

Q1/FR22

May 1, 2022 – June 30, 2022
Respiratorius AB (publ)
556552-2652

SUMMARY OF Q1 REPORT, SHORTENED FINANCIAL YEAR 2022¹**(May 1, 2022 – June 30, 2022)**

- Net sales totaled SEK 0 (0) thousand.
- Loss after financial items was SEK 4,671 (loss: 2,442) thousand.
- Earnings per share totaled SEK -0.02 (-0.02).
- The equity ratio² as of June 30, 2022 was 88.81%.

¹ Unless otherwise stated in this interim report, all figures refer to the Group. Figures in parentheses refer to outcomes for the corresponding period the previous year. The comparison is therefore a comparison between two and three months, respectively.

² Equity ratio: Shareholders' equity divided by total capital.

³ Earnings per share: Profit/loss for the period divided by 292,316,100 shares as of June 30, 2022

SIGNIFICANT EVENTS DURING THE PERIOD MAY 1 — JUNE 30, 2022

- On May 9, Respiratorius announced the proposal to the Annual General Meeting regarding the spin-off of the subsidiary Arcede Pharma AB (Arcede).
The Board of Directors for Respiratorius AB (publ) announced during the first quarter of 2022 its intention to spin off and separately list Respiratorius' project related to chronic obstructive pulmonary disease (COPD), asthma, and a method for diagnosing cardiovascular diseases through a distribution of shares in a subsidiary to be listed on Spotlight Stock Market.
 - The Annual General Meeting on June 9, 2022, resolved on the distribution of

all shares in the company Arcede to Respiratorius' shareholders, to list Arcede on the Spotlight Stock Market and to distribute the shares in Arcede according to the "Lex Asea" rules¹.

- Trading of Arcede Pharma AB began on June 29 on the Spotlight Stock Market.
- At the end of May, Respiratorius reported promising preclinical results for VAL001 for the indication of relapse of the lymph node cancer, diffuse large B-cell lymphoma, DLBCL.
Valproate, the active substance in VAL001, has demonstrated in a new test tube study improved inhibitory effects on cell growth, known as antiproliferative effects, in combination with bendamustine, gemcitabine, or carboplatin. These are cytotoxic substances used in the treatment of DLBCL. A patent application for the new use of VAL001 has been submitted.
- Respiratorius announced on June 30 that the last trial subjects have been dosed in the ongoing pharmacokinetic PK study of VAL001.
The tailor-made release profile of VAL001, combining immediate and prolonged release of sodium valproate, is being evaluated in healthy subjects.

¹ Under Lex Asea, in certain circumstances, a parent company can distribute the company's shares in a subsidiary to its shareholders without any immediate taxation imposed on the distribution for shareholders who have unlimited tax liability in Sweden (instead, the shareholder's acquisition cost for the shares in the parent company is distributed between the shares in the parent company and the received shares in the subsidiary). The Swedish Tax Agency has notified Respiratorius that it agrees with the company's assessment that the proposed distribution of all the company's shares in the wholly-owned subsidiary Arcede meets the requirements for a "Lex Asea" distribution under chapter 42, section 16 of the Swedish Income Tax Act.

Comments by the CEO

The first period in the shortened financial year, May 1 to June 30, 2022, was an administratively intensive, with the separate listing and spinoff of Arcede Pharma AB. Since the split, Respiratorius has focused its full attention on completing and finishing the development of VAL001 and finalizing an agreement.

The development of VAL001 during the period has continue according to plan. The last trial subject was dosed before the end of the period and after a brief follow-up, the active portion of the pharmacokinetic study is now considered to be completed. The important work of compiling and analyzing the release profiles of valproate for the individuals in the study is now underway. The study results will serve as an important argument in future discussions about partnerships for VAL001.

We have now begun to market VAL001 to potential stakeholders. We believe that the offering has been further enhanced during the spring, thanks in part to the promising results we have been able to show. We have reported results from laboratory trials, where valproate has shown efficacy in treatment with the cytotoxic drug, R-CHOEP, which can be administered to newly diagnosed high-risk patients with diffuse large B-cell lymphoma (DLBCL). We have also shown that valproate has even better inhibitory effects on cell growth, known as antiproliferative effects, in combination with cytotoxic substances used in the treatment of relapsed DLBCL. Taken together, these promising results strengthen valproate's effects in the treatment of DLBCL – for the treatment of newly diagnosed patients, patients experiencing relapse, or “refractory” patients who did not respond to prior treatment.

