

## Q2/FR22

July 1, 2022 – Sept. 30, 2022  
Respiratorius AB (publ)  
556552-2652

**SUMMARY OF Q2 REPORT, SHORTENED FINANCIAL YEAR 2022<sup>1</sup>****July 1, 2022 – Sept. 30, 2022**

- Net sales totaled SEK 0 (0) thousand.
- Loss after financial items was SEK 6,769 (loss: 2,221) thousand.
- Earnings per share<sup>2</sup> totaled SEK -0.02 (-0.01).
- The equity ratio<sup>3</sup> as of Sept. 30, 2022 was 95.40%.
  
- The number of shares on Sept. 30, 2022 totaled 292,316,100 and the number of shares on Sept. 30, 2021 totaled 213,889,811

<sup>1</sup> 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 (Q3 2021).

<sup>2</sup> Earnings per share: Profit/loss for the period divided by 292,316,100 shares as of Sept. 30, 2022

<sup>3</sup> Equity ratio: Shareholders' equity divided by total capital.

**SIGNIFICANT EVENTS DURING THE PERIOD JULY 1 — SEPTEMBER 30, 2022**

- Respiratorius announced in mid-September that Japan was the first country to approve a patent application for the formulation of VAL001.  
The patent application, which protects a novel and dedicated oral formulation of sodium valproate for pretreating cancer, was approved by the Japan Patent Office. April 21, 2016 is the priority date of the patent, which is valid for at least 20 years

from the priority date, providing market exclusivity during this period.

Respiratorius announced in the same press release that preliminary results from the PK study using VAL001 are available. According to these data, the concentration of valproate in plasma following twice daily dosage of VAL001 is in the expected range, and corresponds with the concentration achieved using the reference medicine, dosed three times daily, which was also the dose used in the phase I/IIa study (VALFRID study). Additional analyses of data from the PK study are in progress.

# Comments by the CEO

The second quarter of the shortened financial year, July 1 to September 30, 2022, proceeded with continued promising results for the company's projects.

Preliminary results from the pharmacokinetic study indicate that the primary goal for the formulation of VAL001 has been achieved. The concentration of valproate in plasma following twice daily dosage of VAL001 was in the expected range, and corresponded with the concentration achieved using the reference medicine, dosed three times daily.

In connection with the preliminary results from the pharmacokinetic study we also received the good news that Japan was the first country to grant a patent for the formulation of VAL001. Similar patent applications are in advanced stages of the review process in several countries, for which reason we confidently look forward to additional approvals that will strengthen the patent portfolio related to VAL001.

Patent approval for the formulation is also important for the ongoing marketing of VAL001 to potential stakeholders. Our partners have done a great job of positioning VAL001, while also providing important information regarding the offering. The response we have received to date indicates genuine interest in VAL001, largely thanks to good clinical results that stand out among the many other cancer treatments under clinical development.

The question that all interested parties ask, regarding when we will have a signed and completed agreement, I must still leave unanswered. Nevertheless, I can assure everyone that we are working both intensively and ambitiously to reach a favorable agreement as soon as possible.

During the period, administrative costs increased because of the initiative to raise capital and the spinoff of Arcede Pharma AB, which occurred during the first period, May to June, of the shortened 2022 financial year.

I would like to conclude by thanking our shareholders and investors for their continued commitment to Respiratorius.



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. The Company 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 collaborative 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, over 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.

## 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 September 30, 2022, the number of shares in the Company was 292,316,100; the number of shares on Sept. 30, 2021 was 213,889,811. 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

- Year-end report            2022            February 7, 2023

## SUBMISSION OF Q2 INTERIM REPORT SHORTENED FINANCIAL YEAR 2022

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

Lund, November 8, 2022

Respiratorius AB (publ)

Board of Directors and Chief Executive Officer

## FOR MORE INFORMATION, PLEASE CONTACT:

Johan Drott

CEO, Respiratorius AB (publ)

Telephone: +46 (0)70-922 41 40

email: [johan.drott@respiratorius.com](mailto:johan.drott@respiratorius.com)

[www.respiratorius.com](http://www.respiratorius.com)

