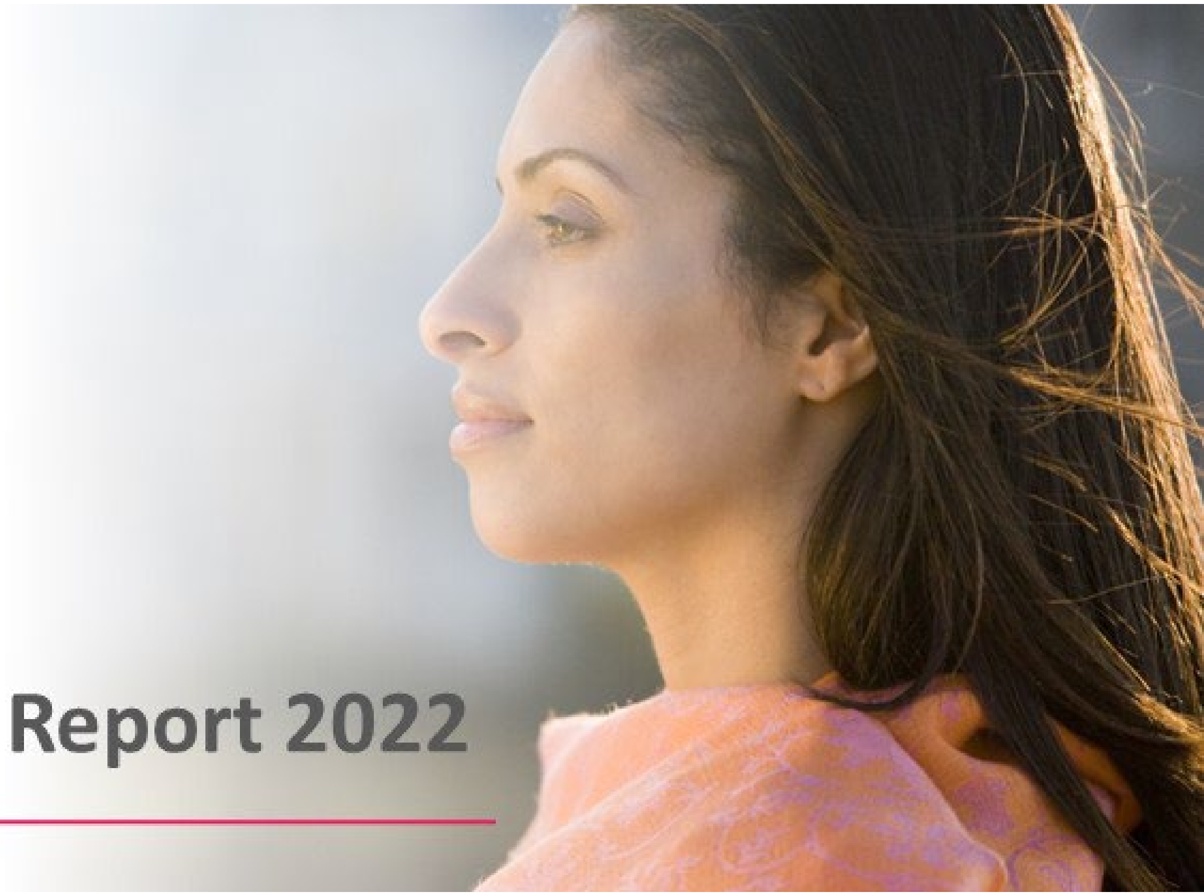

Annual Report 2022

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Letter to shareholders

Dear Shareholders,

I co-founded ObsEva in 2013 with a commitment to discover and develop pharmaceuticals to address the biggest challenges in women's healthcare. Since then, we in-licensed and advanced the development of new chemical entities to address uterine fibroids, endometriosis, preterm labor and embryo implantation after IVF. Drug development can be an unforgiving business, and we experienced significant challenges throughout 2022 with some of our regulators and with the performance of the broader public biotech markets. We were forced to make difficult decisions to drastically cut staff and operating costs. We also paid down debt, while generating additional capital through creative means.

We have now completed the transition and we emerge as an early-stage women's health development company with a renewed commitment to our mission of addressing the most challenging medical needs facing women. Our cost basis is appropriate for an early-stage company, and we have the right personnel in place to efficiently develop our assets.

Our lead drug candidate is nolasiban, a novel, oral oxytocin receptor antagonist being developed to improve clinical pregnancy and live birth rates in women undergoing embryo transfer following in vitro fertilization. This represents a significant unmet need for which few advancements have been made in decades. We previously tested a single dose of nolasiban, and we intend to further explore various dosages in the clinic. We expect to initiate a Phase 1 multiple dose study of nolasiban later this year in preparation for the initiation of a robust Phase 2 trial in early 2024. We are excited about the potential for nolasiban to improve live birth rates, and we look forward to sharing further details of our development plans in the near future.

After bringing it to initial clinical proof of concept, we outlicensed ebopiprant, a preterm labor drug candidate, to Organon in 2021 and we expect to receive milestone payments as development advances. These payments, if received, will be used in support of the clinical development of nolasiban, and we have great confidence in both the chemical entity and the ability of Organon to effectively develop this drug candidate.

ObsEva enters 2023 with two high quality assets in nolasiban and ebopiprant, and I have recently purchased an additional 8 million shares due to my belief in the bright future of ObsEva. The entire ObsEva team holds an unwavering commitment to our mission of addressing the most challenging unmet medical needs facing women, and we look forward to driving this momentum forward to create long-term value for shareholders.

Sincerely,

Ernest Loumaye MD, PhD
Chairman of the Board of Directors *ad interim*
ObsEva SA

Financial Review

We are a biopharmaceutical company focused on the development of novel therapies to improve women's reproductive health. We are advancing a development program for nolasiban, an oral oxytocin receptor antagonist, focused on improving clinical pregnancy and live birth rates in women undergoing in-vitro fertilization.

We in-licensed nolasiban from Ares Trading S.A., an affiliate of Merck Serono ("Merck Serono"), in August 2013. We currently have worldwide, exclusive, commercial rights for nolasiban, except for the People's Republic of China, where it has been sub-licensed to Yuyuan BioScience ("Yuyuan") in January 2020. In October 2022, we announced that Yuyuan's Investigational New Drug ("IND") application for a Phase 1 clinical trial of nolasiban has been accepted by the Center for Drug Evaluation at the Chinese National Medical Products Administration. Yuyuan plans to initiate a single-center, randomized, double-blind, placebo-controlled Phase 1 clinical trial in China to evaluate the safety, tolerability, pharmacokinetics and pharmacodynamic characteristics of nolasiban in healthy adult female subjects.

In February 2023, our Board of Directors approved a reorganization plan (the "Reorganization Plan"), to, among other things, consolidate our operations in Switzerland, where our headquarters are located. Following the Reorganization Plan, we notified The Nasdaq Stock Market LLC ("Nasdaq") of our inability to comply with the Nasdaq minimum bid price. On March 14, 2023, Nasdaq notified us that our common shares were to be delisted from The Nasdaq Capital Market and suspended at the opening of business on March 23, 2023. On March 28, 2023, we filed a post-effective amendment to various outstanding registration statements on Form F-3, which amendment was declared effective by the United States Securities and Exchange Commission (the "SEC") on March 29, 2023, and a post-effective amendment to various outstanding registration statements on Form S-8, which amendment became effective immediately upon filing, each to remove and withdraw from registration the shares that were registered but remained unsold thereunder. On April 26, 2023, we filed with the SEC a Form 15 to deregister our common shares under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and to suspend our reporting obligations under Section 13 and Section 15(d) of the Exchange Act. Our shares are now exclusively traded on the SIX Swiss Exchange.

We were founded in November 2012 and our operations to date have included organizing and staffing our company, raising capital, in-licensing rights to our portfolio and conducting nonclinical studies and clinical trials. To date, we have not generated any revenue from product sales as none of our product candidates have been approved for commercialization. We have historically financed our operations mostly through the sale of equity and debt. From inception through December 31, 2022, we raised an aggregate of USD 447.7 million of net proceeds from the sale of equity securities and USD 64.5 million from the issuance of debt instruments, of which USD 62.5 million has been repaid.

We have never been profitable and have incurred significant net losses in each period since our inception. Our net losses were USD 43.8 million and USD 58.4 million for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022, we had an accumulated deficit of USD 475.7 million. We expect to continue to incur operating losses for the foreseeable future. We used USD 41.1 million and USD 70.3 million of cash in operations in the years ended December 31, 2022 and 2021, respectively.

We anticipate that our expenses will remain substantial in connection with our ongoing activities as we continue to invest in any clinical trials, nonclinical studies and pre-commercial activities that we may conduct for nolasiban. We will need substantial additional funding to support our operating activities as we advance our product candidate through clinical development, seek regulatory approval and prepare for and invest in future commercialization of this candidate, if approved. Adequate funding may not be available to us on acceptable terms, or at all. We are also exploring various alternatives for the future potential development and commercialization of our product candidate, including through collaborations with third parties.

We have no manufacturing facilities, and all of our product manufacturing is contracted out to third parties. We currently utilize third-party contract research organizations, or CROs, to carry out our clinical development and trials.

Recent Developments

In July 2022, we initiated a corporate restructuring and refocusing of our development and commercialization strategies following the receipt of a notice from the U.S. Food and Drug Administration ("FDA") of review issues regarding deficiencies in our New Drug Application ("NDA") for linzagolix, a prior product candidate developed for the potential treatment of uterine fibroids. These review issues precluded discussion of labeling and post-marketing commitments. As a result, we undertook the following actions in July 2022: (i) gave notice of termination of our license agreement (the "Kissei License Agreement") with Kissei Pharmaceutical Co., Ltd ("Kissei") for the development and commercialization of linzagolix; (ii) commenced a corporate restructuring to resize the company to be able to meet our license obligations; and (iii) filed an application to the competent court in Geneva, Switzerland for a court-sanctioned moratorium to facilitate the planned restructuring.

As a result of the termination of the Kissei License Agreement, our licensing agreement with Theramex HQ UK Limited ("Theramex") for the commercialization and further development of linzagolix across global markets outside of the U.S., Canada and Asia (the "Theramex License Agreement"), was automatically assigned to Kissei and we have no further rights or obligations under the Kissei License Agreement or the Theramex License Agreement. In addition, we assigned to Kissei substantially all of our clinical, manufacturing, and scientific contracts related to the development of linzagolix representing approximately USD 4.9 million in transferred obligations to Kissei.

In September 2022, following a consultation process with our employees, the Board of Directors authorized the termination of approximately 70% of employees. We completed the terminations during the fourth quarter of 2022, saving approximately USD 7.6 million, on an annual basis, of cash compensation related to salary, bonus, and benefits to affected employees. In February 2023, as part of the Reorganization Plan, we further reduced our overall workforce by approximately 57%, including downsizing our US-based executive management team. We also expect to propose a reduced Board of Directors at our next Annual General Meeting of Shareholders. We expect to incur restructuring charges of approximately USD 1.2 million attributable to cash payments primarily for notice period payments, including healthcare coverage to employees with respect to eliminated positions and to realize annual savings of approximately USD 3.5 million. Such restructuring charges are expected to be incurred and recorded in the first quarter of 2023.

In November 2022, we entered into an IP Acquisition Agreement (the "IP Acquisition Agreement") with XOMA Corporation ("XOMA") for the sale of all of our rights to ebopiprant, a prior product candidate developed for the treatment of preterm labor by reducing inflammation and uterine contractions. Under the terms of the IP Acquisition Agreement, we sold to XOMA all of our rights to ebopiprant, including through the assignments to XOMA of (i) our July 2021 license agreement (the "Organon License Agreement") with Organon & Co. ("Organon"), (ii)our June 2015 license agreement with Merck KGaA, Darmstadt, Germany and (iii) the intellectual property estate related to ebopiprant. As consideration for the sale of all of our rights to ebopiprant under the IP Acquisition Agreement, we received an upfront cash payment from XOMA of USD 15.0 million upon the closing of the transaction, and we are eligible to receive up to approximately USD 98 million from XOMA upon the achievement of certain development and regulatory milestones and sales milestones under the Organon License Agreement that was assigned to XOMA in the transaction.

Proceeds from the IP Acquisition Agreement with XOMA resolved our overindebted position and positioned us to apply to the Swiss courts for the dismissal of the moratorium proceedings, which was granted by the courts on December 15, 2022, and to regain compliance with The Nasdaq Global Market's stockholders' equity requirement for continued listing in December 2022. On January 12, 2023, we received notice from Nasdaq that our application to transfer listing of our common shares from the Nasdaq Global Select Market to the Nasdaq Capital Market had been approved. The transfer was effective at the opening of business on January 17, 2023. On March 14, 2023, we received a delisting notice from Nasdaq notifying us that our common shares were scheduled for delisting from the Nasdaq Capital Market on March 23, 2023 due to our failure to regain compliance with Nasdaq Listing Rule 5450(a)(1) because the bid price of our common shares has not closed at or above USD 1.00 per share for a minimum of ten consecutive business days. On April 26, we filed with the SEC a Form 15 to deregister our common shares under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and to suspend our reporting obligations under Section 13 and Section 15(d) of the Exchange Act. Our shares are now exclusively traded on the SIX Swiss Exchange.

Also in November 2022, we and certain funds and accounts managed by JGB Management Inc. ("JGB") entered into a Consent and Amendment Agreement (the "Consent"), whereby JGB consented to our transaction with XOMA. Pursuant to the Consent and in connection with certain outstanding convertible notes issued to JGB, we agreed to maintain in a control account in favor of JGB a minimum cash balance of USD 6.7 million, representing the aggregate principal balance under the outstanding convertible notes as of the date of the Consent, provided such minimum cash balance shall be correspondingly reduced upon any conversion of the outstanding balance or payoff of the outstanding notes. In addition, pursuant to the terms of the Consent, the maturity date for each outstanding note was amended to December 31, 2023. See 10 of the Consolidated IFRS Financial Statements for further information regarding our convertible notes and agreements with JGB. As of December 31, 2022, JGB had approximately USD 6.5 million in outstanding principal under the outstanding notes. In February 2023, pursuant to a Payoff and Termination Agreement (the "Payoff Agreement"), we paid off the outstanding notes in full satisfaction of our obligations under the outstanding notes and under the related securities purchase agreement with JGB. Under the Payoff Agreement, JGB agreed to accept a reduced prepayment premium of (i) approximately USD 0.6 million in cash and (ii) approximately USD 0.3 million in the form of 1,470,588 common shares of our company as prepayment for the outstanding notes.

Macroeconomic Considerations

Unfavorable conditions in the economy in the United States and abroad may negatively affect the growth of our business and our results of operations. For example, macroeconomic events, including the COVID-19 pandemic, rising inflation, the U.S. Federal Reserve raising interest rates, recent and potential future disruptions in access to bank deposits and lending commitments due to bank failures and the Russia-Ukraine war, have led to economic uncertainty globally. The effect of macroeconomic conditions may not be fully reflected in our results of operations until future periods. If, however, economic uncertainty increases or the global economy worsens, our business, financial condition and results of operations may be harmed.

Strategic Licensing Agreements

Agreements related to Nolasiban

Ares Trading

In August 2013, we entered into the 2013 license agreement with Ares Trading S.A., an affiliate of Merck Serono, or Merck Serono, pursuant to which we received a worldwide exclusive license to develop, manufacture and commercialize compounds covered by the licensed patent rights, including nolasiban. In consideration for the license, we issued 914,069 Series A preferred shares to Merck Serono at the time of our Series A financing, which had a fair value of USD 4.9 million based on an exchange rate of USD 1.00 for CHF 0.9244 as of the date of the transaction. With respect to any products we commercialize under the 2013 license agreement, we agreed to pay Merck Serono royalties based on a high-single-digit percentage of annual net sales of each product, subject to specified reductions, until the later of (i) the date that all of the patent rights for that product have expired, as determined on a country-by-country and product-by-product basis, or (ii) ten years from the first commercial sale of such product on a country-by-country and product-by-product basis.

Yuyuan

In January 2020, we entered into the Yuyuan Sublicense Agreement with Yuyuan, pursuant to which we granted to Yuyuan an exclusive sublicense under certain of our patents, trademarks and know-how to use, register, import, develop, market, promote, distribute, offer for sale and commercialize nolasiban for use in humans in the People's Republic of China, including Hong Kong and Macau. In consideration for entering into the Yuyuan Sublicense Agreement, Yuyuan has agreed to make aggregate milestone payments of up to USD 17.0 million upon the achievement of specified development, regulatory and first sales milestones and aggregate milestone payments of up to USD 115.0 million upon the achievement of additional, tiered sales milestones. In addition, Yuyuan has agreed to pay tiered royalties on net sales at percentages ranging from high-single digit to low-second digits, subject to specified reductions, until the later of the expiration of the last valid claim covering the product in China and ten years from the first commercial sale of the product in China.

Agreements Related to Ebopiprant

Merck Serono

In June 2015, we entered into the 2015 license agreement with Merck Serono (the "Merck Serono License Agreement"), which we amended in July 2016, pursuant to which we received a worldwide exclusive license to develop, manufacture and commercialize compounds covered by the licensed patent rights, including ebopiprant.

As a result of the IP Acquisition Agreement with XOMA, the Merck Serono License Agreement was automatically assigned to XOMA and we have no further rights or obligations under the agreement.

Organon

In July 2021, we entered into an agreement with Organon (the "Organon License Agreement"), pursuant to which we granted to Organon exclusive rights to develop, use, register, import, export, manufacture, market, promote, distribute, offer for sale and commercialize ebopiprant worldwide. In consideration for entering into the agreement, Organon has agreed to make up to USD 500 million in upfront and milestone payments, including USD 25 million that was paid at signing, up to USD 90 million in development and regulatory milestones and up to USD 385 million in sales-based milestones. In addition, Organon has agreed to pay us tiered double-digit royalties on annual net sales of all products, subject to specified reductions, until, on a country-by-country and product-by-product basis, the latest of (i) the expiration of the last valid claim covering such product in such country, (ii) expiration of regulatory exclusivity for such product in such country, and (iii) ten years from the first commercial sale of such product in such country.

XOMA

In November 2022, we entered into the IP Acquisition Agreement with XOMA for the sale of all of our rights to ebopiprant, which included the assignment to XOMA of the Merck Serono License Agreement and the Organon License Agreement. Pursuant to the IP Acquisition Agreement, we received an upfront payment of USD 15.0 million and are eligible to receive future milestone payments of up to approximately USD 98 million upon the achievement of certain development and regulatory and sales milestones under the Organon License Agreement.

Financial Operations Overview

The consolidated financial information presented below includes the accounts of ObsEva SA, ObsEva USA, Inc., ObsEva Ireland Limited, ObsEva Switzerland SA and ObsEva Europe B.V. All intercompany accounts and transactions have been eliminated in consolidation.

Components of Results of Operations

Revenue

To date, we have not generated any revenue from product sales and we do not expect to generate revenue unless and until we successfully complete development and obtain regulatory approval for our product candidate.

Other operating income consists of gains on disposal of intangible assets that we recognize when entering into certain agreements with partners for the development and/or commercialization of the product candidates we have been developing. Assignment income represents revenue recognized from the assignment of contractual obligations.

Research and development expenses

Research and development expenses consist primarily of costs incurred in connection with our research and development activities and consist mainly of direct research and development costs, which include: costs associated with the use of CROs and consultants hired to assist on our research and development activities; personnel expenses, which include salaries, benefits and share-based compensation expenses for our employees; expenses related to regulatory affairs and intellectual property; manufacturing costs in connection with conducting nonclinical studies and clinical trials; and depreciation expense for assets used in research and development activities. Research and development costs are generally expensed as incurred. However, costs for certain activities, such as manufacturing and nonclinical studies and clinical trials, are generally recognized based on an evaluation of the progress to completion of specific tasks using information and data provided to us by our vendors and collaborators.

Our employee, consultant and infrastructure resources are typically utilized across our multiple research and development programs. We track outsourced research and development costs by product candidate or nonclinical program, but we do not allocate personnel costs, other internal costs or external consultant costs to specific product candidates.

At this time, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the development of our product candidate through clinical trials and regulatory submissions. We are also unable to predict when, if ever, material net cash inflows will commence from sales of our product candidate. This is due to the numerous risks and uncertainties associated with developing such product candidate, including:

- the number of clinical sites included in the trials;
- the length of time required to enroll suitable patients;
- the number of patients that ultimately participate in the trials;
- the number of doses patients receive;
- the duration of patient follow-up;
- the results of our clinical trials; and
- regulatory requirements in support of potential approvals.

In addition, the probability of success for any of our product candidates will depend on numerous factors, including competition, manufacturing capability and commercial viability. A change in the outcome of any of these variables with respect to the development of any of our product candidate would significantly change the costs, timing and viability associated with the development of that product candidate.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel expenses, including salaries, benefits and share-based compensation expense, related to executive, finance, accounting, business development, legal and human resource functions. General and administrative expense also includes commercialization readiness costs, facility costs not otherwise included in research and development expenses, legal fees related to corporate matters, fees for accounting and consulting services, and costs of director and officer insurance.

We anticipate that our general and administrative expenses will decrease in the future as a result of our corporate restructuring. We also anticipate that we will continue spending material accounting, audit, legal, regulatory and compliance costs.

Finance expense, net

Finance expense, net, consists of the charge associated with the certain events of default, the benefit associated with the early retirement of the outstanding convertible notes, gains on foreign currency exchange, interest expense associated with our lease liabilities and debt instruments, the change in fair value of the warrant liability, and the change in estimated cash flows from financial liabilities. We anticipate that our finance expense, net will decrease in the future as the principal balance on the outstanding convertible notes held by JGB was early retired in February 2023.

Taxation

We are subject to corporate taxation in Switzerland, Ireland, Netherlands and the United States.

In 2015, the Canton of Geneva granted us a ten-year tax holiday for all income and capital taxes on a communal and cantonal level commencing in fiscal year 2013 and valid through to 2022, subject to our Swiss domiciliation and compliance with certain reporting provisions. We remain subject to Swiss federal income tax on our profits after tax but have only incurred net losses since our inception. We are entitled under Swiss laws to carry forward any losses incurred for a period of seven years and can offset such losses carried forward against future taxes. As of December 31, 2022, we had tax loss carryforwards totaling USD 437.4 million. We do not believe it is probable that we will generate sufficient profits to avail ourselves of these tax loss carryforwards.

Our Swiss, Irish and Dutch subsidiaries had no activity in 2022 or 2021. Our US subsidiary, as a service organization to the group under cost plus arrangement, was the only entity to generate income tax expenses during 2022 and 2021.

Results of Operations

Comparison of years ended December 31, 2022 and December 31, 2021:

	Year Ended December 31,				
(in thousands except percentages)	**2022**	**2021**	**Increase (Decrease)**		
Operating income other than revenue					
Other operating income	$ 19,056	20,113	$ (1,057)	(5)	%
Assignment income	4,942	—	4,942	100	%
Total operating income other than revenue	**23,998**	**20,113**	**3,885**	**19**	**%**
Operating expenses					
Research and development	(14,321)	(53,136)	38,815	(73)	%
General and administrative	(21,919)	(21,491)	(428)	2	%
Impairment of intangible asset	(19,400)	—	(19,400)	100	%
Total operating expenses	**(55,640)**	**(74,627)**	**18,987**	**(25)**	**%**
Loss from operations	**(31,642)**	**(54,514)**	**22,872**	**(42)**	**%**
Loss on event of default	17,586	—	17,586	100	%
Gain (loss) on debt extinguishment	5,713	(1,363)	7,076	(519)	%
Finance income	4,561	600	3,961	660	%
Finance expense	(4,795)	(2,888)	(1,907)	66	%
Net loss before tax	**(43,749)**	**(58,165)**	**14,416**	**(25)**	**%**
Income tax expense	(11)	(212)	201	(95)	%
Net loss	**$ (43,760)**	**(58,377)**	**$ 14,617**	**(25)**	**%**

Revenue

The following is a summary of revenue for the years ended December 31, 2022 and 2021:

	Year Ended December 31,				
(in thousands except percentages)	2022	2021	Increase (Decrease)		
Operating income other than revenue					
Other operating income	$ 19,056	20,113	$ (1,057)	(5)	%
Assignment income	4,942	—	4,942	100	%
Total operating income other than revenue	**$ 23,998**	**20,113**	**$ 3,885**	**19**	**%**

Operating income other than revenue increased by USD 3.9 million, or 19% for the year ended December 31, 2022 as compared to December 31, 2021. The increase was primarily the result of:

- a decrease of USD 1.1 million in other operating revenue resulting from the difference in net upfront proceeds received pursuant to the Theramex License agreement of USD 4.8 million in February 2022 and the XOMA IP acquisition agreement of USD 14.2 million entered into in November 2022, as compared to the net upfront proceeds received pursuant to the Organon License Agreement of USD 20.1 million entered into in July 2021; offset by,

- an increase of USD 4.9 million in assignment revenue recognized during the year ended December 31, 2022 following the termination of the Kissei License Agreement and assignment of linzagolix contractual obligations related to the linzagolix program to Kissei.

Research and development expenses

The following is a summary of research and development expenses for the years ended December 31, 2022 and 2021:

	Year Ended December 31,				
(in thousands except percentages)	2022	2021	Increase (Decrease)		
Directly allocable research and development expenses	$ 5,796	38,693	$ (32,897)	(85)	%
Unallocated expenses					
Staff costs	5,474	11,386	(5,912)	(52)	%
Other research and development costs	3,051	3,057	(6)	—	%
Total research and development expenses	**$ 14,321**	**53,136**	**$ (38,815)**	**(73)**	**%**

Research and development expenses decreased by USD 38.8 million, or 73%, during the year ended December 31, 2022 as compared to 2021. The decreased expense was primarily due to:

- a decrease of USD 32.9 million in directly allocable research and development expenses due to lower expenditures in our linzagolix program resulting from the termination of the Kissei License Agreement and assignment of linzagolix contractual obligations related to the linzagolix program to Kissei; and

- a decrease of USD 5.9 million in unallocated staff costs due to lower salary, bonus, and share based compensation expenses as a result of our termination of approximately 70% of our employees as announced in September 2022, a majority of whom were responsible for research and development activities.

General and administrative expenses

The following is a summary of general and administrative expenses for the years ended December 31, 2022 and 2021:

	Year Ended December 31,				
(in thousands except percentages)	**2022**	**2021**	**Increase (Decrease)**		
Staff costs	$ 7,619	7,401	$ 218	3	%
Professional fees	10,272	10,531	(259)	(2)	%
Other general and administrative costs	4,027	3,559	468	13	%
Total general and administrative expenses	**$ 21,919**	**21,491**	**$ 428**	**2**	**%**

General and administrative expenses increased by USD 0.4 million, or 2%, during the year ended December 31, 2022 as compared to 2021. The increase expense is primarily due to an increase in personnel-related expenses such as salaries and bonuses for employees responsible for general and administrative activities. The majority of employees retained as of December 31, 2022 are within the finance and administration department.

Finance expense, net

The following is a detailed summary of Finance expense, net for the years ended December 31, 2022 and 2021:

	Year Ended December 31,				
(in thousands except percentages)	**2022**	**2021**	**Increase (Decrease)**		
Interest expense, net	$ (3,987)	(3,156)	$ (831)	26	%
Loss on event of default	(17,586)	—	(17,586)	100	%
Gain (loss) on debt extinguishment	5,713	(1,363)	7,076	(519)	%
Change in fair value of warrant liability	193	790	(597)	(76)	%
Foreign exchange gain, net	810	78	732	938	%
Change in estimated future cash flows from financial liabilities	2,750	—	2,750	100	%
Finance expense, net	**$ (12,107)**	**(3,651)**	**$ (8,456)**	**232**	**%**

Total finance expense, net increased by USD 8.5 million, or 232%, during the year ended December 31, 2022 as compared to the year ended December 31, 2021. The net increase was primarily due to:

- the USD 17.6 million charge associated with the certain events of default under the outstanding convertible notes with JGB, recognized upon adjustment of the gross carrying value of the Notes from the previous carrying amount of USD 33.0 million to USD 50.6 million to reflect the estimated contractual cash flows;

- the USD 7.1 million increase in the gain (loss) on the extinguishment of debt whereby we recognized a USD 5.7 million benefit associated with the early retirement of the outstanding convertible notes under the Securities Purchase Agreement with JGB in 2022 as compared to the USD 1.4 million loss recognized on the extinguishment of our prior credit facility with the Oxford Finance LLC in 2021; and

- the USD 2.8 million increase resulting from finance income recognized upon the release of a portion of the prepayment penalty upon conversion of a portion of the outstanding principal balance under the JGB notes during the year ended December 31, 2022.

Liquidity and Capital Resources

Overview

Our primary sources of cash for the year ended December 31, 2022 were from equity transactions, the sale of our ebopiprant rights to XOMA, and cash received in connection with our sub-license to Theramex. Our cash and cash equivalents was USD 8.4 million at December 31, 2022. We believe, based on the operating cash requirements and capital expenditures expected for 2023, our cash on hand at December 31, 2022, are sufficient to fund operations through the fourth quarter of 2023.

Since our inception, we have not generated any revenue and have incurred net losses and negative cash flows from our operations. We have funded our operations primarily through the sale of equity securities, issuance of debt instruments and license of our product candidates. From inception through December 31, 2022, we raised an aggregate of USD 447.7 million of net proceeds from the sale of equity securities, through public and private offerings and our at-the-market programs, and USD 64.5 million from the issuance of debt instruments, of which USD 62.5 million has been repaid. As of December 31, 2022, we had remaining outstanding principal of USD 6.5 million under our Securities Purchase Agreement with JGB, a portion of which was used to fully retire our prior credit facility with Oxford Finance LLC (the "Oxford Credit Facility") in October 2021. In July 2021, we received USD 25.0 million from Organon in connection with the licensing agreement for ebopiprant. In February 2022, we received EUR 5.0 million from Theramex in connection with the Theramex License Agreement.

On March 10, 2023, Silicon Valley Bank ("SVB") was closed by California and federal regulatory agencies. As a result of these actions, the Federal Deposit Insurance Corporation (FDIC) established Silicon Valley Bridge Bank, N.A. (the "Bridge Bank") as successor to SVB. We maintained a portion of our cash with SVB. On March 12, 2023, the U.S. Treasury, Federal Reserve and FDIC rolled out emergency measures to fully protect all depositors of SVB and, on March 13, 2023, we had full access to our cash on deposit with SVB. As a result, we do not anticipate any losses with respect to such balances.

On March 14, 2023, we received a delisting notice from Nasdaq notifying us that our common shares were scheduled for delisting from the Nasdaq Capital Market on March 23, 2023 due to our failure to regain compliance with Nasdaq Listing Rule 5450(a)(1) because the bid price of our common shares has not closed at or above USD 1.00 per share for a minimum of ten consecutive business days. As described above, our common shares began trading on the over-the-counter market on March 23, 2023 under the symbol "OBSVF". Accordingly, it may be difficult for us to raise additional capital as we are no longer listed on a national stock exchange in the United States. In addition, on March 28, 2023, we filed a post-effective amendment to various outstanding registration statements on Form F-3, which amendment was declared effective by the SEC on March 29, 2023, and a post-effective amendment to various outstanding registration statements on Form S-8, which amendment became effective immediately upon filing, each to remove and withdraw from registration the shares that were registered but remained unsold thereunder. On April 26, we filed with the SEC a Form 15 to deregister our common shares under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and to suspend our reporting obligations under Section 13 and Section 15(d) of the Exchange Act. Our shares are now exclusively traded on the SIX Swiss Exchanged.

ATM Program

On March 16, 2018, we entered into an agreement with Jefferies LLC to sell treasury shares from time to time at our discretion under an "at the market" (ATM) program, with aggregate gross sales proceeds of up to USD 50.0 million. On August 7, 2019, this agreement was amended to increase the aggregate gross sales proceeds that may be generated under the ATM program by USD 25.0 million, for aggregate gross sales proceeds of up to USD 75.0 million. Through the date the ATM program was terminated in March 2021, we generated gross proceeds of USD 75.0 million under the program.

