Vivesto AB (publ)

Interim report January 2023 – March 2023

"Our work continues with a clear ambition – to develop Vivesto into a leading research and development company focusing on the development of new treatment options for patients with high unmet medical needs."

Erik Kinnman, CEO of Vivesto

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- Continued focus of the operations towards research and development, including a reduction in staff and overall improvement in cost control, has contributed to lower expense base.
- In March, Vivesto announced that a clinical efficacy study with the veterinary oncology drug candidate Paccal Vet is planned to start in the second half of 2023.
- In March, Vivesto was informed that Elevar is discontinuing its efforts to develop and commercialize Apealea and instead seeks to transfer its rights to a third party. Considering the uncertainty regarding the launch activities of Apealea, Vivesto decided to write down balance sheet items amounting in total to MSEK 190 in the annual report as per December 2022.
- In January, Vivesto announced Inceptua's decision to withdraw market authorization application for Apealea® in Switzerland.

FIRST QUARTER: JANUARY 1, 2023 – MARCH 31, 2023

- Consolidated net sales amounted to TSEK 0 (0)
- Operating profit/loss was TSEK -21,537 (-26,329)
- Net profit/loss after tax amounted to TSEK -20,429 (-26,457)
- Earnings per share amounted to SEK -0.04 (-0.06)

CEO REVIEW

With just over four months behind me as CEO, I have gained a good insight into the business and gotten to know the team at Vivesto. Together with management and external expertise, we initiated a thorough review of the company's assets and organization during the quarter and evaluated various possible ways forward for Vivesto. Although the work is still in full swing, we have already been able to draw significant conclusions that have resulted in several important strategic decisions. In addition, our purposeful work with cost control has continued and the company's burn rate is expected to continue to decrease as we focus the business and further reduce our personnel and operational costs.

As a result of our review, we decided to intensify our investment in veterinary oncology. There is a great unmet medical need for better treatments and more effective veterinary oncology drugs. This is especially true in the treatment of cancer in dogs, where drugs developed for humans through so-called off-label use are widely used. Since today's human medicines are not designed for use in pets, they are often associated with side effects and lack of efficacy. It is clearly demonstrated in current paclitaxel formulations which, due to the fact that they contain the solvent cremophor or human albumin, are not tolerated by dogs and therefore are excluded as a treatment option despite paclitaxel being a well-documented and effective cytostatic drug. The market for veterinary medicines in general is growing as the number of pets grows, and especially the number of dogs. At the same time, we are becoming increasingly aware of the importance of caring for our pets and more willing to pay for adequate medical care and medicines.

Based on the great medical need and the commercial potential we see in the field, we have decided to initiate clinical development of the veterinary oncology drug candidate Paccal Vet. In a first step, we plan to start a clinical efficacy study with Paccal Vet in dogs in the cancer indications hemangiosarcoma and malignant melanoma during the second half of the year. Both are indications where there are currently no approved chemotherapy treatments available. Positive safety and efficacy data are already available for the use of Paccal Vet in dogs. A pre-submission meeting with the FDA is planned to discuss the continued clinical development path for Paccal Vet and we await feedback from that meeting in early summer.

In March, American pharmaceutical company Elevar Therapeutics announced its intention to transfer the rights and obligations of the cancer drug Apealea to a third party. Vivesto has had a global strategic partnership with Elevar since 2020 and so far Apealea has been market-launched in Germany by Elevar's partner Inceptua. Although there are ongoing pre-launch activities in other markets, such as the UK, our view is that the launch and sales in Europe have developed significantly slower than expected. We therefore see Elevar's announcement as a potential opportunity where we could find a more suitable partner to drive sales and the continued development of Apealea. We are now working intensively with Elevar to explore all the possibilities that this new situation may present. In parallel, we are also working to find a partner for Apealea in China, which we see as an important and prioritized market.

An important part of the review has been to evaluate the company's existing development projects to find out if it is possible to increase the chances of success, shorten the time to market approval or increase the future market potential. As a result of this work, we intend to expand the indication area for the Cantrixil cancer program to also include bladder cancer and blood cancer, both indications with high unmet medical needs and significant commercial potential. I look forward to coming back with more information when we have a more detailed development plan in place.

Patient recruitment in the investigator-initiated Phase 1b study evaluating Docetaxel micellar in patients with metastatic prostate cancer continues and more than half of the planned patients have been included. However, recruitment is somewhat slower than expected and we are therefore

evaluating together with the study's sponsor, the Swiss Group for Clinical Cancer Research (SAKK), various opportunities for continued recruitment in the study. In doing so, we hope to be able to keep to the schedule and complete the study before the end of the year and be able to present results in 2024 according to plan.

In addition to our clinical projects, we are actively working to develop the next generation drug delivery technology XR-18, a technology that may play an important role for many molecules that today cannot be used because they are too large or do not dissolve properly. XR-18 works in the same way as Vivesto's existing technology XR-17, which is used with the drug Apealea, among other things. It makes poorly soluble substances soluble in order to improve uptake in potential patients. In addition, XR-18 has some improved and novel properties that are currently being evaluated in ongoing in vitro studies. In parallel with the development of XR-18, early evaluation of trials with poorly soluble drug substances is also underway. What we have observed so far looks promising, although the project is at an early stage.

