ASARINA PHARMA

REMAIN IN CONTROL OF YOUR LIFE

ASARINA PHARMA AB (PUBL)

YEAR-END REPORT

1 October – 31 December 2018

ASARINA PHARMA

YEAR-END 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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FOURTH QUARTER 2018:
OVERVIEW

FINANCIAL HIGHLIGHTS

NET SALES amounted to 0 (0) kSEK

OPERATING LOSS was - 20 481 (-7 364) kSEK

LOSS PER SHARE, BEFORE AND AFTER DILUTION SEK -0.88 (-0.45)

ON 31 DECEMBER 2018 Asarina had total cash and cash equivalents of 141 543 kSEK.

We received SEK 6.3 million in October in proceeds from the green shoe issue connected to the IPO. We maintained strict management of expenses and entered 2019 with a solid cash position.

THE QUARTER IN BRIEF

PMDD

We have maintained steady momentum in recruitment and we are aiming to complete the study before the end of 2019 with topline results Q1-2020.

MENSTRUAL MIGRAINE

We finalized the clinical protocol, and in February selected Scandinavian CRO to run our Phase IIA study into our first-in-class prophylactic treatment specifically for MM.

UPSCALING PRODUCTION

We have initiated scale-up of production of Sepranolone, to prepare for Phase III trials and market release.

PARTNERING AND INVESTORS

We are keeping pharma companies active in Women´s Health informed of our progress as we aim for a licensing agreement when our Phase IIB data in PMDD become available.

CEO STATEMENT

Our vision is to help more women remain in control of their lives, by developing new therapies for serious Women's Health conditions that still have no dedicated treatment. This vision has powered our steady progress through the fourth quarter of 2018.

Peter Nordkild, CEO, Asarina Pharma

PMDD: GROWING INTEREST IN A FIRST-IN-CLASS THERAPY

Our Phase IIB study into PMDD is progressing, with Q4 seeing steady momentum in patient enrolment. More than 60% of the planned study participants have now been enrolled, and importantly we are experiencing a much lower drop out rate than expected. We aim to complete the study by the end of 2019 with topline results available in Q1 2020. As awareness of PMDD as a diagnosable condition spreads, so does interest in Asarina's first-in-class solution.

Almost three quarter of a million women living near the 14 study sites in Sweden, Poland, UK and Germany have shown interest in our digital PMDD survey during the past nine months.

MENSTRUAL MIGRAINE TRIAL GETS GREEN LIGHT

In December 2018 we finalized the Study Protocol and in February we selected Scandinavian CRO for our Phase IIA study for Sepranolone for Menstrual Migraine, a condition that affects approx. 50 million women world-wide.

SEPRANOLONE AND THE NEW GENERATION OF PROPHYLACTIC MIGRAINE TREATMENTS

For us, prevention is the best cure. Sepranolone is a prophylactic treatment. Conventional symptomatic treatments are often less effective for women with MM. Sepranolone is part of a new generation of migraine treatments, like recently launched new prophylactic antibodies against migraine from Amgen, Lilly and Teva, that represent a powerful new paradigm shift in migraine treatment.

> *Sepranolone is part of a new generation of prophylactics that represent a powerful new paradigm shift in migraine treatment*

However, none of the clinical studies for these new antibodies have studied their effect in women suffering from menstrual migraine. MM thus remains a major unmet medical need. Our upcoming MM trials will involve 78-90 patients in Finland, Denmark and Sweden during 2019-2020.

UPSCALING PRODUCTION

With a Phase III Sepranolone trials up-scaling, including patients in the US, firmly on our roadmap, we began production this quarter. Scale-up from Phase II to Phase III involves a tenfold increase in the amount of Sepranolone. We have now begun producing more of both our Sepranolone raw material and our drug product—both for Phase III studies by the end of 2020, and ultimately commercial release.

PHASE III AUTOINJECTORS

From insulin to epinephrine, from daily users to first responders—autoinjectors are now a common part of the pharma and healthcare landscape. They are used widely in a number of indications and meet the needs of the 15-20% of all patients who are needle-phobic. This quarter we continued testing and analysing a range of options for autoinjectors, and we will make our final choice of the autoinjector to employ for our Phase III tests in Q3 2019.

NON-INJECTABLE FORMULATIONS

An even better solution for additional market expansion would be a non-injectable formulation of Sepranolone. In December 2018 we recruited Magnus Brisander to assist us in screening other technologies e.g. intravaginal or topical applications. Magnus helped develop the original formulation of Sepranolone. It would be fantastic if a non-injectable technology could be identified for Sepranolone, but it remains a very challenging molecule to work with.

PARTNERING AND INVESTORS

The women´s health market is characterized by licensing agreements and/or acquisitions after successful completion of Phase IIB studies. We have over the past years regularly participated in the partnering conventions such as BIO, BIO Europe and JP Morgan and have regularly updated the 15-20 WH companies that could be relevant for partnering. These regular meetings will be intensified as we approach the time of Phase IIB data in PMDD. We just returned from JP Morgan, where there was increasing interest from the big players in both the US and Europe.

Investors continue to be interested in Asarina and we participate regularly in investor meetings in particular in Scandinavia. We participated in DnB´s investor day in Oslo in December and “Aktiespararna” in Stockholm in January and will participate in an investor day in Copenhagen in early March. We also meet regularly with institutional investors that may have an interest in participating in a future raise of capital should the right opportunity arise.

We look forward to an exciting and productive 2019.