In March 2021, we terminated our prior ATM program with Jefferies and entered into a new agreement, or the Sales Agreement, with SVB Leerink LLC, or the Agent, to sell treasury shares from time to time at our discretion under an ATM program, with aggregate gross sales proceeds of up to USD 50.0 million. The Sales Agreement provides that the commission payable to the Agent for sales of common shares with respect to which the Agent acts as sales agent shall be 3.0% of the gross sales price for such common shares sold pursuant to the Sales Agreement. The Sales Agreement contains customary representations and warranties of the parties and indemnification and contribution provisions under which the Company and the Agent have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act. We and the Agent have the right, by giving written notice as specified in the Sales Agreement, to terminate the Sales Agreement. During the year ended December 31, 2021, we sold a total of 15,933,420 treasury shares at an average price of USD 3.28 per share, as part of our ATM program. These multiple daily transactions generated total gross proceeds of USD 53.7 million. Directly related share issuance costs of USD 2.3 million were recorded as a deduction in equity.

Through the year ended December 31, 2022, we raised additional gross proceeds of USD 6.6 million under the Sales Agreement. Our ATM program expired during the year ended December 31, 2022.

Material Capital Requirements

Oxford Credit Facility

On August 7, 2019, we entered into the Credit Facility Agreement with Oxford for a term loan of up to USD 75.0 million, subject to funding in three tranches. We received gross proceeds of USD 25.0 million from the first tranche of the credit facility upon entering into the agreement and used the funds as part of our various clinical trials programs. We could not draw the second tranche of USD 25.0 million due to the failure to meet the primary endpoint of the Phase 3 IMPLANT 4 clinical trial of nolasiban. In April 2020, we amended the Credit Facility Agreement pursuant to which the third tranche of USD 25.0 million was available to be drawn at any time between April 7, 2020 and August 1, 2024 upon our request and at Oxford's discretion. The credit facility was secured by substantially all of our assets, including our intellectual property. The loan bore a floating interest rate (partially based on thirty-day U.S. LIBOR rate) at 8.68% per year in total and was set mature to on August 1, 2024.

Securities Purchase Agreement with JGB

On October 12, 2021, we entered into the Securities Purchase Agreement with JGB, which was structured to provide up to USD 135.0 million in borrowing capacity, available in nine tranches. We received gross proceeds of USD 30.0 million at closing and used the proceeds to repay all amounts outstanding under a prior agreement with Oxford Finance. In conjunction with the closing, we also issued warrants to purchase 1,634,877 of our common shares at an exercise price of USD 3.67 per share On January 28, 2022, we entered into an amendment agreement and an amended and restated securities purchase agreement (the "Amendment Agreements"), with JGB regarding the second tranche under the Securities Purchase Agreement. In connection with the Amendment Agreements, we received proceeds of USD 10.5 million (USD 975 thousand of original issue discount) in the second tranche, funded on January 28, 2022, and the conversion price for the note issued in the second tranche was adjusted to a price of USD 1.66 per common share. In addition, as adjusted pursuant to the Amendment Agreements, we issued warrants to purchase 1,018,716 of our common shares at an exercise price of USD 1.87 per share.

On July 27, 2022, our announced application to the courts of competent jurisdiction of the Swiss canton of Geneva for a preliminary moratorium resulted in the Events of Default (the "Events of Default") under the outstanding notes issued to JGB (the "Outstanding Notes").

On July 31, 2022, we entered into the Amendment and Forbearance Agreement with JGB, pursuant to which we and JGB agreed to apply USD 31.0 million (the "Account Balances") previously held in a control account in accordance with the Transaction Agreements against the Outstanding Notes on a pro rata basis, and JGB waived any application of the 25% prepayment premium permitted under the Outstanding Notes with respect to the Account Balances through the forbearance period. In addition, JGB agreed to refrain and forebear from exercising or pursuing any rights or remedies under the Transaction Agreements with respect to the Events of Default until the earlier to occur of (i) October 29, 2022, (ii) the occurrence of any event of default under the Transaction Agreements (other than the Events of Default), and (iii) the date upon which a preliminary moratorium has been granted by the courts of competent jurisdiction of the Swiss canton of Geneva. In exchange for the waiver of the prepayment penalty and forbearance on exercising such rights and remedies, USD 1.5 million was added to the outstanding principal balance under the Outstanding Notes, resulting in an aggregate outstanding balance of approximately USD 11.0 million under the Outstanding Notes, the conversion price of the Outstanding Notes was adjusted to a conversion price of USD 0.26 per share (subject to adjustment as provided in the Outstanding Notes) and our right to mandatory conversion of any convertible notes issued pursuant to the Securities Purchase Agreement, including the Outstanding Notes, was terminated. In addition, JGB was no longer obligated to fund any future mandatory or optional tranche closing under the Securities Purchase Agreement.

Following the execution of the amendment, JGB converted USD 3.8 million of the outstanding principal balance and USD 0.4 million of accrued and unpaid interest under the Outstanding Notes into 16,346,135 common shares.

On October 26, 2022, we entered into the Extension Amendment with JGB, pursuant to which JGB agreed to refrain and forebear from exercising or pursuing any rights or remedies under the Transaction Agreements with respect to the Events of Default until the earlier to occur of (i) December 1, 2022, (ii) the occurrence of any event of default under the Transaction Agreements (other than the Events of Default), and (iii) the date upon which a preliminary moratorium has been granted by the courts of competent jurisdiction of the Swiss canton of Geneva. In exchange for the forbearance on exercising such rights and remedies, (i) the conversion price for USD 2.0 million of outstanding principal amount of the Outstanding Notes was adjusted to a conversion price of USD 0.19 per share (subject to adjustment as provided in the Outstanding Notes), and (ii) an aggregate of USD 0.5 million of outstanding principal amount (such amount a part of the USD 2.0 million principal amount with a conversion price of USD 0.19 per share) and all accrued and unpaid interest on the Outstanding Notes through and including October 31, 2022, was exchanged for 2,631,579 common shares, representing a conversion price of USD 0.19 per share.

On November 21, 2022, we and JGB entered into the Consent, whereby JGB consented to our transaction with XOMA, and we agreed to maintain in a control account in favor of JGB a minimum cash balance of USD 6.7 million, representing the aggregate principal balance under the Outstanding Notes as of the date of the Consent, provided such minimum cash balance shall be correspondingly reduced upon any conversion of the outstanding balance or payoff of the outstanding notes. In addition, pursuant to the Consent, the maturity date for each Outstanding Note was amended to December 31, 2023.

On November 22, 2022, JGB converted USD 0.2 million of the outstanding principal balance under the Outstanding Notes into 1,052,632 common shares.

On February 24, 2023, we announced the early retirement of the USD 6.5 million of remaining principal of the Outstanding Notes. Under the terms of the early retirement, we and JGB agreed to apply USD 6.5 million previously held as collateral in a control account against the Outstanding Notes on a pro rata basis, with JGB waiving a USD 1.1 million prepayment penalty in exchange for approximately USD 0.6 million in cash and USD 0.3 million in the form of approximately 1.5 million common shares.

Cash Flows

The following table provides information regarding our cash flows for the years ended December 31, 2022 and 2021:

	Year Ended December 31,			
(in thousands, except percentages)	**2022**	**2021**	**Increase (Decrease)**	
Net cash provided by (used in):				
Operating activities	$ (41,069)	$ (70,304)	$ 29,235	(42) %
Investing activities	14,112	22,186	(8,074)	(36) %
Financing activities	(19,600)	71,104	(90,704)	(128) %
Net (decrease) / increase in cash and cash equivalents and restricted cash	**$ (46,557)**	**$ 22,986**	**$ (69,543)**	**(303) %**

Operating Activities

Net cash used in operating activities was USD 41.1 million for the year ended December 31, 2022 compared to USD 70.3 million for the year ended December 31, 2021. The decrease in our cash used in operating activities of USD 29.2 million is due to a decrease in net loss before taxes of USD 14.4 million and an increase in non-cash items of USD 20.3 million, offset by changes in net working capital of USD 5.5 million.

Investing Activities

Net cash provided by investing activities was USD 14.1 million for the year ended December 31, 2022 compared to USD 22.2 million for the year ended December 31, 2021. The decrease in net cash from investing activities of USD 8.1 million is due primarily of the difference in upfront proceeds of USD 20.6 million from the Theramex License Agreement and IP Acquisition Agreement executed in 2022 and the upfront proceeds of USD 22.1 million from the Organon License agreement executed in 2021, net of the derecognition of the related intangible assets, offset by the increase in restricted cash related to the JGB convertible debt of USD 6.5 million.

Financing Activities

Net cash used in financing activities was USD 19.6 million for the year ended December 31, 2022 compared to net cash provided by financing activities of USD 71.1 million for the year ended December 31, 2021. The decrease in net cash from financing activities of USD 90.7 million is primarily due to a decrease in proceeds from the issuance of shares of USD 46.6 million from our expired ATM programs (USD 6.6 million in net proceeds received in the year ended December 31, 2022 compared to the USD 53.2 million in net proceeds received in the year ended December 31, 2021), a decrease in the proceeds from the issuance of convertible debt of USD 18.7 million, and a decrease in the proceeds from the exercise of warrants of USD 22.1 million, offset by an increase in debt repayments of USD 4.0 million (USD 31.0 million prepayment on the JGB debt made in the year ended December 31, 2022 compared to the USD 27.0 million in repayment of the Oxford Credit facility in the year ended December 31, 2021).

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Material Cash Requirements from Contractual Obligations

The following table summarizes the contractual maturity profile of our on-balance sheet liabilities, including interest payments, as of December 31, 2022:

	Carrying amount	**Total undiscounted cash flows**	**up to 1 year**	**1 to 5 years**	**Maturities more than 5 years**
Trade and other payables	(894)	(894)	(894)	—	—
Borrowings	(6,534)	(6,534)	(6,534)	—	—
Lease liabilities	(237)	(240)	(237)	—	—
Total as of December 31, 2022	**(7,665)**	**(7,668)**	**(7,665)**	**—**	**—**

Under the terms of the license agreement with Merck Serono for nolasiban, the Company would be obligated to pay Merck Serono a high-single digit royalty on net sales generated by the Company, its affiliates or sub-licensees of any product containing the in-licensed compound. We have not included any contingent payment obligation, such as milestone payments and royalties, in the table above as the amount, timing and likelihood of such payments are not known.

We enter into contracts in the normal course of business with CSOs for commercialization activities and CROs for clinical trials, nonclinical studies, manufacturing and other services and products for operating purposes. These contracts generally provide for termination upon notice, and therefore we believe that our non-cancelable obligations under these agreements are not material.

Research and Development

For a discussion of our research and development activities, see section “Results of Operations.”

Trend Information

For a discussion of trends, see sections “Results of Operations” and “Liquidity and Capital Resources.”

Critical Accounting Estimates

For a discussion of our critical accounting estimates, see note 2 “Accounting principles applied in the preparation of the consolidated financial statements” to our Consolidated IFRS Financial Statements.

Corporate Governance

ObsEva's articles of association (the "Articles"), organizational regulations (the "Organizational Regulations") and policies provide the basis for the principles of Corporate Governance. This Corporate Governance report has been prepared in accordance with the SIX Swiss Exchange Directive on Information Related to Corporate Governance effective as of October 1, 2014, as amended on April 1, 2016, July 1, 2017, May 1, 2018, January 2, 2020, July 1, 2021, October 1, 2021, and January 1, 2023.

1 – Group Structure and Shareholders

Group Structure

ObsEva SA ("ObsEva", or the "Company") is a Swiss stock corporation (société anonyme) organized under the laws of Switzerland (CHE-253.914.856) and formed in 2012 with an indefinite duration. ObsEva is registered in Plan-les-Ouates, Geneva, Switzerland, with principal offices located at Chemin des Aulx, 12, 1228 Plan-les-Ouates, Geneva, Switzerland.

ObsEva is the parent company of the ObsEva Group (the "Group") which includes four fully-owned subsidiaries:

- ObsEva USA, Inc., a limited company registered in Delaware, USA, with principal registered offices located at One Financial Center, 24th Floor, Boston MA 02111, USA, and a share capital of USD 0.50 fully-owned by ObsEva, and
- ObsEva Ireland Ltd, a limited company registered in Ireland, with principal registered offices located at Penthouse Floor, 5 Lapps Quay, Cork, Ireland, and a share capital of EUR 2.00 fully-owned by ObsEva.
- ObsEva Europe B.V., a limited company registered in The Netherlands, with principal registered offices located at Apollolaan 151, 1077AR Amsterdam, and a share capital of EUR 1,000.00 fully-owned by ObsEva.
- ObsEva Switzerland SA, a limited company registered in Switzerland, with principal registered offices located at Chemin des Aulx, 12, 1228 Plan-les-Ouates, Geneva, Switzerland, and a share capital of CHF 100,000.00 fully-owned by ObsEva.

The Group operates in one segment, which is the research and development of innovative women's reproductive, health and pregnancy therapeutics, with an aim to market and commercialize such therapeutics depending on, in large part, the success of the development phases. The Chief Executive Officer ("CEO") of the Company reviews the consolidated statement of operations of the Group on an aggregated basis and manages the operations of the Group as a single operating segment.

ObsEva's shares have been listed on the SIX Swiss Exchange ("SIX") from July 13, 2018 to April 24, 2023 under the ticker symbol OBSN, the ISIN number CH0346177709 and Swiss security number 34'617'770. Since April 25, 2023, ObsEva's shares have been listed on SIX under the ticker symbol OBSN, the ISIN number CH1260041939 and Swiss security number 12'6004'193. ObsEva's shares were listed on the Nasdaq Global Select Market ("Nasdaq") from January 26, 2017 to March 23, 2023, under the ticker symbol OBSV and the CUSIP number H5861P103. On December 31, 2022, the market capitalization of ObsEva was CHF 14,001,871 on the SIX and USD 15,617,472 on the Nasdaq.

Significant Shareholders

As of December 31, 2022, based on published notifications to the SIX (unless otherwise indicated), the following shareholders own 3% or more of the Company's share capital:

Shareholder	Number of shares held (1)	% of voting rights (2)	% of capital (2)
ObsEva	39,212,538	26.88%	26.88%
James I. Healy	4,749,623	3.26%	3.26%
New Enterprise Associates 15 L.P.	4,586,563	3.14%	3.14%

(1) This table presents the shares held by the shareholders listed therein, or in respect of which the persons or entities mentioned have been granted voting discretion. The derivative holdings held by such shareholders are not included.
(2) Based on the share capital registered in the Swiss Commercial Register as of December 31, 2022 (i.e. CHF 11,220,508 and 1/13th of a franc, divided into 145,866,605 registered shares).

For a comprehensive list of notifications of shareholdings received during 2022 pursuant to article 120 and seq. FMIA and its implementing ordinances, refer to the SIX website (https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html).

Cross Shareholdings

There are no cross-shareholdings in terms of capital or voting rights in excess of 5%.

2 – Capital Structure

Capital

As of December 31, 2022, the Company's share capital registered with the Swiss Commercial Register, which corresponded also to the issued share capital, amounted to CHF 11,281,336 and 1/13th of a franc, consisting of 146,919,237 registered shares (or "common shares") with a par value of 1/13th of a Swiss franc each. As of December 31, 2022, the Company directly held 39,212,538 of its own shares, recorded as treasury shares.

Authorized Share Capital

As of December 31, 2022, according to the Articles, the Board of Directors (the "Board") is authorized at any time until May 18, 2024 to increase the share capital by a maximum aggregate amount of CHF 2,639,248 and 6/13 of a franc, which equates to approximately 23.52% of the existing issued share capital as at the reference date, through the issuance of not more than 34,310,230 common shares, which will have to be fully paid-in, with a par value of 1/13th of a Swiss franc each. Increases in partial amounts are permitted. The Board may issue new shares also by means of underwriting or in any other manner by one or more banks and subsequent offer to shareholders or third parties. The Board determines the type of contributions, the issue price, the time of the issue, the conditions for the exercise of the pre-emptive rights, the allocation of pre-emptive rights which have not been exercised, and the date on which the dividend entitlement starts. The Board is authorized to permit, to restrict or to exclude the trading of pre-emptive rights.

If pre-emptive rights are granted, but not exercised, the Board shall use the relevant shares in the interest of the Company.

The Board is authorized to withdraw or limit the pre-emptive rights of the shareholders, and to allocate them to third parties or to the Company, in the event of use of the shares for the purpose of: (i) expanding the shareholder base in certain capital markets or in the context of the listing, admission to official trading or registration of the shares at domestic or international stock exchanges; (ii) granting an over-allotment option ("greenshoe") to one or several underwriters in connection with a placement of shares; (iii) share placements, provided the issue price is determined by reference to market price; (iv) the participation of employees, members of the Board or consultant of the Company or of one of its subsidiaries according to one or several equity incentive plans adopted by the Board; (v) the acquisition of companies, company assets, participations, the acquisition of products, intellectual property rights, licenses or new investment projects or for public or private share placements for the financing and/or refinancing of such transactions; (vi) for raising equity capital in a fast and flexible manner as such transaction would be difficult to carry out, or could be carried out only at less favorable terms, without the exclusion of the pre-emptive rights of the existing shareholders; or (vii) the acquisition of a participation in the company by a strategic partner (including in the case of a public takeover offer).

Conditional Share Capital for Financing Purposes

As of December 31, 2022, according to the Articles, the Company's share capital may be increased by a maximum aggregate amount of CHF 1,430,663, which equates to approximately 12.75% of the existing issued share capital as at the reference date, through the issuance of not more than 18,598,619 common shares, which will have to be fully paid-in, with a par value of 1/13th of a Swiss franc each, by the exercise of option and conversion rights which are granted in connection with bonds, similar debt instruments, loans or other financial market instruments or contractual obligations of the Company or one of its subsidiaries, and/or by the exercise of option rights issued by the Company or one of its subsidiaries (the "Financial Instruments"). The pre-emptive rights of shareholders are excluded. The right to subscribe for the new shares shall be held by the holders of the Financial Instruments. The Board determines the terms of the Financial Instruments.

When issuing Financial Instruments, the Board has the right to limit or exclude the right of shareholders to subscribe for the Financial Instruments by preference: a) for the purpose of financing or refinancing the acquisition of enterprises, divisions thereof, or of participations, products, intellectual property rights, licenses, cooperations or of newly planned investments of the Company; b) if the issuance is made on domestic or international capital markets, including by means of private placements; or c) for purposes of an underwriting of the Financial Instruments by a banking institution or a consortium of banks with subsequent offering to the public.

To the extent that the right of shareholders to subscribe for the Financial Instruments by preference is excluded, (i) the Financial Instruments shall be placed at market conditions; (ii) the exercise period, the conversion period or the exchange period of the Financial Instruments shall not exceed 10 years as of the date of the issue; and (iii) the conversion price, the exchange price or other exercise price of the Financial Instruments shall be determined by reference to market prices.

Conditional Share Capital for Equity Plans

As of December 31, 2022, according to the Articles, the Company's share capital may be increased by a maximum aggregate amount of CHF 1,420,421, which equates to approximately 12.66% of the existing issued share capital as at the reference date, through the issuance of not more than 18,465,473 common shares, which will have to be fully paid-in, with a par value of 1/13th of a Swiss franc each, by issuance of shares upon the exercise of options or pre-emptive rights thereof, which have been issued or granted to employees, members of the Board or consultant of the Company or of one of its subsidiaries under the terms of one or more equity incentive plans or regulations adopted by the Board. The pre-emptive rights of shareholders are excluded. The Board determines the terms of the equity incentive plans or regulations and of the issuance of the shares.

Changes in Capital

On April 14, 2020, the Company issued 3,308,396 common shares at par value of 1/13th of a Swiss franc per share. The shares were fully subscribed for by the Group and held as treasury shares.

On September 3, 2020, the Company completed an underwritten offering of 6,448,240 units at an effective price of USD 2.869 per unit, with each unit comprised of one common share (or pre-funded warrant) and one 15-month purchase warrant to purchase one common share at an exercise price of USD 3.43 per share. In this context, the Company issued, on September 7, 2020, 5,490,000 common shares for the purpose of the underwritten offering, together with 2,320,266 common shares, at par value, which were subscribed for by the Group and held as treasury shares. In September 2020, the Company further completed a private placement of 516,352 units at an effective price of USD 2.905 per unit, with each unit comprised of one common share and one 15-month purchase warrant to purchase one common share at an exercise price of USD 3.43 per share. In this context, our board of directors decided, on September 18, 2020, to issue 516,352 common shares. The increase of our share capital was recorded with the Swiss Commercial Register, on September 29, 2020.

In November 2020, 958,240 pre-funded warrants issued in the context of the underwritten public offering of September 3, 2020, have been exercised and 958,240 new common shares have been issued from the conditional capital for financing purposes at a par value of CHF 1/13th of a Swiss franc per share.

In 2020, the Company sold a total of 5,995,897 treasury shares at an average price of USD 2.82 per share.

On January 27 and February 10, 2021, the Company issued 6,020,248 and 11,591,124 common shares, respectively, at par value of 1/13th of a Swiss franc per share. The shares were fully subscribed for by the Group and held as treasury shares.

In 2021, 6,448,240 warrants issued in the context of the underwritten public offering of September 3, 2020, have been exercised and 6,448,240 new common shares have been issued from the conditional capital for financing purposes at a par value of CHF 1/13th of a Swiss franc per share.

In 2021, the Company sold a total of 15,933,420 treasury shares at an average price of USD 3.28 per share.

On January 28, 2022, the Company issued 23,400,000 common shares at par value of 1/13th of a Swiss franc per share. The shares were fully subscribed for by the Group and held as treasury shares.

On December 8, 2022, the Company issued 20,000,000 common shares at par value of 1/13th of a Swiss franc per share. The shares were fully subscribed for by the Group and held as treasury shares. The share capital of the Company was further increased by 17,246,135 common shares, issued from the conditional capital for financing purposes.

In 2022, the Company sold a total of 6,821,086 treasury shares at an average price of USD 0.97 per share.

For further information on changes in capital in 2022 and 2021, including changes in reserves, refer to the consolidated statement of changes in equity as well as to note 11 of the Consolidated IFRS Financial Statements on pages 38 and 56, respectively, of this annual report.

Shares and Participation Certificates

ObsEva has one class of shares, which is common shares, i.e. registered shares, with a par value of 1/13th of a Swiss franc per share. Each share is indivisible towards the Company, which only recognizes one legal owner for each share. Each share confers the right to a portion of the profit resulting from the balance sheet and the proceeds of liquidation, in proportion to the payments made to pay-in the share capital. Each share conveys the right to one vote.

The Company's shares are uncertificated securities (in terms of the Swiss Code of Obligations) and intermediated securities (in terms of the Swiss Federal Intermediated Securities Act). Any shareholder registered in the Company's share register may request from the Company a statement of his/her common shares at any time. Shareholders are not entitled to request printing and delivery of certificates. However, the Company may, at any time and at its option: (i) print and deliver certificates for shares; (ii) withdraw uncertificated shares from the custodian system where they have been registered; and (iii) with the consent of the shareholder, cancel issued certificates that are returned to the Company. If the Company decides to print and deliver share certificates, the share certificates shall bear the signatures of two duly authorized signatories of the Company, at least one of which shall be member of the Board. These signatures may be facsimile signatures.

The Company has no participation certificates.

Dividend-Right Certificates

The Company has no dividend-right certificates.

Limitations on Transferability and Nominee Registrations

The Articles do not contain clauses limiting the transferability of the Company's shares and do not provide restrictions to the registration of nominee shareholders.

Convertibles Bonds and Options

As of December 31, 2022, the Company has issued 1,634,877 warrants outstanding, each entitling, upon exercise, to one common share, at an exercise price of USD 3.67, corresponding to an aggregate amount of CHF 125,759 and 10/13th of a franc of share capital, and equating to approximatively 1.12% of the existing issued share capital. The expiration date of the warrants is set at October 11, 2025. For information on the warrants outstanding as of December 31, 2022, refer to Note 11 of the Consolidated IFRS Financial Statements on page 56 of this annual report.

As of December 31, 2022, the Company has issued 1,018,716 warrants outstanding, each entitling, upon exercise, to one common share, at an exercise price of USD 1.87, corresponding to an aggregate amount of CHF 78,362 and 10/13th of a franc of share capital, and equating to approximatively 0.70% of the existing issued share capital. The expiration date of the warrants is set at October 29, 2026. For information on the warrants outstanding as of December 31, 2022, refer to Note 11 of the Consolidated IFRS Financial Statements on page 56 of this annual report.

As of December 31, 2022, the Company has issued a convertible note with a remaining principal of USD 4,681,397.94, entitling inter alia to convert USD 1,087,271 worth of principal and interest into common shares at a conversion price of USD 0.19, and to convert USD 3,622,466.17 worth of principal and interest into common shares at a conversion price of USD 0.26. In aggregate, the convertible note entitles, upon exercise of conversion rights, to up to 19,371,640 common shares, equating to approximately 13.28% of the existing issued share capital. For information on the convertible note outstanding as of December 31, 2022, refer to Note 10 of the Consolidated IFRS Financial Statements page 52 of this annual report. In January 2023, the Company announced the early retirement of this convertible note.

As of December 31, 2022, the Company has issued a convertible note with a remaining principal of USD 1,852,987.60, entitling inter alia to convert USD 412,729 worth of principal and interest into common shares at a conversion price of USD 0.19, and to convert USD 1,451,016.22 worth of principal and interest into common shares at a conversion price of USD 0.26. In aggregate, the convertible note entitles, upon exercise of conversion rights, to up to 7,753,090 common shares, equating to approximately 5.32 % of the existing issued share capital. For information on the convertible note outstanding as of December 31, 2022, refer to Note 10 of the Consolidated IFRS Financial Statements on page 52 of this annual report. In January 2023, the Company announced the early retirement of this convertible note.

As of December 31, 2022, the Company has 8,846,703 options issued under the Company's equity incentive plans outstanding, corresponding to an amount of CHF 718,243 and 5/13th of a franc of share capital, and equating to approximately 6.40% of the existing issued share capital as at the reference date. Such options have a 1:1 subscription ratio, vest under a 3-year or 4-year vesting schedule, have a 10-year expiration term and have a strike price in U.S. Dollars equivalent to the closing share price of OBSV on Nasdaq at grant date. For information on the equity incentive plans operated by the Company and details of grants made and options outstanding as of December 31, 2022, refer to Note 18 of the Consolidated IFRS Financial Statements on page 61 of this annual report.

3 – Board of Directors

The following table sets forth as of December 31, 2022, the name, nationality, year joined the Board, terms of office, position and directorship term, as well as committee memberships, of each member of the Board, followed by a short description of each member's business experience, education and activities.

The directors are appointed individually, for one-year terms, which expire on the occasion of each annual general meeting, and can be re-elected indefinitely. Accordingly, the terms of the directors set forth below will expire at the closing of the 2023 annual general meeting of shareholders. Except Brian O'Callaghan, CEO of the Company from December 2020, all members of the Board are non-executive members. Apart from Ernest Loumaye, who has been CEO of the Company until December 2020, none of the non-executive members have held management roles in the Group in the three financial years preceding the period under review, nor have had significant business connections with any entity of the Group.

Frank Verwiel did not stand for reelection at the AGM 2022.

The composition of the Board of Directors has changed materially between December 31, 2022, and the copy deadline of this report. Annette Clancy stepped down for her mandates in March 2023. Ernest Loumaye was appointed as Chair of the Board ad interim and Chair of the CNCG committee ad interim for the period from March 2023 to the AGM 2023, at which time it is expected that he will be nominated as Chair of the Board for the upcoming year. Brian O'Callaghan stepped down as CEO in February 2023.

Name	**Nationality**	**First Appointment**	**Board**	**AC** (1)	**CNCGC** (2)
Annette Clancy	British	2013	Chair(3)	-	Chair(3)
Brian O'Callaghan	American	2021	Member, CEO(4)	-	-
Ernest Loumaye	Belgian	2012	Member(5)	-	-(5)
Anne VanLent	American	2021	Member(6)	Chair	-
Ed Mathers	American	2016	Member(7)	Member	Member
Catarina Edfjäll	Swiss	2021	Member	-	Member
Stephanie Brown	Canadian	2022	Member(8)	Member	-

(1) Audit Committee
(2) Compensation, Nominating and Corporate Governance Committee
(3) Annette Clancy stepped down from her mandates in March 2023.
(4) Brian O'Callaghan stepped down as CEO in February 2023. The Company announced in February 2023 that he will not stand for re-election at the AGM 2023.
(5) Ernest Loumaye was appointed as Chair of the Board ad interim and Chair of the CNCGC ad interim for the period from March 2023 to the AGM 2023.
(6) The Company announced in February 2023 that Anne VanLent will not stand for re-election at the AGM 2023.
(7) The Company announced in February 2023 that Ed Mathers will not stand for re-election at the AGM 2023.
(8) The Company announced in February 2023 that Stephanie Brown will not stand for re-election at the AGM 2023.

Annette Clancy has served as a member of our board of directors from November 2013 to March 2023. She has served as the chairperson from November 2013 to December 2016 and from May 2022 to March 2023. Ms. Clancy's other positions included member of the board of directors of Swedish Orphan Biovitrum AB, a public biopharmaceutical company, as well as Chairperson of the Board of Directors of ENYO Pharma SA. Ms. Clancy has acted as an Operational Investor at Jeito Capital, a French- based healthcare venture capital firm. In earlier years, Ms. Clancy has held a number of Board and Chairperson positions with a range of European based biotechnology companies and acted as a senior advisor at Frazier Healthcare Ventures, a U.S.-based healthcare venture capital firm from 2009 to 2017. Ms. Clancy also held various senior positions at GlaxoSmithKline, a global healthcare company up until 2008. Ms. Clancy holds a B.Sc. in Pharmacology from Bath University and a series of American Management Association diplomas in finance and marketing.

Brian O'Callaghan has served as a member of our board of directors since May 2021 and served as our Chief Executive Officer from December 2020 to February 2023. He is a life science executive with extensive experience within biotech, large pharmaceutical companies and the CRO sector, as well as extensive global experience, having lived and worked in 5 different countries and both coasts of the US. Prior to joining ObsEva, Mr. O'Callaghan has held CEO positions at Petra Pharma (from 2017 to 2020), Acucela (from 2013 to 2015), Sangart (from 2008 to 2014) and BioPartners (from 2000 to 2004), as well as senior management positions at Pfizer (from 1992 to 1994), Merck Serono (from 1996 to 2000), Novartis (from 2004 to 2006), Covance (from 2006 to 2007) and NPS Pharmaceuticals (from 2007 to 2008). Mr. O'Callaghan has experience running both public and private companies, M&A's, IPO's, fundraising, divestments, spin-outs and strategic alliances. He also has extensive Board experience, having served on numerous biotech and 501c3 Boards.

Ernest Loumaye is a co-founder and member of our board of directors since its inception in November 2012. He served as our Chief Executive Officer since our inception until December 2020. From 2019 to January 2021, he was a member of the board of directors at AVA, a Zurich-based medtech company active in women's health. Previously, Dr. Loumaye co-founded PregLem, a Swiss specialty biopharmaceutical company sold to Gedeon Richter Plc., and served as its Chief Executive Officer and member of the board of directors from 2006 to October 2012. From 2011 to 2016, Dr. Loumaye served as chairperson and member of the board at Genkyotex, a public biopharmaceutical company developing treatments against various diseases based on enzyme inhibition. Dr. Loumaye holds an M.D. and a Ph.D. from University of Louvain, Belgium, with a specialization in Obstetrics and Gynecology. Dr Loumaye was research fellow at the National Institute of Health (NIH, Bethesda, MD, USA).

