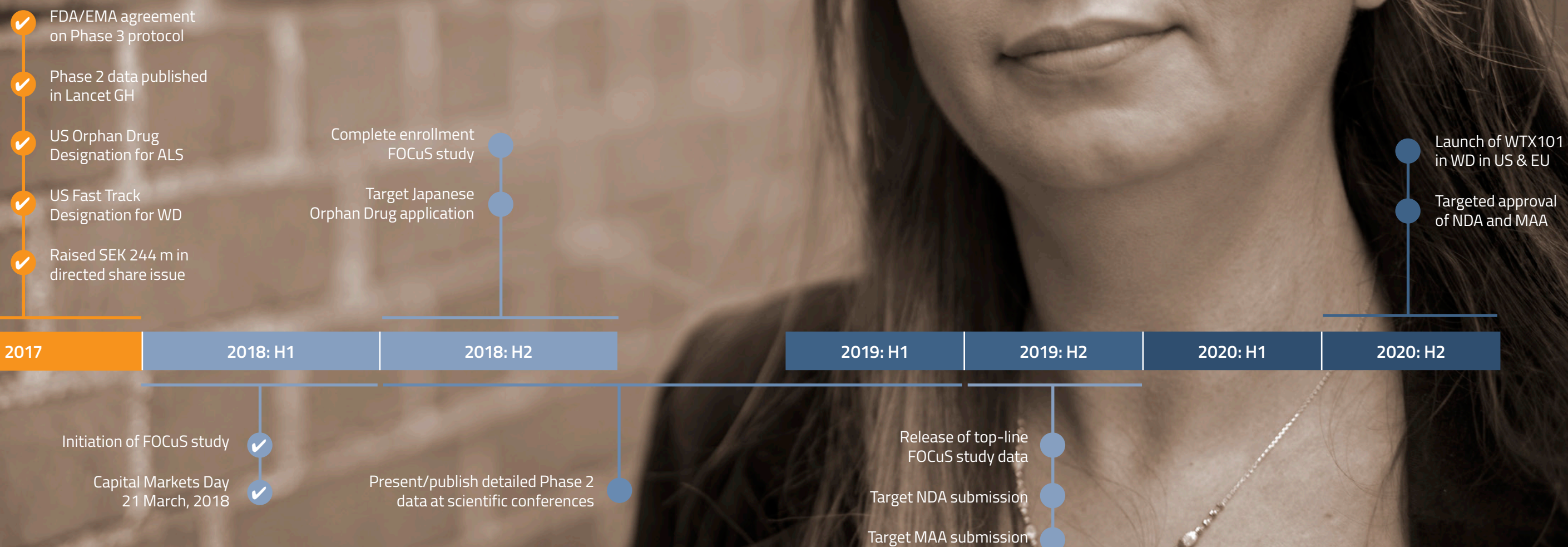
In February 2018, the pivotal Phase 3 FOCuS trial

was initiated. The trial is a randomized, controlled, rather-blinded, multi-center study assessing the efficacy and safety of WTX101 monotherapy administered once daily for 48 weeks, compared to standard of care (SoC), in patients with Wilson Disease aged 18 years and older. The study will enroll approximately 100 patients with hepatic and/or neurological symptoms, who are treatment naïve, or have previously received SoC therapy. Patients will be randomized in a 2:1 ratio to receive treatment with WTX101 or SoC. The study is designed to show non-inferiority versus SoC and the primary endpoint will be copper control assessed as the percentage change in free copper levels in blood from baseline (day 1) to 48 weeks. If non-inferiority is met superiority will be assessed. The study will be conducted at approximately 30 sites in the US, EU and Israel. Top-line data from the study are expected to be released in the second half of 2019.

WTX101 mode of action



WTX101



Interview with Frederick K. Askari

A PHYSICIAN'S PERSPECTIVE



“ WTX101 holds the potential to disrupt the treatment paradigm.

Interview with Dr. Frederick K. Askari, MD PHD
Associate Professor Gastroenterology and Hepatology
Director of Wilson Disease Program,
University of Michigan

HOW DID YOUR INVOLVEMENT IN WILSON DISEASE COME ABOUT?

It grew out of my interest in genetic liver diseases which developed during my postdoctoral fellowship. I was avidly researching gene transfer techniques to the liver when Dr. George Brewer achieved FDA clearance in 1997 for the use of Zinc Acetate in the maintenance phase of Wilson Disease. I had cared for several of these patients while on the research study, so I knew the struggles these patients face. Suddenly, there were many research protocol patients with Wilson Disease who needed a clinical home in hepatology. I then founded a multi-disciplinary Wilson Disease clinic in the Department of Internal Medicine to meet these patient care needs. I also worked with my colleague Dr. George Brewer on clinical trials to study ammonium tetrathiomolybdate in Wilson Disease.

HOW MANY PATIENTS HAVE YOU TREATED OVER THE YEARS?

I have cared for over 500 patients with Wilson Disease over the last three decades.

HOW MANY PATIENTS SUFFER FROM WILSON DISEASE? IS THERE A TREND?

There are about 20,000 people with Wilson Disease in the US plus EU5. There is a trend to improving diagnosis and awareness of the disease, as it is estimated that about 12,000 of these patients are diagnosed. This leaves about 8,000 people who have Wilson disease and don't even yet know it.

WHY IS WILSON DISEASE SUCH A HARD DISEASE TO DIAGNOSE? DO YOU THINK IT IS UNDERDIAGNOSED?

Wilson Disease is such a hard disease to diagnose for multiple reasons. One reason is that as a rare disease, people do not think of it. The average physician may only see a case or two during their busy clinical career, so lack of familiarity with the disease and its diagnostic testing can delay diagnosis. Another issue is that the disease does not always present the same way.

Sometimes it presents with liver disease, sometimes with neurologic disease, and sometimes with psychiatric disease. Often within these three groups, the symptoms can be quite different. For example, within liver disease there can be mild liver function test abnormalities, acute liver failure or cirrhosis progressing to decompensated cirrhosis and chronic liver failure. Similarly, the neurologic symptoms can initially be mild with tremor, trouble speaking, trouble walking, trouble swallowing, abnormal movements or even unusual autonomic instabilities. The psychiatric presentations can involve a spectrum of symptoms. The ability to recognize the disease is therefore hard as cases may present quite differently, so a clinician can see cases which clinically appear to be quite different. Early in the disease course, there may be no symptoms at all.

Another reason the disease can be difficult to diagnose is that the diagnostic tests often do not give definitive diagnostic yes or no answers to confirm the diagnosis. A screening test may give a suggestion to pursue the disease which leads to further testing. The Leipzig scoring system summarizes the plethora of diagnostic tests and combinations of pattern recognition which can lead to the diagnosis. In some diseases, which have one test with 100% specificity and 100% sensitivity, the diagnostic path to Wilson Disease routinely involves multiple tests with both false positive and false negative results that need to be sorted through.

Finally, the crippling nature of the disease itself can make establishing the diagnosis challenging, as disability can make it hard for the person affected with Wilson Disease to navigate the maze of physician office visits and diagnostic tests to achieve a diagnosis.

HOW AND WHERE ARE WILSON DISEASE PATIENTS TREATED TODAY?

Wilson Disease patients are often treated at Wilson Disease Centers of Excellence where they are seen by a group of physicians and practitioners who have more in-depth expertise than people in the local community. Often these centers will partner with physicians in the local community to better serve these patients.

WHAT DO YOU THINK OF TODAY'S WILSON DISEASE TREATMENT OPTIONS?

Treatment options for Wilson Disease have made a once universally fatal disease survivable if the medications are properly taken and copper controlled. How well they work and how well people do are influenced by their disease state at diagnosis and the ability to adhere to the treatment regimen, as well as whether or not people are able to take the medications without suffering side effects.

Unfortunately, these medications can be challenging to take as they require dosing away from food frequently two or three times daily. The chelators, penicillamine and trientine, are associated at times with such bad side effects that the drugs need to be discontinued. Zinc can cause nausea, vomiting and GI upset in a subset of patients, so in FDA filing there was an 8% failure rate for zinc often attributed to non-adherence to the treatment regimen.

WHAT ABOUT SIDE EFFECTS, INCLUDING DRUG-INDUCED NEUROLOGICAL WORSENING?

One of the most tragic situations which can happen with chelation therapy is a drug-induced acceleration of neurologic deterioration. When chelators are administered shortly after diagnosis, copper in the body is stirred up and this can lead to drug-induced neurologic worsening. Naturally, as the disease is universally fatal if left untreated, the prospect of risking side effects is better than succumbing to the disease, but this leads to the need for better treatments that can lower copper without as high a frequency of drug-induced neurologic worsening.

COMPLIANCE PROBLEMS?

Compliance can be improved by having medications which do not make people feel sick as often and making the dosing regimen easier.

WHAT WOULD YOU LIKE TO SEE FROM FUTURE TREATMENTS?

Easier dosing, rapid copper control and less or no side effects, particularly no drug-induced neurologic worsening.

HOW DOES WTX101 FIT IN HERE?

It holds the potential to disrupt the treatment paradigm by providing more effective, safer initial therapy for people with Wilson Disease. Avoiding the drug-induced neurologic worsening seen with chelators is a potentially huge advance. WTX101 also may be dosed once daily which could lead to better drug adherence and improved treatment outcomes.

Orphan Drugs

SIGNIFICANT GROWING MARKET

Regulatory authorities may grant a potential pharmaceutical product a so called orphan drug designation (ODD) for products that target rare diseases. This is a way to encourage development of drugs for these diseases and the designation gives a number of benefits such as market exclusivity when the products are approved. The market for orphan drugs is growing at a higher pace than the overall pharmaceutical market and is estimated to exceed USD 200 billion annually by 2022. WTX101 has received ODD for the treatment of Wilson Disease in the EU and US and for the treatment of ALS in the US.

Global pharmaceutical market trends

The global pharmaceutical industry has demonstrated a compound annual growth rate (CAGR) of 6.2 percent per year in the period 2011 to 2016, and in 2016 the global pharmaceutical market size was estimated at USD 1,105 billion, all according to IMS Health who also predicted that the global pharmaceutical market will grow at a CAGR of 4-7 percent until 2021.

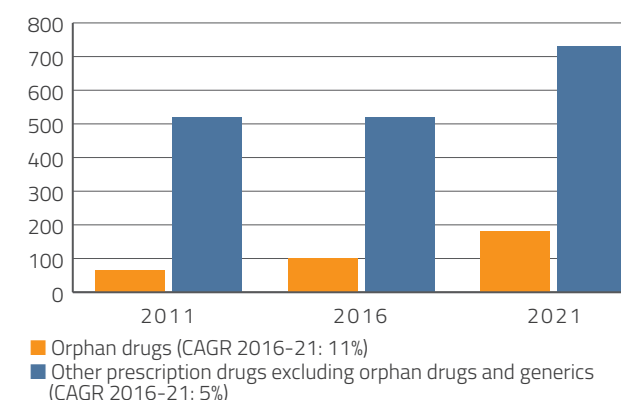
One of the key positive market drivers is the ongoing demographic shift towards a larger elderly population, as well as an increased life expectancy. With a rapidly growing middle class, society's focus on healthcare is increasing. In addition to this, there are a growing number of patients with chronic diseases reflecting the increase in the world's population, and new diseases are evolving. These factors are set to drive the demand for healthcare products and services going forward.

North America represented the world's largest pharmaceutical market in 2016 and accounted for 44 percent of global revenues, whilst EU5 accounted for 14 percent according to IMS Health. Globally, sales in emerging markets have been the main driver of the total market growth. In the period 2011 to 2016, the sales CAGR in emerging markets such as China, India and Brazil was over 10 percent.

Orphan drugs

Orphan drug designation is a way of encouraging research and development of pharmaceutical products for rare diseases. The development of orphan drugs was financially incentivised through US law via the Orphan Drug Act of 1983. Its success led to it being adopted in other key markets, most notably in Japan (1993) and in the EU (2000).

Sales of orphan drugs and other prescription drugs
USDbn



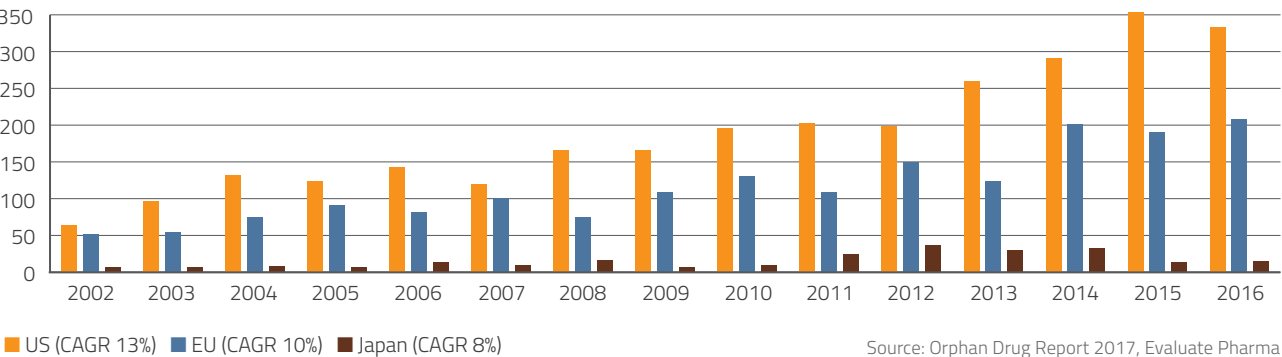
Source: Orphan Drug Report 2017, Evaluate Pharma

Developing a pharmaceutical product with orphan drug designation presents a series of advantages, including the possibility of free of charge advice from e.g. FDA or EMA on the development program and lower registration fees when applying for approval.

The average cost of taking an orphan drug through a Phase 3 program is approximately half the cost of developing a pharmaceutical product that does not target a rare disease. The median time for filing to approval with the FDA is also, on average, three months shorter for orphan drugs compared to other pharmaceutical products.

If a pharmaceutical product with orphan drug designation is approved, the respective authority can decide whether the product shall receive orphan drug status. Pharmaceutical products with orphan drug status receive market exclusivity for up to seven and ten years in the US and the EU respectively.

Worldwide orphan drug designations per year



OVERVIEW OF THE ORPHAN DRUG MARKET

The orphan drug market has shown significant growth over the last couple of years, and in 2016 orphan drug sales increased by 12.2 percent year-on-year and reached USD 114 billion, according to Evaluate Pharma. In comparison, total prescription drug sales (excluding generics) grew by 2.8 percent in the same period, and amounted in 2016 to a total of USD 692 billion.

According to Evaluate Pharma, 32 percent of the 2022 increase in sales of worldwide prescription drugs is expected to come from orphan drugs, equivalent to USD 95 billion. This corresponds to a CAGR of 11.1 percent which is approximately double the rate expected of conventional drugs. Excluding generics, orphan drugs are set to be 21.4 percent of worldwide prescription sales by 2022.

The growth of the worldwide orphan drug market indicates that governments’ initiatives have been successful. It also reflects the fact that advances within research and development have strengthened pharmaceutical companies’ ability to develop treatments for rare diseases.

Orphan disease population requirements for different regions

	USA	EU	JAPAN
Prevalence patients	<200 000 (<6 in 10 000)	<250 000 (<5 in 10 000)	<50 000 (<4 in 10 000)
Based on a population of	314 million	507 million	128 million

DIFFERENTIATING FACTORS FOR ORPHAN DRUGS

There are several forces driving the growing sales of orphan drugs. Overall development cost is typically lower than with non-orphan indications due to the smaller size of clinical studies. Given the high unmet need in rare diseases, the often-limited treatment options, and the limited impact on the overall pharmacoeconomic environment, pricing is relatively high.

Orphan drugs also benefit from financial incentives such as market exclusivity, which is up to seven and ten years from approval in the US and EU, respectively. Moreover, orphan drugs also appear to have a higher likelihood of approval (LOA), i.e. probability of the drug reaching the market, than the average drug.

According to findings from a comprehensive study published in 2014, the LOA of a drug in Phase 1 is 10.4 percent, if including all indications and drug designations. When considering only orphan drugs, the LOA increases to 32.9 percent. For drugs at the Phase 2 development stage, these figures increase to 16.2 and 37.9 percent, respectively and for Phase 3 development to 50.0 and 54.2 percent, respectively.

Also, due to the relatively small number of patients affected by a rare disease, these patients are often cared for by a relatively small number of specialist physicians at a relatively small number of hospitals/sites per country rendering it possible to effectively target these physicians with a relatively small sales and marketing organization.

“I went to several doctors and it took them four years to diagnose Wilson Disease.”
Marie-Louise



Fiscal year 2017

ADMINISTRATION REPORT

The Board of Directors and the CEO of Wilson Therapeutics AB (publ.), Corp. Reg. No. 556893-0357, hereby submit the annual report and consolidated financial statements for the 2017 fiscal year.

Operations

Wilson Therapeutics is a biopharmaceutical company, based in Stockholm, Sweden, that develops novel therapies for patients with rare copper-mediated disorders. Wilson Therapeutics' lead product, WTX101, is in Phase 3 development as a novel treatment for Wilson Disease. Wilson Therapeutics is listed in the Mid Cap segment on Nasdaq Stockholm with the stock ticker WTX.

Copper is an essential trace element that plays a critical role in key physiological cellular processes. Due to its toxic potential, copper is normally tightly bound to copper-carrying proteins inside the liver, and excess copper is eliminated from the body via biliary excretion. Wilson Disease is a rare genetic disorder of impaired copper transport and excretion, caused by loss of function of the ATP7B copper-binding protein. This leads to copper overload in the liver, release of free copper into the blood, and damaging accumulation of copper in the brain and other organs. Untreated Wilson Disease inevitably leads to various combinations and severity of hepatic, neurologic and psychiatric symptoms, and is ultimately fatal.

