ASARINA PHARMA AB (PUBL)

INTERIM REPORT

1 April – 30 June 2019

ASARINA PHARMA

INTERIM REPORT

UNLOCKING NEW POTENTIAL IN WOMEN'S HEALTH

ABOUT ASARINA PHARMA

We are a Swedish biotech company developing Sepranolone, the world's first dedicated treatment for premenstrual dysphoric disorder (PMDD) and other menstrual-related conditions. Our product pipeline is built on over 40 years' research into menstrual-related disorders like PMDD and menstrual migraine (MM). With our new family of GAMSA compounds (GABA-A Modulating Steroid Antagonists), we aim to deliver a new generation of efficacious and safe drugs for still widely untreated conditions, thereby becoming a leading Women's Health company.

CONTACTS

ASARINA PHARMA AB

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SECOND QUARTER 2019:

OVERVIEW

FINANCIAL OVERVIEW

1 APRIL – 30 JUNE 2019

TOTAL OPERATING COSTS SEK 28.1M (11.5M)

NET RESULT -25.8M (-9.7M)

CASH AND CASH EQUIVALENTS (30 JUNE 2019): SEK 109.5M (9.7M)

SIGNIFICANT EVENTS DURING THE SECOND QUARTER

PMDD:

WHO CLASSIFICATION OF PMDD

In May PMDD (Premenstrual Dysphoric Disorder) was for the first time given its own classification code and classified as a gynecological not psychiatric illness in the WHO's new International Classification of Diseases, ICD-11 potentially impacting future prescription and re-imbursement of both SSRIs and Sepranolone for PMDD.

MENSTRUAL MIGRAINE:

CTA APPROVAL OF MENSTRUAL MIGRAINE PHASE IIA TRIAL

CTA (Clinical Trial Approval) was granted in the quarter in Finland, Denmark and Sweden for the Phase IIa proof-of-concept study of Sepranolone for menstrual migraine. The Study is expected to be completed before the end of 2020.

SIGNIFICANT EVENTS AFTER THE SECOND QUARTER

PMDD:

LAST PATIENT INCLUDED IN PHASE IIB TRIAL

In August we announced that the Last Patient had been included in our Phase IIb study in PMDD. With full enrollment topline results are expected to be released end March 2020.

MENSTRUAL MIGRAINE:

FDA APPROVAL

In July, the FDA approved our IND application for Sepranolone in menstrual migraine, largely due to the excellent safety profile. This will have positive implications for our upcoming larger clinical PMDD trials.

CEO STATEMENT

Dear Asarina Pharma shareholder,

This has been a Quarter of many important milestones: last patient in for our flagship Phase IIb PMDD study, FDA approval of our IND for Sepranolone, Clinical Trial Approval for our Phase IIa Menstrual Migraine study and growing interest from future potential partners. All these move us forward towards realizing our vision of developing new therapies for serious conditions that lack treatment—and helping more women remain in control of their lives.

PMDD – LAST PATIENT IN, TRIAL ON TRACK

In August we announced that we had enrolled the last patient in our Phase IIb study in our lead indication PMDD (Pre-menstrual Dysphoric Disorder). A total of 468 subjects have been screened in the Study, which following the two initial diagnostic cycles should generate approximately 225 treated patients. This full enrollment means we are on track for completing the study by February 2020. We expect to have topline results available by the end of March 2020.

We're pleased to see that the drop-out rate remains below 15 percent compared to the average of more than 30 percent in other late-stage PMDD studies. Our previous Phase IIa study with Sepranolone reduced key PMDD symptoms by over 80 percent.

WHO CLASSIFIES PMDD

In May, PMDD was given its own classification code and for the first time classified clearly as a gynecological disease in the WHO's new International Classification of Diseases, ICD-11. The new classification is critical for the treatment and reimbursement of our lead indication. It confirms PMDD is not a mental health condition to be treated with antidepressants, but a neuro-hormonal condition that could be treated by Asarina Pharma's unique endogenous solution. This could positively impact the uptake, prescription and reimbursement for Sepranolone worldwide.

MENSTRUAL MIGRAINE: CTA APPROVAL OF PHASE IIA TRIAL

Menstrual migraine is a disabling, highly specific form of migraine that affects approximately 50 million women worldwide. With a distinct symptomatology and mechanism, Menstrual Migraine is highly resistant to current therapies and remains a major unmet medical need. In the second quarter we received Clinical Trial Approval (CTA) to begin our Phase IIa proof-of-concept study in Finland, Denmark and Sweden with 80-90 patients aged 18-45 years. The study is expected to be completed by the end of 2020.

FDA APPROVAL FOR IND FOR SEPRANOLONE

In July, we announced the FDA approval of the IND for Sepranolone in menstrual migraine. This is an important confirmation of Sepranolone's strong safety profile and has positive implications for our upcoming larger clinical PMDD trials. All preclinical and clinical data on Sepranolone, over 100 documents in all, were submitted to the FDA and Sepranolone was cleared with an excellent safety profile. As a compound produced naturally in the body we expected that, but the FDA's confirmation was a crucial milestone.

