PledPharma

Half-Year report January-June 2020

April-June

- Quarterly net sales MSEK 21.7 (5.0)
- Quarterly result MSEK till -36.2 (-29,4)
- Cash and cash equivalents MSEK 184.5 (319.5)
- Cash flow from operating activities MSEK -33.8 (59.3)
- Result per share SEK -0.7 (-0.6)

PledOx®

- PledPharma decided to prematurely stop and read-out the POLAR phase III program with a data cut-off targeted for the third quarter 2020. The decision was taken after a recommendation from the independent Drug Safety Monitoring Board (DSMB) to stop the studies due to a few severe allergic reactions after repeated dosing
- Positive pre-clinical results presented at Peripheral Nerve Society's annual meeting

Aladote®

- Interactions are ongoing with the regulatory agencies to finalize specific details for the pivotal phase II/III study

Other

- PledPharma received US patent for method of treatment related to calmangafodipir
- CFO Yilmaz Mahshid has taken on a new external role and will be leaving PledPharma in September. Marie-Louise Alamaa has been appointed as interim CFO

Significant events after the reporting period

- Positive pre-clinical results with PledOx published in Antioxidants
- Marie Ekström Trägårdh has chosen to step down from company's Board of Directors due to personal reasons

	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Net revenues, KSEK	21,697	4,965	33,201	59,669	82,562
Result after tax, KSEK	-36,164	-29,412	-78,983	-6,523	-61,422
Cash flow, KSEK	-33,802	59,322	-71,063	87,182	24,079
Cash, KSEK	184,470	319,549	184,470	319,549	255,101
Equity ratio %	86%	92%	86%	92%	91%
Result per share, SEK	-0.7	-0.6	-1.5	-0.1	-1.2
Result per share after dilution, SEK	-0.7	-0.6	-1.5	-0.1	-1.2
Average number of employees	9	10	9	10	9

PledPharma in brief – therapies for disabling and life-threatening diseases

PledPharma is an innovative, unique and integrated pharmaceutical drug development company, focusing on improving treatments for diseases with substantial unmet medical need.

The company's project **PledOx®** is a first in class drug candidate and is in development to prevent nerve damage associated with chemotherapy. The phase III POLAR program was prematurely stopped with a data cut-off targeted for the third quarter 2020.

The drug candidate **Aladote®** is a first in class drug candidate and is being developed to reduce the risk of acute liver injury associated with paracetamol poisoning. A proof of principle study has been successfully completed, and the design of the next study is being finalised. Aladote® has been granted Orphan Drug Designation in the US. Ambition to initiate one pivotal study phase II/III study with Aladote for marketing authorization application in both US and EU.

PledPharma (STO: PLED) is listed on the Nasdaq Stockholm main market. For more information, see http://www.pledpharma.com/

PledPharma

Comments from the CEO

PledOx POLAR program

In April, we took the decision to prematurely stop the clinical Phase III program POLAR with our lead candidate PledOx®, developed to provide patients that are treated adjuvantly or for metastatic colorectal cancer prevention against the nerve damage that can occur in conjunction with chemotherapy treatment. The decision was taken after a recommendation from the independent Drug Safety Monitoring Board (DSMB) to stop the program due to a few severe allergic reactions which has been observed in the studies after repeated dosing with study drug. Allergic hypersensitivity reactions are not uncommon in relation to platinum-based chemotherapy.

We will now concentrate on collecting the remaining data in the challenging COVID-19 environment and have targeted a data cut-off for the third quarter. The total Phase III data generated in the POLAR program will enable a thorough evaluation of the safety and efficacy and an assessment of the benefit/risk of PledOx. This evaluation will determine if further activities to find a path forward for PledOx to treat nerve damage associated with chemotherapy are motivated.

Continued scientific interest for PledOx

Despite this setback, we continue to gain interest for PledOx in the scientific community. In June, positive pre-clinical results with PledOx were presented as a poster at 2020 Annual Meeting of Peripheral Nerve Society (PNS). The preclinical oxaliplatin study confirms a protective effect of PledOx (calmangafodipir) against oxaliplatin-induced small fiber neuropathy. The administration of PledOx at the dose of 5 mg/kg prevents oxaliplatin-induced mechanical allodynia, cold hyperalgesia and reduction in intraepidermal nerve fiber density.

In early July, these pre-clinical results were also published in the peer-reviewed, open access journal Antioxidants. The article, titled Calmangafodipir Reduces Sensory Alterations and Prevents Intraepidermal Nerve Fibers Loss in a Mouse Model of Oxaliplatin Induced Peripheral Neurotoxicity, focuses on the protective effect against oxaliplatin-induced peripheral neuropathy at the pathological level, and the findings are in line with the behavioral results.