Peter Nordkild,
CEO Asarina Pharma

SEPRANOLONE FOR PMDD

PHASE IIB CLINICAL STUDY

GROWING INTEREST IN A GLOBAL UNMET NEED

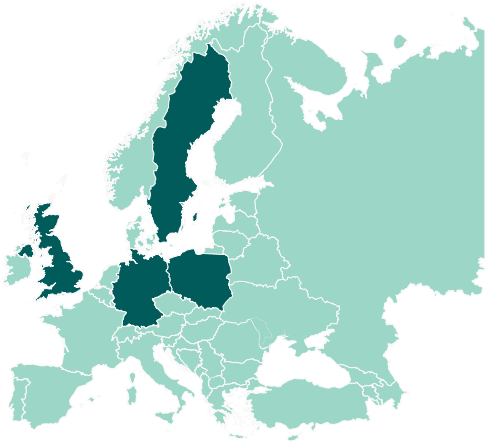
MORE THAN

60%

of planned study participants have now been enrolled into our trials from Sweden, Poland, UK & Germany.

726,000

Almost three quarters of a million women living near our 14 sites in Europe have shown interest in our digital PMDD survey in the past nine months.



PHASE IIB CLINICAL STUDY FOR PMDD

HOW IT WORKS: STRICT ENTRY CRITERIA

1 DIAGNOSTIC

Our Study aims to work only with women clinically defined as suffering from PMDD, not severe PMS or PMS exacerbated by mental illness—despite sometimes overlapping symptoms. Entrance criteria strictly follow the DSM-5 diagnosis of PMDD, using the DRSP (Daily Record of Severity of Problems) measurement tool, the most widely-used and accepted in its field.

For 2-3 months applicants must fill out a PMDD Diary every day, recording symptoms including anxiety, lability, irritation, fatigue and more on a 1-6 scale of severity. Applicants meeting the full diagnostic criteria go onto Stage Two.

2 TREATMENT

Patients carry out three treatment cycles. Each cycle involves administering injections every two days subcutaneously using a pack of seven pre-filled syringes in the two weeks leading up to menses. During this time patients continue answering the Symptoms Diagnostic questions daily, recording all and any changes—with one third administering a placebo

3 FOLLOW-UP

Patients continue to fill out the PMDD Diary symptom tracker as we check for possible "rebound" symptoms.

IN THE PHASE IIA CLINICAL STUDY SEPRANOLONE REDUCED KEY PMDD SYMPTOMS BY OVER 80 %

DEFINING PMDD

PMDD (Premenstrual Dysphoric Disorder), the severest form of PMS, affects 1-in-20 women of fertile age worldwide.

It's a devastating, hereditary condition that robs millions of their full potential. Sufferers are four times more likely to attempt suicide, often have difficulty holding down a full-time job and are significantly more likely to experience family or relationship breakdowns.

YET THERE HAS NEVER BEEN A DEDICATED TREATMENT FOR PMDD. UNTIL NOW

SEPRANOLONE: A FUTURE THERAPY FOR FUTURE GENERATIONS

Most severe mood disorders are known to run in families. PMDD is no exception. PMDD has a strong hereditary element, meaning a significant ongoing need for future treatment.

50 % Women whose mothers suffer from PMDD are 50% more likely to have PMDD

30–80 % Between 30 - 80% of women who suffer from PMS say other women in their family have suffered it too

93 % In 93% of identical twins, both suffer from PMDD

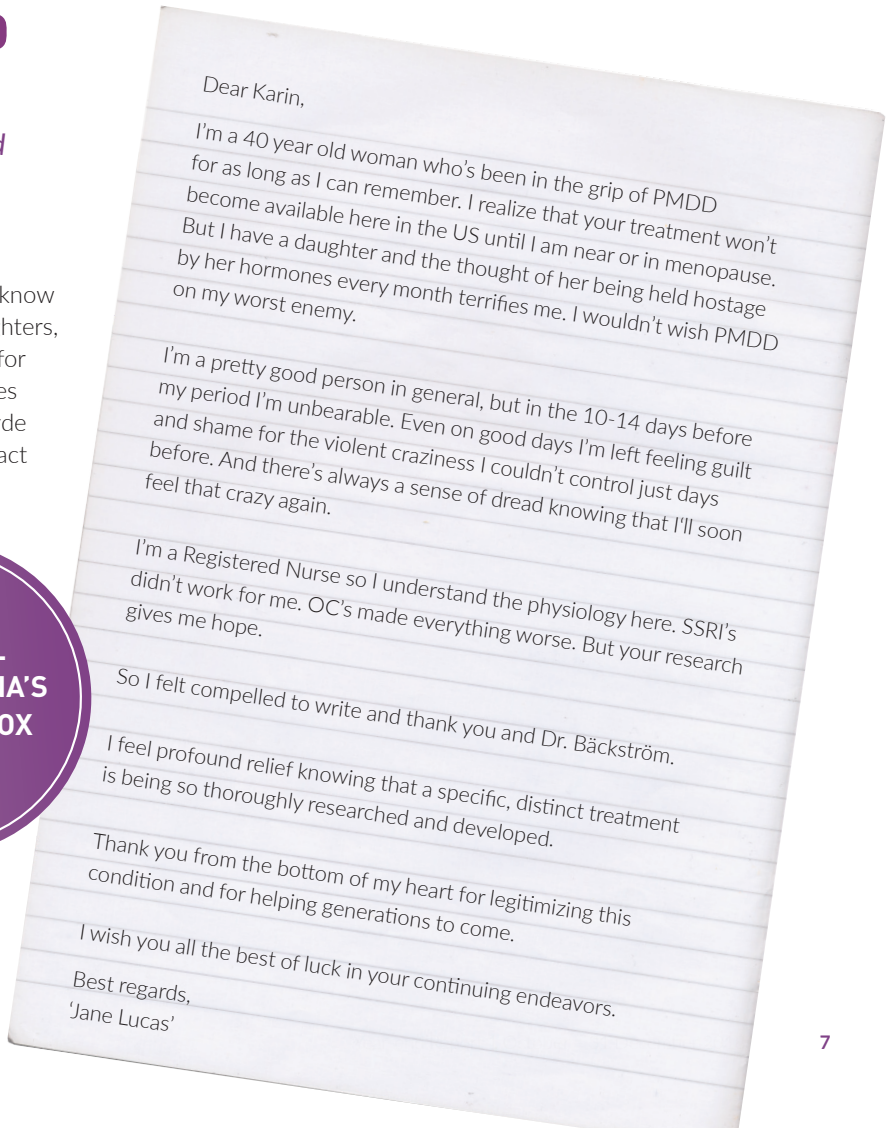
44 % In 44% of fraternal twins, both suffer from PMDD

