

Vivesto AB (publ)

Interim report January 2023 - June 2023

"The period has comprised a thorough review of the entire business and all assets, resulting in a strategic plan going forward and the implementation of cost-reducing measures decreasing the company's burn rate significantly. Moreover, the FDA meeting on the planned Paccal Vet clinical study was positive and supportive, and the feedback from the investigators in our Docetaxel micellar patient study encouraging."

Erik Kinnman, CEO of Vivesto

SIGNIFICANT EVENTS DURING THE SECOND QUARTER

- In June, Vivesto announced that the company had a successful and encouraging pre-submission conference (PSC) with the U.S. Food and Drug Administration's Center for Veterinary Medicine (CVM) regarding development of Paccal Vet. A pilot study in dogs with hemangiosarcoma and malignant melanoma is planned to start for in the second half of 2023.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- In August, Vivesto announced early termination of patient enrollment in the Docetaxel micellar advanced prostate cancer Phase 1b study with the Swiss Group for Clinical Cancer Research (SAKK). The study closed its accrual after enrollment of 11 of the planned 18 patients, since Vivesto believes that the data generated will be sufficient ahead of switching into development with a new formulation based on its improved XR-18 micelle technology platform.

SECOND QUARTER: APRIL 1, 2023 - JUNE 30, 2023

- Consolidated net sales amounted to TSEK 0 (0)
- Operating profit/loss was TSEK -28,842 (-36,323)
- Net profit/loss after tax amounted to TSEK -28,172 (-38,514)
- Earnings per share amounted to SEK -0.05 (-0.07)

THE PERIOD: JANUARY 1, 2023 - JUNE 30, 2023

- Consolidated net sales amounted to TSEK 0 (0)
- Operating profit/loss was TSEK -50,378 (-62,652)
- Net profit/loss after tax amounted to TSEK -48,601 (-64,971)
- Earnings per share amounted to SEK -0.09 kr (-0.13)

CEO REVIEW

An intensive first half year is behind us, and also my first half year as CEO of Vivesto. The period has comprised a thorough review of the entire business and all assets, resulting in a strategic plan going forward and the implementation of cost-cutting measures decreasing the company's burn rate significantly. An internal reorganization has streamlined the organization and strengthened our focus on research and development, and on business development activities. Vivesto now has a fit for purpose organization capable of taking primarily cancer projects from early preclinical phase to clinical proof-of-concept. There is a clear path forward to grow the business and to expand the project portfolio, using existing organization and technology platforms or via external opportunities in line with our strategy. I can now confidently say Vivesto has the foundation for cementing its position as an oncology-focused research and development company, with the potential to take a leading position within specific areas.



There is a great unmet medical need for better treatments and more effective veterinary oncology drugs, making Paccal Vet an extremely interesting asset for Vivesto. In the beginning of June, the company had a successful and encouraging pre-submission meeting with the U.S. Food and Drug Administration's Center for Veterinary Medicine (CVM). FDA supports our plans to evaluate Paccal Vet in a clinical study in dogs with hemangiosarcoma and malignant melanoma, and confirmed the study design and data points. The positive interactions with FDA strengthen our beliefs in Paccal Vet and the strategy laid out. A pilot study is planned to start in the second half of 2023 in the US, or both the US and Europe, which is to be followed by a pivotal study.

As we announced earlier this year, 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. Development and sales in Europe have gone slower than expected, so we see this as an opportunity to find a more suitable partner. Vivesto is looking for a new partner, either on a regional or global basis, to take on Apealea's future sales and development.

Our plan to expand the indication areas for Cantrixil to increase the future market potential continues as we target both bladder and blood cancer, both indications with high unmet medical needs and significant commercial potential. We are eager to see results from preclinical in vitro efficacy studies in both indications during the fall.

We were also pleased to see that Docetaxel micellar can be administered without prior premedication with steroids. The recruitment in the open-label, multicenter, single-stage Phase 1b study with the study's sponsor, the Swiss Group for Clinical Cancer Research (SAKK), was ended recently after enrollment of 11 of the planned 18 patients. Throughout the study the drug has been possible to give without high-dose cortisone pre-medication. Only paclitaxel expected serious adverse events have been observed in the study. Final data will be available after the last patients have finished their treatments, whereafter the results will be analyzed during 2024. Patients treated with other existing formulations of docetaxel require steroid administration to avoid certain serious adverse events related to the current formulations with solvent. The administration of steroids can lead to marked bone fragility, exacerbated by cancer metastases in the bone, or steroid-related metabolic issues. Vivesto has progressed in the development of its XR-18 drug delivery platform and intends to use this next-generation improved technology in future development of Docetaxel micellar.