US patent related to calmangafodipir

In May, we received a US patent for method of treatment related to calmangafodipir, forming an additional protective layer around both PledOx and Aladote. The expiry date for the patent is July 2030. This is in addition to the already granted composition-of-matter patent of calmangafodipir with expiry date December 2032. We are pleased with the notice of allowance of our second patent application to further strengthen our robust patent portfolio.

Continued development of Aladote

Our focus on Aladote and the ongoing regulatory interactions and clinical study remains unchanged as Aladote represents an important opportunity to address the high unmet medical need following paracetamol intoxication. A Phase I/IIa Proof-of-Principle study has been successfully completed, and a pivotal phase II/III study with a single administration is under planning. It is reassuring that no severe allergic-hypersensitivity reactions have been reported after single administration in the clinical trials with calmangafodipir.

In order to continue the development of our clinical portfolio, we have a robust cash position of approximately 184 million SEK in cash and cash equivalents reported at the end of the second quarter 2020.

Changes in management team and Board

In late May, we announced that CFO Yilmaz Mahshid has decided to leave the company and take on the position as CEO of Medivir. I have worked closely with Yilmaz during an intense period for the company, and I am very grateful for his commitment and professionalism. I wish him the best of success with his future commitments. In June, we named Marie-Louise Alamaa as the new interim CFO at PledPharma. She has extensive experience within finance and controlling from public companies, and she will make an excellent addition to the team. After the period, Board member Marie Ekström Trägårdh announced that she has decided to step down from the company's Board of Directors due to personal reasons.

Despite the global COVID-19 pandemic data collection for the POLAR phase III program is progressing according to plan with a data cut-off targeted for the third quarter 2020. We are grateful for the commitments of participating patients and investigating sites for this achievement. In these uncertain and unsettling times, our focus on Aladote and the ongoing regulatory interactions and clinical study remains firm. I look forward to relaying news to you around the planned study, as well as the data from the POLAR program.

Nicklas Westerholm, CEO
PledPharma AB, Stockholm

PledPharma

Project updates

Pledox®

Events during the quarter

PledPharma announced on April 6 to prematurely stop and read-out the POLAR phase III program with a data cut-off targeted for the third quarter 2020. The decision was taken after a recommendation from the independent Drug Safety Monitoring Board (DSMB) to stop the studies due to a few severe allergic reactions after repeated dosing.

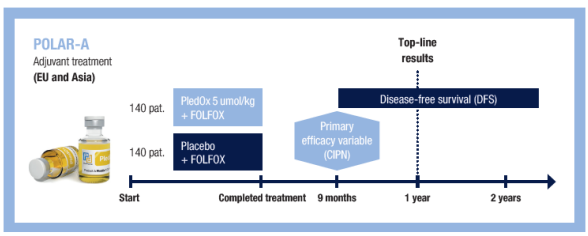
The current status of the POLAR program is as follows: A total of 590 patients out of the planned 700 patients have been randomized, patients currently enrolled in the POLAR program have continued with their scheduled study procedures, while not receiving the study drug, until the data cut-off. The totality of data generated will enable a thorough efficacy and safety evaluation and an assessment of the benefit/risk of PledOx. This evaluation will determine if further activities to find a path forward for PledOx to treat nerve damage associated with chemotherapy are warranted.

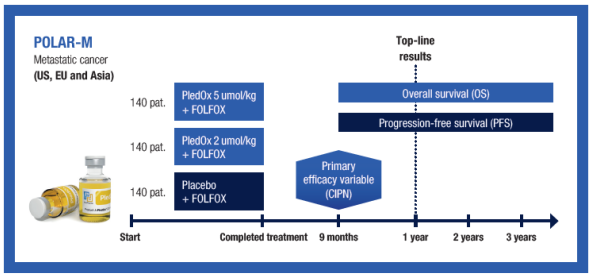
Significant events after the reporting period

Positive pre-clinical results with PledOx published in Antioxidants. The pre-clinical oxaliplatin study confirms a protective effect of PledOx (calmangafodipir) against oxaliplatin-induced small fiber neuropathy.