Wilson Disease affects approximately one in every 30,000 people worldwide, corresponding to a prevalence of about 10,000 patients in the US and 15,000 in the EU. The therapies currently being used in Wilson Disease were introduced in the 1950s and 60s. Since then, no new treatment options have been developed and considerable unmet medical needs still exist.

In 2017, the company's main focus was on the development of WTX101. During the year, the company presented final data from the successful Phase 2 trial of WTX101 at various international scientific conferences and the results from the study were published in a renowned peer-reviewed scientific journal. In parallel, the company was engaged in the preparations for the pivotal Phase 3 FOCuS study and in October the discussions with the FDA and the EMA regarding the study protocol were successfully concluded. The study started in February 2018, when the first patient was enrolled. In parallel with the clinical development, the company worked to complete a number of preclinical trials, and to document the product's pharmaceutical characteristics.

The company has no revenue and until such time as

WTX101 begins to generate revenue it is dependent on external financing to ensure continued operations.

During the year, a share issue was executed, generating a total of SEK 244.3 M before issuance costs.

The Group consists of the Parent Company, Wilson Therapeutics AB, the Swedish subsidiaries Wilson Therapeutics Incentive AB and TTM Europe Development AB and the US subsidiary Wilson Therapeutics Inc. The Swedish subsidiaries do not conduct any continuous operations.

Significant events during the year

Extraordinary general meeting held and resolved to implement the long-term incentive program LTIP 2016

An extraordinary general meeting was held on January 18, 2017. The meeting resolved to implement a new long-term incentive program (LTIP 2016) for certain senior executives and key employees and to implement a similar performance based long term incentive program (Board LTIP 2016) for certain board members of the company. To ensure delivery of shares under these programs, the general meeting further resolved to issue not more than 392,500 warrants.

Data from the successfully concluded Phase 2 trial of WTX101 were presented at major medical conferences

In April, final data from the company's Phase 2 trial of WTX101 in Wilson Disease were presented as a late breaker presentation at The International Liver Congress™ 2017. The congress is the Annual Meeting of the European Association for the Study of the Liver (EASL), held in Amsterdam, the Netherlands, April 19–23. The data were presented by Prof. Karl Heinz Weiss, MD, University of Heidelberg. Additional detailed data highlighting the results on neurological parameters were also presented as a poster presentation at the American Academy of Neurology (AAN) Annual Meeting in Boston, MA, April 22–28, and at the International Congress of Parkinson's Disease and Movement Disorders in Vancouver, BC, June 4–8. The posters were presented by Danny Bega, MD, Northwestern Memorial Hospital.

Board strengthened by the appointments of Dr. Birgitte Volck and Dr. Björn Odlander

The Annual General Meeting elected Dr. Birgitte Volck and Dr. Björn Odlander as new members of the Board of Direc-

tors. Dr. Volck is Senior Vice President, Head of R&D Rare Disease at GlaxoSmithKline in London, UK. Dr. Volck has extensive development experience with orphan drugs and more than 18 years of experience from senior roles in the biotech industry. Dr. Björn Odlander is Managing Partner and co-founder of HealthCap, a leading European venture capital firm. Dr. Odlander has more than 25 years of experience from the biotech industry and he has been involved in a number of companies that have brought novel therapies for rare diseases to market.

The AGM resolved to implement the long-term incentive program LTIP 2017

The Annual General Meeting resolved to implement a new long-term incentive program (LTIP 2017) for certain senior executives and key employees in the Wilson Therapeutics group and to implement a similar performance based long term incentive program (Board LTIP 2017) for certain board members of the company. To ensure delivery of shares under these programs, the general meeting further resolved to issue not more than 155,100 warrants.

US Orphan Drug Designation granted for WTX101 for the treatment of ALS

In June, the FDA granted the company Orphan Drug Designation for WTX101 for the treatment of patients suffering from Amyotrophic Lateral Sclerosis (ALS). Orphan Drug Designation provides the sponsor certain benefits and incentives, including a period of marketing exclusivity if regulatory approval of the drug is ultimately received for the designated indication, potential tax credits for certain activities, eligibility for orphan drug grants, and the waiver of certain administrative fees.

Phase 2 data published in The Lancet Gastroenterology & Hepatology

In October, data from the company's Phase 2 study of WTX101 were published in The Lancet Gastroenterology & Hepatology. The study data had previously been presented at medical conferences but this was the first time the complete study results were published in a peer-reviewed scientific journal.

Preliminary long-term data from the extension phase of the Phase 2 study presented at major scientific conference

In October, preliminary data from the ongoing extension part of the Phase 2 trial of WTX101 were presented at The Liver Meeting®, the annual meeting of the American Association for the Study of Liver Diseases (AASLD), in Washington DC.

Agreement reached with the FDA and EMA to initiate pivotal Phase 3 FOCuS trial

In October, it was announced that the discussions with the

FDA and the European Medicines Agency (EMA), regarding the study protocol for the single pivotal Phase 3 FOCuS trial for WTX101 in Wilson Disease, had been concluded successfully.

A directed share issue raised approximately SEK 244 M before issue costs

In December, a directed share issue was completed based on the issue authorization granted by the annual general meeting 2017. The subscription price was SEK 95 per share and the Company received proceeds of approximately SEK 244 million before issue costs. The issue entailed an increase in the number of outstanding shares and votes by 2,572,024 from 25,720,248 to 28,292,272, corresponding to a dilution of approximately 9.1 percent.

WTX101 granted Fast Track designation by the FDA for the treatment of Wilson Disease

In December, the FDA granted WTX101 Fast Track designation for the treatment of Wilson Disease. The FDA's Fast Track program is designed to facilitate the development and expedite the review of novel therapies to treat serious conditions and fill an unmet medical need.

Significant events after the end of the fiscal year

First patient enrolled in pivotal Phase 3 FOCuS trial

In February 2018, the first patient was enrolled in the pivotal Phase 3 FOCuS clinical trial. FOCuS is a randomized, controlled, rater-blinded, multi-center study that will enroll approximately 100 Wilson Disease patients, aged 18 years or older, to receive once-daily WTX101 or standard of care.

New patents filed

The company has filed two new additional patents in December 2017 and February 2018. If granted, these patents have the potential to extend the patent protection for WTX101 until 2039.

Public cash offer to acquire Wilson Therapeutics announced

In April 2018, Alexion Pharmaceuticals, Inc., announced a recommended public cash offer to acquire all outstanding shares in Wilson Therapeutics at a price of SEK 232 per share, which corresponds to a total offer value of approximately SEK 6,564 million.

Sales and earnings

Sales amounted to SEK 0.0 M (0.0) during 2017. The company is not expected to generate any revenue until its products are launched onto the market.

During the year, sales and administrative expenses increased to SEK 49.8 M (42.2). The rise was largely a result of increased costs for commercial planning for the future launch of WTX101 and increased recorded non-cash

costs related to sales and administration for the company's employee long term incentive programs, amounting to SEK 17.0 M (12.6), which was partly offset by the absence of costs for the IPO that were incurred in 2016.

During 2017, research and development expenditure increased to SEK 105.0 M (70.9). The increase was mainly due to higher costs for preparations for the upcoming Phase 3 clinical trial including clinical costs and costs related to product manufacturing. Non-cash costs for the company's long-term incentive programs related to R&D increased to SEK 10.4 M (6.4).

Loss for the year totaled SEK 168.2 M (115.2), resulting in a loss per share, before and after dilution, of SEK 6.50 (6.84).

Liquidity and financial position

At December 31, 2017, cash and cash equivalents amounted to SEK 468.7 M, compared with SEK 386.6 M at December 31, 2016.

In December, a directed share issue comprising 2,572,024 shares was completed based on the issue authorization granted by the annual general meeting. The issue price was SEK 95 per share and the issue contributed approximately SEK 244.3 M (475.6), before issuance costs of SEK 14.7 M (33.0).

The company does not have any loans. The capital that the company considers to be under its management comprises the Group's equity. In view of the phase that the company's operations have reached, the company has not adopted any targets for the management of equity.

Cash flow and investments

In 2017, cash flow from operating activities increased to a negative SEK 124.6 M (neg: 86.1), largely due to increased costs for the clinical trial activities. Cash flow from investing activities was a negative SEK 16.3 M (0.0) mainly due to a reclassification of bank holdings into financial fixed assets as the holdings are held as collateral for the company's currency hedging instruments.

Cash flow from financing operations amounted to SEK 229.6 M (442.6) and cash flow for the year amounted to SEK 88.7 M (356.3).

Personnel

At the end of the year, the number of employees in the Group was 13 (14). The average number of employees was 14 (10).

The staff have a very high level of education; 46% of personnel have a doctoral degree and 46% have another kind of Masters level university or college degree. At the end of the year, 43% of the company's employees were women and 57% were men.

Environment

Wilson Therapeutics is working actively to reduce the

company's negative environmental impact and to develop as a sustainable company. Since the company has no sales, its products have no environmental impact. Instead, the company's environmental impact arises in the areas of purchasing of goods and services, energy usage and transportation. The company's objective is to contribute to sustainable development and thus to work actively to improve its environmental performance to the extent that is financially feasible.

Share-based payments

Wilson Therapeutics AB has an employee stock option program. Some board members, the CEO, other senior executives and certain employees who are not a part of the Executive Management Team are included in the program. Granted stock options must be vested through continuous employment during the vesting period in order to be exercised. If an employee leaves the company, the granted stock options that have not yet been vested are lapsed. A vested employee stock option entitles the owner to subscribe for shares in Wilson Therapeutics AB at an established exercise price. The exercise price is equal to the quotient value of a common share, and participants have not paid any option premium.

The company also has two performance share plans outstanding, which are targeted at certain senior executives and key employees (LTIP 2016 and LTIP 2017) and two similar plans targeted at certain Board members (Board LTIP 2016 and Board LTIP 2017). All these programs are performance-based share award programs entitling the holder to one common share in Wilson Therapeutics per share award free of charge after three years. In the programs for employees the share awards will vest provided certain operational targets and targets relating to share price development are met. In the programs for board members the share awards will vest provided certain targets only relating to the share price are met.

For more information about the incentive plans, see Note 9 Share-based payments.

Work of the Board

The company's Board consists of seven regular members, including the Chairman of the Board, who have been elected for the period up to the end of the 2018 Annual General Meeting. The Board of Directors is responsible for, *inter alia*, setting targets and strategies, securing procedures and systems for evaluation of set targets and continuously assessing the company's results and financial condition as well as evaluating the operating management. In 2017, the Board of Directors held nine meetings.

The Board applies written rules of procedure, which are revised annually and adopted by the statutory Board meeting every year. The rules of procedure include governing the practice of the Board of Directors, and the func-

tions and division of work between the Board of Directors and the CEO as well as between the Board of Directors and its various committees.

The Board has established an Audit Committee and a Remuneration Committee. The members of the committees are appointed for one year at a time at the statutory Board meeting and the work conducted by the committees and their decision-making rights are regulated in the adopted committee instructions. The matters addressed at committee meetings are minuted and reports are presented at the next Board meeting.

The company's auditor attends at least one Board meeting each year. A separate Corporate Governance Report has been formulated and is presented on pages 58-60.

Holding of treasury shares and warrants

The company did not hold any treasury shares in 2017.

The subsidiary Wilson Therapeutics Incentive AB holds warrants in Wilson Therapeutics AB, which act as a hedge in order to supply shares for the company's outstanding employee stock option and performance share plans.

The holding increased during the year to 2,312,600 (1,765,000) at December 31, 2017. The warrants entitle the holder to subscribe for a share in Wilson Therapeutics AB at a quotient value of SEK 0.11.

The shares and ownership structure

The share capital in Wilson Therapeutics AB amounts to SEK 3,144,000. The Wilson Therapeutics share has been traded on Nasdaq Stockholm, Mid Cap, since May 2016. The total number of shares in the company at December 31, 2017 was 28,292,272. All of the shares are common shares carrying equal rights to the company's profit and each share entitles the holder to one voting right at the Annual General Meeting (AGM). All shareholders entitled to vote at the AGM may vote for the full number of shares owned or represented by them, with no restrictions on voting rights.

At the end of 2017, the company had 2,234 shareholders and the ten largest shareholders accounted for 84.4% of the shares outstanding and other shareholders for 15.6%. At 31 December 2017, there were three shareholders with holdings that separately represented 10% or more of the number of shares and votes in the company: HealthCap VI LP, 25.7%, Abingworth Bioventures VI LP, 12.5% and MVM Fund III LP, 11.9%.

Guidelines for remuneration of senior executives

Wilson Therapeutics is to offer remuneration levels and employment terms at market terms, aimed at facilitating the recruitment and retention of senior executives with high competence and capacity, in order to achieve established

targets. The guidelines shall apply to contracts of employment entered into after the adoption of these guidelines by the shareholders' meeting or amendments to existing contracts made after the adoption of the guidelines.

The remuneration to the CEO and other senior executives is to comprise fixed salary, variable remuneration, pensions, share-based incentives adopted by the shareholders' meeting (e.g. employee stock options) and other benefits. Senior executives refer to the CEO and the other seven members of the group management.

The CEO's remuneration and other employment terms are prepared by the remuneration committee and approved by the board of directors. Other senior executives' remuneration and other employment terms are resolved on by the CEO, in accordance with the principles resolved on by the remuneration committee and the board of directors.

The board of directors is entitled to deviate from these guidelines if it deems that there are particular grounds for doing so in individual cases. There are no previously agreed remunerations that have not matured.

Fixed salary

The fixed salary is to take into consideration the individuals' competence, area of responsibility and performance. A review should be made annually.

Variable remuneration

Variable remuneration relates to a variable salary determined as a fixed share of the base salary. The variable salary is dependent on the individuals' fulfillment of predetermined quantitative and qualitative targets, formulated in order to promote the company's long-term value creation. Variable salary may not exceed 40 percent of fixed salary for the CEO. For other senior executives, the variable salary may not exceed 30 percent of fixed salary, whereby the individual highest level should be based on factors such as the position held by the specific individual.

Pensions

All pension benefits are to be of the defined contribution type. The retirement age for the CEO shall be 65 years and the pension premium is to correspond to the stipulations of the ITP plan. Pension benefits for the other senior executives in Sweden is to correspond to the stipulations of the ITP plan and for senior executives abroad to market terms in the relevant jurisdiction. The retirement age for the other senior executives shall be 65 years.

Share-based incentive programs

Share-based incentive plans shall, where applicable, be resolved on by the shareholders' meeting. For information about existing share-based payments, see Note 9.

Other benefits

The senior executives may be awarded otherwise customary benefits, such as a company car, company healthcare, etc.

Severance pay, etc.

Upon termination of employment, a mutual notice period of six months applies for the CEO. Between the company and other senior executives, a mutual notice period of three to six months applies. Severance pay shall not be paid.

Proposal for guidelines in 2018

It is proposed that the same guidelines will apply in 2018 as in 2017.

Risks and uncertainties**Operational risks**

Wilson Therapeutics' main operations are research and development of pharmaceutical products, which is to a large extent both a high-risk and capital-intensive field. Most of the initiated projects will never reach market registration due to the risk that the drug does not show sufficient efficacy or has a problematic side effect profile and, after launch, products may have their regulatory licenses withdrawn as side effects emerge. If competing pharmaceutical products capture market share or competing research projects achieve better efficacy and reach the market more rapidly, the future value of the product portfolio could be lower than expected. Patents that the company has applied for may not be granted and granted patents may be challenged leading to loss of patent protection. The operations are also impacted by decisions from public authorities, such as approvals and price changes. There is an ongoing political debate, particularly in the US, regarding perceived excessive orphan drug pricing. There is a risk that new regulations will have a negative impact on orphan drug prices in the future. There are also risks concerning the manufacturing of pharmaceutical products. The chosen manufacturer may become unable to manufacture sufficient quantities and/or quality or may lose necessary manufacturing approvals.

Financial risk management

Wilson Therapeutics' financial policy governing the management of financial risks has been designed by the Board of Directors and represents a framework of guidelines and rules in the form of risk mandates and limits for financial activities. Wilson Therapeutics is primarily affected by foreign-exchange risk. A considerable portion of the company's costs is denominated in USD and EUR. A portion of the company's cash is held in USD. The company also holds currency options to secure expected further USD

needs amounting to USD 13.3 M. The financial policy is updated at least once annually.

For more information about risks and risk management, see Note 18.

Internal control

Read disclosures in the Corporate Governance Report on pages 58–60.

Parent Company

The Group's Parent Company is Wilson Therapeutics AB. In all material respects, the Parent Company's operations match those of the Group, since most of the Group's operations are conducted in Parent Company. Since the Parent Company's profit for the year and financial position match the corresponding items for the Group in all material respects, the comments for the Group are also largely relevant for the Parent Company. The loss for the Parent Company amounted to SEK 168.4 M (loss: 115.7).

At December 31, 2017 the Parent Company's cash and cash equivalents totaled SEK 466.8 M (385.4).

Future prospects

The company's pharmaceutical product candidate, WTX101, has considerable market potential. The product has undergone a Phase 2 clinical trial with positive end results and a pivotal Phase 3 trial has been started.

The company has no revenue and until such time as WTX101 begins to generate revenue it is dependent on external financing to ensure continued operations. During the year, a share issue was completed, generating a total of SEK 244.3 M before issuance costs.

The future outlook for the company is therefore positive.

Proposed appropriations of the company's profit or loss

The following profit/loss stated in SEK is at the disposal of the Annual General Meeting

Share premium reserve	898,814,756
Loss brought forward	-240,279,225
Loss for the year	-168,434,096
	490,101,435

The Board of Directors proposes that SEK 490,101,435 be carried forward.

