EGETIS THERAPEUTICS

**Half-Year report January-June 2022**

# Egetis initiates the build-up of an organization in the US and Europe for the commercialization of *Emcitate*

## Financial overview April-June

- Quarterly revenues MSEK 4.7 (25.0)
- Quarterly loss MSEK -33.2 (-34.3)
- Cash balances at the end of the quarter amounted to MSEK 233.2 (207.4)
- Cash flow for the period MSEK 124.3 (-41.8)
- Loss per share before/after dilution SEK -0.2 (-0.2)

## Financial overview January – June

- Revenues for the period MSEK 11.8 (28.8)
- Loss for the period MSEK -62.1 (-53.6)
- Cash balances at the end of the period amounted to MSEK 233.2 (207.4)
- Cash flow for the period MSEK 86.5 (-80.1)
- Loss per share before/after dilution SEK -0.3 (-0.3)

## Significant events during the period April-June

- Received approximately MSEK 180 (gross) through an oversubscribed rights issue
- Recruited Sara Melton as President of Egetis North America
- Started building the medical affairs and commercial organization with the recruitment of three senior leaders for the commercialization of *Emcitate*

### Emcitate®

- The recruitment target was met in the Triac Trial II study with *Emcitate*. A total of 22 patients were included in the study

## Significant events after the reporting period

- Established a wholly-owned subsidiary in the United States, Egetis Therapeutics US Inc.

### Aladote®

- Received a positive opinion from EMA regarding orphan drug status for *Aladote* for the prevention of acute liver failure
- In August the European Commission classified *Aladote* as an orphan drug for the prevention of acute liver failure

## Financial overview

| | 2022 Apr-Jun | 2021 Apr-Jun | 2022 Jan-Jun | 2021 Jan-Jun | 2021 Jan-Dec |
|---|---|---|---|---|---|
| Revenues, KSEK | 4,660 | 25,034 | 11,762 | 28,822 | 38,243 |
| Result after tax, KSEK | -33,244 | -34,326 | -62,061 | -53,641 | -104,542 |
| Cash flow, KSEK | 124,261 | -41,767 | 86,496 | -80,129 | -144,969 |
| Cash, KSEK | 233,216 | 207,411 | 233,216 | 207,411 | 143,965 |
| Equity ratio % | 96% | 88% | 96% | 88% | 93% |
| Earnings per share, SEK* | -0.2 | -0.2 | -0.3 | -0.3 | -0.6 |
| Earnings per share after dilution, SEK* | -0.2 | -0.2 | -0.3 | -0.3 | -0.6 |
| Average number of employees | 13 | 10 | 13 | 10 | 11 |

*) The comparative figures in the table have been adjusted for the share issue in May 2022.

## Comments from the CEO

I am very pleased with our oversubscribed rights issue in May, from which Egetis received gross proceeds of approximately SEK 180 million. This was accomplished through strong support from our current shareholders, above all the specialized life science investor Flerie Invest AB, which increased its shareholding. We further strengthened the shareholder base with a new specialist investor through Linc AB, and I welcome them as a new shareholder. The new funds raised through the rights issue will be critical to continue the stepwise establishment of a commercial infrastructure in Europe and the US for *Emcitate* and pre-launch activities.

**The *Emcitate* project is progressing according to plan for the application for market approval in the US and Europe in 2023**

As a result of completed discussions with the European Medicines Agency (EMA), Egetis intends to submit a marketing authorization application for *Emcitate* to the EMA in the first half of 2023, based on existing clinical data.

In the US, Egetis, after discussions with the FDA, will conduct a confirmatory randomized, placebo-controlled study in 16 patients to verify the results on thyroid hormone T3 levels from previous clinical trials and publications. In dialogue with the FDA, the company has finalized the protocol for this study, which is expected to start in the autumn of 2022. Egetis intends to submit an application for market approval for *Emcitate* in the United States in mid-2023, under the 'Fast Track Designation' granted by the FDA.

**The Triac Trial II study with *Emcitate* is fully recruited**

In April, we announced that the recruitment target of 16 patients had been reached in the Triac Trial II study of *Emcitate* in patients with MCT8 deficiency. After we included the patients who had already then been screened, a total of 22 patients were included in the study.

The Triac Trial II is an ongoing international, open-label, multicenter study in children with MCT8 deficiency. The study is being conducted in Europe and North America and is investigating the neurocognitive effects of early intervention with Emcitate in very young patients (<30 months old). The first patient was dosed in December 2020. The primary endpoint is two different scales for the assessment and follow-up of neurocognitive development in children, which are analyzed after 96 weeks of treatment with Emcitate. The study also evaluates whether the patients achieve certain specific motor milestones such as holding the head up and sitting independently, as well as the effect on clinical and biochemical aspects of thyrotoxicosis.

Results from Triac Trial II are expected in the first half of 2024 and are planned to be submitted to regulatory authorities after market approvals have been obtained.

**Global interest in *Emcitate* continues to grow**

There is continued great interest from physicians all over the world to treat patients suffering from MCT8 deficiency with *Emcitate*, which is prescribed on an individual license basis to patients in over 25 countries. In total more than 160 patients are being treated with *Emcitate*, and we see that more and more patients are getting access to this treatment. This underlines the great medical need for a treatment for these patients.

From April 28 to May 2, Egetis participated with an exhibition stand at the *European Paediatric Neurology Society* congress in Glasgow, to raise awareness of MCT8 deficiency.

**Egetis has initiated the build-up of medical affairs and the commercial organization**

During the period we announced four key appointments to build-up medical affairs and the commercial organization to deliver the key activities required to ensure successful launches of *Emcitate* in Europe and the US in 2024, following expected market approvals. Marianne Berrens-Peijnenburg has joined as Global Head of Medical Affairs, Nadia Georges as Global Head of Market Access & Pricing, and Peter Verwaijen as Global Head of Marketing & Brand Strategy. Marianne and Peter will be based in the Netherlands while Nadia will be based in Switzerland. In addition, the Company has three ongoing recruitment campaigns for country managers in key European markets.

The US is also a key market for patients suffering from MCT8 deficiency. In June we announced that Sara Melton has been recruited as 'President' for Egetis in North America. Sara will be part of the Company's management team and has over 20 years of commercial leadership experience in biotechnology, pharmaceutical and medical technology companies, including rare diseases. She will be responsible for establishing and maintaining a successful organization for Egetis and the launch of its products in the US and Canada. This includes developing relationships with key national stakeholders as well as responsibility for the development and execution of the strategy for all initiatives necessary for the successful launch of *Emcitate* in the US in 2024. We have also established a wholly owned subsidiary in the United States, Egetis Therapeutics US Inc., incorporated in the state of Delaware.

**Orphan drug designation in the EU for *Aladote* for the prevention of acute liver failure**

In July, the Committee for Orphan Medicinal Products (COMP) of the EMA gave a positive opinion on the orphan drug designation of *Aladote* for the prevention of acute liver failure, a life-threatening condition. The European Commission decided in August on orphan drug status for *Aladote* for the above indication. Orphan drug designation in the EU follows the already granted orphan drug designation for *Aladote* for the treatment of paracetamol overdose obtained by the FDA in 2019.

There is a significant medical need for the approximately 25% of patients who reach hospital more than eight hours after paracetamol poisoning. These patients have an increased risk of acute liver failure and need additional treatment options beyond the currently available N-acetylcysteine (NAC).

The design of the pivotal Phase IIb/III study with the aim of applying for market approval in the USA and Europe has been completed after discussions with the FDA, EMA and the Medicines and Healthcare products Regulatory Agency (MHRA, UK) and the start of the study is planned later in 2022.

**Cash position**

Thanks to our rights issue, we reported a cash position of approximately SEK 233 million as of June 30, 2022.

**Looking ahead**

Egetis is an innovative and integrated pharmaceutical company, focused on projects in late clinical development phase for commercialization within the orphan drug area for the treatment of serious and rare diseases with significant medical needs. We continue to be fully focused on developing our drug candidates *Emcitate* and *Aladote* in 2022 for all the patients who have a great need for these preparations. I look forward to informing you about the future development of Egetis and welcome you to our upcoming Capital Markets Day in Stockholm on 13 October 2022.