About PledOx®

PledOx is a “first in class” drug candidate developed to provide patients that are treated adjuvantly or for metastatic colorectal cancer prevention against the nerve damage that can occur in conjunction with chemotherapy treatment. The results from a completed Phase IIb trial (PLIANT), where patients with metastatic colorectal cancer were treated with the chemotherapy combination FOLFOX and PledOx, indicate that the patients who received PledOx had a lower risk than the placebo group to suffer from nerve damage during the chemotherapy. No apparent negative effect on the efficacy of the cancer treatment was observed. The global phase III program for PledOx consists of two double blinded randomized placebo-controlled trials, POLAR-M and POLAR-A. POLAR-M was designed to include 420 patients undergoing chemotherapy treatment for metastatic colorectal cancer and is being conducted in Asia, Europe and the US. The study compares PledOx at doses of 2 µmol/kg and 5 µmol/kg with placebo. POLAR-A was designed to include 280 patients undergoing adjuvant chemotherapy treatment for colorectal cancer and is being conducted in Asia and Europe. The study compares PledOx at a dose of 5 µmol/kg with placebo. In Q1 2019 US Food and Drug and Administration (FDA) and French regulatory authority (ANSM) issued a clinical hold in the US and France, respectively, of the phase III POLAR studies. The phase III program was prematurely stopped with a data cut-off targeted for the third quarter 2020. The totality of data generated will enable a thorough efficacy and safety evaluation and an assessment of the benefit/risk of PledOx.





Aladote®

Events during the quarter

Following regulatory interactions with the FDA and the EMA, the company has finalized the development program for Aladote. The development program is planned to contain one pivotal phase II/III study which is expected to be sufficient for a marketing authorization application in both US and EU. Continued interactions are ongoing with the regulatory agencies to finalize study specific details.

Significant events after the reporting period

There are no events to report.

About Aladote®

Aladote is a "first-in-class" drug candidate with the potential to reduce the risk of acute liver injury caused by paracetamol overdose. Aladote has shown good efficacy in relevant preclinical models, even in the time-window when N-acetylcysteine (NAC) treatment is no longer effective. A proof of principle study in patients with paracetamol poisoning has been successfully completed. The study results established the safety and tolerability of the combination of Aladote and NAC. Further, the results indicate that Aladote may reduce liver injury in this patient population. This is based on the measurement of the pre-defined exploratory biomarkers, Keratin-18 (K18) and microRNA-122 (miR-122) in patients treated with Aladote and NAC compared to NAC alone. Following regulatory interactions with the FDA and the EMA, the company has finalized the development program for Aladote. The development program is planned to contain one pivotal phase II/III study which is expected to be sufficient for a marketing authorization application in both US and EU. Aladote has been granted Orphan Drug Designation in the US.

Paracetamol is the most used drug in the world for the treatment of fever and pain, but also one of the drugs most over-dosed – intentionally or unintentionally. Paracetamol overdose is also one of the most common method in intentional suicide attempts. When excessive amounts of paracetamol are broken down in the liver, the harmful metabolite NAPQI is formed, which can cause acute liver failure. The current standard of care for paracetamol poisoning (NAC) is effective if the patient seeks medical care within 8 hours of ingestion. However, NAC is substantially less effective if started more than 8 hours (late arrivals) after overdose.

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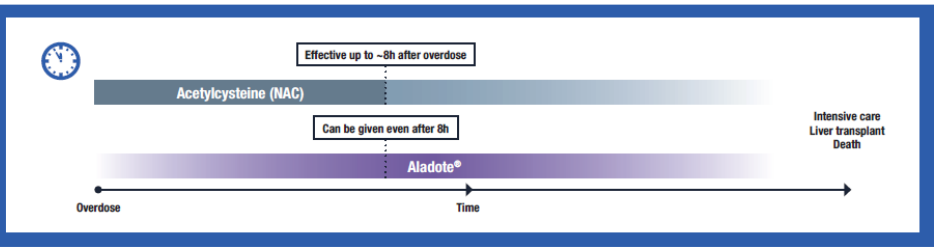
Aladote is effective after the critical eight-hour threshold where NAC treatment is less effective.



PledPharma

Financial Information

Half-Year report, January - June 2020

Revenue, and results

Revenues

Revenues amounted to KSEK 21,488 (4,437) during the quarter and KSEK 33,201 (59,339) for the period. Revenues during the quarter and period was primarily due to forwarding of expenses related to the Asian part of the POLAR program. The decrease in revenues in the corresponding period 2019 is primarily due to a milestone payment from Solasia Pharma K.K of JPY 600M (c. SEK 49M).

Expenses

Operating expenses amounted to KSEK 55,499 (36,099) during the quarter and KSEK 113,878 (70,649) during the period. The project expenses amounted to KSEK 48,194 (26,101) during the quarter and KSEK 98,126 (52,340) during the period.

The increase is due to activities related to the global POLAR program with PledOx®. Project costs related to PledPharma amounted to KSEK 26,706 (21,664).

Employee costs amounted to KSEK 5,646 (5,711) for the quarter and KSEK 11,354 (11,249) for the period.

