ASARINA PHARMA

REMAIN IN CONTROL OF YOUR LIFE

ASARINA PHARMA AB (PUBL)

THIRD QUARTER INTERIM REPORT

1 July – 30 September 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.

CONTACT

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Peter Nordkild, CEO | Phone +45 25 47 16 46

THIRD QUARTER 2019

OVERVIEW

FINANCIAL HIGHLIGHTS

Due to increased R&D activities, operating costs grew to **SEK 21.8 million**

Our G&A costs are well below **15% of total costs**

We maintained a strong financial position with **SEK 94.9 million** in cash at the end-of quarter (before the directed share issue)

DIRECTED SHARE ISSUE

After the end of the quarter, we completed a directed share issue of 2,159,148 shares generating net proceeds of SEK 44.5 million. The proceeds are intended for (i) a Phase IIa proof-of-concept study in Tourette syndrome, to be initiated in second half of 2020, (ii) continued development of new formulations of Sepranolone, and (iii) preparatory work for Phase III studies of Sepranolone in PMDD.

PMDD

In the third quarter we enrolled the last patient in our Phase IIb study in Premenstrual Dysphoric Disorder, the largest PMDD trial ever in Europe. We are on track for completing the study by end of February 2020, expecting topline results in April 2020.

MENSTRUAL MIGRAINE

In August, we included the first patient in our Phase IIa proof-of-concept study in Menstrual Migraine in Finland and Sweden. The study is expected to be completed by the end of 2020. In the quarter the FDA approved our IND in menstrual migraine for Sepranolone with an excellent safety profile.

CEO STATEMENT

DEAR SHAREHOLDER

We had an intense third quarter and achieved some important milestones. We enrolled the last patient in our landmark PMDD study, received FDA approval for our IND in menstrual migraine and included the first patient in our menstrual migraine study.

PMDD TRIAL: LAST PATIENT IN, COMPLIANCE OUTSTANDING

In the quarter we enrolled the last patient in our Phase IIb study in our lead indication, Premenstrual Dysphoric Disorder (PMDD). The trial is the largest PMDD trial ever in Europe. More than 1.2 million women showed interest in our study and almost 250,000 took the on-line screening questionnaire. We completed enrolment in the study in mid-August with a total of 468 subjects screened. Following two initial diagnostic cycles we have now 205 patients and we are on track for completing the study by the end of February 2020. We expect to have topline results in April 2020.

The study is being conducted at 14 sites in Poland, Germany, Sweden and England. The compliance in the trial is still outstanding; the drop-out rate continues to be below 15 percent compared to typically 30 percent in other late-stage PMDD studies which indicates a very high-quality study. The study is now completed to well above 75 percent and the safety profile looks really good; so far, the only side effects have been a few cases of minor skin irritation at the injection point. Sepranolone is the first therapy to specifically target the neuro-hormonal mechanism that triggers PMDD and our previous Phase IIa clinical study with Sepranolone reduced key PMDD symptoms by over 80 percent.

MENSTRUAL MIGRAINE TRIAL: FIRST PATIENT IN

Sepranolone is a highly targeted prophylactic treatment and in August, we included the first patient in our Phase IIa proof-of-concept study. Some 80-90 patients aged 18-45 years will be included in the study that is ongoing in Finland and Sweden. In Finland there is a huge headache database with tens of thousands of women suffering specifically from menstrual migraine. Enrollment is coming along nicely with some 25% of patients already included in the screening phase, two months into the study. The study is expected to be completed by the end of 2020.

In the quarter the FDA approved our IND in menstrual migraine for Sepranolone, which 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. It also has positive implications for our upcoming larger clinical PMDD trials.

TOURETTE SYNDROME: FROM PROMISING DATA TO PHASE II

Earlier this year we published exciting data on Tourette syndrome that indicate that Sepranolone, without inducing any side effects, reduces tics on par with Haldol, which is a highly efficacious treatment but used as a last resort as side effects can be brutal. In a mouse model Sepranolone seems capable of attenuating the negative effects of stress induced Allopregnanolone production in the brain, thus reducing tic frequency. Some 200,000 Americans suffer from the most severe form of Tourette syndrome, making it an orphan indication.

We are eager to take this project to the next level. After the end of the quarter we were able to raise SEK 48 million in a directed share issue for a Phase IIa proof-of-concept study in 40-50 subjects to be conducted in a leading Tourette center in Denmark. Part of the proceeds from the share issue will also be used for continued formulation work to find a new administration form for Sepranolone and preparatory work for the phase III PMDD studies.

We hope to start the phase IIa study in the second half of 2020.