MEETING THE NEED

Throughout our Phase IIB clinical trial we have received numerous emails and messages of interest and support from people living with PMDD.

These include mails from mothers writing to know if Sepranolone will be available for their daughters, from partners of women with PMDD asking for support and from PMDD sufferers themselves —all describing the terrible Dr Jekyll & Mr Hyde nature of the disease and its destructive impact on quality of life.

REAL MAIL FROM ASARINA'S GLOBAL INBOX



Dear Karin,

I'm a 40 year old woman who's been in the grip of PMDD for as long as I can remember. I realize that your treatment won't become available here in the US until I am near or in menopause. But I have a daughter and the thought of her being held hostage by her hormones every month terrifies me. I wouldn't wish PMDD on my worst enemy.

I'm a pretty good person in general, but in the 10-14 days before my period I'm unbearable. Even on good days I'm left feeling guilt and shame for the violent craziness I couldn't control just days before. And there's always a sense of dread knowing that I'll soon feel that crazy again.

I'm a Registered Nurse so I understand the physiology here. SSRI's didn't work for me. OC's made everything worse. But your research gives me hope.

So I felt compelled to write and thank you and Dr. Bäckström.

I feel profound relief knowing that a specific, distinct treatment is being so thoroughly researched and developed.

Thank you from the bottom of my heart for legitimizing this condition and for helping generations to come.

I wish you all the best of luck in your continuing endeavors.

Best regards,
'Jane Lucas'

SEPRANOLONE FOR MENSTRUAL MIGRAINE (MM)

In 2019 Asarina Pharma will begin a clinical Phase IIA trial for Sepranolone for Menstrual Migraine. Sepranolone is the world's first therapy specifically targeting MM. It is designed not to treat Menstrual Migraine symptoms—but to prevent them.

A UNIQUE DISEASE REQUIRING A UNIQUE TREATMENT

MM IS A SEVERE, HIGHLY SPECIFIC FORM OF MIGRAINE WITH A UNIQUE SYMPTOMATOLOGY BUT WITH NO SPECIFIC TREATMENT. UNTIL NOW.

HOW PREVALENT IS MM?

1 in 5 of the 250 million women of a reproductive age who live with migraine suffer from Menstrual Migraine, a total of approx. 50 million women worldwide—making Menstrual Migraine a major public health problem.

PHASE IIA TRIAL: KEY FACTS

TARGET SITES
Finland, Denmark, Sweden

NUMBER OF PATIENTS
78–90

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

MEET THE MENSTRUAL MIGRAINE EXPERTS

Asarina Pharma's Phase II Menstrual Migraine study is being led by Chief Medical Officer **Märta Segerdahl** and Scientific Advisory Board member Professor **Anne MacGregor**, one of the world's foremost authorities on menstrual migraine.

REMAIN IN CONTROL

You kid yourself you're managing it, but the reality is--it's controlling you. I can't book any meetings for that week, I can't go out, my partner has to take over with the kids ('mummy's lying down, she's poorly again') and take time off work. Some medicines take the edge off but nothing really stops it.

'Therese', 38, Germany

MENSTRUAL MIGRAINE:

DEFINITION AND PREVALENCE

Imagine if, for five days every month, your normal life ground to a halt—and disabling pain took over...

For many women such is the reality of MM, one of the most disabling, aggressive forms of migraine. With MM attacks are more predictable, but often more severe, prolonged and disabling too.

Sex hormones play a key role in all migraine. Up until puberty and after menopause migraine affects both sexes equally. After puberty it becomes three times more prevalent amongst women.

The International Classification of Headache Disorders defines Menstrual Migraine as migraine attacks that start up to two days before the period then continue three or more days into the menstrual flow. A profoundly disabling condition, the global cost and prevalence of MM is high.

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

ALLOPREGNANOLONE: A POTENT NEUROSTEROID THAT IMPACTS US ALL

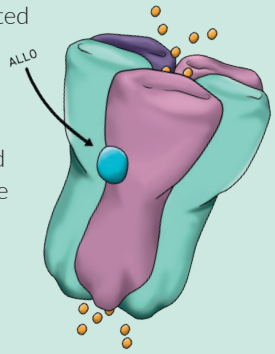
With Menstrual Migraine, sex hormones are pivotal. The female sex hormone Progesterone produces a powerful $GABA_A$ receptor neurosteroid in the brain called Allopregnanolone. It is sensitivity to Allopregnanolone which triggers both MM and PMDD.