To streamline the organization and reduce our running costs, we are now reorganizing Vivesto to strengthen our focus on research and development. This means that we reduce the company's internal expertise in quality control and analysis in the production of pharmaceuticals, as well as general administrative resources to partially replace them with external consulting services. It is estimated that the number of permanent employees can thus be reduced by five people. At the same time, the Chief Medical Officer has announced that he wishes to seek a new assignment outside the company and we are now reviewing the possibilities of replacing the need for medical expertise with flexible external resources to further streamline operations.

Overall, after my first months as CEO, I see significant potential in Vivesto. This applies both to our existing assets, as well as the opportunity to develop the company by using the expertise and experience we have internally in taking a drug from early development, through the clinical and regulatory development stages. An expansion of the portfolio with projects in preclinical or early clinical development phases will be evaluated. Drug development in the early phase involves less extensive studies and requires significantly less resources in the form of capital and personnel, while the increase in value in a project can be significant in the event of successful development. The possibilities are many but given the current company-specific conditions and the overall market situation, the company still intends to have a strict cost focus.

Our work continues with a clear ambition – to develop Vivesto into a leading research and development company focusing on the development of new treatment options for patients with high unmet medical needs.

Thank you for your continued support.

Erik Kinnman, CEO of Vivesto

ABOUT VIVESTO

Vivesto is a research and development company that develops new treatment options for patients suffering from difficult-to-treat cancer. The company has a portfolio of projects targeting innovative cancer treatments and the capacity and competence to develop drugs from early research to regulatory approval. Late clinical-phase and commercial development is intended to take place through partnerships with other pharmaceutical companies.

Vivesto's most advanced program Apealea® (paclitaxel micellar) has been granted market approval in the EU as a treatment for adult patients suffering from the first relapse of platinum sensitive epithelial ovarian cancer, or primary peritoneal cancer or fallopian tube cancer. Other clinical development programs include Cantrixil for late-stage ovarian cancer, and docetaxel micellar, in development for advanced prostate cancer. Vivesto has developed proprietary drug delivery technologies designed to improve solubility of various active pharmaceutical ingredients.

Vivesto's shares are traded on Nasdaq Stockholm (VIVE). To find out more about Vivesto please visit www.vivesto.com.

TECHNOLOGY PLATFORMS

The foundation for Vivesto is the proprietary drug delivery techno- logy XR-17, a technology platform that can improve aqueous solubility for intravenous active pharmaceutical ingredients to improve their efficacy, availability and safety. The technology has been successfully applied when developing the cancer drug, Apealea, and the drug candidate Docetaxel micellar as well as the veterinary oncology drug Paccal Vet. Intense development is ongoing for developing the next-generation drug delivery platform, XR-18.

XR-17™

XR-17 is based on a blend of two isomers of a synthetic derivative of vitamin-A acids (XMeNa and 13XMeNa), which can increase solubility of compounds with poor aqueous solubility, such as paclitaxel. XR-17 demonstrates amphiphile properties, meaning its molecules contain both hydrophilic and hydrophobic structural regions. As a result, XR-17 molecules can spontaneously form nano-sized structures, known as micelles, within water. During the process hydrophobic substances are dissolved in the XR-17 micelles. By utilizing a smaller volume of excipients in relation to the API volume, XR-17 advantageously allows for the reformulation of hitherto existing and approved drugs as well as allows its inclusion as part of novel drugs under development. XR-17 is a clinically validated technology platform that can form the basis of a market-approved product, such as Apealea.

XR-18

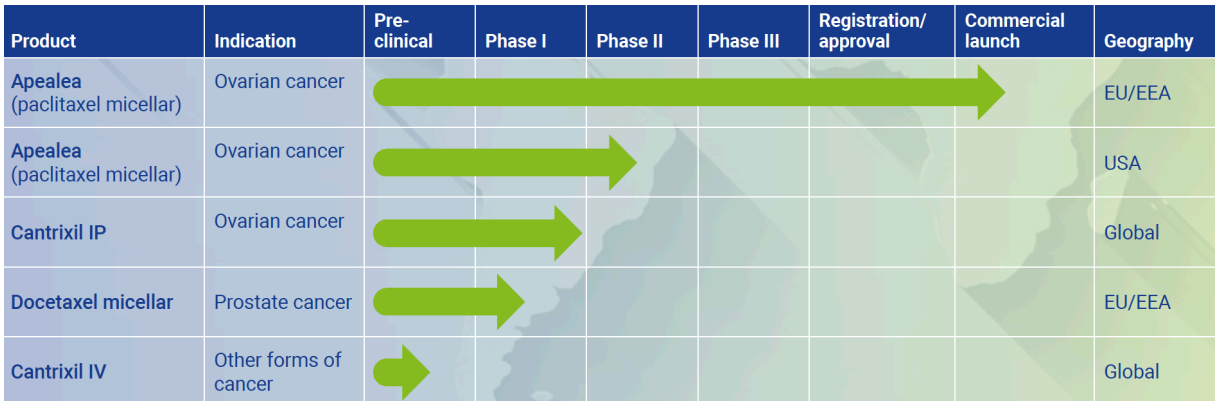
When developing Apealea and other projects that use the XR-17 technology platform, Vivesto built up valuable knowledge and understanding of how solubility and drug administration can be improved in pharmaceuticals with poor solubility. Based on this experience, Vivesto is developing the next generation of drug delivery technology, XR-18, which is an expanded and improved version of the XR-17 technology. XR-18 is in an early phase of development and has generated promising results thus far. A patent application has been submitted to protect the XR-18 technology.