## CONDENSED CONSOLIDATED INCOME STATEMENT

(SEK 000s)	July 1, 2022 Sept. 30, 2022 Q2	July 1, 2021 Sept. 30, 2021 Q3	July 1, 2020 Sept. 30, 2020 Cf Q3	May 1, 2022 Sept. 30, 2022 5 months	Jan. 1, 2021 Dec. 31, 2021 12 months
Net sales	0	0	0	0	0
Other operating income	0	0	0	0	0
<b>Gross profit/loss</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Research and development costs	-1,842	-2,775	-860	-2,396	-17,364
Administrative costs	-5,871	-2,119	-1,471	-10,004	-7,485
Other expenses	0	0	0	0	0
Capitalized patent and development costs	2,141	3,430	1,416	2,711	18,326
<b>Operating profit/loss before depreciation, amortization and impairment</b>	<b>-5,572</b>	<b>-1,464</b>	<b>-915</b>	<b>-9,689</b>	<b>-6,523</b>
Depreciation/Amortization	-1,023	-757	-633	-1,472	-3,027
<b>Operating profit/loss after depreciation, amortization and impairment</b>	<b>-6,595</b>	<b>-2,221</b>	<b>-1,548</b>	<b>-11,161</b>	<b>-9,550</b>
Profit/loss from financial investments	-174	0	-79	-279	-90
<b>Operating profit/loss before depreciation, amortization and impairment</b>	<b>-6,769</b>	<b>-2,221</b>	<b>-1,627</b>	<b>-11,440</b>	<b>-9,640</b>
Taxes		0	0	0	0
<b>Profit/loss for the year</b>	<b>-6,769</b>	<b>-2,221</b>	<b>-1,627</b>	<b>-11,440</b>	<b>-9,640</b>

## CONDENSED INCOME STATEMENT – PARENT COMPANY

(SEK 000s)	July 1, 2022 Sept. 30, 2022 Q2	July 1, 2021 Sept. 30, 2021 Q3	July 1, 2020 Sept. 30, 2020 Cf Q3	May 1, 2022 Sept. 30, 2022 5 months	Jan. 1, 2021 Dec. 31, 2021 12 months
Net sales	0	0	0	0	0
Other operating income	0	0	0	0	0
<b>Gross profit/loss</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Research and development costs	-796	-793	-6,086	-910	-7,244
Administrative costs	-2,990	-1,829	-4,263	-6,829	-6,341
Other expenses	0	0	0	0	0
Capitalized patent and development costs	804	1,247	6,704	918	7,728
<b>Operating profit/loss before depreciation, amortization and impairment</b>	<b>-2,982</b>	<b>-1,375</b>	<b>-3,645</b>	<b>-6,821</b>	<b>-5,857</b>
Depreciation/Amortization	0	-348	-841	0	-1,391
<b>Operating profit/loss after depreciation, amortization and impairment</b>	<b>-2,982</b>	<b>-1,723</b>	<b>-4,486</b>	<b>-6,821</b>	<b>-7,248</b>
Profit/loss from financial investments	-224	-150	-1,775	-391	-2,390
<b>Profit/loss after financial items</b>	<b>-3,206</b>	<b>-1,873</b>	<b>-6,261</b>	<b>-7,212</b>	<b>-9,638</b>
Group contributions paid	-4,000	0	0	-5,000	0
<b>Profit/loss for the year</b>	<b>-7,206</b>	<b>-1,873</b>	<b>-6,261</b>	<b>-12,212</b>	<b>-9,638</b>

## CONDENSED CONSOLIDATED BALANCE SHEET

(SEK 000s)	Sept. 30, 2022	Sept. 30, 2021	Sept. 30, 2020	Dec. 31, 2021
<b>ASSETS</b>				
Intangible assets	22,725	24,848	17,016	33,423
Property, plant and equipment		0	0	0
Financial assets		0	0	0
<b>Total non-current assets</b>	<b>22,725</b>	<b>24,848</b>	<b>17,016</b>	<b>33,423</b>
<b>Total current assets</b>	<b>12,683</b>	<b>36,049</b>	<b>15,599</b>	<b>28,583</b>
<b>Total assets</b>	<b>35,408</b>	<b>60,897</b>	<b>32,614</b>	<b>62,006</b>

### LIABILITIES AND EQUITY

<b>Total equity</b>	<b>33,780</b>	<b>59,526</b>	<b>30,692</b>	<b>56,811</b>
Non-current liabilities	0	0	0	0
Current liabilities	1,628	1,371	1,922	5,195
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>35,408</b>	<b>60,897</b>	<b>32,614</b>	<b>62,006</b>