Anne VanLent has served as a member of our board of directors and chair of the audit committee since May 2021. Since May 2018, Ms. VanLent has been President of AMV Advisors, providing corporate strategy and financial consulting services to emerging growth life sciences companies. Ms. VanLent had been Executive Vice President and Chief Financial Officer of Barrier Therapeutics, Inc., a publicly traded pharmaceutical company, from May 2002 through April 2008. Ms. VanLent also worked for eight years, from March 1985 to February 1993, as Senior Vice President and Chief Financial Officer of The Liposome Company, Inc., a publicly traded biopharmaceutical company. Ms. VanLent has served as a director, chair of the Audit Committee of Trevi Therapeutics, Inc since October 2018 and is currently also a member of the Nominating and Governance Committee. She has also served as a director and chair of the Audit Committee of Applied Genetics Technologies Corporation from August 2016 to December 2022. Until June 2020, she also served as a director, chair of the Audit Committee and member of the Compensation Committee of Vaxart, Inc. as a result of its merger in February 2018 with Aviragen Therapeutics, Inc., where she served as lead director, chair of the Audit Committee and member of the Nominating and Governance Committee. From April 2011 to December 2017, she served as a director, chair of the Audit Committee, and chair of the Nominating and Governance Committee of Ocera Therapeutics, Inc. From April 2013 through June 2017 she served as a director, member of the Audit Committee, and member of the Compliance Committee of Novelion Pharmaceuticals, Inc. From July 2013 to May 2016, Ms. VanLent served as a director, chair of the Audit Committee, and member of the Compensation Committee of Onconova Therapeutics, Inc. From 1997 to May 2013, she served as a director of Integra Life Sciences Holdings, Inc. and chaired its audit committee from 2006 until 2012. Ms. VanLent received a B.A. degree in Physics from Mount Holyoke College.

Ed Mathers has served as a member of our board of directors since February 2016. Mr. Mathers is a General Partner of NEA since August 2008 and is focused on biotechnology and specialty pharmaceuticals investments. He is a director of Rhythm Pharmaceuticals (Nasdaq: RYTM), Envisia Therapeutics, Synlogic (Nasdaq: SYBX), Senti Biosciences, Inozyme (Nasdaq: INZY), Reneo Pharma (Nasdaq: RPHM), Akouos (Nasdaq: AKUS), Trevi Therapeutics (Nasdaq:TRVI), Mirum Pharmaceuticals (Nasdaq: MIRM), Shape Therapeutics, MBX Biosciences, Code Biotherapeutics, and Affinia Therapeutics. Previously he was a board member of RA Pharmaceuticals (sold to UCB), Liquidia (Nasdaq: LQDA), Lumos Pharma (Nasdaq: LUMO), Curzion Pharmaceuticals (sold to Horizon), Amplyx Pharmaceuticals (sold to Pfizer) Lumena (sold to Shire), Ziarco (sold to Novartis), Motus Therapeutics (sold to Allergan), Plexxikon (sold to Daiichi Sankyo), Intarcia, Satori Pharmaceuticals, Southeast Bio, MedImmune, LLC, the Biotechnology Industry Organization (BIO), and a number of public biopharmaceutical boards. Prior to joining NEA, Mr. Mathers most recently served as Executive Vice President, Corporate Development and Venture, at MedImmune, Inc. Before joining MedImmune in 2002, he was Vice President, Marketing and Corporate Licensing and Acquisitions at Inhale Therapeutic Systems. Mr. Mathers spent 15 years at Glaxo Wellcome, Inc. (GlaxoSmithKline), where he held sales and marketing positions of increasing responsibility. He earned his bachelor's degree in chemistry from North Carolina State University, Raleigh.

Catarina Edfjäll has served as a member of the Board since June 2021. Mrs. Edfjäll is a Global Regulatory Affairs Expert with more than 25 years of experience in the biotech and pharma sector, now working as an independent consultant and mentor. She has profound drug development experience across the entire product lifecycle, from development to launch, and across many therapeutic areas, including rare diseases. She was responsible for the successful regulatory approval of 20 innovative medicinal products and new indications in more than 50 countries. In her most recent senior management role, Ms. Edfjäll was the global head of regulatory affairs at CSL Behring (from 2013 to 2019). Prior to that, she held leadership positions in regulatory affairs at companies formerly known as Shire (from 2011 to 2013), Celgene (from 2006 to 2011) and Actelion (from 2001 to 2006). She started her career at F. Hoffmann-La Roche (from 1993 to 2000). Since 2020, Ms. Edfjäll has served as a Board Member at the Cancer Drug Development Forum (CDDF). She was also a board member at the International Collaboration on Rare Diseases & Orphan Drugs (ICORD) from 2008 to 2012 and from 2014 to 2021. She has been actively involved in several multi-stakeholder organizations, including the European Medicines Agency´s Committee for Orphan Medicinal Products´ Working Group with Interested Parties. Catarina holds a Master in biotechnology engineering from the Ecole Supérieure de Biotechnologie in Strasbourg, a Ph.D. in biochemistry from the University in Basel and a Corporate Governance Certification from the Swiss Board School and the University of St Gallen.

Stephanie Brown has served as a member of the Company's Board since May 2022. Ms. Brown is an accomplished executive leader with over 30 years of broad commercial experience in the bio-pharma industry. She currently serves as President North America for Santhera Pharmaceuticals, a global specialty pharmaceutical company focused on commercializing medicines for rare diseases. Over the course of her career, Stephanie has built and transformed businesses at organizations including Merck (MSD), Genentech, Biogen, and Novartis, where she held a variety of leadership roles in the USA, Canada and globally. She has deep experience in product launches and has successfully brought highly specialized, breakthrough biologics and small molecules from clinic to commercialization across a broad range of therapeutic areas. Ms. Brown has chaired and governed inter-company collaborations, and has chaired, co-chaired and served on multiple executive US and global governance committees. She is a past member of the Board of Directors of the Biotechnology Innovation Organization, the biotechnology industry association in the USA. Ms. Brown has also served on the Operating Board of the West Island Palliative Care Residence, a non-profit organization located in Canada. She has a BSc in Chemistry with Biology from Mount Allison University, Canada, and her MBA from Edinburgh Business School, University of Edinburgh, Scotland.

Restrictions on Mandates held outside the Company

The Articles provide certain restrictions to the number of mandates that members of the Board may have in the supreme governing bodies of legal entities registered in the Swiss commercial register or similar foreign register. As such no member of the Board may hold more than six additional mandates in the highest supervisory or management bodies of third party companies whose equity securities are listed on a stock exchange and ten additional mandates in the highest management bodies of other companies. The following mandates are not subject to these limitations: (i) mandates in companies which are controlled by the Company or which control the Company; and (ii) mandates in the highest supervisory bodies of associations, charitable organizations, foundations, trust and employee welfare foundations. No member of the Board shall hold more than ten such mandates.

Internal Organizational Structure

Responsibilities of the Board

The Board is entrusted with the ultimate direction of the Company and the supervision of management. The Board's duties include:

(i) the ultimate supervision of the Company and the issuing of all necessary directives;
(ii) the establishment of the Company's organization, including the enactment and amendment of the Organizational Regulations;
(iii) the structuring of the Company's accounting, financial control and financial planning systems, including the approval of the annual budget;
(iv) the appointment and removal of the persons entrusted with the management and the representation of the Company, as well as the determination of their signatory authority
(v) the ultimate supervision of the persons entrusted with the management of the Company, in particular with regard to compliance with the law, the articles of association and the Company's internal regulations and policies;
(vi) the preparation of the annual report as well as the preparation of the general meeting of shareholders and the implementing of its resolutions;
(vii) the notification of the court in the event that the Company is over indebted;
(viii) the other powers and duties that Swiss law requires to be assumed or discharged by the Board; and
(ix) the adoption of a code of business conduct and ethics for the Company.

Additionally, the Board keeps the power to resolve itself on the following duties:

(i) approve any loans by the Company to executive officers (to the extent permitted by applicable law and the Articles) and loans by the Company to employees that are not executive officers, where the amount of any such loan exceeds USD 10,000, such duty being also delegated to the compensation, nominating and corporate governance committee: and
(ii) administer the Company's share and equity incentive plans, such duty being also delegated to the compensation, nominating and corporate governance committee and subject to further delegation to the executive committee under certain circumstances, as described in the Compensation Report on page 90 of this annual report.

The Board may also pass resolutions on all matters not reserved to the general meeting of shareholders or another corporate body by law or the Articles.

Working method of the Board

The Board of the Company is composed of not more than eight members. The Chairman of Board is appointed by the general meeting of shareholders for a term of office expiring after completion of the subsequent annual general meeting of shareholders.

The meetings of the Board are called and chaired by the Chairman as often as business requires, and may be held by telephone or videoconference. At the first meeting following the annual general meeting of shareholders, the Board appoints one or more Vice-Chairperson and a Secretary. It is not mandatory that the Secretary be a member of the Board. The notice convening a Board meeting is made in writing (including via telefax or email) and mentions the day, the time and the place of the meeting, as well as its agenda. The relevant documentation relating to the forthcoming meeting is delivered reasonably in advance. Except in case of emergency, resolutions on items that were not mentioned in the agenda may only be taken if all members of the Board have been consulted. Resolutions of the Board are made with a majority of the members present at a meeting. No quorum requirement applies for resolutions regarding the completion of a previously decided capital increase and the amendment of the Articles evidencing such capital increase.

The discussions and resolutions are kept in minutes signed by the Chairman and the Secretary. Resolutions may also be made by written consent to a proposed motion, provided no member requests that it be debated orally. Such resolutions by written consent shall be entered in the minutes of the next meeting.

The Board meets at least four times per year, on a quarterly basis, for regular face-to-face sessions, or on videoconference when circumstances such as the COVID-19 pandemic require it. In 2022, the Board held four regular meetings via videoconference, which lasted on average four hours, and eighteen ad-hoc meetings via videoconference, which lasted on average one hour. A vast majority of the Board Members were present at each Board meeting. Members of the Executive Committee are usually invited to attend the meetings of the Board but are required to leave them for the non-Executive session that concludes every meeting.

Committees of the Board of Directors

The Board has two established committees: an audit committee and a compensation, nominating and corporate governance ("CNCG") committee. Both committees present reports to the Board on their activities at every regular session of the Board.

Audit Committee

The audit committee, which consists of Anne VanLent, Ed Mathers and Stephanie Brown, assists the Board in overseeing the accounting and financial reporting processes and the audits of the Company's financial statements. In addition, the audit committee is directly responsible for the compensation, retention and oversight of the work of the auditors who are appointed by the shareholders pursuant to Swiss law. Ms. VanLent serves as chair of the audit committee. The audit committee consists exclusively of members of the Board who are financially literate, and Ms. VanLent is considered an "audit committee financial expert" as defined by the SEC.

The audit committee is governed by a charter and is responsible, among other things, for:

(i) recommending an auditor for submission to the shareholders;
(ii) the compensation, retention and oversight of any auditor or accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services;
(iii) pre-approving the audit services and non-audit services to be provided by the independent auditor before the auditor is engaged to render such services;
(iv) reviewing and discussing with the independent auditor its responsibilities under generally accepted auditing standards, the planned scope and timing of the independent auditor's annual audit plan(s) and significant findings from the audit;
(v) obtaining and reviewing a report from the independent auditor describing all relationships between the independent auditor and the Company consistent with the applicable requirements regarding the independent auditor's communications with the audit committee concerning independence;
(vi) confirming and evaluating the rotation of the audit partners on the audit engagement team as required by law;
(vii) reviewing with management and the independent auditor, in separate meetings whenever the audit committee deems appropriate, any analyses or other written communications prepared by the management or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative IFRS methods on the financial statements, and other critical accounting policies and practices;
(viii) reviewing, in conjunction with the chief executive officer and the chief financial officer, the Company's disclosure controls and procedures;
(ix) establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by the employees of concerns regarding questionable accounting or auditing matters; and
(x) approving or ratifying any related party transaction (as defined in the company's related party transaction policy) in accordance with the Company's related party transaction policy.

The audit committee meets as often as it determines is appropriate to carry out its responsibilities, but in any event meets at least four times per year. In 2022, the audit committee held 4 meetings, which lasted on average one to two hours. A majority of the audit committee members were present at each audit committee meeting. The Company's auditors are invited and systematically attend the audit committee meetings. The Chief Financial Officer and other senior members of the financial team are invited to attend the meetings of the audit committee too, but are required to leave them for the non-Executive session that concludes every meeting.

Compensation, Nominating and Corporate Governance Committee

The CNCG committee consists of three members. As of December 31, 2022, the CNCG committee's composition was Annette Clancy (Chair), Catarina Edfjäll and Ed Mathers. Following Annette Clancy's resignation as member and Chair of the CNCG Committee in March 2023, Ernest Loumaye was appointed Chair of CNCG committee ad interim for the period from March 2023 to the AGM 2023.

The primary purpose of the CNCG committee is to oversee the Company's compensation policies, plans and programs and to review and determine the compensation to be paid to the executive officers, directors and other senior management, as appropriate. The Company is subject to the Swiss Ordinance against excessive compensation in listed stock corporations, known as the "Minder" rules (the Minder rules have been included in the Swiss Code of Obligations since January 2023). As a result of the Minder rules, the members of the CNCG committee must be elected by the shareholders.

In addition, the CNCG committee is also responsible for director nominations as well as reviewing and making recommendations to the Board, if required, on the Company's corporate governance framework and guidelines.

The CNCG committee has the responsibility to, among other things:

- (i) review and approve, or recommend that the Board approves the compensation of the executive officers based on the aggregate compensation approved by the shareholders;
- (ii) review and approve, or recommend that the Board approves the compensation of the members of the Board based on the aggregate compensation approved by the shareholders;
- (iii) review and approve, or recommend that the Board approves the terms of compensatory arrangements with the executive officers;
- (iv) administer the Company's share and equity incentive plans, subject to further delegation to the executive committee under certain circumstances, as described in the Compensation Report on page 90 of this annual report;
- (v) select independent compensation consultants and assess whether there are any conflicts of interest with any of the committees' compensation advisers;
- (vi) review and approve, or recommend that the Board approves incentive compensation and equity plans, and any other compensatory arrangements for the executive officers and other senior management, as appropriate;
- (vii) review and establish general policies relating to compensation and benefits of the employees and reviewing the Company's overall compensation philosophy;
- (viii) identify, evaluate and select, or recommend that the Board approves, nominees for election to the Board;
- (ix) evaluate the performance of the Board and of individual directors;
- (x) consider and make recommendations to the Board regarding the composition of its committees;
- (xi) review developments in corporate governance practices;
- (xii) evaluate the adequacy of the Company's corporate governance practices and reporting;
- (xiii) review management succession plans;
- (xiv) approve any loans by the company to executive officers (to the extent permitted by applicable law and the Articles) and loans by the company to employees that are not executive officers, where the amount of any such loan exceeds USD 10,000;
- (xv) develop and make recommendations to the Board regarding corporate governance guidelines and matters; and
- (xvi) oversee periodic evaluations of the Board's performance.

The CNCG committee meets as often as it determines is appropriate to carry out its responsibilities. In 2022, the CNCG committee held 1 meeting, which lasted one hour. A majority of the CNCG committee members were present at the CNCG committee meeting. The Chief Executive Officer is invited to attend the meetings of the CNCG committee but is required to leave them for the non-Executive session that concludes every meeting.

Definition of Areas of Responsibility

Subject to responsibilities reserved to the Board and its committees, as set forth in this section 3 of this Corporate Governance report, and except to the extent required by law, the Articles or the Organizational Regulations, the Board has delegated all areas of management of the Group's business to the Executive Committee.

Information and Control Measurements vis-à-vis the Executive Committee

The Board elects the members and appoints the head of the Executive Committee (the CEO), and ensures that it receives sufficient information from the CEO to perform its supervisory duty and to make the decisions that are reserved to the Board. At each Board meeting the Board receives reports from the CEO on the status of finance, business, research and development and commercial readiness activities. These reports focus on the main risks and opportunities related to the Group. In addition, the Board is provided with other ad hoc reports on significant matters related to the Group's operations, as business requires, as well as with monthly financial reporting and unaudited consolidated financial statements for the Company on a quarterly basis. The Board receives a written report from the auditors on the results of the audit which includes any findings with respect to internal control risks arising as a result of the audit procedures.

For further information on controls measures, refer to section 9 of this corporate governance report.

4 – Executive Committee

In accordance with the Articles and the Organizational Regulations, the Board has delegated the operational management to the Executive Committee which conducts the operational management of the Company pursuant to the Organizational Regulations and reports to the Board on a regular basis.

The following table sets forth as of December 31, 2022, the name, nationality, position and year of appointment, of each member of the Executive Committee, followed by a short description of each member's business experience, education and activities.

The composition of the Executive Committee has changed materially between December 31, 2022, and the copy deadline of this report. Brian O'Callaghan stepped down as Chief Executive Officer on 20 February 2023, with Will Brown, Chief Financial Officer, appointed as Chief Executive Officer ad interim, while also retaining the title of Chief Financial Officer. Additionally, Clive Bertram, Chief Commercial Officer, Brandon Howard, Chief Clinical Officer, and Luigi Marro, Chief Transformation Officer also departed the Company in February 2023. Katja Bührer departed the Company in March 2023.

Name	**Nationality**	**Function**	**Appointment**	**Term**
Brian O'Callaghan	American	Chief Executive Officer	2020	- (1)
Will Brown	American	Chief Financial Officer(2)	2022	-
Katja Bührer	German	Chief Strategy Officer(3)	2022	-(3)
Brandon Howard	American	Chief Clinical Officer(4)	2022	-(4)
Clive Bertram	British	Chief Commercial Officer(5)	2021	-(5)
Luigi Marro	Italian	Chief Transformation Officer(6)	2021	-(6)
Elizabeth Garner	American	Chief Medical Officer (former)	2019	2022(7)
Jean-Pierre Gotteland	French	Chief Scientific Officer and Head of R&D (former)	2015	2022(8)
Fabien de Ladonchamps	French	Chief Administrative Officer (former)	2020	2022(9)
David Renas	American	Chief Financial Officer (former)	2021	2022(10)

(1) Brian O'Callaghan stepped down as CEO in February 2023.
(2) Will Brown has been appointed as CEO ad interim in February 2023 to succeed to Brian O'Callaghan. The Company announced in March 2023 that Will Brown will serve as CEO ad interim until May 2023.
(3) Katja Bührer departed the Company in March 2023.
(4) Brandon Howard departed the Company in February 2023.
(5) Clive Bertram departed the Company in February 2023.
(6) Luigi Marro departed the Company in February 2023.
(7) Elizabeth Garner stepped down as Chief Medical Officer in May 2022.
(8) Jean-Pierre Gotteland stepped down as Chief Scientific Officer and Head of R&D in September 2022.
(9) Fabien de Ladonchamps stepped down from the Executed Committee in July 2022 and departed the Company in November 2022. The Company announced in March 2023 the appointment of Fabien de Ladonchamps as Chief Executive Officer of the Company effective on or about May 1st, 2023.
(10) David Renas stepped down as Chief Financial Officer in January 2022.

Brian O'Callaghan has served as our Chief Executive Officer from December 2020 to February 2023 and as member of the Board since May 2021. For further information on Mr. O'Callaghan biographic details refer to section 3 of this corporate governance report.

Will Brown has served as our Chief Financial Officer since January 2022. From May 2018 to December 2021, Mr. Brown served as Chief Financial Officer of Altimmune, Inc. (NASDAQ: ALT) where he was critical in the company's transformation and growth through more than USD 300 million of new equity issuances and a strategic acquisition. Mr. Brown has been a consultant to several private and public companies in a variety of accounting and tax matters both independently and as the managing partner of Redmont CPAs. Prior to his consulting role, he was an audit manager at PricewaterhouseCoopers and a Division Controller at Rheem, a multinational manufacturing company. Mr. Brown is a Certified Public Accountant and earned both his MBA and B.S. from Auburn University at Montgomery.

Katja Bührer has served as our Chief Strategy Officer from February 2022 to March 2023. Mrs Bührer is a corporate development executive whose background spans corporate strategy, investor relations advisory, financial journalism, and capital markets. Ms. Buhrer was previously Vice President Corporate Development, Investor Relations, and Chief of Staff at Kindred Biosciences, a veterinary biopharmaceutical company, from July 2018 to August 2021. Ms. Buhrer led various business initiatives at KindredBio, including business development and the M&A process that resulted in KindredBio's acquisition by Elanco Animal Health in August 2021. From August 2021 to December 2021, she became Chief Operating Officer of KindredBio, a subsidiary of Elanco, during the integration of KindredBio into Elanco. Prior to joining KindredBio, Ms. Buhrer was Managing Director at MBS Value Partners from December 2011 to November 2017 and Managing Director at Advisory Growth Advisors from November 2017 to June 2018, both investor relations consultancies. Her experience is further informed by roles in financial journalism and banking, including as an Editor, Reporter, and Columnist at The Australian Financial Review and in Capital Markets and Trading at Citigroup. Ms. Buhrer earned her Bachelor Commerce/Arts from the University of New South Wales, Australia.

Brandon Howard has served as Chief Clinical Officer from May 2022 to February 2023. Dr. Howard has deep women's health expertise with increasing responsibilities in medical affairs strategy and leadership, as well as leading large clinical development programs. She was previously Head of Medical and Clinical Affairs at Evofem Biosciences (NASDAQ: EVFM) since 2016 where she led the clinical program for the FDA approval of Phexxi®, as well as the creation of the medical affairs organization in support of the launch. Dr. Howard was also responsible for driving the successful Phase 2b/3 study for additional indications and the current Phase 3 confirmatory trial. Prior to joining Evofem, she spent eight years in various roles at Teva Pharmaceuticals (NYSE: TEVA) in Global and U.S. medical affairs, including as Head of U.S. Field Medical Affairs directing over 100 medical affairs professionals across eight therapeutic areas and the U.S. Medical Director for Women's Health. Dr. Howard has also been actively involved in investor relations and business development activities in prior roles. Her Ph.D. research at the University of Pennsylvania focused on adolescent sexual behaviors and contraceptive use. She earned her Bachelor of Science, Nursing, from the Medical College of Georgia and her Master of Science, Women's Health and Perinatology, from Georgia State University.

Clive Bertram has served as Chief Commercial Officer from May 2021 to February 2023. Mr. Bertram has nearly 30 years of experience in commercialization, strategic, corporate and business development. in the pharmaceutical industry. Most recently, he served as CCO at Petra Pharma from 2019 to 2020 and Sangart from 2008 to 2013. Mr. Bertram also served as an independent consultant from 2014 to 2020 leading client thinking for strategic and marketing planning insight as well as launch excellence and implementation. Prior to his CCO roles, Mr. Bertram held senior management positions at Pharmion Limited from 2007 to 2008, Chiron Biopharmaceuticals from 2005 to 2006, Celltech from 2003 to 2004 and Eli Lilly from 1992 to 2003. He holds a BSc (Hons.) in Pharmacology and Chemistry from the University of Sheffield.

Luigi Marro has served as Chief Transformation Officer from October 2021 to February 2023. Mr Marro is a pharmaceutical and biotech executive with over 20 years of experience. He has a background in finance, operations and has managed global businesses across multiple therapeutic areas from development stages through commercialization. Prior to joining ObsEva, Mr. Marro founded in February 2019 his own consulting company, Martan Market GmbH, to support biotech and pharma startups. From May 2014 to February 2019, he served as Chief Financial Officer at Finox Biotech, which launched the first biosimilar recombinant follicle stimulating hormone (r-FSH) product to market. From November 2012 to July 2013, Luigi held leadership positions at Voisin Life Sciences Consulting SA as Chief Operating Officer. He also acted as Senior Director Strategy Development and Business Performance at Merck Serono from January 2010 to October 2012. Mr. Marro also held elevating strategic roles at Serono, prior to its acquisition by Merck. Mr. Marro holds a university degree in Demographic and Economical Statistic Sciences from La Sapienza in Rome as well as a Master of Business Administration from Luiss Management school in Rome.

Elizabeth Garner has served as our Chief Medical Officer from July 2019 to May 2022. From January 2014 to July 2019, Dr. Garner was Chief Medical Officer and SVP of Research and Development at Agile Therapeutics Inc., and prior to that was Senior Vice President, Medical Affairs, Women's Health and Preventive Care at Myriad Genetics Laboratories. From 2011 to 2012 she was Senior Medical Director, Women's Health at Abbott Laboratories, where she was the Clinical Lead of the endometriosis program for elagolix (Orilissa®), which is now FDA-approved. Before joining Abbott Laboratories, she served as Associate Director and then Director, Vaccines Clinical Research at Merck Research Laboratories from 2007 to 2011. Dr. Garner is a current member of the Boards of Directors of Kezar Life Sciences, Inc. (KZR; Audit and Clinical Strategy Committees), Sermonix Pharmaceuticals, and PharmOlam International. She is also on the Executive Committee of the American Medical Women's Association (AMWA) and a member of the board of the Drug Information Association (DIA). Dr. Garner received joint M.D. and M.P.H degrees from Harvard Medical School and Harvard School of Public Health. She was trained in obstetrics and gynecology at Brigham and Women's/Massachusetts General Hospitals and completed a fellowship in gynecologic oncology at Brigham and Women's Hospital and the Dana Farber Cancer Institute. Dr. Garner was a 2019 awardee of the PharmaVoice 100 most inspiring individuals in the life-sciences industry.

Jean-Pierre Gotteland has served as our Chief Scientific Officer and Head of Research and Development from April 2018 to September 2022 and served as Chief Scientific Officer from September 2015 to March 2018. From May 2007 to August 2015, Mr. Gotteland worked at PregLem SA, initially as the Vice President of Non-Clinical Development and CMC from 2007 to 2012 and as the Chief Development Officer from January 2012 to August 2015. From 1998 to 2007, Mr. Gotteland held several research and development positions at Serono (subsequently Merck Serono). From 1991 to 1998, Mr. Gotteland served as medicinal chemistry group leader at Pierre Fabre Medicament. Mr. Gotteland holds a Ph.D. in Organic Chemistry from the University Claude Bernard, Lyon, France, and an Engineering Diploma from Ecole Superieure de Chimie Industrielle of Lyon, France and did postdoctoral studies at the University of California, Berkeley (US).

Fabien Lefebvre de Ladonchamps has served as our Chief Administrative Officer from January 2021 to July 2022, and previously served as interim Chief Financial Officer from April 2020 to December 2020, Vice President Corporate Affairs and Finance from January 2019 to April 2020, Vice President of Finance from January 2016 to December 2018 and Finance Director from October 2013 to December 2015. Prior to joining our company, Mr. de Ladonchamps worked at Addex Therapeutics, initially as Chief Accountant from 2008 to 2009 and then as Group Financial Controller from 2010 to September 2013. Mr. de Ladonchamps holds a French degree in Finance and Accounting from the Lyon III University in Lyon, France.

Restrictions on Mandates held outside the Company

The Articles provide certain restrictions to the number of mandates that members of the Executive Committee may have in the supreme governing bodies of legal entities registered in the Swiss commercial register or similar foreign register. As such no member of the Executive Committee may hold more than six additional mandates in the highest supervisory or management bodies of third party companies whose equity securities are listed on a stock exchange and ten additional mandates in the highest management bodies of other companies. Members of the Executive Committee shall only accept such mandates with the prior consent of the Board. The following mandates are not subject to these limitations: (i) mandates in companies which are controlled by the Company or which control the Company; and (ii) mandates in the highest supervisory bodies of associations, charitable organizations, foundations, trust and employee welfare foundations. No member of the Executive Committee shall hold more than ten such mandates.

Management Contracts

There are no management contracts between the Company and third parties not belonging to the Group.

5 – Compensation, Shareholdings and Loans

For a discussion on compensation and shareholdings of the members of the Board and of the Executive Committee, and loans granted to these individuals, refer to the Compensation Report section of this Annual Report on page 90.

6 – Shareholders' Participation Rights

Voting Rights Restrictions and Representation

Voting rights may be exercised only after a shareholder has been recorded in the Company's share register as a shareholder or usufructuary with voting rights. A shareholder may be represented by his legal representative, the independent proxy or by a duly authorized person who does not need to be a shareholder. Subject to the registration of shares in the share register within the deadline set from time to time by the Board before the general meetings of shareholders, the Articles do not impose any restrictions on the voting rights of shareholders. Specifically, there is no limitation on the number of voting rights per shareholder.

A general meeting of shareholders is duly convened and capable of passing resolutions regardless of the number of shares represented. Resolutions of general meetings of shareholders generally require the approval of the absolute majority of the votes cast at the shareholders meeting (more than 50% of the share votes cast at such meeting). Such resolutions include amendments to the Articles, elections of the members of the Board and statutory and group auditors, election of the chairman of the Board and of the members of the Compensation Committee, election of the independent proxy, approval of the annual financial statements, setting the annual dividend, approval of the compensation of the Board and Executive Committee pursuant to the Articles, decisions to discharge the members of the Board and Executive Committee for liability for matters disclosed to the general meeting of shareholders and the ordering of an independent investigation into specific matters proposed to the shareholders' meeting.

However, a qualified majority of at least two-thirds of the votes represented and the absolute majority of the nominal share capital is required by law or the Articles for resolution pertaining to: (i) changes to the business purpose; (ii) the creation of shares with privileged voting rights; (iii) restrictions on the transferability of registered shares; (iv) an increase of the authorized or conditional share capital; (v) an increase in the share capital by way of conversion of capital surplus, through contribution in kind, or for purposes of an acquisition of assets or the granting of special privileges; (vi) the withdrawing or limitation of pre-emptive rights of shareholders; (vii) a relocation of the registered office; (viii) the dissolution of the Company; (ix) an abrogation or amendment of the Articles regarding the limitations of outside mandates for the Board members; or (x) the removal of a serving member of the Board. Furthermore, any decision related to a merger, demerger or conversion of the Company shall be taken in accordance with the Swiss Federal Act on Mergers, De-Mergers, Transformations and Transfers of Businesses.

Independent Proxy

Article 18 of the Articles provides the basis for election of the independent proxy. The general meeting of shareholders of May 18, 2022, elected Perréard de Boccard SA, a law firm located at Rue de la Coulouvrenière 29 in Geneva, Switzerland, as the independent proxy of shareholders of the Company.

Quorums Required by the Articles

There is no other provision in the Articles requiring a majority for shareholders' resolutions beyond the majority requirements set out by applicable legal provisions other than those disclosed under the above "Voting Rights Restrictions and Representation" section.

Convocation of the General Meeting of Shareholders

The general meeting of shareholders is the highest authority of the Company and under Swiss law, the ordinary general meeting of shareholders takes place annually within six months after the close of the business year. General meetings of shareholders are convened by the Board or, if required by law or the Articles, by the auditors, the liquidators of the

Company or the representatives of the bonds holders, if any. Furthermore, pursuant to the Company's Articles, the Board is required to convene an extraordinary general meeting of shareholders if so requested by holders of shares representing at least 10% of the share capital or having a total par value of one million Swiss francs. Such request must be made in writing not less than sixty days ahead of the meeting and shall include a brief description of the items to be discussed and the proposals.

Annual or extraordinary meetings of the shareholders are called by notice in the “Swiss Official Gazette of Commerce” not less than twenty days before the date fixed for the meeting. A general meeting of shareholders may also be called by means of a notice sent to the shareholders at their address registered in the share register. The notice of the meeting shall state the items on the agenda, the proposals of the Board and the proposals of the shareholders that requested that a general meeting be convened or that items be included in the agenda. No resolution shall be passed at a general meeting of shareholders on matters which do not appear on the agenda except for a resolution convening an extraordinary general meeting, the setting up of a special audit or the election of auditors. No prior notice is required to bring motions related to items already on the agenda or for the discussion of matters on which no resolution is to be taken.

Inclusion of Items in the Agenda

Pursuant to the Company's Articles, shareholders representing at least 10% of the share capital or holding shares of a total par value of one million Swiss francs may require that items be included in the agenda of the meeting. Such request must be made in writing not less than sixty days ahead of the meeting and shall include a brief description of the items to be discussed and the proposals.