> *The FDA's confirmation of Sepranolone was a crucial milestone*

PARTNERING DISCUSSIONS INTENSIFYING

In June, we participated in the BIO International Convention in Philadelphia. It is the world's largest partnering convention, where we met 20-25 women's health companies that would be relevant future partners. We have good relationships going back many years with a number of these companies and have met them on several occasions. At this year's BIO we saw increased interest in Asarina Pharma from the big players in both the US and Europe, and our discussions with potential partners are intensifying as we approach the expected release of Phase IIb data in PMDD in Q1/Q2 2020.

THANK YOU

We maintained strict financial management leading to a solid cash position at the end of the second quarter, and I look forward to sharing more news and information about our future journey as we move forward. Finally, I would like to take this opportunity to thank our shareholders for their belief in and commitment to Asarina Pharma.

Peter Nordkild,
CEO Asarina Pharma

PMDD PHASE IIB TRIAL

LAST PATIENT IN:

FULL ENROLMENT REACHED

In August Asarina Pharma announces Last Patient In and full enrolment for its Phase IIb Trial of Sepranolone for PMDD. What does full enrolment mean to the Asarina Pharma team?

"WE DELIVER"

"This confirms that the Trial is on track and we expect to deliver data end of March 2020 as promised. There has never been a Study of this size in Europe in PMDD before, so full enrolment says a lot about our ability to deliver—not just to our investors and future partners but ultimately to all women and their loved ones living with this condition and looking to remain in control of their lives."

PETER NORDKILD
CEO

"PMDD DIAGNOSIS HAS CHANGED FOREVER"

"Full enrolment followed just two months after the new WHO classification of PMDD as a gynaecological not mental illness. Both confirm that the clinical definition and diagnosis of PMDD is changing. In Germany and Poland for example awareness of PMDD in the general public and the medical community was incredibly low when we started the trial in April 2018, and we've seen changes in that throughout the trial. The huge interest across borders in the trial indicates that PMDD is a universal hormonal disorder that afflicts women everywhere in similar ways – no matter their circumstances, culture, class or often even how they try to manage it. Will this Study play a part in finally ending the diagnosis of PMDD as a behavioural or psychiatric condition? I believe it could."

MÄRTA SEGERDAHL
CHIEF MEDICAL OFFICER

"PATIENT COMMITMENT WAS EXTRAORDINARY—THANK YOU!"

"This isn't an easy study to take part in! Patients have to fill out a 27-question survey every day for six months, as well as inject 6-7 times a month—yet compliance is still fantastically high, with an unusually low drop-out rate. Screening to enter the trial is tough too, with only 'pure' PMDD cases un-exacerbated by any other mental conditions enrolled. Despite all this, interest just keeps growing. We'd like to extend a huge thank you to all the women taking part, and their families and loved ones. I believe women everywhere with PMDD, both now and in the future, will owe a debt to the passion and commitment of these volunteers."

KARIN EKBERG
CHIEF OPERATING OFFICER

"THE POTENTIAL IS GREATER THAN WE THOUGHT"

"1.2 million women showed interest in the Study. Almost 250,000 took the screening questionnaire. Many in countries where PMDD was virtually unknown. Yet the specific symptomatology described spoke loud and clear. For doctors in coming years this growing combination of the WHO classification, women far more aware of PMDD as a distinct condition, and an emerging effective treatment that specifically targets the PMDD mechanism means high potential for growing diagnosis, treatment and reimbursement."

OTTO SKOLLING
CHIEF BUSINESS OFFICER

PMDD WORLDWIDE:

NEW WHO ICD-11 CLASSIFICATION TO DRIVE NEW DIAGNOSES

This Quarter Premenstrual dysphoric disorder (PMDD) was for the first time classified clearly as a gynaecological, not mental, disease—and given its own classification code in the WHO's new International Classification of Diseases, ICD-11.

NEW CLASSIFICATION WILL DRIVE NEW DIAGNOSES

The inclusion of PMDD in ICD-11 confirms growing medical awareness of PMDD worldwide, and a growing scientific consensus that PMDD is a hormonal not psychiatric condition. Asarina Pharma's first-in-class treatment Sepranolone is the first therapy to specifically target the neuro-hormonal mechanism that triggers PMDD.

PMDD is mentioned in the WHO's present ICD-10, but indirectly as a sub-classification under 'Premenstrual tension syndrome'. In ICD-11 PMDD is included as a clearly-named gynaecological disease with its own gynaecological classification code. ICD-11 will, over the coming years, be the new international standard for classifying and reporting diseases, profoundly impacting how diseases are diagnosed, treated and reimbursed worldwide.

"We believe the new classification will help women's health professionals worldwide identify and treat PMDD as a hormonal condition with Asarina's endogenous solution, rather than a mental condition to be treated with SSRIs"

OTTO SKOLLING
CBO

"This is a crucial step forward for future diagnosis, treatment and reimbursement of our lead indication"

PETER NORDKILD
CEO

DISEASE NOT SYNDROME, HORMONAL NOT PSYCHIATRIC

CEO Peter Nordkild: "For us the new classification is a fantastic vindication of our 40-years' plus research journey, confirming PMDD is not a mental health condition to be treated by a psychiatrist—but a neuro-hormonal disorder that falls squarely into the gynaecological remit, and which has proved to be treatable using our natural, endogenous compound Sepranolone."

