



ASARINA PHARMA AB (PUBL)

SECOND HALF-YEAR AND YEAR-END REPORT 2023

1 July - 31 December 2023

A photograph of a woman with long, wavy blonde hair kissing a young girl with curly brown hair on the cheek. The woman is on the left, leaning in from the side. The girl is on the right, looking slightly upwards with a gentle smile. They are both wearing casual clothing. The background is a bright, out-of-focus indoor space with large windows.

**REMAIN IN
CONTROL
OF YOUR LIFE**

ASARINA PHARMA AB, (PUBL)

SECOND HALF-YEAR AND
YEAR-END REPORT 2023

CEO STATEMENT

DEAR SHAREHOLDER

Following the positive outcome of the phase IIa study in Tourette Syndrome in April 2023, the second half of 2023 was marked by two key activities.

FIRSTLY, together with our clinical and other advisers we made initial preparations for the next clinical study with Sepranolone in Tourette Syndrome (TS). The phase IIb study should be a randomized, double blind study involving 120-130 patients including patients with stable OCD/ADHD comorbidities.

THE SECOND KEY ACTIVITY was our efforts to find a partner for the phase IIb study. The capital markets continue to be challenging, especially for small biotech companies such as Asarina trying to raise financing. Therefore, it is critical for the further clinical development of Sepranolone to involve a strong partner with a focus on neurological diseases and with adequate financial resources.

Therefore, together with our financial adviser we have reached out to a substantial number of potential partners. Furthermore, we have participated in several partnering events including BIO Europe in November and the JP Morgan conference in January. At both events, we had meetings with a number of companies.

As of the end of February 2024, we are in dialogue with a select number of companies which have expressed an interest in being involved in the next phase of the development of Sepranolone.

It is not clear when and how each of these dialogues will come to a conclusion, but we aim to have overall clarity regarding our partner options within the first half of the year. It should be noted that there is no certainty that a partnership can be established, let alone that it will be on satisfactory terms.

IN SUMMARY, finding a partner is taking time. We are still hopeful that we will eventually find a partner who can bring Sepranolone further in development. In the meantime, we have taken measures to reduce our expenditure to an absolute minimum in order to allow enough time for the partnering process.

BEST WISHES,



Peter Nordkild,
CEO Asarina Pharma

FINANCIAL OVERVIEW

KEY FINANCIALS

	2023 JUL - DEC	2022 JUL - DEC	2023 JAN - DEC	2022 JAN - DEC
Net income, kSEK	0	0	0	0
Operating profit/loss, KSEK	-5 158	-6 680	-14 683	-14 687
Profit/loss for the period, KSEK	-3 426	-5 086	-12 913	-13 283
Earnings per share, fully-diluted, SEK	-0.15	-0.22	-0.56	-0.62
Total assets, end-of-period, KSEK	5 989	16 857	5 989	16 857
Cash and cash equivalents, KSEK (end-of-period)	3 161	13 577	3 161	13 577
Equity ratio, % (end-of-period)	26.1	86.6	26.1	86.6
Return on equity, %	-28.8	-11.8	-159.8	-19.8
Return on total assets, %	-26.2	-14.0	-127.1	-18.4

REVENUE

Net income in the second half of 2023 (H2/23) and in the full year 2023 (FY23) amounted to 0.0 (0.0) MSEK.

OPERATING EXPENSES

Asarina reduced its expenditure in H2/23. Total operating expenses amounted to 5.2 (6.7) MSEK and to 14.7 (14.7) MSEK for FY23. External R&D costs dropped to a modest 0.8 (2.8) MSEK and to 6.5 (7.3) MSEK for FY23 reflecting the final costs for the phase IIa study in Tourette Syndrome. Staff costs in H2/2023 increased to 3.1 (2.1) MSEK and to 4.9 (3.9) MSEK in FY23, primarily due to additional partnering activities. General and administration costs declined to 1.0 (1.6) MSEK and to 2.8 (3.1) MSEK for FY23.

FINANCIAL ITEMS AND TAX

Financial items (interest expenses and currency gains/losses) were broadly unchanged from 2022.