Dividend policy

In accordance with the Board's dividend policy, no dividend is to be paid before the company generates significant revenue.

Multi-year overview

	IFRS 2017	IFRS 2016	IFRS 2015	IFRS 2014	IFRS 2013
Group					
Net sales (SEK 000)	-	-	-	91	301
Loss after financial items (SEK 000)	-167,746	-115,104	-70,340	-54,488	-32,074
Total assets (SEK 000)	553,000	453,886	98,367	88,707	45,121
Equity ratio (%)	89%	93%	86%	90%	83%
No. of employees	14	10	6	6	5

	RFR 2 2017	RFR 2 2016	RFR 2 2015	RFR 2 2014	RFR 2 2013
Parent Company					
Net sales (SEK 000)	-	-	-	91	301
Loss after financial items (SEK 000)	-168,434	-115,670	-70,803	-54,790	-32,262
Total assets (SEK 000)	550,939	453,055	98,158	87,935	44,929
Equity ratio (%)	90%	93%	85%	90%	83%
No. of employees	12	8	4	5	4

Consolidated statement of comprehensive income

(SEK 000)	Note	Jan 1, 2017 – Dec 31, 2017	Jan 1, 2016 – Dec 31, 2016
Net sales	3	-	-
Gross profit/loss		-	-
Sales and administrative expenses	5, 7, 8, 9, 15	-49,842	-42,208
Research and development expenditure	5, 7, 8, 9	-105,044	-70,851
Other operating revenue	4	1,171	20
Other operating expenses		-304	-820
Operating loss	6	-154,019	-113,859
Financial income	10	495	3
Financial expenses	11	-14,222	-1,248
Net financial items		-13,727	-1,245
Loss before tax		-167,746	-115,104
Tax	12	-440	-71
Loss for the year attributable to shareholders of the Parent Company		-168,186	-115,175
Other comprehensive income			
<i>Items to be reclassified to profit or loss</i>			
Translation difference for the year		-165	123
Other comprehensive income after tax for the year		-165	123
Comprehensive loss for the year attributable to shareholders of the Parent Company		-168,351	-115,052
Earnings per share before dilution	13	-6.50	-6.84
Earnings per share after dilution		-6.50	-6.84

Consolidated statement of financial position

(SEK 000)	Note	Dec 31, 2017	Dec 31, 2016
ASSETS			
Fixed assets	3		
Patents, licenses, product rights and similar rights	14	64,632	64,632
Equipment	15	35	55
Non-current receivables	16, 17	15,123	151
Total fixed assets		79,790	64,838
Current assets			
Current tax assets		219	179
Other current receivables		1,102	1,301
Prepaid expenses and accrued revenue	19	3,194	1,000
Cash and cash equivalents	20	468,695	386,568
Total current assets		473,210	389,048
TOTAL ASSETS		553,000	453,886
EQUITY AND LIABILITIES			
Shareholders' equity	22		
Share capital		3,144	2,858
Other capital contributed		938,389	698,924
Reserves		79	245
Retained earnings including loss for the year		-446,755	-278,569
Total shareholders' equity attributable to shareholders of the Parent Company		494,857	423,458
Non-current liabilities			
Non-current provisions	9, 23	28,413	11,167
Total non-current liabilities		28,413	11,167
Current liabilities			
Accounts payable	17, 18	7,616	8,155
Other current liabilities		7,034	505
Accrued expenses and deferred revenue	24	15,080	10,601
Total current liabilities		29,730	19,261
TOTAL EQUITY AND LIABILITIES		553,000	453,886

Consolidated statement of changes in shareholders' equity

(SEK 000)	Share capital	Other capital contributed	Translation reserve	Retained earnings including loss for the year	Total
Opening shareholders' equity, Jan 1, 2016	1,702	246,132	122	-163,394	84,562
Loss for the year	-	-	-	-115,175	-115,175
Other comprehensive income for the year	-	-	123	-	123
Comprehensive income for the year	-	-	123	-115,175	-115,052
<i>Transactions with owners:</i>					
New share issue	1,156	474,461	-	-	475,617
Issue expenses	-	-32,976	-	-	-32,976
Share-based payments	-	11,307	-	-	11,307
Total transactions with owners	1,156	452,792	-	-	453,948
Closing shareholders' equity, Dec 31, 2016	2,858	698,924	245	-278,569	423,458
Opening shareholders' equity, Jan 1, 2017	2,858	698,924	245	-278,569	423,458
Loss for the year	-	-	-	-168,186	-168,186
Other comprehensive income for the year	-	-	-165	-	-165
Comprehensive income for the year	-	-	-165	-168,186	-168,351
<i>Transactions with owners:</i>					
New share issue	286	244,056	-	-	244,342
Issue expenses	-	-14,701	-	-	-14,701
Share-based payments	-	10,109	-	-	10,109
Total transactions with owners	286	239,464	-	-	239,750
Closing shareholders' equity, Dec 31, 2017	3,144	938,389	79	-446,755	494,857

The equity is attributable entirely to shareholders of the Parent Company.

Consolidated statement of cash flow

(SEK 000)	Note	Jan 1, 2017 – Dec 31, 2017	Jan 1, 2016 – Dec 31, 2016
Operating activities			
Operating loss		-154,019	-113,859
Adjustments for non-cash items	20	27,375	19,047
Interest received		479	3
Interest paid		-3	-9
Income tax paid		-421	-68
Cash flow from operating activities before changes in working capital		-126,589	-94,886
<i>Cash flow from changes in working capital</i>			
Changes in operating receivables		-2,172	-1
Changes in operating liabilities		4,124	8,944
Cash flow from operating activities		-124,637	-85,943
<i>Investing activities</i>			
Acquisition of intangible fixed assets	15	-	-63
Deposits repaid	16	-	54
Investments in financial non-current assets	16	-16,292	-356
Cash flow from investing activities		-16,292	-365
<i>Financing activities</i>			
New share issue		244,342	475,617
Issue expenses		-14,701	-32,976
Cash flow from financing activities		229,641	442,641
Cash flow for the year		88,712	356,333
Cash and cash equivalents at beginning of the year		386,568	31,404
Exchange-rate difference in cash and cash equivalents		-6,585	-1,169
Cash and cash equivalents at the end of the year	20	468,695	386,568

Parent Company income statement

(SEK 000)	Note	Jan 1, 2017 – Dec 31, 2017	Jan 1, 2016 – Dec 31, 2016
Net sales		-	-
Gross profit/loss		-	-
Sales and administrative expenses	3, 4	-49,729	-42,116
Research and development expenditure	3, 4	-105,845	-71,489
Other operating revenue	2	1,171	0
Other operating expenses		-304	-820
Operating loss	5	-154,707	-114,425
Result from financial items			
Other interest income and similar income items	6	495	3
Interest expense and similar items	7	-14,222	-1,248
		-13,727	-1,245
Loss after financial items		-168,434	-115,670
Tax on loss for the year	8	-	-
Loss for the year		-168,434	-115,670

Parent Company statement of comprehensive income

(SEK 000)	Note	Jan 1, 2017 – Dec 31, 2017	Jan 1, 2016 – Dec 31, 2016
Loss for the year		-168,434	-115,670
Other comprehensive income		-	-
Comprehensive income for the year		-168,434	-115,670

Parent Company balance sheet

(SEK 000)	Note	Dec 31, 2017	Dec 31, 2016
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Patents, licenses, product rights and similar rights	9	32,360	32,360
		32,360	32,360
<i>Tangible fixed assets</i>			
Equipment	10	35	55
		35	55
<i>Financial fixed assets</i>			
Shares in Group companies	11	32,431	32,431
Other non-current receivables	12	15,123	151
		47,554	32,582
Total fixed assets		79,949	64,997
Current assets			
<i>Current receivables</i>			
Current tax assets		322	263
Other current receivables		1,103	1,301
Prepaid expenses and accrued revenue	13	2,735	996
		4,160	2,560
Cash at bank and in hand	14	466,830	385,498
Total current assets		470,990	388,058
TOTAL ASSETS		550,939	453,055
EQUITY AND LIABILITIES			
Shareholders' equity	15		
Restricted shareholders' equity			
Share capital		3,144	2,858
		3,144	2,858
<i>Unrestricted shareholders' equity</i>			
Share premium reserve		898,815	669,460
Loss brought forward		-240,280	-134,719
Loss for the year		-168,434	-115,670
		490,101	419,071
Total equity		493,245	421,929
Provisions			
Other provisions	16	28,413	11,167
		28,413	11,167
<i>Current liabilities</i>			
Accounts payable		7,400	8,147
Liabilities to Group companies		931	1,532
Other current liabilities		7,034	505
Accrued expenses and deferred revenue	17	13,916	9,775
		29,281	19,959
Total liabilities		57,694	31,126
TOTAL EQUITY AND LIABILITIES		550,939	453,055

Statement of changes in Parent Company shareholders' equity

(SEK 000)	Restricted share- holders' equity	Unrestricted shareholders' equity			Total
	Share capital	Share premium reserve	Loss brought forward	Loss for the year	
Opening shareholders' equity, Jan 1, 2016	1,702	227,975	-75,223	-70,803	83,651
Transfer of previous year's loss			-70,803	70,803	-
Loss for the year				-115,670	-115,670
Other comprehensive income for the year	-	-	-	-	-
Comprehensive income for the year	-	-	-	-115,670	-115,670
<i>Transactions with owners:</i>					
New share issue	1,156	474,461			475,617
Issue expenses		-32,976			-32,976
Share-based payments			11,307		11,307
Total transactions with owners	1,156	441,485	11,307	-	453,948
Closing shareholders' equity, Dec 31, 2016	2,858	669,460	-134,719	-115,670	421,929
Opening shareholders' equity, Jan 1, 2017					
	2,858	669,460	-134,719	-115,670	421,929
Transfer of previous year's loss			-115,670	115,670	-
Loss for the year				-168,434	-168,434
Other comprehensive income for the year	-	-	-	-	-
Comprehensive income for the year	-	-	-	-168,434	-168,434
<i>Transactions with owners:</i>					
New share issue	286	244,056			244,342
Issue expenses		-14,701			-14,701
Share-based payments			10,109		10,109
Total transactions with owners	286	229,355	10,109	-	239,750
Closing shareholders' equity, Dec 31, 2017	3,144	898,815	-240,280	-168,434	493,245

Parent Company statement of cash flow

(SEK 000)	Note	Jan 1, 2017 – Dec 31, 2017	Jan 1, 2016 – Dec 31, 2016
Operating activities			
Operating loss		-154,707	-114,425
Adjustments for non-cash items	14	27,375	19,047
Interest received		479	3
Interest paid		-3	-8
Income tax paid		-	-
Cash flow from operating activities before changes in working capital		-126,856	-95,383
<i>Changes in working capital</i>			
Changes in operating receivables		-1,584	-118
Changes in operating liabilities		2,873	8,900
Cash flow from operating activities		-125,567	-86,601
<i>Investing activities</i>			
Acquisition of intangible fixed assets	10	-	-63
Deposits repaid	12	-	54
Investments in financial non-current assets	12	-16,292	-356
Cash flow from investing activities		-16,292	-365
<i>Financing activities</i>			
New share issue		244,342	475,617
Issue expenses		-14,701	-32,976
Cash flow from financing activities		229,641	442,641
Cash flow for the year		87,782	355,675
Cash and cash equivalents at beginning of the year		385,498	31,063
Exchange-rate difference in cash and cash equivalents		-6,450	-1,240
Cash and cash equivalents at the end of the year	14	466,830	385,498

Notes

Group

Note 1 Accounting policies

This Annual Report and the consolidated financial statements comprise the Swedish Parent Company Wilson Therapeutics AB (Wilson), corporate registration number 556893-0357, and its subsidiaries. The main operation of the Group is the development of pharmaceutical products.

The Parent Company is a joint stock company registered at and with a registered office in Stockholm, Sweden. The address of its headquarters is Kungsgatan 3, SE-111 43, Stockholm, Sweden.

April 27, 2018, the Board of Directors approved this Annual Report and the consolidated financial statements, which will be presented for approval at the Annual General Meeting.

Applied regulations

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") published by the International Accounting Standards Board (IASB) as established by the EU. In addition, the consolidated financial statements comply with the recommendation of the Swedish Financial Reporting Board RFR 1, Supplementary Accounting Regulations for Groups."

The accounting policies detailed below were, unless otherwise specified, applied consistently in all periods presented in the consolidated financial statements. The Group's accounting policies have been consistently applied by the companies in the Group.

Measurement bases

Assets, provisions and liabilities are based on acquisition value (cost) unless otherwise stated.

Currency

Functional currency is the currency of the primary economic environments in which the company operates. The Parent Company's functional currency is Swedish kronor (SEK), which is also the reporting currency for the Parent Company and the Group. Accordingly, the financial statements are presented in SEK. All amounts, unless otherwise stated, are rounded off to the nearest thousand (SEK 000).

New or amended accounting standards during the fiscal year

In this Annual Report, the Group and the Parent Company are applying the new and amended accounting standards, and interpretation statements, for the first time for fiscal years commencing on January 1, 2017 or later. Apart from the amendments mentioned below, these have not had a material impact on the Group's or the Parent Company's financial statements. No new or revised IFRSs have been applied prospectively.

New or revised IFRSs that have not yet been applied

A number of new or revised IFRSs have yet to take effect and have not been applied prospectively in preparing the consolidated or Parent Company financial statements. The IFRSs that could potentially impact the consolidated or the Parent Company's financial statements are described below. Other new or amended standards or interpretations published by the IASB are not expected to have a material impact on the consolidated or the Parent Company's financial statements.

IFRS 2 Share-based Payment has been amended in three areas: (i) the effect of vesting conditions on the measurement of share-based payment settled in cash, (ii) the classification of share-based payment that includes the company's obligation to withhold amounts for the employee's payment of withholding tax, and (iii) the recognition of a change in conditions that results in share-based payment settled with equity instruments changing classification to having been settled in cash. The amendment of IFRS 2 is to be applied for fiscal years commencing January 1, 2018 or later. The standard will be applied prospectively by the Group and the Parent Company as of January 1, 2018 and is not expected to result in any material impact on the Group's or the Parent Company's result after financial position.

IFRS 9 Financial Instruments The standard pertains to the recognition of financial assets and liabilities and replaces IAS 39. In common with IAS 39, financial assets are to be classified in various categories, certain of which are measured at amortized cost and others at fair value. To assess how financial instruments are to be recognized according to IFRS 9, a company must consider the contractual cash flows and the business model under which the instrument is held. IFRS 9 also introduces a new model for impairment losses on financial assets. The purpose of the new model includes recognizing loan losses earlier than in cases where IAS 39 is applied. For financial liabilities, IFRS 9 largely matches IAS 39. Changed criteria for hedge accounting could result in more financial hedging strategies fulfilling the requirements for hedge accounting according to IFRS 9 compared with IAS 39. IFRS 9 becomes effective on January 1, 2018 and will be applied by the Group as of January 1, 2018.

In 2017, the Group continued its work to assess the impact of the transition to IFRS 9. No material impact on the Group's or the Parent Company's earnings or financial position is expected.

IFRS 15 Revenue from Contracts with Customers IFRS 15 Revenue from Contracts with Customers The standard will replace all previously published standards and interpretations governing revenue with an integrated model for revenue recognition. According to IFRS 15, revenue has to be recognized when a promised good or service has been transferred to the customer over time or at a specific date. The revenue is to constitute the amount that the company expects to receive as compensation for transferred goods or services. IFRS 15 becomes effective for fiscal years commencing on January 1, 2018 or later and will be applied by the Group as of January 1, 2018 subject to complete retroactive restatement.

In 2017, the Group continued its work to assess the impact of the transition to IFRS 15. No material impact on the Group's or the Parent Company's earnings or financial position is expected.

IFRS 16 Leases will replace IAS 17. According to new standard, lessees will have to recognize obligations to make lease payments as a lease liability in the balance sheet. The entitlement to use the underlying asset during the lease term is recognized as an asset. Depreciation of the asset is recognized in profit or loss, as is interest on the lease liability. Lease payments made are recognized in part as payment of interest and in part as repayment of the lease liability. The standard exempts leases with a term of less than 12 months (current leases) and leases pertaining to assets with a low value. For lessors, the new standard does not entail any major differences. IFRS 16 becomes effective for fiscal years commencing on January 1, 2019 or later and will be applied by the Group as of January 1, 2019.

During the year, the Group continued the evaluation of the impact of the standard. Recognized assets and liabilities are both expected to increase. The income statement and financing activities in the cash-flow statement will also be affected; to date, however, it has not been possible to make any reliable estimates of relevant amounts. The preliminary assessment is that the standard will result in most of the leases currently recognized as operating leases in these financial statements being recognized as assets and liabilities in the balance sheet. As a result, the cost of these will be recognized divided up into interest expense and depreciation.

In the Parent Company, the exception permitted in RFR 2 in respect of leases will be applied. This means that the Parent Company's policies for the recognition of leases will remain unchanged.

IFRIC 23 Uncertainty over income taxes This interpretation clarifies the handling of uncertainty over income taxes. Assuming that the interpretation is approved by the EU, it will become effective on January 1, 2019. The interpretation statement is not expected to result in any material impact on the Group's or the Parent Company's earnings or financial position.

Classification

Fixed assets and non-current liabilities primarily consist of amounts that are expected to be recovered or paid more than 12 months after the balance-sheet date. Current assets and current liabilities primarily consist of amounts that are expected to be recovered or paid within 12 months from the balance-sheet date.