Exploratory Research

Vivesto is involved with a project to evaluate the cellular effects of new and existing anti-cancer drug delivery platforms developed with Vivesto's proprietary XR-17™ and XR-18 technology platforms. The research is intended to develop promising drug candidates and expand the company's current and future project portfolio within oncology intended for hard-to-treat or late-stage cancers.

PRODUCTS & PROJECT PORTFOLIO

Vivesto has a portfolio of projects in clinical and commercial phases that are intended to treat late-stage, hard-to-treat cancer. Vivesto has the capacity to develop drugs from early preclinical development to regulatory approval either in-house or in partnership with other pharmaceutical companies. The company conducts development of both proprietary and in-licensed drug candidates.



Apealea

Apealea (paclitaxel micellar) is a patented solvent-free formulation: it applies paclitaxel – a cornerstone within chemotherapy for many different forms of cancer – through Vivesto's XR-17 technology platform. Apealea is approved by the European regulatory authority, the EMA, for use in combination with carboplatin for the treatment of adult patients with first relapse of platinum-sensitive epithelial ovarian cancer, primary peritoneal cancer and fallopian tube cancer. Apealea has also received orphan drug designation from the US regulatory authority FDA for the treatment of epithelial ovarian cancer, which could entail several potential benefits, including seven years of market exclusivity.

Commercialization agreement for all global markets

Vivesto has out-licensed the rights for Apealea in all global markets and the company is working actively to support its partner in the continued global development and commercialization of Apealea.

Elevar Therapeutics
In 2020, Vivesto signed a global licensing agreement with the American pharmaceutical company Elevar Therapeutics, Inc. for continued development and commercialization of Apealea. The agreement gives Elevar exclusive rights to commercialize Apealea globally, with the exception of a few markets. In March 2023, Vivesto was informed that Elevar is discontinuing its efforts to develop and commercialize Apealea and instead seeks to transfer its rights to a third party.

Inceptua Group
Elevar has signed a license agreement with Inceptua Group for the commercialization of Apealea in Europe, with the exception of Russia and the CIS countries. In August 2022, Inceptua announced the launch of Apealea in Germany.

Other collaborations
Elevar has a collaboration with Tanner Pharma Group regarding a so-called Named Patient Program that enables Apealea to be provided through license prescribing in markets where Apealea has not yet received market approval. Elevar also has a cooperation agreement with Taiba Middle East FZ LLC, where Taiba will register, commercialize and distribute Apealea in the Middle East and North Africa (MENA region).

Cantrixil

Cantrixil is a clinical phase drug candidate being developed for the treatment of late-stage ovarian cancer and consists of the active molecule TRXE00201, a potent and selective third generation benzopyran SMETI inhibitor, encapsulated in a cyclodextrin. Cantrixil targets a wide spectrum of

cancer cells, including chemotherapy-resistant tumor-initiating cells that are thought to be responsible for disease relapse.

Vivesto acquired the global development and commercialization rights for Cantrixil from the Australian biotechnology company Kazia Therapeutics Limited in March 2021. Since the acquisition, Vivesto has continued to develop Cantrixil. Cantrixil was given orphan designation for ovarian cancer by the US FDA in April 2015.

Preparing for continued clinical development

The company is currently considering various alternatives in terms of indications to maximize patient benefit and commercial opportunities. Work has been initiated to develop testing material for coming clinical trials. During the first quarter 2022, Vivesto announced that the company had signed a large-scale manufacturing agreement with Lonza, a global development and manufacturing partner, for the main drug intermediate in the supply of clinical material for Cantrixil.

Docetaxel micellar

Docetaxel micellar is a clinical phase drug candidate being developed for advanced prostate cancer in a novel formulation that combines the well-established cytotoxin docetaxel in combination with XR-17. Commercially available Docetaxel is currently administered intravenously and contains the solvent ethanol. By using Vivesto's XR-17 drug delivery platform, docetaxel can be administered without sol- vents, which reduces side effects and unwanted premedication.

Partnership with SAKK

In 2020, Vivesto partnered with the Swiss Group for Clinical Cancer Research, SAKK, a non-profit organization for clinical cancer research. Through the partnership, the first clinical trial with Vivesto's formulation of Docetaxel micellar in patients with metastatic prostate cancer is conducted at major hospitals in Switzerland with SAKK as sponsor. The trial is an instigator-initiated open-label clinical and aims to recruit 18 chemotherapy-naive patients with metastatic castration resistant prostate cancer (mCRPC) with adequate bone marrow, liver, and renal function.

In February 2022, Vivesto announced that the first patient had fully completed the study, and in November 2022, that more than half of the patients had been recruited. Recruitment is expected to be completed in the second half of 2023 and results are expected in 2024.

VETERINARY ONCOLOGY

Vivesto's product candidate in veterinary oncology use the XR-17 technology platform to facilitate the administration of intravenously delivered active pharmaceutical substances without the addition of solvents such as cremophor. Solvents are a problem as they cause unwanted effects in treated animals. These effects are of such a serious degree that it completely prevents, or limits, the use of certain cancer drugs in veterinary medicine. Vivesto sees positive synergistic effects between the development of human drugs and veterinary drugs, and is currently evaluating strategic and commercial options for the company's assets within the veterinary medicine business.