Asarina continues to benefit from the Danish tax credit scheme for R&D costs. In November 2023, the Company received 1.6 MSEK (7.0 MSEK) from this scheme. The Company expects to receive approx. 1.5 MSEK in November 2024 related to the R&D costs in 2023.

RESULT AND FINANCIAL POSITION

The net result after tax amounted to -3.4 (-5.1) MSEK in H2/23 and to -12.9 (-13.3) MSEK for FY23.

The operating cashflow (incl. the tax credit) in H2/2023 was -2.2 (+0.9) MSEK and - 12.3 (- 7.5) MSEK for FY23.

In December 2023, the Company received 1.0 MSEK in a convertible loan from Östersjöstiftelsen, its main shareholder.

On 31 December 2023, the cash balance amounted to 3.2 (13.6) MSEK. The Company expects that this amount combined with the tax credit due in November 2024 will be sufficient to fund the Company's activities during 2024.

On 31 December 2023, shareholders' equity amounted to 1.6 (14.6) MSEK equal to an equity ratio of 26.1 (86.6)%.

STAFF

As of 31 December 2023, Asarina's operating team comprised 6 part-time staff (employees and consultants), corresponding to 0.5 (1½) full-time employees. The team possesses the key R&D competencies required for a phase II company.

NOTE | Amounts in brackets refer to the corresponding period or date in 2022.

THE ASARINA PHARMA SHARE

As of 31 December 2023, Asarina has issued a total of 22 641 409 shares, which are held by an estimated 3 000 shareholders.

OWNERSHIP AS OF 31 DECEMBER 2023*

SHAREHOLDER	COUNTRY	NO. OF SHARES	OWNERSHIP (%)
Östersjöstiftelsen (Baltic Foundation)	Sweden	6 563 977	29.0
Kurma Biofund	France	3 145 132	13.9
Idinvest Patrimoine	France	1 639 824	7.2
Avanza Pension	Sweden	951 609	4.2
Torbjörn Bäckström	Sweden	364 480	1.6
Arne Andersson	Sweden	365 484	1.6
Larsson Utvecklings AB	Sweden	350 000	1.5
Larix Byggnads AB	Sweden	332 980	1.5
Nordnet Pensionsförsäkring	Sweden	322 144	1.4
Peter Nordkild (CEO)	Denmark	263 124	1.2
Others		8 342 655	36.8
TOTAL		22 641 409	100.0

* Sources: Euroclear, company estimates

As of 31 December 2023, the Company has no active warrant programs for board and staff members.

OUTLOOK

The overriding goal for Asarina is to progress its lead compound, Sepranolone, into a phase IIb study in Tourette Syndrome. In view of the Company's very limited liquidity, this requires that the Company is able to enter into a partnership with a pharmaceutical company with the right therapeutic focus and with sufficient financial resources for the phase IIb study. The Company has approached potential partners and is in discussions with a small number of these companies.

As of January 2024, the Company has reduced its operating expenditure to an absolute minimum, by suspending further R&D activities and by significantly reducing headcount. .

There is no certainty that Asarina can close a partnership, let alone that this will be on acceptable terms. The board of directors may therefore decide at the appropriate time to discontinue further partnering efforts and wind down the Company.

EVENTS AFTER THE END OF THE REPORT PERIOD

No event has happened after 31 December 2023 which could significantly change Asarina's financial position.

STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors and the CEO hereby certify that this report gives a true and fair presentation of the Group's and the parent company's financial position and result of operations and describes material risks and uncertainties facing the Group.

Stockholm, 27 February 2024

Asarina Pharma AB

Board of directors

FINANCIAL CALENDAR FOR 2022

23 May 2024: Annual Report 2023

15 June 2024: Annual General Meeting

PUBLICATION

The report was submitted for publication by the CEO at 08.00 CET on 27 February 2024.

This report has not been reviewed by the Company's auditors.