Allopregnanolone is a little-known neurosteroid that has a huge impact on all of us. It has sedative, anaesthetic, analgesic and soporific properties—and many more.

Our sensitivity to the fluctuations of Allopregnanolone plays a pivotal role in a wide range of mood and anxiety disorders, as well as menstrual-related conditions like PMDD and MM.

Sepranolone, Asarina Pharma's prophylactic MM therapy, is the natural, endogenous compound that the brain produces to modulate the effects of fluctuations in allopregnanolone.

Crucially, it is a preventive, prophylactic treatment.

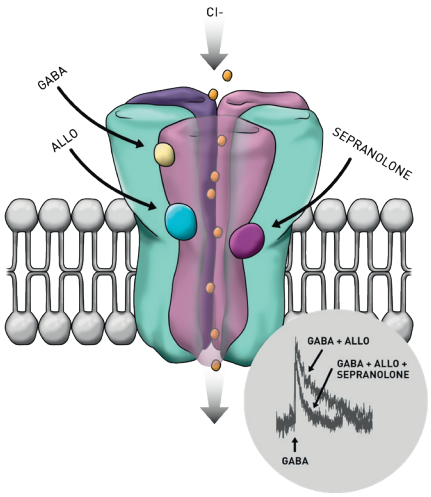


PREVENTION IS THE BEST CURE

SEPRANOLONE AND MENSTRUAL MIGRAINE

Such is the power of Allopregnanolone that for some women the sudden decline of concentrations of Allopregnanolone directly before a period produces highly painful 'withdrawal' symptoms, in the form of sudden, severe migraine attacks—Menstrual Migraine.

Sepranolone channels, regulates and ultimately prevents these potentially harmful neuro-steroidal responses. Currently, many MM treatments stop symptoms once they have started occurring. As a prophylactic cure, Sepranolone offers powerful benefits to women managing menstrual migraine over a lifetime.



MM ATTACKS ARE OFTEN RESISTANT TO STANDARD TREATMENTS

Menstrual Migraine can be the most challenging kind to treat, and frequently does not respond to the same medicines that work the rest of the month.

The American Migraine Foundation

Today's symptomatic treatments can create long-term challenges for women with MM. MM attacks are often resistant to standard treatments. A woman with two or three migraine attacks a month, on top of her menstrual migraine attacks, can typically find that whilst a standard preventive treatment may work for her non-menstrual attacks, they have no effect on her MM attacks.

MM's longer bouts of sustained, predictable pain means that the temptation to take symptomatic therapies in large amounts over long periods can be great, causing concern over how much treatment to take, how long it can be taken for, relapse of symptoms over several consecutive days and associated menstrual disorder.

SEPRANOLONE OFFERS POWERFUL BENEFITS TO WOMEN MANAGING MENSTRUAL MIGRAINE OVER A LIFETIME

SEPRANOLONE AND A NEW GENERATION OF PROPHYLACTIC MIGRAINE TREATMENTS

For us, prevention is the best cure. And Sepranolone is far from being the only new prophylactic migraine treatment entering the market. Recently launched new prophylactic antibodies against migraine (Amgen, Lilly and Teva) confirm that new prophylactic therapies represent a powerful new paradigm shift in migraine treatments. Sepranolone is part of a new generation of migraine treatments, yet it is unique: none of the clinical studies for the new antibodies analyzed the effect in women suffering from menstrual migraine, which remains a major unmet medical need.

MEETING AN UNMET NEED

Beyond the simple clinical definition, MM has a markedly different symptomatology to Migraine, principally in that it is predictable. The implications in terms of prevalence and treatment are huge. Menstrual Migraine reveals a large number of unidentified patients with major unmet needs currently receiving no dedicated prophylactic treatment.

MENSTRUAL MIGRAINE (MM)	EPISODIC MIGRAINE
MM IS PREDICTABLE Sufferers know when it will come.	**MIGRAINE IS UNPREDICTABLE** Often referred to as a 'fickle' disease'.
MM SUFFERERS TEND TO 'SUFFER IN SILENCE' Because it is predictable MM sufferers often choose to 'manage' the condition themselves and are poorly represented in clinics.	**MIGRAINE SUFFERERS TEND TO ACTIVELY SEEK HELP** Migraine sufferers not only seek diagnosis and help from GPs but also appear regularly in pain clinics seeking help from neurologists.
MM IS FREQUENTLY UNDIAGNOSED Few non-specialist clinicians ask when migraine attacks occur in relation to the period.	**MIGRAINE IS USUALLY WELL DIAGNOSED** Clinicians ask about the frequency and severity of attacks, diagnosing migraine more reliably.
MM RECEIVES LITTLE CLINICAL RESEARCH Fewer diagnoses means little presence in clinical trials. The number of clinical papers on Menstrual Migraine compared to migraine is low.	**MIGRAINE IS WELL RESEARCHED** In fact a booming research area. As well as a wide range of existing treatments, the pipeline for novel Migraine therapies is extensive too.
MM HAS NO DEDICATED PROPHYLACTIC THERAPY	**MIGRAINE HAS A WIDE RANGE OF TREATMENT OPTIONS** Options including both symptomatic and prophylactic.