> *Our Phase IIb Study in Premenstrual Dysphoric Disorder is the largest PMDD trial ever in Europe.*

REMAIN IN CONTROL OF YOUR LIFE

As with our two other indications, PMDD and menstrual migraine, our ultimate aim is an efficacious treatment that allow patients to remain in control of their lives. In this case patients are primarily children and teenagers with Tourette syndrome.

The directed share issue was subscribed for by a few well-renowned institutional investors. We are grateful to current and new shareholders for their strong commitment to Asarina Pharma and we look forward to reaching new milestones.

Peter Nordkild,
CEO Asarina Pharma

BRITISH PMDD AUTHORITY SPEAKS:

SEPRANOLONE A 'ONE AND ONLY' TREATMENT

If this Trial is successful this will be the first, in fact only, drug ever produced specifically to treat PMDD

PROFESSOR SHAUGHN O'BRIEN, DSc, MD, FRCOG.
Leading UK authority on PMS and PMDD.

He opened the UK's first ever public PMS Clinic in 1984, set up the influential International Society for Premenstrual Disorders (ISPMD) in 2007 and for over 40 years has researched and advocated for better treatment and diagnosis of premenstrual disorders in the UK. Asarina Pharma's Study Coordinating Investigator in the UK Prof Shaughn O'Brien reflects on how far premenstrual disorder diagnosis and treatment has come—and the exciting developments ahead.

Ask many PMDD patients and their families in the UK who first correctly diagnosed their condition, and the answer will often be the same: "Professor Shaughn O'Brien", with stories like the following not uncommon: "My daughter's PMDD diagnosis was finally approved, in the face of opposition from psychiatrists, in September 2016. It was a real lifesaver for her. I dread to think how things would have gone otherwise."

For over 40 years Prof O'Brien played a pivotal role in improving PMDD diagnosis and treatment in the UK and internationally. In 1984 he set up the UK's first public PMS clinic at the Royal Free Hospital in London. In 2007 he set up the collaborative cross-border research group the International Society of Premenstrual Disorders, which has been crucial in setting auditable standards for the better diagnosis and management of premenstrual disorders worldwide. And at his public (NHS) gynaecology clinic he has for many years treated patients with the most severe PMDD symptoms, including serious suicidality.

"Last year I worked with two young patients, incredibly bright with their whole lives in front of them. I was prescribing both GnRH (Gonadotrophin-releasing hormone) analogues. When I warned one of them of the risk of osteoporosis, she just said 'do it anyway, otherwise I'll be dead'. Those are the kind of symptoms we're talking about when we talk about PMDD."

"I would be proud if leading this historic Study became part of my legacy. This is the first ever therapy specifically developed to treat PMDD".

Prof Shaughn O'Brien.

THREE CLINICAL SITES IN THE UK HAVE BEEN PARTICIPATING IN THE PMDD Phase IIb TRIAL:

LONDON, LIVERPOOL AND STOKE

MISDIAGNOSIS COMMON

Both patients had also been earlier misdiagnosed as bipolar, which is common for many PMDD patients. "Even in the first couple of months of this Phase IIb Study we had 20 patients who at one time or another had been previously diagnosed with bipolar or another psychiatric condition. That's quite a lot for a once a week clinic. Overall though I do think we are seeing more effective diagnosis."

When he started research on PMS in 1974, Prof O'Brien points out, PMS was a neglected subject. Why?

"It is a very complex, difficult condition to treat. And in fact many gynaecologists still do avoid it. It is difficult to measure, you can't find any objective technique to make diagnosis, and you have to rely on patients' self-reporting. There are no blood tests, no physical parameters. But now recognition is changing for the better. PMDD as a diagnosis has really started to enter the clinical and public setting more. Thanks to period tracking Apps and social media, laypeople and clinicians are more informed and aware."

WHAT IS THE POTENTIAL?

Whilst having recently retired from clinical and formal research duties, Prof O'Brien continues his work as Study Coordinating Investigator, backed up by Dr Paula Briggs in Liverpool and Dr Nick Panay in London. "Paula Briggs, Nick Panay and I have worked closely throughout the Study. I really admire their professionalism and thoroughness as clinicians and principal investigators."

How does Prof O'Brien see the potential for Sepranolone as a treatment?

"The first Trial was convincing and pointed towards the likelihood of this Study showing that Sepranolone is effective. Plus with this Study we have been very, very pure and rigorous in our selection procedures. Remember, currently in the UK there is no drug licensed for the management of PMDD that actually works. SSRIs were created to treat depression. The Pill was created to provide contraception. Hysterectomy was created originally to help with heavy periods. This is the only treatment specifically developed to treat PMDD. If this Trial is successful we could have the first and only drug ever specifically produced to manage PMDD."