Paccal Vet

Paccal Vet is paclitaxel formulated with Vivesto's XR-17 technology, which provides a drug that has good solubility without the undesirable effects that traditional formulations containing solvents provide. The development is based on the market-approved drug Apealea, which enables reuse of preclinical data and thus shorter time to market, and on previous studies with Paccal Vet, which generated knowledge regarding safety and efficacy. A first limited clinical efficacy study in dogs is planned to, as a first step, evaluate Paccal Vet in the indications of hemangio-sarcoma and malignant melanoma. There are no approved chemotherapy treatments for these diagnoses in dogs. The study is planned to start in the second half of 2023.

FINANCIAL INFORMATION

Condensed consolidated income statement

TSEK	2023 Jan–Mar	2022 Jan–Mar	2022 Jan–Dec
Net sales	0	0	1,015
Operating profit/loss	-21,537	-26,329	-355,049
Profit/loss for the period	-20,429	-26,457	-356,719
Earnings per share before and after dilution, SEK	-0.04	-0.06	-0.72

FIRST QUARTER

January 1 – March 31, 2023

Net sales
Net sales amounted to TSEK 0 (0).

Other operating income
Other operating income amounted to TSEK 1,018 (1,694) and comprised insurance compensation of TSEK 0 (1,125), disposal of equipment TSEK 0 (157), other items of TSEK 1,020 (321) and exchange differences of TSEK -2 (91). Other items comprised a non-recurring item pertaining to the reversal of previous supplier invoices of TSEK 895 and invoicing for sublet warehouses and premises of TSEK 125.

Operating profit/loss for the quarter
The operating loss for the quarter amounted to TSEK -21,537 (-26,329). The year-on-year difference in operating profit/loss was mainly attributable to lower employee benefit expenses of TSEK 1,890 and to lower depreciation and amortization of TSEK 3,357.

The change in inventories of products in progress and finished goods amounted to TSEK -0 (-11).

Other external expenses amounted to TSEK -10,116 (-10,327).

Employee benefit expenses amounted to TSEK -8,532 (-10,422). The number of employees at the end of the quarter was 20 (19).

Depreciation, amortization and impairment amounted to TSEK -3,906 (-7,263).

Net financial items for the quarter
Net financial items for the quarter of TSEK 1107 (-128) consisted of financial income amounting to TSEK 1,510 (160) and financial expenses of TSEK -403 (-288).

The financial income comprised capital gains on short-term investments of TSEK 1,507 (160) and foreign exchange gains on cash and cash equivalents of TSEK 3 (0).

Financial expenses consisted of value changes in short-term investments of TSEK -236 (-74), interest expenses attributable to other borrowings and credits of TSEK -38 (-39), exchange losses on cash and cash equivalents of TSEK -3 (-54) and interest expenses from leases of TSEK -126 (-121).

Profit/loss before tax for the quarter
Profit/loss before tax amounted to TSEK -20,429 (-26,457).

Income tax
Reported income tax for the quarter was TSEK 0 (0).

Profit/loss for the quarter
The net loss after tax was TSEK -20,428 (-26,457).

Cash flow and capital expenditure
Net cash flow for the quarter was TSEK -4,517 (-3,246) and consisted of Cash flow from operating activities of TSEK -23,268 (-21,939), Cash flow from investing activities of TSEK 19,787 (19,972) and Cash flow from financing activities of TSEK -1,036 (-1,278). The year-on-year difference in cash flow pertained mainly to project-related costs in the company's research and development activities.

Cash flow from operating activities
The cash flow from operating activities for the quarter was TSEK -23,268 (-21,939).

Cash flow from investing activities
Cash flow from investing activities for the quarter was TSEK 19,787 (19,971).

Investments in property, plant and equipment and in intangible assets
Capital expenditure during the quarter consisted of investments in property, plant and equipment of TSEK 213 (29).

Investments in property, plant and equipment mainly consisted of capital expenditure for laboratory and IT equipment.

Short-term investments
During the quarter, short-term fixed-income funds amounting to TSEK 20,000 (20,000) were divested. These flows are reported in the cash flow statement as divestment of short-term investments.

Cash flow from financing activities
The cash flow from financing activities amounted to TSEK -1,036 (-1,278) and comprised amortization of lease liabilities, which mainly comprised rental payments recognized as amortization pursuant to IFRS 16.

Financing and financial position
Cash and cash equivalents
The Group's cash and cash equivalents at the end of the period amounted to TSEK 4,933 (4,675).

Short-term investments
The company's liquidity surplus was invested in short-term fixed-income funds. The funds' rates are subject to low volatility and the fund units can be converted into cash within a few banking days. As of March 31, 2023, the value of the funds was TSEK 114,317 (69,282).

Other borrowings
In accordance with IFRS 16 Leases, the Group recognizes the present value of future lease payments as interest-bearing liabilities. At the end of the period, the reported lease liabilities amounted to TSEK 7,892 (7,739), of which long-term liabilities were TSEK 4,756 (4,327).

Equity
At the end of the quarter, equity amounted to TSEK 304,980 (658,010), the equity/assets ratio was 92% (94), and the debt/equity ratio was negative (negative). The reason that the debt/equity ratio is negative is that net debt is negative, meaning that the sum of cash and cash equivalents and short-term investments is greater than borrowing.