## CONDENSED BALANCE SHEET – PARENT COMPANY

(SEK 000s)	Sept. 30, 2022	Sept. 30, 2021	Sept. 30, 2020	Dec. 31, 2021
<b>ASSETS</b>				
Intangible assets	804	13,530	8,602	16,108
Property, plant and equipment	0	0	0	0
Financial assets	21,568	13,008	9,202	15,562
<b>Total non-current assets</b>	<b>22,372</b>	<b>26,538</b>	<b>17,804</b>	<b>31,670</b>
<b>Total current assets</b>	<b>12,383</b>	<b>35,222</b>	<b>15,124</b>	<b>27,974</b>
<b>Total assets</b>	<b>34,755</b>	<b>61,760</b>	<b>32,929</b>	<b>59,644</b>

### Liabilities and equity

<b>Total equity</b>	<b>33,642</b>	<b>60,821</b>	<b>31,727</b>	<b>57,001</b>
Non-current liabilities	0	70	70	71
Current liabilities	1,113	869	1,131	2,572
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>34,755</b>	<b>61,760</b>	<b>32,929</b>	<b>59,644</b>



## Condensed Consolidated Statement of Cash Flows

(SEK 000s)	July 1, 2022	July 1, 2021	July 1, 2020	Jan. 1, 2021
	Sept. 30, 2022	Sept. 30, 2021	Sept. 30, 2020	Dec. 31, 2021
	Q2	Q3	Cf Q3	Cf 12 months
Cash flow from operations during the period	-1,462	-1,464	-994	-6,613
Changes in working capital	-1,781	-705	699	3,712
<b>Cash flow from operations after change in working capital</b>	<b>-3,243</b>	<b>-2,169</b>	<b>-295</b>	<b>-2,901</b>
Cash flow from investing activities	-1,683	-3,430	-1,416	-18,326
Cash flow from financing activities	-2,249	13,643	15,409	37,172
<b>Cash flow for the period</b>	<b>-7,175</b>	<b>8,044</b>	<b>13,698</b>	<b>15,945</b>
Cash/cash equivalents at beginning of period	19,250	27,254	1,334	11,747
<b>Cash/cash equivalents at end of period</b>	<b>12,075</b>	<b>35,298</b>	<b>15,033</b>	<b>27,692</b>

## Condensed Statement of Cash Flows – Parent Company

(SEK 000s)	July 1, 2022	July 1, 2021	July 1, 2020	Jan. 1, 2021
	Sept. 30, 2022	Sept. 30, 2021	Sept. 30, 2020	Dec. 31, 2021
	Q2	Q3	Cf Q3	Cf 12 months
Cash flow from operations during the period	-2,089	-2,221	-1,624	-5,857
Changes in working capital	-1,761	-3,018	-743	-5,752
<b>Cash flow from operations after change in working capital</b>	<b>-3,850</b>	<b>-5,239</b>	<b>-2,367</b>	<b>-11,609</b>
Cash flow from investing activities	-801	-401	265	-9,518
Cash flow from financing activities	-2,370	16,344	15,403	37,172
<b>Cash flow for the period</b>	<b>-7,021</b>	<b>10,704</b>	<b>13,301</b>	<b>16,045</b>
Cash/cash equivalents at beginning of period	18,982	26,706	1,319	11,245
<b>Cash/cash equivalents at end of period</b>	<b>11,961</b>	<b>37,410</b>	<b>14,620</b>	<b>27,290</b>

## Condensed consolidated statement of changes in equity – May 1, 2022 – Sept. 30, 2022

(SEK 000s)	Share capital	Restricted reserves	Unrestricted reserves	Profit/loss for the year
<b>Amount at start of period</b>	<b>14,616</b>	<b>24,046</b>	<b>58,124</b>	<b>-4,229</b>
Transfer of profit/loss			-4,229	4,229
Fund for development costs		0	0	
Rights issue	0		0	
Spinoff of subsidiary			-49,589	
Issue expenses		-2,419	0	
Profit/loss for the period				-6,769
<b>Amount at end of period</b>	<b>14,616</b>	<b>21,627</b>	<b>4,306</b>	<b>-6,769</b>

## Condensed statement of changes in equity – Parent Company May 1, 2022 – Sept. 30, 2022

(SEK 000s)	Share capital	Restricted reserves	Unrestricted reserves	Profit/loss for the year
<b>Amount at start of period</b>	<b>14,616</b>	<b>24,046</b>	<b>58,314</b>	<b>-4,220</b>
Transfer of profit/loss			-4,220	4,220
Fund for development costs			0	
Rights issue				
Spinoff of subsidiary			-49,489	
Issue expenses		-2,419	0	
Profit/loss for the period				-7,206
<b>Amount at end of period</b>	<b>14,616</b>	<b>21,627</b>	<b>4,605</b>	<b>-7,206</b>