Other external costs amounted to KSEK 1,607 (4,233) for the quarter and KSEK 3,706 (6,957) for the period. The decrease in the quarter and period is mainly due to expenses that was attributed to the change of trading platform for the company's shares. Depreciation amounted to KSEK 52 (54) for the quarter and KSEK106 (102) for the period. The depreciation is due to right-of-use assets according to IFRS 16.

Results

Operating results amounted to KSEK -33,802 (-31,134) for the quarter and KSEK -80,677 (-10,980) for the period. Net financial items amounted to KSEK -2,363 (1,722) for the quarter and KSEK 1,695 (4,458) for the period. Results are related to unrealized revaluation of company's FX-accounts at the end of the quarter. Results after financial items amounted to KSEK -36,164 (-29,412) for the quarter and KSEK -78,983 (-6,523) for the period. Result per share before and after dilution amounted to SEK -0.7 (-0.6) for the quarter and SEK -1.5 (-0.1) for the period.

Financial position

Cash

Cash as of June 30, 2020 amounted to KSEK 184,470 (319,549).

Cash flow

Cash flow from operating activities amounted to KSEK -33,749 (-27,360) for the quarter and KSEK -70,957 (354) for the period. Cash flow amounted to KSEK -33,802 (59,322) for the quarter and KSEK -71,063 (87,182) for the period. Exchange rate differences in cash has been presented separately in the cash flow from September 2019 and onwards, numbers for previous periods are adjusted accordingly.

Equity and equity ratio

As of June 30, 2020, equity amounted to KSEK 165 995 (299,775). Shareholders' equity per share amounted to SEK 3.1 (5.9), at the end of the period. The company's equity ratio was 86 (92) %.

Debts and receivables

Long-term liabilities amounted to KSEK 34 (117) and are due to IFRS 2 and IFRS16. Current liabilities amounted to KSEK 27,174 (24,478). Accounts receivables amounted to KSEK 6,130 (2,000). Right-of-use assets amounted to KSEK 134 (230) and are due to IFRS16.

Investments, tangible and intangible assets

During the quarter and period, investments in tangible and intangible fixed assets corresponded to KSEK 0 (0).

Share

The number of shares as of June 30, 2020 were 53,533,321. PledPharma´s shares are listed on Nasdaq Stockholm's main market since October 31, 2019.

Stock option plan and warrant programs

Stock option plan 2020/2024

The 2020 Annual General Meeting resolved on a 2020/2024 stock option plan of 3,000,000 stock options for employees of PledPharma. See note 1, IFRS 2, share based payments for terms and accounting policy.

To ensure the delivery of shares to participants in the company's incentive programs as well as to cover social security contributions when the share awards and employee options are exercised, the Parent Company has issued 3,942,600 warrants to its subsidiary PledPharma I AB. 3,000,000 warrants was allotted to the employees in April 2020.

Information regarding previous warrant programs.

Warrant program 2017/2020 and 2018/2021

1,921,500 warrants have been acquired by employees and board members. 1,526,500 of the warrants have been subscribed in the warrant program 2017/2020 and 395,000 in the warrant program 2018/2021. The CEO holds 500,000 warrants in the warrant program 2017/2020.

Full utilization of granted options and warrants would increase the shares with 5,864,100 to a total of 59,387,421.

The average share price during the period have been lower than the subscription prices of the programs and plans. Hence no dilution has been recognized to the shareholders.

Employees

Number of employees as of June 30, 2020 were 9 (10) persons, 3 women and 6 men.

Parent company

The parent company's revenues for the quarter amounted to KSEK 21,488 (4,437) and KSEK 33,201 (59,339) for the period. Expenses for the quarter amounted to KSEK 55,499 (36,100) and KSEK 113,879 (70,656) for the period.

The parent company's result amounted to KSEK -36,164 (-29,412) for the quarter and KSEK -78,981 (-6,527) for the period. Changes in the parent company's statements corresponds to the consolidated changes.