Warrants and other instruments outstanding that can increase the number of shares in Vivesto

	No. of options	Max. No. of shares	Subscription price, interval	
Warrants which can be converted to three shares	1,280,250	3,840,750	4.06	USD
Employee stock options which can be converted to one share	450,000	450,000	1.45	SEK
Max. No. of shares		**4,290,750**		

Warrants that can be converted to three shares are warrants issued in 2015 and which expire on October 28, 2025. One warrant entitles the holder to subscribe for three shares at a subscription price of USD 4.06.

The Annual General Meeting on May 25, 2022, approved an employee stock option program directed to senior executives. The program encompasses not more than 2,700,000 options, of which 450,000 have been issued to individuals in senior positions. These options entitle, after vesting in accordance with the terms and conditions, the participant to subscribe for an equal number of shares at an exercise price of SEK 1.45 during the period from and including July 1, 2025 until and including September 30, 2025 subject to the precondition that the holder remains in the company's employ for three years.

Legal information and additional information
As regards the company's legal proceedings, nothing of material import has taken place during the period.

Parent Company
The Parent Company's net sales for the period amounted to TSEK 0 (0) and profit/loss before tax was TSEK -20,390 (-26,423). As of March 31, 2023, the Parent Company's cash and cash equivalents amounted to TSEK 4,933 (4,669) and short-term investments, which within a few banking days can be converted into cash, amounted to TSEK 114,317 (69,282).

Key metrics and other information

	2023 Jan–Mar	2022 Jan–Mar	2022 Jan–Dec
No. of shares at end of period, before and after dilution, thousand	538,043	496,737	538,043
Weighted average No. of shares, before and after dilution, thousand	538,043	472,554	493,207
Earnings per share before and after dilution, SEK	-0.04	-0.06	-0.72
Equity per share, SEK	0.57	1.32	0.60
Equity/assets ratio, %	92	94	91
Net liability, TSEK	-119,250	-73,957	-142,512
Debt/equity ratio, %	neg.	neg.	neg.
Return on total assets, %	neg.	neg.	neg.
Return on equity, %	neg.	neg.	neg.
Number of employees at period end	20	19	18

Definitions

Earnings per share: Income for the period attributable to the Parent Company shareholders in relation to the weighted average number of shares, before and after dilution, in the period.
Equity per share: Equity attributable to Parent Company shareholders as a ratio of the number of shares at the end of the period.
Equity/assets ratio: Equity as a ratio of total assets.
Net liability: Total borrowings (including the balance-sheet items: liabilities to credit institutions, convertible debt instruments and other borrowings) with deduction of cash and cash equivalents and short-term investments. Lease liabilities calculated in accordance with IFRS 16 are not included in net liability.
Debt/equity ratio: Net liability as a ratio of equity.
Return on total assets: Income before deduction of interest expenses as a ratio of average total assets.
Return on equity: Earnings before taxes as a ratio of average equity.

The key definitions found above are generic definitions often used in analyses and comparisons between different companies. They are therefore given to enable the reader to rapidly and summarily evaluate Vivesto's financial situation and possibly compare with other companies. These have been calculated as follows:

	2023 Jan–Mar	2022 Jan–Mar	2022 Jan–Dec
Equity per share			
Equity attributable to Parent Company shareholders at the end of the period, TSEK	304,980	658,010	325,424
No. of shares at end of period, thousand	538,043	496,737	538,043
Equity per share, SEK	**0.57**	**1.32**	**0.60**
Equity/assets ratio			
Equity at end of period, TSEK	304,980	658,010	325,424
Total assets at end of period, TSEK	330,328	701,760	355,876
Equity/assets ratio	**92%**	**94%**	**91%**
Net liability, TSEK			
Other borrowings	0	0	0
Total borrowings	0	0	0
Short-term investments	114,317	69,282	133,045
Cash and cash equivalents	4,933	4,675	9,467
Total short-term investments, and cash and cash equivalents	119,250	73,957	142,512
Net liability	**-119,250**	**-73,957**	**-142,512**
Debt/equity ratio			
Net liability, TSEK	-119,250	-73,957	-142,512
Equity, TSEK	304,971	658,010	325,424
Debt/equity ratio	**-39%**	**-11%**	**-44%**
Return on total assets			
Income before deduction of interest expenses	-20,026	-26,169	-353,589
Total assets at beginning of period	355,876	594,308	594,308
Total assets at end of period	330,328	701,760	355,876
Average total assets	343,102	648,034	475,092
Return on total assets	**-6%**	**-4%**	**-74%**
Return on equity			
Profit/loss before tax	-20,429	-26,457	-356,719
Equity at beginning of period	325,424	549,713	549,713
Equity at end of period	304,980	658,010	325,424
Average equity	315,202	603,862	437,569
Return on equity	**-6%**	**-4%**	**-82%**

Consolidated income statement

TSEK	Note	2023 Jan–Mar	2022 Jan–Mar	2022 Jan–Dec
Net sales		0	0	1,015
Other operating income		1,018	1,694	3,962
Change in inventories of products in progress and finished goods		0	-11	-10,246
Raw materials and consumables		0	0	-1,425
Other external expenses		-10,116	-10,327	-58,371
Employee benefit expenses		-8,532	-10,422	-33,829
Depreciation, amortization and impairment		-3,906	-7,263	-256,155
Operating profit/loss		**-21,537**	**-26,329**	**-355,049**
Financial income		1,510	160	1,460
Financial expenses		-403	-288	-3,130
Financial income and expenses – net		**1,107**	**-128**	**-1,670**
Profit/loss before tax		**-20,429**	**-26,457**	**-356,719**
Income tax		–	–	–
Profit/loss for the period		**-20,429**	**-26,457**	**-356,719**
Profit/loss for the period attributable to:				
Parent Company shareholders		-20,429	-26,457	-356,719
Non-controlling interests		–	–	–
Earnings per share before and after dilution, SEK		-0.04	-0.06	-0.72