5 NEED-TO-KNOWS

SEPRANOLONE, THE WORLD'S FIRST DEDICATED TREATMENT FOR PMDD

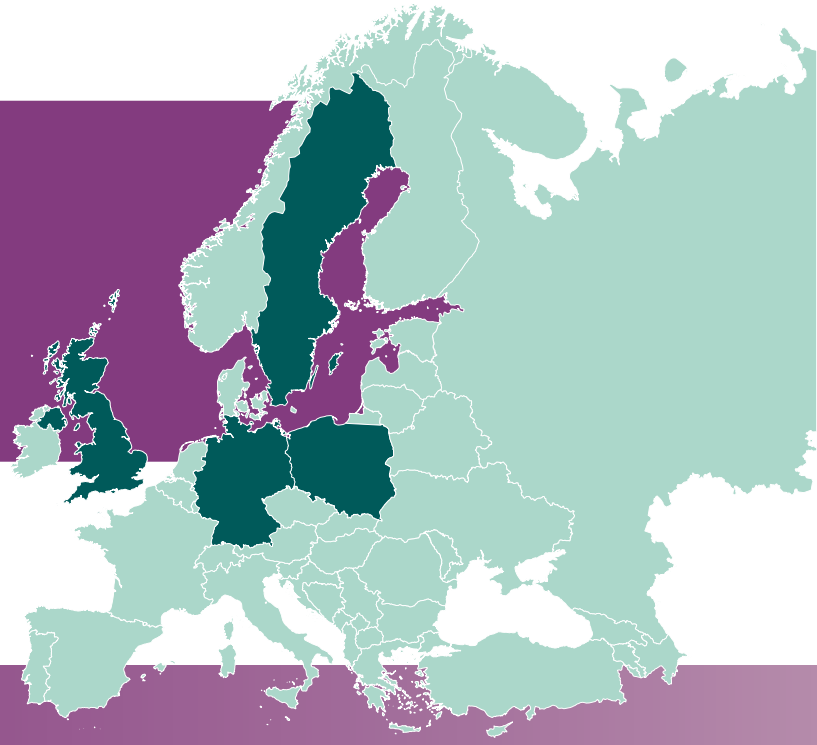
SEPRANOLONE...

1. ...is the world's first dedicated treatment specifically for PMDD
2. ...reduced key PMDD symptoms by over 80% in Phase IIa clinical tests
3. ...is not an anti-depressant, nor a hormone, but an endogenous (naturally-occurring) hormone metabolite produced by the body
4. ...is produced to regulate the effect 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

PMDD Phase IIb TRIAL

EUROPE-WIDE INTEREST IN PMDD

With 14 clinics in four countries, Asarina Pharma's Phase IIb study in Premenstrual Dysphoric Disorder is the largest PMDD trial ever in Europe. Recruitment metrics give a vivid snapshot of the scale of interest in PMDD diagnosis and treatment throughout much of Europe.



OVERALL STUDY:

No. of sites: **14**

Page visits: **1,191,365**

Online Screener: **: 248,374**

SWEDEN:

No. of sites per country: **1**

Page visits: **101,585**

Online Screener: **21,072**

ENGLAND:

No. of sites per country: **3**

Page visits: **166,839**

Online Screener: **43,194**

GERMANY:

No. of sites per country: **6**

Page visits: **480,105**

Online Screener: **113,931**

POLAND:

No. of sites per country: **4**

Page visits: **442,836**

Online Screener: **70,177**

MENSTRUAL MIGRAINE ON THE MOVE

PATIENT ENROLMENT ON TRACK IN GROUND-BREAKING MENSTRUAL MIGRAINE STUDY

On August 28 Asarina Pharma reported the first patient included in its Phase IIa Menstrual Migraine (MM) Study. Interest and enrolment is strong, reflecting the scale of the need for an effective treatment. Chief Medical Officer and MM Study Director Asoc Prof Märta Segerdahl explains.

Menstrual Migraine recruitment poster on city-center tram in Gothenburg.

We now have recruitment campaigns ongoing in Stockholm, Gothenburg and Uppsala in Sweden. And Helsinki, Tampere and Turku in Finland" says Märta Segerdahl "Early recruitment results are positive. They reflect how great the need is for a new treatment. Neither triptans nor CGRP antibodies are fully effective against MM, with the American Migraine foundation and many others recognizing that MM is highly resistant to today's standard treatments".

MENSTRUAL MIGRAINE AND REPRODUCTIVE ENDOCRINOLOGY

Approximately 50 million women worldwide suffer from MM, a highly specific and disabling form of migraine. MM attacks are often more severe and prolonged, and occur predictably (unlike regular episodic migraine), directly prior to and during menstruation—when concentration of the neurosteroid allopregnanolone drops rapidly.