Consolidated statement of comprehensive income

KSEK	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Revenue					
Sales	21,488	4,437	33,201	59,339	82,562
Other operating income	209	528	-	330	-
	21,697	**4,965**	**33,201**	**59,669**	**82,562**
Operating expenses					
Project costs	-48,194	-26,101	-98,126	-52,340	-112,240
Other external costs	-1,607	-4,233	-3,706	-6,957	-13,334
Employee costs	-5,646	-5,711	-11,354	-11,249	-23,386
Depreciation and impairment	-52	-54	-106	-102	-210
Other operating expenses	-	-	-586	-	-74
Operating results	**-33,802**	**-31,134**	**-80,677**	**-10,980**	**-66,681**
Financial items					
Interest income and similar items	43	1,725	1,702	4,462	5,266
Interest expense and similar items	-2,406	-3	-7	-4	-7
Sum financial items	-2,363	1,722	1,695	4,458	5,259
Results after financial net	**-36,164**	**-29,412**	**-78,983**	**-6,523**	**-61,422**
Tax	-	-	-	-	-
Results after tax	**-36,164**	**-29,412**	**-78,983**	**-6,523**	**-61,422**
Statement of comprehensive income					
Other comprehensive income	-	-	-	-	-
Comprehensive income for the period	**-36,164**	**-29,412**	**-78,983**	**-6,523**	**-61,422**
Net earnings and comprehensive income is entirely attributable to parent company shareholders					
Share Data					
Number of shares at the end of period	53,533,321	53,533,321	53,533,321	53,533,321	53,533,321
Average number of shares during period	53,533,321	50,689,876	53,533,321	49,667,026	51,626,655
Result per share before dilution (SEK)	-0.7	-0.6	-1.5	-0.1	-1.2
Result per share after dilution (SEK)	-0.7	-0.6	-1.5	-0.1	-1.2
Equity per share (SEK)	3.1	5.9	3.1	5.9	4.7
Equity per share after dilution (SEK)	3.1	5.9	3.1	5.9	4.7

PledPharma

Consolidated statement of financial position

KSEK	6/30/2020	6/30/2019	12/31/2019
ASSETS			
Non-current assets			
Rights of use assets	134	230	123
Total non-current assets	**134**	**230**	**123**
Current assets			
Accounts receivables	6,130	2,000	5,200
Other receivables	922	871	1,704
Prepaid expenses and accrued income	1,547	1,721	7,945
	8,600	4,591	14,849
Cash and bank balance	184,470	319,549	255,101
Total current assets	**193,069**	**324,140**	**269,950**
Total assets	**193,204**	**324,370**	**270,073**

KSEK	6/30/2020	6/30/2019	12/31/2019
Equity			
Share capital	2,818	2,818	2,818
Other capital contributions	705,387	705,278	705,278
Accumulated loss including net loss	-542,210	-408,320	-463,220
Total equity	**165,995**	**299,775**	**244,876**
Total Long-term liabilities	**34**	**117**	**117**
Current liabilities			
Accounts payable	10,089	14,476	11,207
Other liabilities	989	1,592	1,328
Accrued expenses and deferred income	16,096	8,410	12,546
Total current liabilities	**27,174**	**24,478**	**25,081**
Total equity and liabilities	**193,204**	**324,370**	**270,073**

PledPharma

Consolidated statement of cash flows

KSEK	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
OPERATING ACTIVITIES					
Result after financial net	-36,164	-29,412	-78,983	-6,523	-61,422
Adjustments for non-cash items*	3,066	-2,137	-182	-2,389	-937
Cash flow from operating activities before changes in working capital	**-33,098**	**-31,549**	**-79,165**	**-8,912**	**-62,358**
Changes in short term receivables	4,171	5,876	6,250	10,307	49
Changes in accounts payable	-3,175	-2,358	-1,118	-698	-3,967
Changes in other liabilities	-1,647	672	3,076	-343	3,636
Cash flow from operating activities	**-33,749**	**-27,360**	**-70,957**	**354**	**-62,641**
INVESTING ACTIVITIES					
Cash flow from investing activities	**-**	**-**	**-**	**-**	**-**
FINANCING ACTIVITIES					
New share/Warrants issue	-	91,058	-	91,258	91,258
Cost new share issue	-	-4,323	-	-4,323	-4,323
Repayment of lease liability	-53	-54	-105	-108	-216
Cash flow from financing activities	**-53**	**86,682**	**-105**	**86,827**	**86,720**
Cash flow for the period	**-33,802**	**59,322**	**-71,063**	**87,182**	**24,079**
Balance at beginning of period	221,141	258,036	255,101	229,876	229,876
Change in cash	-33,802	59,322	-71,063	87,182	24,079
Exchange rate difference in cash	-2,869	2,190	431	2,491	1,146
CASH BALANCE AT THE END OF THE PERIOD	**184,470**	**319,549**	**184,470**	**319,549**	**255,101**

*predominantly due to unrealized exchange rate differences of company bank deposits in foreign currency

PledPharma

Consolidated statement of changes in equity

KSEK	Share capital	Other capital contributions	Accumulated loss incl. net result for the period	Total equity
Opening balance 20200101	**2,818**	**705,278**	**-463,227**	**244,876**
Incentive program/New share issue	-	109	-	109
Comprehensive income for period	-	-	-78,983	-78,983
Closing balance 20200630	**2,818**	**705,387**	**-542,210**	**165,995**
Opening balance 20190101	**2,561**	**618,598**	**-401,798**	**219,362**
Incentive program/New share issue	256	91,002	-	91,258
Cost new share issue	-	-4,323	-	-4,323
Comprehensive income for period	-	-	-6,523	-6,523
Closing balance 20190630	**2,818**	**705,278**	**-408,320**	**299,775**
Opening balance 20190101	**2,561**	**618,598**	**-401,798**	**219,362**
New share issue	256	91,002	-	91,258
Cost new share issue	-	-4,323	-	-4,323
Comprehensive income for period	-	-	-61,422	-61,422
Closing balance 20191231	**2,818**	**705,278**	**-463,220**	**244,876**