5 NEED-TO-KNOWS

SEPRANOLONE, THE WORLD'S FIRST DEDICATED TREATMENT FOR PMDD

SEPRANOLONE...

1. ...is the world's first dedicated treatment specifically for PMDD
2. ...is not an anti-depressant, nor a hormone
3. ...reduced key PMDD symptoms by over 80% in Phase II
4. ...is endogenous (or naturally-occurring) in the brain. It inhibits the effects of allopregnanolone, the neurosteroid that triggers PMDD
5. ...is highly specific, meaning low risk of side-effects: More than 200 patients have been exposed to Sepranolone in PMDD clinical trials, with no major side effects reported

PHASE IIA MENSTRUAL MIGRAINE STUDY

CTA APPROVAL IN ALL FOUR COUNTRIES

In the Second Quarter Asarina Pharma's proof-of-concept Phase IIa trial of Sepranolone in menstrual migraine received Clinical trial Approval in Finland, Denmark and Sweden.

DR MARKKU NISSILÄ has managed over 100 clinical trials for migraine, testing treatments from new triptans to the latest CGRP antibodies. *National Country Coordinator for Finland, he explains here the importance of the current trial.*

DR MARKKU NISSILÄ

Why does Menstrual Migraine remain so resistant to standard treatments, and why are more and more migraine researchers turning towards the science of reproductive hormones?

"Standard prophylactic treatments have no efficacy in Menstrual Migraine" says Dr Markku Nissilä "There is a huge unmet need for a specific, efficacious treatment for this type of migraine."

"For every one man, three women endure migraine" says Nissilä "60% of all female migraineurs suffer from MM. As it remains the most consistently resistant to current treatments, interest in the specific neuro-hormonal mechanisms that trigger this form of migraine is high."

In a 20 July 2019 interview, CGRP scientist Professor Lars Edvinsson (Lund University), highlighted reproductive hormones as a key area for his own future research, telling Sweden's Dagens Nyheter newspaper "many women have migraine attacks when they get their period, connected to marked changes in oestrogen and progesterone. In my ongoing research, I want to understand the connection between various hormones and migraines."

Dr Nissilä managed trials of CGRP antibodies—the most recent new range of migraine treatments—throughout Finland. He was national coordinating investigator for Erenumab and Fremanezumab and conducted trials of CGRP products Galcanezumab. "My experience was that Menstrual Migraine attacks were the only kind to keep persisting throughout CGRP medication. A volunteer could take, for example, 140 mg of Erenumab every fourth week and still MM attacks would recur. Neither triptans nor CGRP antibodies are fully effective against Menstrual Migraine yet".

This is the most highly targeted Menstrual Migraine Study I have ever been part of…

And the most highly targeted prophylactic treatment for Men stural Migraine I've seen

HIGHLY TARGETED TRIAL & TREATMENT

For Dr Nissilä, the fact that Sepranolone is such a highly specific treatment is crucial. With the intensity and frequency of MM attacks concentrated directly prior to and during menstruation, when concentration of the neurosteroid Allopregnanolone is dropping rapidly, attacks could well be in direct response to this, with Sepranolone, the body's endogenous regulator of Allopregnanolone, effectively treating this withdrawal—and so the MM attacks. "When I first read the protocol, I was excited" he says "it was like finding the final piece of a puzzle. I realized that this could be the mechanism that triggers MM, and what makes it so resistant to other treatments.

"This is the most highly targeted MM Study I have ever been part of. I've conducted two previous MM trials, but they did not enrol 'pure' MM patients, most had other kinds of Migraine too. Sepranolone is the most highly targeted prophylactic treatment for MM I've seen. I'm confident this is something worth looking into in more detail."

With over 100 clinical trials in migraine under his belt, as co-founder of one of Northern Europe's largest medical centres devoted to headache, and as Director of Terveystalo Clinical Research and Biobank, Finland's largest headache and migraine database, Dr Nissilä is confident that enrolment will go smoothly.

"We have a huge headache database here in Finland, started in 2014, with close to 1 million consented patients overall and tens of thousands of women suffering specifically from menstrual migraine. The protocol for the Study is extremely clear and the science highly promising. I'll be excited to see the results when they become available. With 50 million women worldwide living with MM the demand for this kind of trial and this mode of action is huge."