Consolidation

Subsidiaries

Subsidiaries are companies that are subject to the controlling influence of Wilson Therapeutics AB. An investor has a controlling influence over a company when the investor is exposed to, or has rights to, variable returns from its involvement with the company and has the ability to affect those returns through its influence. The subsidiary is accounted for in accordance with the acquisition method. The method entails an acquisition of a subsidiary being treated as a transaction through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The fair value of acquired identifiable assets on the acquisition date is established in the acquisition analysis, along with assumed liabilities and any non-controlling interests. Transaction expenses that occur, with the exception of transaction expenses attributable to the issue of equity instruments or promissory instruments, are recognized directly in profit or loss for the year. In the case of business combinations in which the transferred payment exceeds the fair value of separately acquired assets and assumed liabilities, the difference is recognized as goodwill.

Subsidiaries' financial statements are fully consolidated from the date of acquisition through the date on which control ceases.

Transactions eliminated at consolidation

Intra-Group receivables and liabilities, revenue and expenses and unrealized gains or losses that arise from transactions between Group companies are eliminated in their entirety when preparing the consolidated financial statements. Unrealized gains are eliminated in the same way, but only to the extent that there is no impairment requirement.

Foreign exchange translation

Transactions in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing on the dates of the transactions. Foreign currency monetary transactions and liabilities are translated into the functional currency using the exchange rate prevailing on the balance-sheet date. Exchange-rate differences that arise in translation are recognized in profit or loss. Foreign exchange gains and losses in terms of operating receivables and operating liabilities are recognized in operating profit or loss, while foreign exchange gains and losses in terms of financial receivables and liabilities are recognized as financial items.

Translation of foreign operations

Assets and liabilities in foreign operations are translated from the foreign operations' functional currency into the Group's reporting currency, SEK, using the exchange rate prevailing on the balance-sheet date. Revenue and expenses from foreign operations are translated into SEK using an average exchange rate that represents an approximation of the exchange rates available on the respective transaction date. Translation differences that occur when translating the financial statements of foreign operations are recognized directly in other comprehensive income and accumulated in a separate component in shareholders' equity termed "Translation reserve."

Revenue

The Group recognizes revenue when the amount can be measured in a reliable way, when it is likely that there will be future benefits for the company and when specific criteria have been fulfilled for each of the Group's operations. Revenue includes the fair value of what has been paid or will be paid for sold services as part of the Group's ongoing operations. Revenue is recognized excluding VAT, returns and discounts and after elimination of intra-Group sales.

At present, the Group does not recognize any revenue because no product has been launched to date.

Financial income

Financial income consists of interest income and foreign exchange gains. Interest income is recognized in accordance with the effective interest method. Effective interest is the interest that discounts estimated future receipts and payments during a financial instrument's anticipated duration to the financial asset's or liability's recognized net value. The calculation contains all costs included in the effective interest paid by the parties to the contract, transaction costs and all other premiums and discounts.

Dividends received are recognized when the right to receive a dividend has been established.

Foreign exchange gains and losses are netted.

Employee benefits

Current benefits

Current employee benefits such as salaries, social security costs, vacation pay and bonuses are expensed during the period in which employees perform the service.

Pensions

The Group's pension obligations consist solely of defined-contribution plans. A defined-contribution pension plan is a pension plan according to which the Group pays fixed premiums to a separate legal entity. The Group does not have any legal or informal obligation to pay further premiums if this legal entity does not have sufficient assets to pay the full remuneration to employees corresponding to their service during the current or previous periods. The Group therefore has no further risk. The Group's obligations relating to fees for defined-contribution plans are expensed in profit or loss as they are accrued due to the employee performing services for the Group over a period.

Severance pay

An expense for remuneration in connection with termination of employment of personnel is recognized only if the company is unquestionably obligated, without any realistic possibility of withdrawal, by a formal detailed plan to eliminate a position in advance of when that position would normally expire. When remuneration is paid as an offer to encourage voluntary termination of employment, a cost for this is recognized if it is probable that the offer will be accepted and the number of employees that will accept the offer can be reliably estimated.

Share-based payments

Share-based payments in the company refer to the employee stock option plan and performance share plan that are settled using equity instruments.

The fair value of share-based payments is recognized as a personnel cost. The fair value of employee stock options is established at the time of allocation using the Black & Scholes model for the pricing of options. The valuation of performance shares is performed based on a discounted outcome model, featuring Monte Carlo simulation of the share price trend for share-based increments and with estimated probabilities for the outcome of operational targets. The cost is recognized, together with a corresponding increase in shareholders' equity, during the period in which the performance and vesting conditions are fulfilled, up to the date on which the employees in question are fully entitled to the payment.

The accrued expenses recognized on each reporting occasion show how much of the vesting period has passed, with an estimation of the number of share-based instruments that will finally be fully vested.

Social-security costs attributable to share-based instruments for employees, as remuneration for purchased services, are to be expensed over the periods in which the services were performed. The cost should then be calculated applying the same valuation model used when the options were allocated. The implemented provision should be re-measured on each reporting occasion based on a calculation of the social security costs that may need to be paid when the instrument is settled.

Leasing

Leases where the lessor principally bears all of the risks and benefits linked to ownership are classified as operational. Leases agreements are expensed on a straight-line basis in profit or loss. Any incentives that have been received when signing the leases are taken into consideration. The Group only has leases recognized as operational.

Financial expenses

Financial expenses mainly consist of interest expenses on loans and foreign exchange losses. Interest expenses on loans are recognized in line with the effective interest method. Foreign exchange gains and losses are netted.

Taxes

Income taxes comprise current tax and deferred tax. Income taxes are recognized in profit or loss for the year except where the underlying transaction is recognized in other comprehensive income or in shareholders' equity, whereby the associated tax effect is recognized in other comprehensive income or shareholders' equity.

Current tax is tax that is to be paid or recovered in respect of the current year, applying tax rates determined or announced at the balance-sheet date. Adjustment of current tax relating to previous periods is also recognized here.

Deferred tax is recognized in its entirety, in accordance with the balance-sheet method, for all temporary differences occurring between the taxable value of assets and liabilities and their carrying amounts. Furthermore, temporary differences are not recognized for shares in subsidiaries that are not expected to be reversed in the foreseeable future. Estimates of deferred tax are based on how underlying assets and liabilities are expected to be realized or settled. Deferred tax is calculated applying tax rates and legislation determined or announced at the balance-sheet date, and which are expected to apply when the deferred tax assets in questions are realized or the deferred tax liability is settled. Deferred tax assets are only netted against deferred tax liabilities if they can be paid using a net amount.

Deferred tax assets pertaining to deductible temporary differences and loss carryforwards are recognized to the extent that it is probable that they will be utilized. The carrying amount of deferred tax assets is reduced when it is no longer judged probable that they will be utilized.

Intangible assets

Intangible fixed assets in the Group comprise technology in the form of patents, licenses, product rights and other similar rights, which are measured at cost minus any accumulated amortization and impairment losses.

Patents, licenses, product rights and similar rights

Intangible assets with a limited life are recognized at cost minus amortization and any impairment losses. Intangible fixed assets are systematically amortized over the estimated useful life of the asset. The useful life is reviewed at each accounting year-end and adjusted where necessary. When the amortizable amount of the asset has been established, the residual value of the asset is recognized where applicable.

Development costs are capitalized when they fulfill the criteria set out in IAS 38 and are expected to represent significant amounts for the development initiatives as a whole. Development costs are otherwise expensed as normal operating costs. The most important capitalization criteria are that the end product of the development work has a demonstrable future earning capacity or would lead to cost savings and cash flow, and that there are the technical and financial conditions to fulfill the development work when it begins. The Group only has acquired intangible assets. Since regulatory approval has not yet been obtained, no costs have been capitalized.

Amortization policies

Once commercialization has begun, patents, licenses, product rights and other similar rights will be amortized on a straight-line basis over the anticipated useful life.

Tangible fixed assets

Tangible fixed assets comprise equipment and this is recognized in the consolidated financial statements at cost, less a deduction for accumulated depreciation and any impairment losses. The cost includes the purchase price and expenses directly attributable to the asset to bring the asset to the site and in the working condition for its intended use.

The carrying amount of an asset is derecognized from the balance sheet when it is disposed of, divested, or when no future financial benefits are expected from the disposal/divestment of the asset. Profit or loss arising from divestment or disposal of an asset comprises the difference between the selling price and the asset's carrying amount, less deductions for direct selling expenses. Profit or loss is recognized as other operating revenue/costs.

Amortization policies

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The estimated useful life of the Group's equipment is five years. The depreciation methods, residual values and useful lives are reviewed at the end of each year.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example the Group's intangible assets that have not yet begun to be amortized, are tested at least once annually to determine a potential impairment requirement and when an indication of an impairment requirement may occur. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount is not recoverable.

An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value minus costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units).

To test the value of intangible fixed assets, Wilson Therapeutics uses a probability-adjusted cash flow model. The valuation of ongoing development projects is calculated by estimating the present value of and probability-adjusting the anticipated future cash flows in order to take development risks into account. The valuation takes cash flow for the next 20 years into account, but does not involve calculating any residual value thereafter. Previously recognized impairment losses are reversed if the recoverable amount is deemed to exceed the carrying amount. Reversal does not take place, however, if the amount is greater than what the carrying amount would have been if the impairment loss had not been recognized in previous periods. However, impairment of goodwill is never reversed.

Financial instruments

A financial asset or financial liability is recognized in the balance sheet when the Group is party to the contractual conditions of the instrument. Accounts receivable are recognized when the invoice has been sent. Liabilities are recognized when the other contracting party has fulfilled its obligations and payment is due, although the invoice has not yet been received. Accounts payable are recognized when the invoice is received.

A financial asset is derecognized from the balance sheet when the contractual rights are realized, expire or the Group loses control over them. This also applies to parts of financial assets. A financial liability is derecognized from the balance sheet when the contractual obligation is met or is extinguished in another way. This also applies to parts of financial liabilities.

Financial assets and liabilities are offset and the net amount recognized in the balance sheet when there is a legally enforceable right to offset the amounts and when there is an intention to settle the items on a net basis or realize the asset and settle the liability simultaneously.

Acquisition and divestment of financial assets are recognized on the transaction date. The transaction date is the date on which the company commits to the acquisition or divestment of the asset.

Financial instruments are initially recognized at cost representing the fair value of the instrument, with transaction costs added for all financial instruments at the Group. A financial instrument is classified on initial recognition based on the purpose for which the instrument was acquired. The classification determines how the financial instrument is measured following the initial recognition. The Group holds financial instruments in the following categories:

- Loans and accounts receivables
- Financial liabilities measured at fair value through profit or loss
- Other financial liabilities

Loans and accounts receivables

Loans and accounts receivables are financial assets that do not comprise derivatives and have fixed or determinable payments that are not quoted on an active market. Assets in this category are measured at amortized cost. Amortized cost is based on the effective interest calculated at the date of acquisition.

Financial liabilities measured at fair value through profit or loss

Financial instruments in this category comprise currency options according to level two of the IFRS 13 hierarchy, which are measured continuously at fair value with changes in value recognized in profit or loss.

Other financial liabilities

Loans and other financial liabilities are included in this category. Liabilities are measured at amortized cost.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that there is an impairment requirement for a financial asset or group of financial assets. A financial asset or a group of financial assets has an impairment requirement and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that a loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria used by the Group to establish whether there is objective evidence of an impairment requirement include if the issuer or debtor is experiencing significant financial difficulties, a contract breach such as default or delinquency in interest or principal payments, or if it is probable that the borrower will enter bankruptcy or other financial reorganization.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted to the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the Group's profit or loss.

If, in a subsequent period, the impairment amount decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is recognized in the consolidated profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, and current investments with an original maturity of three months or more.

Dividend distribution

Dividends paid to the Parent Company's shareholders are recognized as liabilities in the consolidated financial statements for the period in which the dividend has been approved.

Provisions

A provision differs from other liabilities in that there is uncertainty regarding the payment date or the size of the amount to be used to settle the provision. A provision is recognized in the balance sheet when there is an existing legal or informal obligation resulting from past events and it is probable that an outflow of financial resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are made using the amount representing the best estimate of what is required to settle the current obligation on the balance-sheet date. When the effect of the timing of when the payment will be made is significant, provisions are calculated by discounting the anticipated future cash flows.

Contingent liabilities

A contingent liability is recognized when a possible commitment exists arising from events that have occurred, the validity of which can only be confirmed by the occurrence or absence of one or more uncertain future events, or where there is a commitment not recognized as a liability or provision due to the low probability that an outflow of resources will be required.

Note 2 Assessments and estimates

The preparation of the financial statements in accordance with IFRS requires company management to make assessments and evaluations that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenue and expenses. The actual outcome could deviate from these estimates.

The estimates and assumptions are tested continuously. Changes to the estimates are recognized in the period in which the change is made if it is the only period affected by the change, but if it also affects future periods, it is recognized in the period the change is made and in future periods.

Important assessments

Significant accounting assessments conducted when applying the Group's accounting policies refer to the Group's accounting assessment of additional purchase considerations when acquiring assets. In 2014, Wilson Therapeutics acquired assets in TTM Europe Development AB, encompassing the European rights to the company's product, WTX101. According to the acquisition agreement, Wilson Therapeutics is to pay a purchase consideration of EUR 4.5 M once the product has been approved for sale on the European market. IAS 38 (Intangible assets) lacks guidance on how to recognize additional purchase considerations when acquiring assets when the purchaser has the opportunity to influence the outcome of the future additional purchase consideration. A policy choice was therefore made, meaning that only that part of the additional purchase consideration that the company cannot influence itself is to be included in the initial recognition of intangible assets. For more information, see Note 26 "Pledged assets and contingent liabilities".

Major sources of uncertainty in the estimates

The sources of uncertainty in the estimates entailing a significant risk that the assets or liabilities value might need to be adjusted to a large extent during the forthcoming fiscal years include impairment testing of intangible assets with indefinite useful lives.

Impairment testing of intangible assets with indefinite useful lives

When impairment testing intangible assets with indefinite useful lives, a number of significant assumptions and assessments must be taken into account in order to calculate a recoverable amount. These assumptions and assessments relate to: expected selling price for the company's product, WTX101, expected market penetration, expected development, sales and marketing costs and expected likelihood that the product will pass the remaining stages of development. The assumptions are based on industry and market-specific data and are produced by the company's management and reviewed by the Board. For more information about impairment testing of intangible assets with indefinite useful lives, see Note 14.

Note 3 Operating segments

Wilson Therapeutics does not divide its operations into different segments; instead the Group's entire operations are treated as one segment. This division reflects the company's internal organization and reporting system. Wilson Therapeutics' chief operating decision-maker is the CEO.

The Group is not expected to generate any revenue until the Group's products are launched onto the market.

The Group's intangible and tangible fixed assets relate solely to Swedish companies.

	2017	2016
Sweden	64,667	64,687



Note 4 Other operating expenses

Other operating revenue totaling SEK 1,171,000 (20,000) refers mainly to foreign exchange gains.

Note 5 Auditors' fees

	2017	2016
Ernst & Young AB		
Auditing assignments	450	545
Other auditing activities	62	58
Tax consultancy services	-	50
Other services	108	747
	620	1,400

Note 6 Expenses by nature

	2017	2016
Other external costs	94,121	69,974
Personnel costs	60,745	43,064
Depreciation, amortization and impairment	20	21
Other operating expenses	304	820
	155,190	113,879

Note 7 Leases

Operating lessee
Leasing expenditure for the year concerning operating leases mainly comprise rent for premises and office equipment. The lease governing premises used by the Parent Company runs until March 31, 2021 with the option of being extended by three years. The rent is index-linked or is increased by at least 3% per year.

Future payment commitments as of December 31 for operating leases are divided up as follows:

	2017	2016
Future minimum lease payments		
No later than 1 year	1,557	908
Between 1 and 5 years	3,591	1,739
Later than 5 years	-	-
	5,148	2,647
Leasing expenditure for the year concerning operating leases amounted to:	1,075	824

Note 8 Employees and personnel costs

Average number of employees

	2017		2016	
	No. of employees	of which, men	No. of employees	of which, men
Parent Company				
Sweden	9	44%	6	67%
UK	1	100%	1	100%
Switzerland	2	100%	1	100%
	12	75%	8	75%
Subsidiaries				
United States	2	0%	2	0%
	2	0%	2	0%
Group total	14	50%	10	60%

Salaries and other remuneration, pension costs and social security costs for the Board, senior executives and other employees

	2017		2016	
	Salaries and other remuneration	Social security expenses	Salaries and other remuneration	Social security expenses
Parent Company				
The Board and senior executives	25,646	23,812	22,897	12,838
<i>of which pension expenses</i>		<i>(2,907)</i>		<i>(1,904)</i>
Other employees	3,409	1,604	1,121	593
<i>of which pension expenses</i>		<i>(229)</i>		<i>(88)</i>
Subsidiaries				
The Board and senior executives	3,233	110	3,502	114
<i>of which pension expenses</i>		<i>(-)</i>		<i>(-)</i>
Other employees	2,145	77	1,459	69
<i>of which pension expenses</i>		<i>(-)</i>		<i>(-)</i>
Total	34,433	25,603	28,979	13,614
<i>of which pension expenses</i>		<i>(3,136)</i>		<i>(1,992)</i>

Recognized salary expenses related to the share-based payments amounted to SEK 10,109,000 (11,308,000)

Senior executives include members of the Board, the CEO and other senior executives.