Nicklas Westerholm, CEO

## About Egetis Therapeutics

Egetis Therapeutics is an innovative and integrated pharmaceutical company, focusing on projects in late-stage development for commercialization for treatments of serious diseases with significant unmet medical needs in the orphan drug segment.

The Company's lead candidate *Emcitate* is under development for the treatment of patients with monocarboxylate transporter 8 (MCT8) deficiency, a highly debilitating rare disease with no available treatment. In previous studies (Triac Trial I and a long-term real-life study) *Emcitate* has shown highly significant and clinically relevant results on serum T3 levels and secondary clinical endpoints. As a result of fruitful regulatory interaction Egetis intends to submit a marketing authorisation application (MAA) for *Emcitate* to the European Medicines Agency (EMA) in the first half of 2023 based on existing clinical data.

In the US, after discussions with the FDA, Egetis will conduct a small randomized, placebo-controlled study in 16 patients to verify the results on T3 levels seen in previous clinical trials and publications. Egetis intends to submit a new drug application (NDA) in the US for Emcitate in mid-2023 under the Fast-Track Designation granted by FDA.

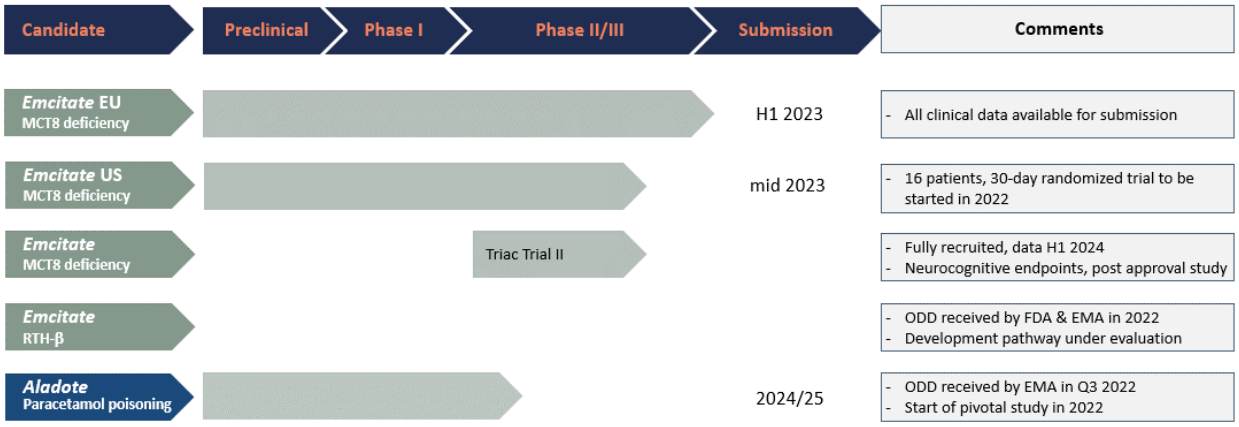
*Emcitate* is currently being investigated in the fully recruited Triac Trial II, a Phase II/III study in very young MCT8 deficiency patients (<30 months of age) exploring potential disease modifying effects of early intervention from a neurocognitive and neurodevelopmental perspective. Results are expected in the first half of 2024 and are expected to be submitted post-approval to regulatory authorities shortly thereafter.

*Emcitate* holds Orphan Drug Designation (ODD) for MCT8 deficiency and resistance to thyroid hormone type beta (RTH- β) in the US and the EU. MCT8 deficiency and RTH-β are two distinct indications, with no overlap in patient populations. *Emcitate* has been granted Rare Pediatric Disease Designation (RPDD) which gives Egetis the opportunity to receive a Priority Review Voucher (PRV) in the US, after approval.

The drug candidate *Aladote* is a first in class drug candidate developed to reduce the risk of acute liver injury associated with paracetamol (acetaminophen) poisoning. A proof of principle study has been successfully completed and the design of the upcoming pivotal Phase IIb/III study with the purpose of applying for market approval in the US and Europe for *Aladote* has been finalized after completed interactions with FDA, EMA and MHRA and study start is planned for later in 2022. *Aladote* has been granted ODD in the US and has received a positive opinion for ODD in the EU.

Egetis Therapeutics (STO: EGTX) is listed on the Nasdaq Stockholm main market. For more information, see www.egetis.com

## R&D Pipeline Projects



EGETIS THERAPEUTICS

## Project updates

# Emcitate®

### Events during the quarter

- The recruitment target was met in the Triac Trial II study with *Emcitate* and in total 22 patients have been recruited
- Participated with an exhibition stand at the European Paediatric Neurology Society congress in Glasgow, to raise awareness of MCT8 deficiency

### Significant events after the reporting period

No events to report

### About *Emcitate*

*Emcitate* is Egeti's lead candidate drug in clinical development. It addresses monocarboxylate transporter 8 (MCT8) deficiency, also known as Allan-Herndon-Dudley Syndrome (AHDS), a rare genetic disease that affects 1 in 70,000 men with high unmet medical need with no available treatment.

Thyroid hormones are crucial for the development and metabolic state of virtually all tissues. Thyroid hormone transport across the plasma membrane is required for the hormones' metabolism and intracellular action and is facilitated by thyroid hormone transporters, including MCT8. Mutations in the gene for MCT8 cause MCT8 deficiency. The gene is located on the X chromosome and therefore mainly affects men, as men only have one X chromosome.

The resulting dysfunction of MCT8 leads to impaired transport of thyroid hormone into certain cells and across the blood-brain-barrier and disruption of normal thyroid hormone regulation. Patients with MCT8 deficiency therefore have low concentrations of thyroid hormone in the central nervous system, which signals that the body should produce more thyroid hormone. This leads to increased levels of thyroid hormone in peripheral tissues, also called thyrotoxicosis. This leads to a complex pattern of symptoms with neurological developmental delay and intellectual disability, accompanied by severely elevated circulating thyroid hormone concentrations which are toxic for tissues including the heart, muscle, liver and kidney and results in symptoms such as failure to thrive, cardiovascular stress, insomnia and muscle wasting.

Most patients will never develop the ability to walk or even sit independently. At present there is no approved therapy available for the treatment of MCT8 deficiency.

*Emcitate* was granted Orphan Drug Designation in the EU in 2017 and the US in 2019. *Emcitate* received US Rare Paediatric Disease Designation (RPDD) in 2020. Upon approval of the NDA, sponsors holding a RPDD and meeting the criteria specified can apply to receive a US Rare Pediatric Disease Priority Review Voucher (PRV). A PRV provides accelerated FDA review of a subsequent new drug application for any drug candidate, in any indication, shortening time to market in the US. The voucher may also be sold or transferred to another sponsor. In 2022, four PRVs have been sold so far: one for $100 million and three for $110 million.

A Phase IIb clinical trial (Triac Trial I) in MCT8 deficiency has been completed which showed significant and clinically relevant treatment effects on key aspects of the disease. In October 2021, strong data from long-term treatment in patients with MCT8 deficiency up to 6 years, with *Emcitate* was published in the *Journal of Clinical Endocrinology & Metabolism*. The data comes from an investigator-initiated real-life cohort study at 33 sites conducted by the Erasmus Medical Center, Rotterdam, The Netherlands, where the efficacy and safety of *Emcitate* was investigated in 67 patients with MCT8 deficiency.

Based on the new long-term data, Egetis had further positive interactions with the regulatory agencies in the US and Europe. In December 2021, the EMA concluded that the clinical data from the Triac Trial I, together with the published data from long-term treatment, will suffice for a regulatory submission of a Marketing Authorisation Application (MAA) to the EMA for the treatment of MCT8 deficiency. Egetis plans to submit the MAA in the first half of 2023.