"Because MM attacks are so closely tied to progesterone and allopregnanolone levels, we believe they occur in response to falling levels of the potent neurosteroid allopregnanolone" says Segerdahl.

"Women with MM are highly sensitive to allopregnanolone levels. It is the sudden withdrawal of allopregnanolone that we believe triggers these disabling, painful migraine attacks.

Sepranolone is the body's natural, endogenous regulator of allopregnanolone. It is a highly specific, targeted hormone metabolite that inhibits allopregnanolone, preventing the devastating effects of allopregnanolone withdrawal from occurring—and effectively preventing MM attacks."

The study will take place in Finland and Sweden with 80-90 patients aged 18-45 years and is expected to be completed by the end of 2020.

CMO MÄRTA SEGERDAHL

PHASE IIa TRIAL: KEY FACTS

STUDY SITES
Finland and Sweden

NUMBER OF PATIENTS
80–90

AGE OF PATIENTS
18–45 yrs

CRO
SCRO (Scandinavian CRO) based in Uppsala, Sweden

TREATMENT
Sepranolone

ADMINISTRATION
Pre-filled syringes for self-administration

TIMELINE
Study started late June 2019
First Patient In August 2019
Study completed end 2020

SIMPLICITY, SAFETY, SECURITY

IT'S DECIDED: ASARINA PHARMA MAKES FINAL CHOICE OF AUTOINJECTOR FOR PHASE III PMDD STUDY AND MARKET.

After nine months' intensive work researching a range of devices, Asarina Pharma has chosen the Ypsomed YpsoMate autoinjector for its Phase III Study in the US and Europe, and ultimately commercial release. Director CMC (Chemistry, Manufacturing and Control) Dr Sven Göthe explains.

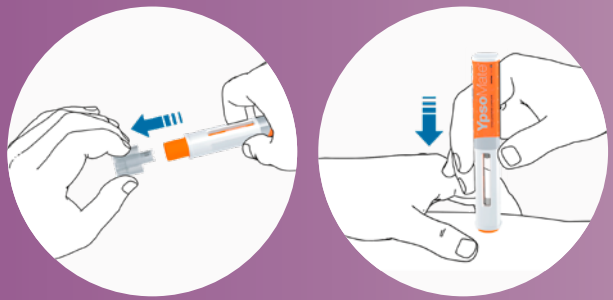
"For some patients, how you administer the treatment can be as important as the treatment itself" says Dr Sven Göthe. "These autoinjectors will be an absolutely central part of our patients' lives—they will use them to administer seven injections every month, in the two weeks leading up to their period, month in, month out. So simplicity, usability and safety are crucial. At the same time we needed a flexible solution. One that can be customized for different fill volumes. Another plus is that this handles slightly higher viscosity products like Sepranolone well. The YpsoMate meets all these requirements. It's the right solution for our patients and for us."

USABILITY ESSENTIAL

Autoinjector design has advanced a lot in recent years, with autoinjectors propelled by gas jet and other technologies. But the precision and usability of the Ypsomed were paramount. "We tried several devices, and then narrowed them down to two really strong candidates" says Göthe.

"Administrating via autoinjector obviously isn't as simple as say swallowing a tablet. Research shows that when patients auto-inject some can make errors and skip steps. The usability of the Ypsomed solution helps them take exactly the right dose, every single time."

SAFETY IN TWO CLICKS



"Handling is exceptionally easy" says Göthe "patients simply remove the cap and push the autoinjector against their skin. The autoinjector uses a clear, two-click system. When the patient pushes the injector to her skin, a clear audible CLICK tells her when the injection starts. A few seconds later another CLICK tells her when the whole dose has been administered. It's virtually impossible to miss a step or administer an incorrect dose."

The needle on the device is shielded by a plastic collar at all times, so eliminating accidental needle sticks. A transparent window on the device is another key safety feature. "When users look through the window on the device they can see when the plunger has travelled all the way to the bottom of the syringe and the dose is complete" says Göthe "again it's a watertight method".

AUTOINJECTORS A NEW NORM

The number of conditions that now use autoinjectors has led to a ground-change in attitudes towards needles, Dr Göthe points out.

"With solutions like EpiPen commonly present in schools we're seeing generations of patients growing up perfectly used to seeing and even using needles in everyday settings" he says "children see EpiPens preventing anaphylactic shock, see classmates using diabetes autoinjectors, all these are helping normalize needle use. In our Phase IIb Study alone our patients have administered around 4,000 separate injections—yet we've never had a single complaint about the injection aspect. It's the same with diabetes patients. When people are living with a condition that completely impairs their life, whether they solve it with an autoinjector, inhaler or liquid solution is important—but not defining."