Gender distribution among senior executives

	Dec 31, 2017	Dec 31, 2016
Proportion of women on the Board	29%	17%
Proportion of men on the Board	71%	83%
Number of women among other senior executives	12%	22%
Number of men among other senior executives	88%	78%

Information regarding remuneration to the Board and senior executives

2017	Basic salary, Board fee	Pension costs	Variable remuneration	Share-based payments	Other remuneration	Total
Chairman of the Board						
Andrew Kay	334	-	-	1,284	-	1,618
Members of the Board						
Hans Schikan	249	-	-	753	-	1,002
Björn Odlander	146	-	-	-	-	146
Birgitte Volck	-	-	-	190	-	190
Mårten Steen	37	-	-	-	-	37
Senior executives						
CEO	2,423	472	540	1,443	-	4,878
Other senior executives (7 individuals)	13,415	2,435	2,233	5,832	-	23,915
<i>of which subsidiaries</i>	<i>2,246</i>	<i>-</i>	<i>345</i>	<i>642</i>	<i>-</i>	<i>3,233</i>
Total	16,604	2,907	2,773	9,502	-	31,786

2016	Basic salary, Board fee	Pension costs	Variable remuneration	Share-based payments	Other remuneration	Total
Chairman of the Board						
Andrew Kay	287	-	-	2,070	-	2,357
Members of the Board						
Hans Schikan	181	-	-	1,178	-	1,359
Bali Muralidhar	113	-	-	-	-	113
Mårten Steen	113	-	-	-	-	113
Senior executives						
CEO	2,015	459	600	2,188	-	5,262
Other senior executives (8 individuals)	11,382	1,445	1,998	5,733	-	20,558
<i>of which subsidiaries</i>	<i>3,506</i>	<i>-</i>	<i>409</i>	<i>1,046</i>	<i>-</i>	<i>4,961</i>
Total	14,091	1,904	2,598	11,169	-	29,762

Remuneration of senior executives
Remuneration of the CEO and other senior executives consists of basic salary, pension benefits, variable remuneration and share-based payments. The term "other senior executives" refers to the seven individuals who, in addition to the CEO, constitute Group management. Other senior executives refer to the Chief Financial Officer, Chief Medical Officer, Chief Scientific Officer, VP Clinical Operations, VP Chemistry, Manufacturing and Control, Chief Regulatory Officer and VP Commercial Planning and Launch Strategy.

Pensions
All pension obligations are defined-contribution plans. The retirement age of the CEO is 65 years and the pension premium corresponds to the stipulations of the ITP plan. Pension obligations to other senior executives in Sweden is to correspond to the stipulations of the ITP plan and for senior executives abroad to market terms in the relevant country. The retirement age for the other senior executives is 65 years. There are no further pension obligations.

Variable remuneration
Variable remuneration relates to a variable bonus based on a fixed proportion of the base salary. The amount is based on a qualifying period of one year and is dependent upon the individuals' fulfillment of predetermined personal and corporate targets. The payment to the CEO is capped at 40% of basic salary and that for other senior executives is capped at 30% of basic salary.

Share-based payments
Wilson Therapeutics AB has an employee stock option program. Some board members, the CEO, other senior executives and certain employees who are not a part of the Executive Management Team are included in the program. Granted stock options must be vested through continuous employment during

the vesting period in order to be exercised. If an employee leaves the company, the granted stock options that have not yet been vested are lapsed. A vested employee stock option entitles the owner to subscribe for shares in Wilson Therapeutics AB at an established exercise price. The exercise price is equal to the quotient value of a common share, and participants have not paid any options premium.

The company also has two performance share plans outstanding, which are targeted at certain senior executives and key employees (LTIP 2016 and LTIP 2017) and two similar plans targeted at certain Board members (Board LTIP 2016 and Board LTIP 2017). All these programs are performance-based share award programs entitling the holder to one common share in Wilson Therapeutics per share award free of charge after three years. In the programs for employees the share awards will vest provided certain operational targets and targets relating to share price development are met. In the programs for board members the share awards will vest provided certain targets only relating to the share price are met.

For more information regarding the incentive programs, see note 9 Share-based payments.

Severance pay
A mutual notice period of six months applies for the CEO in the event of employment termination. The CEO is not entitled to specific severance pay and instead will receive a salary during the notice period. A mutual notice period of three to six months applies between the company and other senior executives, during which time salary is paid. No severance pay is provided for members of the Board.

Note 9 Share-based payments

Wilson Therapeutics AB has an employee stock option program. Some board members, the CEO, other senior executives and certain employees who are not a part of the Executive Management Team are included in the program. Certain consultants have also been granted options. Granted stock options must be vested through continuous employment during the vesting period in order to be exercised. The vesting period for each option has a total duration of 4 years following the date the options are allotted, and a quarter of the options are vested on the first four anniversaries of the allotment date if the holder is still active in the company. If an employee leaves the company, the granted stock options that have not yet been vested are forfeited. A vested employee stock option entitles the owner to subscribe for shares in Wilson Therapeutics AB at an established exercise price. In the event of a direct sale to a new owner, all granted but non-forfeited options are immediately vested. The exercise price is equal to the quotient value of a common share, and participants have not paid any options premium. Employee stock options expire ten years after the date they were granted if they have not been exercised by this time.

Employee stock options are valued according to the Black & Scholes model, which means the value of the employee stock options depends on the value of the underlying share, which in this case is the common share. Since quoted prices were not available for the underlying share prior to the IPO in May 2016, the value up to that point has been calculated based on the most recently conducted transactions with an external party involving the company's preference shares. The volatility is based on an estimated average for comparable listed companies. The risk-free interest rate is at the same level as 10-year Swedish government bonds. In making the valuation, it has been assumed that no dividend will be paid in the foreseeable future.

The company also has two performance share plans outstanding, which are targeted at certain senior executives and key employees (LTIP 2016 and LTIP 2017) and two similar plans targeted at certain Board members (Board LTIP 2016 and Board LTIP 2017). All these programs are performance-based share award programs entitling the holder to one common share in Wilson Therapeutics per share award free of charge after three years. In the programs for employees the share awards will vest provided certain operational targets and targets relating to share price development are met. In the programs for board members the share awards will vest provided certain targets only relating to the share price are met.

The performance shares are valued using a discounted value of the outcome where the share price development is simulated using Monte Carlo simulation for the share price related targets, and the probabilities are estimated for the outcome of the operational targets. The volatility is calculated based on 90 days

observed share price data. The risk-free interest rate is equal to the yield on Swedish government bonds with a corresponding maturity. No future dividend is assumed in connection with the valuation of performance shares.

The total cost of the incentive plans for each fiscal year, along with issued employee stock options and performance shares at the end of each fiscal year, is stated below. Total cost refers to the costs of the incentive plans that have been recognized in profit or loss, including social security costs. Accumulated total outstanding employee stock options refers to the total number of non-forfeited options allotted to employees, while accumulated total vested employee stock options refers to the number of employee stock options that have been vested at each year-end date. Accumulated total outstanding performance shares refers to the total number of non-forfeited shares awarded to employees.

The data below concerning employee stock options have been adjusted for the one-for-ten share split decided in April 2016. The share split increased the number of employee stock options by a factor of 10, at the same time as the exercise price per option was changed to 1/10 of the exercise price prior to the split. The total cost and the total value of the program were not impacted by the split.

Fiscal year	Total cost
2016	19,027
2017	27,356

Allotted employee stock options	Accumulated number outstanding	Accumulated number vested
At Jan 1, 2016	1,655,000	239,250
At Dec 31, 2016	1,765,000	649,750
At Dec 31, 2017	1,765,000	1,040,750

The average exercise price for all options at the start of the period, and for all options issued and expired during the period, was SEK 0.11

Allotted performance shares	Accumulated number outstanding
At Jan 1, 2016	-
At Dec 31, 2016	-
At Dec 31, 2017	512,600

Allotted per year, employee stock options	Number outstanding at Dec 31, 2017	Number outstanding at Dec 31, 2016	Exercise price (SEK)	Value per allotted option, spread (SEK)	Value per allotted option, weighted average (SEK)	Volatility, spread	Value per share, weighted average (SEK)	Expires
2012	193,000	193,000	0.11	6.16 - 6.16	6.16	60%	6.25	2022
2013	20,500	20,500	0.11	8.66 - 10.86	8.98	60%	9.07	2023
2014	267,000	267,000	0.11	13.04 - 13.42	13.25	60%	13.35	2024
2015	1,174,500	1,174,500	0.11	16.46 - 17.71	17.11	60%	17.21	2025
2016	110,000	110,000	0.11	46.09 - 46.09	46.09	60%	46.20	2026

Allotted per year, performance shares	Number outstanding at Dec 31, 2017	Number outstanding at Dec 31, 2016	Value per allotted performance share, spread (SEK)	Value per allotted performance share, weighted average (SEK)	Volatility, spread	Expires
2017 (LTIP 2016 & Board LTIP 2016)	357,500	-	26.78 - 34.12	33.30	37%	2019
2017 (LTIP 2017 & Board LTIP 2017)	155,100	-	49.83 - 55.20	54.50	60%	2020

In 2017, the company allotted no employee stock options and no options were forfeited or exercised. Changes to and holdings of stock options on the balance-sheet date are shown below for the CEO, members of the Board, other senior executives and other employees and consultants.

Allotted per executive, stock options	CEO Jonas Hansson	Chairman of the Board Andrew Kay (from Nov. 2015)	Chairman of the Board Hugh Rienhoff (until Nov. 2015)	Member of the Board Hans Schikan	Other senior executives	Other employees & consultants
Number outstanding at Jan 1, 2016	373,000	255,000	170,000	170,000	654,500	32,500
Allotted/forfeited	17,000	-	-	-	65,500	27,500
Number outstanding at Dec 31, 2016	390,000	255,000	170,000	170,000	720,000	60,000
Allotted/forfeited	-	-	-	-	-	-
Number outstanding at Dec 31, 2017	390,000	255,000	170,000	170,000	720,000	60,000

In 2017, the company allotted 547,600 performance shares and 35,000 were forfeited. Changes to and holdings of performance shares on the balance-sheet date are shown below for the CEO, members of the Board, other senior executives and other employees and consultants.

Allotted per executive, performance shares	CEO Jonas Hansson	Chairman of the Board Andrew Kay (from Nov. 2015)	Member of the Board Birgitte Volck	Member of the Board Hans Schikan	Other senior executives	Other employees & consultants
Number outstanding at Jan 1, 2016	-	-	-	-	-	-
Allotted/forfeited	-	-	-	-	-	-
Number outstanding at Dec 31, 2016	-	-	-	-	-	-
Allotted/forfeited	30 000	24 000	20 100	16 000	365 000	57 500
Number outstanding at Dec 31, 2017	30 000	24 000	20 100	16 000	365 000	57 500

Note 10 Financial income

	2017	2015
Interest income	495	3
	495	3

Note 11 Financial expenses

	2017	2015
Interest expense	-4	-8
Exchange-rate differences	-7,770	-1,240
Changes in value of currency options measured at fair value	-6,448	-
	-14,222	-1,248

Note 12 Tax on result for the year

	2017	2015
Current tax	-440	-71
Recognized tax	-440	-71

Reconciliation of effective tax rates

	2017	2015
Loss before tax	-167,746	-115,104
Tax on Parent Company according to current rate (22%)	36,904	25,323
Effect of other tax rates for foreign subsidiaries	14	40
Tax relating to non-recognized deferred tax assets	-38,812	-32,598
Expenses not deductible for tax purposes	-1,499	-105
Revenue not subject to tax	22	1
Tax brought forward from earlier years	-303	14
Tax attributable to shareholders' equity items	3,234	7,254
Recognized tax	-440	-71

The Group has tax items relating to issue expenses that are recognized directly in shareholders' equity.

Tax loss carryforwards for which deferred tax assets have not been recognized in profit or loss amounted to SEK 487,771,000 (311,351,000), and these have no time limit. Deferred tax liabilities have not been recognized for these items, as it is unlikely that the Group will utilize them to offset future taxable profits.

Note 13 Earnings per share

Earnings per share before and after dilution		
	2017	2015
Net result for the year (SEK 000s) attributable to shareholders of the Parent Company	-168,186	-115,175
Preference shares' right to dividend for the fiscal year (SEK 000s)	-	4,415
Loss for the year attributable to Parent Company shareholders adjusted for preference shares (SEK 000s)	-168,186	-119,590
Average number of common shares in issue	25,889,367	17,477,762
Earnings per share before dilution (SEK)	-6.50	-6.84

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. These potential common shares are attributable to the options and performance shares allotted between 2012 and 2017. For further information, see Note 9. If there is a loss for the year, the options are not treated as dilutive. Neither are the options considered dilutive if the exercise rate, including the addition of the value of remaining future services to be recognized during the vesting period, exceeds the average trading price for the period. There is no dilution effect for the stock option plan as there was a loss for the year, as demonstrated above.

For more information about the changes to the number of outstanding shares, see Note 22 Shareholders' equity

Note 14 Patents, licenses, product rights and similar rights

	Dec 31, 2017	Dec 31, 2015
Opening cost	64,632	64,632
Closing accumulated cost	64,632	64,632
Closing carrying amount	64,632	64,632

Acquired assets

Wilson Therapeutics acquired the rights to the company's product, WTX101, in 2012. The company thereby entered into a licensing agreement as licensee with the University of Michigan concerning the patent developed by the University of Michigan. Once the product has been approved and begins to be sold, Wilson Therapeutics will, according to the agreement, pay royalties to the University of Michigan amounting to 3% of global sales of WTX101. In addition, milestone payments will be payable if sales reach specific, predetermined milestones.

In 2014, Wilson Therapeutics acquired the assets of TTM Europe Development AB from Medical Need Europe AB, encompassing the European sales rights to the company's product, WTX101, which had been licensed out to Medical Need Europe AB before the company acquired the rights to WTX101. According to the acquisition agreement, Wilson Therapeutics is to pay a purchase consideration of EUR 4.5 M once the product has been approved for sale on the European market. Once the product has been approved and begins to be sold, Wilson Therapeutics will additionally pay royalties to Medical Need Europe AB amounting to 4% of European sales of WTX101.

For a more detailed description of acquisitions, see Notes 21 and 26.

Impairment testing

To test the value of intangible fixed assets, Wilson Therapeutics uses a probability-adjusted cash flow model. The valuation of ongoing development projects is calculated by estimating the present value of and probability-adjusting the anticipated future cash flows in order to take development risks into account. The valuation takes cash flow for the next 20 years into account, but does not involve calculating any residual value thereafter. The measurement model refers to Level 3 according to IFRS 13 and comprises the material assumptions specified below:

- Revenue and cost forecasts over a 20-year period for the development projects Wilson Therapeutics is working on.
- Revenue is calculated based on forecasts of the total size of the market, anticipated market share of the product, estimated price level, royalty levels and, in some cases, also milestone payments. The size of the market, royalty levels and the value of milestone payments derive from secondary sources, accepted industry assumptions and assumptions made by Wilson Therapeutics.
- The costs involve development costs as well as direct and indirect project costs based on Wilson Therapeutics' business plan.
- The present value of cash flows is estimated and adjusted to reflect probability of success of the project. This probability is based on accepted assumptions regarding the possibility of a corresponding product reaching the market and is estimated at 54% (46). The weighted average cost after tax has been estimated at 15% (15).

The most critical assumptions mainly consist of assumptions made about the size of the market, market share and probability. As with many pharmaceutical development projects, the results of development work may be digital insofar as the project can either be developed according to plan or must be stopped altogether.

Where appropriate, the valuation has been calibrated against implemented share issues and issues planned to be implemented with external investors. No reasonable changes in the assumptions and estimates made would require an impairment loss.

Amortization begins when the asset is able to be used, i.e. when it is in the right place and in the required condition to be used in the way intended by the company's management. Amortization has not yet begun on the Group's intangible assets.

Note 15 Equipment

	Dec 31, 2017	Dec 31, 2015
Opening cost	118	55
Acquisitions for the year	-	63
Sales/disposals	-22	-
Closing accumulated cost	96	118
Opening depreciation	-63	-42
Depreciation for the year	-20	-21
Sales/disposals	22	-
Closing accumulated depreciation	-61	-63
Closing carrying amount	35	55

Depreciation of tangible fixed assets is included in profit or loss in the sub-items sales and administrative expenses in an amount of SEK 7,000 and in research and development expenses in an amount of SEK 13,000.

Note 16 Non-current receivables

Note 16 Non-current receivables

	Dec 31, 2017	Dec 31, 2015
Opening cost	151	54
Deposits paid	-	356
Deposits repaid	-	-54
Advances paid	1,348	-
Blocked bank accounts	14,944	-
Exchange rate differences	-1,320	-
Reclassification	-	-205
Closing carrying amount	15,123	151

Non-current receivables comprise SEK 151,000 (151,000) for deposits paid for rent of premises, SEK 1,348,000 (0) for clinical studies and SEK 13,624,000 (0) in collateral deposited in blocked bank accounts for the company's currency options.