Entries in the Share Register

The Board determines the relevant deadlines for registration in the share register giving the right to attend and to vote at the general meetings of shareholders. Such deadlines are published by the Company in its annual report and are mentioned in the invitation to the general meeting of shareholders published in the Swiss Official Commercial Gazette. The registration deadline for the general meeting of shareholders of June 29, 2023 has been set as June 15, 2023 at 23:00 CEST. The Company has not enacted any rules on the granting of exceptions in relation to these deadlines.

7 – Changes of Control and Defense Measures

Duty to Make an Offer

Swiss law provides for the possibility to have the Articles contain a provision which would eliminate the obligation of an acquirer of shares, exceeding the threshold of 33 1/3% of the voting rights (whether exercisable or not), to proceed with a public tender offer to acquire 100% of the listed equity securities of the company (opting-out provision pursuant to Article art. 125 para. 3 FMIA) or which would increase such threshold to 49% of the voting rights (opting-up provision pursuant to Article art. 135 para. 1 FMIA). The Articles do not contain an opting-out or an opting-up provision.

Clauses of Changes of Control

The following agreements and schemes executed by the Company contain provisions in respect of changes in the Company’s shareholder base:

(i) 25% of the unvested portion of stock-options granted under the equity incentive plan dated 2017 to an employee that is not a member of the Executive Committee, or an aggregate 367,582 unvested stock-options as of December 31, 2022, shall vest immediately if, within three months before or 12 months following a change in control, (a) the employee is terminated without cause, or (b) the employee resigns for good reason; and

(ii) all of the unvested portion of stock-options granted under the equity incentive plan dated 2017 to a member of the Executive Committee, or an aggregate of 4,179,946 unvested stock-options as of December 31, 2022, shall vest immediately if, within three months before or 12 months following a change in control, (a) the member of the Executive Committee is terminated without cause, or (b) the member of the Executive Committee resigns for good reason.

8 – Auditors

Duration of the Mandate and Term of Office of the Lead Auditor

The Articles provide the basis for election of the Company's auditors. The general meeting of shareholders of May 18, 2022, elected PricewaterhouseCoopers SA as the Company's Auditors and Independent Registered Public Accounting Firm for the fiscal year 2022. PricewaterhouseCoopers SA has served as auditor of the Company since 2013, and PricewaterhouseCoopers SA's lead auditor, Luc Schulthess, has been serving in this capacity since the business year 2020. The previous PricewaterhouseCoopers SA's lead auditor, Mike Foley was in charge up to business year 2019. The Company, through its audit committee, has not adopted a policy regarding the rotation of audit firms yet.

Auditing Fees

Auditing fees charged for 2022 by the auditor amounted to USD 938 thousands and consisted of fees billed for the annual audit of the Company's consolidated financial statements, and the statutory audits of the Company's consolidated and stand-alone financial statements. Audit Fees also include services that only the independent external auditor of the Company can reasonably provide, such as the review of documents filed with the U.S. stock exchange.

Additional Fees

Additional fees charged for 2022 by the auditor amounted to USD 533 thousands and consisted of fees billed for a advisory services related to tax matters.

Information Instruments Pertaining to the External Audit

The audit committee assumes the task of supervising the auditors, and in this regard meets with the auditors at least four times a year to discuss the scope and the results of the audit and reviews performed by them, as well as other communications as may be required by applicable auditing standards. The auditors prepare an audit report to inform the audit committee of the result of the annual audit and quarterly reviews, as applicable, and to provide it with observations arising from the audit or reviews that are significant to the financial reporting process. The auditors also communicate once a year to the audit committee an overview of the overall audit strategy and timing of the audit. Other instruments available to the audit committee to obtain information on the activities of the auditors include a written disclosure by the auditors prior to their engagement on the assessment of their independence, including a delineation of all relationships between them, or their affiliates, and the Group. Furthermore, the quality of the auditors' service is assessed at least once a year by the audit committee.

9 – Controls and Procedures

Management's Annual Report on Internal Control over Financial Reporting

The Audit Committee oversees the Company's financial reporting process on behalf of the Board. The management is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of such. Under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, management assessed the internal control over financial reporting and concluded that such was effective as of December 31, 2022.

Conduct of a Risk Assessment

The Company conducts risk management processes to identify and mitigate risks at an early stage. The responsibility for risk assessment and management is allocated to the Executive Committee and to other specialized corporate functions such as the finance and administrative functions of the Group. Financial risk management is described in more details in Note 3 to the Consolidated IFRS Financial Statements for the year ended December 31, 2022.

Insider policy and quiet periods

The Board has issued an insider policy and implemented procedures to prevent insiders from benefiting from confidential information. The policy defines guidelines on how to deter corporate insiders from making use of confidential information. The provisions outlined in the policy apply to all directors and employees of the Company. Generally, any entities or family members whose trading activities are controlled or influenced by any of such persons should be considered to be subject to the same restrictions.

The Board has established quiet periods to prevent insiders from trading during sensitive periods. Generally, directors, officers and other employees may buy or sell securities of the Company only during a window period that opens after two full trading days have elapsed after the public dissemination of the Company's annual or quarterly financial results and closes on the tenth trading day prior to the public dissemination of the Company's annual or quarterly financial results. Permission to trade outside a trading window period may be granted by a clearing committee only where the circumstances are extenuating and there appears to be no significant risk that the trade may subsequently be questioned. Directors and employees may exercise options/warrants for cash granted under the Company's equity incentive plans without restriction to any particular period. The subsequent sale of shares acquired upon exercise of options/warrants is subject to all provisions of the insider policy. In addition, purchases or sales of the Company's securities made pursuant to, and in compliance with, a written plan established by a director or employee that meets the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended may be made without restriction to any particular period provided that certain conditions are met.

Ethical business conduct

As a pharmaceutical business, the Group is operating in a highly regulated business environment. Strict compliance with all legal and health authority requirements, as well as requirements of other regulators, is mandatory. The Group expects its employees, contractors and agents to observe the highest standards of integrity in the conduct of the Group's business. The Code of Business Conduct and Ethics sets forth the Group's policy embodying the highest standards of business ethics and integrity required of all directors, executives, employees and agents when conducting business affairs on behalf of the Group.

10 – Information Policy

The Company usually publishes financial results in the form of an Annual Report and quarterly interim reports. In addition, the Company informs shareholders and the public regarding the Group's business through press releases, conference calls, as well as roadshows and Key Opinion Leaders meetings. Where required by law or the Company's Articles, publications are made in the Swiss Official Commercial Gazette. The Annual Report, usually published no later than March of the following year, and the quarterly interim reports, usually published no later than in May, August and November, respectively, are announced by press release. Published Annual Reports, quarterly interim reports and press releases are available on request in printed form to all registered shareholders, and are also made available on the Group's website at www.obseva.com. The Group's website, which is the Group's permanent source of information, also provides other information useful to investors and the public, including information on the Group's research and development programs as well as contact information. Additionally, the latest versions of the Articles, Organizational Regulations, charter of the audit committee, charter of the CNCG committee, as well as the Company's Code of Business Conduct and Ethics and whistleblower policy can be found and downloaded in the Corporate Governance section of the Investors tab of the Group's website. The Board has issued a disclosure policy to ensure that investors are informed in compliance with all applicable regulations. The Group's investor relations department is available to respond to shareholders' or potential investors' queries under IR@obseva.com, or through the address and telephone number of ObsEva's principal executive office in Geneva, Chemin de Aulx 12, 1228 Plan-les-Ouates, telephone number +41 22 552 38 40.

Consolidated IFRS Financial Statements

Consolidated Balance Sheet

(in USD '000)		December 31,	
	Notes	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	4	8,424	54,734
Restricted cash	4	6,534	—
Other receivables	5	252	3,560
Prepaid expenses	6	783	5,223
Total current assets		**15,993**	**63,517**
Non-current assets			
Right-of-use assets	8	208	625
Intangible assets	7	4,503	24,503
Other long-term assets		325	346
Total non-current assets		**5,036**	**25,474**
Total assets		**21,029**	**88,991**
LIABILITIES AND EQUITY			
Current liabilities			
Other payables and current liabilities	5	1,674	9,038
Accrued expenses	6	2,149	13,783
Current borrowings	10	6,534	—
Current lease liabilities	8	237	686
Total current liabilities		**10,594**	**23,507**
Non-current liabilities			
Non-current lease liabilities	8	—	240
Non-current borrowings	10	—	25,733
Post-employment obligations	9	514	6,581
Other long-term liabilities		292	591
Total non-current liabilities		**806**	**33,145**
Shareholders' equity			
Share capital	11	8,755	6,489
Share premium	11	441,709	430,630
Reserves	11	34,871	32,195
Accumulated losses	11	(475,706)	(436,975)
Total shareholders' equity		**9,629**	**32,339**
Total liabilities and shareholders' equity		**21,029**	**88,991**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Loss

(in USD '000, except per share data)		Year ended December 31,	
	Notes	2022	2021
OPERATING INCOME OTHER THAN REVENUE			
Other operating income	12	19,056	20,113
Assignment income	12	4,942	—
Total operating income other than revenue		**23,998**	**20,113**
OPERATING EXPENSES			
Research and development expenses	13	(14,321)	(53,136)
General and administrative expenses	13	(21,919)	(21,491)
Impairment of intangible asset	7	(19,400)	—
Total operating expenses		**(55,640)**	**(74,627)**
OPERATING LOSS		**(31,642)**	**(54,514)**
Loss on event of default	10	(17,586)	—
Gain (loss) on extinguishment of debt	10	5,713	(1,363)
Finance income	15	4,561	600
Finance expense	15	(4,795)	(2,888)
NET LOSS BEFORE TAX		**(43,749)**	**(58,165)**
Income tax expense	16	(11)	(212)
NET LOSS FOR THE YEAR		**(43,760)**	**(58,377)**
Net loss per share			
Basic and diluted	17	(0.48)	(0.78)
OTHER COMPREHENSIVE INCOME / (LOSS)			
Items that will not be reclassified to profit and loss			
Remeasurements on post-employment benefit plans, net of tax	9	5,029	796
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS)		**5,029**	**796**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(38,731)**	**(57,581)**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

(in USD '000)		Year ended December 31,	
	Notes	2022	2021
NET LOSS BEFORE TAX FOR THE YEAR		**(43,749)**	**(58,165)**
Adjustments for:			
Impairment of intangible asset	7	19,400	—
Loss on event of default	10	17,586	—
(Gain) loss on extinguishment of debt	10	(5,713)	1,363
Depreciation expense		453	736
Post-employment benefit		(794)	(553)
Share-based compensation expense	18	2,676	5,843
Finance expense, net	17	234	2,288
Other operating income	12	(19,038)	(20,095)
Assignment income	12	(4,942)	—
Changes in operating assets and liabilities:			
Other receivables		3,307	(3,198)
Prepaid expenses, deferred costs and other long-term assets	6	4,440	166
Other payables and current liabilities		(4,323)	(2,223)
Accrued expenses and other long-term liabilities	6	(10,606)	3,534
NET CASH FLOWS USED IN OPERATING ACTIVITIES		**(41,069)**	**(70,304)**
Net proceeds from disposal of intangible assets	12	20,661	22,200
Increase in cash restriction on JGB Debt	10	(6,534)	—
Payments for plant and equipment		(15)	(14)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**14,112**	**22,186**
Proceeds from issuance of shares	11	6,596	53,226
Proceeds from the exercise of warrants	11	—	22,117
Proceeds from issuance of warrants	10	915	2,646
Early repayment of JGB debt	10	(31,000)	—
Early repayment of Oxford Credit Facility	10	—	(26,986)
Proceeds from issuance of convertible debt	10	8,610	27,354
Issuance costs related to convertible debt and warrant	10	(1,766)	(2,128)
Share issuance costs	11	(234)	(1,959)
Principal elements of lease payments	8	(667)	(682)
Interest paid	10	(2,054)	(2,484)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(19,600)**	**71,104**
Net (decrease) / increase in cash and cash equivalents		(46,557)	22,986
Cash and cash equivalents at January 1,		**54,734**	**31,183**
Effects of exchange rate changes on cash and cash equivalents		247	565
Cash and cash equivalents at December 31,	4	**8,424**	**54,734**
SUPPLEMENTAL NON-CASH ACTIVITIES:			
Issuance of common shares (in connection with conversion of convertible debt and interest)		5,971	—

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

(in USD '000)	Notes	Share capital	Share premium	Total reserves	Accumulated losses	Total
December 31, 2020		**4,574**	**356,822**	**26,352**	**(379,394)**	**8,354**
Loss for the year		—	—	—	(58,377)	(58,377)
Other comprehensive loss		—	—	—	796	796
Total comprehensive loss		**—**	**—**	**—**	**(57,581)**	**(57,581)**
Issuance of shares - ATM program	11	1,360	52,327	—	—	53,687
Share issuance costs - ATM program	11	—	(1,959)	—	—	(1,959)
Value of the conversion rights - convertible notes	10	—	22	—	—	22
Reclassification of Warrants	10	—	1,856	—	—	1,856
Exercise of warrants		555	21,562	—	—	22,117
Share-based remuneration	18	—	—	5,843	—	5,843
December 31, 2021		**6,489**	**430,630**	**32,195**	**(436,975)**	**32,339**
Loss for the year		—	—	—	(43,760)	(43,760)
Other comprehensive income		—	—	—	5,029	5,029
Total comprehensive loss		**—**	**—**	**—**	**(38,731)**	**(38,731)**
Issuance of shares - ATM program	11	588	6,008	—	—	6,596
Share issuance costs - ATM program	11	—	(234)	—	—	(234)
Value of the conversion rights - convertible notes	10	—	290	—	—	290
Issuance of shares - convertible notes	10	1,678	4,293	—	—	5,971
Reclassification of Warrants	10	—	722	—	—	722
Share-based remuneration	18	—	—	2,676	—	2,676
December 31, 2022		**8,755**	**441,709**	**34,871**	**(475,706)**	**9,629**

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. General information

ObsEva SA (the "Company") was founded on November 14, 2012, and its address is 12 Chemin des Aulx, 1228 Plan-les-Ouates, Geneva, Switzerland. The terms "ObsEva" or "the Group" refer to ObsEva SA together with its subsidiaries included in the scope of consolidation, as described in Note 2.

The Company is a biopharmaceutical company focused on the development of novel therapies to improve women's reproductive health. The Company is advancing a development program for nolasiban, an oral oxytocin receptor agonist, focused on improving clinical pregnancy and live birth rates in women undergoing in-vitro fertilization. The Company has no currently marketed products.

These consolidated financial statements are presented in dollars of the United States (USD), rounded to the nearest thousand, except share and per share data, and have been prepared on the basis of the accounting principles described in Note 2.

These consolidated financial statements were authorized for issue by the Company's Board of Directors (the "Board of Directors") on April 28, 2023.

2. Accounting principles applied in the preparation of the consolidated financial statements

Basis of preparation

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements are based on a historical cost basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are described further below in "*Critical Accounting Estimates*".

Due to rounding, numbers presented throughout these consolidated financial statements may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

Scope of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company currently consolidates the financial operations of its four wholly-owned subsidiaries, ObsEva Ireland Ltd, which is registered in Cork, Ireland and organized under the laws of Ireland, ObsEva Switzerland SA, which is registered and organized under the laws of Switzerland, ObsEva USA Inc., which is registered and organized under the laws of Delaware, USA, and ObsEva Europe B.V., which is registered in Rotterdam, The Netherlands, and organized under the laws of The Netherlands.

Standards and interpretations published by the IASB

The IASB and the International Financing Reporting Standards Interpretations Committee have recently issued new standards and interpretations to be applied to the Group's consolidated financial statements. On January 23, 2020, the IASB issued Classification of Liabilities as Current or Non-Currents (Amendments to IAS 1) providing a more general approach to the classification of liabilities under IAS 1 Presentation of Financial Statements. The amendment could have a material impact on the current vs. non-current classification of outstanding convertible notes and is effective for annual reporting periods beginning on or after 1 January 2024. Other than the aforementioned, there are no new standards and amendments published but not yet effective that are expected to have a material impact on the consolidated financial statements of the Group.

Significant accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 90 days or less.

Restricted cash

Restricted cash represents deposited amounts securing obligations under the Company's convertible note financing arrangement with JGB Management, Inc. Restricted cash consists of USD 6.5 million held in a restricted depository account. Restricted cash is not considered a component of cash and cash equivalents in the consolidated statement of cash flows.

Current assets

Other receivables and prepaid expenses are carried at their nominal value.

Individual receivables that are known to be uncollectible are written off by reducing the carrying amount directly. The Group considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor;
- probability that the debtor will enter bankruptcy or financial reorganization; and
- default or delinquency in payments (more than 30 days overdue).

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables.

Furniture, fixtures and equipment

Furniture, fixtures and equipment are carried at cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated using the straight-line method, on the basis of the following useful lives:

- furniture: 5 years
- hardware: 3 years
- leasehold improvement: duration of the lease

Furniture, fixtures and equipment are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable, on an individual basis. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Leases

The Group leases various office buildings and equipment, which are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as of the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option,
- lease payments to be made under reasonably certain extension options, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture and equipment.

Intangible assets

Separately acquired patents, licenses and other intangible assets are recorded at historical cost and subsequently measured at cost less accumulated amortization and any impairment losses.

The acquisition of certain intangible assets, mainly licenses, may involve additional payments contingent on the occurrence of specific events or milestones. Unless the Group already has a present obligation to make the payment at a future date, the initial measurement of the intangible asset does not include such contingent payments. Instead, such payments are subsequently capitalized as intangible assets when the contingency or milestone occurs.

Estimated useful life is the lower of legal duration and economic useful life, which does not exceed 20 years. The estimated useful life of the intangible assets is annually reviewed, and if necessary, the future amortization charge is accelerated.

For licenses, the amortization starts when the assets become available for use, generally once proper regulatory and marketing approval are obtained.

Intangible assets not ready for use are subject to impairment testing annually, and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Post-employment benefits

Group companies operate two pension schemes.

All employees of ObsEva SA participate in a retirement defined benefit plan. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognized immediately in the consolidated statement of comprehensive loss.

During 2017, ObsEva USA, Inc. established a 401K, defined contribution plan, for the employees of the company. A defined contribution plan is a pension plan under which the amounts paid by the employer are fixed in advance. The plan assets are held by a third party custodian. ObsEva USA, Inc. contributions to the defined contribution plan are charged to the income statement as incurred. The Group has no further obligation once the contributions have been paid.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Borrowings that are due within 12 months after the end of the reporting period are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability until more than 12 months after the reporting period. The Company recognizes debt extinguishment in finance income (expense) as the difference between the extinguishment payment and the carrying value of the loan.

Equity

Incremental costs directly attributable to the issuance of common shares and options are recognized as a deduction from equity, net of any tax effects.

Shares held by the Group are disclosed as treasury shares and deducted from equity.

Research and development

Research expenses are charged to the consolidated statement of comprehensive loss as incurred. Development expenses are capitalized as intangible assets when it is probable that future economic benefits will flow to the Group, and the following criteria are fulfilled:

- it is technologically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- the asset will generate probable future economic benefits and demonstrate the existence of a market;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

In the opinion of management, due to uncertainties inherent in the development of the Group's product candidates, the criteria for development costs to be recognized as an asset as defined by IAS 36 *Intangible Assets* are not met.

Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which each Group's entity operates (the "functional currencies"). The functional and presentation currencies of the Company is the US dollar (USD), which is also the functional currency of ObsEva USA, Inc.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive loss on a net basis within other income or other expenses.

Share-based compensation

The Group operates two equity incentive plans.

A share-based, equity-settled, plan was formally set-up by the Group in 2013 (the "2013 EIP"). Participants eligible for awards under the 2013 EIP are executives, directors, employees, agents and consultants. The fair value of the shares granted under the 2013 EIP is determined at each grant date by using either an option pricing method that uses a Black-Scholes model or a hybrid method, as appropriate, both based on a combination of the discounted cash flow method, under the income approach, and the back solve method. The Group has stopped granting equity instruments under the 2013 EIP in 2016, resulting in the 2013 EIP being fully vested as of December 31, 2020.

A share-based, equity-settled, plan was formally set-up by the Group in 2017 (the "2017 EIP"). Participants eligible for awards under this plan are executives, directors, employees, agents and consultants. The fair value of the stock-options granted under the 2017 EIP is determined at each grant date by using a Black-Scholes model.

When the equity instruments granted do not vest until the counterparty completes a specified period of services, the Group accounts for those services as they are rendered by the counterparty, during the vesting period, with a corresponding increase in equity.

Warrants

Warrants are assessed for liability or equity classification in accordance with IAS 32, Financial Instruments, guidance. When it is determined that the contract terms require liability classification, the warrants are measured at fair value upon issuance and remeasured at each reporting date with the change being recorded through the consolidated statement of comprehensive loss. When the criteria for liability classification are no longer met, then the warrants are reclassified to equity.

Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit and loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Segment information

The Group operates in one segment, which is the research and development of innovative women's reproductive, health and pregnancy therapeutics. The marketing and commercialization of such therapeutics depend, in large part, on the success of the development phase. The Chief Executive Officer of the Company (Chief Operating Decision Maker) reviews the consolidated statement of operations of the Group on an aggregated basis and manages the operations of the Group as a single operating segment.

The Group currently generates no revenue from the sales of therapeutics products.

The Group's activities are not affected by any significant seasonal effect.

The geographical analysis of non-current assets is as follows:

	As of December 31,	
	2022	**2021**
Switzerland	$ 4,947	$ 25,385
USA	89	89
Total non-current assets	**$ 5,036**	**$ 25,474**

The geographical analysis of operating expenses is as follows:

	Year ended December 31,	
	2022	2021
Switzerland	$ 50,175	$ 68,977
USA	5,465	5,650
Total operating expenses	**$ 55,640**	**$ 74,627**

Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates may not necessarily equal the related actual outcome. The following areas involve a higher degree of judgement or complexity or are areas where assumptions and estimates can have a significant impact on the consolidated financial statements:

- Going concern: significant judgement is involved when assessing whether financial statements are to be prepared on a going concern basis or whether there is substantial doubt about the Group's ability to continue as a going concern (note 21);
- Post-employment obligations: the actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty (note 9);
- Leases: the calculation of right of use assets and lease liabilities involves making assumptions about lessee's incremental borrowing rate and renewal options, which are subject to judgment (note 8);
- Share-based compensation: the determination of the fair value of the equity instruments granted involves the use of certain assumptions subject to judgement (note 18);
- Warrants: the determination of the fair value of the instruments issued involves the use of certain assumptions subject to judgement (note 11);
- Commencement of depreciation and amortization: the depreciation and amortization starts when the assets are available for use in the manner intended by management, which requires judgement (note 7);
- Research and development costs: the Group recognizes expenditure incurred in carrying out its research and development activities until it becomes probable that future economic benefits will flow to the Group, which results in recognizing such costs as intangible assets, involving a certain degree of judgement (note 13);
- Deferred taxes: the recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which the deferred tax assets can be utilized (note 16);
- Impairment of assets: as part of impairment tests, the recoverable amounts of tested assets have been determined based on fair value calculations requiring the use of certain assumptions, subject to judgement (note 7).

The Group bases the estimates on historical experience and on various other assumptions that the Group believes are reasonable, the results of which form the basis for making judgments about the carrying value of assets, liabilities and equity and the amount of expenses.

3. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks such as foreign exchange risk, credit risk, interest rate risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Financial risk management is carried out by the Group`s finance department subject to and pursuing policies approved by the Board of Directors.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Swiss franc (CHF), Euro (EUR) and British Pound (GBP). Foreign exchange risk arises from future commercial transactions (e.g. costs for clinical services) and recognized assets and liabilities. Management has set up a policy to manage the foreign exchange risk against their functional currency. To manage its foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, the Group's finance department maintains foreign currency cash balances to cover anticipated future requirements.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from CHF- and EUR-denominated financial instruments held at the end of the reported periods.

CHF positions	Increase /decrease exchange rate vs USD	Effect on profit before tax (in USD '000)	Effect on shareholders' equity (in USD '000)
2022	5.00%	56	56
	(5.00%)	(56)	(56)
2021	5.00%	(498)	(498)
	(5.00%)	498	498
EUR positions	**Increase /decrease exchange rate vs USD**	**Effect on profit before tax (in USD '000)**	**Effect on shareholders' equity (in USD '000)**
2022	5.00%	153	153
	(5.00%)	(153)	(153)
2021	5.00%	83	83
	(5.00%)	(83)	(83)

Credit risk

Financial instruments that potentially subject the Company to significant concentration of credit risk consist primarily of cash, cash equivalents, restricted cash, and other receivables. As of December 31, 2022, the Company's cash is held by one institution in the U.S. and two institutions in Switzerland. Periodically, the Company maintains deposits in financial institutions in excess of government insured limits. On March 10, 2023, Silicon Valley Bank ("SVB") was closed by California and federal regulatory agencies. As a result of these actions, the Federal Deposit Insurance Corporation (FDIC) established Silicon Valley Bridge Bank, N.A. (the "Bridge Bank") as successor to SVB. On March 12, 2023, the U.S. Treasury, Federal Reserve and FDIC rolled out emergency measures to fully protect all depositors of SVB and, on March 13, 2023, we had full access to our cash on deposit with SVB. As a result, we do not anticipate any losses with respect to such balances.

As part of our cash management process, we perform periodic evaluations of the relative credit standing of these financial institutions. The Company manages its accounts receivable credit risk through ongoing credit evaluation of its customers' financial conditions.

Interest rate risk

Interest rate risks arise from changes in interest rates that may have a negative impact on the Group's financial position and results. Fluctuations in interest rates lead to changes in interest expense on floating-rate liabilities and thus affect the financial result. The financial liabilities subject to interest rate risk are exclusively floating-rate debt instruments denominated in USD, carried at amortized cost. The Group does not hold hedging instruments to manage the interest rate risk. As of December 31, 2022 and 2021, there are no floating-rate debt instruments.

Capital and liquidity management

The Group's principal source of liquidity is the cash reserves which are obtained through the issuance of new shares and debt instruments. The Group's policy is to invest these funds in low risk investments including interest bearing deposits. The ability of the Group to maintain adequate cash reserves to sustain its activities is subject to risk as it is highly dependent on the Group's ability to raise further funds from the sale of new shares.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern (see Note 21) in order to ensure the financing of successful research and development activities so that future profits can be generated and to maintain sufficient financial resources to mitigate against risks and unforeseen events.

The Group is also subject to capital maintenance requirements under Swiss law. To ensure that statutory capital requirements are met, the Group monitors capital periodically.

A reconciliation of the net debt position is shown in the table below.

	Borrowings	Lease liabilities	Total liabilities from financing activities	Cash, cash equivalents, and restricted cash	Total
Net debt as of December 31, 2020	**(25,487)**	**(1,648)**	**(27,135)**	**31,183**	**4,048**
Cash flows	2,728	744	3,472	22,986	26,458
Interest expense	(2,974)	(61)	(3,035)	—	(3,035)
Foreign exchange adjustments	—	39	39	565	604
Net debt as of December 31, 2021	**(25,733)**	**(926)**	**(26,659)**	**54,734**	**28,075**
Cash flows	26,135	667	26,802	(40,023)	(13,221)
Interest expense	(3,947)	—	(3,947)	—	(3,947)
Foreign exchange adjustments	—	22	22	247	269
Other non-cash items[1]	(2,989)	—	(2,989)	—	(2,989)
Net debt as of December 31, 2022	**(6,534)**	**(237)**	**(6,771)**	**14,958**	**8,187**

[1] – Other non-cash items include the loss on event of default, gain on extinguishment of debt, the conversion of convertible notes and interest, and the change in estimated financial liability cash flow (refer to note 10).

In addition, the maturity profile of the Group's financial liabilities is presented in the table below.

	Carrying amount	Total undiscounted cash flows	up to 1 year	1 to 5 years	Maturities more than 5 years
Trade and other payables	(894)	(894)	(894)	—	—
Borrowings	(6,534)	(6,534)	(6,534)	—	—
Lease liabilities	(237)	(240)	(237)	—	—
Total as of December 31, 2022	**(7,665)**	**(7,668)**	**(7,665)**	**—**	**—**

	Carrying amount	Total undiscounted cash flows	up to 1 year	1 to 5 years	Maturities more than 5 years
Trade and other payables	(7,716)	(7,716)	(7,716)	—	—
Borrowings	(25,733)	(39,824)	(2,992)	(36,832)	—
Lease liabilities	(926)	(955)	(712)	(243)	—
Total as of December 31, 2021	**(34,375)**	**(48,495)**	**(11,420)**	**(37,075)**	**—**

Fair value estimation and financial instruments

The carrying value less impairment provision of receivables and payables approximate their fair values due to their short-term nature.

All financial assets and liabilities, respectively, are held at their amortized cost.

The Group's financial assets consist of cash and cash equivalents, restricted cash, prepaid expenses, and other receivables which are classified as financial assets at amortized cost according to IFRS 9. The Group's financial liabilities consist of debt instruments, other payables and accruals which are classified as liabilities at amortized cost according to IFRS 9.

4. Cash, cash equivalents, and restricted cash

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheet.

	As of December 31,	
	2022	**2021**
Cash and cash equivalents	$ 8,424	$ 54,734
Restricted cash	6,534	—
Total cash, cash equivalents and restricted cash	**$ 14,958**	**$ 54,734**

The following table provides a distribution of cash, cash equivalents and restricted cash by currency as of December 31, 2022 and 2021.

	2022	**2021**
CHF	14 %	1 %
USD	83 %	96 %
EUR	2 %	1 %
GBP	1 %	2 %

5. Receivables and payables

As of December 31, 2022 and 2021 other receivables consist mainly of reimbursements to be received from third parties, including VAT, insurance premiums and shared-costs of research and development studies, and other payables and other current liabilities include mainly costs of clinical services. All receivables and payables are due from and to third parties and carried at amortized cost.

All payables have a contract maturity within one year.

6. Prepaid and accrued expenses

As of December 31, 2022 and 2021, prepaid expenses mainly consist of advance payments to vendors.

As a result of termination of the license agreement (the "Kissei License Agreement") with Kissei Pharmaceutical Co., Ltd ("Kissei"), the Company terminated and assigned to Kissei a number of clinical, manufacturing, and scientific contracts related to the development of linzagolix. The terminations resulted in a significant decrease in the Company's accrued research and development expenses. Furthermore, the assignments resulted in the transfer of USD 4.9 million in contractual obligations to Kissei, USD 1.2 million of which was recognized as an offset to accrued research and development expenses as of December 31, 2022.

As part of the current year restructuring plans, the Company terminated approximately 70% of its employees in the fourth quarter of 2022, which resulted in a significant decrease in accrued compensation-related expenses as of December 31, 2022.

As of December 31, 2022 and 2021, accrued expenses consisted of the following:

	As of December 31,	
	2022	**2021**
Accrued research and development expenses	$ 336	$ 10,123
Accrued compensation-related expenses	1,504	3,125
Accrued other expenses	309	535
Total accrued expenses	**$ 2,149**	**$ 13,783**

7. Intangible assets

As of December 31, 2022, the Group holds a license to operate one biopharmaceutical product candidate, the value of which was recorded at USD 4.5 million. As of December 31, 2021, the Group held a number of licenses to operate several biopharmaceutical product candidates, the value of which was recorded at USD 24.5 million. The following table illustrates the intangible asset activity in the years ended December 31, 2022 and 2021:

	2022	2021
Net book value as of January 1,	**$ 24,503**	**$ 26,608**
Additions	—	—
Disposals	(600)	(2,105)
Impairment charge	(19,400)	—
Net book value as of December 31,	**$ 4,503**	**$ 24,503**
Total cost	*4,503*	*24,503*
Accumulated amortization	—	—

On February 10, 2022, the Company entered into the licensing agreement with Theramex HQ UK Limited ("Theramex") for the commercialization and further development of linzagolix across global markets outside of the U.S., Canada and Asia (the "Theramex License Agreement"). Given the out-licensing of linzagolix in certain territories to Theramex, the Company concluded that a portion of the linzagolix intangible assets should be de-recognized. The Company calculated the out-licensed territories as representing 3% of the probability-weighted gross profit from linzagolix product sales world-wide and as a result, recorded a partial derecognition of USD 0.6 million of intangible asset. The net gain on sale of USD 4.8 million is recorded in other operating income on the Company's consolidated statement of comprehensive loss in the year ended December 31, 2022.