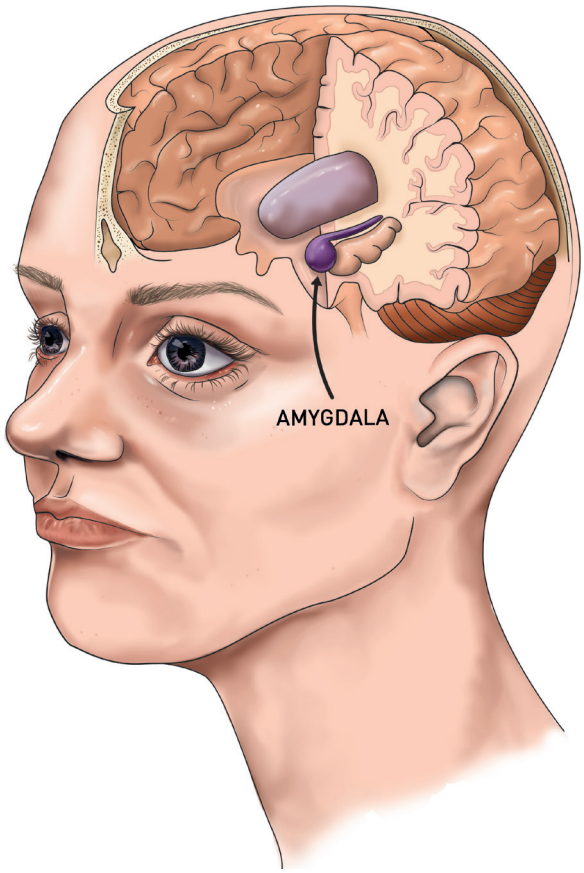
THE SCIENCE OF ALLOPREGNANOLONE

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 Menstrual Migraine (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]

ALLOPREGNANOLONE, IMPORTANT IN MOOD AND ANXIETY DISORDERS

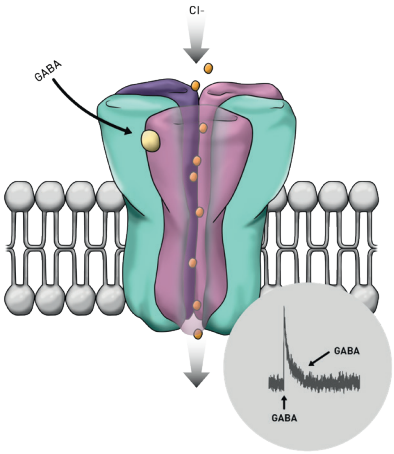
As many of the endogenous steroids Allopregnanolone possesses both positive and negative effects depending on the situation and individual. A wide variety of effects exists including sedative, anesthetic, analgesic, pro-sleep etc. Fluctuations of ALLO and other neurosteroids seem to play an important 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]



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

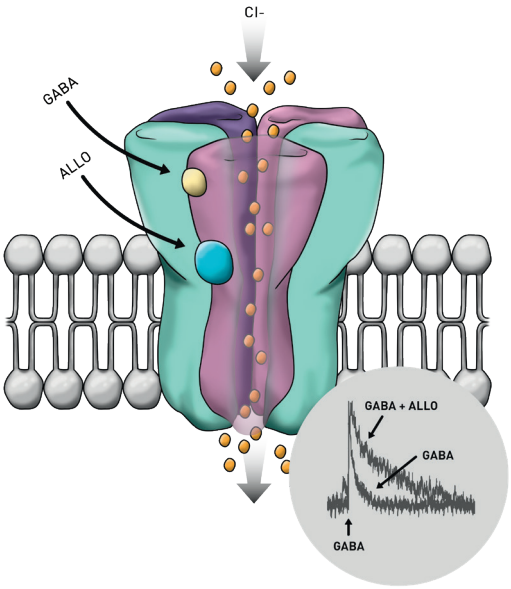
ALLOPREGNANOLONE IN POSTPARTUM DEPRESSION

Boston-based Sage Pharmaceuticals are focusing on developing products based on the positive effects of ALLO. Sage have just submitted Brexanolone (ALLO) to the FDA for approval in 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]



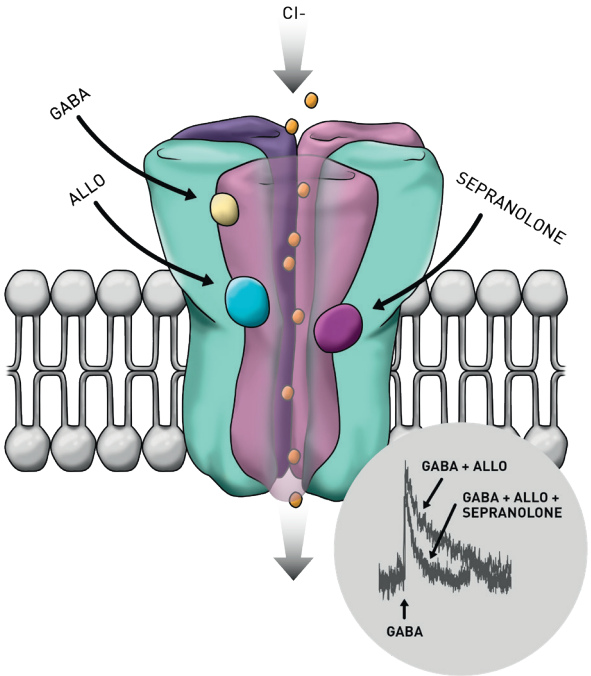
ALLOPREGNANOLONE IN PMDD

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 STRESS-RELATED DISORDERS

Stress induces increased production of a number of neurosteroids e.g. ALLO in the brain and adrenal. Tourette´s Syndrome, Obsessive Compulsive Disorder and Pathological Gambling are all syndromes characterized by unnatural behaviours, that an individual involuntarily performs in particular in response to stress.