Vivesto sees the company's next generation drug delivery platform XR-18 playing a significant future role with molecules too large to properly dissolve in patients. The XR-18 program has advanced,

developed improved properties and is being explored in in vitro studies with several API combinations. We have several XR-18 molecules that look promising and are exploring the best path forward. As part of our increased business development efforts we are considering how to best leverage potential value in the XR-18 platform. We will come back with more information when appropriate.

I am confident there is significant value yet to be unlocked at Vivesto. We clearly need to find a resolution for Apealea, but I am impressed by the assets Vivesto has internally. We now have a clearer path forward with Paccal Vet and we hope to see promising data from Cantrixil in bladder and blood cancer. Moreover, it was encouraging to see the preliminary observations in the Docetaxel micellar study with SAKK. Finally, our goal is to ensure we leverage our XR-18 platform in internal development projects forward and in parallel evaluate ways to leverage its potential.

With a R&D focused strategy, a track record of advancing clinical projects to reach the market, and a fit for purpose team to get the job done, we have the right conditions to make Vivesto a leading oncology focused research and development company.

Thanks for following Vivesto.

Erik Kinnman, CEO of Vivesto

VIVESTO

Vivesto is a research and development company with 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 clinical phase. Late clinical-phase and commercial development is intended to take place through partnerships with other pharmaceutical companies.

Vivesto has developed the proprietary drug delivery technology XR-17, a technology platform that can improve aqueous solubility for intravenous active pharmaceutical ingredients to improve their efficacy, availability and safety. Intense and successful development is ongoing for developing the next-generation drug delivery platform, XR-18.

Product	Indication	Pre-clinical	Phase I	Phase II	Phase III	Registration/ approval	Commercial launch	Geography
Apealea (paclitaxel micellar)	Ovarian cancer							EU/EEA
Apealea (paclitaxel micellar)	Ovarian cancer							USA
Cantrixil IP	Ovarian cancer							Global
Docetaxel micellar	Prostate cancer							EU/EEA
Cantrixil IV	Other forms of cancer							Global

Apealea

Apealea (paclitaxel micellar) is based 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 is so far market launched in Germany.

Since 2020, Vivesto has a global licensing agreement with the American pharmaceutical company Elevar Therapeutics, Inc. which gives Elevar exclusive rights to commercialize Apealea globally, with the exception of a few markets. In the spring 2023, Vivesto was informed that Elevar wishes to discontinue its efforts to develop and commercialize Apealea and instead seeks to transfer its rights to a third party. Vivesto is actively seeking a suitable partner to drive the sales and further development of Apealea.

Cantrixil

Cantrixil is a clinical phase drug candidate being developed for the treatment of late-stage ovarian cancer and other cancer forms. Cantrixil 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.

In 2023, Vivesto has decided to investigate the possibility of expanding the indication for the Cantrixil cancer program to include bladder cancer and blood cancer, both indications with high unmet medical needs and significant commercial potential.

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 enabling Docetaxel to be administered without solvents.

A clinical trial with Vivesto's formulation of Docetaxel micellar in patients with metastatic prostate cancer is conducted at major hospitals in Switzerland with the Swiss Group for Clinical Cancer Research, SAKK as sponsor. In August 2023, Vivesto announced early termination of patient enrollment and the study closed its accrual after enrollment of 11 of the planned 18 patients, since Vivesto believed that the data generated will be sufficient ahead of switching into development with a new formulation based on its improved XR-18 micelle technology platform.

Paccal Vet (veterinary oncology)

Vivesto's product candidate in veterinary oncology, Paccal Vet, uses 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. 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.

In June 2023 Vivesto had a successful and encouraging pre-submission conference (PSC) with the U.S. Food and Drug Administration's Center for Veterinary Medicine (CVM) regarding development of Paccal Vet. A pilot study investigating the effect of Paccal Vet in dogs with hemangiosarcoma and malignant melanoma is planned to start in the second half of 2023.

FINANCIAL INFORMATION

Condensed consolidated income statement

TSEK	2023	2022	2023	2022	2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	0	0	0	0	1,015
Operating profit/loss	-28,842	-36,323	-50,378	-62,652	-355,049
Profit/loss for the period	-28,172	-38,514	-48,601	-64,971	-356,719
Earnings per share before and after dilution, SEK	-0.05	-0.07	-0.09	-0.13	-0.72

SECOND QUARTER

April 1 - June 30, 2023

Net sales

Net sales amounted to TSEK 0 (0).