In July 2021, the Company entered into an agreement with Organon & Co. ("Organon") to develop and commercialize ebopiprant (the "Organon License Agreement"). Under the terms of the agreement, Organon gained exclusive worldwide rights to develop, manufacture and commercialize ebopiprant. In consideration for entering into this agreement, the Company is entitled to receive tiered double-digit royalties on commercial sales as well as up to USD 500 million in upfront and milestone payments including USD 25 million that was paid at signing, up to USD 90 million in development and regulatory milestones and up to USD 385 million sales-based milestones. This transaction resulted in the derecognition of the license to develop and commercialize ebopiprant, initially recognized for USD 2.1 million as an intangible asset. The net gain on sale of USD 20.1 million is recorded in other operating income on the Company's consolidated statement of comprehensive loss in the year ended December 31, 2021.

Amortization and impairment

During the second quarter of 2022, the Company identified an interim impairment trigger for the linzagolix intangible asset resulting from the review issues communicated by the U.S. Food and Drug Administration ("FDA") regarding deficiencies in the New Drug Application ("NDA") for linzagolix for uterine fibroids. After performing an interim impairment assessment, the Company concluded that the full remaining net book value of the asset was impaired as of June 30, 2022 and recorded a charge of USD 19.4 million. The impairment charge is recorded in impairment of intangible asset on the consolidated statement of comprehensive loss.

The Group's intangible asset is subject to a multi-phase clinical trials process and the license is currently not amortized as no regulatory and marketing approvals were obtained as of December 31, 2022.

In accordance with IAS 36, the license has been reviewed for impairment by assessing the fair value less costs of disposal ("FVLCOD"). The valuation is considered to be Level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. No impairment was identified.

The key assumptions used in the valuation model (income approach) to determine the FVLCOD of the license is as follows:

- Expected research and development costs;
- Probabilities of achieving development milestones based on industry standards;
- Reported disease prevalence;
- Expected market share;
- Commercialization expectations;
- Drug reimbursement, costs of goods and marketing expenses; and
- Expected patent life.

The valuation model covers a 20-year period due to the length of the development cycle for assets of this nature. A discount factor of 15%, based on the assumed cost of capital for the Group, has been used over the forecast period.

Based on sensitivity analysis performed as of December 31, 2022, the carrying value of the license would exceed its recoverable amount by USD 0.5 million if the discount factor was increased to 20% assuming no changes to the other key assumptions.

8. Leases

The consolidated financial statements show the following amounts relating to leases:

Right-of-use assets

	2022	2021
Net book value as of January 1	**$ 625**	**$ 1,425**
Depreciation charge	(417)	(500)
Derecognition of right-of-use asset	—	(300)
Net book value as of December 31	**$ 208**	**$ 625**
Total cost	*1,876*	*1,876*
Accumulated depreciation	*(1,668)*	*(1,251)*

Rights-of-use assets mainly relate to office buildings.

On June 1, 2021, ObsEva USA Inc. signed a sublease agreement to sublease office spaces located at One Financial Center in Boston, Massachusetts. This sublease covers a period from June 1, 2021 until September 30, 2022. This resulted in the derecognition of the right-of-use asset of USD 0.3 million.

The expense relating to other short-term or low-value leases is not material. For the years ended December 31, 2022 and 2021, the total cash outflows for leases amounted to USD 0.7 million and USD 0.7 million, respectively.

Lease liabilities

	As of December 31,	
	2022	**2021**
Current	$ 237	$ 686
Non-current	—	240
Total lease liabilities	**$ 237**	**$ 926**

The lease liabilities have been measured based on the Group’s weighted average incremental borrowing rate of 4.9%. The maturity of the lease liabilities is USD 0.2 million for the year ended December 31, 2023.

9. Post-employment benefits

Defined benefit plan

In accordance with the mandatory Swiss pension fund law, all employees of the Company participate in a retirement defined benefit plan. Swiss based pension plans are governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (the "LPP"), which stipulates that pension plans are to be managed by independent, legally autonomous units. Under the terms of the pension plan, participants are insured against the financial consequences of old age, disability and death. The various insurance benefits are governed by regulations, with the LPP specifying the minimum benefits that are to be provided. The employer and employees pay contributions to the pension plan. In the event the pension plan's statutory funding falls below a certain level, various measures can be taken to increase funding above such level, such as increasing the current contribution, lowering the interest rate on the retirement account balances or reducing the additional prospective benefits. The employer can also make additional restructuring contributions. Since the risks of death and disability are fully reinsured by an insurance group, the savings plan must be qualified as a defined benefit plan. As required by IAS 19 *Employee Benefits*, the projected unit credit method has been used in the calculation of present value of the benefit obligations and the related current service cost.

The investment risk is borne by the insurer and the reinsurer respectively, and the investment decision is taken by the board of trustees of the collective insurance.

On September 12, 2022, following a consultation process with the Company's employees, the Board of Directors authorized the termination of approximately 70% of employees. This resulted in a curtailment gain of USD 0.9 million, which is included in net actuarial gains/losses and is presented as a component of other comprehensive income in the consolidated statement of comprehensive loss for the year ended December 31, 2022.

The defined benefit cost is included in general and administrative expenses in the consolidated statement of comprehensive loss. The components of defined benefit cost for the years ended December 31, 2022 and 2021 was as follows:

	Year ended December 31,	
	2022	**2021**
Components of defined benefit cost		
Current service cost	$ 1,412	$ 1,701
Interest expense on defined benefit obligation	74	22
Interest income on plan assets	(57)	(15)
Employee contributions	(643)	(699)
Impact of plan amendment	(32)	(864)
Curtailment gain	(880)	—
Total defined benefit cost	**$ (126)**	**$ 145**

The changes in projected benefit obligations for the years ended December 31, 2022 and 2021 were as follows:

	2022	**2021**
Defined benefit obligation at January 1,	**$ (21,643)**	**$ (23,248)**
Current service cost	(1,412)	(1,701)
Interest cost	(74)	(22)
Net benefits paid	4,023	914
Currency translation effects	830	805
Remeasurements:		
Impact of plan amendment	32	864
Curtailment	9,884	—
Effect of changes in demographic assumptions	—	—
Effect of changes in financial assumptions	3,850	991
Effect in experience assumptions	1,013	(246)
Defined benefit obligation at December 31,	**$ (3,497)**	**$ (21,643)**

The following table presents the changes in the fair value of defined benefit pension plan assets for years ended December 31, 2022 and 2021:

	2022	2021
Fair value of plan assets at January 1,	**$ 15,063**	**$ 15,030**
Interest income	57	15
Employer contributions	643	699
Employee contributions	643	699
Net benefits paid	(4,023)	(914)
Curtailment	(9,004)	—
Currency translation effects	(562)	(517)
Remeasurements: return on plan assets (excluding interest income)	166	51
Fair value of plan assets at December 31,	**$ 2,983**	**$ 15,063**

The assets are invested by the pension plan, to which many companies contribute, in a diversified portfolio that respects the requirements of the Swiss LPP. Therefore, disaggregation of the pension assets and presentation of plan assets in classes that distinguish the nature and risks of those assets is not possible.

The funded status of the plan is as follows:

	As of December 31,	
	2022	2021
Defined benefit obligation	$ (3,497)	$ (21,643)
Fair value of plan assets	2,983	15,063
Net post-employment obligation	**$ (514)**	**$ (6,580)**

The change in the post-employment obligation is as follows:

	2022	2021
Net defined benefit obligation at January 1,	**$ (6,580)**	**$ (8,218)**
Defined benefit cost included in statement of comprehensive loss	126	(145)
Total remeasurements included in other comprehensive loss	5,029	796
Employer contributions	643	699
Currency translation effects	268	288
Net defined benefit obligation at December 31,	**$ (514)**	**$ (6,580)**

Amounts recognized in other comprehensive loss related to the defined benefit pension plan is as follows:

	Year ended December 31,	
	2022	2021
Effect of changes in financial assumptions	$ 3,850	$ 991
Effect in experience assumptions	1,013	(246)
Return on plan assets (excluding interest income)	166	51
Total amounts recognized in other comprehensive loss	**5,029**	**796**
Cumulative amount recognized in other comprehensive loss	$ (2,012)	$ (7,041)

The significant assumptions used to determine the post-employment obligation and defined benefit cost for years ended December 31, 2022 and 2021 are as follows:

	2022		2021	
Discount rate	2.30	%	0.35	%
Salary increase (including inflation)	1.00	%	1.00	%
Rate of pension increases	0.50	%	0.25	%
Post-employment mortality table	LPP 2020 G		LPP 2020 G	

The discount rate is estimated based on corporate bond yields or securities of similar quality in the respective country, with a duration approximating the period over which the benefit obligations are expected to be paid. The Company bases the compensation increase assumptions on historical experience and future expectations. The expected average rate of return for the Company's defined benefit pension plans represents the average rate of return expected to be earned on plan assets over the period that the benefit obligations are expected to be paid, based on government bond notes in the respective country, adjusted for corporate risk premiums as appropriate.

Sensitivity analysis illustrates the sensitivity of the Group defined benefit obligation at December 31, 2022 by varying the discount rate and the salary increase rate by plus / minus 50 basis points:

	Discount rate	**Discount rate**	**Salary increase**	**Salary increase**	**Rate of pension increase**	**Rate of pension increase**
Sensitivity analysis	plus 50bps	minus 50bps	plus 50bps	minus 50bps	plus 25bps	minus 25bps
Discount rate	2.80%	1.80%	2.30%	2.30%	2.30%	2.30%
Salary increase	1.00%	1.00%	1.50%	0.50%	1.00%	1.00%
Rate of pension increases	0.50%	0.50%	0.50%	0.50%	0.75%	0.25%
Defined benefit obligation	(3,282)	(3,737)	(3,506)	(3,487)	(3,610)	(3,392)

	2022	**2021**
Average duration of the defined benefit obligation (in years)	13.3	17.8

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Expected contributions by the employer to be paid to the post-employment benefit plans during the annual period beginning after the end of the reporting period amount to approximately USD 0.2 million.

10. Borrowings

The following is the activity of the Company’s borrowings in the years ended December 31, 2022 and 2021 (in thousands):

	2022	**2021**
Borrowings as of January 1,	**$ 25,733**	**$ 25,487**
Issuance of JGB convertible note, net of transaction costs	6,716	25,379
Early repayment of Oxford Credit Facility	—	(26,986)
Early repayment of convertible notes	(31,000)	—
Loss on event of default	17,586	—
Gain on extinguishment of debt	(5,713)	1,363
Change in estimated financial liability cash flows	(2,750)	—
Conversion of convertible notes	(5,971)	—
Interest expense	3,947	2,974
Interest paid	(2,014)	(2,484)
Borrowings as of December 31,	**$ 6,534**	**$ 25,733**
Of which are:		
Current	6,534	—
Non-current	—	25,733

Oxford Credit Facility

On August 7, 2019, the Company entered into a loan and security agreement, ("the Oxford Credit Facility") with Oxford Finance LLC for a term loan of up to USD 75.0 million, subject to funding in three tranches. The Company received gross proceeds of USD 25.0 million, net of transaction costs of USD 0.3 million, from the first tranche of the Oxford Credit Facility upon entering into the agreement and used the funds for its various clinical trials programs. The Company could not draw the second tranche of USD 25.0 million due to the failure to meet the primary endpoint of the Phase 3 IMPLANT 4 clinical trial of nolasiban. In April 2020, the Company entered into an amendment to the Oxford Credit Facility, pursuant to which the third tranche of USD 25.0 million may be drawn at any time between April 7, 2020 and August 1, 2024 upon request of the Company and at the lender's discretion. The credit facility was secured by substantially all of the Company's assets, including its intellectual property. The loan bore a floating interest rate (partially based on thirty-day U.S. LIBOR rate) at 8.68% per year in total and was set mature to on August 1, 2024.

Securities Purchase Agreement with JGB

In October 2021, the Company entered into a convertible note financing agreement (the "Securities Purchase Agreement") with certain funds and accounts managed by JGB, pursuant to which the Company could borrow up to USD 135 million in nine tranches through the issuance of convertible notes to JGB, together with warrants to purchase common shares in an amount equal to approximately 5% of the funded amount for such tranche. In connection with the first tranche, the Company issued USD 31.5 million (offer issue discount of USD 1.5 million) of convertible notes (the "First Tranche Note") and warrants to purchase 1,634,877 common shares of the Company at an exercise price of USD 3.67 per share (the "First Tranche Warrants"). The Company received gross proceeds of USD 30.0 million at closing and used the proceeds to repay all amounts outstanding under the Company's existing Oxford Credit Facility. Upon payoff, the Oxford Credit Facility was terminated and the security interests in the Company's assets that secured the Oxford Credit Facility were released. At the time of the payoff, the carrying amount of the Oxford Credit Facility was USD 25.6 million and the actual payoff amount was USD 27.0 million. The difference between the carrying amount and the payoff amount was USD 1.4 million and was recorded in other income (expense) on the Company's consolidated statement of comprehensive loss for the year ended December 31, 2021.

On January 28, 2022, the Company entered into an amendment agreement (the "Amendment Agreement") with JGB regarding the second tranche of the Securities Purchase Agreement. The Amendment Agreement adjusted the principal balance payable at maturity for the notes to be issued in the second tranche to USD 10.5 million (USD 975 thousand of original issue discount) and the conversion price for the notes to be issued in the second tranche to a price of USD 1.66 per common share and accelerated the issuance of the second tranche to January 28, 2022 (the "Second Tranche Note", and together with the First Tranche Note, the "Notes"). In addition, as adjusted pursuant to the Amendment Agreement, the Company issued warrants to purchase 1,018,716 common shares of the Company at an exercise price of USD 1.87 per share (the "Second Tranche Warrants", and together with the First Tranche Warrants, the "Warrants"). Additionally, JGB waived certain conditions required to be met to fund the second tranche, including that the Company's volume-weighted average price could not be below USD 3.00 per share for five or more trading days during the 30 days prior to the funding date for the second tranche, in exchange for a payment of USD 1.25 million and the amended terms for the notes and warrants issued in the second tranche. In connection with the Amendment Agreement, the Company received USD 8.25 million from the second tranche, after accounting for expenses and the USD 1.25 million waiver payment to JGB.

The fair value of the Notes was determined to equal the net cash proceeds received, which was allocated by using the fair value of the warrants, the fair value of the liability portion of the convertible feature, and the residual amount was assigned to the conversion option. The initial fair value of the liability portion of the Notes was determined using a market interest rate for a non-convertible note with attached warrants at the issue date. The liability is subsequently recognized on an amortized cost basis until extinguished on conversion or maturity of the first tranche. The total proceeds were first attributed to the liability portion of the Securities Purchase Agreement and the warrants. The remaining proceeds were allocated to the conversion option and recognized in shareholders' equity and not remeasured. The allocated amounts upon issuance of the Notes were as follows:

	First Tranche Note	Second Tranche Note
Fair value of warrants	$ 2,646	$ 915
Fair value of liability portion of convertible feature	27,332	8,369
Residual amount assigned to conversion option	22	241

Total fair value of notes	**$ 30,000**	**$ 9,525**

The Company allocated the transaction fees associated with the Securities Purchase Agreement based on the relative fair values upon issuance. The allocation of the transaction fees associated with the liability portion of the convertible feature was USD 1.5 million for the Second Tranche Note and USD 2.0 million for the First Tranche Note and was recorded against the outstanding note balance upon issuance. The convertible note balance was presented on a net-basis on the consolidated balance sheet as of December 31, 2022 and 2021. The allocation of the transaction fees associated with the warrant liability was USD 0.2 million for the Second Tranche Note and USD 0.2 million for the First Tranche Note for the years ended December 31, 2022 and 2021, respectively, and was recorded as a period cost and included in general and administrative expenses on the consolidated statement of comprehensive loss. The allocation of the transaction fees associated with the conversion option was USD 42 thousand for the Second Tranche Note and USD 2 thousand for the First Tranche Note for the years ended December 31, 2022 and 2021, respectively, and was recorded as share premium on the consolidated statement of changes in equity.

The availability of each of the seven remaining tranches was subject to the Company meeting certain conditions, including, among others, that the Company's volume-weighted average price is not below USD 3.00 per share for five or more trading days during the 30 days prior to a tranche funding date (the "Minimum Stock Price Condition"). At May 25, 2022, the original planned funding date of the third tranche, the Company had not met the Minimum Stock Price Condition for such tranche. On May 27, 2022, the Company entered into a waiver and amendment agreement with JGB, whereby JGB agreed to waive its right to terminate its obligation to fund future tranches under the Securities Purchase Agreement, which JGB would be entitled to as a result of the Company's failure to meet the Minimum Stock Price Condition. In exchange, the Company agreed to establish a "blocked" account control agreement with respect to the existing account control agreement in favor of JGB, which previously held USD 31.0 million in such controlled deposit account (the "Account Balances"). The Account Balances were classified as restricted cash on the Company's consolidated balance sheet.

On July 27, 2022, the Company applied for a court-sanctioned moratorium to the courts of competent jurisdiction of the Swiss canton of Geneva, which resulted in certain events of default (the "Events of Default") under the Notes. Upon the Event of Default, the gross carrying value of the Notes was adjusted from the previous carrying amount of USD 33.0 million to USD 50.6 million to reflect the estimated contractual cash flows. The adjustment of USD 17.6 million included a 25% prepayment penalty of USD 10.1 million (as provided in the Transaction Agreements) and the unamortized original issue discount of USD 7.5 million and was recognized as loss on event of default within the consolidated statement of comprehensive loss for the year ended December 31, 2022.

On July 31, 2022, the Company entered into an amendment and forbearance agreement (the "July 2022 JGB Amendment") with JGB in relation to the Securities Purchase Agreement, the First Tranche Note, and the Second Tranche Note. Pursuant to the July 2022 JGB Amendment, the Company and JGB agreed to apply the Account Balances against the Notes on a pro rata basis, and JGB waived any application of the 25% prepayment premium permitted under the Notes with respect to the Account Balances. In addition, JGB agreed to refrain and forebear from exercising or pursuing any rights or remedies under the Transaction Agreements with respect to the Events of Default until October 29, 2022. In exchange for the waiver of the prepayment penalty and forbearance on exercising such rights and remedies, USD 1.5 million was added to the outstanding principal balance under the Notes, resulting in an aggregate outstanding balance of approximately USD 11.0 million under the Notes (the "New Notes"), the conversion price of the New Notes was adjusted to a conversion price of USD 0.26 per share (subject to adjustment as provided in the New Notes) and the Company's right to mandatory conversion of any convertible notes issued pursuant to the Securities Purchase Agreement, including the New Notes, was terminated. In addition, JGB is no longer obligated to fund any future mandatory or optional tranche closing under the Securities Purchase Agreement.

The modification of the Notes was evaluated under IFRS 9, "Financial Instruments". According to the guidance, the instruments were determined to be substantially different, and the transaction qualified for extinguishment accounting. As a result, the Company recorded a gain on debt extinguishment of USD 5.7 million in the year ended December 31, 2022, which represents the difference between the consideration paid of USD 44.9 million and the carrying value of the Outstanding Notes upon extinguishment of USD 50.6 million. The consideration paid included the USD 31.0 million in cash paid, the USD 11.0 million in convertible notes issued, the USD 2.8 million of prepayment penalty applied to the new debt and transaction costs of USD 0.2 million.

In October 2022, the Company entered into an Amendment and Forbearance Extension Agreement (the "Extension Amendment") with JGB in relation to the Securities Purchase Agreement and the New Notes. Pursuant to the

Extension Amendment, JGB agreed to extend its forbearance from exercising or pursuing any rights or remedies under the Transaction Agreements with respect to the Events of Default until December 1, 2022. In exchange, the Company agreed to adjust the conversion price for USD 2.0 million of the New Notes to USD 0.19 per share, subject to adjustments as provided in the New Notes, and to exchange USD 0.5 million of such USD 2.0 million of the New Notes and the interest accrued and unpaid thereon through October 31, 2022 for an aggregate of 2,631,579 common shares based on a conversion price of USD 0.19 per share. The Company concluded that this was not a modification of the terms to induce early conversion and therefore no gain or loss was recognized in accounting for the Extension Amendment.

In November 2022, we entered into an IP Acquisition Agreement (the “IP Acquisition Agreement”) with XOMA Corporation (“XOMA”) for the sale of all of our rights to ebopiprant, a prior product candidate developed for the treatment of preterm labor by reducing inflammation and uterine contractions. In connection with its entry into an IP Acquisition Agreement with XOMA, the Company entered into a Consent and Amendment Agreement (the “Consent Agreement”) with JGB related to the Securities Purchase Agreement and the New Notes. Pursuant to the Consent, JGB consented to the Company’s entry into the IP Acquisition Agreement, and also agreed (i) to amend the maturity date of each of the New Notes to December 31, 2023 and (ii) that the Company shall maintain in a control account pursuant to the Transaction Agreements a minimum cash balance representing the aggregate outstanding principal balance under the New Notes as of the date of the Consent, provided such minimum cash balance shall be correspondingly reduced upon any conversion of the outstanding balance or payoff of the New Notes. As of December 31, 2022, the aggregate outstanding principal balance under the New Notes was approximately USD 6.5 million. The Consent Amendment was accounted for as a modification. The transaction costs associated with the Consent Amendment were not material. In connection with the Consent Amendment, the Company was no longer in breach of debt default terms and therefore it updated its estimated future expected cash flows. The Company reversed USD 2.8 million of the estimated prepayment penalty, which was recorded as finance income on the Company’s consolidated statement of comprehensive loss.

During the year ended December 31, 2022, JGB converted USD 5.5 million of the carrying amount of the Notes and USD 0.5 million of accrued and unpaid interest under the Notes into 20,930,345 common shares.

The Securities Purchase Agreement includes affirmative and negative covenants applicable to the Company and its subsidiaries. The affirmative covenants include, among other things, requirements to file certain financial reports with the Securities and Exchange Commission, maintain insurance coverage and satisfy certain requirements regarding deposit accounts. Further, subject to certain exceptions, the Securities Purchase Agreement contains customary negative covenants limiting its ability to, among other things, transfer or sell certain assets, consummate mergers or acquisitions, allow changes in business, incur additional indebtedness, create liens, pay dividends or make other distributions and make investments. As of December 31, 2022, the Company was in compliance with its covenants.

Subsequent to the balance sheet date, the Company retired the USD 6.5 million of remaining principal of the New Notes on February 24, 2023. Under the terms of the early retirement, the Company and JGB agreed to apply USD 6.5 million previously held as collateral in a control account against the New Notes on a pro rata basis, with JGB waiving a USD 1.1 million prepayment penalty in exchange for approximately USD 0.6 million in cash and USD 0.3 million in the form of approximately 1.5 million common shares.

11. Shareholders' equity

	Number of common shares	Share capital	Share premium	Total
As of January 1, 2021	**57,552,578**	**$ 4,574**	**$ 356,822**	**$ 361,396**
Issuance of shares - ATM program	15,954,450	1,360	52,327	53,687
Share issuance costs - ATM program	—	—	(1,959)	(1,959)
Exercise of warrants	6,448,240	555	21,562	22,117
Reclassification of warrants	—	—	1,856	1,856
Value of the conversion option - convertible notes	—	—	22	22
As of December 31, 2021	**79,955,268**	**$ 6,489**	**$ 430,630**	**$ 437,119**

	Number of common shares	Share capital	Share premium	Total
As of January 1, 2022	**79,955,268**	**$ 6,489**	**$ 430,630**	**$ 437,119**
Issuance of shares - ATM program	6,821,086	588	6,008	6,596
Share issuance costs - ATM program	—	—	(234)	(234)
Issuance of shares - convertible notes	20,930,345	1,678	4,293	5,971
Value of conversion option - convertible notes	—	—	290	290
Reclassification of warrants	—	—	722	722
As of December 31, 2022	**107,706,699**	**$ 8,755**	**$ 441,709**	**$ 450,464**

Share capital and share premium

As of December 31, 2022, the total outstanding share capital of USD 8.8 million, fully paid, consists of 107,706,699 common shares, excluding 39,212,538 treasury shares. The Company has additional shares that may be issued out of conditional capital of 17,545,987 and authorized capital of 34,310,230. As of December 31, 2021, the total outstanding share capital of USD 6.5 million, fully paid, consists of 79,955,268 common shares, excluding 5,265,203 treasury shares. All shares have a nominal value of 1/13 of a Swiss franc, translated into USD using historical rates at the issuance date.

During the year ended December 31, 2022, JGB converted USD 6.0 million of the outstanding principal and USD 0.5 million of the accrued and unpaid interest under the Outstanding Notes into 20,930,345 common shares. As the conversions were completed within the terms of the Securities Purchase Agreement, no gain or loss was recognized as a result of these conversions.

In February 2022, the Company announced the issuance of 23,400,000 common shares at par value of 1/13 of a Swiss franc per share. In December 2022, the Company announced the issuance of 20,000,000 common shares at par value of 1/13 of a Swiss franc per share. The shares were fully subscribed for by a fully owned subsidiary of the Company and listed on the SIX Swiss Exchange accordingly. The shares were initially held as treasury shares.

During the year ended December 31, 2022, the Company sold a total of 6,821,086 treasury shares at an average price of USD 0.97 per share, as part of its ATM program with SVB Leerink LLC. These multiple daily transactions generated total gross proceeds of USD 6.6 million. Directly related share issuance costs of USD 0.2 million were recorded as a deduction in equity. The Company's ATM program with SVB Leerink LLC expired during the three-months ended September 30, 2022.

During the year ended December 31, 2021, the Company sold a total of 15,933,420 treasury shares at an average price of USD 3.28 per share, as part of its ATM program. These multiple daily transactions generated total gross proceeds of USD 53.7 million. Directly related share issuance costs of USD 2.0 million were recorded as a deduction in equity. In January 2021, 6,448,240 warrants were exercised at an average price of USD 3.43 per share, resulting in proceeds of USD 22.1 million.

Warrants Issued with Securities Purchase Agreement with JGB

On October 12, 2021, in connection with the first tranche from the Securities Purchase Agreement, the Company issued 1,634,877 warrants to purchase common shares at an exercise price of USD 3.67 per share. Upon the funding of the second tranche on January 28, 2022, the Company issued 1,018,716 warrants to purchase common shares at an exercise price of USD 1.87 per share. In accordance with IAS 32, *Presentation of financial instruments*, the Warrants were initially classified as a financial liability as they are subject to a period of possible cashless exercise. Upon the elimination of the period of possible cashless exercise, the Warrants are re-measured at fair value and re-classified to equity as an equity instrument. The resulting difference in fair values was recorded as a period cost and included in finance income on the consolidated statement of comprehensive loss. The fair values of the Warrants upon issuance and prior to reclassification were determined using the Black-Scholes valuation model. This valuation is considered to be Level 2 in the fair value hierarchy. The key assumptions used to value the Warrants upon the respective dates were as follows:

	First Tranche Warrants			
	Issuance date		**Reclassification date**	
	October 12, 2021		**November 22, 2021**	
Expected price volatility	98.5	%	98.2	%
Expected term (in years)	3		3	
Risk-free interest rate	0.64	%	0.95	%
Dividend yield	—		—	

	Second Tranche Warrants			
	Issuance date		**Reclassification date**	
	January 28, 2022		**March 1, 2022**	
Expected price volatility	96.5	%	95.8	%
Expected term (in years)	3		3	
Risk-free interest rate	1.78	%	1.72	%
Dividend yield	—		—	

A roll forward of the fair value of the Warrants for the years ended December 31, 2022 and 2021 is as follows:

		Amount
Balance as of January 1, 2021	**$**	—
Fair value of warrants issued		2,646
Change in fair value of warrant liability		(790)
Reclassification of warrants		(1,856)
Balance as of December 31, 2021		—
Fair value of warrants issued		915
Change in fair value of liability to issue warrants		(193)
Reclassification of warrants		(722)
Balance as of December 31, 2022	**$**	—

12. Operating income other than revenue

The Group currently derives no revenue from sales of its biopharmaceutical product candidates.

Other operating income

The Company recognized USD 19.1 million and USD 20.1 million of other operating income in the years ended December 31, 2022 and 2021, respectively.

In February 2022, the Company entered into the License Agreement with Theramex to support the commercialization and market introduction of linzagolix across global markets outside of the U.S., Canada and Asia. Under the terms of the Theramex License Agreement, the Company was entitled to receive royalties of a mid-thirties percentage on commercial sales up to EUR 72.75 million in upfront and milestone payments, including EUR 5 million obtained upon signing, up to EUR 13.75 million in development and commercial milestones and up to EUR 54 million in sales-based milestones. As the Company received marketing authorization for the uterine fibroid indication in the European Union and the UK, the upfront payment of EUR 5.0 million was fully recognized during the year ended December 31, 2022. The gain on the disposal of the asset, net of de-recognition of intangible asset, of USD 4.8 million is recorded in other operating income on the Company's consolidated statement of comprehensive loss.

In July 2021, the Company entered into an agreement with Organon to develop and commercialize ebopiprant. Under the terms of the agreement, Organon gained exclusive worldwide rights to develop, manufacture and commercialize ebopiprant. In consideration for entering into this agreement, the Company received an upfront payment of USD 25 million. The Company accounted for this upfront payment in accordance with *IAS 38 par 113* and as such, the gain on the disposal of the asset net of fees and net of recognition of intangible asset of USD 20.1 million is recorded in other operating income on the Company's consolidated statement of comprehensive loss in the year ended December 31, 2021.

In November 2022, the Company entered into an IP Acquisition Agreement (the "IP Acquisition Agreement") with XOMA Corporation ("XOMA") for the sale of all of its rights to ebopiprant for an upfront payment of USD 15 million and future milestone payments of up to approximately USD 98 million upon the achievement of certain development and regulatory milestones and sales milestones under the July 2021 Organon License Agreement (the "Organon License Agreement") with Organon & Co. ("Organon"). Under the terms of the IP Acquisition Agreement, the Company sold to XOMA all of its rights, including the assignment of its license agreements with Organon and Merck Serono, and the intellectual property estate of ebopiprant. The Company does not have material remaining performance obligations related to Organon or XOMA for ebopiprant. In consideration for entering into this agreement, the Company recognized the upfront payment, net of fees, of USD 14.2 million in accordance with IFRS 15, *Revenue from contracts with customers,* as other operating income on the Company's consolidated statement of comprehensive loss in the year ended December 31, 2022.

Assignment income

As a result of termination of the Kissei License Agreement, the Theramex License Agreement was automatically assigned to Kissei and the Company has no further rights or obligations under the agreement. In addition, the Company assigned to Kissei a number of clinical, manufacturing, and scientific contracts related to the development of linzagolix. These assignments resulted in the transfer of USD 4.9 million in contractual obligations to Kissei, which were previously recorded as accounts payable and accrued expenses and subsequently recognized as assignment income upon the assignment of vendor contracts on the consolidated statement of comprehensive loss in the year ended December 31, 2022.

13. Operating expenses by nature

	Year ended December 31,	
	2022	**2021**
External research and development costs	$ 4,815	$ 38,287
Staff costs	14,061	18,788
Professional fees	11,611	12,175
Rents	60	60
Travel expenses	323	229
Patent registration costs	1,166	887
Depreciation	453	736
Impairment	19,400	—
Other	3,751	3,465
Total operating expenses by nature	**$ 55,640**	**$ 74,627**

Due to the difficulty in assessing when research and development projects would generate revenue, the Company expenses all research and development costs on the consolidated statement of comprehensive loss.

Following the termination of the Kissei License Agreement, the Company terminated and assigned to Kissei a number of clinical, manufacturing, and scientific contracts related to the development of linzagolix, which resulted in a significant decrease in the Company's research and development expenses.