Consolidated key ratios

The key ratios below are useful to those who read the financial statements and a complement to other performance targets in evaluating strategic investment implementation and the Group's ability to achieve financial goals and commitments.

KSEK	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Equity	165,995	299,775	165,995	299,775	244,876
Equity ratio %	86%	92%	86%	92%	91%
Return on equity %	neg.	neg.	neg.	neg.	neg.
Number of shares at the end of the period	53,533,321	53,533,321	53,533,321	53,533,321	53,533,321
Number of shares at the end of the period after dilution	53,533,321	53,533,321	53,533,321	53,533,321	53,533,321
Average number of shares under the period	53,533,321	50,689,876	53,533,321	49,667,026	51,626,655
Average number of shares under the period after dilution	53,533,321	50,689,876	53,533,321	49,667,026	51,626,655
Share Data					
Result per share	-0.7	-0.6	-1.5	-0.1	-1.2
Result per share after dilution	-0.7	-0.6	-1.5	-0.1	-1.2
Cash flow from operating activities	-0.6	-0.5	-1.3	0.0	-1.2
Equity per share	3.1	5.9	3.1	5.9	4.7
Equity per share after dilution	3.1	5.9	3.1	5.9	4.7
Dividend	-	-	-	-	-
Average number of employees	9	10	9	10	9

*Effect from dilution is not considered when result is negative.

PledPharma

Key ratios definitions

Ratios that have been calculated according to IFRS

Earnings per share Net income divided by average number of shares before dilution

Number of shares at end of period The number of outstanding shares before dilution at the end of the period

Number of shares after dilution The number of issued shares after dilution effect of potential shares at end of period

Average number of shares during the period Average number of outstanding shares before dilution for the period

Average number of shares during the period after dilution Average number of issued shares after dilution effect of potential shares

Ratios that have not been calculated in accordance with IFRS

Equity ratio, % The company defines the ratio as follows; The period's closing equity divided by the period's closing balance sheet. The company uses the alternate ratio Equity as it shows the proportion of total assets represented by shareholders' equity and has been included to allow investors to assess the company's capital structure.

Return on equity, % The company defines the ratio as follows; Net income divided by shareholders' equity. The company uses the alternate key figure Return on equity, % because the company believes that the key ratio gives investors a better understanding of the return generated on the total capital that the shareholders have invested in the Company.

Cash flow from operations per share The company defines the ratio as follows; Cash flow from operating activities divided by the number of shares outstanding at the end of the period. The company uses the alternate key figure Cash flow from operations per share because the Company believes that the key ratio gives investors a better understanding of the company's cash flow in relation to its number of shares adjusted for changes in the number of shares outstanding during the period.

Equity per share The company defines the ratio as follows; Equity divided by number of shares outstanding at the end of the period. The company uses the alternate key ratio equity per share because the Company believes that the key ratio gives investors a better understanding of the historical return per share adjusted for changes in the number of shares outstanding during the period.

Number of employees (average) The average number of employees at the end of each period

PledPharma

Parent company - income statement

KSEK	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Revenue					
Sales	21,488	4,437	33,201	59,339	82,562
Other operating income	209	528	-	330	-
	21,697	**4,965**	**33,201**	**59,669**	**82,562**
Operating expenses					
Project costs	-48,194	-26,101	-98,126	-52,340	-112,240
Other external costs	-1,660	-4,288	-3,812	-7,066	-13,553
Employee costs	-5,646	-5,711	-11,354	-11,249	-23,386
Other operating expenses	-	-	-586	-	-74
Operating results	**-33,802**	**-31,135**	**-80,678**	**-10,987**	**-66,690**
Financial items					
Interest income and similar items	43	1,725	1,702	4,462	5,266
Interest expense and similar items	-2,405	-2	-6	-2	-2
Sum financial items	-2,362	1,723	1,697	4,460	5,264
Results after financial net	**-36,164**	**-29,412**	**-78,981**	**-6,527**	**-61,427**
Tax	-	-	-	-	-
Results after tax	**-36,164**	**-29,412**	**-78,981**	**-6,527**	**-61,427**

