ASARINA PHARMA

ASARINA PHARMA AB (PUBL)

YEAR-END REPORT 2022

1 July – 31 December 2022

REMAIN IN CONTROL OF YOUR LIFE

ASARINA PHARMA AB

(PUBL) 556698-0750
H2 REPORT 2022

ABOUT ASARINA PHARMA

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

ASARINA PHARMA AB

Karolinska Institutet Science Park | Fogdevreten 2, SE 171 65 Solna, Sweden
Peter Nordkild, CEO | Phone +45 25 47 16 46

OVERVIEW

FINANCIAL HIGHLIGHTS

- Operating costs (MSEK 6.7) well under control
- Cash reserves at year-end (MSEK 13.6) enough to finance completion of Tourette study
- Strong balance sheet due to conversion of loan in May 2022

Jakob Dynnes Hansen
Chief Financial Officer

R&D HIGHLIGHTS

TOURETTE SYNDROME

RECRUITMENT COMPLETED: patient recruitment to our Phase IIa study in Tourette was completed in October 2022. A total of 28 patients were enrolled. The last patient was randomized on October 14.

EXTENSIVE PRECLINICAL STUDY PUBLISHED: on 6 October we announced the publication of a comprehensive new preclinical study in the Neurobiology of Stress, the fourth in a series of four. We believe results increase the Translatability of our data and provide further evidence for pursuing further clinical tests and an initial clinical trial in OCD.

LAST PATIENT LAST VISIT: On February 1, 2023, following the reporting period, we reported Last Patient Last Visit in our Phase IIa Tourette study. The dropout rate remained unexpectedly low (two of the 28 patients dropped out.)

TOPLINE RESULTS for the Study remain expected to be released at the end of March 2023.

CEO STATEMENT

DEAR SHAREHOLDER

These are exciting times for Asarina. I am pleased to be able to report that we are moving swiftly towards the release of the topline results for our landmark Phase IIa study in Sepranolone for the treatment of Tourette Syndrome. After an efficient completion of the Study in less than 12 months we expect results at the end of March 2023.

So, if ultimately successful, what kind of clinical, treatment and market landscape would Sepranolone be part of? In this CEO Statement I will also offer a brief overview of the overall Tourette landscape in 2022, as well as our own.

Two key emerging trends here confirm for me the unique benefits that Sepranolone could offer, and the special role that it might yet play in this field.

But let's start with Asarina Pharma.

A safe and effective Tourette treatment has never been needed more than now

Asarina Pharma CEO Peter Nordkild

2022 FOR ASARINA PHARMA

In the second half of 2022 we have pressed on with our Phase IIa study, completing Last Patient Last Visit on schedule on February 1 and with a dropout rate that has remained surprisingly low.

RECRUITMENT COMPLETED

In October recruitment was completed. A total of 28 patients were enrolled and the last patient randomized on October 14. Patients ranged from 12 to 45 years old. Adult patients were treated at the Bispebjerg University Hospital in Copenhagen, teenage patients at the Danish National Center for Tourette at Herlev University Hospital in Copenhagen.

LAST PATIENT LAST VISIT

On February 1, 2023 we reported Last Patient Last Visit - less than 12 months after the study's initiation. Of the study's 28 patients, 9 were randomized to a 'control group' continuing on their present treatment and 17 to an 'active group' continuing on their present treatment plus twice weekly 10 mg injections of Sepranolone for 12 weeks. Thanks to an excellent recruitment process, our active group of 17 was significantly larger than the 10 patients specified in the Study protocol, which we hope will enable us to deliver particularly thorough findings.

LOW DROPOUT RATE

The low dropout rate has remained throughout the Study. In total, just two of the 28 patients dropped out - one from the active group and one from the control group. This is an unusually low dropout rate for neurology studies (and not only because historically many trialled products have been antipsychotics with severe side effects). Complying to a treatment regime for 20 weeks is challenging for any patient group – and particularly so for one including many younger patients and adolescents managing puberty as well as Tics.

EXTENSIVE CYCLE OF PRECLINICAL RESEARCH COMPLETED

In October we were also pleased to announce the publication of an extensive new preclinical study in the Neurobiology of Stress (1). This substantial paper reconfirmed the central role that Allopregnanolone (ALLO) plays in stress-related conditions, and the efficacy of our compound Sepranolone in modulating its negative effects.