14. Staff costs

	Year ended December 31,	
	2022	**2021**
Wages, salaries and other	$ 9,817	$ 11,110
Social charges	1,694	1,690
Post-employment benefits expense	(126)	145
Share-based payments	2,676	5,843
Total staff costs	**$ 14,061**	**$ 18,788**

The Group employed on average 43.0 full-time equivalents ("FTE") in 2022 compared to 45.8 FTE in 2021, and 14.6 FTE as of December 31, 2022 compared to 48.3 FTE as of December 31, 2021.

For the year ended December 31, 2022, the post-employment benefits line included a curtailment gain of USD 0.9 million relating to the current year workforce reduction. For the year ended December 31, 2021, the post-employment benefit line included a gain of USD 0.9 million relating to the plan amendments enacted during the year. Refer to Note 9 for further information.

15. Finance income and expense

Finance income and expense consists of the charge associated with the certain events of default, the benefit associated with the early retirement of the outstanding convertible notes, the change in fair value of the warrant liability, gains in foreign exchange, interest expense associated with lease liabilities and debt instruments, and the change in estimated cash flows from financial liabilities.

	Year ended December 31,	
	2022	**2021**
Foreign exchange gain, net	$ 810	$ 78
Interest expense, net	(3,987)	(3,156)
Change in fair value of warrant liability	193	790
Loss on event of default	(17,586)	—
Gain (loss) on debt extinguishment	5,713	(1,363)
Change in estimated cash flows from financial liabilities	2,750	—
Finance result, net	**$ (12,107)**	**$ (3,651)**

16. Income taxes and deferred taxes

The Company is subject to income taxes in Switzerland, Ireland and the United States.

The Company is subject in Switzerland to an income tax rate of 14%, including a federal tax rate of 8.5% on its profits after tax. It is entitled to carry forward any loss incurred for a period of seven years and can offset such losses carried forward against future taxes. In 2015, the Company was granted by the State Council of the Canton of Geneva an exemption of income and capital tax at municipal and cantonal levels for the period from 2013 until 2022. Because of this exemption, and the fact that the Company has incurred net losses since its inception, no income tax expense at the municipal, cantonal or federal levels was recorded in the Company for the years ended December 31, 2022 and 2021.

The following table details the tax loss carryforwards of the Company and their respective expiring dates.

	As of December 31,	
	2022	**2021**
2022	$ —	$ 17,372
2023	30,213	30,603
2024	61,832	62,631
2025	71,835	72,763
2026	104,529	105,879
2027	76,354	77,340
2028	54,945	55,480
2029	37,733	—
Total unrecorded tax losses carry forwards	**$ 437,441**	**$ 422,068**

The Company's Irish subsidiary has no activity, and, therefore, no income tax expense was recorded in such entity for the years ended December 31, 2022 and 2021.

The Company's U.S. subsidiary, ObsEva USA Inc., is a service organization for the Group and is therefore subject to taxes on the revenues generated from its services to the Group that are charged based upon the U.S. subsidiary's cost plus arrangement with the Group. The profits of the U.S. subsidiary for the year ended December 31, 2022 and 2021 were subject to a total U.S. income tax rate of 27.3% based on both the U.S. Federal and Massachusetts state tax rates. The income tax for the year ended December 31, 2021 and 2020 was USD 11 thousand and USD 212 thousand, respectively. Additionally, since ObsEva USA Inc. is totally dependent on ObsEva SA for revenue, there is uncertainty as to whether ObsEva USA Inc. will be able to use a deferred tax asset for tax purposes in the future, therefore, no deferred taxes have been recognized on the balance sheet of the Group as of December 31, 2022 and 2021.

The components of the income tax expense for Obseva USA, Inc. are as follows (in thousands):

	Year ended December 31,	
	2022	**2021**
Federal statutory rate		
Current	$ (3)	$ 164
Deferred	—	—
State and local		
Current	14	49
Deferred	—	—
Foreign		
Current	—	—
Deferred	—	—
Income tax expense	$ 11	$ 213

Reconciliation between the effect of applying the federal statutory rate and the effective income tax rate used to calculate the Company's income tax expense for Obseva USA, Inc. is as follows:

	As of December 31,			
	2022		**2021**	
Federal statutory rate	21.0	%	21.0	%
State income tax, net of federal benefit	1.1		6.3	
Share-based compensation	10.6		(4.4)	
Other	(31.5)		(33.4)	
Effective income tax rate	1.2	%	(10.5)	%

17. Loss per share

As of December 31, 2022 and 2021, the Company has one category of shares, which are common shares.

Because the Company has reported net loss attributable to common shareholders for the years ended December 31, 2022 and 2021, diluted net loss per share attributable to common shareholders are the same for both years. The basic loss per share is calculated by dividing the loss of the period attributable to the ordinary shares by the weighted average number of ordinary shares outstanding during the period as follows:

	Year ended December 31,	
	2022	**2021**
Net loss attributable to shareholders (in '000)	(43,760)	(58,377)
Weighted average number of shares outstanding	92,080,998	75,281,838
Basic and diluted loss per share	(0.48)	(0.78)

Diluted net loss per share is calculated by adjusting weighted-average shares outstanding for the dilutive effect of common stock equivalents outstanding for the period. As such, all convertible debt, warrants to purchase common shares, and stock options have been excluded from the computation of diluted weighted-average shares outstanding because such securities would have an anti-dilutive impact for all periods presented.

Potential common shares issuable upon conversion of debt, warrants to purchase common shares, and stock options that are excluded from the computation of diluted weighted-average shares outstanding, as they are anti-dilutive, are as follows:

	As of December 31,	
	2022	**2021**
Common shares issuable upon conversion of debt	26,974,359	9,842,520
Common shares issuable upon exercise of warrants	2,653,593	1,634,877
Common shares issuable upon exercise of stock options	8,846,703	8,937,473
Total	**38,474,655**	**20,414,870**

18. Share-based compensation

Stock-based compensation expense is classified in the accompanying consolidated statement of comprehensive loss for the years ended December 31, 2022 and 2021 as follows:

	Year ended December 31,	
	2022	**2021**
Research and development	$ 2,866	$ 3,156
General and administrative	(190)	2,687
Total share-based compensation	**$ 2,676**	**$ 5,843**

2013 Equity Incentive Plan

The Company established the 2013 Equity Incentive Plan (the "2013 EIP") for employees, executives, directors and consultants (the "Beneficiaries") of the Company. Upon enrollment in the 2013 EIP, Beneficiaries were granted a certain number of shares which they were entitled to acquire at a pre-determined price of 1/13 of a Swiss franc. The pre-determined price was generally paid by the Beneficiaries at the grant date and recognized as a pre-payment until the vesting period elapsed. The shares generally fully vest over a four-year vesting period, with 25% of the shares underlying the grant vesting after one year, and 1/48th of the shares underlying the grant vesting each month over a further period of three years. The Company has no present obligation to repurchase or settle the shares in cash. The Company stopped granting shares under the 2013 EIP in 2016, resulting in the 2013 EIP being fully vested as of December 31, 2020. There was no share based compensation expense for the 2013 EIP in the years ended December 31, 2022 and 2021. There are 469,139 stock options outstanding under the 2013 EIP as of December 31, 2022.

Employee equity incentive plan 2017

The Company established in 2017 the 2017 EIP for Beneficiaries of the Group, under which 4,949,265 and 3,050,340 stock options were granted during the year ended December 31, 2022 and 2021, respectively. The stock-options typically vest under a 3-year or 4-year vesting schedule, have a 10-year expiration term and have an exercise price equivalent to the share price at grant date. Certain grants also include non-market performance vesting conditions, common to all employees, regularly assessed to determine the numbers of awards expected to vest. During the year ended December 31, 2022, performance-based stock options of 1,126,375 were granted to certain employees. Following the termination of the Kissei License Agreement, the performance-based stock options were cancelled as the vesting conditions could no longer be met. Therefore, no incremental expense related to the performance-based stock options was recorded.

Movements in the number of stock-options outstanding under the 2017 EIP were as follows:

	Weighted- average exercise price (USD)	Number of options	Weighted- average exercise price (USD)	Number of options
At January 1,	**5.15**	**8,937,473**	**6.49**	**7,035,388**
Granted	1.51	4,949,265	3.29	3,050,340
Forfeited	2.40	(3,728,260)	6.08	(519,979)
Expired	7.34	(1,311,775)	10.35	(628,276)
Exercised	—	—	—	—
At December 31	**3.95**	**8,846,703**	**5.15**	**8,937,473**

No exercise of options occurred during the year ended December 31, 2022 and 2021.

The outstanding stock-options have the following range of exercise prices and remaining contractual life:

	As of December 31,	
	2022	**2021**
USD 15.00 to USD 17.99	54,000	96,500
USD 12.00 to USD 14.99	683,221	925,418
USD 9.00 to USD 11.99	750,995	1,211,075
USD 6.00 to USD 8.99	107,291	109,583
USD 3.00 to USD 5.99	2,108,121	3,539,628
USD 1.40 to USD 2.99	5,143,075	3,055,269
Total outstanding options	**8,846,703**	**8,937,473**
out of which are exercisable	*4,298,905*	*3,552,593*
Weighted-average remaining contractual life (in years)	6.9	8.2

The weighted average fair value of the stock-options granted during the years ended December 31, 2022 and 2021, determined using a Black-Scholes model was USD 1.22 and USD 2.57, respectively. The significant inputs to the model were:

	2022	**2021**
Weighted average share price at grant date	$ 1.51	$ 3.29
Weighted average exercise price	$ 1.51	$ 3.29
Weighted average 10-year volatility	80 %	80 %
Dividend yield	— %	— %
Weighted average 10-year risk free rate	1.88 %	1.45 %

Since the Company has a short track record as a public company, expected volatility has been determined based on the historical trend of an appropriate sample of public companies operating in the biotech and pharmaceutical industry.

19. Commitments and contingencies

License Obligations

Under the terms of the two license agreements with Merck Serono for nolasiban, the Company would be obligated to pay Merck Serono a high-single digit and a mid-single digit royalty, respectively, of net sales generated by the Company, its affiliates or sub-licensees of any product containing the in-licensed compounds.

Disputes and potential claims

The Company is a party in various contracts and subject to disputes, litigation, and potential claims arising in the ordinary course of business none of which are currently reasonably possible or probable of material loss.

On February 13, 2023, the Company received a letter from the law firm CMS von Erlach Partners SA on behalf of Wincasa SA (“Wincasa”) regarding the lease of office and parking space between the Company and Wincasa entered into on May 10, 2022 (the “Lease Agreement”) and subsequently terminated by Wincasa on September 30, 2022. The letter claimed a breach of contractual obligation pursuant to the Lease Agreement that led to the termination and requested payment for damages of approximately USD 0.4 million. The Company’s best estimate of the loss contingency is approximately $0.1 million, which is recorded within accrued expenses on the consolidated balance sheet at December 31, 2022.

20. Related party transactions

As of December 31, 2022, the Group’s related parties include key management (Board of Directors and Executive Committee) and members of their immediate families. The following transactions were carried out with related parties:

Key management remuneration

As of December 31, 2022, the Board of Directors is composed of seven members, whereas the Executive Committee is composed of six members. During 2022, four Executive Committee members stepped down. The following table sets forth the total remuneration recorded for members of the Board of Directors and Executive Committee:

	Year ended December 31,	
	2022	**2021**
Short-term employee benefits (including base and variable cash remuneration)	$ 5,071	$ 4,301
Post-employment benefits	190	42
Share-based payments	3,534	6,326
Total remuneration	**$ 8,795**	**$ 10,669**

There were no other significant transactions with related parties during the years presented.

21. Going concern

The Company has incurred recurring losses since inception, including net losses of USD 43.8 million for the year ended December 31, 2022. As of December 31, 2022, the Company had accumulated losses of USD 475.7 million, of which USD 30.6 million were offset with share premium. The Company expects to continue to generate operating losses for the foreseeable future. As of December 31, 2022, the Company had cash and cash equivalents of USD 8.4 million. These consolidated financial statements have been prepared assuming that the Company will continue as a going concern which contemplates the continuity of operations, realization of assets and the satisfaction of liabilities in the ordinary course of business. To date, the Company has funded its operations through equity and debt offerings and through payments from licensors. The Company believes that its current cash and cash equivalents are only sufficient to fund its operating expenses into the fourth quarter of 2023 and this raises substantial doubt about the Company’s ability to continue as a going concern. These factors individually and collectively indicate that a material uncertainty exists that may cast significant doubt about the Company’s ability to continue as a going concern within one year from the date of the issuance of these consolidated financial statements.

The future viability of the Company is dependent on its ability to raise additional debt and equity capital to finance its future operations. There can be no assurance that such capital will be available in sufficient amounts or on terms acceptable to the Company. The sale of additional equity may dilute existing shareholders and newly issued shares may contain senior rights and preferences compared to currently outstanding common shares. Issued debt securities may contain covenants and limit the Company’s ability to pay dividends or make other distributions to shareholders. The Company may receive future milestone payments from licensors or pursuant to the IP Acquisition Agreement, but that is dependent on achieving certain regulatory or commercial milestones that may never happen. The Company may seek additional funding through public or private financings, debt financing or collaboration agreements. On March 14, 2023, we received a delisting notice from The Nasdaq Stock Market LLC notifying us that our common shares were scheduled for delisting from the Nasdaq Capital Market on March 23, 2023 due to our failure to regain compliance with Nasdaq Listing Rule 5450(a)(1) because the bid price of our common shares has not closed at or above USD 1.00 per share for a minimum of ten consecutive business days. As a result, our common shares were delisted from The Nasdaq Capital Market and began trading on the over-the-counter market on March 23, 2023 under the symbol “OBSVF.”. The Company expects that its delisting will also impact its ability to obtain funding. The inability to obtain funding, as and when needed, would have a negative impact on the Company’s financial condition and ability to pursue its business strategies. If the Company is unable to obtain the required funding to run its operations and to develop and commercialize its product candidate, the Company could be forced to delay, reduce or eliminate some or all of its research and development programs, product portfolio expansion or commercialization efforts, which could adversely affect its business prospects, or the Company may be unable to continue operations. Management continues to explore options to obtain additional funding, including through collaborations with third parties related to the future potential development and/or commercialization of its product candidate. However, there is no assurance that the Company will be successful in raising funds, closing a collaboration agreement, obtaining sufficient funding on terms acceptable to the Company, or if at all, which could have a material adverse effect on the Company's business, results of operations and financial conditions.

22. Events after the reporting period

On February 23, 2023, the Board of Directors of the Company approved a reorganization plan, to, among other things, consolidate its operations in Switzerland, where its headquarters are located. The reorganization plan is intended to preserve cash, focus resources towards the development of Nolasiban and manage out-licensed programs. As part of the reorganization, the Company reduced its overall workforce by approximately 57%, including downsizing its US-based executive management team. The Company is beginning the activities with respect to the reorganization plan effective immediately. As a result, the Company expects to incur restructuring charges approximately USD 1.2 million attributable to cash payments primarily for notice period payments, including healthcare coverage to employees with respect to eliminated positions. Such restructuring charges are expected to be incurred and recorded in the first quarter of 2023.

On February 23, 2023, the Company entered into a Payoff and Termination Agreement (the "Payoff Agreement") with JGB, pursuant to which JGB agreed to accept a reduced prepayment premium of (i) USD 0.6 million in cash and (ii) USD 0.3 million in the form of approximately 1.5 million common shares of the Company (the "Payoff Shares") as prepayment for the New Notes issued by the Company to JGB due December 31, 2023. As of February 23, 2023, USD 4.7 million aggregate principal amount of the First Tranche Note and USD 1.9 million aggregate principal amount of the Second Tranche Note remained outstanding. The Company completed the transactions contemplated by the Payoff Agreement on February 24, 2023, in full satisfaction of its obligations under the New Notes and that certain Amended and Restated Securities Purchase Agreement, deemed dated as of October 12, 2021, among the Company and certain funds and accounts managed by JGB Management, Inc. (including JGB).

On February 28, 2023, the Company entered into a share purchase agreement with Ernest Loumaye, Founder and Board Member of the Company, pursuant to which the Company sold 4,000,000 common shares, at a price of approximately USD 0.11 per share, for an aggregate amount of approximately USD 0.4 million. The shares were issued from the Company's pool of treasury shares.

On March 10, 2023, Silicon Valley Bank ("SVB") was closed by California and federal regulatory agencies. As a result of these actions, the Federal Deposit Insurance Corporation (FDIC) established Silicon Valley Bridge Bank, N.A. (the "Bridge Bank") as successor to SVB. We maintained a portion of our cash with SVB. On March 12, 2023, the U.S. Treasury, Federal Reserve and FDIC rolled out emergency measures to fully protect all depositors of SVB and, on March 13, 2023, we had full access to our cash on deposit with SVB. As a result, we do not anticipate any losses with respect to such balances.

On March 14, 2023, the Company received a delisting notice from The Nasdaq Stock Market LLC notifying us that our common shares were scheduled for delisting from the Nasdaq Capital Market on March 23, 2023 due to our failure to regain compliance with Nasdaq Listing Rule 5450(a)(1) because the bid price of the Company's common shares has not closed at or above USD 1.00 per share for a minimum of ten consecutive business days. As a result, the Company's common shares were delisted from The Nasdaq Capital Market and began trading on the over-the-counter market on March 23, 2023 under the symbol "OBSVF". On March 28, 2023, the Company filed a post-effective amendment to various outstanding registration statements on Form F-3, which amendment was declared effective by the United States Securities and Exchange Commission on March 29, 2023, and a post-effective amendment to various outstanding registration statements on Form S-8, which amendment became effective immediately upon filing, each to remove and withdraw from registration the shares that were registered but remained unsold thereunder.

On April 6, 2023, the Company entered into a share purchase agreement with Ernest Loumaye, Founder and Board Member of the Company, pursuant to which the Company sold 4,000,000 common shares, at a price of approximately USD 0.08 per share, for an aggregate amount of approximately USD 0.3 million. The shares were issued from the Company's pool of treasury shares.

There were no other material events after the balance sheet date.

Report from the Auditor on the Consolidated IFRS Financial Statements

ObsEva SA
Plan-les-Ouates

Report of the statutory auditor
to the General Meeting

on the consolidated financial statements 2022

Report of the statutory auditor

to the General Meeting of ObsEva SA

Plan-les-Ouates

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of ObsEva SA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated statement of comprehensive loss, the consolidated statement of cash flows, the consolidated statement of changes in equity, for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements contained in the section labelled "Consolidated IFRS Financial Statements" on pages 35 to 64 give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

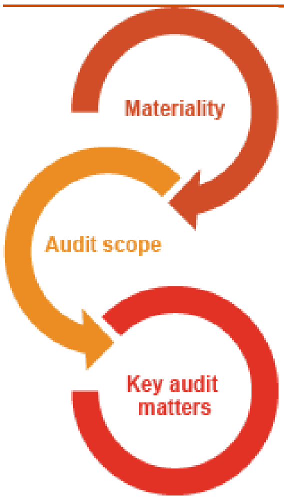
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw your attention to note 21 to these consolidated financial statements, which states that the Group has incurred recurring losses since inception and is dependent on the availability of future funding. This, along with other matters as described in note 21, indicates the existence of a material uncertainty which may cast significant doubt about the ability of the company to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

Overview	Overall Group materiality: USD 1'310'000 We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.



As key audit matter the following area of focus has been identified:

Carrying Value of Intangible Assets

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	USD 1'310'000
Benchmark applied	Profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above USD 65'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group is comprised of five entities located in four different countries, namely Switzerland, the United States of America (US), Ireland (inactive entity) and the Netherlands (inactive entity). The Group financial statements are a consolidation of these four entities, comprising the Group's operating business and centralized functions. Based on the Group's operations we have performed full scope audit work on the main Swiss entity, and audit of account balances on the US entity.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Material uncertainty related to going concern' section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Carrying Value of Intangible Assets

Key audit matter	How our audit addressed the key audit matter
As described in Note 2 Accounting principles applied in the preparation of the consolidated financial statements (page 39) and Note 7 Intangible assets (page 48), the Group has an intangible asset with a carrying value of USD 4.5 million for a biopharmaceutical product candidate that has not yet received regulatory and marketing approvals. The intangible asset is not yet ready for use. Therefore, in accordance with IAS 36 'Impairment of asset', the intangible asset was reviewed at least annually for impairment by assessing the fair value less costs of disposal (FVLCOD) (recoverable amount), using a 20-year forecast, assuming successful development and commercialization of the biopharmaceutical product candidate, and comparing this to the carrying value of the asset. As a result of such reviews, the Group concluded that no impairment was identified as of December 31, 2022. The principal considerations for our determination that performing procedures relating to the intangible asset valuation is a key audit matter are as follows: – Intangible assets are significant to the entity. Successful development and commercialization of the biopharmaceutical product candidate depends on the continued funding, progress of clinical trials and future market opportunities. – The forecasts performed by the entity contain a number of significant judgments and estimates, including probabilities of achieving development milestones based on industry standards and a discount factor of 15%. – The high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating the audit evidence obtained related to the valuation of the intangible asset and management's assumptions.	We assessed indicators for potential impairment by reviewing minutes of management, Board of Directors and board committee meetings, performed inquiry with management concerning the ongoing progress of clinical trials, and reviewed external communications, including press releases, other public filings and public communications coming from direct competitors, and considered results of subsequent event procedures performed. We assessed the reasonableness of key inputs included in the valuation model used by management to determine the recoverable amounts of intangible assets and recalculated the headroom. We assessed the sensitivity of the FVLCOD model for the license by assessing the key assumptions used, including the discount factor, over the forecasted period. We inquired of management as to whether the progress of clinical trials was satisfactory, discussions with regulatory authorities for new trials were progressing as planned, and enrolment status for ongoing clinical trials was taking place as expected. As a result of our procedures, we determined that the approach applied by management with regard to the carrying value of intangible assets was reasonable and supportable.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we 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.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and SA-CH 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 consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 opinion. 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 internal control relevant to the 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. 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 the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Luc Schulthess
Licensed audit expert
Auditor in charge

John Kiely

Genève, 28 April 2023

Statutory Financial Statements of ObsEva SA

Balance Sheet as of December 31,

	Notes	2022	2021	2022	2021
ASSETS			*(in USD)*		*(in CHF)*
Current assets					
Cash and cash equivalents		7,973,846	54,374,305	7,369,830	49,614,670
Restricted cash		6,534,385	—	6,039,407	—
Other current receivables		264,957	3,459,281	244,887	3,156,474
Deferred costs and prepaid expenses		783,027	5,184,777	723,713	4,730,929
Total current assets		**15,556,215**	**63,018,362**	**14,377,836**	**57,502,073**
Non-current assets					
Financial assets	4	204,060	206,695	188,602	188,602
Investments	5	110,750	1,185	101,082	1,081
Property, plant and equipment	6	27,578	49,540	25,489	45,204
Intangible assets	7	4,503,378	24,503,378	4,162,248	22,358,484
Total non-current assets		**4,845,766**	**24,760,799**	**4,477,421**	**22,593,371**
Total assets		**20,401,981**	**87,779,161**	**18,855,257**	**80,095,444**
LIABILITIES & SHAREHOLDERS' EQUITY					
Current liabilities					
Trade payables		888,632	7,714,167	821,318	7,038,909
Other current liabilities		651,929	1,031,346	602,545	941,068
Other current liabilities - Group Comp.		1,804,538	1,442,785	1,667,846	1,316,492
Accrued expenses		1,361,480	13,067,038	1,258,348	11,923,219
Current borrowings	8	6,534,385	—	6,039,407	—
Total current liabilities		**11,240,963**	**23,255,336**	**10,389,463**	**21,219,688**
Non-current liabilities					
Non-current borrowings	8	—	31,496,063	—	28,739,067
Other long-term liabilities		291,924	591,387	269,811	539,620
Total non-current liabilities		**291,924**	**32,087,450**	**269,811**	**29,278,687**
Shareholders' equity					
Share capital		13,413,443	6,948,220	11,281,336	6,575,471
Legal reserve from capital contribution		420,419,019	409,878,969	406,968,758	396,914,340
Accumulated deficit		(420,305,150)	(383,931,623)	(407,037,762)	(373,487,727)
Treasury shares		(4,658,218)	(459,191)	(3,016,349)	(405,016)
Total shareholders' equity	11	**8,869,094**	**32,436,375**	**8,195,983**	**29,597,069**
Total liabilities & shareholders' equity		**20,401,981**	**87,779,161**	**18,855,257**	**80,095,444**

Statement of Loss for the years ended December 31,

		2022	2021	2022	2021
			(in USD)		*(in CHF)*
INCOME					
Other income, net	13	24,019,826	22,218,179	22,913,110	20,337,006
Total income		**24,019,826**	**22,218,179**	**22,913,110**	**20,337,006**
OPERATING EXPENSES					
Staff costs		(8,493,574)	(10,895,057)	(8,102,231)	(9,972,592)
External research and development costs		(4,814,634)	(38,190,008)	(4,592,799)	(34,956,529)
Patent costs		(1,166,345)	(886,915)	(1,112,606)	(811,822)
Professional fees		(13,135,908)	(14,089,277)	(12,530,669)	(12,896,363)
Professional fees – Group Companies		—	(3,651,325)	—	(3,342,174)
Facilities		(3,825,477)	(3,693,482)	(3,649,218)	(3,380,762)
Other operating expenses		(5,012,299)	(396,311)	(4,781,357)	(362,756)
Impairment on intangible assets	7	(19,400,000)	—	(18,506,143)	—
Depreciation		(29,691)	(44,725)	(28,323)	(40,938)
Total operating expenses		**(55,877,928)**	**(71,847,100)**	**(53,303,346)**	**(65,763,936)**
OPERATING LOSS		**(31,858,102)**	**(49,628,920)**	**(30,390,236)**	**(45,426,929)**
Finance income		1,726,951	688,881	1,647,382	630,555
Finance expense		(6,242,377)	(6,540,013)	(5,956,037)	(5,986,282)
NET LOSS BEFORE TAX		**(36,373,527)**	**(55,480,053)**	**(34,698,890)**	**(50,782,657)**
Income tax expense	14	—	—	—	—
NET LOSS FOR THE PERIOD		**(36,373,527)**	**(55,480,053)**	**(34,698,890)**	**(50,782,657)**

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements 2022

1. General information

ObsEva SA was founded on November 14, 2012 in Geneva, Switzerland, and is domiciled 12 chemin des Aulx, 1228 Plan-les-Ouates. The purpose of the Company is all activities and services in the domains of research, development, fabrication, registration, promotion and commercialization of biotechnological and pharmaceutical products.

2. Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b of the Swiss Code of Obligations (CO), effective since January 1, 2013). Significant balance sheet items are accounted for as follows:

- ***Current assets***
  Other current receivables are carried at their nominal value. Impairment charges are calculated for these assets on an individual basis.

- ***Non-current assets***
  Property, plant and equipment is carried at cost less depreciation. Depreciation is calculated using the straight-line method, on the basis of the following useful lives:
  - furniture 5 years
  - hardware 3 years
  - leasehold improvement duration of lease

  Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable, on an individual basis. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

- ***Recognition of income***
  Income is recognised if its amount can be reliably measured and it is sufficiently probable that the economic benefits will flow to the Company.

- ***Foreign currencies***
  Monetary and non-monetary items in foreign currency are translated into the Company functional currency as follows:

  - the exchange rates used for balance sheet items are the rates prevailing on December 31;

  - the exchange rates used for transactions conducted during the course of the year and for items in the profit and loss statement are the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured.

  The functional currency of ObsEva SA is the US dollar (USD). Values in Swiss franc presented in accordance with Art. 958d of the Swiss code of Obligations were converted from the functional currency as follows:

	USD/CHF prevailing rate	**USD/CHF rate for year ended December 31, 2022**	**USD/CHF rate for year ended December 31, 2021**
Statement of loss	Average rate for the period	0.95392	0.91533
Shareholders' equity	Historical rates	—	—
Balance sheet, other line items	Closing rate as of December 31	0.92425	0.91247

All resulting exchange differences were reported as currency translation differences in equity.

3. Full-time positions

The Company employed on average 35.3 full-time equivalents (FTE) in 2022 (2021: 40.7 FTE) and 9.6 FTE as of December 31, 2022 (December 31, 2021: 42.2 FTE).

4. Pledges on assets to secure own liabilities

	December 31,		December 31,	
	2022	**2021**	**2022**	**2021**
		(in USD)		*(in CHF)*
Escrow accounts	204,060	206,695	188,602	188,602
Total	**204,060**	**206,695**	**188,602**	**188,602**

As of December 31, 2022, USD 204,060 (CHF 188,602) were held on escrow accounts as security rental deposits (December 31, 2021: USD 206,695 (CHF 188,602)).

5. Investments

ObsEva SA owned as of December 31, 2022:

Company	Business	Capital	Interest in capital	Voting rights
ObsEva Switzerland SA, Plan-Les-Ouates, Switzerland	Research and development	CHF 100,000.00	100%	100%
ObsEva Europe BV, Rotterdam, Netherlands	Research and development	EUR 1,000.00	100%	100%
ObsEva Ireland Ltd, Cork, Ireland	Research and development	EUR 2.00	100%	100%
ObsEva USA Inc., New York, USA	Research and development	USD 0.50	100%	100%

Recognized in the balance sheet as follows:

	December 31,		December 31,	
	2022	**2021**	**2022**	**2021**
		(in USD)		*(in CHF)*
Shareholding ObsEva Switzerland SA	109,565	—	100,000	—
Shareholding ObsEva Europe BV	1,182	1,182	1,079	1,079
Shareholding ObsEva Ireland Ltd	2	2	2	2
Shareholding ObsEva USA Inc	1	1	1	1
Total	**110,750**	**1,185**	**101,082**	**1,083**

6. Property, plant and equipment

(in USD)	**Furniture**	**Hardware**	**Leasehold improvement**	**Total**
Net book value as of 1st Jan. 2022	12,388	25,034	12,118	49,540
Additions	—	7,730	—	7,729
Depreciation charge	(8,087)	(15,897)	(5,707)	(29,691)
Net book value as of 31 Dec. 2022	**4,301**	**16,866**	**6,411**	**27,578**
Total cost	*109,733*	*212,954*	*122,402*	*445,089*
Accumulated depreciation	*(105,432)*	*(196,089)*	*(115,991)*	*(417,511)*

(in USD)	**Furniture**	**Hardware**	**Leasehold improvement**	**Total**
Net book value as of 1st Jan. 2021	24,359	28,906	17,825	71,090
Additions	—	23,175	—	23,175
Depreciation charge	(11,971)	(27,047)	(5,707)	(44,725)
Net book value as of 31 Dec. 2021	**12,388**	**25,034**	**12,118**	**49,540**

Total cost	*109,733*	*205,225*	*122,402*	*437,360*
Accumulated depreciation	*(97,345)*	*(180,191)*	*(110,284)*	*(387,820)*

(in CHF)	**Furniture**	**Hardware**	**Leasehold improvement**	**Total**
Net book value as of 1st Jan. 2022	11,304	22,843	11,057	45,204
Additions	—	7,143	—	7,143
Currency translation difference	146	295	143	584
Depreciation charge	(7,474)	(14,694)	(5,274)	(27,442)
Net book value as of 31 Dec. 2022	**3,976**	**15,587**	**5,926**	**25,489**
Total cost	*97,586*	*189,877*	*108,538*	*396,001*
Accumulated depreciation	*(93,610)*	*(174,290)*	*(102,611)*	*(370,511)*

(in CHF)	**Furniture**	**Hardware**	**Leasehold improvement**	**Total**
Net book value as of 1st Jan. 2021	21,459	25,466	15,703	62,629
Additions	—	21,146	—	21,146
Currency translation difference	768	910	562	2’239
Depreciation charge	(10,923)	(24,679)	(5,207)	(40,810)
Net book value as of 31 Dec. 2021	**11,304**	**22,843**	**11,057**	**45,204**
Total cost	*97,440*	*182,439*	*108,395*	*388,275*
Accumulated depreciation	*(86,136)*	*(159,596)*	*(97,337)*	*(343,070)*

7. Intangible assets

As of December 31, 2022 the Company holds a license to operate one pharmaceutical compound, which was acquired for USD 4,503,378 (CHF 4,162,248). As of December 31, 2021 the company was holding licenses to operate several pharmaceutical compounds which were acquired for USD 24,503,378 (CHF 22,428,721).