When I first read the protocol it was like finding the final piece of a puzzle

PHASE IIA TRIAL: KEY FACTS

TARGET SITES
Finland, Denmark, Sweden

NUMBER OF PATIENTS
80–90

AGE OF PATIENTS
18–45 yrs

CRO
SCRO (Scandinavian CRO) based in Uppsala, Sweden

TREATMENT
Prophylactic neurosteroid Sepranolone

ADMINISTRATION
Pre-filled syringes for self-administration

TIMELINE
Study start in late June 2019 – completed end 2020

MENSTRUAL MIGRAINE:

PREVALENCE WORLDWIDE

1-IN-10
people worldwide suffer from migraine – making it more prevalent than diabetes and asthma combined

↓

2/3 OF THESE,
approx. 500 million are women, half being of a fertile age

→

1-IN-5 OF THESE WOMEN
or approx. 50 million women worldwide, suffer from Menstrual Migraine

↓

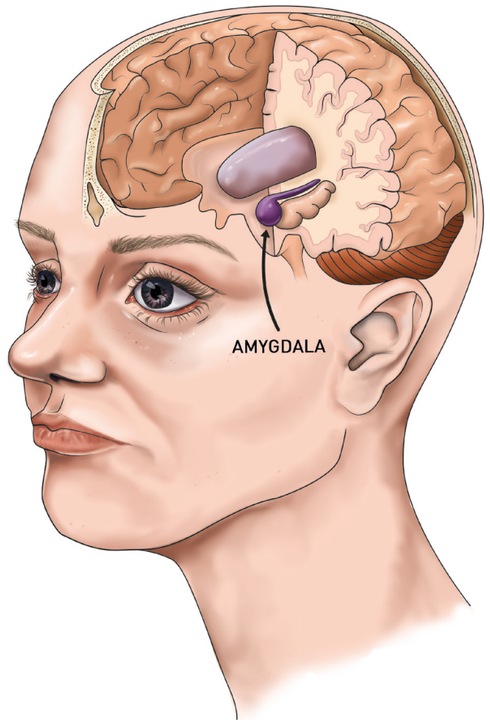
The WHO

RECOGNIZES MIGRAINE AS THE LEADING CAUSE
of life lived with a disability for women of a reproductive age

THE SCIENCE OF ALLOPREGNANOLONE

Progesterone is a female hormone playing a major role in the menstrual cycle and during pregnancy. Similar to all endogenous sex and stress hormones, progesterone produces $GABA_A$ receptor active metabolites and especially Allopregnanolone (ALLO) and isoallopregnanolone (ISOALLO) are of interest in the context of Premenstrual Dysphoric Disorder (PMDD) and MM.

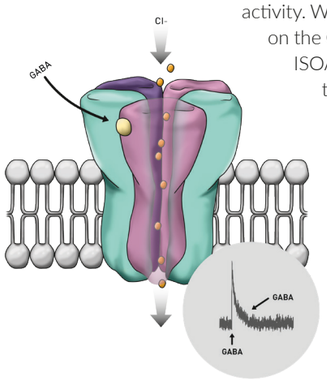
Both of these metabolites are active neurosteroids autonomously formed within the brain but also in peripheral endocrine tissues. Both ALLO and ISOALLO easily pass the blood brain barrier so changes in peripheral production are noted in the brain. The concentrations of Progesterone and thus the metabolites ALLO and ISOALLO are increased following ovulation and production from the corpus luteum but concentrations drop rapidly at the onset of menstrual bleeding if there is no pregnancy. The concentration of ALLO in the brain is also increased during stress. [1, 2]



AMYGDALA. *The amygdala plays a crucial role in processing emotional responses. Inside the amygdala, neurons use the neurotransmitter GABA (gamma-aminobutyric acid) to modulate feelings such as fear, anxiety and agreession. The GABA system is the brain's primary inhibitory neurotransmitter.*

LACK OF ADVERSE EFFECTS CONFIRMED IN PHASE II A AND B STUDIES

ISOALLO does not have an effect on the GABA receptor as such, but where ALLO opens the GABA receptor increasing the electrical activity of the receptor, ISOALLO reconfigures the GABA receptor to normal without influencing the electrical activity. Without a direct effect on the GABA receptor activity ISOALLO was not expected to produce adverse reactions. This lack of adverse events has been confirmed in the Phase II A and B studies in PMDD, except for some mild injection site signs observed in fewer than 5 % of all injection sites.

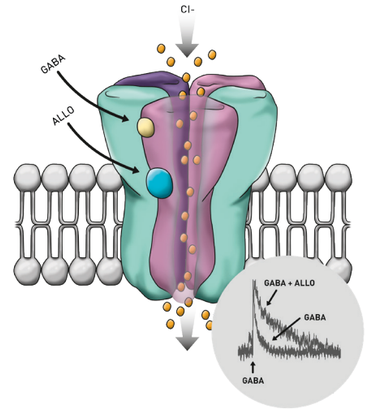


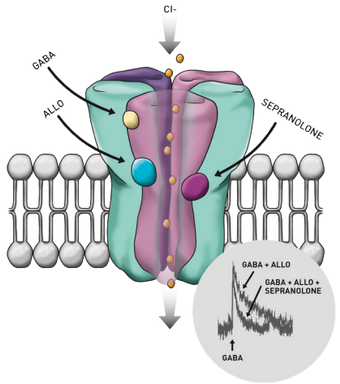
ALLOPREGNANOLONE, IMPORTANT IN MOOD AND ANXIETY DISORDERS

As many of the endogenous steroids Allopregnanolone possesses both positive and negative effects depending on the situation and individual. A wide variety of effects exists including sedative, anesthetic, analgesic, pro-sleep etc. Fluctuations of ALLO and other neurosteroids seem to play an important role in the pathophysiology of mood and anxiety disorders as well as menstrually related conditions like PMDD, MM, epilepsy and various other neuropsychiatric conditions. However, increased levels of ALLO can produce negative paradoxical effects, including negative mood, anxiety, irritability and aggression. In addition, prolonged increasing levels of ALLO e.g. following ovulation can induce tolerance development resulting in withdrawal symptoms setting off e.g. migraine attacks, when the ALLO concentration rapidly drops prior to the next menstruation, when there is no pregnancy. [3]