In positive regulatory interactions, FDA acknowledges that a treatment effect on T3 levels and the manifestations of chronic thyrotoxicosis in MCT8-deficiency could provide a basis for marketing

approval also in the US. Egetis has agreed with the FDA to perform a small, randomized study in 16 patients for up to 30 days to verify the T3 results, seen in previous clinical trials and publications. It is well established that the T3 levels in untreated MCT8 patients are significantly elevated, and we have previously shown that *Emcitate* is able to normalize these levels rapidly and durably. The primary source of patients will be through our existing named patient program. Egetis is targeting an US NDA submission for *Emcitate* in mid-2023 under the Fast Track Designation granted by the FDA.

A Phase IIb/III early intervention study (Triac Trial II) was initiated in 2020. This study is an international, open label, multi-center study in boys younger than 30 months with MCT8 deficiency, conducted in both Europe and North America. The recruitment target was reached in April 2022, with 22 patients now included in the study. Results from the Triac Trial II are expected in the first half of 2024 and are expected to be submitted post-approval to regulatory authorities.

*Emcitate* is already supplied to over 160 patients on a named patient or compassionate use basis, following individual regulatory approvals from national regulatory agencies in over 25 countries. Compassionate use and named patient programs are mechanisms to allow early access to a medicine prior to regulatory marketing approval, granted to pharmaceuticals under development for conditions with high unmet medical needs and where no available treatment alternatives exist.

*Emcitate* has been granted orphan drug designation (ODD) for RTH-β in the USA and the EU. RTH-β is an additional indication, without overlap in patient populations, to the previously obtained ODD for MCT8 deficiency. The ODD for RTH-β is a direct result of Egetis' work to extend the indications for the *Emcitate* program to related but distinct conditions.

# Aladote

**Events during the quarter**

- Obtained a new patent in Australia for a combination therapy with *Aladote* and N-aceylcysteine

**Significant events after the reporting period**

- Received a positive opinion from EMA regarding orphan drug status for *Aladote* for the prevention of acute liver failure
- In August the European Commission approved *Aladote* as an orphan drug for the prevention of acute liver failure

**About Aladote**

*Aladote* is a first-in-class drug candidate with the potential to reduce the risk of acute liver failure associated with paracetamol/acetaminophen poisoning. *Aladote* has shown a beneficial effect in relevant preclinical models, even in the time-window when N-acetylcysteine (NAC) treatment no longer is effective (>8 hours). A proof of principle study in patients with paracetamol poisoning to prevent acute liver injury 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 acute liver injury in this patient population.

Aladote has been granted Orphan Drug Designation (ODD) in the US and EU.

Paracetamol/acetaminophen is the most used drug in the world for the treatment of fever and pain, but also one of the most overdosed drugs – intentionally or unintentionally. Paracetamol overdose is one of the most common methods in suicide attempts. When excessive amounts of paracetamol are metabolized in the liver, the harmful metabolite N-acetyl-p-benzoquinone imine (NAPQI) is formed, which can cause acute liver failure. The current standard of care for paracetamol poisoning, NAC, is effective if the patient receives medical care within eight hours of ingestion.

A pivotal Phase IIb/III study is expected to start later in 2022 and is targeting patients with increased risk of liver injury, who arrive late at hospital, more than eight hours after a paracetamol overdose, for which current standard of care, NAC, is substantially less effective. The total planned number of patients is around 250, who will be enrolled in the US, UK and in at least one EU country. The study consists of two parts with an interim analysis which includes a futility analysis and dose selection where the most effective dose will be continued. Applications for market approval in the US, EU and UK are planned after successful completion of the study.

# Financial Information

## Half-Year report January-June 2022

## Revenue, and results

### Revenues

Total revenues amounted to KSEK 5,023 (25,034) during the quarter and KSEK 11,831 (28,822) for the period. The revenue consisted of Emcitate sales of KSEK 4,660 (3,691) during the quarter and KSEK 11,220 (6,230) during the period. Forwarding of expenses related to PledOx to Solasia Pharma K.K. (Solasia) amount to KSEK - (21,343) during the quarter and KSEK 542 (22,591) during the period.

### Expenses

Operating expenses amounted to KSEK -40,004 (-58,891) during the quarter and KSEK -76,238 (-82,292) during the period. The project expenses amounted to KSEK -22,644 (-45,900) during the quarter and KSEK -42,333 (-56,421) during the period. The project expenses consisted of expenses due to Emcitate of KSEK -22,415 (-7,475), Aladote KSEK -122 (- 10,606) and PledOx KSEK -107 (-27,819) for the quarter and KSEK -39,494 (-12,547) for Emcitate, Aladote KSEK -1,978 (-13,316) and PledOx KSEK -861 (-30,558) for the period.

Employee costs amounted to KSEK -10,217 (-6,449) during the quarter and KSEK -18,725 (-12,834) for the period. The costs for the period include IFRS2 postings related to the employee stock option plans of KSEK -2,084 (-227) for the period.

Other external costs amounted to KSEK -4,963 (-3,922) for the quarter and KSEK -10,338 (-8,412) for the period. The increase is mainly due to higher consultancy costs. Depreciation amounted to KSEK -673 (-678) for the quarter and KSEK -1,347 (-1,114) for the period. The depreciation during the period derives from amortization of licences with KSEK -541 (-541), depreciation of right-of-use assets with KSEK -765 (-548) and depreciation of inventories with KSEK -41 (-25). Other operating expenses amounted to KSEK - (-16) for the quarter and KESK - (-72) for the period and consists of exchange rate differences from operating income and operating expenses.

### Results

Operating results amounted to KSEK -34,981 (-33,857) for the quarter and KSEK -64,406 (-53,470) for the period. Net financial items amounted to KSEK 1,737 (-469) for the quarter and KSEK 2,345 (-170) for the period. Results from net financial items are related to unrealized revaluation of company's FX-accounts. Results after financial items amounted to KSEK -33,244 (-34,326) for the quarter and KSEK -62,061 (-53,641) for the period. Result per share before and after dilution amounted to SEK -0.2 (-0.2) for the quarter and SEK -0.3 (-0.3) for the period both before and after dilution.

## Financial position

### Cash

Cash as of June 30, 2022, amounted to KSEK 233,216 (207,411).

### Cash flow

Cash flow from operating activities amounted to KSEK -35,278 (-38,174) for the quarter and KSEK -68,446 (-73,180) for the period. Total Cash flow amounted to KSEK 124,261 (-41,767) for the quarter and KSEK 86,496 (-80,129) for the period. Cash flow from operating activities is driven by costs related to the projects.

Cash flow from investment activities amounted to KSEK -1,675 (-2,616) during the period and are due to the RTT deferred purchase price. Cash flow from financing activities amounted to KSEK 159,539 (-2,293) for the quarter and 156,617 (-4,333) for the period and derives mainly from the rights issue that was carried out and completed during the second quarter. In connection with the rights issue, the entire remaining loan due to the RTT deferred purchase price of KSEK 4,988, was repaid to the former RTT owners. Remaining liabilities, of KSEK 3,325 shareholder contributions to previous RTT owners were offset against shares in connection with the rights issue.

### Equity and equity ratio

As of June 30, 2022, equity amounted to KSEK 634,971 (577,502). Shareholders' equity per share amounted to SEK 3.4 (3.2), at the end of the period. The company's equity ratio was 96 (88) %.

### Debts and receivables

As of June 30, 2022, non-current liabilities amounted to KSEK 2,563 (9,888). These consist mainly of liabilities that derive from right of use liabilities according to IFRS 16 of KSEK 1,877 (3,409) and long-term liabilities of KSEK 686 (229). Current liabilities amount to KSEK 23,583 (67,153) of which other liabilities amount to KSEK 18,671 (32,403) and accounts payable amount to KSEK 4,912 (34,751).

### Investments in, tangible and intangible assets

As of June 30, 2022, non-current intangible assets amounted to KSEK 414,089 (416,700). No significant investments were allocated to tangible assets.

### Shares

The number of shares as of June 30, 2022, were 214,589,128 (165,068,560). The number of shares has increased during the quarter and the period with 49,520,568 shares as a result of a new share issue. The number of shareholders were 6,400 as of June 30, 2022. The 10 largest shareholders hold 63.2 % of outstanding shares. Egetis Therapeutics shares are listed on Nasdaq Stockholm's main market.