Consolidated statement of comprehensive income

TSEK	Note	2023 Jan–Mar	2022 Jan–Mar	2022 Jan–Dec
Profit/loss for the period		**-20,429**	**-26,457**	**-356,719**
Other comprehensive income				
Items that may subsequently be transferred to the income statement:				
Translation differences		0	-11	-37
Total other comprehensive income		**0**	**-11**	**-37**
Comprehensive income for the period		**-20,429**	**-26,468**	**-356,756**
Comprehensive income attributable to:				
Parent Company shareholders		-20,429	-26,468	-356,756
Non-controlling interests		–	–	–

Consolidated statement of financial position

TSEK	Note	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
ASSETS				
Non-current assets				
Property, plant and equipment		12,408	15,895	12,964
Capitalized development costs	2	156,832	395,915	158,408
Other intangible assets		33,086	38,807	33,885
Financial assets		301	301	301
Total non-current assets		**202,627**	**450,918**	**205,558**
Current assets				
Inventories	3	0	9,897	0
Accounts receivable		1,540	9,737	1,259
Other current receivables		1,639	152,557	2,328
Prepaid expenses and accrued income		5,272	4,694	4,219
Short-term investments		114,317	69,282	133,045
Cash and cash equivalents		4,933	4,675	9,467
Total current assets		**127,701**	**250,842**	**150,318**
TOTAL ASSETS		**330,328**	**701,760**	**355,876**
EQUITY				
Equity and reserves attributable to Parent Company shareholders				
Share capital		53,804	49,674	53,804
Ongoing new share issue, share capital not yet registered		0	4,131	0
Other capital provided		2,029,313	2,031,625	2,029,327
Reserves		390	416	390
Retained earnings, including income for the period		-1,778,527	-1,427,836	-1,758,098
Equity attributable to Parent Company shareholders		**304,980**	**658,010**	**325,424**
Equity attributable to non-controlling interests		0	0	0
Total equity		**304,980**	**658,010**	**325,424**
LIABILITIES				
Long-term liabilities				
Lease liabilities, long-term		4,756	4,327	5,181
Total long-term liabilities		**4,756**	**4,327**	**5,181**
Current liabilities				
Accounts payable		1,950	4,540	7,000
Lease liabilities, short-term		3,137	3,412	2,987
Other current liabilities		2,519	16,343	2,329
Accrued expenses and deferred income		12,987	15,128	12,956
Total current liabilities		**20,592**	**39,423**	**25,272**
Total liabilities		**25,348**	**43,750**	**30,452**
TOTAL EQUITY AND LIABILITIES		**330,328**	**701,760**	**355,876**

Consolidated statement of changes in equity

	Attributable to Parent Company shareholders							
TSEK	Share capital	Ongoing new share issue, share capital not yet registered	Other capital provided	Reserves	Retained earnings, including profit/loss for the period	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening balance, January 1, 2022	**44,837**		**1,905,828**	**427**	**-1,401,379**	**549,713**	**0**	**549,713**
Profit/loss for the period	–		–	–	-26,457	-26,457	–	-26,457
Other comprehensive income	–		–	-11	–	-11	–	-11
Comprehensive income for the period	**0**		**0**	**-11**	**-26,457**	**-26,468**	**0**	**-26,468**
Employee stock options	**–**		151	**–**	**–**	151		151
Share issues	4,837	4,131	141,685			150,652		150,652
Issue expenses	–		-16,039	–	–	-16,039	–	-16,039
Closing balance, March 31, 2022	**49,674**	**4,131**	**2,031,625**	**416**	**-1,427,836**	**658,010**	**0**	**658,010**
Opening balance, January 1, 2022	**44,837**		**1,905,828**	**427**	**-1,401,379**	**549,713**	**0**	**549,713**
Profit/loss for the period	–		–	–	-356,719	-356,719	–	-356,719
Other comprehensive income	–		–	-37	–	-37	–	-37
Comprehensive income for the period	**0**		**0**	**-37**	**-356,719**	**-356,756**	**0**	**-356,756**
Employee stock options			-1,792			-1,792	–	-1,792
Share issues	8,968		141,685			150,653		150,653
Issue expenses			-16,394			-16,394	–	-16,394
Closing balance, December 31, 2022	**53,804**		**2,029,327**	**390**	**-1,758,098**	**325,424**	**0**	**325,424**
Opening balance, January 1, 2023	**53,804**		**2,029,327**	**390**	**-1,758,098**	**325,424**	**0**	**325,424**
Profit/loss for the period	–		–	–	-20,429	-20,429	–	-20,429
Other comprehensive income	–				0	0	–	0
Comprehensive income for the period	**0**		**0**	**0**	**-20,429**	**-20,429**	**0**	**-20,429**
Employee stock options			-14			-14	–	-14
Closing balance, March 31, 2023	**53,804**	**0**	**2,029,313**	**390**	**-1,778,527**	**304,980**	**0**	**304,980**