ALLOPREGNANOLONE IN POSTPARTUM DEPRESSION

Boston-based Sage Pharmaceuticals are focusing on developing products based on the positive effects of ALLO. Sage product Brexanolone (ALLO) has just been approved by the FDA for postpartum depression. Sage are also developing analogs of ALLO e.g. Sage 217, which is in Phase II clinical development for e.g. insomnia. Asarina Pharma on the contrary is focusing on developing products alleviating the negative effects of ALLO. [4]





ALLOPREGNANOLONE IN PMDD

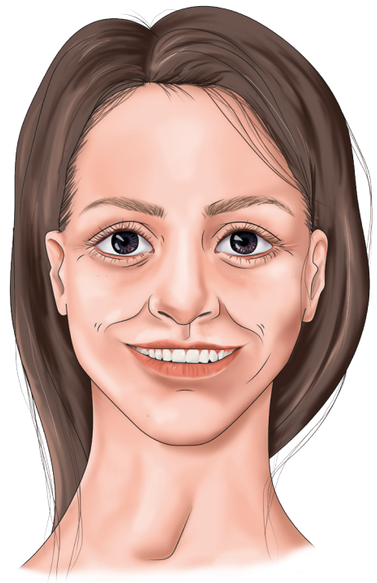
Women suffering from PMDD are particularly sensitive to the increasing concentrations of ALLO during the luteal phase and PMDD symptoms disappear as soon as the concentration of ALLO drops at menstruation or during menopause, when the woman is no longer ovulating. Administration of Sepranolone (ISOALLO) seems to alleviate the brain related PMDD symptoms of depression, anxiety and aggression, through action as a GAMSA (a $GABA_A$ modulating steroid antagonist). [5, 6]

ALLOPREGNANOLONE IN MM

Migraine can occur at any time, but for women at fertile age the intensity and frequency of attacks seem to be concentrated just prior to and during menstruation, when there is no pregnancy and the concentration of ALLO is dropping rapidly. MM is thus believed to be an ALLO substance withdrawal syndrome based on the rapid withdrawal of ALLO following ALLO tolerance development during the luteal phase. The medical rationale is that prophylactic treatment with Sepranolone from ovulation during the luteal phase will prevent tolerance development to ALLO and thus prevent ALLO withdrawal symptoms e.g. induction of migraine. [7]

ALLOPREGNANOLONE IN STRESS-RELATED DISORDERS

Tourette´s Syndrome, Obsessive Compulsive Disorder and Pathological Gambling are all stress-related syndromes characterized by unnatural behaviours that an individual involuntarily performs particularly in response to stress. Stress induces increased production of a number of neurosteroids including ALLO in the brain and adrenal glands. Studies from the University of Utah suggest that stress increases the severity of the tics experienced by Tourette syndrome patients, by promoting the production of Allopregnanolone in the brain. Data published in June 2019 in the Journal of Neuroendocrinology showed that ISOALLO reduced tics in an animal model of Tourette syndrome without inducing any motor side effects, validating its role in reducing the negative effects of ALLO whether produced peripherally in the corpus luteum of the ovaries, or centrally in the brain.



FINANCIAL OVERVIEW

KEY FINANCIALS

SEK '000	2019 APR-JUN	2018 APR-JUN	2019 JAN-JUN	2018 JAN-JUN	2018 FULL YEAR
Net sales (KSEK)	0	0	0	0	0
Total operating costs (KSEK)	28,128	11,472	38,881	25,167	51,596
Net result (KSEK)	-25,820	-9,747	-35,250	-25,185	-51,594
Earnings per share, before dilution (SEK)	-1.61	-1.26	-2.19	-3.88	-4.34
Cash and cash equivalents (KSEK)	109,514	9,681	109,514	9,681	141,543
Total assets (KSEK)	118,053	149,580	118,053	7,257	149,580
Equity ratio (%)	92.9	79.5	92.9	91.6	93.5
Return on equity (%)	-20.7	-90.8	-28.2	-255.2	-31.5
Return on total assets (%)	-19.2	-71.0	-26.2	-346.8	-33.3

REVENUE

Net sales amounted to 0.0 (0.0) MSEK.

OPERATING EXPENSES

In total, operating expenses for the second quarter amounted to 28.1 (11.5) MSEK. External research and development costs increased to 23.1 (7.7) MSEK as the phase IIb study in PMDD continued at full capacity. Staff costs increased to 3.2 (1.3) MSEK reflecting the expansion of the Asarina team in the second half of 2018. During the second quarter, general and administration costs declined to 1.8 (2.5) MSEK, primarily because the same period in 2018 was impacted by the preparations for the IPO.

TAX

No tax was reported for the quarter. Asarina Pharma AB had accumulated tax losses of 149.9 MSEK as of 31 December, 2018.