## Stock option plan and warrant programs

### Information regarding existing incentive programs.

7,083,500 employee stock options were granted during the month of June. For more information about current and previous employee stock option programs please see note 9.

## Employees

Number of employees as of June 30, 2022, were 15 (11) persons, 8 women and 7 men (6 women and 5 men).

## Parent company

The parent company's revenues for the quarter amounted to KSEK - (21,343) and for the period to KSEK 542 (22,591 and are due to forwarding of expenses related to PledOx to Solasia. Other income for the quarter amounted to KSEK 10,093 (2,668) and for the period to KSEK 16,643 (4,316). Other income for the period consisted of KSEK 12,263 (3,451) management fees invoiced to the subsidiary RTT, KSEK 4,284 (865) are forwarding of expenses to RTT and KSEK 96 (-) exchange rate gains.

Operating expenses amounted to KSEK -21,036 (-50,393) during the quarter and KSEK -39,012 (-66,864) for the period. The project expenses amounted to KSEK -5,564 (-39,990) for the quarter and KSEK -9,471 (-45,745) during the period.

The parent company's result amounted to KSEK -34,169 (-26,792) for the quarter and KSEK -44,405 (-63,072) for the period.

Financial non-current assets amount to KSEK 433,484 (431,956) and other long-term liabilities amount to KSEK 686 (2,730).

## Consolidated statement of comprehensive income

| KSEK | 2022 Apr-Jun | 2021 Apr-Jun | 2022 Jan-Jun | 2021 Jan-Jun | 2021 Jan-Dec |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Revenues | 4,660 | 25,034 | 11,762 | 28,822 | 38,243 |
| Other operating income | 363 | - | 69 | - | 300 |
| | **5,023** | **25,034** | **11,831** | **28,822** | **38,543** |
| **Operating expenses** | | | | | |
| Costs of sales of goods | -1,507 | -1,926 | -3,495 | -3,437 | -7,856 |
| Project costs | -22,644 | -45,900 | -42,333 | -56,421 | -88,671 |
| Other external costs | -4,963 | -3,922 | -10,338 | -8,412 | -14,513 |
| Employee costs | -10,217 | -6,449 | -18,725 | -12,834 | -30,131 |
| Depreciation and impairment | -673 | -678 | -1,347 | -1,114 | -2,455 |
| Other operating expenses | - | -16 | - | -72 | -598 |
| Sum operating expenses | -40,004 | -58,891 | -76,238 | -82,292 | -144,224 |
| **Operating results** | **-34,981** | **-33,857** | **-64,406** | **-53,470** | **-105,681** |
| **Financial items** | | | | | |
| Interest income and similar items | 1,774 | - | 2,421 | 72 | 1,327 |
| Interest expense and similar items | -37 | -469 | -76 | -242 | -188 |
| Sum financial items | 1,737 | -469 | 2,345 | -170 | 1,139 |
| **Results after financial net** | **-33,244** | **-34,326** | **-62,061** | **-53,641** | **-104,542** |
| Tax | - | - | - | - | - |
| **Results after tax** | **-33,244** | **-34,326** | **-62,061** | **-53,641** | **-104,542** |
| **Statement of comprehensive income** | | | | | |
| Other comprehensive income | - | - | - | - | - |
| **Comprehensive income for the period** | **-33,244** | **-34,326** | **-62,061** | **-53,641** | **-104,542** |
| Net earnings and comprehensive income is entirely attributable to parent company shareholders | | | | | |
| **Share Data** | | | | | |
| Number of shares at the end of period* | 214,589,128 | 179,906,457 | 214,589,128 | 179,906,457 | 179,906,457 |
| Average number of shares during period* | 198,292,502 | 179,906,457 | 189,099,479 | 179,906,457 | 179,906,457 |
| Earnings per share before dilution (SEK)* | -0.2 | -0.2 | -0.3 | -0.3 | -0.6 |
| Earnings per share after dilution (SEK)* | -0.2 | -0.2 | -0.3 | -0.3 | -0.6 |
| Equity per average number of shares* | 3.2 | 3.2 | 3.4 | 3.2 | 2.9 |
| Equity per average number of shares after dilution* | 3.2 | 3.2 | 3.4 | 3.2 | 2.9 |

*) The comparative figures in the table have been adjusted for the share issue in May 2022.

## Consolidated statement of financial position

| KSEK | 30/06/2022 | 30/06/2021* | 31/12/2021 |
|---|---|---|---|
| ASSETS | | | |
| **Non-current assets** | | | |
| Research and development costs | 404,817 | 404,817 | 404,817 |
| Licences | 5,949 | 7,031 | 6,490 |
| Right-of-use assets | 3,324 | 4,853 | 4,088 |
| Equipment | 146 | 166 | 187 |
| Financial non-current assets | 785 | - | 785 |
| **Total non-current assets** | **415,020** | **416,865** | **416,366** |
| | | | |
| **Current assets** | | | |
| Inventories | 231 | 1,637 | 694 |
| Accounts receivables | 4,248 | 25,889 | 3,456 |
| Other receivables | 3,303 | 1,642 | 3,340 |
| Prepaid expenses and accrued income | 5,100 | 1,099 | 1,448 |
| Cash and bank balance | 233,216 | 207,411 | 143,965 |
| **Total current assets** | **246,098** | **237,678** | **152,902** |
| | | | |
| **Total assets** | **661,117** | **654,543** | **569,269** |

| KSEK | 30/06/2022 | 30/06/2021* | 31/12/2021 |
|---|---|---|---|
| **Equity** | | | |
| Share capital | 11,294 | 8,688 | 8,688 |
| Other capital contributions | 1,428,416 | 1,262,837 | 1,262,837 |
| Reserves | 3,114 | 868 | 1,305 |
| Accumulated loss including net loss | -807,852 | -694,890 | -745,792 |
| **Total equity** | **634,971** | **577,502** | **527,039** |
| | | | |
| **Non-current liabilities** | | | |
| Other non-current liabilities | 1,877 | 9,659 | 2,650 |
| Provisions | 686 | 229 | 410 |
| **Total non-current liabilities** | **2,563** | **9,888** | **3,060** |
| | | | |
| **Current liabilities** | | | |
| Accounts payable | 4,912 | 34,751 | 4,596 |
| Other liabilities | 4,253 | 14,896 | 17,179 |
| Accrued expenses and deferred income | 14,419 | 17,506 | 17,394 |
| **Total current liabilities** | **23,583** | **67,153** | **39,170** |
| | | | |
| **Total equity and liabilities** | **661,117** | **654,543** | **569,269** |

*) Restated, see note 6.

## Consolidated statement of cash flows

| KSEK | 2022 Apr-Jun | 2021 Apr-Jun | 2022 Jan-Jun | 2021 Jan-Jun | 2021 Jan-Dec |
|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | |
| Result after financial net | -33,244 | -34,326 | -62,061 | -53,641 | -104,542 |
| Adjustments for non-cash items | 329 | 1,603 | 1,423 | 2,028 | 2,683 |
| Tax paid | - | - | - | - | - |
| **Cash flow from operating activities before changes in working capital** | **-32,915** | **-32,723** | **-60,638** | **-51,613** | **-101,859** |
| **Cash flow from changes in working capital** | | | | | |
| Increase/decrease in operating receivables | -538 | -18,854 | -3,944 | -18,247 | 3,082 |
| Increase/decrease in operating liabilities | -1,826 | 13,402 | -3,864 | -3,320 | -31,333 |
| **Cash flow from changes in working capital** | **-2,363** | **-5,452** | **-7,808** | **-21,567** | **-28,251** |
| **Cash flow from operating activities** | **-35,278** | **-38,174** | **-68,446** | **-73,180** | **-130,110** |
| **INVESTING ACTIVITIES** | | | | | |
| Acquisition of subsidiaries, net cash required | - | -1,250 | -1,675 | -2,500 | -5,000 |
| Investment in financial assets | - | - | - | - | -785 |
| Purchase of property, plant and equipment | - | -49 | - | -116 | -172 |
| **Cash flow from investing activities** | - | **-1,299** | **-1,675** | **-2,616** | **-5,957** |
| **FINANCING ACTIVITIES** | | | | | |
| New share issue | 177,425 | - | 177,425 | - | - |
| Cost new share issue | -12,565 | - | -12,565 | - | - |
| Repayment of loans | -4,988 | -1,875 | -7,500 | -3,750 | -7,500 |
| Repayment of leases | -334 | -418 | -743 | -583 | -1,402 |
| **Cash flow from financing activities** | **159,539** | **-2,293** | **156,617** | **-4,333** | **-8,902** |
| **Cash flow for the period** | **124,261** | **-41,767** | **86,496** | **-80,129** | **-144,969** |
| Balance at beginning of period | 106,785 | 249,775 | 143,965 | 287,850 | 287,850 |
| Change in cash | 124,185 | -41,767 | 86,420 | -80,129 | -144,969 |
| Exchange rate difference in cash | 2,170 | -597 | 2,755 | -311 | 1,084 |
| **CASH BALANCE AT THE END OF THE PERIOD** | **233,216** | **207,411** | **233,216** | **207,411** | **143,965** |