Other operating income

Other operating income amounted to TSEK 264 (477) and comprised disposal of equipment of TSEK 3 (229), recharged costs of TSEK 242 (71), and foreign exchange gains of TSEK 19 (177).

Operating profit/loss for the quarter

The operating loss for the quarter amounted to TSEK -28,842 (-36,323). The difference in operating profit/loss from TSEK 7,481 in the year-earlier quarter was mainly attributable to lower other external expenses and employee benefit expenses of TSEK 3,128 and to lower depreciation and amortization of TSEK 3,583.

As a part of streamlining the operations on research and development, staff was reduced by five roles during the quarter, for which a provision of TSEK 1,373 was made for severance pay. Adjusted for this provision, other external expenses and employee benefit expenses decreased TSEK 4,501 compared with the year-earlier quarter.

The change in inventories of products in progress and finished goods amounted to TSEK 0 (-982).

Other external expenses amounted to TSEK -16,304 (-19,181).

Employee benefit expenses amounted to TSEK -9,127 (-9,378). The number of employees at the end of the quarter was 19 (17). Adjusted for employees who have been dismissed, the number of employees amounts to 14 people.

Depreciation, amortization and impairment amounted to TSEK -3,675 (-7,258).

Net financial items for the quarter

Net financial items for the quarter of TSEK 670 (-2,191) consisted of financial income amounting to TSEK 808 (48) and financial expenses of TSEK -138 (-2,239).

The financial income comprised interest income from short-term investments of TSEK 806 (48) and foreign exchange gains of TSEK 2 (0).

Financial expenses consisted of value changes in short-term investments of TSEK 0 (-2,118), interest expenses of TSEK 1 (0), repaid interest of TSEK -38 (0), exchange losses of TSEK 62 (0) and interest expenses from leases of TSEK 113 (121).

Profit/loss before tax for the quarter

Profit/loss before tax amounted to TSEK -28,172 (-38,514). The year-on-year improvement was attributable to the better operating profit, see above.

Income tax

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

Profit/loss for the quarter

The net loss after tax was TSEK -28,172 (-38,514).

Cash flow and capital expenditure

Net cash flow for the quarter was TSEK -1,603 (-1,607) and consisted of Cash flow from operating activities of TSEK -16,485 (-14,571), Cash flow from investing activities of TSEK 15,767 (-120,000) and Cash flow from financing activities of TSEK -885 (132,964).

Cash flow from operating activities

The cash flow from operating activities for the quarter was TSEK -16,485 (-14,571). Cash flow from operating activities before changes in working capital improved TSEK 4,050, which is due to the improved operating profit/loss, while working capital declined TSEK 5,964.

Cash flow from investing activities

Cash flow from investing activities for the quarter was TSEK 15,767 (-120,000) and pertains to divestment of short-term investments of TSEK 16,000 (0) and investments of TSEK 233 (0) in property, plant and equipment. In the previous year, an investment was made in short-term fixed-income funds from the proceeds raised by the recently completed new share issue of a net TSEK 134,258. The funds' rates are subject to low volatility and the fund units can be converted into cash within a few banking days.

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 233 (0).

Short-term investments

During the quarter, TSEK 16,000 (0) in short-term investments was divested and TSEK 0 (120,000) was invested in short-term fixed-income funds. These flows are reported in the cash flow statement as investments in and divestments of short-term investments.

Cash flow from financing activities

The cash flow from financing activities amounted to TSEK -885 (132,964) and comprised amortization of lease liabilities of TSEK 885 (1,294). Amortization of lease liabilities primarily comprised rental payments which were recognized as amortization pursuant to IFRS 16. A new share issue of TSEK 150,652, gross, was issued in the previous year, with issue expenses of TSEK 16,394.

THE PERIOD

January 1 - June 30, 2023

Net sales

Net sales amounted to TSEK 0 (0).

Other operating income

Other operating income amounted to TSEK 1,282 (2,171) and comprised insurance compensation of TSEK 0 (1,125), disposal of equipment of TSEK 3 (384), recharged costs of TSEK 367 (378), Other items consist of a non-recurring item relating to the reversal of previous supplier invoices of SEK 895,000 (0), other compensation 0 TSEK (15) and foreign exchange gains of TSEK 17 (269).