Note 17 Financial assets and liabilities

Financial assets and liabilities at December 31, 2017				
	Financial assets measured at amortized cost	Non-financial assets	Total carrying amount	
Assets				
Fixed assets, intangible and tangible	-	64,667	64,667	
Non-current receivables	15,123	-	15,123	
Current tax assets	-	219	219	
Other current receivables	327	775	1,102	
Prepaid expenses	-	3,194	3,194	
Cash and cash equivalents	468,695	-	468,695	
	484,145	68,855	553,000	

	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortized cost	Non-financial liabilities	Total carrying amount
Liabilities				
Non-current liabilities, provisions	-	-	28,413	28,413
Accounts payable	-	7,616	-	7,616
Other current liabilities	6,448	-	586	7,034
Accrued expenses	-	7,910	7,170	15,080
	6,448	15,526	36,169	58,143

Financial assets and liabilities at December 31, 2016

	Financial assets measured at amortized cost	Non-financial assets	Total carrying amount
Assets			
Fixed assets, intangible and tangible	-	64,687	64,687
Non-current receivables	151	-	151
Current tax assets	-	179	179
Other current receivables	205	1,096	1,301
Prepaid expenses	-	1,000	1,000
Cash and cash equivalents	386,568	-	386,568
	386,924	66,962	453,886

	Financial liabilities measured at amortized cost	Non-financial liabilities	Total carrying amount
Liabilities			
Non-current liabilities, provisions	-	11,167	11,167
Accounts payable	8,155	-	8,155
Other current liabilities	41	464	505
Accrued expenses	4,795	5,806	10,601
	12,991	17,437	30,428

Fair value measurement

IFRS 13, "Fair value measurement" contains a valuation hierarchy regarding inputs to the measurements. This measurement hierarchy is divided into three levels, which comprise:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as price quotations) or indirectly (that is, derived from price quotations)
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, non-observable inputs)

Financial liabilities measured at fair value through profit or loss comprise currency options of SEK 6,448,000 (0) at Level 2. The options comprise the right to buy USD 13.3 M and the obligation to buy USD 6.6 M during 2018. The currency options are measured on the basis of observable forward curves at the end of the period. For the other items above, the carrying amount is an approximation of the fair value, which is why these items are not divided into levels in accordance with the valuation hierarchy.

Note 18 Financial risks

Through its operations, the Group is exposed to various types of financial risk; credit risks, market risks (foreign exchange risk, interest rate risk and other price risks) and liquidity risks. The Group's overall risk management focuses on the unpredictability of the financial markets and strives to minimize potentially unfavorable consequences for the Group's financial performance.

The Group's financial transactions and risks are managed centrally by the Parent Company via the Group's CFO and CEO. The overall goal in terms of financial risks is to maintain cost-effective financing and liquidity management, as well as to ensure that all payment obligations are processed at the right time.

The Board draws up written principles for the overall risk management and specific areas such as credit risk, foreign exchange risk, interest rate risk, refinancing risk, liquidity risk and the use of derivative instruments and investment of excess liquidity. The Group does not currently use derivatives but permits foreign exchange hedging in some situations.

Credit risk

Credit risk is the risk that the Group's counterparty in a financial instrument cannot fulfill its obligation and thereby causes a financial loss for the Group. The Group's exposure to credit risk is limited.

Market risks

Market risk is the risk that the fair value of or future cash flow from a financial instrument will vary due to changes in market prices. Market risks are divided up by the IFRS into three types: foreign exchange risk and other price risks. Foreign exchange risk is the market risk with the greatest impact on the Group. The Group does not currently have any loans or holdings that expose it to interest rate risks or any other price risks.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of or future cash flow from a financial instrument may vary due to changes in foreign exchange rates. The principal exposure stems from the Group's purchasing in foreign currencies. This exposure is referred to as transaction exposure. Foreign exchange risks are also present in the translation of foreign operations' assets and liabilities into the Parent Company's functional currency, referred to as translation exposure.

Transaction exposure

Transaction exposure from contractual payment flows in foreign currencies is limited in the Group. See the table below for the level of exposure in each currency.

	Operating income	Operating expenses
Foreign exchange exposure, 2017 (%)		
USD	-	48%
EUR	-	15%
GBP	-	8%
SEK	-	23%
Other	-	6%
Foreign exchange exposure, 2016 (%)		
USD	-	27%
EUR	-	24%
GBP	-	6%
SEK	-	38%
Other	-	5%

As indicated in the table above, the Group's main transaction exposure consists of USD, GBP and EUR. A 10% stronger USD against SEK would have a negative impact on the result after tax and shareholders' equity of approximately SEK 5,245,000 (2,089,000). A 10% stronger GBP against SEK would have a negative impact on the result after tax and shareholders' equity of approximately SEK 931,000 (439,000). A 10% stronger EUR against SEK would have a negative impact on the result after tax and shareholders' equity of approximately SEK 1,617,000, (1,907,000).

Translation exposure

The group has translation exposure that arises when foreign accounts payable and accrued expenses are translated to SEK. At December 31, 2017 this exposure amounts to SEK 8,885,000 (3,376,000) in USD, and SEK 1,396,000 (4,105,000) in EUR. A 10% stronger USD against SEK would have a negative impact on the result after tax and shareholders' equity of approximately SEK 888,000 (338,000). A 10% stronger EUR against SEK would have a negative impact on the result after tax and shareholders' equity of approximately SEK 140,000 (411,000).

The Group has translation exposure that arises when the company holds cash and cash equivalents in USD to offset transaction exposure. On the balance sheet date, this exposure amounted to SEK 32,914,000 (92,220,000). A 10% weaker USD against SEK would have a negative impact on the result after tax and shareholders' equity of approximately SEK 3,291,000 (9,222,000).

The Group also has a translation exposure that occurs when translating foreign subsidiaries' profit or loss and net assets into SEK. This translation exposure is against USD, with exposure on the balance-sheet date amounting to USD 212,000 (180,000). A 10% stronger SEK against USD would have a negative impact of approximately SEK 174,000 (164,000) on shareholders' equity.

Refinancing risk

Refinancing risk refers to the risk that cash and cash equivalents are unavailable and that financing can only be obtained partially, not at all or at an elevated cost. Currently, the Group is financed by shareholders' equity and is therefore not exposed to risks related to external loan financing. The main risks therefore entail the inability to obtain further contributions and investment from owners.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in fulfilling its obligations related to financial liabilities. The Board manages liquidity risks by continuously monitoring cash flow in order to reduce the liquidity risk and ensure solvency.

The Group's contractual and undiscounted interest payments and financial liability repayments are shown in the table below. Amounts in foreign currencies have been translated into SEK at the closing rate on the balance-sheet date. Financial instruments with a variable interest rate have been calculated using the rate in effect on the balance-sheet date. Liabilities have been included in the earliest period during which repayment may be required.

	Dec 31, 2017		
Maturity analysis	<6 months	6-12 months	>12 months
Accounts payable	7,616	-	-
Currency options	3,319	3,129	-
Other current liabilities	586	-	-
Accrued expenses	11,960	3,120	-

	Dec 31, 2016		
Maturity analysis	<6 months	6-12 months	>12 months
Accounts payable	8,155	-	-
Other current liabilities	505	-	-
Accrued expenses	8,758	1,500	343

Note 19 Prepaid expenses and accrued income

	Dec 31, 2017	Dec 31, 2016
Prepaid rental expenses	268	261
Prepaid insurance premiums	1,403	481
Prepaid research and development costs	1,438	79
Other prepaid expenses	85	179
	3,194	1,000

SEK 0 (809,000) is included in the item Prepaid research and development costs as an advance payment for clinical trials.

Note 20 Cash and cash equivalents

	Dec 31, 2017	Dec 31, 2015
Available balances	468,695	386,568
	468,695	386,568

Cash and cash equivalents refer to bank balances. The Group's cash and cash equivalents total SEK 433,668,000 (289,456,000) and USD 32,914,000 (92,219,000).

	Dec 31, 2017	Dec 31, 2015
Cash flow from non-cash items:		
Amortization	20	21
Changes in provisions	17,246	7,719
Share-based payments	10,109	11,307
	27,375	19,047

Note 22 Shareholders' equity

Share capital and other capital contributed

	Number of Class A preference shares	Number of Class B preference shares	Number of common shares	Share capital	Other capital contributed
At January 1, 2016	301,820	1,085,106	145,000	1,702	246,132
Share-based payments					11,307
New share issue decided in March 2016		151,084		168	39,732
Share split, one-for-ten, decided in April 2016	2,716,380	11,125,710	1,305,000		
New share issue in connection with IPO May 2016			8,890,148	988	401,753
Conversion of shares in connection with IPO	-3,018,200	-12,361,900	15,380,100		
At December 31, 2016	-	-	25,720,248	2,858	698,924
Share-based payments					10,109
New issue decided in December 2017			2,572,024	286	229,356
At December 31, 2017	-	-	28,292,272	3,144	938,389

Share capital

At December 31, 2017, the registered share capital encompassed 28,292,272 common shares. All shares carry equal rights to the company's profit.

All shares have been fully paid and no shares are reserved for transfer. Each share carries one vote. The quotient value is SEK 0.1 (0.1). No shares are held by the company itself or its subsidiaries.

Other capital contributed

Other capital contributed comprises capital contributed by the owners of the company, premiums when subscribing for shares, shareholders' contributions and capital included from share-based payments.

Note 21 Group companies

Company	Principal activity	Share, 2017	Share, 2016
Wilson Therapeutics AB	Development of pharmaceutical products		Parent Company
Wilson Therapeutics Incentive AB	Administrates incentive plans issued by the Parent Company	100%	100%
Wilson Therapeutics Inc, USA	Development of pharmaceutical products	100%	100%
TTM Europe Development AB	Holdings of intangible assets	100%	100%

The Group's composition during the fiscal year is unchanged.

Translation reserve

Reserves pertain in their entirety to translation reserves. The translation reserve contains all exchange rate differences that occur when translating financial statements from foreign operations.

	2017	2016
Opening carrying amount	245	122
Change for the year	-166	123
Closing carrying amount	79	245

Note 23 Non-current provisions

Social security costs linked to share-based payments

	2017	2016
Amount at the beginning of the year	11,167	3,447
Provisions for the year	17,246	7,720
	28,413	11,167

The company has issued 2,312,600 warrants (1,765,000), which are held by the subsidiary Wilson Therapeutics Incentive AB as a hedge in order to supply shares related to employee stock options and performance shares. For more information about options and performance shares, see Note 9 Share-based payments. Uncertainty prevails as to exactly when social security contributions for share-based payments will be paid, as well as the amounts in which this will ultimately be settled, since it depends on the market value when the employee stock options are exercised and when the performance share plan expires.

Note 24 Accrued expenses and deferred income

	Dec 31, 2017	Dec 31, 2016
Accrued salaries	3,323	2,813
Vacation pay liability	2,173	1,556
Social security costs	1,690	1,236
Accrued research and development costs	6,345	3,791
Other accrued expenses	1,549	1,205
	15,080	10,601

Note 25 Related-party transactions

For information about remuneration of senior executives, see Note 8 Employees and personnel costs.

There are no agreements or transactions with related parties, other than what has been set out in Notes 8 and 9.

Note 26 Assets pledged and contingent liabilities

Wilson Therapeutics acquired the rights to the company's product, WTX101, in 2012. The company thereby entered into a licensing agreement as licensee with the University of Michigan concerning the patent developed by the University of Michigan. Once the product has been approved and begins to be sold, Wilson Therapeutics will, according to the agreement, pay royalties to the University of Michigan amounting to 3% of global sales of WTX101. In addition, milestone payments will be payable if sales reach specific, predetermined milestones: USD 2.5 M when annual sales exceed USD 100 M; USD 3.5 M when sales exceed USD 300 M and USD 6 M when annual sales exceed USD 800 M. In addition, milestone payments are payable in relation to the development of the product in the field of oncology; however since Wilson Therapeutics is not active in this area, such payments cannot fall due. The licensing agreement applies as long as the licensed patent is valid, meaning the agreement will expire in 2023 unless the patent is extended.

In 2014, Wilson Therapeutics acquired the assets of TTM Europe Development AB from Medical Need Europe AB, encompassing the European sales rights to the company's product, WTX101, which had been licensed out to Medical Need Europe AB before the company acquired the rights to WTX101. According to the acquisition agreement, Wilson Therapeutics is to pay a purchase consideration of EUR 4.5 M once the product has been approved for sale on the European market. Once the product has been approved and begins to be sold, Wilson Therapeutics will additionally pay royalties to the Medical Need Europe AB amounting to 4% of European sales of WTX101. Royalties are to be paid for ten years following market approval or as long as the product has IP protection, if this protection is valid for longer than ten years following market approval.

From time to time, the Group is involved in various processes and legal procedures that occur in the course of daily business operations. These demands relate to, but are not limited to, the commercial practices of the Group, personnel issues and tax issues. With regard to issues requiring provisions, the Group does not consider that these provisions will have any significant negative impact on the Group's financial performance, based on information that is currently available.

In the Group, pledged assets total SEK 13,624,000 (0), which comprises collateral deposited in blocked bank accounts for currency options.

Note 27 Events after the balance-sheet date

First patient enrolled in pivotal Phase 3 FOCuS trial

In February 2018, the first patient was enrolled in the pivotal Phase 3 FOCuS clinical trial. FOCuS is a randomized, controlled, rater-blinded, multi-center study that will enroll approximately 100 Wilson Disease patients, aged 18 years or older, to receive once-daily WTX101 or standard of care.

New patents filed

The company has filed two new additional patents in December 2017 and February 2018. If granted, these patents have the potential to extend the patent protection for WTX101 until 2039.

Public cash offer to acquire Wilson Therapeutics announced

In April 2018, Alexion Pharmaceuticals, Inc., announced a recommended public cash offer to acquire all outstanding shares in Wilson Therapeutics at a price of SEK 232 per share, which corresponds to a total offer value of approximately SEK 6,564 million.

Note 28 Definitions of key financial ratios

Equity ratio

Adjusted shareholders' equity as a percentage of total assets.

Parent Company

Note 1 Accounting policies

The Parent Company prepared its Annual Report in accordance with the Annual Accounts Act and the recommendations of the Swedish Financial Reporting Board RFR 2, "Accounting for Legal Entities."

The differences between the Group's and the Parent Company's accounting policies are presented below. The accounting policies presented below for the Parent Company were applied consistently in all periods presented in the Parent Company's financial statements, unless specified otherwise.

Subsidiaries

Participations in subsidiaries and associated companies are recognized by the Parent Company using the cost method. This implies that transaction costs are included in the carrying amount of participations in subsidiaries.

Financial assets and liabilities

Due to the relationship between accounting and taxation, IAS 39 rules governing financial instruments are not applied in the Parent Company as a legal entity; instead the Parent Company applies the cost method in accordance with the Annual Accounts Act. Financial fixed assets are therefore measured in the Parent Company at cost less any impairment, and financial current assets in line with the lowest value principle.

Leasing

In the Parent Company, all leases are recognized in accordance with the regulations governing operational leasing.

Group and shareholder contributions

Both received and provided Group contributions are recognized as appropriations in line with the alternative rule. Shareholder contributions are recognized in the shareholders' equity of the recipient and capitalized in the shares and participations of the donor, to the extent that impairment is not required.

Note 2 Other operating revenue

Other operating revenue totaling SEK 1,171,000 (0) refers mainly to foreign exchange gains.

Note 3 Auditors' fees

	2017	2016
Ernst & Young AB		
Auditing assignments	450	545
Other auditing activities	62	58
Tax consultancy services	-	363
Other services	108	434
	620	1,400

Note 4 Leases

Leasing expenditure for the year concerning operating leases amounted to SEK 1,075,000 (824,000). Future payment commitments as of December 31 for operating leases are divided up as follows:

Future minimum lease payments

	2017	2016
No later than 1 year	1,557	908
Between 1 and 5 years	3,591	1,739
Later than 5 years	-	-
	5,148	2,647

Note 5 Employees and personnel costs

For salaries and remuneration of employees and senior executives, along with information about the number of employees, see Note 8 for the Group. For information about employee stock options, see Note 9 Options for the Group.

Note 6 Other interest income and similar income items

	2017	2016
Interest income	495	3
	495	3

Note 7 Interest expenses and similar profit/loss items

	2017	2016
Interest expense	-4	-8
Exchange-rate differences	-7,770	-1,240
Changes in value of currency options	-6,448	-
	-14,222	-1,248

Note 8 Tax on result for the year

	2017	2016
Current tax	-	-
Recognized tax	-	-
Reconciliation of effective tax rates		
Loss before tax	-168,434	-115,670
Tax on the Parent Company according to current tax rate (22%)	37,055	25,447
Tax relating to non-recognized deferred tax assets	-38,812	-32,598
Expenses not deductible for tax purposes	-1,499	-104
Revenue not subject to tax	22	1
Tax attributable to shareholders' equity items	3,234	7,254
Recognized tax	-	-

The Parent Company has tax items relating to share issue expenses that are recognized directly in shareholders' equity.

Tax loss carryforwards for which deferred tax assets have not been recognized in the balance sheet amounted to SEK 487,746,000 (311,326,000), and these have no time limit. Deferred tax liabilities have not been recognized for these items, as it is unlikely that the Group will utilize them to offset future taxable profits.

Note 9 Intangible assets

Patents, licenses, product rights and similar rights

	Dec 31, 2017	Dec 31, 2016
Opening cost	32,360	32,360
Closing accumulated cost	32,360	32,360
Closing carrying amount	32,360	32,360

For information about intangible assets in the Parent Company, refer to the Group's Note 14 Patents, licenses, product rights and similar rights.

Note 10 Tangible fixed assets

Equipment

	Dec 31, 2017	Dec 31, 2016
Opening cost	118	55
Acquisitions for the year	-	63
Sales/disposals	-22	-
Closing accumulated cost	96	118
Opening depreciation	-63	-42
Depreciation for the year	-20	-21
Sales/disposals	22	-
Closing accumulated depreciation	-61	-63
Closing carrying amount	35	55

Depreciation of tangible fixed assets is included in profit or loss in the sub-items sales and administrative expenses in an amount of SEK 7,000 and in research and development expenses in an amount of SEK 13,000.