## Consolidated statement of changes in equity

| KSEK | Share capital | Other capital contributions | Accumulated loss incl. net results for the period | Other reserves | Total equity |
|---|---|---|---|---|---|
| **Opening balance 01/01/2022** | **8,688** | **1,262,837** | **-745,791** | **1,305** | **527,039** |
| Rights issue | 2,606 | 178,144 | - | - | 180,750 |
| Costs, rights issue | - | -12,565 | - | - | -12,565 |
| Comprehensive income for the period | - | - | -62,061 | - | -62,061 |
| Costs due to share-based payments of employee stock option plan | - | - | - | 1,808 | 1,808 |
| **Closing balance 30/06/2022** | **11,294** | **1,428,416** | **-807,852** | **3,114** | **634,971** |
| | | | | | |
| **Opening balance 01/01/2021** | **8,688** | **1,262,837** | **-641,250** | **448** | **630,723** |
| Comprehensive income for the period | - | - | -53,641 | - | -53,641 |
| Costs due to share-based payments of employee stock option plan | - | - | - | 420 | 420 |
| **Closing balance 30/06/2021** | **8,688** | **1,262,837** | **-694,890** | **868** | **577,502** |
| | | | | | |
| **Opening balance 01/01/2021** | **8,688** | **1,262,837** | **-641,250** | **448** | **630,723** |
| Comprehensive income for the period | - | - | -104,542 | - | -104,542 |
| Costs due to share-based payments of employee stock option plan | - | - | - | 857 | 857 |
| **Closing balance 31/12/2021** | **8,688** | **1,262,837** | **-745,791** | **1,305** | **527,039** |

## 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 | 2022 Jan-Jun | 2021 Jan-Jun | 2021 Jan-Dec |
|---|---|---|---|
| Equity | 634,971 | 577,502 | 527,039 |
| Equity ratio % | 96% | 88% | 93% |
| Return on equity % | neg. | neg. | neg. |
| Number of shares at the end of the period** | 214,589,128 | 179,906,457 | 179,906,457 |
| Number of shares at the end of the period after dilution** | 214,589,128 | 179,906,457 | 179,906,457 |
| Average number of shares during the period** | 189,099,479 | 179,906,457 | 179,906,457 |
| Average number of shares during the period after dilution** | 189,099,479 | 179,906,457 | 179,906,457 |
| | | | |
| **Share Data**** | | | |
| Earnings per share** | -0.3 | -0.3 | -0.6 |
| Earnings per share after dilution** | -0.3 | -0.3 | -0.6 |
| Cash flow from operating activities** | -0.4 | -0.4 | -0.7 |
| Equity per average number of shares** | 3.4 | 3.2 | 2.9 |
| Equity per average number of shares after dilution** | 3.4 | 3.2 | 2.9 |
| Dividend | - | - | - |
| Average number of employees | 13 | 10 | 11 |
| *Effect from dilution is not considered when result is negative. | | | |

**) The comparative figures in the table have been adjusted for the share issue in May 2022.

## Parent company - income statement

| KSEK | 2022 Apr-Jun | 2021 Apr-Jun | 2022 Jan-Jun | 2021 Jan-Jun | 2021 Jan-Dec |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Revenues | - | 21,343 | 542 | 22,591 | 22,591 |
| Other operating income | 10,093 | 2,668 | 16,643 | 4,316 | 16,204 |
| | **10,093** | **24,011** | **17,185** | **26,907** | **38,795** |
| **Operating expenses** | | | | | |
| Project costs | -5,564 | -39,990 | -9,471 | -45,745 | -54,949 |
| Other external costs | -5,148 | -3,944 | -10,644 | -8,170 | -14,417 |
| Employee costs | -10,217 | -6,449 | -18,725 | -12,877 | -30,174 |
| Depreciation and impairment | -16 | -11 | -33 | -17 | -43 |
| Other operating expenses | -90 | - | -140 | -55 | -463 |
| Sum operating expenses | -21,036 | -50,393 | -39,012 | -66,864 | -100,046 |
| **Operating results** | **-10,943** | **-26,382** | **-21,827** | **-39,957** | **-61,251** |
| **Financial items** | | | | | |
| Interest income and similar items | 1,773 | - | 2,421 | 52 | 1,299 |
| Interest expense and similar items | - | -410 | - | -167 | -31 |
| Sum financial items | 1,773 | -410 | 2,421 | -115 | 1,268 |
| **Results after financial net** | **-9,169** | **-26,792** | **-19,405** | **-40,072** | **-59,982** |
| Appropriations | -25,000 | - | -25,000 | -23,000 | -68,000 |
| Tax | - | - | - | - | - |
| **Results after tax** | **-34,169** | **-26,792** | **-44,405** | **-63,072** | **-127,982** |

## Parent company - balance sheet

| KSEK | 30/06/2022 | 30/06/2021* | 31/12/2021 |
|---|---|---|---|
| ASSETS | | | |
| **Non-current assets** | | | |
| Equipment | 120 | 123 | 152 |
| Financial non-current assets | 433,484 | 431,956 | 432,736 |
| **Total non-current assets** | **433,604** | **432,079** | **432,889** |
| | | | |
| **Current assets** | | | |
| Accounts receivables | - | 22,124 | - |
| Other receivables | 5 | 266 | 751 |
| Prepaid expenses and accrued income | 2,571 | 774 | 1,257 |
| Cash and bank balance | 220,854 | 184,075 | 138,946 |
| **Total current assets** | **223,430** | **207,239** | **140,955** |
| | | | |
| **Total assets** | **657,034** | **639,317** | **573,843** |

| KSEK | 30/06/2022 | 30/06/2021* | 31/12/2021 |
|---|---|---|---|
| **Equity** | | | |
| | | | |
| *Restricted Equity* | | | |
| Share capital | 11,294 | 8,688 | 8,688 |
| | | | |
| *Non-restricted equity* | | | |
| Share premium reserve | 673,832 | 636,235 | 636,235 |
| Reserves | 3,114 | 868 | 1,305 |
| Net loss for the period | -44,405 | -63,072 | -127,982 |
| **Total equity** | **643,834** | **582,719** | **518,246** |
| | | | |
| **Non-current liabilities** | | | |
| Other non-current liabilities | - | 2,501 | - |
| Provisions | 686 | 229 | 410 |
| **Total non-current liabilities** | **686** | **2,730** | **410** |
| | | | |
| **Current liabilities** | | | |
| Liabilities to group company | 1,582 | - | 38,173 |
| Accounts payable | 2,362 | 32,416 | 2,018 |
| Other liabilities | 2,456 | 5,862 | 7,571 |
| Accrued expenses and deferred income | 6,114 | 15,592 | 7,425 |
| **Total current liabilities** | **12,514** | **53,870** | **55,187** |
| | | | |
| **Total equity and liabilities** | **657,034** | **639,317** | **573,843** |

*) Restated, see note 6.