The publication was the fourth and most comprehensive in an ambitious cycle of preclinical tests that aimed to understand underlying mechanisms and how Sepranolone interacts with these mechanisms. It used four different kinds of stress triggers on three different breeds of rodents. We believe it significantly increases the Translatability of our data, providing us with further evidence for further clinical tests in Tourette and potentially an initial trial in OCD.

2022 IN THE TOURETTE LANDSCAPE

But what about the broader Tourette market and development landscape? Here too 2022 has been a busy and eventful year.

When I take a broad overview of developments in 2022, I believe that you can see two major trends within Tourette reconfirmed: one is its growing prevalence, backed up by a substantial US CDC Report. The second is the continuing, and in fact growing, unmet need for safer treatments. Let's take prevalence first.

CDC - 'PREVALENCE OF TOURETTE SIGNIFICANTLY HIGHER THAN PREVIOUSLY REPORTED'

In August a new study released by the US CDC (Center for Disease Control and Prevention) and published in the journal Psychiatry Research found that the prevalence of Tourette was significantly higher than previously reported. It estimated that 1-in-50 children may be affected by the condition. (Previous estimates had been 1-in-100.) The study estimates that only half of the children who today meet the criteria for Tourette have received a formal diagnosis.

INCREASE IN COVID19-RELATED TICS

Independently of this, throughout 2022 TS experts from pediatrician's to child mental health practitioners continued analyzing the sharp increase in stress-related Tic symptoms in children and teenage girls developed in association with the Covid-19 lockdown and pandemic (2). In England in October 2022 it was reported that the country's NHS Trust had created a support group to help parents and young people living with Tourette to receive quicker diagnosis following "a stark increase in the prevalence of tics among children and teenagers." (3)

Many experts and TS patient groups (4) pointed out that as these were functional Tics with rapid onset in teenagers (unlike the gradual onset in childhood of TS), it was important to understand that they were probably not TS, but the result of Functional Neurological Disorder (FND). Nevertheless, the rise in stress-related Tics and Ticcing disorders connected to the pandemic was significant.

Whatever the diagnostic cause, this widely observed trend was clearly profoundly disrupting for those concerned. For us at Asarina it highlights again the need for more research into the stress-related triggers of Tics and Tourette and once again the need for safer treatments.

Both stories indicate to us that if Sepranolone does eventually reach the market, it is highly likely to be entering one with significantly increased awareness and diagnoses of Tourette.

2022 TREATMENT DEVELOPMENTS

SAFETY STILL A PRIME CONCERN

So, how have treatments currently in development for Tourette progressed in 2022? The R&D landscape for medical and pharmaceutical Tourette treatments is full of innovation. But, even a glance over some of its milestones in 2022 confirms that the unmet need for a safer treatment remains. In fact, I would argue that this need is growing.

LET'S TAKE A COUPLE OF EXAMPLES.

DBS ON THE MOVE

September 2022 saw the publication of promising topline results (5) from the first-ever in-human clinical trials of a Closed-Loop Deep Brain Simulation (DBS) procedure for Tourette patients. Whilst encouraging for TS patients with extremely severe tics, DBS remains a surgical procedure. Screening is highly complex and select. DBS also entails the risk of bleeding or a stroke during the operation (the implanting of an electrode into the brain) - or infection following surgery (occurring in 5% of patients) (6). The fact that a surgical procedure like DBS is still pursued by many patients is a sobering reminder of the appalling disruption that TS can inflict.

D1 RECEPTOR THERAPY MAKES PROGRESS

Meanwhile, on the pharmaceutical front, in January 2023 positive results were released from a Phase IIb study of a new therapy targeting the D1 dopamine receptor (7). Results showed a significant reduction in tics using the YALE Global Severity Tic Scale – and yet here too safety is a concern.

Mild to moderate Adverse Effects were reported. The most common were headache (15.8% of participants), insomnia (14.5%), fatigue (7.9%) and somnolence (7.9%) – all of which could impact a child's life.