I would like to conclude by thanking our shareholders and investors for their continued trust and commitment to Respiratorius. The spring's capitalization of the company provides a secure financial position for our plans going forward.



Johan Drott
CEO, Respiratorius AB (publ)

Respiratorius

BUSINESS CONCEPT

To develop candidates for new drugs based on patent-pending compounds that have shown superior results in preclinical studies.

Respiratorius is a research company focused on the development of drug candidates for the treatment of cancer, especially aggressive lymphoma. Respiratorius was founded in 1999 as a spinoff from Lund University. The business is based in Sweden, where research is conducted in-house, but also through international collaboration partners. Respiratorius has its headquarters in Lund.

The Company bases its business on patent-pending compounds that have shown superior results in preclinical studies in the laboratory environment compared with what is currently considered to be the best available treatment, based on the best available diagnostic methods.

VISION

To alleviate human suffering from cancer, especially aggressive lymphoma.

Respiratorius' goal and driving force is to be innovative in developing novel drugs that improve quality of life and prolong the life of patients. By doing so, the Company will also create long-term shareholder value.

STRATEGY AND BUSINESS MODEL

To add knowledge and resources from global partners at an early stage in the value chain to minimize the time to product launch.

Respiratorius will be an attractive partner for academic research groups, biotech companies and global pharmaceutical companies. We accomplish this through our unique expertise in the early part of the value chain from academic research.

Respiratorius searches at an early phase for strategic partners who assume financial and operational responsibility to develop a finished product. The type of partner we are looking for will have financial resources, experience in large clinical trials and established contacts with regulatory authorities. These partners will also be able, in the future, to manufacture, market and sell the licensed drugs that may result from the development project. Several major pharmaceutical companies are interested in collaborating with the Company and obtaining a license to develop its projects.

A license agreement with a pharmaceutical company will provide Respiratorius with income in the form of an upfront payment, followed by milestone payments and royalties related to

product sales. In the event that a license agreement is concluded, the major shareholders intend to distribute approximately half of the upfront payment proportionately to all shareholders, provided that the Company's operations remain intact.

The timing of signing an agreement with a pharmaceutical company is a business decision that will be based on cost, risk, skill requirements and the value that would be added by completing additional steps in-house. A cooperation agreement will ensure that the projects receive expertise and resources at an early stage.

This strategy will enable Respiratorius to avoid tying up excessive resources in a single project. At the same time, it is in the best interest of the Company to ensure – without compromising on safety, expertise or quality – that the time to market for its drugs is as short as possible.

ORGANIZATION

For many years, the Company has worked with just a few employees, since resource and skill requirements vary during project development and are purchased as needed. The Company is now in a phase with one promising project.

GROUP STRUCTURE

Respiratorius is the parent company of a Group that, in addition to the parent company, also includes Valcuria AB. Valcuria AB holds the patent rights for Respiratorius' VAL001 cancer project. The parent company has no other shareholdings. All operations occur within the parent company, Respiratorius.

PROJECT PORTFOLIO IN BRIEF

VAL001 – Drug candidate for the treatment of diffuse large B-cell lymphoma

VAL001 is a drug candidate that has shown clearly promising results in the treatment of an aggressive type of lymph node cancer, known as diffuse large B-cell lymphoma (DLBCL). DLBCL is the most common form of non-Hodgkin lymphoma (NHL). Each year, 60,000 people in the US and Europe are diagnosed with DLBCL. The five-year survival rate with standard treatment is estimated at 60–70 percent. DLBCL is becoming increasingly common, which is also expected to increase demand for new and more effective treatments, which will result in market growth.

Other research and development

Besides the development project mentioned above, Respiratorius is continually evaluating drug candidates that are a strategic fit for the company.

THE SHARE

The Respiratorius share (trading symbol: RESP) was listed in 2012 on Aktietorget, now known as Spotlight Stock Market, a securities firm that is under the supervision of Finansinspektionen (the Swedish Financial Supervisory Authority) and operates a Multilateral Trading Facility (MTF) trading platform.