With a Ph.D. in Polymer Chemistry and Polymer Technology, Sven Göthe has over 30 years' experience of product development, project management, manufacturing and commercialization. He has been senior advisor on upscaling production for a wide range of pharma and life science companies and has held senior managerial positions at Pharmacia & Upjohn and Fresenius Kabi AB.

Dr Sven Göthe, Asarina Pharma Director Chemistry Manufacturing and Control (CMC)

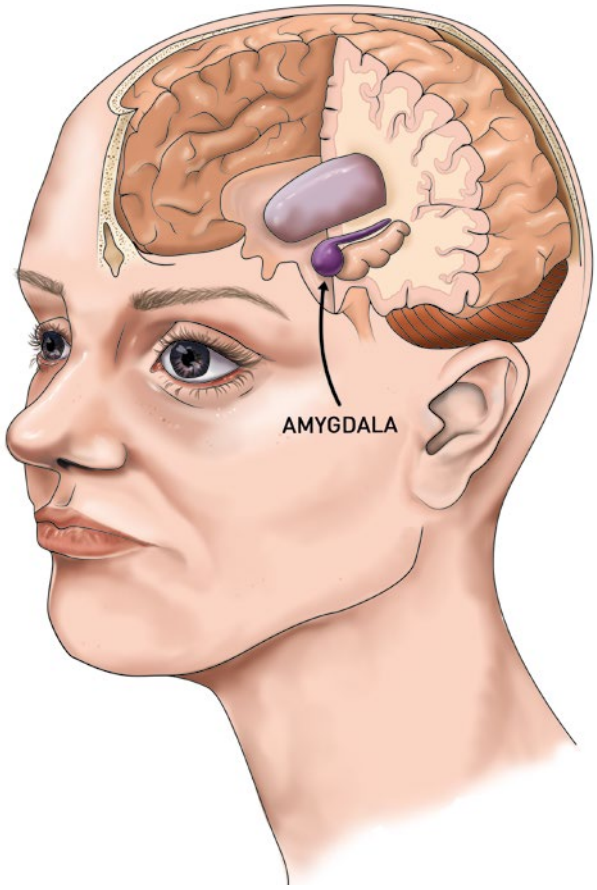
COMMERCIAL MANUFACTURING & LAUNCH

The new autoinjectors can be manufactured in the US as well as Europe, with scale up in manufacturing possible in parallel for the commercial release of Sepranolone. "We can now say for sure that through-out our Phase III Study, and when Sepranolone is released, that this will be the autoinjector patients will use. In fact the final decision helps ready us for Phase III and commercial launch. Sepranolone is a crucial, even life-saving product. We believe this device will do it justice."

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.

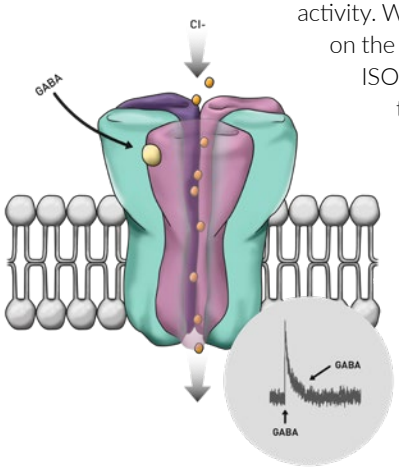
Both of these metabolites are active neurosteroids autonomously formed within the brain but also in peripheral endocrine tissues. Both ALLO and ISOALLO easily pass the blood brain barrier so changes in peripheral production are noted in the brain. The concentrations of Progesterone and thus the metabolites 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.