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. Menstrual Migraine 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]

REFERENCES

__1.__ Bäckström T, Haage D, Löfgren M, Johansson IM, Strömberg J, Nyberg S, Andréen L, Ossewaarde L, Wingen GA, Turkmen S, Bengtsson SK. Paradoxical effects of GABA-A modulators may explain sex steroid induced negative mood symptoms in some persons. Neuroscience: 2011 Sep 15;191:46-54. __2.__ Bäckström T, Bixo M, Johansson M, Nyberg S, Ossewaarde L, Ragagnin G, Savic I, Strömberg J, Timby E, van Broekhoven F, van Wingen G. Allopregnanolone and mood disorders. Progress in Neurobiology 113 (2014) 88–94. __3.__ Bäckström T, Haage D, Löfgren M, Johansson IM, Strömberg J, Nyberg S, Andréen L, Ossewaarde L, Wingen GA, Turkmen S, Bengtsson SK. Paradoxical effects of GABA-A modulators may explain sex steroid induced negative mood symptoms in some persons. Neuroscience: 2011 Sep 15;191:46-54. __4.__ Blanco M-J, La D, Coughlin Q, Newman CA, Griffin AM, Harrison BL, Salituro FG. Breakthroughs in neuroactive steroid drug discovery. Bioorganic & Medicinal Chemistry Letters 28 (2018) 61–70 __5.__ Bixo M, Johansson M, Timby E, Michalski L, Bäckström T. Effects of GABA active steroids in the female brain with a focus on the premenstrual dysphoric disorder. J Neuroendocrinol. 2018 Feb;30(2). doi: 10.1111/jne.12553: 1-9. __6.__ Bixo M, Ekberg K, Poromaa IS, Hirschberg AL, Jonasson AF, Andréen L, Timby E, Wulff M, Ehrenborg A, Bäckström T. Treatment of premenstrual dysphoric disorder with the $GABA_A$ receptor modulating steroid antagonist Sepranolone (UC1010)-A randomized controlled trial. Psychoneuroendocrinology. 2017 Mar 1;80:46-55. __7.__ Vetvik KG, MacGregor EA. Sex differences in the epidemiology, clinical features, and pathophysiology of migraine. Lancet Neurol. 2017 Jan;16(1):76-87.

FINANCIAL REVIEW 4TH QUARTER AND FY 2018 (THE GROUP)

SELECTED FINANCIAL DATA

	2018 OCT-DEC	2017 OCT-DEC	2018 FULL YEAR	2017 FULL YEAR
Net sales, kSEK	0	0	0	0
Operating profit, kSEK	-20,481	-7,364	-51,596	-32,531
Result after financial items, kSEK	-21,616	-7,120	-51,594	-32,305
Earnings per share, before dilution, SEK	-0.88	-0.45	-4.34	-4.28
Total assets, kSEK	149,580	12,875	149,580	12,875
Equity ratio, %	93.5	76.6	93.5	76.6
Return on equity, %	-10.0	-37.7	-58.8	-286.7
Return on total assets, %	-13.3	-70.7	-61.3	-250.7

FOURTH QUARTER 2018 (OCT.-DEC.)

Unless stated otherwise, amounts in parenthesis refer to the same period in 2017.

COSTS

Operating costs amounted in total to kSEK 20 481 (9 038), of which costs for the ongoing Phase IIB study in PMDD amounted to kSEK 16 494 (6 580).

Other external costs amounted to kSEK 1 416 (1 294).

Staff costs amounted to kSEK 2 571 (1 163)

RESULT AND FINANCIAL POSITION

The operating result amounted to kSEK -20 481 (-7 364) and the result before and after taxes amounted to kSEK -14 047 (-7 120).

Cash flow for the period amounted to kSEK -962 (3 118).

The Group's cash balance on December 31, 2018 amounted to kSEK141 543 compared to 9 384 on December 31, 2017.

The Group's shareholder's equity on December 31, 2018 amounted to kSEK 139 910 compared to 9 868 on December 31, 2017.

The Group's equity ratio amounted to 93.5 % compared to 76.6 % on December 31, 2017.

FINANCIAL YEAR 2018 (JAN.-DEC.)

COSTS

Total operating costs amounted to kSEK 51 596 (32 531), of which costs for the ongoing Phase IIB study in PMDD amounted to kSEK 39 033 (22 988).

Other external costs amounted to kSEK 6 190 (3 460).

Personnel costs amounted to kSEK 6 373 (3 878).

RESULT AND FINANCIAL POSITION

The operating result for the full year 2018 amounted to kSEK -51 596 (-32 531) and the result after taxes amounted to kSEK -44 025 (-32 305).

The company had a positive cash flow for the period of kSEK 132 954 (-13 073).

The Group's cash balance on December 31, 2018 amounted to kSEK 141 543 compared to 9 384 on December 31, 2017.

The Group's shareholder's equity on December 31, 2018 amounted to kSEK 139 910 compared to 9 868 on December 31, 2017.

The Group's equity ratio amounted to 93.5 % compared to 76.6 % on December 31, 2017.

FINANCIAL CALENDAR

Annual Report 2018 ..... April 17, 2019
Annual General meeting 2019 ..... May 8, 2019
Interim report 1st quarter 2019 ..... May 20, 2019
Interim report 2nd quarter 2019 ..... August 20, 2019
Interim report 3rd quarter 2019 ..... November 20, 2019

SHARES

The shares of Asarina Pharma have been traded on NASDAQ First North since 24 September 2018.
As of 25 February 2019, the Company has 16,037,218 shares.