As pharmaceutical professionals – and for myself personally as a Medical Doctor and clinician – we welcome new research into this field and are encouraged by these new developments. We believe that all TS therapies and treatments could have a valuable role to play somewhere in the spectrum. We are also keenly aware from the above of just how unique the safety profile of our endogenous compound Sepranolone is – and how much that could set it apart in a market such as Tourette.

> *We are keenly aware of just how unique the safety profile of our endogenous compound Sepranolone is – and how much that could set it apart in a market such as Tourette.*
>
> **Asarina Pharma CEO Peter Nordkild**

SEPRANOLONE' SAFETY PROFILE

We can see twin trends dominating the Tourette landscape: A growing number of diagnoses and cases, and a still relatively unmet need for safer medical or pharmaceutical treatments that deliver few if any side effects.

SEPRANOLONE SAFETY PROFILE

For us these are early days in our journey towards delivering a new treatment. Nevertheless, we believe that if Sepranolone meets its clinical endpoints, its proven safety profile could ultimately set it apart.

Sepranolone is after all a highly targeted neurosteroid. It has no hormonal or Central Nervous System off-target side effects. Its safety profile has been proven in clinical trials – it has been taken by more than 330 patients in 3 major clinical studies with no other side effects than mild and reversible local skin irritation.

In preclinical studies Sepranolone was found to reduce tics effectively without inducing any motor side effects. In fact, in preclinical toxicology studies, adult and juvenile animal models were exposed to Sepranolone for up to 4 months with no pathological findings.

330 PATIENTS IN **3** MAJOR CLINICAL STUDIES HAD **0** OTHER SIDE EFFECTS THAN MILD AND REVERSIBLE LOCAL SKIN IRRITATION

MOVING FORWARD

As we approach the topline results for our study, I would like to thank our shareholders for their continued support. I would like to thank too the excellent clinical staff at our two test site hospitals who have delivered such outstanding care throughout the Study – and I would like to thank our patient volunteers who have shown such inspiring engagement throughout.

Whatever the contribution we are eventually able to deliver we are proud and thankful to have worked with you all on such an important and inspiring project.

WARM WISHES,

Peter Nordkild,
CEO Asarina Pharma

REFERENCES

1. Acute stress impairs sensorimotor gating via the neurosteroid allopregnanolone in the prefrontal cortex, Professor Marco Bortolato et al. Dept. of Pharmacology and Toxicology, University of Utah.
2. British Medical Journal Archives of Disease in Childhood. COVID-19 related increase in childhood tics and tic-like attacks. Dr Isobel Heyman, Great Ormond Street Hospital For Children NHS Foundation Trust. https://adc.bmj.com/content/106/5/420
3. ITV News Insight. Schoolgirl with Tourette's says more need to understand as number diagnosed rises dramatically. Ann Youssef https://www.itv.com/news/granada/2022-10-27/the-rise-of-tourettes-some-people-dont-understand-and-it-makes-me-upset
4. Rise in tics is caused by a known condition – and it's not all due to TikTok. Jon Stone, Professor of Neurology, The University of Edinburgh. https://theconversation.com/rise-in-tics-is-caused-by-a-known-condition-and-its-not-all-due-to-tiktok-187465
5. Embedded Human Closed-Loop Deep Brain Stimulation for Tourette Syndrome A Nonrandomized Controlled Trial Cagle JN, Okun MS, Cernera S, Eisinger RS, Opri E, Bowers D, Ward H, Foote KD, Gunduz A. https://pubmed.ncbi.nlm.nih.gov/36094652/
6. Tourette Association of America, DBS https://tourette.org/research-medical/deep-brain-stimulation/
7. Ecopipam for Tourette Syndrome: A Randomized Trial. Pediatrics. 2023 Jan. Gilbert DL, Dubow JS, Cunniff TM, Wanaski SP, Atkinson SD, Mahableshwarkar AR. https://pubmed.ncbi.nlm.nih.gov/36628546/