Note 11 Shares in Group companies

	Dec 31, 2017	Dec 31, 2016
Opening cost	32,456	32,456
Closing accumulated cost	32,456	32,456
Opening and closing impairment losses	-25	-25
Closing carrying amount	32,431	32,431

Company / Corporate Registration Number / Registered office	Dec 31, 2017	Dec 31, 2016
<i>Wilson Therapeutics Incentive AB, 556888-7680, Stockholm</i>		
Share of equity	100%	100%
Proportion of voting rights	100%	100%
No. of shares	50,000	50,000
Carrying amount	50	50
<i>TTM Europe Development AB, 556922-6904, Stockholm</i>		
Share of equity	100%	100%
Proportion of voting rights	100%	100%
No. of shares	500	500
Carrying amount	32,381	32,381
<i>Wilson Therapeutics Inc, USA</i>		
Share of equity	100%	100%
Proportion of voting rights	100%	100%
No. of shares	1,000	1,000
Carrying amount	0	0

Note 12 Non-current receivables

	Dec 31, 2017	Dec 31, 2016
Opening cost	151	54
Deposits paid	-	356
Deposits repaid	-	-54
Advances paid	1,348	-
Blocked bank accounts	14,944	-
Exchange rate differences	-1,320	-
Reclassification	-	-205
Closing carrying amount	15,123	151

Note 13 Prepaid expenses and accrued income

	Dec 31, 2017	Dec 31, 2016
Prepaid rental expenses	268	261
Prepaid insurance premiums	1,403	481
Prepaid research and development costs	979	79
Other prepaid expenses	85	175
Closing carrying amount	2,735	996

Note 14 Cash and bank balances

	Dec 31, 2017	Dec 31, 2016
Available balances	466,830	385,498
Cash flow from non-cash items:	466,830	385,498
Cash flow from non-cash items:	466,830	385,498
	Dec 31, 2017	Dec 31, 2016
Amortization	20	21
Changes in provisions	17,246	7,719
Employee stock options	10,109	11,307
Closing carrying amount	27,375	19,047

Note 15 Shareholders' equity

The share capital at December 31, 2017 consisted of 28,292,272 (25,720,248) common shares, each with a quotient value of SEK 0.1 (0.1). All shares carry equal rights to the company's profit. Also refer to the information in the Group's Note 22 Shareholders' equity.

The share premium reserve refers to capital from new share issues that have been issued at a price that exceeds the quotient value and includes deductions for new share issue expenses.

Proposed distribution of unappropriated earnings

The following profit/loss stated in KSEK is at the disposal of the Annual General Meeting

Share premium reserve	898,815
Loss brought forward	-240,280
Loss for the year	-168,434
Closing carrying amount	490,101

The Board of Directors and the CEO propose that SEK 490,101,000 be carried forward.

Note 16 Other provisions

Social security costs linked to employee stock options

	Dec 31, 2017	Dec 31, 2016
Amount at the beginning of the year	11,167	3,447
Provisions for the year	17,246	7,720
Closing carrying amount	28,413	11,167

For more information about employee stock options, see Note 9 for the Group.

Note 17 Accrued expenses and deferred income

	Dec 31, 2017	Dec 31, 2016
Accrued salaries	2,787	2,403
Vacation pay liability	1,545	1,141
Social security costs	1,690	1,236
Accrued research and development costs	6,345	3,791
Other accrued expenses	1,549	1,204
Closing carrying amount	13,916	9,775

Note 18 Assets pledged and contingent liabilities

For information about pledged assets and contingent liabilities in the Parent Company, refer to the Group's Note 26 Pledged assets and contingent liabilities.

Note 19 Related-party transactions

	Sales of goods/ services	Purchases of goods/ services	Other	Receivables on balance-sheet date	Liabilities on balance-sheet date
Subsidiaries					
2017	-	7,594	-	-	931
2016	-	6,249	-	-	1,532

For information about remuneration of senior executives, see the Group's Note 8 Employees and personnel costs.

The undersigned give their assurance that the annual accounts have been prepared in accordance with generally accepted accounting standards in Sweden and that the consolidated financial statements have been prepared in accordance with international accounting standards, IFRS, as adopted by the EU. The annual accounts and the consolidated financial statements each provide a fair and accurate impression of the Parent Company's and the Group's position and earnings. The Administration Report for the Parent Company and the Group provides a fair and accurate overview of the Parent Company's and the Group's operations, position and earnings, and describes material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, April 27, 2018

Andrew Kay
Chairman of the Board

Dina Chaya
Member of the Board

Genghis Lloyd-Harris
Member of the Board

Bali Muralidhar
Member of the Board

Hans GCP Schikan
Member of the Board

Björn Odlander
Member of the Board

Birgitte Volck
Member of the Board

Jonas Hansson
CEO

Our audit report was submitted on April 27, 2018

Ernst & Young AB

Björn Ohlsson
Authorized Public Accountant

Anna Svanberg
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Wilson Therapeutics AB, corporate identity number 556893-0357

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Wilson Therapeutics AB for the year 2017. The annual accounts and consolidated accounts of the company are included on pages 24-54 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2017 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2017 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for Opinions

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

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

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual

accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Patents, licenses, product rights and similar rights

Description

Patents, licenses, product rights and similar rights are recorded at MSEK 64.6 in the consolidated statement of financial position and at MSEK 32.4 in the parent company balance sheet per 31 December 2017. The company tests at least annually, and when there are indicators of impairment, that recorded values do not exceed the calculated recoverable value of these assets. Recoverable values are based on the assumption of a future product approval and forecasts of future cash flows. These cash flows are based on industry- and market specific data as well as management's judgments and estimates regarding future sales price and market penetration. The assessment also incorporates assumptions regarding discount rates, product life cycle length and growth rates.

Due to the value of the assets as well as the uncertainty related to judgments and assessments made during the calculation of the recoverable value we have determined that patents, licenses, product rights and similar rights is a key audit matter. A description of the impairment test is provided in Note 14 and of the section "Judgments and estimates" in Note 2.

How our audit addressed this key audit matter

In our audit we have assessed and tested management's process for preparing the impairment test. We have also made comparisons to market data to assess the reasonableness of assumptions made regarding expected future cash flows, discount rates and growth assumptions. We have, with the assistance of our valuation specialists, reviewed the company's model and method for preparing the impairment test and have performed sensitivity analyses of key assumptions. We have assessed whether disclosures provided in the annual report are adequate.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-23, 58-66 and 62-67. The Board of Directors and the

Auditor's report

Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

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

Auditor's responsibility

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

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

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

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Wilson Therapeutics AB for the year 2017 and the proposed appropriations of the company's profit or loss.

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

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general. The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing

Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

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

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

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

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

Ernst & Young AB, Jakobsbergsgatan 24, 111 44, Stockholm, was appointed auditor of Wilson Therapeutics ABs by the general meeting of the shareholders on 17 May 2017 and has been the company's auditor since 16 October 2015.

Stockholm April 27, 2018

Ernst & Young AB

Björn Ohlsson
Authorized Public Accountant

Anna Svanberg
Authorized Public Accountant

CORPORATE GOVERNANCE REPORT

Wilson Therapeutics AB (publ) is a Swedish public limited liability company listed on Nasdaq Stockholm. Corporate governance defines the systems through which shareholders directly or indirectly control the company. Good corporate governance is a significant component of the activities to generate value for the shareholders of Wilson Therapeutics. Corporate governance of Wilson Therapeutics is based on Swedish law, Nasdaq Stockholm's Rule Book for Issuers and internal rules and instructions. The company also applies the Swedish Corporate Governance Code ("the Code"). The Code applies to all Swedish companies with shares listed on a regulated market in Sweden.

The company is not obliged to comply with every rule in the Code since the Code provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described and that the reasons for the deviation are explained in the corporate governance report (according to the "comply or explain principle"). However, the company has not deviated from any of the rules established in the Code.

This Corporate Governance Report has been examined by the company's auditors.

Shareholders

The Wilson Therapeutics share has been traded on Nasdaq Stockholm, Mid Cap, since May 2016. At the end of 2017 the total number of shares and votes was 28,292,272, distributed among 2,234 shareholders. The ten largest shareholders accounted for 84.4% of the shares outstanding and other shareholders for 15.6%. At 31 December 2017, there were three shareholders with holdings that separately represented 10% or more of the number of shares and votes in the company: HealthCap VI LP, 25.7%; Abingworth Bioventures VI LP, 12.5% and MVM Fund III LP, 11.9%.

General Meeting of Shareholders

According to the Swedish Companies Act, a general meeting of shareholders is the company's highest decision-making body. Shareholders may attend a general meeting of shareholders in person or by proxy and may also be accompanied by a maximum of two advisors. Shareholders are entitled to vote for all shares held by the shareholder. Each share in the company entitles the holder to one vote.

2018 Annual General Meeting (AGM)

Wilson Therapeutics' 2018 Annual General Meeting will be held no later than June 29, 2018 in Stockholm, Sweden.

Issue authorization

The Annual general Meeting 2017, held on May 17, resolved to authorize the Board of Directors on one or more occasions no later than up to the next AGM, with or without preferential rights for the shareholders, to make decisions on the issue of new shares, subject to the condition that such issues may result in a total issue of not more than 10% of the total number of shares in the company on the date of the Extraordinary General Meeting. Such issue decisions may also include stipulations that payment for the new shares may take the form of cash-in-kind, an issue offsetting debt or be subject to other terms and conditions.

The reasons for the authorization are to increase the company's financial flexibility and the Board of Directors' latitude, as well as to expand the company's ownership base.

The authorization was utilized to execute a share issue that was completed in December, 2017.

Nomination Committee

Companies complying with the Code must have a Nomination Committee. According to the Code, a general meeting of shareholders is to appoint members of the Nomination Committee or decide on the principles for appointing the members. The Nomination Committee is to perform the duties specified in the Code.

According to a resolution adopted by the AGM of the company on May 17, 2017, Wilson Therapeutics' Nomination Committee is to comprise the Chairman of the Board and one representative of each of the company's three largest shareholders based on share ownership at the end of the month of September 2017. Should one of the three largest shareholders waive his/her right to appoint a member of the Nomination Committee, the right is transferred to the shareholder who, after these shareholders, has the largest shareholding.

In accordance with these principles, the following members were appointed:

- Andrew Kay, Chairman of the Board.
- Staffan Lindstrand, appointed by HealthCap VI L.P.
- Sarah Shackelton, appointed by Abingworth Bioventures VI LP.
- Thomas Casdagli, appointed by MVM Fund III LP.

The Nomination Committee has appointed Sarah Shackelton as its chair. The Nomination Committee's complete proposals to the 2018 AGM will be presented in the official notification of the AGM.

Auditor

The auditor is to examine the company's annual accounts and financial statements as well as the management of the company by the board and the CEO. According to the company's Articles of Association, the company shall have a minimum of one and a maximum of two auditors and a maximum of two deputy auditors. The company's auditors are Ernst & Young AB, with Björn Ohlsson as the Auditor-in-Charge, and Anna Svanberg.

Board of Directors

The Board of Directors is the company's highest decision-making body after the AGM and the company's highest executive body. According to the company's Articles of Association, the Board of Directors, insofar as it is elected by the AGM, is to comprise no fewer than three and no more than ten members. The composition of the Board of Wilson Therapeutics is adjudged to fulfill the Code's requirements concerning independence in relation to the company and the company's major shareholders. The company's Board of Directors consists of seven regular members, including the Chairman of the Board, elected

for the period up to the end of the 2018 AGM. For a more detailed presentation of the Board members, see page 62-63.

Responsibility and work of the Board of Directors

According to the Swedish Companies Act, the Board of Directors is responsible for the organization of the company and the management of the company's affairs, which means that the Board is responsible for, *inter alia*, setting targets and strategies, securing procedures and systems for evaluation of set targets, continuously assessing the financial condition and profits as well as evaluating the management team. According to the Code, the chairman of the board is to be elected by the AGM and have a special responsibility for leading the work of the board of directors and for ensuring that the work of the board is efficiently organized.

The Board applies written rules of procedure, which are revised annually and adopted by the statutory Board meeting every year. The rules of procedure include governing the practice of the Board of Directors, and the functions and division of work between the Board of Directors and the CEO as well as between the Board of Directors and its various committees. At the statutory Board meeting held after each AGM, the Board also adopts instructions for the CEO, including instructions for financial reporting. The board of directors meets according to an annual predetermined schedule. In addition to these meetings, additional Board meetings may be convened to address issues that cannot be postponed until the next scheduled Board meeting.

In 2017, the Board of Directors held nine meetings. The members' attendance is presented in the table below. Prior to Board meetings, the members have received written material concerning the business to be addressed at the meeting.

Independence, attendance and fees of Board members in 2017

Name	Position	Member since	Independent in relation to		Attendance			Total remuneration, SEK 000s
			The company and executive management	Major shareholders	Board meetings	Audit Committee meetings	Remuneration Committee meetings	
Andrew Kay	Chairman of the Board	2015	Yes	Yes ¹⁾	9/9	3/4	-	322
Dina Chaya	Member of the Board	2015	Yes	Yes	9/9	-	-	-
Genghis Lloyd-Harris	Member of the Board	2014	Yes	No	9/9	4/4	3/3	-
Bali Muralidhar	Member of the Board	2014	Yes	No	9/9	4/4	-	38
Björn Odlander	Member of the Board	2017	Yes	No	6/9	-	1/3	98
Hans Schikan	Member of the Board	2015	Yes	Yes ¹⁾	9/9	-	3/3	133
Birgitte Volck	Member of the Board	2017	Yes	Yes	4/9	-	-	-

1) Andrew Kay and Hans Schikan have been appointed members of Odlander Fredrikson Group's ("OFG") advisory board, which functions as investment advisor to certain of the funds of the major shareholder HealthCap. However, because the members of the OFG advisory board are not employees of OFG or HealthCap, only receive limited remuneration, are only active on specific occasions and then only to a limited extent in terms of, for example, new potential investments and analyses of investment recommendations, and since the members are not permitted to make investments alongside HealthCap, the company has made the overall judgement that Andrew Kay and Hans Schikan are to be considered independent in relation to the company's major shareholders.

Board committees

The Board has established an Audit Committee and a Remuneration Committee. The members of the committees are appointed for one year at a time at the statutory Board meeting and the work conducted by the committees and their decision-making rights are regulated in the adopted committee instructions. The matters addressed at committee meetings are minuted and reports are presented at the next Board meeting.

Audit Committee

The company's Audit Committee consists of three members: Genghis Lloyd-Harris (Chairman), Andrew Kay and Bali Muralidhar. The audit committee shall, without affecting the other responsibilities and tasks of the Board, monitor the company's financial reporting, monitor the effectiveness of the company's internal control, internal audit and risk management, keep itself informed of the audit of the annual accounts and the opinions arising from the Audit Board's quality control, examine and monitor the auditor's impartiality and independence, paying special attention to whether the auditor provides the company services other than auditing services, and assist in the preparation of proposals on the AGM's election of auditors.

Remuneration Committee

The company's Remuneration Committee comprises three members: Hans Schikan (Chairman), Genghis Lloyd-Harris and Björn Odlander. The Remuneration Committee is to prepare matters concerning remuneration principles, remuneration and other employment terms for the CEO and senior executives.

Evaluation of the Board of Directors and the CEO

On an annual basis, the Chairman of the Board initiates an evaluation of the Board of Directors' work. The purpose of the evaluation is to gain an impression of the Board members' views concerning how the work of the Board is conducted and the type of measures that could be implemented to increase the efficiency of the Board's work. Another aim is to gain an impression of the type of matters that the Board should be given more scope to address and the areas that could potentially require additional experience and expertise on the Board. The Board of Directors continuously evaluates the work of the CEO by monitoring the development of the operations in relation to established goals and by annually conducting a formal evaluation.

Chief Executive Officer and Executive Management Team

The CEO, Jonas Hansson, is subordinated to the Board of Directors and is responsible for the everyday management

and operations of the Group. The division of work between the Board and the CEO is set out in the rules of procedure for the Board of Directors and in the CEO's instructions. The CEO shall continuously keep the board informed of the development of the company's business, the sales trend, the company's financial position and performance, the liquidity and credit situation, important business events and any other event, circumstance or condition that can be assumed to be of material significance to the company's shareholders.

Internal control of financial reporting

The Board is ultimately responsible for the internal control of the company. The responsibility is governed by the Swedish Companies Act, the Annual Accounts Act and the Code, and the Board of Directors is responsible for ensuring that Wilson Therapeutics has adequate formalized procedures for securing compliance with the established principles for financial reporting and internal control. The procedures for internal control of financial reporting have been designed to ensure reliable and correct reporting in accordance with IFRS, applicable laws and ordinances and other requirements placed on companies listed on Nasdaq Stockholm. The company has a functional legal and operating structure and a carefully formulated control and internal governance system. Wilson Therapeutics has decided to adopt COSO regulations, the most widely accepted regulatory framework for internal control of financial reporting.

The Board of Directors has issued control documents and instructions to regulate the function and responsibility between the CEO and the Board of Directors, in part through the Board of Directors' rules of procedure (which are updated annually and, under which, the Board is to monitor and safeguard the quality of the company's internal control), instructions for the CEO, the company's financial manual and delegation of authority. Although the Board of Directors has ultimate responsibility, the responsibility for maintaining an efficient control environment, and for the daily risk assessment and internal control of financial reporting is delegated to the company's management. According to the instructions for financial reporting, the CEO is responsible for financial reporting in the company. However, the CFO has ultimate responsibility for ensuring implementation of and compliance with the internal controls and for continuous work being conducted to strengthen the internal control of financial reporting. The CFO's responsibilities and duties in this respect and others are regulated in detail in the company's financial manual.

Taking into account the company's current size and operations, the Board of Directors has decided not to have a separate internal audit function but it annually assesses the need of such a function.