RESULT AND FINANCIAL POSITION

The operational result amounted to -28.1 (-11.5) MSEK and the net result (after financial items and taxes) amounted to -25.8 (-9.7) MSEK.

Cash flow for the period amounted to -19.4 (-2.4) MSEK.

The Group's cash balance on June 30, 2019 amounted to 109.5 (9.7) MSEK.

The Group's shareholder's equity on June 30, 2019 amounted to 109.7 (11.6) MSEK.

The Group's equity ratio amounted to 92.9 % compared to 93.5 % on December 31, 2018.

STAFF

As of 30 June 2019, the Group had 7 employees (3), 6 of whom are on part-time contracts.

NOTE* Amounts in parenthesis refer to the same period in the previous year unless stated otherwise.

THE ASARINA PHARMA SHARE

As of 19 August 2019, Asarina has issued 16,283,652 shares.

OWNERSHIP AS OF 19 AUGUST 2019 (AS AVAILABLE)

SHAREHOLDER	COUNTRY	NO. OF SHARES	OWNERSHIP (%)
Kurma Biofund	France	3,145,132	19.3
Östersjöstiftelsen	Sweden	2,352,092	14.4
Rosetta Capital	United Kingdom	2,058,329	12.6
Idinvest Patrimonie	France	1,639,824	10.1
Sectoral Asset Management	Canada	1,190,476	7.3
Swedbank Robur Fonder	Sweden	1,190,476	7.3
Catella Fonder	Sweden	906,122	5.6
Ergomed plc	United Kingdom	638,332	3.9
Handelsbanken Fonder	Sweden	380,952	2.3
PEG Capital Partners	Sweden	350,000	2.1
Others		2,431,917	14.9
TOTAL		**16,283,652**	**100.0**

Asarina Pharma has an incentive program for the board of directors and the management team. Under this program, the independent directors and members of management have been granted warrants which entitle them to subscribe for a total of 758,822 new Asarina shares at the end of 2021 at a fixed price of SEK 25.20 per share (the IPO price plus 20%).

EVENTS AFTER THE END OF THE REPORT PERIOD

No major events have occurred after 30 June 2019.

STATEMENT BY THE BOARD OF DIRECTORS AND THE CEO

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

STOCKHOLM 19 AUGUST 2019

Asarina Pharma AB

Board of directors

FINANCIAL CALENDAR

Interim report for third quarter 2019: 20 November 2019.

PUBLICATION

This report was submitted for publication by the CEO at 08.00 CET on 20 August 2019.

This report has not been subject to review by the company's auditors.

CONSOLIDATED INCOME STATEMENT (GROUP)

SEK '000	2019 APR-JUN	2018 APR-JUN	2019 JAN-JUN	2018 JAN-JUN	2018 FULL YEAR
Net sales	0	0	0	0	0
Other income	0	0	0	0	0
Total sales	**0**	**0**	**0**	**0**	**0**
Research and development costs	-23,110	-7,677	-29,950	-11,243	-39,033
Other external costs	-1,790	-2,527	-2,987	-2,851	-6,190
Personell costs	-3,228	-1,268	-5,944	-2,381	-6,373
Depreciation	0	0	0	0	0
Total costs	**-28,128**	**-11,472**	**-38,881**	**-16,475**	**-51,596**
Operating profit	**-28,128**	**-11,472**	**-38,881**	**-16,475**	**-51,596**
Financial income	2,409	1,725	3,829	1,725	1,826
Financial cost	-101	0	-198	0	-1,824
Financial net	**2,308**	**1,725**	**3,631**	**1,725**	**2**
Result before taxes	**-25,820**	**-9,747**	**-35,250**	**-14,750**	**-51,594**
Taxes	-	-	-	-	7,569
Result for the period	**-25,820**	**-9,747**	**-35,250**	**-14,750**	
					-44,025

EARNINGS PER SHARE

	2019 APR-JUN	2018 APR-JUN	2019 JAN-JUN	2018 JAN-JUN	2018 FULL YEAR
Number of shares, average (non-diluted)	16,083,255	7,742,268	16,060,364	7,436,434	10,152,064
Number of shares, average (fully-diluted)	16,842,077	7,742,268	16,819,186	7,436,434	10,343,328
Earnings per share, non-diluted, (SEK)	-1.61	-1.26	-2.19	-1.98	-4.34
Earnings per share, fully-diluted, (SEK)	-1.53	-1.26	-2.10	-1.98	-4.26
Number of shares end of period (non-diluted)	16,283,652	8,203,566	16,283,652	8,203,566	16,037,218
Number of shares, end of period (fully-diluted)	17,042,474	8,203,566	17,042,474	8,203,566	16,796,040

[1]Number of share is adjusted for reverse split 1:25 made in 2018.