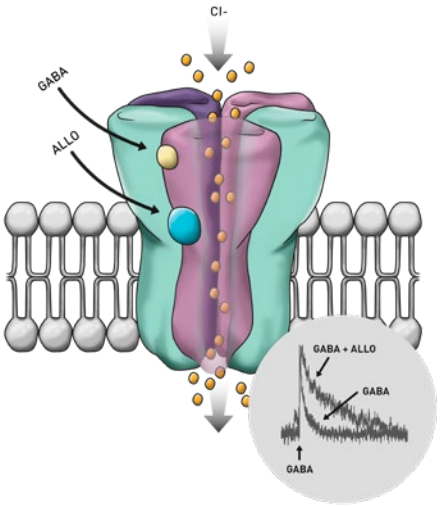


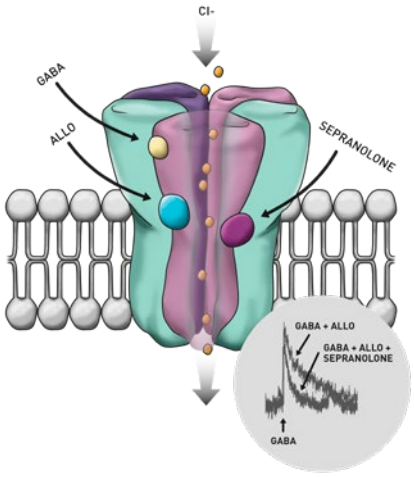
ALLOPREGNANOLONE, IMPORTANT IN MOOD AND ANXIETY DISORDERS

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 neuro-psychiatric 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 JUL-SEP	2018 JUL-SEP	2019 JAN-SEP	2018 JAN-SEP	2018 FULL YEAR
Net sales (KSEK)	0	0	0	0	0
Operating profit (KSEK)	-21,786	-14,640	-60,667	-31,115	-51,596
Result after taxes (KSEK)	-19,973	-15,228	-55,223	-29,978	-44,025
Earnings per share, before dilution (SEK)	-1.17	-1.84	-3.27	-3.86	-4.34
Cash position, end-of-period (KSEK)	94,929	142,523	94,929	142,523	141,543
Total assets, end-of-period (KSEK)	103,537	147,765	103,537	147,765	149,580
Equity ratio (%)	85.1	96.2	85.1	96.2	93.5
Return on equity (%)	-20.2	-20.0	-48.4	-39.4	-31.5
Return on total assets (%)	-18.0	-18.2	-43.5	-37.3	-33.3

REVENUE

Net sales amounted to 0 KSEK (0).

OPERATING EXPENSES

Operating expenses for the third quarter amounted to 21.8 (14.6) MSEK. Research and development costs increased to 18.1 (11.3) MSEK as the phase IIb study in PMDD progressed at full capacity. Staff costs increased to 2.6 (1.4) MSEK. During the third quarter, general and administration costs amounted to 1.1 (1.9) MSEK, comprising expenses i.a. related to investor relations, business development and stock exchange fees.

TAX

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

RESULT AND FINANCIAL POSITION

The operational result amounted to -21.8 (-14.6) MSEK and the result after taxes amounted to -20.0 (-15.2) MSEK.

Cash flow for the period amounted to -14.6 (132.9) MSEK.

The Group's cash balance on September 30, 2019 amounted to 94.9 (142.5) MSEK.

The Group's shareholder's equity on September 30, 2019 amounted to 88.2 (142.1) MSEK.

The Group's equity ratio amounted to 85.1 % compared to 93.5 % on December 31, 2018.

STAFF

As of 30 September 2019, Asarina had 7 staff members (employees and permanent consultants), 5 of whom are on part-time contracts.

NOTE* Unless stated otherwise, amounts in brackets refer to the third quarter in 2018.

THE ASARINA PHARMA SHARE

As of 10 November 2019, Asarina has issued a total of 18,442,800 shares, which are held by approx. 660 shareholders.

OWNERSHIP AS OF 10 NOVEMBER 2019 (AS AVAILABLE)

SHAREHOLDER	COUNTRY	NO. OF SHARES	%
Kurma Biofund	France	3.145.132	17,1
Östersjöstiftelsen	Sweden	2.667.092	14,5
Idinvest Patrimoine	France	1.639.824	8,9
Swedbank Robur Fonder	Sweden	1.350.476	7,3
AP4	Sweden	1.135.000	6,2
Rosetta	United Kingdom	1.067.526	5,8
Sectoral Asset Management Inc	Canada	1.001.496	5,4
Catella Fonder	Sweden	933,314	5,1
Länsförsikringar	Sweden	909,000	4,9
Handelsbanken Fonder	Sweden	605,952	3,3
Others		3.987.988	21,6
Total		**18.442.800**	**100,0**

Asarina Pharma has established an incentive program for the board of directors and management. 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

On 24 October 2019, the Company conducted a directed issue of 2,159,148 new shares which were placed with new investors and existing shareholders. This provided the Company with net proceeds (after transaction costs) of SEK 44.5 million, which will be used for a phase IIa study in Tourette Syndrome, and for various CMC work.

FINANCIAL CALENDAR

2020

21 February: Q4 / Year-end report

15 April: Annual report 2019

26 May: Q1 report

19 Aug.: Q2 report

25 Nov.: Q3 report

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 20 november 2019

Asarina Pharma AB

Board of directors

PUBLICATION

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

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

CONSOLIDATED INCOME STATEMENT

SEK '000	2019 JUL-SEP	2018 JUL-SEP	2019 JAN-SEP	2018 JAN-SEP	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	-18,056	-11,296	-48,006	-22,539	-39,033
Other external costs	-1,111	-1,923	-4,098	-4,774	-6,190
Personell costs	-2,619	-1,421	-8,563	-3,802	-6,373
Total costs	**-21,786**	**-14,640**	**-60,667**	**-31,115**	**-51,596**
Operating profit	**-21,786**	**-14,640**	**-60,667**	**-31,115**	**-51,596**
Financial income	1,840	0	5,669	1,137	1,826
Financial cost	-27	-588	-225	0	-1,824
Financial net	**1,813**	**-588**	**5,444**	**1,137**	**2**
Result before taxes	**-19,973**	**-15,228**	**-55,223**	**-29,978**	**-51,594**
Taxes	-	-	-	-	7,569
Result for the period	**-19,973**	**-15,228**	**-55,223**	**-29,978**	**-44,025**