## Notes

### Note 1 - Accounting principles

Egetis 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 and should be read together with the Egetis consolidated financial statements for the year ended December 31, 2021. The interim report does not include all disclosures that would otherwise be required in a complete set of financial statements. Applied accounting principles and calculation methods are the same as in the latest annual report for 2021. Some amendments to existing standards became applicable from January 1, 2022, however none of these have a material impact on the consolidated financial statements or accounting policies. The parent company and the Group's accounting currency is SEK. All the numbers in this interim report are, if nothing else is stated, presented in thousands SEK.

The preparation of interim reports requires certain critical accounting estimates to be made. Furthermore, company management is required to make assessments when applying accounting principles. See the Group's accounting principles in the annual report 2021 regarding more information on estimates and assessments.

### Correction to the accounting records for the acquisition of Rare Thyroid Therapeutics

The accounting of the acquisition of Rare Thyroid Therapeutics International AB (RTT) in 2020 was based on information that had not been taken into account at the initial acquisition date, namely, if the company had important processes and staff required for generating output in place. The acquisition was reported as a Business Combination in accordance with IFRS 3 instead of an asset acquisition. For this transaction, it was primarily the intangible asset Emcitate that was acquired. For an asset acquisition of this nature, the identified asset Emcitate must therefore be reported in accordance with IAS 38 Intangible Assets and not as part of an acquisition analysis associated with a business combination as per IFRS 3.

Because this transaction was reported as a business combination in the consolidated financial statements ending December 31, 2020, the carrying amount for intangible assets was too high. It also meant that the carrying amounts for liabilities were incorrect, specifically, deferred tax and the liability for additional consideration. In the parent company financial statements ending December 31, 2020, the value of shares in subsidiaries and the liability for additional consideration were incorrect.

To correct for this, the liability for additional consideration in both the consolidated and parent company financial statements must be reversed such that no deferred tax is reported in the consolidated financial statements. It also means that the value of the intangible asset Emcitate must be lowered by the amount corresponding to the liability and deferred tax that had been reported in the consolidated financial statements. The value of shares in subsidiaries reported by the parent company must also be lowered by the amount corresponding to the prior reported liability for additional consideration.

Please see Note 6 for a compilation of the effects of this error correction, for the consolidated and parent company income statements and balance sheets ending December 31, 2020. Correction of the error has not had any impact on cash flow for either the group or parent company.

### Classification of company acquisitions in the consolidated financial statements

A company acquisition can be classified as either a business combination or an asset acquisition. For each specific acquisition, an individual assessment must be made. In order to report the transaction as a business combination in accordance with IFRS there must be an integrated quantity of activities and assets which, at a minimum, comprise one input and one significant process. The input and process must then be able to generate an output (return). If an acquisition does not currently generate output, but there is an identifiable asset that can generate output in the future, there must be an organized workforce in order to report it as a business combination. If the assessment is that the acquisition does not meet the criteria for reporting it as a business combination, it must be reported as an asset acquisition instead.

An optional concentration test can be applied to determine whether an acquisition is an asset acquisition. The key driver is that substantially all of the fair value of the gross assets acquired must be concentrated in a single identifiable asset or group of similar identifiable assets. If so, it is an asset acquisition.

**Asset acquisition**
For an asset acquisition, the cost of acquisition is allocated to the individual assets acquired and liabilities assumed on a relative fair value basis. For asset acquisitions, the transaction costs are added to the cost of acquisition. No initial deferred tax from temporary differences is reported for an asset acquisition. Egetis' principle for recognition of contingent liabilities in the form future royalty streams to the sellers of an asset, is to report them at the rate that they arise. Accordingly, no such future additional payments are reported as part of the cost of acquisition.

**Parent company**
The parent company Egetis Therapeutics 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. The parent company applies the exception from application of IFRS 16 Leases. Leasing costs are charged to profit and do not impact the balance sheet. Lease payments are recognized on a straight-line basis over the term of the lease. The parent company accounts the acquisition costs of group entities as participation in group entities under financial non-current assets and not through the income statement.

**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, Commercialization, Competition and Market Acceptance 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 Egetis 2021 Annual Report, Note 3. There are no major changes in the Group's risk exposure in 2022 compared with 2021.

**External risk factors**
There is a risk that the Company, as a result of COVID-19, will not succeed in recruiting participants for its clinical studies, either because participants do not want, or due to restrictions should not, visit hospitals to avoid infection. There is also a risk that new variants of the coronavirus will lead to lockdowns in Sweden or in other countries, which could mean that the Company or its partners cannot conduct research and development work according to the existing clinical development plan. There is also a risk that caregivers need to allocate resources to meet the effects of the coronavirus, which can lead to limited resources to participate in the Company's clinical trials.

Throughout 2021, tensions between Russia and Ukraine escalated, leading to Russia launching a full-scale military invasion of Ukraine. Continued and / or increased tensions attributable to the situation in Ukraine could significantly affect global macroeconomic conditions and the Swedish economy. This could mean that the Company or its partners cannot conduct research and development work according to existing plans.

**Note 2 – Additional information**
Other information in accordance with IAS 34.16A are found on the pages before the income statement and statement of comprehensive income. For information on earnings, cash flow and financial position, see page 8. For events after the period, see page 1.

## Note 3 – Financial assets and liabilities

All financial assets and liabilities are measured at amortized costs. No financial assets or liabilities have been reclassified between the valuation categories. The fair value of financial assets and liabilities that are valued at amortized cost is deemed to essentially correspond to their fair value.

| KSEK | Non-current | Current | Total |
|---|---|---|---|
| **Group June 30, 2022** | | | |
| FINANCIAL ASSETS MEASURED AT AMORTIZED COST | | | |
| Financial non-current assets | 785 | - | 785 |
| Accounts receivable | - | 4,248 | 4,248 |
| Cash | - | 233,216 | 233,216 |
| **Total financial assets** | **785** | **237,464** | **238,249** |
| | | | |
| FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST | | | |
| Lease liabilities | 1,877 | 1,532 | 3,409 |
| Accounts payable | - | 4,912 | 4,912 |
| **Total** | **1,877** | **6,444** | **8,321** |
| | | | |
| **Total financial liabilities** | **1,877** | **6,444** | **8,321** |
| | | | |
| **Group June 30, 2021** | | | |
| | | | |
| FINANCIAL ASSETS MEASURED AT AMORTIZED COST | | | |
| Accounts receivable | - | 25,889 | 25,889 |
| Cash | - | 207,411 | 207,411 |
| **Total financial assets** | **-** | **233,300** | **233,300** |
| | | | |
| FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST | | | |
| Lease liabilities | 3,409 | 1,473 | 4,881 |
| Accounts payable | - | 34,751 | 34,751 |
| Deferred purchase price | 2,500 | 5,000 | 7,500 |
| Other liabilities | 3,750 | 7,500 | 11,250 |
| **Total** | **9,659** | **48,723** | **58,382** |
| | | | |
| **Total financial liabilities** | **9,659** | **48,723** | **58,382** |
| | | | |
| **Group December 31, 2021** | | | |
| | | | |
| FINANCIAL ASSETS MEASURED AT AMORTIZED COST | | | |
| Financial non-current assets | 785 | - | 785 |
| Accounts receivable | - | 3,456 | 3,456 |
| Cash | - | 143,965 | 143,965 |
| **Total financial assets** | **785** | **147,421** | **148,206** |
| | | | |
| FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST | | | |
| Lease liabilities | 2,650 | 1,502 | 4,152 |
| Accounts payable | - | 4,596 | 4,596 |
| Deferred purchase price | - | 5,000 | 5,000 |
| Other liabilities | - | 7,500 | 7,500 |
| **Total** | **2,650** | **18,598** | **21,248** |
| | | | |
| **Total financial liabilities** | **2,650** | **18,598** | **21,248** |

## Note 4 – Segments

The Group applies segment reporting with mainly two independent development areas, Emcitate and Aladote. The highest executive decision-maker in the Company allocates the Company's resources between these two R&D projects. Revenue for Emcitate is attributable to the "Named Patient Use" use of the drug candidate.