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of Wilson Therapeutics AB, corporate identity number 556893-0357

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2017 on pages 58-60 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

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

Stockholm April 27, 2018

Ernst & Young AB

Björn Ohlsson Anna Svanberg
Authorized Public Accountant Authorized Public Accountant



2017 Board members BOARD MEMBERS

Andrew Kay

Born 1955. Chairman of the Board since 2015. Member of the audit committee.

Education: BPharm Hons, Nottingham University.

Background: Andrew Kay brings more than 30 years of commercial and leadership experience in the pharmaceutical sector, latest as CEO of Alkermes ASA. His previous assignments include Global Head of Marketing and Sales and a Member of the Healthcare Committee and Pharmaceutical Executive Committee at Novartis, and several other senior commercial positions in Europe and the USA with AstraZeneca, Eli Lilly, Sandoz and Boots.

Other current assignments: Chairman of Blueberry Therapeutics, chairman of NeRRe Therapeutics, Board advisor KaNDy Therapeutics and director of Amulet Consulting. Member of the advisory board of Odlander Fredrikson Group, the investment advisor to HealthCap's venture funds.

Holdings in the Company: 7,088 shares, 255,000 stock options and 24,000 performance shares Board LTIP 2016.

Dina Chaya

Born 1971. Board Member since 2015.

Education: CFA charterholder, CFA Institute and BSc in natural sciences tripos, Cambridge University and MSc in development biology and PhD in molecular and cellular biology of development, Paris VI University.

Background: Dina Chaya is a Partner with NeoMed Management and has been investing in the venture capital healthcare industry in Europe and the US since 2001. Previously, Dina worked at 3i plc in London and Index Ventures in Geneva.

Other current assignments: Board member of Oxular Ltd and TopiVert Ltd.

Holdings in the Company: None.

Birgitte Volck

Born 1962. Board Member since 2017.

Education: MD and PhD, Copenhagen University.

Background: Birgitte Volck currently serves as Head of R&D Rare Disease at GlaxoSmithKline. She has previously led early and late stage development programs and worked with product commercialization from pre-approval to launch and life cycle management for companies such as Sobi, Amgen, Genzyme and Pharmexa. Birgitte has also published a number of abstracts and original papers in scientific journals.

Other current assignments: Senior Vice President, Head of R&D Rare Disease at GlaxoSmithKline. Board member of TFS Trial Form Support International AB and Ascendis Pharma A/S. External lecturer Copenhagen University.

Holdings in the Company: 20,100 performance shares Board LTIP 2017.

Bali Muralidhar

Born 1979. Board Member since 2014. Member of the audit committee.

Education: BMBCh in clinical medicine, Oxford University. MA in medical sciences and Ph.D. in cancer biology, Cambridge University.

Background: Bali Muralidhar is a Partner with MVM. Before joining he was a member of Bain Capital's healthcare deal team. Prior to that he was a management consultant in Bain & Company's healthcare team. He has a PhD in translational cancer research from the MRC Cancer Cell Unit, Cambridge University, and has published over a dozen peer reviewed papers.

Other current assignments: Member of the boards of Onbone Oy, Valneva SE and Zipline Medical, Inc. and is an observer on the supervisory board of Providence Medical Technology, Inc.

Holdings in the Company: None.

Björn Odlander

Born 1958. Board Member since 2017. Member of the remuneration committee.

Education: MD and PhD, Karolinska Institutet.

Background: Björn Odlander is a founder of HealthCap and serves as its Managing Partner. Previously, he pursued scientific research in the biochemistry of inflammation at Karolinska Institutet and has headed the Health Care Equity Research Team at ABB Aros Securities. Björn Odlander has extensive experience from multiple board assignments from listed and un-listed companies in the life-science sector.

Other current assignments: Chairman of the board of HealthCap AB. Board member and CEO for Odlander, Fredrikson & Co AB. Board member of NVC Holding AB, Oncorena AB and Bonesupport AB.

Holdings in the Company: None.

Genghis Lloyd-Harris

Born 1957. Board Member since 2014. Chairman of the audit committee and member of the remuneration committee.

Education: MBA, Harvard University, PhD in pharmacology, University of Melbourne, MB ChB Hons in medicine and BSc Hons in biochemistry, University of Liverpool.

Background: Genghis Lloyd-Harris is a partner with Abingworth and joined in 2004 from Credit Suisse First Boston (CSFB) where he was a Managing Director in the European Equity Research Group based in London. Before joining Equity Research at CSFB, he worked for CSFB's Health Care Group in the Investment Banking Division in New York. Genghis was previously a paediatrician in Melbourne, Australia.

Other current assignments: Board member of Abingworth LLP, Abingworth Avillion Blocker Limited, Avillion LLP and Gensight Biologics SA.

Holdings in the Company: 90,000 shares.

Hans Schikan

Born 1958. Board Member since 2015. Chairman of the remuneration committee.

Education: Pharm.D, Utrecht University.

Background: Hans Schikan brings more than 25 years of development, commercial and management experience, latest as CEO of rare disease company Prosensa in The Netherlands. Mr. Schikan's previous assignments include leading roles at Genzyme (acquired by Sanofi) and Organon (acquired by Schering Plough). At Genzyme his latest role was Vice President, Marketing & Strategic Development for the rare disease portfolio.

Other current assignments: Chairman of the board of Asceneuron SA, InteRNA Technologies BV and Complix NV. Board member of Swedish Orphan Biovitrum AB (publ), Hansa Medical AB (publ) and Therachon AG. Member of the Top Team of the Dutch Top Sector Life Sciences & Health. Member of the advisory board of Odlander Fredrikson Group, the investment advisor to HealthCap's venture funds.

Holdings in the Company: 170,000 stock options and 16,000 performance shares Board LTIP 2016.



2017 management team

MANAGEMENT TEAM

1.



2.



4.



3.



5.



6.



7.



8.



1. Jonas Hansson

Born 1974. Chief Executive Officer since 2012.

Education: M.Sc. in pharmacy, Uppsala University and MBA, Stockholm School of Economics.

Background: Jonas Hansson is the co-founder of Wilson Therapeutics. In addition he is a Venture Partner of HealthCap, a leading European venture capital firm investing exclusively and globally in life sciences. Prior to joining HealthCap, Mr Hansson held various sales and marketing positions with Janssen Pharmaceutica (J&J).

Holdings in the Company: 50,000 shares, 390,000 stock options and 30,000 performance shares LTIP 2017.

2. Carl Bjartmar

Born 1963. Chief Medical Officer since 2015.

Education: MD and Ph.D. in neuroscience, University of Linköping.

Background: Dr. Bjartmar joined Wilson Therapeutics from Genzyme, a Sanofi Company, where he had roles leading clinical development of treatments for rare and neurological disorders. Prior to Genzyme, he held positions in Clinical Development, Neurology, at Lundbeck A/S, Denmark. He has also been a Postdoctoral Fellow at the Department of Neurosciences, Cleveland Clinic Foundation, USA. Dr. Bjartmar has authored more than 30 international publications.

Holdings in the Company: 3,500 shares, 150,500 stock options and 20,000 performance shares LTIP 2017.

3. Susan Flint

Born 1951. Vice President and Head of Clinical Operations since 2014.

Education: MS in pharmacology, Northeastern University, Boston and BS in biology, Bridgewater State College.

Background: Susan Flint was previously the Executive Director and Head of Clinical Operations at Oxyrane, Ltd., a rare and orphan disease company based in Gent, Belgium. Prior to that, Ms. Flint worked in the international regulatory affairs department at Takeda (Millennium), and was the Vice President of Clinical Operations at Navidea Biopharmaceuticals and Epix Pharmaceuticals. In addition, she was the Vice President of the clinical operations department at Cato Research, a specialty regulatory affairs CRO based in Durham, NC.

Holdings in the Company: 125,000 stock options and 15,000 performance shares LTIP 2017.

4. Anders Martin-Löf

Born 1971. Chief Financial Officer since 2015.

Education: BA, business administration and economics, Stockholm University and M.Sc., Engineering Physics, the Royal Institute of Technology, Stockholm.

Background: Anders Martin-Löf was previously CFO of RaySearch Laboratories AB (publ), a medical technology company listed on Nasdaq Stockholm. Mr. Martin-Löf has also served as Director of Investor Relations and held various business development positions for the listed biotech company Swedish Orphan Biovitrum. Before that, he was a management consultant at the Boston Consulting Group, Cell Network and co-founder and CEO of ScienceCap. He has also attended the Swedish Army Language School and worked at the Swedish Consulate General in St. Petersburg, Russia.

Holdings in the Company: 1,400 shares, 170,000 stock options and 10,000 performance shares LTIP 2017.

5. Rick Lilley

Born 1957. Chief Regulatory Officer since 2016.

Education: BSc Microbiology/Genetics and PhD Molecular Genetics, Queen Mary College, University of London.

Background: Rick Lilley was previously SVP, Head of Global Regulatory Affairs, for Vertex Pharmaceuticals, based in Boston, USA. Dr. Lilley has also served as VP, Head of Global Regulatory Affairs for UCB, based in Belgium, VP, Head of European Regulatory Affairs for Johnson & Johnson in the UK, and SVP, Head of Global Regulatory Affairs & Compliance for Shire Pharmaceuticals, in the UK and USA. Prior to these roles, Dr. Lilley worked in a number of scientific and drug development/regulatory affairs roles, including two periods in Japan, one as a development & regulatory consultant with AstraZeneca.

Holdings in the Company: 150,000 performance shares LTIP 2016 and 10,000 performance shares LTIP 2017.

6. Vincent Metzler

Born 1973. Vice President Commercial Planning & Launch Strategy since 2016.

Education: Ph.D. in Molecular Biology, University of Bern (CH).

Background: Vincent Metzler was previously holding commercial leadership positions at Alexion Pharmaceuticals, lastly as Head of EMEA Marketing Soliris & Core Member of the Soliris Global Leadership Team. Before that, he held various marketing & sales positions at Miltenyi Biotec GmbH, F. Hoffmann-La Roche Ltd, Amgen Inc. and Idexx Laboratories.

Holdings in the Company: 10,000 shares, 125,000 performance shares LTIP 2016 and 10,000 performance shares LTIP 2017.

7. Thomas Plitz

Born 1968. Chief Scientific Officer since 2014.

Education: M.Sc. Biology and Ph.D. Immunology and Cell Biology, Technical University of Munich.

Background: Dr. Plitz joined Wilson Therapeutics from Shire where he served in an R&D leadership role covering development assets & marketed brands in rare disorders of iron overload, gastroenterology, and renal disease.

Dr. Plitz also held various positions in research and global product development at Serono and Merck Serono, where he led Early Development in Neuroinflammatory Disorders and worked on development of neuroscience assets. Dr. Plitz is co-inventor on several patents.

Holdings in the Company: 1,500 shares, 150,500 stock options and 15,000 performance shares LTIP 2017.

8. Lars Olsson

Born 1967. Vice President of Chemistry, Manufacturing and Control (CMC) since 2012.

Education: Ph.D., Organic Chemistry, Stockholm University.

Background: Lars Olsson was previously with Karo Bio, Acadia Pharmaceuticals and Medivir serving in roles as CMC function head or development specialist. Lars has an academic background within carbohydrate chemistry and spent more than 2.5 years as a post-doctoral researcher at NPGRI-institute and University of Alberta. Before moving into smaller pharma companies Lars has also spent 7 years with AstraZeneca in Södertälje in various roles in the Process R&D organization.

Holdings in the Company: 1,000 shares, 124,000 stock options and 10,000 performance shares LTIP 2017.

GLOSSARY

albumin

The most abundant protein in blood, with an ability to bind copper.

ALS

Amyotrophic lateral sclerosis, a neurodegenerative disorder resulting in muscle weakness and eventually death.

anti-oxidative process

Biological mechanisms that protect against damage to cellular constituents caused by oxidation.

arthritis

A form of joint disorder involving inflammation in one or more joints.

ATP7B

A gene coding for an intracellular copper-transporter playing a central role in the regulation of copper balance by the liver cells and mediating the loading of copper onto ceruloplasmin.

autosomal recessive mutation

Mutation in a gene localized on an autosome (i.e. not a sex chromosome such as x or y), resulting in any defect caused by the mutation being independent of sex and occurring only when both gene copies inherited from the parents are mutated, leading to an offspring showing the defective inherited characteristics.

biliary excretion

Excretion into the bile.

biosynthesis process

The process of generation of biomolecules in the body.

bis-choline salt

Choline is an organic molecule that is part of the normal human physiology. As anion (negatively charged molecule) it is used to form the tetrathiomolybdate salt, WTX101. "Bis" means that there are two choline molecules per molecule of tetrathiomolybdate.

cellular respiration

A set of cellular metabolic reactions that takes place in mitochondria and converts biochemical energy from nutrients that can be used by cells for their vital processes.

ceruloplasmin

A major copper-carrying protein.

chelator

A molecule that binds metal ions in a particular fashion (i.e. chelates them).

copays

Where a patient, under his/her insurance arrangements, needs to pay a fixed amount for a service or product that is covered, when the patient receives that service or product.

CTA

Clinical trial application.

Cuprimine

A penicillamine product in the United States, marketed by the pharmaceutical company Valeant.

Depen

A penicillamine product in the United States, marketed by the pharmaceutical company Meda.

dysarthria

A motor speech disorder that results from impaired movement of the muscles used for speech production, including the lips, tongue, vocal folds, and/or diaphragm.

EMA

European Medicines Agency.

FDA

United States Food and Drug Administration.

Galzin

A zinc product in the United States, marketed by Teva.

gastrointestinal tract

The organ system responsible for transporting and digesting food, absorbing nutrients, and expelling waste.

GCP

Good clinical practice, a quality standard for clinical studies involving human subjects.

glutathione protein

An anti-oxidant that the liver cells use to buffer copper.

haemolysis

The rupture or destruction of red blood cells.

hepatitis

Liver inflammation.

hepatocytes

Liver cells.

hepatologist

A specialist in the medicine of the liver as well as management of its disorders.

homeostasis

The property of a system in which variables are regulated so that internal conditions remain stable and relatively constant.

idiopathic pulmonary fibrosis

A rare lung disease.

immunosuppressant

A pharmaceutical product that weakens the immune system.

IND

Investigational new drug.

ion

An atom or a molecule with a positive (cation) or negative (anion) electrical charge.

MAA

Marketing authorization application in the EU.

metallothionein protein

A liver cell buffer system protecting the cell from the copper's toxic effects.

mitochondria

A part of a cell that produces energy to the cell.

monotherapy

The use of a single drug to treat a particular disorder or disease.

moiety

A part or functional group of a molecule.

MPA

The Swedish Medical Products Agency.

myasthenia gravis

An immune disease affecting muscles.

NDA

New Drug Application; application to approve a new pharmaceutical agent for use in the United States market.

neuropsychiatric

A combination of neurologic and psychiatric symptoms.

neutrophils

White blood cells involved in the immune system.

non-comparator

When all patients in a clinical study receive the same drug

NORD

The National Organization for Rare Disorders, an American organization.

oncology

The medicine branch dealing with the prevention, diagnosis and treatment of cancer.

open label

When patients and treating physicians know which pharmaceutical product patients are receiving.

orphan drug designation

A designation granted to certain potential pharmaceutical products targeting diseases that only affect a small number of people and if certain additional criteria are met.

penicillamine

A current treatment for Wilson Disease which non-specifically chelates copper and promotes urinary copper excretion.

peroxidation of lipids

Oxidative degeneration of lipids.

pharmacokinetic

The process by which a pharmaceutical product is absorbed, distributed, metabolized, and eliminated by the body.

PPI

Proton-pump inhibitor.

primary biliary cirrhosis

A liver disease.

PRIME

PRiority MEDicines: A scheme currently being developed by the EMA, to enhance support for the development of medicines that target an unmet medical need.

pseudobulbar palsy

A medical condition characterized by the inability to control facial movements.

rater-blinded

When the neurologist assessing the patient is blinded to (i.e., does not know) which drug a patient is receiving.

Riluzole

The only pharmaceutical product currently approved for the treatment of ALS.

serum aminotransferases

A marker of liver damage.

SOD1-fALS

A form of ALS caused by a defect in the SOD1 gene.

standard of care

The most commonly used products for treatment of a disease.

Syprine

A trientine pharmaceutical product in the United States, marketed by Valeant.

systemic lupus erythematosus

A condition affecting the immune system.

tetrathiomolybdate

A first-in-class copper-protein binding agent with a high binding strength and selectivity for copper.

transcuprein carrier

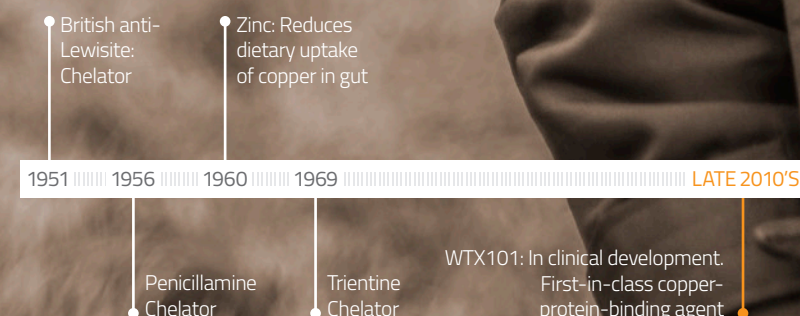
High-affinity copper carrier in the plasma that is involved in the initial distribution of copper entering the blood from the digestive tract.

trientine

A current treatment for Wilson Disease which non-specifically chelates copper and promotes urinary copper excretion.

Wilson Disease: a rare disease with significant unmet medical needs

Treatment is largely unchanged since the introduction of zinc and chelator drugs around 50 years ago.





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