On June 30, 2022, the number of shares in the Company was 292,316,100. There is one class of shares, where each share carries equal rights to the Company's assets and earnings, and entitles the holder to one vote at the Annual General Meeting.

PRINCIPLES FOR PREPARATION OF THE INTERIM REPORT

This interim report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines. In the event that there are no general guidelines, guidance is sought where applicable from the recommendations of the Swedish Financial Accounting Standards Council. The same accounting policies and methods were used in the interim report as in the Company's most recent annual report. Respiratorius only capitalizes development costs for projects that have entered clinical phase as well as for patent costs.

AUDIT

The year-end report has not been reviewed by the Company's auditor.

CALENDAR 2022

- Q2 Interim Report (July 1-Sept. 30) November 8, 2022
- Year-end report 2022 February 7, 2023

SUBMISSION OF Q1 INTERIM REPORT SHORTENED FINANCIAL YEAR 2022

The Board of Directors and the Chief Executive Officer hereby certify that this interim report for the period May – June 2022 provides a true and fair overview of operations at Respiratorius AB.

Lund, August 30, 2022

Respiratorius AB (publ)

Board of Directors and Chief Executive Officer

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

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NOTE THAT IN THE FOLLOWING SECTIONS THE FIRST PERIOD OF TWO MONTHS (MAY-JUNE) IS COMPARED WITH Q2 OF THE PREVIOUS YEAR, WHICH ENTAILS A COMPARISON BETWEEN A TWO-MONTH AND THREE-MONTH PERIOD, RESPECTIVELY.

CONDENSED CONSOLIDATED INCOME STATEMENT

(SEK 000s)	May 1, 2022 June 30, 2022 2 months	April 1, 2021 June 30, 2021 Cf Q2	Jan. 1, 2021 Dec. 31, 2021 Cf 12 months	Jan. 1, 2020 Dec. 31, 2020 Cf 12 months
Net sales	0	0	0	0
Other operating income	0	0	0	0
Gross profit/loss	0	0	0	0
Research and development costs	-554	-3,010	-17,364	-4,417
Administrative costs	-4,133	-1,896	-7,485	-5,085
Other expenses	0	0	0	0
Capitalized patent and development costs	570	3,221	18,326	4,959
Operating profit/loss before depreciation, amortization and impairment	-4,117	-1,685	-6,523	- 4543
Depreciation/Amortization	-449	-757	-3,027	-2,531
Operating profit/loss after depreciation, amortization and impairment	-4,566	-2,442	-9,550	-7,075
Profit/loss from financial investments	-105	0	-90	-394
Profit/loss after financial items	-4,671	-2,442	-9,640	-7,468
Taxes	0	0	0	0
Profit/loss for the year	-4,671	-2,442	-9,640	-7,468

CONDENSED INCOME STATEMENT – PARENT COMPANY

(SEK 000s)	May 1, 2022 June 30, 2022 2 months	April 1, 2021 June 30, 2021 Q2	Jan. 1, 2021 Dec. 31, 2021 Cf 12 months	Jan. 1, 2020 Dec. 31, 2020 Cf 12 months
Net sales	0	0	0	0
Other operating income	0	0	0	0
Gross profit/loss	0	0	0	0
Research and development costs	-114	-1,675	-7,244	-2,873
Administrative costs	-3,839	-1,747	-6,341	-4,295
Other expenses	0	0	0	0
Capitalized patent and development costs	114	1,784	7,728	2,904
Operating profit/loss before depreciation, amortization and impairment	-3,839	-1,638	-5,857	-4,264
Depreciation/Amortization	-0	-348	-1,391	-1,101
Operating profit/loss after depreciation, amortization and impairment	-3,839	-1,986	-7,248	-5,365
Profit/loss from financial investments	-167	-150	-2,390	-2,094
Profit/loss after financial items	-4,006	-2,136	-9,638	-7,459
Group contributions paid	-1,000	0	0	0
Profit/loss for the year	-5,006	-2,136	-9,638	-7,459