PledPharma

Parent company - balance sheet

KSEK	6/30/2020	6/30/2019	12/31/2019
ASSETS			
Non-current assets			
Financial non-current assets	50	50	50
Total non-current assets	**50**	**50**	**50**
Current assets			
Accounts receivables	6,130	2,000	5,200
Other receivables	922	870	1,704
Prepaid expenses and accrued income	1,547	1,721	7,945
	8,599	4,591	14,849
Cash and bank balance	184,170	319,248	254,800
Total current assets	**192,770**	**323,839**	**269,649**
Total assets	**192,820**	**323,889**	**269,699**

KSEK	6/30/2020	6/30/2019	12/31/2019
Equity			
Restricted Equity			
Share capital	2,818	2,818	2,818
Non-restricted equity			
Value of employee services	109	-	-
Share premium reserve	705,277	705,027	705,026
Retained earnings	-506,293	-378,914	-401,798
Net profit for the year	-36,164	-29,412	-61,427
Total equity	**165,747**	**299,518**	**244,619**
Total Long-term liabilities	**34**	**-**	**-**
Current liabilities			
Accounts payable	10,089	14,476	11,207
Other liabilities	854	1,485	1,328
Accrued expenses and deferred inc	16,096	8,410	12,546
Total current liabilities	**27,039**	**24,371**	**25,081**
Total equity and liabilities	**192,820**	**323,889**	**269,699**

PledPharma

Notes

Note 1 - Accounting principles

PledPharma applies International Financial Reporting Standards (IFRS) as adopted by the EU. This report is prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Applied accounting principles and calculation methods are the same as in the latest annual report for 2019. No new accounting principles or policies is being implemented by the Group during 2020. All the numbers in this interim report are, if nothing else is stated, stated in thousands.

As of May 1, 2020, the group applies IFRS 2 regarding stock option plan 2020/2024.

As of April 1, 2019, the group has categorized and identified two independent segments of development for calmangafodipir, PledOx and Aladote. These two segments are independent R&D projects for which the CEO allocates company's resources.

Parent company

The parent company PledPharma AB (Publ) prepares financial reports in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. All leases are reported operationally in the Parent Company.

IFRS 2 share based payments

The 2020 Annual General Meeting has approved an employee stock option plan of 3,000,000 stock options in PledPharma. Each option provides the right to subscribe for one (1) new share in the company at SEK 12.2 per share. The warrants may be exercised between May 2023 up until May 2024. The stock options has been allotted free of charge during April 2020 and the vesting time is from allotment date until May 2023. The warrants is not valid if the employee terminate their employment during the vesting time. The stock options were calculated according to the Black-Scholes option price formula.

Social security costs attributable to equity-related instruments to employees as remuneration to purchase services shall be expensed over the period the services will be performed. The expenses are measured by using the same valuation model that was used when the options were issued. The provision recognized must be revalued at each reporting period on the basis of a calculation of the social security costs that may be paid when the instruments are subscribed. PledPharma has secured costs related to the stock option plan by subscription of 942,600 warrants to PledPharma's subsidiary. The total amount of warrants that the Parent Company has issued to PledPharma I AB amounts to 3,942,600. PledPharma I AB has allotted 3,000,000 of the warrants to the employees in PledPharma.

Operating risks

All business operations involve risk. Risks may be company specific or due to events in the external environment and may affect a certain industry or market. The group is, among others, exposed to the following operational and financial risks.
Operational risks: Pharmaceutical development, Manufacturing, Regulatory and Intellectual property.
Financial risks: Foreign currency, Need of working capital, General market risk, Credit and Interest rate risks.
A more detailed description of Group's risk exposure is included in PledPharma's 2019 Annual Report. There are no major changes in the Group's risk exposure in 2020 compared with previous year.

COVID-19 uncertainties

It is too early to assess the full impact of the coronavirus outbreak for PledPharma and its operations. PledPharma is closely monitoring developments and is evaluating the extent to which this may affect operations in the short and long term. Risks and uncertainties the company currently have identified are potential impact on the POLAR program and the initiation of the next study for Aladote.

Note 2 – Additional information

Other information in accordance with IAS 34.16A are found on pages before the income statement and statement of comprehensive income. Information on earnings, cash flow and financial position, see page 5. For events after the period, see page 1.

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Note 3 – Financial assets and liabilities

KSEK	Hold to collect	Financial debts	Total
	Amortised cost	Amortised cost	
Group June 30, 2020			
Accounts receivable	6,130	-	6,130
Cash	184,470	-	184,470
Total financial assets	**190,600**	-	**190,600**
Accounts payable	-	10,089	10,089
Other liabilities	-	136	136
Total financial liabilities	-	**10,224**	**10,224**
Group June 30, 2019			
Accounts receivable	2,000	-	2,000
Cash	319,549	-	319,549
Total financial assets	**321,549**	-	**321,549**
Accounts payable	-	14,476	14,476
Other liabilities	-	225	225
Total financial liabilities	**-**	**14,701**	**14,701**

Note 4 – Related party transactions

There are none transactions to be reported with related parties.