CONSOLIDATED BALANCE SHEET

SEK '000	2019-06-30	2018-06-30	2018-12-31
ASSETS			
Non-current assets			
Financial non-current assets			
Other long-term financial assets	1	1	1
Total non-current assets	**1**	**1**	**1**
Currrent assets			
Current tax asset	7,883	4,583	7,732
Other receivables	458	283	246
Prepaid expenses and accrued income	197	45	58
Total current receivables	**8,538**	**4,911**	**8,036**
Cash and cash equivalents	109,514	9,681	141,543
Total current assets	**118,052**	**14,592**	**149,579**
TOTAL ASSETS	**118,053**	**14,592**	**149,580**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	4,072	2,051	4,009
Total restricted equty	**4,072**	**2,051**	**4,009**
Unrestricted equity			
Share premium reserve	220,605	63,755	213,890
Accumulated losses, incl loss for the period	-114,954	-54,210	-77,989
Total unrestricted equity	**105,651**	**9,545**	**135,901**
Total equity	**109,723**	**11,596**	**139,910**
Current liabilties			
Accounts payable	6,074	1,757	5,601
Other current liabilities	519	196	782
Accrued expenses and prepaid income	1,737	1,043	3,287
Total current liabilities	**8,330**	**2,996**	**9,670**
TOTAL EQUITY AND LIABILITIES	**118,053**	**14,592**	**149,580**

STATEMENT OF CHANGES IN EQUITY FOR THE GROUP

SEK '000	SHARE CAPITAL	SHARE PREMIUM RESERVE	ACCUMULATED LOSSES INCL LOSS FOR THE PERIOD	TOTAL EQUITY
Opening balance 1 January 2018	1,782	46,263	-38,177	9,868
Share issue	2,227	179,106		181,333
Share issue costs		-11,479		-11,479
Warrants			2,225	2,225
Share based payment			2,692	2,692
Translation difference			-704	-704
Result for the period			-44,025	-44,025
Closing balande 31 December 2018	**4,009**	**213,890**	**-77,989**	**139,910**
Opening balance 1 January 2019	**4,009**	**213,890**	**-77,989**	**139,910**
Share issue	63	6,715		6,778
Translation difference			-1,715	-1,715
Result for the period			-35,250	-35,250
Closing balance 30 June 2019	**4,072**	**220,605**	**-114,954**	**109,723**

CONSOLIDATED STATEMENT OF CASHFLOWS

SEK '000	2019 APR-JUN	2018 APR-JUN	2019 JAN-JUN	2018 JAN-JUN	2018 FULL YEAR
Operating activities					
Operating profit/loss	-28,128	-11,472	-38,881	-16,475	-51,596
Adjustment for non-cashflow affecting items					
Share based payments	-	-	-	-	2,692
Interest received	1,306	-	1,944	-	22
Interest paid	-95	90	-192	-	-816
Paid taxes	81	265	-151	-	3,898
Cashflow for operating activities before changes in working capital	**-26,836**	**-11,117**	**-37,280**	**-16,475**	**-45,800**
Cashflow from changes in working capital					
Decrease (+)/Increase(-) in receivables	-111	-286	-218	-146	-38
Decrease (-)/Increase(+) in liabilities	747	-2,597	-1,340	-135	6,713
Cashflow from operating activities	**-26,200**	**-14,000**	**-38,838**	**-16,756**	**-39,125**
Financing activities					
Share issue	6,778	11,570	6,778	17,760	181,333
Share issue costs	-	-	-	-	-11,479
Warrants	-	-	-	-	2,225
Cashflow from financing activities	**6,778**	**11,570**	**6,778**	**17,760**	**172,079**
Cashflow for the period	**-19,422**	**-2,430**	**-32,060**	**1,004**	**132,954**
Cash and cash equivalents in the beginning of the period	128,921	11,858	141,543	8,384	8,384
Translation difference	15	253	31	293	205
Cash and cash equivalents at the end of the period	**109,514**	**9,681**	**109,514**	**9,681**	**141,543**

PARENT COMPANY INCOME STATEMENT

SEK '000	2019 APR-JUN	2018 APR-JUN	2019 JAN-JUN	2018 JAN-JUN	2018 FULL YEAR
Net sales	0	0	0	0	0
Other income	560	551	1,159	1,126	2,247
Total sales	**560**	**551**	**1,159**	**1,126**	**2,247**
Research and development costs	-130	-316	-428	-781	-1,521
Other external costs	-1,163	-2,071	-1,786	-2,240	-5,005
Personell costs	-1,284	-627	-2,524	-1,111	-2,990
Total costs	**-2,577**	**-3,014**	**-4,738**	**-4,132**	**-9,516**
Operating profit	**-2,017**	**-2,463**	**-3,579**	**-3,006**	**-7,269**
Financial income	2,180	603	3,474	603	1,618
Financial cost	-54	0	-150	0	-795
Financial net	**2,126**	**603**	**3,324**	**603**	**823**
Result before taxes	**109**	**-1,860**	**-255**	**-2,403**	**-6,446**
Taxes	0	0	0		
Result for the period	**109**	**-1,860**	**-255**	**-2,403**	**-6,446**