OWNERSHIP AS AT 31 DECEMBER 2018

SHAREHOLDER	COUNTRY	NO. OF SHARES	OWNERSHIP (%)
Kurma Biofund	France	3,145,132	19.6
Östersjöstiftelsen (Baltic Foundation)	Sweden	2,352,092	14.7
Rosetta Capital	United Kingdom	2,058,329	12.8
Idinvest Patrimonie	France	1,639,824	10.2
Sectoral Asset Management	Canada	1,190,476	7.4
Swedbank Robur Fonder	Sweden	1,190,476	7.4
Catella Fonder	Sweden	835,846	5.2
Ergomed plc	United Kingdom	391,898	2.4
Handelsbanken Fonder	Sweden	380,952	2.4
Nordnet Pensionsförsäkring	Sweden	276,513	1.7
Others		2,575,680	16.1
TOTAL		**16,037,218**	**100.0**

Asarina Pharma has established an incentive program for the independent directors and the members of 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 the IPO price plus 20%.

STAFF

On 31 December, 2018, the company had 6 permanent staff members, some of whom are part-time.

RELATED PARTY TRANSACTIONS

Asarina Pharma has not granted loans, guarantees or other financial commitments to any member of the board of directors or the management team except as described below.

During the fourth quarter, the Company had a consulting agreement with Ola Flink, member of the board of directors of Asarina Pharma AB.

Furthermore, Asarina Pharma has a Clinical Trial Agreement (established in October 2016) with Ergomed plc, London, which is a shareholder in the Company. Dr Miroslav Reljanovic, who is the Executive Chairman of Ergomed, is a member of the Asarina board of directors.

CERTIFIED ADVISER

The company´s certified adviser is
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PUBLICATION

The report was submitted for publication by the CEO at 08.00 CET on February 25, 2019

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

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 parent company´s operations, financial position and result of operations, and describes material risks and uncertainties facing the Group.

Stockholm, 25 February 2019

CONSOLIDATED INCOME STATEMENT

SEK '000	2018 OCT-DEC	2017 OCT-DEC	2018 FULL YEAR	2017 FULL YEAR
Net sales	0	0	0	0
Other income	0	1,674	0	1,674
Total sales	**0**	**1,674**	**0**	**1,674**
Research and development costs	-16,494	-6,580	-39,033	-22,988
Other external costs	-1,416	-1,294	-6,190	-3,460
Personnel costs	-2,571	-1,163	-6,373	-3,878
Depreciation	0	-1	0	-3,879
Total costs	**-20,481**	**-9,038**	**-51,596**	**-34,205**
Operating profit	**-20,481**	**-7,364**	**-51,596**	**-32,531**
Financial income	689	251	1,826	251
Financial cost	-1,824	-7	-1,824	-25
Financial net	**-1,135**	**244**	**2**	**226**
Result before taxes	**-20,616**	**-7,120**	**-51,594**	**-32,305**
Taxes	7,569	4,009	0	4,009
Result for the period	**-14,047**	**-3,111**	**-44,025**	**-28,296**

EARNINGS PER SHARE

	2018 OCT-DEC	2017 OCT-DEC	2018 FULL YEAR	2017 FULL YEAR
Number of shares, average (non-diluted)	15,888,849	6,945,859	10,152,064	6,607,210
Number of shares, average (fully-diluted)	16,647,671	6,945,859	10,343,328	6,607,210
Earnings per share, non-diluted (SEK)	-0.88	-0.45	-4.34	-4.28
Earnings per share, fully-diluted (SEK)	-0.84	-0.45	-4.26	-4.28
Number of shares, end-of-period (non-diluted)	16,037,218	7,127,203	16,037,218	7,127,203
Number of shares, end of periond (fully-diluted)	16,796,040	7,127,203	16,796,040	7,127,203

CONSOLIDATED BALANCE SHEET

SEK '000	2018-12-31	2017-12-31
ASSETS		
Non-current assets		
Financial non-current assets		
Other long-term financial assets	1	1
Total non-current assets	**1**	**1**
Currrent assets		
Current tax asset	7,732	4,227
Other receivables	246	160
Prepaid expenses and accrued income	58	103
Total current receivables	**8,036**	**4,490**
Cash and cash equivalents	141,543	8,384
Total current assets	149,579	12,874
TOTAL ASSETS	**149,580**	**12,875**
EQUITY AND LIABILITIES		
Restricted equity		
Share capital	4,009	1,782
Total restricted equty	**4,009**	**1,782**
Unrestricted equity		
Share premium reserve	213,890	46,264
Accumulated losses, incl. loss for the period	-77,989	-38,178
Total unrestricted equity	**135,901**	**8,086**
Total equity	**139,910**	**9,868**
Current liabilties		
Accounts payable	5,601	1,812
Other current liabilities	782	677
Accrued expenses and prepaid income	3,287	518
Total current liabilities	**9,670**	**3,007**
TOTAL EQUITY AND LIABILITIES	**149,580**	**12,875**

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 2017[1]	**1,601**	**34,520**	**-9,438**	**26,683**
Share issue	181	11,743		11,924
Translation difference			-443	-443
Result for the period			-28 296	-28 296
Closing balande 31 December 2017	**1,782**	**46,263**	**-38,177**	**9,868**
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 payments			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**

[1]*The figures relates to the parent company Asarina Pharma AB, the group was formed during 2017.*