CONDENSED CONSOLIDATED BALANCE SHEET

(SEK 000s)	June 30, 2022	June 30, 2021	Dec. 31, 2021	Dec. 31, 2020
ASSETS				
Intangible assets	21,727	22,175	33,423	18,124
Property, plant and equipment	0	0	0	0
Financial assets	0	0	0	0
Total non-current assets	21,727	22,175	33,423	18,124
Total current assets	21,397	28,375	28,583	12,789
Total assets	43,124	50,550	62,006	30,914
LIABILITIES AND EQUITY				
Total equity	38,297	48,104	56,811	29,278
Non-current liabilities	0	0	0	0
Current liabilities	4,827	2,446	5,195	1,635
TOTAL EQUITY AND LIABILITIES	43,124	50,550	62,006	30,914

CONDENSED BALANCE SHEET – PARENT COMPANY

(SEK 000s)	June 30, 2022	June 30, 2021	Dec. 31, 2021	Dec. 31, 2020
ASSETS				
Intangible assets	114	12,631	16,108	9,771
Property, plant and equipment	0	0	0	0
Financial assets	21,398	10,652	15,562	8,952
Total non-current assets	21,512	23,283	31,670	18,723
Total current assets	20,934	27,531	27,974	12,258
Total assets	42,446	50,814	59,644	30,982
LIABILITIES AND EQUITY				
Total equity	38,160	49,051	57,001	29,466
Non-current liabilities	65	70	71	70
Current liabilities	4,221	1,694	2,572	1,445
TOTAL EQUITY AND LIABILITIES	42,446	50,814	59,644	30,982

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(SEK 000s)	May 1, 2022 June 30, 2022 2 months	April 1, 2021 June 30, 2021 Q2	Jan. 1, 2021 Dec. 31, 2021 Cf 12 months	Jan. 1, 2020 Dec. 31, 2020 Cf 12 months
Cash flow from operations during the period	-4,222	-1,685	-6,613	-4,937
Changes in working capital	-8,303	166	3,712	-858
Cash flow from operations after change in working capital	-12,525	-1,519	-2,901	-5,795
Cash flow from investing activities	-1,019	-3,221	-18,326	-4,959
Cash flow from financing activities	-24,534	23,530	37,172	20,880
Cash flow for the period	-38,078	18,790	15,945	10,127
Cash/cash equivalents at beginning of period	57,328	8,465	11,747	1,621
Cash/cash equivalents at end of period	19,250	27,254	27,692	11,747

CONDENSED STATEMENT OF CASH FLOWS – PARENT COMPANY

(SEK 000s)	May 1, 2022 June 30, 2022 2 months	April 1, 2021 June 30, 2021 Q2	Jan. 1, 2021 Dec. 31, 2021 Cf 12 months	Jan. 1, 2020 Dec. 31, 2020 Cf 12 months
Cash flow from operations during the period	-3,905	-2,484	-5,857	-8,560
Changes in working capital	-5,844	-1,648	- 5,752	-2,334
Cash flow from operations after change in working capital	-9,749	-4,132	-11,609	-10,894
Cash flow from investing activities	-1,114	- 938	-9,518	-102
Cash flow from financing activities	0	23,530	37,172	20,875
Cash flow for the period	-10,863	18,460	16,045	9,879
Cash/cash equivalents at beginning of period	29,845	8,247	11,245	1,367
Cash/cash equivalents at end of period	18,982	26,706	27,290	11,245

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – MAY 1, 2022 – JUNE 30, 2022

(SEK 000s)	Share capital	Restricted reserves	Unrestricted reserves	Profit/loss for the year
Amount at start of period	14,616	24,046	58,124	-4,229
Transfer of profit/loss			-4,229	4,229
Fund for development costs		100	-100	
Issue of new shares				
Spinoff of subsidiary			-49,589	
Profit/loss for the period				-4,671
Amount at end of period	14,616	24,146	4,206	-4,671

CONDENSED STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY MAY 1, 2022 - JUNE 30, 2022

(SEK 000s)	Share capital	Restricted reserves	Unrestricted reserves	Profit/loss for the year
Amount at start of period	14,616	24,046	58,314	-4,220
Transfer of profit/loss			-4,220	4,220
Fund for development costs		100	-100	
Issue of new shares				
Spinoff of subsidiary			-49,589	
Profit/loss for the period				-5,006
Amount at end of period	14,616	24,146	4,405	-5,006