CONSOLIDATED INCOME STATEMENT (GROUP)

SEK '000	2023 JUL - DEC	2022 JUL - DEC	2023 JAN - DEC	2022 JAN - DEC
Net income	0	0	0	0
Other income	0	0	0	0
Total operating income	0	0	0	0
Research and development costs	-849	-2 776	-6 494	-7 294
Other external costs	-958	-1 597	-2 832	-3 088
Staff costs	-3 147	-2 101	-4 934	-3 899
Depreciation	-204	-206	-423	-406
Total operating costs	-5 158	-6 680	-14 683	-14 687
Operating profit/loss	-5 158	-6 680	-14 683	-14 687
Financial income (interest income, currency gains)	82	113	169	297
Financial cost (interest expenses, currency losses)	-56	-64	-107	-438
Net financial items	25	49	62	-141
Profit/loss before tax	-5 133	-6 631	-14 621	-14 828
Tax on profit/loss	1 708	1 545	1 708	1 545
Profit/loss for the period	-3 426	-5 086	-12 913	-13 283

EARNINGS PER SHARE

SEK	2023 JUL - DEC	2022 JUL - DEC	2023 JAN - DEC	2022 JAN - DEC
Number of shares, average (non-diluted)	22 641 409	22 641 409	22 641 409	20 730 334
Number of shares, average (fully-diluted)	22 641 409	23 349 409	22 910 850	21 438 334
Earnings per share, non-diluted, (SEK)	-0,15	-0,22	-0,57	-0,64
Earnings per share, fully-diluted, (SEK)	-0,15	-0,22	-0,56	-0,62
Number of shares, end of period (non-diluted)	22 641 409	22 641 409	22 641 409	22 641 409
Number of shares, end of period (fully-diluted)	22 641 409	23 349 409	22 641 409	23 349 409

CONSOLIDATED BALANCE SHEET (GROUP)

SEK '000	2023-12-31	2022-12-31
ASSETS		
Non-current assets		
Property, plant and equipment	778	1 181
Financial non-current assets	1	1
Total non-current assets	779	1 182
Current assets		
<i>Current receivables</i>		
Current tax asset	1 766	1 687
Other receivables	181	298
Prepaid expenses and accrued income	102	113
Total current receivables	2 049	2 098
Cash and cash equivalents	3 161	13 577
Total current assets	5 210	15 675
TOTAL ASSETS	5 989	16 857
EQUITY AND LIABILITIES		
Restricted equity		
Share capital	5 660	5 660
Total restricted equity	5 660	5 660
Unrestricted equity		
Share premium reserve	277 682	277 682
Retained earnings	-268 866	-255 456
Profit/loss for the period	-12 914	-13 284
Total unrestricted equity	-4 098	8 942
TOTAL EQUITY	1 563	14 603
Non-current liabilities		
Convertible loan	1 000	0
Total non-current liabilities	1 000	0
Current liabilities		
Accounts payable	555	837
Other current liabilities	1 046	479
Accrued expenses and prepaid income	1 826	939
Total current liabilities	3 427	2 255
Total liabilities	4 427	2 255
TOTAL EQUITY AND LIABILITIES	5 989	16 857

STATEMENT OF CHANGES IN EQUITY (GROUP)

SEK '000	SHARE CAPITAL	SHARE PREMIUM RESERVE	ACCUMULATED LOSSES INCL LOSS FOR THE PERIOD	TOTAL EQUITY
Opening balance 1 January 2022	4 686	273 184	-256 726	21 144
Additional paid in capital	974	4 870		5 844
Share issue costs				0
Issue of warrants		0		0
Share based payments				0
Translation difference			898	898
Loss for the period			-13 283	-13 283
Closing balance 31 December 2022	5 660	278 054	-269 111	14 603
Opening balance 1 January 2023	5 660	278 054	-269 111	14 603
Additional paid in capital	0	0		0
Share issue costs				0
Issue of warrants		0		0
Share based payments				0
Translation difference			-186	-186
Loss for the period			-12 913	-12 913
Closing balance 31 December 2023	5 660	278 054	-282 210	1 504

CONSOLIDATED STATEMENT OF CASH FLOWS (GROUP)