Consolidated statement of cash flows

TSEK	2023 Jan–Mar	2022 Jan–Mar	2022 Jan–Dec
Operating activities			
Operating profit/loss	-21,537	-26,329	-355,049
Adjustments for non-cash items	3,906	7,263	256,155
Interest paid	-163	-39	-495
Cash flow from operating activities before changes in working capital	**-17,794**	**-19,105**	**-99,389**
Changes in working capital			
Change in inventories	0	0	9,897
Change in accounts receivable	-281	364	8,842
Change in other current receivables	-364	-3,408	12,682
Change in accounts payable	-5,050	-9,050	-6,590
Change in other current liabilities	221	9,260	-5,958
Cash flow from operating activities	**-23,268**	**-21,939**	**-80,516**
Investing activities			
Investments in intangible assets	–	–	–
Investments in property, plant and equipment	-213	-29	-277
Short-term investments	–	–	-120,000
Divestment of short-term investments	20,000	20,000	75,000
Cash flow from investing activities	**19,787**	**19,971**	**-45,277**
Financing activities			
Amortization of lease liability	-1,036	-1,278	-5,495
New share issues	0	0	150,652
Issue expenses	0	0	-16,394
Cash flow from financing activities	**-1,036**	**-1,278**	**128,763**
Cash flow for the period	**-4,517**	**-3,246**	**2,971**
Effects of exchange rate changes on cash and cash equivalents	**-17**	**9**	**-1,415**
Cash and cash equivalents at the beginning of the period	**9,467**	**7,912**	**7,912**
Cash and cash equivalents at the end of the period	**4,933**	**4,675**	**9,467**

Parent Company income statement

TSEK	Note	2023 Jan–Mar	2022 Jan–Mar	2022 Jan–Dec
Net sales		–	–	1,015
Change in inventories of products in progress and finished goods		–	-11	-10,246
Other operating income		1,018	1,694	3,962
Raw materials and consumables		–	–	-1,425
Other external expenses		-11,238	-11,367	-62,580
Employee benefit expenses		-8,532	-10,419	-33,829
Depreciation, amortization and impairment of PPE and intangible assets		-2,871	-6,314	-252,294
Operating profit/loss		**-21,623**	**-26,417**	**-355,397**
Other interest income and similar income		1,510	160	1,460
Interest expenses and similar expenses		-277	-166	-2,675
Financial income and expenses – net		**1,233**	**-6**	**-1,215**
Profit/loss before tax		**-20,390**	**-26,423**	**-356,612**
Income tax on profit/loss for the period		–	–	–
Profit/loss for the period		**-20,390**	**-26,423**	**-356,612**

Parent Company balance sheet

TSEK	Note	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
ASSETS				
Non-current assets				
Intangible non-current assets				
Capitalized development costs	2	156,832	395,915	158,408
Concessions, patents, licenses, trademarks and similar rights		33,086	38,807	33,885
Property, plant and equipment				
Equipment, tools and fixtures and fittings		4,237	7,288	4,523
Construction in progress and advance payments for property, plant and equipment		121	648	121
Financial assets				
Other securities held as non-current assets		301	301	301
Total non-current assets		**194,577**	**442,959**	**197,237**
Current assets				
Inventories, etc.	3			
Raw materials and consumables		0	7,848	0
Products in progress		0	2,049	0
		0	9,897	0
Current receivables				
Accounts receivable		1,540	9,737	1,259
Receivables from Group companies			–	
Other current receivables		1,639	152,540	2,328
Prepaid expenses and accrued income		6,213	5,546	5,106
		9,392	167,824	8,693
Short-term investments		114,317	69,282	133,046
Cash and bank balances		4,933	4,669	9,467
Total current assets		**128,642**	**251,672**	**151,206**
TOTAL ASSETS		**323,219**	**694,631**	**348,443**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		53,804	49,674	53,804
Share capital not yet registered		0	4,131	
Statutory reserve		4,620	4,620	4,620
Reserve for development costs		20,188	24,968	20,557
		78,612	83,393	78,982
Non-restricted equity				
Share premium reserve		2,029,636	2,031,938	2,029,650
Retained earnings		-1,782,104	-1,430,272	-1,425,861
Profit/loss for the period		-20,390	-26,423	-356,612
		227,142	575,243	247,177
Total equity		**305,754**	**658,636**	**326,159**
Current liabilities				
Accounts payable		1,950	4,540	7,000
Other current liabilities		2,519	16,327	2,328
Accrued expenses and deferred income		12,996	15,129	12,956
Total current liabilities		**17,465**	**35,996**	**22,284**
TOTAL EQUITY AND LIABILITIES		**323,219**	**694,631**	**348,443**