Nolasiban

The company holds one license to operate and develop nolasiban with a value of USD 4.5 (CHF 4.2) million. We test our purchased intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. The license has been reviewed for impairment by assessing the fair value less costs of disposal (“FVLCOD”). The key assumptions used in the valuation model (income approach) to determine the FVLCOD of the license is as follows:

- Expected research and development costs;
- Probabilities of achieving development milestones based on industry standards;
- Reported disease prevalence;
- Expected market share;
- Commercialization expectations;
- Drug reimbursement, costs of goods and marketing expenses; and
- Expected patent life.

The valuation model covers a 20-year period due to the length of the development cycle for assets of this nature. A discount factor of 15%, based on the assumed cost of capital for the Company, has been used over the forecast period. Based on sensitivity analysis performed as of December 31, 2022, the carrying value of the license would exceed its recoverable amount by USD 0.5 million if the discount factor was increased to 20% assuming no changes to the other key assumptions. Accordingly, no impairment was identified.

Ebopiprant

In June 2015, we entered into the 2015 license agreement with Merck Serono pursuant to which we acquired a worldwide exclusive license to develop, manufacture and commercialize ebopiprant. In consideration for this transaction, 25,000 preferred shares were to be issued to Merck upon the initiation of the Phase 1 Study.

Under Swiss Code of Obligations, no value was attributed to the ebopiprant intangible asset as of the date of acquisition of the license in June 2015, as the issuance of preferred shares was dependent on the initiation of the Phase 1 Study.

While ObsEva owned the rights to the ebopiprant license, there was no consideration paid upon acquisition and therefore, no value could be attributed to the intangible asset upon closing.

Upon the initiation of the Phase 1 study in August 2016, we issued 25,000 of preferred A shares to Merck Serono in accordance with the license agreement. The transaction was recorded as a debit to cash and credit to equity. Article 960a CO prevents any subsequent revaluation at a higher value than the value at original acquisition, which was null due to the structure of the deal. Since the asset was already under our ownership, no value related to the ebopiprant intangible asset was recorded in the financial statements in accordance with the Swiss Code of Obligation.

On November 21, 2022, we entered into an IP Acquisition Agreement with XOMA for the sale of all of our rights to Ebopiprant, for an upfront payment of USD 15 (CHF 14.4) million and future milestone payments of up to approximately USD 98 (CHF 93.9) million. The upfront payment, net of transaction costs, was recognized as income upon delivery of the asset as we have no material ongoing performance obligations under the IP Acquisition Agreement. The future milestone payments will be recognized upon the achievement of future milestones. The net gain on sale of USD 14.2 million is recorded in other operating income on the Company's consolidated statement of comprehensive loss in the year ended December 31, 2022.

Linzagolix

On February 10, 2022, the Company entered into a strategic licensing agreement with Theramex HQ UK Limited ("Theramex") to support the commercialization and market introduction of linzagolix across global markets outside of the U.S., Canada and Asia ("Theramex License Agreement"). Given the out-licensing of linzagolix in certain territories to Theramex, the Company concluded that a portion of the linzagolix intangible assets should be de-recognized. The Company calculated the out-licensed territories as representing 3% of the probability-weighted gross profit from linzagolix product sales world-wide and as a result, recorded a partial derecognition of USD 0.6 million of intangible asset. The net gain on sale of USD 4.8 million is recorded in other operating income on the Company's consolidated statement of comprehensive loss in the year ended December 31, 2022.

During the second quarter of 2022, the Company identified an interim impairment trigger for the linzagolix intangible asset resulting from the review issues communicated by the U.S. Food and Drug Administration (FDA) regarding deficiencies in the New Drug Application (NDA) for linzagolix for uterine fibroids. After performing an interim impairment assessment, the Company concluded that the full remaining net book value of the asset was impaired and recorded a charge of USD 19.4 million (CHF 18.5 million).

8. Borrowings

On October 12, 2021, the Company entered into the Securities Purchase Agreement with JGB, which was structured to provide up to USD 135.0 million in borrowing capacity, available in nine tranches. We received gross proceeds of USD 30.0 million at closing and used the proceeds to repay all amounts outstanding under a prior agreement with Oxford Finance. On January 28, 2022, we entered into an amendment agreement and an amended and restated securities purchase agreement (the "Amendment Agreements"), with JGB regarding the second tranche under the Securities Purchase Agreement. In connection with the Amendment Agreements, we received proceeds of USD 10.5 million (USD 975 thousand of original issue discount) in the second tranche, funded on January 28, 2022, and the conversion price for the note issued in the second tranche was adjusted to a price of USD 1.66 per common share. In addition, as adjusted pursuant to the Amendment Agreements, we issued a warrant to purchase 1,018,716 of our common shares at an exercise price of USD 1.87 per share.

On July 27, 2022, our announced application to the courts of competent jurisdiction of the Swiss canton of Geneva for a preliminary moratorium resulted in the Events of Default under the Outstanding Notes (the "Events of Default").

On July 31, 2022, we entered into the Amendment and Forbearance Agreement with JGB, pursuant to which we and JGB agreed to apply USD 31.0 million (the "Account Balances") previously held in a control account in accordance with the Transaction Agreements against the Outstanding Notes on a pro rata basis, and JGB waived any application of the 25% prepayment premium permitted under the Outstanding Notes with respect to the Account Balances through the forbearance period. In addition, JGB agreed to refrain and forebear from exercising or pursuing any rights or remedies under the Transaction Agreements with respect to the Events of Default until the earlier to occur of (i) October 29, 2022, (ii) the occurrence of any event of default under the Transaction Agreements (other than the Events of Default), and (iii) the date upon which a preliminary moratorium has been granted by the courts of competent jurisdiction of the Swiss canton of Geneva. In exchange for the waiver of the prepayment penalty and forbearance on exercising such rights and remedies, USD 1.5 million was added to the outstanding principal balance under the Outstanding Notes, resulting in an aggregate outstanding balance of approximately USD 11.0 million under the

Outstanding Notes, the conversion price of the Outstanding Notes was adjusted to a conversion price of USD 0.26 per share (subject to adjustment as provided in the Outstanding Notes) and our right to mandatory conversion of any convertible notes issued pursuant to the Securities Purchase Agreement, including the Outstanding Notes, was terminated. In addition, JGB is no longer obligated to fund any future mandatory or optional tranche closing under the Securities Purchase Agreement.

Following the execution of the amendment, JGB converted USD 3.8 million of the outstanding principal balance and USD 0.4 million of accrued and unpaid interest under the Outstanding Notes into 16,346,135 common shares.

On October 26, 2022, we entered into the Extension Amendment with JGB, pursuant to which JGB agreed to refrain and forebear from exercising or pursuing any rights or remedies under the Transaction Agreements with respect to the Events of Default until the earlier to occur of (i) December 1, 2022, (ii) the occurrence of any event of default under the Transaction Agreements (other than the Events of Default), and (iii) the date upon which a preliminary moratorium has been granted by the courts of competent jurisdiction of the Swiss canton of Geneva. In exchange for the forbearance on exercising such rights and remedies, (i) the conversion price for USD 2.0 million of outstanding principal amount of the Outstanding Notes was adjusted to a conversion price of USD 0.19 per share (subject to adjustment as provided in the Outstanding Notes), and (ii) an aggregate of USD 0.5 million of outstanding principal amount (such amount a part of the USD 2.0 million principal amount with a conversion price of USD 0.19 per share) and all accrued and unpaid interest on the Outstanding Notes through and including October 31, 2022, was exchanged for 2,631,579 common shares, representing a conversion price of USD 0.19 per share.

On November 21, 2022, we and JGB entered into the Consent, whereby JGB consented to our transaction with XOMA, and we agreed to maintain in a control account in favor of JGB a minimum cash balance of USD 6.7 million, representing the aggregate principal balance under the Outstanding Notes as of the date of the Consent, provided such minimum cash balance shall be correspondingly reduced upon any conversion of the outstanding balance or payoff of the outstanding notes. In addition, pursuant to the Consent, the maturity date for each Outstanding Note was amended to December 31, 2023.

9. Amounts due to pension funds

As of December 31, 2022, amounts due to pension funds amounted to USD 229,001 (CHF 211,655) (December 31, 2021: USD 367,052 (CHF 334,922)).

10. Lease commitments not reported in the balance sheet

Operating lease commitments

	December 31,		December 31,	
	2022	**2021**	**2022**	**2021**
		(in USD)		*(in CHF)*
Within 1 year	239,695	485,581	221,538	443,076
Later than 1 year and no later than 5 years.	—	242,791	—	221,538
Later than 5 years	—	—	—	—
Total	**239,695**	**728,372**	**221,538**	**664,614**

11. Shareholders' equity

(in USD)	**Share capital**	**Legal reserve from capital cont.**	**Accumulated deficit**	**Shareholders' equity**
January 1, 2022	6,489,029	409,878,969	(383,931,623)	**32,436,375**
Issuance of shares - ATM offering net of costs	588,491	5,773,760	—	**6,362,251**
Issuance of shares – Underwritten offering	1,677,705	4,766,290	—	**6,443,995**
Net loss for the year	—	—	(36,373,527)	**(36,373,527)**
December 31, 2022	**8,755,225**	**420,419,019**	**(420,305,150)**	**8,869,094**

(in USD)	**Share Capital**	**Legal reserve from capital cont.**	**Accumulated deficit**	**Shareholders' equity**
January 1, 2021	4,573,555	337,948,342	(328,451,570)	**14,070,327**
Issuance of shares - ATM offering	1,360,264	52,327,239	—	**53,687,503**
Issuance of shares – Underwritten offering	555,210	21,562,253	—	**22,117,463**
Costs of share issuance	—	(1,958,865)	—	**(1,958,865)**
Net loss for the year	—	—	(55,480,053)	**(55,480,053)**
December 31, 2021	**6,489,029**	**409,878,969**	**(383,931,623)**	**32,436,375**

(in CHF)	**Share capital**	**Legal reserve from capital cont.**	**Accumulated deficit**	**Shareholders' equity**
January 1, 2022	6,170,455	396,914,340	(373,487,727)	**29,597,068**
Issuance of shares - ATM offering net of costs	543,913	5,507,736	—	**6,051,648**
Issuance of shares – Underwritten offering	1,550,619	4,546,682	—	**6,097,302**
Currency translation differences	—	—	1,148,855	**1,148,855**
Net loss for the year	—	—	(34,698,890)	**(34,698,890)**
December 31, 2022	**8,264,987**	**406,968,758**	**(407,037,762)**	**8,195,983**

(in CHF)	**Share capital**	**Legal reserve from capital cont.**	**Accumulated deficit**	**Shareholders' equity**
January 1, 2021	4,412,071	330,876,411	(322,892,810)	**12,395,672**
Issuance of shares - ATM offering	1,245,093	47,896,638	—	**49,141,731**
Issuance of shares – Underwritten offering	513,292	19,934,303	—	**20,447,595**
Costs of share issuance	—	(1,793,011)	—	**(1,793,011)**
Currency translation differences	—	—	187,740	**187,740**
Net loss for the year	—	—	(50,782,657)	**(50,782,657)**
December 31, 2021	**6,170,455**	**396,914,340**	**(373,487,727)**	**29,597,069**

Outstanding Share Capital and Non-Voting Share Capital

As of December 31, 2022, the total outstanding share capital of USD 10,572,934 (CHF 11,281,336), fully paid, consists of 146,919,237 common shares, less 39,212,538 treasury shares. All shares have a nominal value of 1/13 of a Swiss franc.

As of December 31, 2021, the total outstanding share capital of USD 6,489,029 (CHF 6,170,455), fully paid, consists of 85,220,471 common shares, less 5,265,203 treasury shares. All shares have a nominal value of 1/13 of a Swiss franc.

Significant Changes in Shareholders' Equity

During the year ended December 31, 2022, JGB converted USD 6.0 (CHF 5.5) million of the outstanding principal and USD 0.5 (CHF 0.5) million of the accrued and unpaid interest under the Outstanding Notes into 20,930,345 common shares. As the conversions were completed within the terms of the Securities Purchase Agreement, no gain or loss was recognized as a result of these conversions.

In February 2022, the Company announced the issuance of 23,400,000 common shares at par value of 1/13 of a Swiss franc per share. The shares were fully subscribed for by a fully owned subsidiary of the Company and listed on the SIX Swiss Exchange accordingly. The shares were initially held as treasury shares.

In December 2022, the Company announced the issuance of 20,000,000 common shares at par value of 1/13 of a Swiss franc per share. The shares were fully subscribed for by a fully owned subsidiary of the Company and listed on the SIX Swiss Exchange accordingly. The shares were initially held as treasury shares.

During the year ended December 31, 2022, the Company sold a total of 6,821,086 treasury shares at an average price of USD 0.97 per share, as part of its ATM program with SVB Leerink LLC. These multiple daily transactions generated total gross proceeds of USD 6.6 million. Directly related share issuance costs of USD 0.2 million were recorded as a deduction in equity. The Company's ATM program with SVB Leerink LLC expired during the three-months ended September 30, 2022.

During the year ended December 31, 2021, the Company sold a total of 15,933,420 treasury shares at an average price of USD 3.28 per share, as part of its ATM program. These multiple daily transactions generated total gross proceeds of USD 53.7 million. Directly related share issuance costs of USD 2.0 million were recorded as a deduction in equity. During the year ended December 31, 2021, 6,448,240 warrants were exercised at an average price of USD 3.43 per share, resulting in proceeds of USD 22.1 million.

Treasury shares

The changes in the number of treasury shares owned by the Company in 2022 and 2021 are as follows:

(Number of treasury shares)	2022	2021
At January 1,	5,265,203	3,608,281
Sale of treasury shares	(6,821,086)	(15,933,420)
Purchase of treasury shares	43,400,00	17,590,342
Conversion of treasury shares	(2,631,579)	—
At December 31	**39,212,538**	**5,265,203**

As of December 31, 2022, ObsEva SA owns more than 10% of its treasury shares, exceeding the threshold contemplated in article 659 para. 2 CO. ObsEva SA has determined that there is no Swiss withholding tax risk associated with the holding of more than 10% of treasury shares. The shares have been subscribed by an affiliate at their par value and have not been purchased on the market for a price exceeding the par value.

Company's Proposal of appropriation of accumulated losses

Accumulated losses (in USD)	2022	2021
Loss for the period	36,373,527	55,480,053
Accumulated losses	383,931,623	328,451,570
Total accumulated losses	**420,305,150**	**383,931,623**

Accumulated losses (in CHF)	2022	2021
Loss for the period	34,698,890	50,782,657
Currency translation differences	(1,148,855)	(187,740)
Accumulated losses	373,487,727	322,892,810
Total accumulated losses	**407,037,762**	**373,487,727**

Proposal of the Board of directors

Accumulated losses (in USD)	2022	2021
Offsetting with legal capital reserve capital	—	—
Carryforward to new account	420,305,150	383,931,623
Total accumulated losses	**420,305,150**	**383,931,623**

Accumulated losses (in CHF)	2022	2021
Offsetting with legal capital reserve capital	—	—
Carryforward to new account	407,037,762	373,487,727
Total accumulated losses	**407,037,762**	**373,487,727**

12. Authorized capital and conditional capital

The authorized share capital and conditional share capital as of December 31, 2022 and December 31, 2021 are as follows:

(CHF)	December 31, 2022	December 31, 2021
Authorized share capital	2,639,248	3,123,864
Conditional share capital	2,851,084	1,757,855

13. Other income, net

The Company recognized USD 24.0 million (CHF 22.9 million) and USD 22.2 million (CHF 20.3 million) of other income, net in the years ended December 31, 2022 and 2021, respectively.

In February 2022, we received EUR 5.0 million (USD 5.5 million, CHF 5.3 million) from Theramex in connection with the Theramex License Agreement. The gain on the disposal of the asset, net of de-recognition of intangible asset, was USD 4.8 million (CHF 4.4 million).

In November 2022, we entered into the IP Acquisition Agreement with XOMA for the sale of all of our rights to ebopiprant, which included the assignment to XOMA of the Merck Serono License Agreement and the Organon License Agreement. Pursuant to the IP Acquisition Agreement, we received an upfront payment of USD 15.0 million (CHF 14.4 million) and are eligible to receive future milestone payments of up to approximately USD 98 million upon the achievement of certain development and regulatory and sales milestones under the Organon License Agreement. In consideration for entering into this agreement, the Company recognized the upfront payment, net of fees, of USD 14.2 million (CHF 13.1 million) as other income.

We recognized USD 4.9 million (CHF 4.7 million) in assignment revenue during the year ended December 31, 2022 following the termination of the Kissei License Agreement and assignment of linzagolix contractual obligations related to the linzagolix program to Kissei.

In July 2021, the Company entered into an agreement with Organon to develop and commercialize ebopiprant. Under the terms of the agreement, Organon gained exclusive worldwide rights to develop, manufacture and commercialize ebopiprant. In consideration for entering into this agreement, the Company received an upfront payment of USD 25 million. In consideration for entering into this agreement, the Company recognized the upfront payment, net of fees, of USD 22.2 million (CHF 20.5 million) as other income in the year ended December 31, 2021.

14. Income tax

Subsequent to the enforcing of the “Federal Act on Tax Reform and AHV Financing” (TRAF) on January 1, 2020, the Company is subject in Switzerland to a corporate income tax rate of 14% (2021 : 14%), including a federal tax rate of

8.5% on its profits after tax. It is entitled to carry forward any loss incurred for a period of seven years and can offset such losses carried forward against future taxes. In 2015, the Company was granted by the State Council of the Canton of Geneva an exemption of income and capital tax at municipal and cantonal levels for the period from 2013 until 2022. Because of this exemption, and the fact that the Company has incurred net losses since its inception, no income tax expense at the municipal, cantonal or federal levels was recorded in the Company for the years ended December 31, 2022 and 2021.

15. Going concern

The financial statements have been prepared assuming the Company will continue as a going concern which contemplates the continuity of operations, realization of assets and the satisfaction of liabilities in the ordinary course of business. The Company has experienced recurring losses since its inception.

The Company expects to continue to generate operating losses for the foreseeable future. As of December 31, 2022, the Company had cash and cash equivalents of USD 8.0 million (CHF 7.4 million). The Company believes that its current cash and cash equivalents are only sufficient to fund its operating expenses into the fourth quarter of 2023 and this raises substantial doubt about the Company's ability to continue as a going concern within one year from the date of the issuance of these financial statements. These factors individually and collectively indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern within one year from the date of the issuance of these consolidated financial statements.

The future viability of the Company is dependent on its ability to raise additional debt and equity capital to finance its future operations. There can be no assurance that such capital will be available in sufficient amounts or on terms acceptable to the Company. The sale of additional equity may dilute existing shareholders and newly issued shares may contain senior rights and preferences compared to currently outstanding common shares. Issued debt securities may contain covenants and limit the Company's ability to pay dividends or make other distributions to shareholders. The Company may receive future milestone payments from licensors or pursuant to the IP Acquisition Agreement, but that is dependent on achieving certain regulatory or commercial milestones that may never happen. The Company may seek additional funding through public or private financings, debt financing or collaboration agreements. On March 14, 2023, we received a delisting notice from The Nasdaq Stock Market LLC notifying us that our common shares were scheduled for delisting from the Nasdaq Capital Market on March 23, 2023 due to our failure to regain compliance with Nasdaq Listing Rule 5450(a)(1) because the bid price of our common shares has not closed at or above USD 1.00 per share for a minimum of ten consecutive business days. As a result, our common shares were delisted from The Nasdaq Capital Market and began trading on the over-the-counter market on March 23, 2023 under the symbol "OBSVF.". The Company expects that its delisting will also impact its ability to obtain funding. The inability to obtain funding, as and when needed, would have a negative impact on the Company's financial condition and ability to pursue its business strategies. If the Company is unable to obtain the required funding to run its operations and to develop and commercialize its product candidate, the Company could be forced to delay, reduce or eliminate some or all of its research and development programs, product portfolio expansion or commercialization efforts, which could adversely affect its business prospects, or the Company may be unable to continue operations. Management continues to explore options to obtain additional funding, including through collaborations with third parties related to the future potential development and/or commercialization of its product candidate. However, there is no assurance that the Company will be successful in raising funds, closing a collaboration agreement, obtaining sufficient funding on terms acceptable to the Company, or if at all, which could have a material adverse effect on the Company's business, results of operations and financial conditions.

16. Events after the balance sheet date

On February 13, 2023, the Company received a letter from the law firm CMS von Erlach Partners SA on behalf of Wincasa SA ("Wincasa") regarding the lease of office and parking space between the Company and Wincasa entered into on May 10, 2022 (the "Lease Agreement") and subsequently terminated by Wincasa on September 30, 2022. The letter claimed a breach of contractual obligation pursuant to the Lease Agreement that led to the termination and requested payment for damages of approximately USD 0.4 million. The Company's best estimate of the loss contingency is approximately $0.1 million, which is recorded within accrued expenses on the consolidated balance sheet at December 31, 2022.

On February 23, 2023, the Board of Directors of the Company approved a reorganization plan, to, among other things, consolidate its operations in Switzerland, where its headquarters are located. The reorganization plan is intended to preserve cash, focus resources towards the development of Nolasiban and manage out-licensed programs. As part of the reorganization, the Company reduced its overall workforce by approximately 57%, including downsizing its US-based executive management team. The Company is beginning the activities with respect to the reorganization plan effective immediately. As a result, the Company expects to incur restructuring charges approximately USD 1.2 million (CHF 1.1 million) attributable to cash payments primarily for notice period payments, including healthcare coverage to employees with respect to eliminated positions. Such restructuring charges are expected to be incurred and recorded in the first quarter of 2023.

On February 23, 2023, the Company entered into a Payoff and Termination Agreement (the "Payoff Agreement") with JGB, pursuant to which JGB agreed to accept a reduced prepayment premium of (i) USD 0.6 million (CHF 0.6 million) in cash and (ii) USD 0.3 million (CHF 0.3 million) in the form of approximately 1.5 million common shares of the Company (the "Payoff Shares") as prepayment for the New Notes issued by the Company to JGB due December 31, 2023. As of February 23, 2023, USD 4.7 million (CHF 4.4 million) aggregate principal amount of the First Tranche Note and USD 1.9 million (CHF 1.8 million) aggregate principal amount of the Second Tranche Note remained outstanding. The Company completed the transactions contemplated by the Payoff Agreement on February 24, 2023, in full satisfaction of its obligations under the New Notes and that certain Amended and Restated Securities Purchase Agreement, deemed dated as of October 12, 2021, among the Company and certain funds and accounts managed by JGB Management, Inc. (including JGB).

On February 28, 2023, the Company entered into a share purchase agreement with Ernest Loumaye, Founder and Board Member of the Company, pursuant to which the Company sold 4,000,000 common shares, at a price of approximately USD 0.11 per share, for an aggregate amount of approximately USD 0.4 million (CHF 0.4 million). The shares were issued from the Company's pool of treasury shares.

On March 10, 2023, Silicon Valley Bank ("SVB") was closed by California and federal regulatory agencies. As a result of these actions, the Federal Deposit Insurance Corporation (FDIC) established Silicon Valley Bridge Bank, N.A. (the "Bridge Bank") as successor to SVB. We maintained a portion of our cash with SVB. On March 12, 2023, the U.S. Treasury, Federal Reserve and FDIC rolled out emergency measures to fully protect all depositors of SVB and, on March 13, 2023, we had full access to our cash on deposit with SVB. As a result, we do not anticipate any losses with respect to such balances.

On March 14, 2023, the Company received a delisting notice from The Nasdaq Stock Market LLC notifying us that our common shares were scheduled for delisting from the Nasdaq Capital Market on March 23, 2023 due to our failure to regain compliance with Nasdaq Listing Rule 5450(a)(1) because the bid price of the Company's common shares has not closed at or above USD 1.00 per share for a minimum of ten consecutive business days. As a result, the Company's common shares were delisted from The Nasdaq Capital Market and began trading on the over-the-counter market on March 23, 2023 under the symbol "OBSVF". On March 28, 2023, the Company filed a post-effective amendment to various outstanding registration statements on Form F-3, which amendment was declared effective by the United States Securities and Exchange Commission on March 29, 2023, and a post-effective amendment to various outstanding registration statements on Form S-8, which amendment became effective immediately upon filing, each to remove and withdraw from registration the shares that were registered but remained unsold thereunder.

On April 6, 2023, the Company entered into a share purchase agreement with Ernest Loumaye, Founder and Board Member of the Company, pursuant to which the Company sold 4,000,000 common shares, at a price of approximately USD 0.08 per share, for an aggregate amount of approximately USD 0.3 million (CHF 0.3 million). The shares were issued from the Company's pool of treasury shares.

There were no other material events after the balance sheet date.

Report from the Auditor on the Statutory Financial Statements of ObsEva SA

ObsEva SA
Plan-les-Ouates

Report of the statutory auditor
to the General Meeting

on the financial statements 2022

Report of the statutory auditor

to the General Meeting of ObsEva SA

Plan-les-Ouates

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ObsEva SA (the Company), which comprise the balance sheet as at 31 December 2022, and the statement of loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements contained in the section labelled “Statutory Financial Statements of ObsEva SA” on pages 72 to 83 comply with Swiss law and the Company’s articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor’s responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

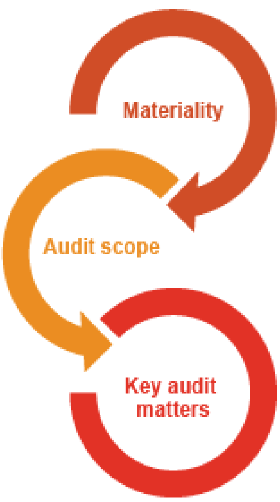
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw your attention to note 15 to these financial statements, which states that the entity has incurred recurring losses since inception and is dependent on the availability of future funding. This, along with other matters as described in note 15, indicates the existence of a material uncertainty which may cast significant doubt about the ability of the company to continue as a going concern. If it is not possible for the company to continue as a going concern, the financial statements will need to be prepared on the basis of liquidation values. This would lead to a substantiated concern that the company’s liabilities exceed its assets within the meaning of article 725b CO, requiring compliance with the corresponding legal provisions. Our opinion is not modified in respect of this matter.

Our audit approach

Overview



Overall materiality: USD 1’080’000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

Intangible assets

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	USD 1’080'000
Benchmark applied	Loss before tax
Rationale for the materiality benchmark applied	We chose loss before taxes as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured, and it is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above USD 108'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying Value of Intangible Assets

Key audit matter	How our audit addressed the key audit matter
As described in Note 2 Accounting principles applied in the preparation of the financial statements (page 74) and in Note 7 Intangible assets (page 76), the company has an intangible asset with a carrying value of USD 4.5 million for a pharmaceutical compound. The license was reviewed for impairment by assessing the fair value less costs of disposal (FVLCOD) (recoverable amount), using a 20-year forecast, assuming successful development and commercialization of the pharmaceutical compound, and comparing this to be the carrying value of the asset. As a result of such reviews, the entity concluded that no impairment was identified as of December 31, 2022. The principal considerations for our determination that performing procedures relating to the intangible assets’ valuation is a key audit matter are as follows: - Intangible assets are significant to the entity. Successful development and commercialization depend on the	We assessed indicators for potential impairment by reviewing minutes of management, Board of Directors and board committee meetings, performed inquiry with management concerning the ongoing progress of clinical trials, and reviewed external communications, including press releases, other public filings and public communications coming from direct competitors, and considered results of subsequent event procedures. We assessed the reasonableness of key inputs included in the valuation models used by management to determine the recoverable amounts of intangible assets and recalculated the headroom. We assessed the sensitivity of the FVLCOD model for the license by assessing the key assumptions used, including the discount factor, over the forecasted period. We inquired of management as to whether the progress of clinical trials was satisfactory, discussions with regulatory

continuing funding, progress of clinical trials and future market opportunities. - The forecasts performed by the entity contain a number of significant judgments and estimates, including probabilities of achieving development milestones based on industry standards and a discount factor of 15%. - The high degree of audit judgment, subjectivity and effort in performing procedures and evaluating the audit evidence obtained related to the valuation of the intangible assets and management's assumptions.	authorities for new trials were progressing as planned, and enrolment status for ongoing clinical trials was taking place as expected. As a result of our procedures, we determined that the approach applied by management with regard to the carrying value of intangible assets was reasonable and supportable.

Other matter

We draw your attention to the fact that the Company owns more than 10% of its treasury shares, exceeding the threshold set forth in article 659 para.2 CO. Given that the shares were subscribed by an affiliate at their par value and have not been purchased on the market for a price exceeding the par value, the Company determines that no tax implications are expected. Our opinion is not qualified in respect of this matter.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we 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.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH 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 financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 opinion. 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 internal control relevant to the 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.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 financial statements or, if such disclosures are inadequate, to modify our opinion. 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 the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed carry forward of the accumulated losses complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Furthermore, we draw attention to the fact that half of the sum of share capital, non-distributable legal capital reserve and legal profit reserve is no longer covered (article 725a para. 1 CO).

PricewaterhouseCoopers SA

Luc Schulthess

Licensed audit expert
Auditor in charge

John Kiely

Genève, 28 April 2023

Compensation report of ObsEva SA

This compensation report has been prepared in accordance with the Federal Ordinance Against Excessive Compensation in Stock Exchange Listed Companies (“Ordinance”), effective as from January 1, 2014, and the SIX Swiss Exchange Directive on Information Related to Corporate Governance (“DCG”), effective as of October 1, 2014, as amended on April 1, 2016, July 1, 2017, May 1, 2018, January 2, 2020, July 1, 2021, October 1, 2021 and January 1, 2023. The Ordinance and DCG are applicable to ObsEva SA (the “Company”) as from its Initial Public Offering (“IPO”) on the Nasdaq Global Select Market in January 2017, and the subsequent listing of its shares on the SIX Swiss Exchange in July 2018, respectively.

The Ordinance was abolished on January 1, 2023, and its provisions were integrated into the Swiss Code of Obligations. The compensation report will take these changes into consideration for the business year 2023 and onwards.

A – Guiding principles

The Company’s articles of association (the “Articles”), organizational regulations and policies provide the basis for the principles of compensation (the “Compensation Policy”). The Board of Directors (the “Board”) is responsible for establishing the Compensation Policy guidelines within the group.

The term “compensation” has the meaning set forth in Article 14 of the Ordinance, or any successor legislation, and includes, without limitation, salary, long-term incentives, bonuses, perquisites, equity incentives, severance arrangements (to the extent permitted by applicable law), retirement benefits and other related benefits and benefit plans.

The Company’s Compensation Policy is designed to attract, motivate, and retain well-qualified employees and gain new, highly skilled staff, in order to support the achievement of the Company’s strategic objectives. The compensation package must be fair and competitive, and the Company uses the services of a reputable, independent expert firm to assess the appropriateness of its compensation level and structure for the members of its Board (the “Board Members”) and the members of its Executive Committee (the “Executive Officers”). The individual overall compensation takes into account the individual’s professional skills, engagement and personal performance. It is made up of short-term compensation components, which are generally paid in cash, and long-term compensation components, generally in the form of a participation to an equity incentive plan.

B – Organisation and competencies

Subject to the powers of the general meeting of shareholders, the Board determines the compensation of its members and of the Executive Officers in accordance with the Company’s Compensation Policy, on the recommendation of the Compensation, Nominating and Corporate Governance Committee (the “Committee”). The Committee is composed of two or more members of the Board who have been individually elected by the general meeting of shareholders, for a term of one year, until the end of the next annual general meeting. If the Committee is not complete, the Board nominates the missing members for the remaining period of office. The Board elects the chair from the members of the Committee. Members of the Committee are eligible for re-election indefinitely.