Revenues and expenses attributable to Emcitate, Aladote and PledOx are reported below. As the Company has decided to park the PledOx project, comparative figures will only be presented when these are necessary. Revenues for PledOx consist of re-invoicing of costs attributable to the Asian part of the POLAR studies.

| 2022 Apr-Jun<br>KSEK | Emcitate | Aladote | PledOx | Common | Sum |
|---|---|---|---|---|---|
| Revenues | 4,660 | - | - | - | **4,660** |
| Costs of sales of goods | -1,507 | - | - | - | **-1,507** |
| Project costs | -22,415 | -122 | -107 | - | **-22,644** |
| Other | - | - | - | -15,491 | **-15,491** |
| Operating results | **-19,261** | **-122** | **-107** | **-15,491** | **-34,981** |
| Net financial items | | | | | **1,737** |
| Pretax profit | | | | | **-33,244** |

| 2021 Apr-Jun<br>KSEK | Emcitate | Aladote | PledOx | Common | Sum |
|---|---|---|---|---|---|
| Revenues | 3,691 | - | 21,343 | - | **25,034** |
| Costs of sales of goods | -1,926 | - | - | - | **-1,926** |
| Project costs | -7,475 | -10,606 | -27,819 | - | **-45,900** |
| Other | - | - | - | -11,064 | **-11,064** |
| Operating results | **-5,710** | **-10,606** | **-6,476** | **-11,064** | **-33,857** |
| Net financial items | | | | | **-469** |
| Pretax profit | | | | | **-34,326** |

| 2022 Jan-Jun<br>KSEK | Emcitate | Aladote | PledOx | Common | Sum |
|---|---|---|---|---|---|
| Revenues | 11,220 | - | 542 | - | **11,762** |
| Costs of sales of goods | -3,495 | - | - | - | **-3,495** |
| Project costs | -39,494 | -1,978 | -861 | - | **-42,333** |
| Other | - | - | - | -30,340 | **-30,340** |
| Operating results | **-31,770** | **-1,978** | **-318** | **-30,340** | **-64,406** |
| Net financial items | | | | | **2,345** |
| Pretax profit | | | | | **-62,061** |

| 2021 Jan-Jun<br>KSEK | Emcitate | Aladote | PledOx | Common | Sum |
|---|---|---|---|---|---|
| Revenues | 6,230 | - | 22,591 | - | **28,822** |
| Costs of sales of goods | -3,437 | - | - | - | **-3,437** |
| Project costs | -12,547 | -13,316 | -30,558 | - | **-56,421** |
| Other | - | - | - | -22,433 | **-22,433** |
| Operating results | **-9,753** | **-13,316** | **-7,967** | **-22,433** | **-53,470** |
| Net financial items | | | | | **-170** |
| Pretax profit | | | | | **-53,641** |

| 2021 Jan-Dec<br>KSEK | Emcitate | Aladote | PledOx | Common | Sum |
|---|---|---|---|---|---|
| Revenues | 15,652 | - | 22,591 | - | **38,243** |
| Costs of sales of goods | -7,856 | - | - | - | **-7,856** |
| Project costs | -37,340 | -18,964 | -32,367 | - | **-88,671** |
| Other | - | - | - | -47,396 | **-47,396** |
| Operating results | **-29,545** | **-18,964** | **-9,776** | **-47,396** | **-105,681** |
| Net financial items | | | | | **1,139** |
| Pretax profit | | | | | **-104,542** |

## Revenues by country area

Revenues from Japan are attributable to the segment PledOx and revenues from other reported countries are attributable to the segment Emcitate. The PledOx segment has a single customer who accounts for all revenues reported. Revenues from this single customer amounts to KSEK 542 (22,591) for the period.

| KSEK<br>Country | 2022<br>Apr-Jun | 2021<br>Apr-Jun | 2022<br>Jan-Jun | 2021<br>Jan-Jun | 2021<br>Jan-Dec |
|---|---|---|---|---|---|
| Japan | - | 21,343 | 542 | 22,591 | 22,591 |
| France | 1,208 | 833 | 2,120 | 1,398 | 2,921 |
| Spain | - | 1,076 | 1,813 | 1,704 | 2,894 |
| Sweden | 312 | 557 | 653 | 899 | 1,324 |
| Great Britain | 925 | 308 | 1,510 | 543 | 2,781 |
| Italy | 507 | 72 | 1,258 | 125 | 1,028 |
| Other countries | 1,708 | 845 | 3,865 | 1,561 | 4,704 |
| **Total** | **4,660** | **25,034** | **11,762** | **28,822** | **38,243** |

EGETIS THERAPEUTICS

**Turnover by type of revenue**

| KSEK | 2022 Apr-Jun | 2021 Apr-Jun | 2022 Jan-Jun | 2021 Jan-Jun | 2021 Jan-Dec |
|---|---|---|---|---|---|
| Re-invoicing of costs to Solasia | - | 21,343 | 542 | 22,591 | 22,591 |
| Sales of goods | 4,660 | 3,691 | 11,220 | 6,231 | 15,652 |
| **Total** | **4,660** | **25,034** | **11,762** | **28,822** | **38,243** |

## Note 5 – Changes in financial liabilities due to financing activities

The below table presents a reconciliation of changes in liabilities divided by cash-flow and non-cash flow activities due to lease liabilities and other liabilities that are classified as financing activities.

| | | | No effect on cash flow | | |
|---|---|---|---|---|---|
| | 31/12/2021 | Cash flow | Acquisition of business | New lease agreements | 30/06/2022 |
| Lease liablilities | 4,152 | -743 | - | - | 3,409 |
| Other liabilities | 7,500 | -7,500 | - | - | - |
| **Closing balance** | **11,652** | **-8,243** | **-** | **-** | **3,409** |

| | | | No effect on cash flow | | |
|---|---|---|---|---|---|
| | 31/12/2020 | Cash flow | Acquisition of business | New lease agreements | 30/06/2021 |
| Lease liablilities | 4,666 | -583 | - | 798 | 4,881 |
| Other liabilities | 15,000 | -3,750 | - | - | 11,250 |
| **Closing balance** | **19,666** | **-4,333** | **-** | **798** | **16,131** |

| | | | No effect on cash flow | | |
|---|---|---|---|---|---|
| | 31/12/2020 | Cash flow | Acquisition of business | Transition to IFRS 16 | 31/12/2021 |
| Lease liablilities | 4,666 | -1,402 | - | 888 | 4,152 |
| Other liabilities | 15,000 | -7,500 | - | - | 7,500 |
| **Closing balance** | **19,666** | **-8,902** | **-** | **888** | **11,652** |

## Note 6 - Adjustment of material error regarding acquisition

In November 2021, the parent company noted that the acquisition of Rare Thyroid Therapeutics International AB should have been reported as an asset acquisition, and the intangible Emcitate measured in accordance with IAS 38, instead of a business acquisition accounted for in accordance with IFRS 3. The accounting error has resulted in a significantly higher carrying amount of capitalized research and development costs because a liability for contingent consideration as well as deferred tax liability were recorded in the Group, both of which should not have been recorded since the transaction was in effect an asset deal and not an acquisition of a business.

Shares in subsidiaries have been overstated because a long-term debt for additional purchase consideration have been recorded in the parent Company's accounts.

In the consolidated accounts the correction results in a lower carrying amount of capitalized research and development corresponding to the reversal of the liability for contingent consideration as well as the deferred tax liability. In the parent entity's accounts the correction results in a lower value of shares in subsidiaries corresponding to the reversal of the long-term debt for additional purchase consideration.

Previously booked additional purchase consideration will now be considered as a contingent liability regarding royalties, see Note 7.

For the comparison period 2021-06-30, the error that was corrected for the acquisition 2020 has meant that the balance sheet has been adjusted in accordance with the new opening balances in the comparison year 2021 after the correction of the error. No adjustment has been made to the comparative figures in the income

statement for the period January-June 2021, as the incorrectly reported acquisition in 2020 did not have any effect on the comparative figures in the income statement for 2021.
The following summary shows the effects of the correction of errors, on the Group's and the Parent Company's balance sheet and income statement as of 31 December 2020. The correction of errors has had no effect on the Group's and the Parent Company's cash flow.