Parent Company statement of changes in equity

	Restricted equity				Non-restricted equity		
TSEK	Share capital	Ongoing new share issue, share capital not yet registered	Statutory reserve	Reserve for development costs	Share premium reserve	Retained earnings, including profit/loss for the year	Total equity
Opening balance, January 1, 2022	**44,837**		**4,620**	**25,394**	**1,906,141**	**-1,430,699**	**550,293**
Profit/loss for the period	–		–	–	–	-26,423	-26,423
Reversal of Reserve for development costs	–		–	-426	–	426	0
Employee stock options	–		–	–	151	–	151
Share issues	4,837	4,131			141,685		150,652
Issue expenses			–	–	-16,039	–	-16,039
Closing balance, March 31, 2022	**49,674**	**4,131**	**4,620**	**24,968**	**2,031,938**	**-1,456,696**	**658,636**
Opening balance, January 1, 2022	**44,837**		**4,620**	**25,394**	**1,906,141**	**-1,430,699**	**550,293**
Profit/loss for the period	–		–	–	–	-356,612	-356,612
Reversal of Reserve for development costs	–		–	-4,836	–	4,836	0
Employee stock options	–		–	–	-1,782	–	-1,782
Share issues	8,967				141,685		150,651
Issue expenses	–		–	–	-16,394	–	-16,394
Closing balance, December 31, 2022	**53,804**		**4,620**	**20,558**	**2,029,650**	**-1,782,473**	**326,159**
Opening balance, January 1, 2023	**53,804**		**4,620**	**20,558**	**2,029,650**	**-1,782,473**	**326,159**
Profit/loss for the year	–		–	–	–	-20,390	-20,390
Reversal of Reserve for development costs	–		–	-370	–	370	–
Employee stock options	–		–	–	-14	–	-14
Closing balance, March 31, 2023	**53,804**		**4,620**	**20,188**	**2,029,636**	**-1,802,494**	**305,754**

NOTE 1 Accounting policies, etc.

This condensed interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations in the Annual Accounts Act.

The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act, Interim Report.

The Group's and the Parent Company's accounting policies and calculation methods are consistent with those used in the Annual Report for the fiscal year from January 1, 2022 to December 31, 2022.

No new or amended IFRS standards or IFRIC interpretations have entered force since January 1, 2023 that have had any impact on Vivesto's financial statements.

The carrying amounts for loan receivables, other receivables, cash and cash equivalents, accounts payable and other liabilities comprise reasonable approximations of fair value.

The Group currently has only one operating segment and does not therefore report any information by segment.

Note 2 Capitalized development costs

Vivesto has capitalized development costs consisting of the company's work on clinical trials in Phase III for the product candidates Paclical/Apealea® and Paccal Vet. The accumulated assets by product candidate are shown below.

TSEK	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
Paclical	47,424	286,507	49,000
Paclical Vet	109,408	109,408	109,408
Total	156,832	395,915	158,408

Amortization in the quarter amounted to TSEK 1,576 (4,883).

Note 3 Inventories

TSEK	**Mar 31, 2023**	**Mar 31, 2022**
Measured at cost		
Raw materials and consumables	0	7,848
Products in progress	0	2,049
Finished goods	0	0
Total	0	9,897

Goods have been expensed and written down as follows:

TSEK	**Jan–Mar 2023**	**Jan–Mar 2022**
Expensed goods	–	–
Written down goods	–	–

An impairment of TSEK -8,367 was recognized for inventory in the accounts as of Dec 31, 2022.

Note 4 Transactions with related parties

During the period, expenses in the form of consultancy fees to members of the Board or management were recognized in an amount of TSEK 0 (2,814). Otherwise, no material transactions with related parties were conducted during the quarter other than the remuneration disbursed to Board members and employees.

Note 5 Contingent liabilities, pledged assets and contingent assets

The Parent Company has taken out a chattel mortgage of TSEK 8,000 with a bank as collateral for foreign currency derivatives of TSEK 3,000.

Note 6 Risk factors

The Group is exposed to various types of risk through its operations. Through creating awareness of the risks inherent to operations, these risks can be limited, controlled and managed at the same time as business opportunities can be leveraged to increase earnings. The risks pertaining to the Company's operations are detailed in the Annual Report for the fiscal year from January 1, 2022 to December 31, 2022. In all material respects, the report remains relevant.

The Board of Directors and the CEO of Vivesto AB certify that this Interim report gives a fair view of the Parent Company's and the Group's activities, position and results, and describes essential risks and uncertainty factors that the Parent Company and the companies that are part of the Group face.

Uppsala, May 25, 2023

Peter Zonabend, Chairman of the Board

Hege Hellström, Member of the Board

Pål Ryfors, Member of the Board

Roger Tell, Member of the Board

Erik Kinnman, CEO

This report contains forward-looking statements including valuations of intangible assets which are based on assessments of future economic conditions, the impact from competing products and pricing, currency effects and other risks. These forward-looking statements reflect Vivesto management's view of future events at the time these statements are made but are events. When words such as "foresees," "believes," "estimates," "expects," "intends," "plans" and "projects" occur in this report, they represent forward-looking statements. These statements may include risks and uncertainties concerning, for example, product demand, market acceptance, effects of made subject to different risks and uncertainties. All these forward-looking statements are based on Vivesto management's estimates and assumptions and are assessed to be reasonable but are by their very nature uncertain and difficult to foresee. Actual outcomes and experiences may deviate considerably from the forward-looking statements. Vivesto does not intend, and does not undertake, to update these forward-looking statements.

This information is information that Vivesto AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 08:00 CET on May 25, 2023.

This report has been prepared in both Swedish and English. In the event of any discrepancy in the content of the two versions, the Swedish version shall take precedence.

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

COMPANY INFORMATION

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Financial calendar

Annual General Meeting 2023	May 25, 2023
Interim report Q2 (Jan-Jun 2023)	August 24, 2023
Interim report Q3 (Jan-Sep 2023)	November 16, 2023
Year-end report (Jan-Dec 2023)	February 23, 2024