YEAR-END 2022

FINANCIAL OVERVIEW

KEY FINANCIALS

	2022 JUL - DEC	2021 JUL - DEC	2022 JAN - DEC	2021 JAN - DEC
Net income, KSEK	0	0	0	0
Operating profit/loss, KSEK	-6 681	-15 497	-14 687	-38 284
Profit/loss for the period, KSEK	-6 633	-15 829	-14 828	-38 297
Earnings per share, fully-diluted, SEK	-0,26	-0,05	-0,68	-1,58
Total assets (end of period), KSEK	16 857	30 361	16 857	30 361
Cash and cash equivalents (end-of-period), KSEK	13 577	21 715	13 577	21 715
Equity ratio, %	86,6	69,6	86,6	69,6
Return on equity, %	-27,6	-19,9	-74,3	-45,0
Return on total assets, %	-26,5	-28,8	-61,0	-44,4

REVENUE

Net income in H2/2022 and in FY2022 amounted to 0.0 (0.0) MSEK.

OPERATING EXPENSES

Asarina maintained a modest expenditure in the second half of 2022. Total operating expenses amounted to 6.7 (15.5) MSEK and to 14.7 (38.3) MSEK for the full FY2022. External R&D costs dropped significantly to 2.8 (13.0) MSEK and to 7.3 (29.9) MSEK for FY 2022 comprising primarily clinical costs for the phase IIa study. The R&D costs were impacted by a reimbursement received from a supplier due to a product issue. Staff costs in H2/2022 amounted to 2.1 MSEK compared with 1.7 MSEK in H2/2021 which was impacted by a one-time booking adjustment. General and administration costs increased to 1.6 (0.6) due to an increase in patent costs and to 3.1 (4.0) MSEK for FY 2022.

FINANCIAL ITEMS AND TAX

In H2/2022, financial items (interest expenses and currency gains/losses) balanced at 0.0 (- 0.3) MSEK.

The Company continues to benefit from the Danish tax credit scheme for R&D costs. In November 2022, the Company received 7.0 MSEK from this scheme. In 2023, the tax credit will be significantly lower due to the significantly lower R&D costs in 2022.

RESULT AND FINANCIAL POSITION

The net result after tax amounted to – 5.1 (- 9.2) MSEK in H2/2022 and to 13.3 (-31.7) MSEK for FY2022.

The operating cashflow in H2/2022 was 0.3 (- 4.0) MSEK and – 9.3 (- 42.5) MSEK in FY 2022. On 31 December 2022, the cash balance amounted to 13.6 (21.7) MSEK. The current cash position is sufficient for the completion of the phase IIa study in TS.

On 31 December 2022, shareholders' equity amounted to 14.6 (21.1) MSEK equal to an equity ratio of 86.6 (69.6) %.

STAFF

As of 31 December 2022, Asarina's operating team comprised 7 part-time staff (employees and consultants), corresponding to 1½ (2½) full-time employees. The team possesses the key R&D competencies required for a phase IIa company.

NOTE | As of 1 July 2022, Asarina changed from quarterly to semi-annual reporting. Amounts in brackets refer to the corresponding period or date in 2021.

THE ASARINA PHARMA SHARE

As of 31 December 2022, Asarina has issued a total of 22,641,409 shares, which are held by an estimated 3,000 shareholders.

OWNERSHIP AS OF 31 DECEMBER 2022*

SHAREHOLDER	COUNTRY	NO. OF SHARES	OWNERSHIP (%)
Östersjöstiftelsen (Baltic Foundation)	Sweden	6 563 977	29.0
Kurma Biofund	France	3 145 132	13.9
Idinvest Patrimonie	France	1 639 824	7.2
Handelsbanken Läkemedelsfond	Sweden	855 952	3.8
Avanza Pension	Sweden	525 889	2.3
Torbjörn Bäckström	Sweden	364 480	1.6
Arne Andersson	Sweden	353 034	1.6
Larsson Utvecklings AB	Sweden	350 000	1.5
Larix Byggnads AB	Sweden	332 980	1.5
Peter Nordkild (CEO)	Denmark	263 124	1.2
Others		8 247 017	36.4
TOTAL		**22 641 409**	**100.0**

** Sources: Euroclear, company estimates*

The Company has two active warrant programs for board and staff members comprising 856,000 warrants in total. The two programs entitle the holder of one warrant to subscribe one new Asarina share at fixed prices of SEK 28.73 and SEK 9.87, respectively. Both programs expire in 2023.