Note 5 – Segments

As of June 1, 2019, the group has categorized and identified two independent areas of development for calmangafodipir. The chief operating decision maker in the company allocates company resources between these two projects. 2019 PledOx revenues reported are attributed to milestone payments and forward expenses for the Asian part of the POLAR studies. 2020 PledOx revenues reported are attributed to forward expenses for the Asian part of the POLAR studies. Table below depicts revenues and costs attributed to PledOx and Aladote.

2020				
Apr-Jun				
KSEK	**PledOx**	**Aladote**	**Common**	**Sum**
Revenues	21,488	-	-	**21,488**
Project costs	-45,227	-2,967	-	**-48,194**
Other	-10	-	-7,086	**-7,096**
Operating results	**-23,749**	**-2,967**	**-7,086**	**-33,802**
Net financial items				**-2,363**
Pretax profit				**-36,164**

2019				
Apr-Jun				
KSEK	**PledOx**	**Aladote**	**Common**	**Sum**
Revenues	4,437	-	-	**4,437**
Project costs	-25,096	-1,005	-	**-26,101**
Other	-	-	-9,470	**-9,470**
Operating results	**-20,659**	**-1,005**	**-12,170**	**-31,134**
Net financial items				**1,722**
Pretax profit				**-29,412**

2020				
Jan-Jun				
KSEK	**PledOx**	**Aladote**	**Common**	**Sum**
Revenues	33,201	-	-	**33,201**
Project costs	-94,278	-3,848	-	**-98,126**
Other	-20	-	-15,732	**-15,752**
Operating results	**-61,098**	**-3,848**	**-15,732**	**-80,677**
Net financial items				**1,695**
Pretax profit				**-78,983**

2019				
Jan-Jun				
KSEK	**PledOx**	**Aladote**	**Common**	**Sum**
Revenues	59,339	-	-	**59,339**
Project costs	-49,791	-2,549	-	**-52,340**
Other	-	-	-17,978	**-17,978**
Operating results	**9,547**	**-2,549**	**-21,064**	**-10,980**
Net financial items				**4,458**
Pretax profit				**-6,523**

2019 Jan-Dec KSEK	PledOx	Aladote	Common	Sum
Revenues	82,539	-	22	**82,562**
Project costs	-106,148	-6,091	-	**-112,240**
Other	-75	-	-36,928	**-37,003**
Operating results	**-23,684**	**-6,091**	**-36,906**	**-66,681**
Net financial items				**5,259**
Pretax profit				**-61,422**

Note 6 – Changes in financial liabilities in the financing activities

Group's financial liabilities in the financial items consists of current leasing liabilities of KSEK 135 (108) and long-term liabilities of 0 KSEK (117). Opening leasing liability for the year 2020 was KSEK 117. Amortization for the period was KSEK 54 (54) and closing balance leasing liability was KSEK 135 (225). All items are related to IFRS16.

Other information

Next reports

Interim report Jan – Sep 2020, November 4, 2020

This report, and further information is available on the website, www.pledpharma.se
This report has not been reviewed by the company's auditor. This is a translation of the Swedish interim report.

For further information, please contact:

Nicklas Westerholm, CEO
Phone:+46 (0)73-354 20 62
E-mail: nicklas.westerholm@pledpharma.se

Yilmaz Mahshid, CFO
Phone:+46 (0)72-231 68 00
E-mail: yilmaz.mahshid@pledpharma.se

This information is such information as PledPharma AB (publ) is obliged to disclose in accordance with EU market abuse regulation and the Securities Markets Act. The information was submitted, through the above contact persons, for publication on August 20, 2020 at 8.00 am (CET).

PledPharma AB (publ)
Grev Turegatan 11c, 114 46 Stockholm
Org.nr. 556706-6724
Phone: +46(0)8-679 72 10
www.pledpharma.se

Analysts who follow PledPharma

Pareto Securities, Dan Akschuti
Redeye, Niklas Elmhammer
Carnegie, Ulrik Trattner

Certification

This report provides a true and fair overview of the company's business activities, financial position, and results of operations, and describes significant risks and uncertainties to which the company is exposed.

Stockholm, August 20, 2020

Håkan Åström

Chairman of the board

Elisabeth Svanberg

Board member

Sten Nilsson

Board member

Gunilla Osswald

Board member

Nicklas Westerholm

CEO