SEK '000	2023 JUL - DEC	2022 JUL - DEC	2023 JAN - DEC	2022 JAN - DEC
Operating activities				
Operating profit/loss	-4 969	-6 680	-14 494	-14 687
Adjustment for non-cash flow affecting items				
Depreciation	204	206	423	406
Write-downs				
Share based payments	0	0	0	0
Interest received	82	94	169	297
Interest paid	-66	-47	-117	-439
Paid taxes	1 568	7 018	1 680	6 957
Cash flow for operating activities before changes in working capital	-3 181	591	-12 339	-7 466
Cash flow from changes in working capital				
Decrease (+)/Increase(-)in inventory				
Decrease(+)/Increase(-) in receivables	190	-32	131	-37
Decrease(-)/Increase(+) in liabilities	788	322	925	-1 816
Cash flow from changes in working capital	978	290	1 056	-9 319
Investment activities				
Acquisition of equipment, tools and installation	0	0	0	0
Cash flow from investment activities	0	0	0	0
Financing activities				
Convertible loan received	1 000	-5 300	1 000	-5 300
Share issue	0	5 260	0	5 844
Share issue costs	0	0	0	0
Issue of warrants	0	0	0	0
Cash flow from financing activities	1 000	-40	1 000	544
Cash flow for the period	-1 203	841	-10 283	-8 775
Cash and cash equivalents at the beginning of the period	4 729	12 303	13 577	21 715
Translation difference	-365	433	-133	637
Cash and cash equivalents at the end of the period	3 161	13 577	3 161	13 577

INCOME STATEMENT - PARENT COMPANY

SEK '000	2023 JUL - DEC	2022 JUL - DEC	2023 JAN - DEC	2022 JAN - DEC
Net sales	0	0	0	0
Other income	0	0	0	0
Total operating income	0	0	0	0
Research and development costs	-476	-1 120	-992	-1 832
Other external costs	-637	-1 038	-1 654	-1 857
Staff costs	-653	-590	-1 101	-1 147
Total operating costs	-1 765	-2 747	-3 748	-4 835
Operating profit/loss	-1 765	-2 747	-3 748	-4 835
Financial income (interest income, currency gains)	36	59	49	207
Financial cost (interest expenses, currency losses)	-11	-6	-11	-287
Net financial items	25	53	38	-80
Profit/loss before tax	-1 740	-2 694	-3 710	-4 915
Tax on profit/loss	0	0	0	0
Profit/loss for the period	-1 740	-2 694	-3 710	-4 915

BALANCE SHEET - PARENT COMPANY

SEK '000	2023-12-31	2022-12-31
ASSETS		
Non-current assets		
<i>Financial non-current assets</i>		
Shares in subsidiaries	120 997	237 405
Other non-current financial assets	1	1
Financial non-current assets	120 998	237 406
Current assets		
<i>Current receivables</i>		
Receivables from group companies	82	3 122
Current tax asset	0	112
Other receivables	91	184
Prepaid expenses and accrued income	102	113
Total current receivables	276	3 531
Cash and cash equivalents	1 906	3 019
Total current assets	2 181	6 550
TOTAL ASSETS	123 180	243 956
EQUITY AND LIABILITIES		
Restricted equity		
Share capital	5 660	5 660
Total restricted equity	5 660	5 660
Unrestricted equity		
Share premium reserve	277 682	277 682
Retained earnings	-158 902	-35 329
Profit/loss for the period	-3 710	-4 915
Total unrestricted equity	115 070	237 438
TOTAL EQUITY	120 731	243 098
Non-current liabilities		
Liabilities to group companies	0	40
Convertible loan	1 000	0
Total non-current liabilities	1 000	40
Current liabilities		
Accounts payable	403	339
Other current liabilities	0	0
Accrued expenses and prepaid income	1 046	479
Convertible loan	0	0
Total current liabilities	1 449	818
Total liabilities	2 449	858
TOTAL EQUITY AND LIABILITIES	123 180	243 956

NOTES

1. GENERAL INFORMATION

This interim report covers the parent company Asarina Pharma AB (publ), Corp. Reg. No 556698-0750 and the subsidiaries Asarina Pharma ApS (Denmark) and Asarina Pharma Finans AB.

2. ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3).

The accounting principles adopted in this interim report are consistent with those of the 2020 Annual Report and should be read in conjunction with that annual report.

3. RISKS AND UNCERTAINTIES

RISK MANAGEMENT

The Board of Directors of the company continuously and systematically assess risks in order to identify risks and to take action on them. The internal control environment is comprised of the following five components: control environment, risk assessment, control activities, information and communication and review. Mitigating actions are developed for each identified material risk.