EVENTS AFTER THE END OF THE REPORT PERIOD

No event has happened after 31 December 2022 which could significantly change Asarina's financial position.

STATEMENT BY THE BOARD OF DIRECTORS

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

Stockholm, 27 February 2022

Asarina Pharma AB
Board of directors

FINANCIAL CALENDAR FOR 2022

18 April 2023: Annual Report 2022

22 May 2023: Annual General Meeting

PUBLICATION

The report was submitted for publication by the CEO at 08.00 CET on 27 February 2022.

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

CONSOLIDATED INCOME STATEMENT (GROUP)

SEK '000	2022 JUL - DEC	2021 JUL - DEC	2022 JAN - DEC	2021 JAN - DEC
Net income	0	0	0	0
Other income	0	0	0	0
Total operating income	**0**	**0**	**0**	**0**
Research and development costs	-2 776	-13 010	-7 294	-29 922
Other external costs	-1 597	-598	-3 088	-2 908
Staff costs	-2 102	-1 695	-3 899	-5 066
Depreciation	-206	-194	-406	-388
Total operating costs	**-6 681**	**-15 497**	**-14 687**	**-38 284**
Operating profit/loss	**-6 681**	**-15 497**	**-14 687**	**-38 284**
Financial income (interest income, currency gains)	113	38	297	514
Financial cost (interest expenses, currency losses)	-65	-370	-438	-527
Net financial items	**48**	**-332**	**-141**	**-13**
Profit/loss before tax	**-6 633**	**-15 829**	**-14 828**	**-38 297**
Tax on profit/loss	1 545	6 639	1 545	6 639
Profit/loss for the period	**-5 088**	**-9 190**	**-13 283**	**-31 658**

EARNINGS PER SHARE

SEK	2022 JUL - DEC	2021 JUL - DEC	2022 JAN - DEC	2021 JAN - DEC
Number of shares, average (non-diluted)	18 830 170	18 744 524	18 787 584	18 744 524
Number of shares, average (fully-diluted)	19 647 170	20 320 346	19 604 584	20 038 428
Earnings per share, non-diluted, (SEK)	-0,27	-0,06	-0,71	-1,69
Earnings per share, fully-diluted, (SEK)	-0,26	-0,05	-0,68	-1,58
Number of shares, end of period (non-diluted)	22 641 409	18 744 524	22 641 409	18 744 524
Number of shares, end of period (fully-diluted)	23 458 409	20 320 346	23 458 409	20 320 346

CONSOLIDATED BALANCE SHEET (GROUP)

SEK '000	2022-12-31	2021-12-31
ASSETS		
Non-current assets		
Property, plant and equipment	1 181	1 477
Financial non-current assets	1	1
Total non-current assets	**1 182**	**1 478**
Current assets		
Current receivables		
Current tax asset	1 687	6 806
Other receivables	298	315
Prepaid expenses and accrued income	113	47
Total current receivables	**2 098**	**7 168**
Cash and cash equivalents	13 577	21 715
Total current assets	**15 675**	**28 883**
TOTAL ASSETS	**16 857**	**30 361**
EQUITY AND LIABILITIES		
Restricted equity		
Share capital	5 660	4 686
Total restricted equity	**5 660**	**4 686**
Unrestricted equity		
Share premium reserve	277 682	272 813
Retained earnings	-255 456	-224 697
Profit/loss for the period	-13 284	-31 658
Total unrestricted equity	**8 942**	**16 458**
TOTAL EQUITY	**14 603**	**21 144**
Non-current liabilities		
Convertible loan	0	5 300
Total non-current liabilities	**0**	**5 300**
Current liabilities		
Accounts payable	837	2 153
Other current liabilities	479	462
Accrued expenses and prepaid income	939	1 302
Total current liabilities	**2 255**	**3 917**
Total liabilities	**2 255**	**9 217**
TOTAL EQUITY AND LIABILITIES	**16 857**	**30 361**

STATEMENT OF CHANGES IN EQUITY (GROUP)