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK '000	2018 OCT-DEC	2017 OCT-DEC	2018 FULL YEAR	2017 FULL YEAR
Operating activities				
Operating profit/loss	-20,481	-7,364	-51,596	-32,531
Adjustment for non-cash flow affecting items				
Depreciation	0	1	0	31
Write-downs	0	0	0	3,848
Share based payments	2,692	0	2,692	0
Interest received	22	729	22	729
Interest paid	-816	-485	-186	-503
Paid taxes	3,918	6	3,898	-81
Cash flow for operating activities before changes in working capital	**-14,665**	**-7,113**	**-45,800**	**-28,507**
Cash flow from changes in working capital				
Decrease (+)/Increase(-)in inventory	0	1 571	0	1 571
Decrease(+)/Increase(-) in receivables	577	-335	-38	-66
Decrease(-)/Increase(+) in liabilities	4,175	2,193	6,713	2,004
Cash flow from operating activities	**-9,913**	**-3,684**	**-39,125**	**-24,998**
Financing activities				
Share issue	7,350	6,802	181,333	11,925
Share issue costs	-624	0	-11,479	0
Warrants	2,225	0	2,225	0
Cash flow from financing activities	**8,951**	**6,802**	**172,079**	**11,925**
Cash flow for the period	**-962**	**3,118**	**132,954**	**-13,073**
Cash and cash equivalents in the beginning of the period	142,523	5,266	8,384	21,457
Translation difference	-18	0	205	0
Cash and cash equivalents at the end of the period	**141,543**	**8,384**	**141,543**	**8,384**

PARENT COMPANY INCOME STATEMENT

SEK '000	2018 OCT-DEC	2017 OCT-DEC	2018 FULL YEAR	2017 FULL YEAR
Net sales	0	0	0	0
Other income	637	533	2,247	1,674
Total sales	**637**	**533**	**2,247**	**1,674**
Research and development costs	-462	-1,929	-1,521	-5,715
Other external costs	-953	-336	-5,005	-1,932
Personell costs	-1,284	-441	-2,275	-1,801
Depreciation	0	0	0	-3,878
Total costs	**-2,699**	**-2,706**	**-9,516**	**-13,326**
Operating profit	**-2,062**	**-2,173**	**-7,269**	**-11,652**
Financial income	561	0	1,618	0
Financial cost	-784	509	-795	509
Financial net	**-223**	**509**	**823**	**509**
Result before taxes	**-2,285**	**-1,664**	**-6,446**	**-11,143**
Taxes	0	0	0	0
Result for the period	**-2,285**	**-1,664**	**-6,446**	**-11,143**

PARENT COMPANY BALANCE SHEET

SEK '000	2018-12-31	2017-12-31
ASSETS		
Non-current assets		
Financial non-current assets		
Shares in subsidiaries	51	1
Other long-term financial assets	1	1
Total non-current assets	**52**	**2**
Currrent assets		
Receivables on group companies	59 ,978	24,775
Current tax asset	164	111
Other receivables	131	86
Prepaid expenses and accrued income	58	48
Total current receivables	**60,331**	**25,020**
Cash and cash equivalents	137 564	3 254
Total current assets	197,895	28,274
TOTAL ASSETS	**197,947**	**28,276**
EQUITY AND LIABILITIES		
Restricted equity		
Share capital	4,009	1,782
Total restricted equty	**4,009**	**1,782**
Unrestricted equity		
Share premium reserve	213,890	46,264
Accumulated losses, incl. loss for the period	-15,662	-9,437
Result for the period	-6,446	-11,143
Total unrestricted equity	**191,782**	**25,684**
Total equity	**195,791**	**27,466**
Current liabilties		
Accounts payable	233	230
Other current liabilities	601	62
Accrued expenses and prepaid income	1,322	518
Total current liabilities	**2,156**	**810**
TOTAL EQUITY AND LIABILITIES	**197,947**	**28,276**

NOTES

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

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 2017 Annual Report and should be read in conjunction with that annual report.

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.

RECONCILLIATION ALTERNATIVE KPIs

EQUITY RATIO

SEK '000	2018 OCT-DEC	2017 OCT-DEC	2018 FULL YEAR	2017 FULL YEAR
Equity	139,910	9,868	139,910	9,868
+ Untaxed reserves	0	0	0	0
- Deferred tax liability	0	0	0	0
Adjusted equity	**139,910**	**9,868**	**139,910**	**9,868**
Adjusted equity	139,910	9,868	139,910	9,868
Total assets	149,580	12,875	149,580	12,875
Equity ratio, %	**93.5**	**76.6**	**93.5**	**76.6**

RETURN ON EQUITY

SEK '000	2018 OCT-DEC	2017 OCT-DEC	2018 FULL YEAR	2017 FULL YEAR
Result for the period	-14,047	-3,111	-44,025	-28,296
Average adjusted equity[1]	141,018	8,260	74,889	9,868
Return on equity, %	**-10.0**	**-37.7**	**-58.8**	**-286.7**

[1]2017 figures are not average, due to opening balance is missing for the Group.

RETURN ON TOTAL ASSETS

SEK '000	2018 OCT-DEC	2017 OCT-DEC	2018 FULL YEAR	2017 FULL YEAR
Result before tax	-21,616	-7,120	-51,594	-32,305
+ Interest costs	1 824	7	1,824	25
Average total assets[1]	148,673	10,066	81,228	12,875
Return on total assets, %	**-13.3**	**-70.7**	**-61.3**	**-250.7**

[1]2017 figures are not average, due to opening balance is missing for the Group.

ASARINA
PHARMA

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