PARENT COMPANY BALANCE SHEET

SEK '000	2019-06-30	2018-06-30	2018-12-31
ASSETS			
Non-current assets			
Financial non-current assets			
Shares in subsidiaries	51	1	51
Other long-term financial assets	1	1	1
Total non-current assets	**52**	**2**	**52**
Current assets			
Receivables on group companies	106,169	38,503	59,978
Current tax asset	103	233	164
Other receivables	121	169	131
Prepaid expenses and accrued income	197	43	58
Total current assets	**106,590**	**38,948**	**60,331**
Cash and cash equivalents	97,838	5,587	137,564
Total current assets	**204,428**	**44,535**	**197,895**
TOTAL ASSETS	**204,480**	**44,537**	**197,947**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	4,072	2,051	4,009
Total restricted equity	**4,072**	**2,051**	**4,009**
Unrestricted equity			
Share premium reserve	220,605	63,755	213,890
Accumulated losses	-22,108	-20,580	-15,662
Result for the period	-255	-2,403	-6,446
Total unrestricted equity	**198,242**	**40,772**	**191,782**
Total equity	**202,314**	**42,823**	**195,791**
Current liabilties			
Accounts payable	316	577	233
Other current liabilities	519	85	601
Accrued expenses and prepaid income	1,331	1,052	1,322
Total current liabilities	**2,166**	**1,714**	**2,156**
TOTAL EQUITY AND LIABILITIES	**204,480**	**44,537**	**197,947**

NOTES

1. GENERAL INFORMATION

This interim report covers the parent company Asarina Pharma AB (publ), Corp. Reg. No 556698-0750 and the subsidiaries Asarina Pharma ApS (Denmark) and Asarina Pharma Finans AB (Corp. Reg. No. 559169-203-2032.

2. ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3). The accounting principles adopted in this interim report are consistent with those of the 2018 Annual Report and should be read in conjunction with that annual report

3. RISKS AND UNCERTAINTIES

RISK MANAGEMENT

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

OPERATIONAL RISKS

At the current stage of development, Asarina's main operations consist of pre-clinical and clinical studies in order to demonstrate safety and clinical efficacy of its pharmaceutical candidates. There is no guarantee that a certain (pre-) clinical trial will generate the required data to enable Asarina to progress to the subsequent development phase of the pharmaceutical candidate. Consequently, Asarina's goal is to gradually generate a portfolio of different pharmaceutical candidates for other indications, thereby reducing risk.

Also, clinical trials may be delayed and costs for the trial may exceed budget. Prior to initiating a clinical trial, Asarina conducts a detailed assessment of the trial period and budget to ensure sufficient funding to conclude the trial, including delays and increased costs for the trial.

Asarina Pharma develops medical products and is dependent on assessments and decisions by relevant authorities such as the EMA in Europe and the FDA in the USA. Asarina cannot guarantee that it will obtain the regulatory approvals required to continue clinical studies and to obtain market approval. In order to mitigate this risk regarding regulatory risks, the Company retains leading experts concerning regulatory issues and preparation of protocol of clinical studies.

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

FINANCIAL RISKS

At present, Asarina does not generate any income from product sales or licensing of the company's IP-assets and is therefore dependent upon financing from investors. Asarina aims at any given time to have sufficient liquidity for the planned activities for the next 1-2 years. Therefore, Asarina is in regular contact with current and potential new investors, which may be interested in injecting new finance into the company.

Asarina incurs costs mainly in three currencies: Swedish Kronor (SEK), Euro (EUR) and Danish Kroner (DKK), the value of which is closely linked to EUR. The company mitigates its exposure to currency risk by placing excess liquidity in a combination of SEK and EUR, mirroring its operational currency risk.

DEFINITION ALTERNATIVE KPIS

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

RECONCILIATION KEY PERFORMANCE MEASURES

EQUITY RATIO

SEK '000	2019 APR-JUN	2018 APR-JUN	2019 JAN-JUN	2018 JAN-JUN	2018 FULL YEAR
Equity	109,723	11,596	109,723	11,596	139,910
+ Untaxed reserves	0	0	0	0	0
- Deferred tax liability	0	0	0	0	0
Adjusted equity	**109,723**	**11,596**	**109,723**	**11,596**	**139,910**
Adjusted eqity	109,723	11,596	109,723	11,596	139,910
Total assets	118,053	14,592	118,053	14,592	149,580
Equity ratio, %	**92.9**	**79.5**	**92.9**	**79.5**	**93.5**

RETURN ON EQUITY

SEK '000	2019 APR-JUN	2018 APR-JUN	2019 JAN-JUN	2018 JAN-JUN	2018 FULL YEAR
Result for the period	-25,820	-9,747	-35,250	-14,750	-44,025
Average adjusted equity[1]	124,817	10,732	124,817	10,732	139,910
Return on equity, %	**-20.7**	**-90.8**	**-28.2**	**-137.4**	**-31.5**

RETURN ON TOTAL ASSETS, %

SEK '000	2019 APR-JUN	2018 APR-JUN	2019 JAN-JUN	2018 JAN-JUN	2018 FULL YEAR
Result before tax	-25,820	-9,747	-35,250	-25,185	-51,594
+ Interest costs	101	0	198	0	1,824
Average total assets[1]	133,817	13,734	133,817	13,734	149,580
Return on total assets, %	**-19.2**	**-71.0**	**-26.2**	**-183.4**	**-33.3**

CERTIFIED ADVISER

The company´s certified adviser is Erik Penser Bank, tel. +46 (08) 463 80 00

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