SEK '000	SHARE CAPITAL	SHARE PREMIUM RESERVE	ACCUMULATED LOSSES INCL LOSS FOR THE PERIOD	TOTAL EQUITY
Opening balance 1 January 2021	4 686	272 813	–224 901	52 598
Additional paid in capital				0
Share issue costs				0
Issue of warrants		371		371
Share based payments				0
Translation difference			-167	-167
Loss for the period			-31 658	-31 658
Closing balance 31 December 2021	**4 686**	**273 184**	**-256 726**	**21 144**
Opening balance 1 January 2022	**4 686**	**273 184**	**–256 726**	**21 144**
Additional paid in capital	974	4 870		5 844
Share issue costs				0
Issue of warrants		**0**		**0**
Share based payments				**0**
Translation difference			898	898
Loss for the period			-13 283	-13 283
Closing balance 31 December 2022	**5 660**	**278 054**	**-269 111**	**14 603**

CONSOLIDATED STATEMENT OF CASH FLOWS (GROUP)

SEK '000	2022 JUL - DEC	2021 JUL - DEC	2022 JAN - DEC	2021 JAN - DEC
Operating activities				
Operating profit/loss	-6 680	-15 497	-14 687	-38 284
Adjustment for non-cash flow affecting items				
Depreciation	206	194	406	387
Write-downs				
Share based payments	0	0	0	0
Interest received	113	-164	297	312
Interest paid	-65	-52	-439	-210
Paid taxes	7 018	7 442	6 957	7 503
Cash flow for operating activities before changes in working capital	**592**	**–8 077**	**–7 466**	**–30 292**
Cash flow from changes in working capital				
Decrease (+)/Increase(-)in inventory				
Decrease(+)/Increase(-) in receivables	-32	184	-37	65
Decrease(-)/Increase(+) in liabilities	322	-4 204	-1 816	-12 272
Cash flow from operating activities	**290**	**-4 020**	**-9 319**	**-42 499**
Investment activities				
Acquisition of equipment, tools and installation	0	0	0	0
Cash flow from investment activities	**0**	**0**	**0**	**0**
Financing activities				
Convertible loan received	0	0	-5 300	5 300
Share issue	-40	0	5 844	0
Share issue costs	0	0	0	0
Issue of warrants	0	0	0	371
Cash flow from financing activities	**-40**	**0**	**544**	**5 671**
Cash flow for the period	**842**	**-12 097**	**-8 775**	**-36 828**
Cash and cash equivalents at the beginning of the period	12 303	33 552	21 715	58 501
Translation difference	432	260	637	42
Cash and cash equivalents at the end of the period	**13 577**	**21 715**	**13 577**	**21 715**

INCOME STATEMENT - PARENT COMPANY

SEK '000	2022 JUL - DEC	2021 JUL - DEC	2022 JAN - DEC	2021 JAN - DEC
Net sales	0	0	0	0
Other income	0	0	0	0
Total operating income	**0**	**0**	**0**	**0**
Research and development costs	-1 120	-491	-1 832	-1 200
Other external costs	-1 038	658	-1 857	-1 105
Staff costs	-590	158	-1 147	- 1 123
Total operating costs	**-2 747**	**325**	**-4 835**	**-3 428**
Operating profit/loss	**-2 747**	**325**	**-4 835**	**-3 428**
Financial income (interest income, currency gains)	59	37	207	421
Financial cost (interest expenses, currency losses)	-6	-330	-287	-351
Net financial items	**53**	**–293**	**–80**	**70**
Profit/loss before tax	**-2 694**	**32**	**-4 915**	**-3 358**
Tax on profit/loss	0	0	0	0
Profit/loss for the period	**-2 694**	**32**	**-4 915**	**-3 358**