EARNINGS PER SHARE

	2019 JUL-SEP	2018 JUL-SEP	2019 JAN-SEP	2018 JAN-SEP	2018 FULL YEAR
Number of shares, average (non-diluted)	17,042,474	8,261,005	16,894,433	7,760,623	10,152,064
Number of shares, average (fully-diluted)	17,801,296	8,611,005	17,653,255	7,760,623	10,343,328
Earnings per share, non-diluted, (SEK)	-1.17	-1.84	-3.27	-3.86	-4.34
Earnings per share, fully-diluted, (SEK)	-1.12	-1.84	-3.13	-3.86	-4.26
Number of shares end of period (non-diluted)	17,042,474	15,211,028	17,042,474	15,211,028	16,037,218
Number of shares, end of period (fully-diluted)	17,801,296	15,211,028	17,801,296	15,211,028	16,796,040

CONSOLIDATED BALANCE SHEET

SEK '000	2019-09-30	2018-09-30	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**
Current assets			
Current tax asset	8,036	4,426	7,732
Other receivables	329	765	246
Prepaid expenses and accrued income	242	51	58
Total current receivables	**8,607**	**5,242**	**8,036**
Cash and cash equivalents	94,929	142,523	141,543
Total current assets	**103,536**	**147,765**	**149,579**
TOTAL ASSETS	**103,537**	**147,765**	**149,580**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	4,072	3,803	4,009
Total restricted equity	**4,072**	**3,803**	**4,009**
Unrestricted equity			
Share premium reserve	220,605	207,371	213,890
Accumulated losses, incl loss for the period	-136,523	-69,048	-77,989
Total unrestricted equity	**84,082**	**138,323**	**135,901**
Total equity	**88,154**	**142,126**	**139,910**
Current liabilties			
Accounts payable	12,030	1,331	5,601
Other current liabilities	522	670	782
Accrued expenses and prepaid income	2,831	3,639	3,287
Total current liabilities	**15,383**	**5,640**	**9,670**
TOTAL EQUITY AND LIABILITIES	**103,537**	**147,766**	**149,580**

STATEMENT OF CHANGES IN EQUITY

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 balance 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			-3,311	-3,311
Result for the period			-55,223	-55,223
Closing balance 30 September 2019	**4,072**	**220,605**	**-136,523**	**88,154**

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK '000	2019 JUL-SEP	2018 JUL-SEP	2019 JAN-SEP	2018 JAN-SEP	2018 FULL YEAR
Operating activities					
Operating profit/loss	-21,786	-14,640	-60,667	-31,115	-51,596
Adjustment for non-cash flow affecting items	0	0	0		2,692
Share based payments	703	0	2,647	0	22
Interest received	-27	0	-219	0	-816
Interest paid	-153	-20	-304	-20	3,898
Paid taxes	-153	-20	-304	-20	3,898
Cash flow for operating activities before changes in working capital	**-21,263**	**-14,660**	**-58,543**	**-31,135**	**-45,800**
Cash flow from changes in working capital					
Decrease (+)/Increase(-) in receivables	-49	-469	-267	-615	-38
Decrease (-)/Increase(+) in liabilities	6,709	2,673	5,369	2,538	6,713
Cash flow from operating activities	**-14,603**	**-12,456**	**-53,441**	**-29,212**	**-39,125**
Financing activities					
Share issue	0	156,223	6,778	173,983	181,333
Share issue costs	-	-10,855	-	-10,855	-11,479
Warrants	-	-	-	0	2,225
Cash flow from financing activities	**0**	**145,368**	**6,778**	**163,128**	**172,079**
Cash flow for the period	**-14,603**	**132,912**	**-46,663**	**133,916**	**132,954**
Cash and cash equivalents in the beginning of the period	109,514	9,681	141,543	8,384	8,384
Translation difference	18	-70	49	223	205
Cash and cash equivalents, end of period	**94,929**	**142,523**	**94,929**	**142,523**	**141,543**