**Group**

| KSEK<br>31/12/2020 | According to previously approved annual report | Correction of misstatement | After correction of misstatement |
|---|---|---|---|
| **Balance sheet (extract)** | | | |
| Research and development costs | 581,784 | -176,967 | 404,816 |
| Other non-current liabilities | -74,242 | 58,216 | -16,026 |
| Deferred tax liabilities | -119,847 | 119,847 | - |
| **Net** | **387,694** | **1,096** | **388,790** |
| | | | |
| Accumulated loss including net loss | -642,346 | 1,096 | -641,250 |
| **Total equity** | **629,627** | **1,096** | **630,723** |

**Parent Company**

| KSEK<br>31/12/2020 | According to previously approved annual report | Correction of misstatement | After correction of misstatement |
|---|---|---|---|
| **Balance sheet (extract)** | | | |
| Shares in subsidiaries | 490,172 | -58,216 | 431,956 |
| Other non-current liabilities | -63,216 | 58,216 | -5,000 |
| **Net** | **426,956** | **-** | **426,956** |
| | | | |
| **Equity** | **645,371** | **-** | **645,371** |

**Group**

| KSEK<br>31/12/2020 | According to previously approved annual report | Correction of misstatement | After correction of misstatement |
|---|---|---|---|
| **Income statement (extract)** | | | |
| Other external costs | -11,097 | 1,096 | -10,001 |
| **Results after financial net** | **-179,120** | **1,096** | **-178,024** |
| **Comprehensive income for the period** | **-179,120** | **1,096** | **-178,024** |

## Note 7 – Contingent liabilities

Egetis has a contractual obligation, on future net sales from Emcitate, to provide royalty payments to the previous owners of Rare Thyroid Therapeutics International AB and Erasmus Medical Centre corresponding to a low double-digit percentage of net sales of the product.

## Note 8 – Related party transactions

Peder Walberg has been providing consultancy services to the company, invoicing KSEK 637 (702) during the period.

## Note 9 – Employee Stock Option Plan

The average share price during the period has been lower than the subscription prices of the stock option plans, hence no dilution has been recognized to the shareholders. As of June 30, the company had three stock option

plans outstanding. Full utilization of the plans would increase the number of shares in the company with 20,292,761 to a total of 234,881,889.

**Employee Stock option plan 2022**

The 2022 Annual General Meeting resolved on a 2022/2026 stock option plan of 7,300,000 stock options for employees at Egetis Therapeutics, of which 7,083,500 were granted to employees and key consultants, as of June 30, 2022. The CEO and the rest of the management team (seven individuals) were granted 1,424,000 and 4,015,000 stock options, respectively.

To ensure the delivery of shares to participants in the Company's incentive plans as well as to cover social security contributions when the share awards and employee options are exercised, the Parent Company has issued 9,592,200 warrants to its subsidiary Egetis Therapeutics Incentive AB.

The option plan is implemented for employees and key consultants. The options were allotted free of charge to participants of the program. The options have a three-year vesting period calculated from the allotment date, provided that, with customary exceptions, the participants remain as employees of, or continue to provide services to Egetis. Once the options are vested, they can be exercised within a one-year period. Each vested option entitles the holder to acquire one share in Egetis at a predetermined price. The price per share is to be equivalent to 120% of the weighted average price that the company's shares were traded for on Nasdaq Stockholm during the ten trading days preceding the allotment date. The options have, at the time of issue, been valued according to the Black & Scholes valuation models.

**Employee Stock option plan 2021**

The 2021 Annual General Meeting resolved on a 2021/2025 stock option plan for employees at Egetis Therapeutics AB. After re-calculation for the May 2022 rights issue the number of outstanding and granted stock options are 5,100,000. To ensure the delivery of shares to participants in the Company's incentive plans as well as to cover social security contributions when the share awards and employee options are exercised, the Parent Company has issued 6,702,420 warrants to its subsidiary Egetis Therapeutics Incentive AB. After re-calculation for the May 2022 rights issue the updated exercise price is SEK 9.33 per option.

**Employee Stock option plan 2020**

The 2020 Annual General Meeting resolved on a 2020/2024 stock option plan for employees at PledPharma (previous company name for Egetis Therapeutics AB). After re-calculation for the November 2020 and May 2022 rights issues the number of granted stock options are 3,017,160. To ensure the delivery of shares to participants in the Company's incentive plans as well as to cover social security contributions when the share awards and employee options are exercised, the Parent Company has issued 3,997,841 warrants to its subsidiary Egetis Therapeutics Incentive AB. After re-calculation for the November 2020 and May 2022 rights issues the updated exercise price is SEK 11,71 per option.

## Note 10 –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**
**The company defines the below ratios as follows.**

Equity ratio, % The period's closing equity divided by the period's closing balance sheet. The Company uses the alternate Equity ratio 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, % 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. Cash flow from operating activities divided by the average 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. Equity divided by number of shares outstanding at the end of the period. Outstanding stock options and warrants are only considered if they are "in the money". 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

| | | 2022 Jan-Jun | 2021 Jan-Jun | 2021 Jan-Dec |
|---|---|---|---|---|
| A | Equity, KSEK | 634,971 | 577,502 | 527,039 |
| B | Balance sheet total, KSEK | 661,117 | 654,543 | 569,269 |
| **A/B** | **Equity ratio %** | **96%** | **88%** | **93%** |
| A | Net result, KSEK | -62,061 | -53,641 | -104,542 |
| B | Equity, KSEK | 634,971 | 577,502 | 527,039 |
| **A/B** | **Return on equity, %** | **neg.** | **neg.** | **neg.** |
| A | Cash flow from operating activities, KSEK | -68,446 | -73,180 | -130,110 |
| B | Average number of shares under the period, before dilution, thousand* | 189,099 | 179,906 | 179,906 |
| **A/B** | **Cash flow from operating activities per shares, SEK*** | **-0.4** | **-0.4** | **-0.7** |
| A | Equity, KSEK | 634,971 | 577,502 | 527,039 |
| B | Average number of shares at the end of the period before dilution, thousand* | 189,099 | 179,906 | 179,906 |
| **A/B** | **Equity per average number of shares before dilution, SEK*** | **3.4** | **3.2** | **2.9** |
| A | Equity, KSEK | 634,971 | 577,502 | 527,039 |
| B | Average number of shares at the end of the period after dilution, thousand* | 189,099 | 179,906 | 179,906 |
| **A/B** | **Equity per average number of shares after dilution, SEK*** | **3.4** | **3.2** | **2.9** |

*) The comparative figures in the table have been adjusted for the share issue in May 2022.

## Other information

### Next reports

Interim report January 1- September 30: November 8, 2022.
Year-end report January-December 2021: February 22, 2023

This report, and further information is available on the website, www.egetis.com
This is a translation of the Swedish half-year report. In case of discrepancies, the Swedish version prevails.

**For further information, please contact:**

Nicklas Westerholm, CEO
E-mail: nicklas.westerholm@egetis.com

Yilmaz Mahshid, CFO
E-mail: yilmaz.mahshid@egetis.com

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Egetis Therapeutics AB (publ.)
Klara Norra kyrkogata 26, 111 22 Stockholm, Sweden
Org.nr. 556706-6724
Phone: +46(0)8-679 72 10
www.egetis.com

**Analysts who follow Egetis Therapeutics**

ABGSC, Adam Karlsson
Carnegie, Ulrik Trattner
Pareto Securities, Dan Akschuti
Redeye, Kevin Sule
Rx Securities, Dr. Joseph Hedden

## Certification

This report for the January-June 2022 period provides a true and fair overview of the parent's and group's business activities, financial position, and results of operations, and describes significant risks and uncertainties to which the companies in the group are exposed.

Stockholm, August 19, 2022

| | |
|---|---|
| Thomas Lönngren | Mats Blom |
| Chairman of the board | Board member |
| Gunilla Osswald | Elisabeth Svanberg |
| Board member | Board member |
| Peder Walberg | Nicklas Westerholm |
| Board member | CEO |