BALANCE SHEET - PARENT COMPANY

SEK '000	2022-12-31	2021-12-31
ASSETS		
Non-current assets		
Financial non-current assets		
Shares in subsidiaries	237 405	232 405
Other non-current financial assets	1	1
Financial non-current assets	**237 406**	**232 406**
Current assets		
Current receivables		
Receivables from group companies	3 122	3 122
Current tax asset	112	112
Other receivables	184	134
Prepaid expenses and accrued income	113	47
Total current receivables	**3 531**	**3 415**
Cash and cash equivalents	3 019	13 253
Total current assets	**6 550**	**16 668**
TOTAL ASSETS	**243 956**	**249 074**
EQUITY AND LIABILITIES		
Restricted equity		
Share capital	5 660	4 686
Total restricted equity	**5 660**	**4 686**
Unrestricted equity		
Share premium reserve	277 682	272 813
Retained earnings	-35 329	-31 972
Profit/loss for the period	-4 915	-3 358
Total unrestricted equity	**237 438**	**237 483**
TOTAL EQUITY	**243 098**	**242 169**
Non-current liabilities		
Liabilities to group companies	40	40
Convertible loan		5 300
Total non-current liabilities	**40**	**5 340**
Current liabilities		
Accounts payable	534	534
Other current liabilities	462	462
Accrued expenses and prepaid income	569	569
Convertible loan	5 300	0
Total current liabilities	**6 865**	**1 565**
Total liabilities	**858**	**6 905**
TOTAL EQUITY AND LIABILITIES	**243 956**	**249 074**

NOTES

1. GENERAL INFORMATION

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

2. ACCOUNTING PRINCIPLES

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

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

3. RISKS AND UNCERTAINTIES

RISK MANAGEMENT

The Board of Directors of the company continuously and systematically assess risks in order to identify risks and to take action on them. The internal control environment is 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, Asarina's operations mainly consist of clinical studies in order to demonstrate safety and clinical efficacy of its drug candidates. There is no guarantee that a certain clinical trial will generate the required data to enable Asarina to progress to the subsequent development phase of the product candidate. Asarina's goal is to gradually build a portfolio of different pharmaceutical candidates for other indications, thereby reducing risk.

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

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

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

FINANCIAL RISKS

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

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

DEFINITION ALTERNATIVE KPIs

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

RECONCILIATION ALTERNATIVE KPIs

EQUITY RATIO

SEK '000	2022 JUL - DEC	2021 JUL - DEC	2022 JAN - DEC	2021 JAN - DEC
Equity	14 603	21 144	14 603	21 144
+ Untaxed reserves	0	0	0	0
- Deferred tax liability	0	0	0	0
Adjusted equity	**14 603**	**21 144**	**14 603**	**21 144**
Adjusted eqity	14 603	21 144	14 603	21 144
Total assets	16 857	30 361	16 857	30 361
Equity ratio, %	**86,6**	**69,6**	**86,6**	**69,6**

RETURN ON EQUITY

SEK '000	2022 JUL - DEC	2021 JUL - DEC	2022 JAN - DEC	2021 JAN - DEC
Result for the period	-5 088	-9 190	-13 283	-31 658
Average adjusted equity[1]	18 408	46 254	17 873	70 307
Return on equity, %	**-27,6**	**-19,9**	**-74,3**	**-45,0**

RETURN ON TOTAL ASSETS, %

SEK '000	2022 JUL - DEC	2021 JUL - DEC	2022 JAN - DEC	2021 JAN - DEC
Result before tax	-6 633	-15 829	-14 828	-38 297
+ Interest costs	65	370	438	527
Average total assets[1]	24 792	53 723	23 609	85 128
Return on total assets, %	**-26,5**	**-28,8**	**-61,0**	**-44,4**

CERTIFIED ADVISER

The company´s certified adviser is Erik Penser Bank,
Telephone: +46 (08) 463 80 00
E-mail: certifiedadviser@penser.se

CONTACT PERSONS

Peter Nordkild, CEO
Telephone: +45 25 47 16 46
E-mail: peter.nordkild@asarinapharma.com

Jakob Dynnes Hansen, CFO
Telephone: +45 5132 3698
E-mail: jakob.dynnes@asarinapharma.com

CONTACT INFORMATION

Asarina Pharma AB (Reg.no 556698-0750)
Fogdevreten 2
S-171 65 Solna

Telephone: +46 8 52 48 44 82
www.asarinapharma.com

ASARINA
PHARMA

www.asarinapharma.com

ASARINA PHARMA AB | **Karolinska Institutet Science Park** | Fogdevreten 2, SE 171 65 Solna, Sweden
ASARINA PHARMA ApS | **Copenhagen Bio Science Park** | Ole Maaløes Vej 3, 2200, Kobenhavn N, Denmark