The Committee supports the Board in establishing and reviewing the Company’s compensation strategy, guidelines and the performance targets. The Committee may also submit proposals to the Board in other compensation-related issues. For a more detailed description of the Committee, please refer to section 3 of the Corporate Governance Report on page 21.

The Committee meets as often as necessary to fulfil its role, and generally at least once:

a) during the first semester of each business year, to review and make recommendations to the Board regarding the proposals to be made to the Annual General Meeting of Shareholders (“AGM”) of such year, as required under Swiss law, regarding the maximum aggregate compensation, on a prospective basis, for (i) the Board Members for the period from the AGM of such year until the AGM of the following year and (ii) the Executive Officers for the following business year; and

b) in the first months of each business year, to review and make recommendations to the Board, based on the maximum aggregate compensation approved by the shareholders, regarding (i) the fixed cash compensation to be paid to the Board Members for the period from the AGM of such year until the following AGM; (ii) the variable cash compensation to be paid to the Executive Officers for the previous business year; (iii) the fixed cash compensation to be paid to the Executive Officers for the current business year; (iv) the grant of equity instruments to the Board Members for the current business year as part of their fixed non-cash compensation; and (v) the grant of equity instruments to the Executive Officers for the current business year as part of their variable non-cash compensation.

The Board generally resolves on the recommendations of the Committee during the meeting of the Board which immediately follows the meeting of the Committee during which a recommendation was made.

As a principle, the Chief Executive Officer ("CEO") attends the meetings of the Committee and, when a Board Member, attends and votes during the meetings of the Board where the compensation of the Board Members and the compensation of the Executive Officers are discussed. However, discussions and decisions of the Board and of the Committee regarding the compensation of the CEO are resolved in his absence. The other Executive Officers do not attend the meetings of the Committee nor the parts of the meetings of the Board, where the compensation of the Board Members or the compensation of the Executive Officers are discussed.

Board Members, who are not members of the Committee, do not attend the meetings of the Committee, but take part to the meetings of the Board during which are discussed the compensation of the Board Members and the compensation of the Executive Officers as well as the vote relating thereto.

Maximum Aggregate Compensation subject to Shareholders' Approval

Based on the Committee's recommendations, the Board submits two proposals for approval at the shareholders meeting: (i) the maximum aggregate compensation for the Board Members until the next annual general meeting; and (ii) the maximum aggregate compensation for the Executive Officers for the following business year. The approval of these proposals requires an absolute majority (50% plus one) of the vote cast at the shareholders meeting. Specific procedures in case a proposal is not approved or for new hires to the executive committee are described in the Articles and are set forth under the "Rules in the Articles regarding Compensation of the Board Members and of the Executive Officers" section of this Compensation Report.

C – Compensation components

Compensation Review Process of the Committee and General Philosophy

In its review process, the Committee considers compensation packages of other companies in the biotech and pharmaceutical industry that are comparable to ObsEva, with respect to size, listing place or business model, the professional experience and areas of responsibility of the respective members. Such benchmark is conducted by a reputable, independent expert firm which has not been awarded additional mandates by the Company, and is used to assess the appropriateness of the Company's compensation level and structure.

For the business year 2022 and 2021, the peer groups used for benchmark purposes were composed of:

- 18 US public biotech or pharmaceutical companies: Acceleron Pharma, Aimmune Therapeutics, Ardelyx, Cara Therapeutics, Clearside Biomedical, Concert Pharmaceuticals, Corbus Pharmaceuticals, Epizyme, Global Blood Therapeutics, Intra-Cellular Therapies, Minerva Neurosciences, Myovant Sciences, Reata Pharmaceuticals, Revance Therapeutics, Savara, TG Therapeutics, XBiotech and Xencor; and

- 17 European public biotech or pharmaceutical companies: AC Immune, Adaptimmune Therapeutics, argenx, Ascendis Pharma, Basilea Pharmaceutica, Cassiopea, CRISPR Therapeutics, DBV Technologies, Innate Pharma, Merus, Mithra Pharmaceuticals, Molecular Partners, Newron Pharmaceuticals, Nordic Nanovector, NuCana, UniQure and Zealand Pharma.

The Company needs to attract and retain the best talents in order to ensure its strategic objectives. In this regard, the compensation philosophy is to target rewards approaching the 75th European market percentile for the annual cash compensation of the Executive Officers based in Switzerland, and the 75th US market percentile for the annual cash compensation of the Executive Officers based in the US, the annual cash compensation of the Board Members and the value of equity instruments granted to the Board Members and the Executive Officers.

Board of Directors Members Annual Cash Compensation

Each member of the Board who is not also serving as an employee of the Company or/and of its affiliates, receives an annual fixed cash compensation, payable in quarterly installments, as determined under the review process of the Committee and approved by the Board, as set forth below:

1 - Annual Board service retainer:

a) Chairman of the Board USD 70,000
b) All other eligible members of the Board USD 40,000

2 - Annual committee member service retainer:

a) Member of the Audit Committee USD 7,500
b) Member of the Compensation, Nominating and Corporate Governance Committee USD 7,500

3 - Annual committee chair service retainer (in addition to committee member service retainer)

a) Chair of the Audit Committee USD 7,500
b) Chair of the Compensation, Nominating and Corporate Governance Committee USD 7,500

Social contributions, to the extent required by Swiss law, are accrued on the annual cash compensation of the Board and committee's members.

In addition, the Company reimburses Board Members for out-of-pocket expenses incurred in relation to their services on an on-going basis upon presentation of the corresponding receipts. Expenses reimbursements are not part of the compensation.

Pursuant to organizational regulations of the Board, Board Members who are also serving as an employee of the Company or/and of its affiliates only receive compensation in their capacity as employees and do not receive additional compensation for their activities as members of the Board.

Executive Committee Members Annual Cash Compensation

The annual cash compensation of the Executive Officers consists of fixed and variable compensation elements.

Fixed compensation comprises the base salary and other compensation elements, as determined under the review process of the Committee and approved by the Board, and based on the position and level of responsibility of the recipient.

Variable compensation comprises performance-related cash bonuses that are based on target bonuses which could be of 40% or 50% of the base salary, depending on the Executive Officer's position and level of responsibility, and as determined under the review process of the Committee and approved by the Board. Actual amount of cash bonus awarded for a specific year to an Executive Officer ranges from 50% to 150% of the target bonus for such Executive Officer, subject to such Executive Officer continued employment at the time the cash bonus is paid. Adjustment rate applied to target bonus of an Executive Officer is determined at the beginning of every year based on the Company's general performance and the Executive Officer individual performance for the previous business year, which performance is being assessed based on annual corporate and individual objectives. The Company doesn't use specific metrics to calculate the adjustment rates, which are determined at the sole and full discretion of the Committee and subject to Board approval. The average adjustment rate to target bonuses of Executive Officers was approximately 79% for the business year 2022, and was of approximately 107% for the business year 2021.

For both 2022 and 2021, on average, variable cash compensation represented approximately 21% and 29%, respectively, of the total cash compensation of the Executive Officers, or 23% and 35%, respectively, of their fixed cash compensation.

Social contributions, to the extent required by Swiss law, are accrued on the annual cash compensation of the Executive

Officers.

In addition, the Company reimburses the Executive Officers for out-of-pocket expenses incurred in relation to their services on an on-going basis upon presentation of the corresponding receipts. Expenses reimbursements are not part of the compensation.

Equity incentive plans

The Company has established its current equity incentive plan in 2017 (the "2017 EIP").

The purpose of the Company's 2017 EIP is to provide Board Members, Executive Officers, employees and certain consultants (the "Beneficiaries") with an opportunity to benefit from the potential appreciation in the value of the Company's shares, thus providing an increased incentive for participants to contribute to the future success and prosperity of the Company, enhancing the value of the shares for the benefit of the shareholders of the Company and increasing the ability of the Company to attract and retain individuals of exceptional skill. In addition, these plans provide the Company with a mechanism to engage services for non-cash consideration. Under the 2017 EIP, the Company has been granting stock-options to the Beneficiaries.

The grant of equity instruments under the 2017 EIP is at the discretion of the Board, which has delegated authority to the Committee and, collectively, to certain Executive Officers to grant equity instruments under certain circumstances to new joiners that are not Board Members or Executive Officers, and subject to semi-annual reporting to the Committee when grants are approved by such Executive Officers. The Board, the Committee or the designated Executive Officers, depending on the delegation of competences, determine grant, vesting, exercise and forfeiture conditions. In particular, they may provide for continuation, acceleration or removal of vesting and exercise conditions, for payment or grant of compensation based upon assumed target achievement, or for forfeiture, in each case in the event of pre-determined events such as a change-of-control or termination of an employment or mandate agreement. Key factors considered by the Board when approving grants of equity instruments include the amount of outstanding authorized or conditional share capital approved by shareholders. The Company may procure the required shares through purchases in the market, either directly or through companies controlled by it, or by issuing new shares. The Board has the authority to amend the 2017 EIP.

Annual grants of equity instruments to Board Members represent a fixed part of their compensation, whose value is determined under the review process of the Committee, based on peers group benchmark, and approved by the Board.

Annual grants of equity instruments to Executive Officers represent a variable part of their compensation, whose value is based on peers group benchmark as part of the review process of the Committee, subject to further adjustments based on individual performance of each Executive Officer. The Company doesn't use specific metrics to calculate such adjustments, which are determined at the sole and full discretion of the Committee and subject to Board approval. Equity instruments granted to Executive Officers under the 2017 EIP include accelerated vesting conditions for the full unvested portion of such instruments in case of change of control.

Value of equity instruments granted in 2022 and 2021 represented approximately 47% and 67%, respectively, of the total compensation of the Board Members and 45% and 53%, respectively, of the total compensation of the Executive Officers.

Indirect benefits

The Company contributes to pension contributions and maintains certain insurance for death and invalidity for its Executive Officers in accordance with the regulations applicable to the pension schemes in which the Company or any of its subsidiary participate.

Loans, credits and guarantees

Subject to vote of the general meeting of shareholders on compensation proposals, which is binding, the Company does not grant loans or credit facilities to Board Members or Executive Officers.

Rules in the Articles regarding Compensation of the Board Members and of the Executive Officers

The Articles set forth the following rules regarding the Compensation of the Board Members and of the Executive Officers.

Article 32: Compensation Principles

The Compensation of the Board Members consists of a fixed compensation and attendance allowances. Executive members of the Board can receive in addition compensation elements applicable to Executive Officers.

The Compensation of the Executive Officers consists of fixed and variable compensation elements. Fixed compensation comprises the base salary. Variable compensation may comprise short-term and long-term compensation elements. Short-term variable compensation elements shall be governed by performance metrics that take into account the performance of the Company and some or all of its subsidiaries, market performance, other companies or comparable benchmarks and/or individual quantitative and qualitative performance targets. Long-term variable compensation elements shall be governed by performance metrics that take into account strategic and/or financial objectives, as well as retention elements.

The determination of such performance metrics, the target levels as well as of their achievement is the responsibility of the Board or the Committee, to the extent delegated to it. The total compensation takes into account the position and level of responsibility of the Executive Officer.

Compensation may be paid in the form of cash or in the form of other types of benefits, including the grant of shares, stock options or other financial instruments. The Board or, to the extent delegated to it, the Committee have authority to determine grant, vesting, exercise and forfeiture conditions. In particular, they may provide for continuation, acceleration or removal of vesting and exercise conditions, for payment or grant of compensation based upon assumed target achievement, or for forfeiture, in each case in the event of pre-determined events such as a change-of-control or termination of an employment or mandate agreement. The Company may procure the required shares through purchases in the market, either directly or through companies controlled by it, or by issuing new shares.

Board Members and/or Executive Officers may participate in share purchase plans established by the Company or companies controlled by it, under the terms of which eligible employees may allocate a portion of their compensation to the purchase of shares of the Company at a discount to market price.

Compensation may be paid by the Company or companies controlled by it.

Reimbursement of expenses incurred by the Board Members and Executive Officers in their functions are not part of their compensation.

Article 33: Loans, credits and retirement benefits

Subject to other decision from the general meeting of shareholders, the Company is not allowed to grant loans or credit facilities to Board Members or Executive Officers.

Pension contributions and retirement benefits are made or provided in accordance with the regulations applicable to the pension schemes in which any Group company participates.

Article 34: Vote of the general meeting of shareholders on the compensation of the members of the Board and of the Executive Officers

Following a proposal by the Board, the general meeting of shareholders annually and separately approves (i) the aggregate compensation of the Board until the next AGM and (ii) the aggregate compensation of the Executive Officers for the following business year. The Board can also submit at its discretion compensation proposals for other periods or for only some individuals from the Board or the executive committee. The vote of the general meeting of shareholders on the compensation proposals is binding.

If the general meeting of shareholders does not approve a compensation proposal made by the Board, the Board has to convene an extraordinary general meeting of shareholders. Compensation may be paid out prior to their approval by the general meeting of shareholders, subject to their subsequent approval by the general meeting of shareholders and, in the absence of such subsequent approval, to restitution to the Company.

If the maximum aggregate amount of compensation already approved by the general meeting of shareholders is not sufficient to also cover the compensation of one or more persons who became members of the Executive Committee during a compensation period for which the general meeting of shareholders has already approved the compensation of the Executive Officers (new hire), the Company is authorized to pay an additional amount with respect to the compensation period already approved. Such additional amount cannot exceed (i) for the head of the Executive Committee (CEO), 140% of the total annual compensation of the former CEO and (ii) for any new hire other than the CEO, 140% of the highest total annual compensation of any member of the Executive Committee in office other than the CEO.

D – Compensation for periods under review (audited)

The measurement basis for each component of compensation is as follows:

- Cash based-compensation: accrual basis;
- Social charges: accrual basis except for social charges on equity incentives which are estimated based on fair value at grant date;
- Indirect benefits: accrual basis;
- Equity incentives: total fair value at grant date as determined under IFRS 2.

Compensation of the Board Members for the financial years 2022 and 2021

The following table sets forth the name, year joined the Board, position and directorship term, as well as committee memberships, of each member of the Board:

Name	First Appointment	Elected until	Board	AC [(1)]	CNCGC [(2)]
Annette Clancy	2013	2023[(3)]	Chair [(3)]	-	Chair [(3)]
Brian O'Callaghan	2021	2023	Member, CEO [(4)]	-	-
Ernest Loumaye	2012	2023	Member [(5)]	-	-[(5)]
Anne VanLent	2021	2023	Member	Chair	-
Ed Mathers	2016	2023	Member	Member	Member
Catarina Edfjäll	2021	2023	Member	-	Member
Stephanie Brown	2022	2023	Member	Member	-
The following members did not stand for reelection at the AGM 2022:					
Frank Verwiel	2016	2022	Chair	Member	-
Jacky Vonderscher	2013	2022 [(6)]	Member	-	-
The following members did not stand for reelection at the AGM 2021:					
Barbara Duncan	2016	2021	Member	Chair	-
Jim Healy	2013	2021	Member	-	Member
Rafaèle Tordjman	2013	2021	Member	-	Member

[(1)] Audit Committee
[(2)] Compensation, Nominating and Corporate Governance Committee
[(3)] Annette Clancy stepped down from her mandates in March 2023.
[(4)] Brian O'Callaghan stepped down as CEO on February 23, 2023.
[(5)] Ernest Loumaye was appointed as Chair of the Board *ad interim* and Chair of the CNCGC *ad interim* for the period from March 2023 to the AGM 2023.
[(6)] Jacky Vonderscher stepped down from his mandate on November 19, 2021.

The compensation received by the Board Members for the financial year 2022 in US dollars, the functional currency of the Company, and as converted in Swiss francs according to an USD/CHF exchange rate of 0.954833 corresponding to the average USD/CHF exchange rate for the year 2022, was as follows:

(in USD thousands) Name	Cash-based comp.	Social charges[1]	Pension contrib.	Equity granted [2]	Total comp.
Annette Clancy	73	7	-	37	117
Ernest Loumaye	40	3	-	37	80
Frank Verwiel	29	6	-	37	72
Anne VanLent	55	5	-	37	97
Catarina Edfjäll	47	8	-	37	92
Ed Mathers	55	8	-	37	100
Stephanie Brown	29	9	-	68	106
Total	**328**	**46**	**-**	**290**	**664**

(in CHF thousands) Name	Cash-based comp.	Social charges[1]	Pension contrib.	Equity granted [2]	Total comp.
Annette Clancy	70	7	-	35	112
Ernest Loumaye	38	3	-	35	76
Frank Verwiel	28	6	-	35	69
Anne VanLent	53	5	-	35	93
Catarina Edfjäll	45	8	-	35	88
Ed Mathers	53	8	-	35	96
Stephanie Brown	28	9	-	65	102
Total	**315**	**46**	**-**	**275**	**636**

(1) Include social charges on cash-based compensation and fair value of equity instruments granted

(2) Fair value of equity instruments granted during the period, as determined under IFRS 2.

The compensation received by the Board Members for the financial year 2021 in US dollars, the functional currency of the Company, and as converted in Swiss francs according to an USD/CHF exchange rate of 0.913846 corresponding to the average USD/CHF exchange rate for the year 2021, was as follows:

(in USD thousands) Name	Cash-based comp.	Social charges[1]	Pension contrib.	Equity granted [2]	Total comp.
Frank Verwiel	78	14	-	72	164
Ernest Loumaye	55	7	-	72	134
Annette Clancy	55	7	-	72	134
Anne VanLent	33	7	-	112	152
Barbara Duncan	22	9	-	72	103
Catarina Edfjäll	22	13	-	116	151
Ed Mathers	55	12	-	72	139
Jim Healy	19	8	-	72	99
Rafaèle Tordjman	19	8	-	72	99
Jacky Vonderscher	35	4	-	72	111
Total	**393**	**89**	**-**	**804**	**1,286**

(in CHF thousands) Name	Cash-based comp.	Social charges[1]	Pension contrib.	Equity granted [2]	Total comp.
Frank Verwiel	71	13	-	66	150
Ernest Loumaye	50	6	-	66	122
Annette Clancy	50	6	-	66	122
Anne VanLent	30	6	-	102	138
Barbara Duncan	20	8	-	66	94
Catarina Edfjäll	20	12	-	106	138
Ed Mathers	50	11	-	66	127
Jim Healy	17	7	-	66	90
Rafaèle Tordjman	17	7	-	66	90
Jacky Vonderscher	32	4	-	66	102
Total	**357**	**80**	**-**	**736**	**1,173**

(1) Include social charges on cash-based compensation and fair value of equity instruments granted

(2) Fair value of equity instruments granted during the period, as determined under IFRS 2

Brian O'Callaghan, who served as Chief Executive Officer since December 1, 2020, was employee during the financial years 2021 and 2022 and received no additional compensation for his services as member of the Board.

The compensation of USD 0.7 million received by the Board Members in business year 2022 was made of fixed and variable elements, and decreased by USD 0.6 million compared to the business year 2021.

The total compensation received by the Board Members during the period from the AGM 2021 until the AGM 2022 amounted to USD 0.7 million, and was within the maximum aggregate compensation of USD 2.5 million approved for the period by the AGM 2021.

Compensation of the Executive Committee for the financial years 2022 and 2021

The following table sets forth the name, position, year of appointment and term of office, of each Executive Officer:

Name	Function	Appointment	Term
Brian O'Callaghan	Chief Executive Officer	2020	-
Will Brown	Chief Financial Officer	2022(1)	-
David Renas	Chief Financial Officer	2021(2)	2022(1)
Brandon Howard	Chief Clinical Officer	2022(4)	-
Elizabeth Garner	Chief Medical Officer	2019	2022
Jean-Pierre Gotteland	Chief Scientific Officer and Head of R&D	2015	2022
Clive Bertram	Chief Commercial Officer	2021(3)	-
Wim Souverijns	Chief Commercial Officer	2018	2021 (3)
Katja Bührer	Chief Strategy Officer	2022(5)	-
Luigi Marro	Chief Transformation Officer	2021	-
Fabien de Ladonchamps	Chief Financial Officer, *ad interim* Chief Administrative Officer	2020 2021 (2)	2021 (2) 2022

(1) On January 1, 2022, Will Brown was appointed Chief Financial Officer, to succeed to David Renas.

(2) On January 4, 2021, David Renas was appointed Chief Financial Officer, to succeed to Fabien de Ladonchamps who was appointed Chief Administrative Officer.

(3) On May 10, 2021, Clive Bertram was appointed Chief Commercial Officer, to succeed to Wim Souverijns.

(4) On May 9, 2022, Brandon Howard was appointed Chief Clinical Officer

(5) On February 1, 2022, Katja Bührer was appointed Chief Strategy Officer

The compensation received by the Executive Officers for the financial year 2022 in US dollars, the functional currency of the Company, and as converted in Swiss francs according to an USD/CHF exchange rate of 0.954833 corresponding to the average USD/CHF exchange rate for the year 2022, was as follows:

(in USD thousands) **Name**	**Cash-based comp.**	**Social charges(1)**	**Pension contrib.**	**Equity granted (2)**	**Total comp.**
Brian O'Callaghan	899	91	8	829	1'827
Other executives(3)	3,103	467	181	2,567	6,318
Total	**4,002**	**558**	**189**	**3,396**	**8,145**

(in CHF thousands) **Name**	**Cash-based comp.**	**Social charges(1)**	**Pension contrib.**	**Equity granted (2)**	**Total comp.**
Brian O'Callaghan	858	87	8	792	1'745
Other executives(3	2,962	447	174	2'452	6'035
Total	**3,820**	**534**	**182**	**3,244**	**7,780**

(1) Include social charges on cash-based compensation and fair value of equity instruments granted

(2) Fair value of equity instruments granted during the period, as determined under IFRS 2

(3) Include compensation received by David Renas, Elizabeth Garner, Jean-Pierre Gotteland and Fabien de Ladonchamps up to their departure from the Executive Committee in 2022, and Will Brown, Katja Bührer and Brandon Howard, as from their appointments to the Executive Committee in 2022.

The compensation received by the Executive Officers for the financial year 2021 in US dollars, the functional currency of the Company, and as converted in Swiss francs according to an USD/CHF exchange rate of 0.913846 corresponding to the average USD/CHF exchange rate for the year 2021, was as follows:

(in USD thousands) **Name**	**Cash-based comp.**	**Social charges[(1)]**	**Pension contrib.**	**Equity granted [(2)]**	**Total comp.**
Brian O'Callaghan	992	123	9	730	1,854
Other executives[(3)]	3,010	538	164	3,939	7,651
Total	**4,002**	**661**	**173**	**4,669**	**9,505**

(in CHF thousands) **Name**	**Cash-based comp.**	**Social charges[(1)]**	**Pension contrib.**	**Equity granted [(2)]**	**Total comp.**
Brian O'Callaghan	907	112	8	667	1,694
Other executives[(3]	2,751	491	149	3,600	6,991
Total	**3,658**	**603**	**157**	**4,267**	**8,685**

[(1)] Include social charges on cash-based compensation and fair value of equity instruments granted

[(2)] Fair value of equity instruments granted during the period, as determined under IFRS 2

[(3)] Include compensation received by Wim Souverijns up to his departure from the Executive Committee, and David Renas, Clive Bertram and Luigi Marro, as from their appointments to the Executive Committee in 2021.

The compensation of USD 8.1 million received by the Executive Officers in business year 2022 was made of approximately 56% of variable elements and 44% of fixed elements, and decreased by USD 2.0 million compared to business year 2021, mainly due to the departures of members from the Executive Committee.

The total compensation of USD 8.1 million received by the Executive Officers for the year ended December 31, 2022 was within the maximum aggregate compensation of USD 13.0 million approved for the year by the AGM 2021.

E – Share ownership information (audited)

Board of Directors

The Board Members held the following equity instruments as of December 31, 2022 [(1)]:

Name	**Common Shares**			**Stock-options**		
	Vested	**Unvested**	**Total**	**Vested**	**Unvested**	**Total**
Annette Clancy	97,500	-	97,500	135,113	2,667	137,780
Ernest Loumaye	1,999,827	-	1,999,827	1,026,225	151,625	1,177,850
Frank Verwiel	45,500	-	45,500	-	-	-
Anne VanLent	-	-	-	55,268	25,872	81,140
Catarina Edfjäll	-	-	-	78,473	2,667	81,140
Ed Mathers [(2)]	4,586,563	-	4,586,563	156,113	2,667	158,780
Stephanie Brown	-	-	-	32'760	16,380	49,140
Total	**6,729,390**	**-**	**6,729,390**	**1,483,952**	**201,878**	**1,685,830**

[(1)] excluding Brian O'Callaghan, CEO, whose holdings are listed under Executive Committee

[(2)] includes shares held directly and indirectly through vehicles controlled by the Director

The Board Members held the following equity instruments as of December 31, 2021 [(1)]:

Name	Common Shares			Stock-options		
	Vested	Unvested	Total	Vested	Unvested	Total
Frank Verwiel	45,500	-	45,500	108,185	4,095	112,280
Ernest Loumaye	3,915,450	-	3,915,450	785,628	360,222	1,145,850
Annette Clancy	97,500	-	97,500	101,685	4,095	105,780
Anne VanLent	-	-	-	9,555	39,585	49,140
Catarina Edfjäll	-	-	-	8,190	40,950	49,140
Ed Mathers [(2]	4,586,563	-	4,586,563	122,685	4,095	126,780
Total	**8,645,013**	**-**	**8,645,013**	**1,135,928**	**453,042**	**1,588,970**

(1) excluding Brian O'Callaghan, CEO, whose holdings are listed under Executive Committee

(2) includes shares held directly and indirectly through vehicles controlled by the Director

Executive Committee

The Executive Officers held the following equity instruments as of December 31, 2022:

Name	Common Shares			Stock-options and warrants		
	Vested	Unvested	Total	Vested	Unvested	Total
Brian O'Callaghan	-	-	-	886,603	2,005,359	2,891,962
Will Brown[(1)]	-	-	-	-	450,000	450,000
David Renas[(1)]	-	-	-	-	-	-
Elizabeth Garner[(2)]	-	-	-	-	-	-
Jean-Pierre Gotteland[(3)]	136,500	-	136,500	-	-	-
Fabien de Ladonchamps[(4)]	146,500	-	146,500	251,311	-	251,311
Clive Bertram	-	-	-	158,333	411,667	570,000
Brandi Howard	-	-	-	-	400,000	400,000
Katja Buhrer	-	-	-	-	400,000	400,000
Luigi Marro	-	-	-	120,833	279,167	400,000
Total	**283,000**	**-**	**283,000**	**1,417,080**	**3,946,193**	**5,363,273**

(1) Will Brown was appointed to the Executive Committee on January 1, 2022 as Chief Financial Officer, to succeed to David Renas who resigned on January 5, 2022.

(2) Elizabeth Garner resigned as Chief Medical Officer on May 6, 2022.

(3) Jean-Pierre Gotteland resigned as Chief Scientific Officer on September 30, 2022.

(4) Fabien de Ladonchamps stepped down from the Executive Committee as Chief Administrative Officer on July 27, 2022.

The Executive Officers held the following equity instruments as of December 31, 2021:

Name	Common Shares			Stock-options and warrants		
	Vested	Unvested	Total	Vested	Unvested	Total
Brian O'Callaghan	-	-	-	401,450	1,775,512	2,176,962
David Renas[(1)]	-	-	-	-	400,000	400,000
Elizabeth Garner	-	-	-	282,481	373,522	656,003
Jean-Pierre Gotteland	136,500	-	136,500	260,828	260,922	521,750
Clive Bertram[(2)]	-	-	-	-	400,000	400,000
Luigi Marro	-	-	-	-	400,000	400,000
Fabien de Ladonchamps[(1)]	146,500	-	146,500	156,084	212,936	369,020
Total	**283,000**	**-**	**283,000**	**1,100,843**	**3,822,892**	**4,923,735**

(1) David Renas was appointed to the Executive Committee on January 4, 2021 as Chief Financial Officer, to succeed to Fabien de Ladonchamps who was appointed Chief Administrative Officer on same date.

(2) Clive Bertram was appointed to the Executive Committee on May 10, 2021 as Chief Commercial Officer, to succeed to Wim Souverijns who stepped down from the Executive Committee on June 30, 2021.

Report of the Auditor on the Compensation report of ObsEva SA

ObsEva SA

Plan-les-ouates

Report of the statutory auditor
to the General Meeting

on the remuneration report 2022

Report of the statutory auditor

to the General Meeting of ObsEva SA

Plan-les-Ouates

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of ObsEva SA (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14 to 16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Ordinance) in the sections labelled 'audited' on pages 95 to 99 of the remuneration report.

In our opinion, the information on remuneration, loans and advances in the remuneration report (page 93) complies with Swiss law and article 14 to 16 of the Ordinance.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the remuneration report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other 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 opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the remuneration report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we 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.

Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to article 14 to 16 of the Ordinance is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH 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 this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, 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 opinion. 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 internal control relevant to the 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.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

PricewaterhouseCoopers SA

Luc Schulthess John Kiely

Licensed audit expert
Auditor in charge

Genève, 28 April 2023

Forward-Looking Statements

This Annual Report for the year ended December 31, 2022 (this "Annual Report") contains forward-looking statements. Written or oral statements that constitute forward-looking statements may be made by us or on our behalf. Words such as "expect," "anticipate," "intend," "plan," "believe," "estimate," "may," "will," "should," "could," "target," "strategy," "intend," "project," "guidance," "likely," "usually," "potential," or the negative of these words or variations of such words, similar expressions, or comparable terminology are intended to identify such forward looking statements, although not all forward-looking statements contain these identifying words. There are a number of important risks and uncertainties that could cause our actual results to differ materially from those indicated by forward looking statements. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. These forward-looking statements are based on current expectations, estimates, forecasts, and projections about the industry and markets in which we operate, and management's beliefs and assumptions. These statements are not guarantees of future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict and may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, risks associated with the following:

- the impact of our delisting from the Nasdaq Stock Market ("Nasdaq") on our shareholders, including the impact on the trading price and volatility of our common shares;
- the impact of our reorganization as a Swiss only company and transition of our management and board of directors;
- the success, cost, timing and potential indications of our product candidate's development activities and clinical trials, including ongoing and future trials of nolasiban;
- the reliability of the results of the studies relating to human safety and possible adverse effects resulting from the administration of our product candidate;
- our or our partners' ability to obtain and maintain regulatory approval of our product candidates in any of the indications for which we or our partners plan to develop them, and any related restrictions, limitations or warnings in the label of an approved product;
- our ability to continue as a going concern and to obtain funding for our operations, and the terms on which we are able to raise that additional capital;
- our plans to research, develop and commercialize our product candidate;
- the timing of our regulatory filings for our product candidate;
- the clinical utility of our product candidate;
- the size and growth potential of the markets for our product candidate;
- our commercialization, marketing and manufacturing capabilities and strategy;
- our expectations regarding our ability to obtain and maintain intellectual property protection for our product candidate and our ability to operate our business without infringing on the intellectual property rights of others;
- the timing and amount of milestone and royalty payments we are required to make or that we may receive under our license or acquisition agreements;
- our ability to attract and retain qualified employees and key personnel;
- our ability to contract with third-party suppliers and manufacturers and their ability to perform adequately;
- the activities of our competitors and the success of competing therapies that are or become available;
- our plans to in-license or acquire additional product candidates;
- our estimates regarding future revenue, expenses and needs for additional financing;
- our ability to build our commercialization organization;

- the duration, severity and impact on our operations and clinical trials of the COVID-19 pandemic or other geopolitical and macroeconomic events;
- regulatory developments in the United States and foreign countries; and
- risks detailed under the caption "Risk Factors" in this Annual Report and in our other reports filed with the U.S. Securities and Exchange Commission (the "SEC"), from time to time hereafter.

We have based the forward-looking statements included in this Annual Report on information available to us on the date of this Annual Report. Except as required by law we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to consult any additional disclosures that we may make in reports that we, in the future, may file with the SEC.

All forward-looking statements included herein are expressly qualified in their entirety by the foregoing cautionary statements. Unless otherwise indicated, the information in this Annual Report is as of December 31, 2022.