OPERATIONAL RISKS

At the current stage, Asarina's operations consist of clinical studies in order to demonstrate safety and clinical efficacy of its drug candidates. There is no guarantee that a certain clinical trial will generate the required data to enable Asarina to progress to the subsequent development phase of the product candidate.

Clinical trials may be delayed and costs for the trial may exceed budget. Prior to initiating a clinical trial, Asarina conducts a thorough assessment of the duration and the costs of the trial to ensure that it has sufficient funding to complete the trial taking into account possible delays and cost increases.

Asarina develops medical products and is dependent on assessments and decisions by relevant authorities such as the EMA in Europe and the FDA in the USA. Asarina cannot guarantee that it will obtain the regulatory approvals required to continue clinical studies and to obtain market approval. In order to mitigate the regulatory risks, the Company retains regulatory consultants as part of the preparation of new clinical studies.

Asarina focuses on therapeutic areas in which few other companies are active. The company conducts extensive monitoring of potential competitive activity within its IP area, in relevant publications and through participation in biotech conferences.

FINANCIAL RISKS

At present, Asarina does not generate any income from product sales or licensing of the Company's IP assets and is therefore dependent upon raising new capital from investors. Therefore, Asarina may at any point have discussions with current or potential new investors, which may be interested in injecting new finance into the Company.

Asarina incurs costs mainly in Swedish kronor, Danish kroner and Euro. The Company mitigates its exchange rate risk by allocating its financial reserves according to the expected break-down of expenses between the three currencies.

DEFINITION ALTERNATIVE KPIs

KPI	DEFINITION	OBJECTIVE
Equity ratio	Calculated on adjusted equity divided by total assets. Adjusted equity comprises of equity including untaxed reserves deducted with deferred tax liabilities.	The company believes the KPI gives investors information regarding the relation between equity and external financing of the company. The company also believes that the KPS gives investors information about the financial stability and long-term ability.
Return on equity	Result for the period divided by average adjusted equity.	The KPI is included to show the return on the owners invested capital.
Return on total assets	Result before tax with reversal of interest cost in relation to average total assets.	The KPI is included to show the return on the total assets in the company.

RECONCILIATION ALTERNATIVE KPIs

EQUITY RATIO

SEK '000	2023 JUL - DEC	2022 JUL - DEC	2023 JAN - DEC	2022 JAN - DEC
Equity	1 563	14 603	1 563	14 603
+ Untaxed reserves	0	0	0	0
- Deferred tax liability	0	0	0	0
Adjusted equity	1 563	14 603	1 563	14 603
Adjusted equity	1 563	14 603	1 563	14 603
Total assets	5 989	16 857	5 989	16 857
Equity ratio, %	26.1	86.6	26.1	86.6

RETURN ON EQUITY

SEK '000	2023 JUL - DEC	2022 JUL - DEC	2023 JAN - DEC	2022 JAN - DEC
Result for the period	-3 426	-5 086	-12 913	-13 283
Average adjusted equity ¹	11 888	42 983	8 083	67 036
Return on equity, %	-28.8	-11.8	-159.8	-19.8

RETURN ON TOTAL ASSETS, %

SEK '000	2023 JUL - DEC	2022 JUL - DEC	2023 JAN - DEC	2022 JAN - DEC
Result before tax	-5 133	-6 631	-14 621	-14 828
+ Interest costs	56	64	107	438
Average total assets ¹	19 358	46 971	11 423	78 376
Return on total assets, %	-26.2	-14.0	-127.1	-18.4

CERTIFIED ADVISER

The company's certified adviser is
Carnegie Investment Bank
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E-mail: certifiedadviser@carnegie.se

CONTACT INFORMATION

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ABOUT ASARINA PHARMA

We are a Swedish biotech company developing Sepranolone for allopregnanolone-induced stress and compulsivity-driven disorders. Our product pipeline is built on over 40 years of research into allopregnanolone-related neurological disorders. With our new family of GAMSA compounds (GABA-A Modulating Steroid Antagonists) we aim to deliver a new generation of safe, efficacious drugs for neurological conditions from Tourette syndrome to Obsessive Compulsive Disorder that still lack safe, efficacious pharmaceutical treatments.

ASARINA PHARMA AB

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