PARENT COMPANY INCOME STATEMENT

SEK '000	2019 JUL-SEP	2018 JUL-SEP	2019 JAN-SEP	2018 JAN-SEP	2018 FULL YEAR
Net sales	0	0	0	0	0
Other income	513	484	1,672	1,610	2,247
Total sales	**513**	**484**	**1,672**	**1,610**	**2,247**
Research and development costs	-909	-278	-1,337	-1,059	-1,521
Other external costs	-731	-1,812	-2,517	-4,052	-5,005
Personel costs	-1,148	-595	-3,672	-1,706	-2,990
Total costs	**-2,788**	**-2,685**	**-7,526**	**-6,817**	**-9,516**
Operating profit	**-2,275**	**-2,201**	**-5,854**	**-5,207**	**-7,269**
Financial income	1,927	1,057	5,401	1,057	1,618
Financial expenses	-51	-614	-201	-11	-795
Financial net	**1,876**	**443**	**5,200**	**1,046**	**823**
Result before taxes	**-399**	**-1,758**	**-654**	**-4,161**	**-6,446**
Taxes	0	0	0	0	0
Result for the period	**-399**	**-1,758**	**-654**	**-4,161**	**-6,446**

PARENT COMPANY BALANCE SHEET

SEK '000	2019-09-30	2018-09-30	2018-12-31
ASSETS			
Non-current assets			
Financial non-current assets			
Shares in subsidiaries	51	51	51
Other long-term financial assets	1	1	1
Total non-current assets	**52**	**52**	**52**
Current assets			
Receivables on group companies	129,359	49,297	59,978
Current tax asset	132	133	164
Other receivables	103	198	131
Prepaid expenses and accrued income	242	51	58
Total current assets	**129,836**	**49,679**	**60,331**
Cash and cash equivalents	74,942	139,010	137,564
Total current assets	**204,778**	**188,689**	**197,895**
TOTAL ASSETS	**204,830**	**188,741**	**197,947**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	4,072	3,803	4,009
Total restricted equity	**4,072**	**3,803**	**4,009**
Unrestricted equity			
Share premium reserve	220,605	207,371	213,890
Accumulated losses	-22,108	-20,580	-15,662
Result for the period	-654	-4,161	-6,446
Total unrestricted equity	**197,843**	**182,630**	**191,782**
Total equity	**201,915**	**186,433**	**195,791**
Current liabilties			
Accounts payable	512	319	233
Other current liabilities	522	526	601
Accrued expenses and prepaid income	1,881	1,463	1,322
Total current liabilities	**2,915**	**2,308**	**2,156**
TOTAL EQUITY AND LIABILITIES	**204,830**	**188,741**	**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.

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 any (pre-) clinical trial will generate the data required 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 several 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, taking into account potential 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

Asarina does not at present generate any income from product sales or licensing of the company's IP-assets and is therefore dependent upon capital 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 continuous discussions 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, EURO, and Danish kronor (the value of which is closely correlated to EURO). The company mitigates its exposure to exchange rate risk by placing excess liquidity in a combination of Swedish kronor and EURO, reflecting the breakdown of Asarina's costs between the three currencies.

DEFINITION ALTERNATIVE KPIS

KPI	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 ALTERNATIVE KPIS

EQUITY RATIO

SEK '000	2019 JUL-SEP	2018 JUL-SEP	2019 JAN-SEP	2018 JAN-SEP	2018 FULL YEAR
Equity	88,154	142,126	88,154	142,126	139,910
+ Untaxed reserves	0	0	0	0	0
- Deferred tax liability	0	0	0	0	0
Adjusted equity	**88,154**	**142,126**	**88,154**	**142,126**	**139,910**
Adjusted eqity	88,154	142,126	88,154	142,126	139,910
Total assets	103,537	147,766	103,537	147,766	149,580
Equity ratio, %	**85.1**	**96.2**	**85.1**	**96.2**	**93.5**

RETURN ON EQUITY

SEK '000	2019 JUL-SEP	2018 JUL-SEP	2019 JAN-SEP	2018 JAN-SEP	2018 FULL YEAR
Result for the period	-19,973	-15,228	-55,223	-29,978	-44,025
Average adjusted equity	98,939	75,997	114,032	75,997	139,910
Return on equity, %	**-20.2**	**-20.0**	**-48.4**	**-39.4**	**-31.5**

RETURN ON TOTAL ASSETS, %

SEK '000	2019 JUL-SEP	2018 JUL-SEP	2019 JAN-SEP	2018 JAN-SEP	2018 FULL YEAR
Result before tax	-19,973	-15,228	-55,223	-29,978	-51,594
+ Interest costs	27	588	225	0	1,824
Average total assets	110,795	80,321	126,559	80,321	149,580
Return on total assets, %	**-18.0**	**-18.2**	**-43.5**	**-37.3**	**-33.3**

CERTIFIED ADVISER

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