Operating profit/loss for the period

The operating loss for the period amounted to TSEK -50,378 (-62,652). The difference in operating profit/loss from TSEK 12,274 in the year-earlier period was mainly attributable to lower other external expenses and employee benefit expenses of TSEK 5,229 and to lower depreciation and amortization of TSEK 6,940.

As a part of streamlining operations on research and development, staff was reduced by five roles during the period, for which a provision of TSEK 1,373 was made for severance pay. Adjusted for this provision, other external expenses and employee benefit expenses decreased TSEK 6,602 compared with the year-earlier period.

The change in inventories of products in progress and finished goods amounted to TSEK 0 (-993).

Employee benefit expenses amounted to TSEK -17,659 (-19,800). The number of employees at the end of the period was 19 (17). Adjusted for employees who have been dismissed, the number of employees amounts to 14 people.

Depreciation, amortization and impairment amounted to TSEK -7,581 (-14,521).

Net financial items for the period

Net financial items for the period of TSEK 1,777 (-2,319) consisted of financial income of TSEK 2,318 (208) and financial expenses of TSEK -541 (-2,527).

Financial income of TSEK 2,318 (208) comprised changes in short-term investments of TSEK 2,313 (208) and exchange gains of TSEK 5 (0).

Financial expenses of TSEK -541 (-2,527) consisted of value changes in short-term investments of TSEK -236 (-2,241), interest expenses of TSEK -1 (-39), exchange losses of TSEK -65 (-18) and interest expenses from leases of TSEK -239 (-229).

Profit/loss before tax for the period

Profit/loss before tax amounted to TSEK -48,601 (-64,971). The year-on-year improvement was attributable to the better operating profit, see above.

Income tax

Reported income tax for the period amounted to TSEK 0 (0).

Profit/loss for the period

The net loss after tax was TSEK -48,601 (-64,971).

Cash flow and capital expenditure

Net cash flow for the period was TSEK -6,119 (-4,853) and consisted of Cash flow from operating activities of TSEK -39,752 (-36,510), Cash flow from investing activities of TSEK 35,554 (-100,029) and Cash flow from financing activities of TSEK -1,921 (131,686).

Cash flow from operating activities

Cash flow from operating activities for the period was TSEK -39,752 (-36,510). Cash flow from operating activities before changes in working capital improved TSEK 5,362, which is due to the improved operating profit/loss, while working capital declined TSEK 8,604.

Cash flow from investing activities

Cash flow from investing activities for the period was TSEK 36,000 (-100,029) and pertains to divestment of short-term investments of TSEK 36,000 (20,000) and investments of TSEK 446 (29) in property, plant and equipment and TSEK 0 (120,000) in short-term fixed-income funds. In the previous year, an investment was made in short-term fixed-income funds from the proceeds raised by the recently completed new share issue of a net TSEK 134,258. The funds' rates are subject to low volatility and the fund units can be converted into cash within a few banking days.

Investments in property, plant and equipment and in intangible assets

Capital expenditure during the period consisted of investments in property, plant and equipment of TSEK 446 (29).

Short-term investments

During the period, short-term fixed-income funds amounting to TSEK 36,000 (20,000) were divested. TSEK 0 (120,000) was invested in short-term fixed-income funds. These flows are reported in the cash flow statement as investments in and divestments of short-term investments.

Cash flow from financing activities

The cash flow from financing activities amounted to TSEK -1,921 (131,686) and comprised amortization of lease liabilities of TSEK -1,921 (-2,572). Amortization of lease liabilities primarily comprised rental payments which were recognized as amortization pursuant to IFRS 16. A new share issue of TSEK 150,652, gross, was issued in the previous year, with issue expenses of TSEK -16,394.

Financing and financial position

Cash and cash equivalents

The Group's cash and cash equivalents at the end of the period amounted to TSEK 3,107 (1,711).

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 June 30, 2023, the value of the funds was TSEK 99,122 (187,116).

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 6,978 (6,816), of which long-term liabilities were TSEK 4,081 (3,762).

Equity

At the end of the period, equity amounted to TSEK 276,796 (617,187), the equity/assets ratio was 90% (95), 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 ¹⁾	1,000,000	1,000,000	0.39	SEK
Employee stock options which can be converted to one share ²⁾	7,349,662	7,349,662	0.39	SEK
Max. no. of shares		12,190,412		

1) Directed at the CEO

2) Directed at employees

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

The Annual General Meeting on May 25, 2023 approved the implementation of an incentive program in the form of employee stock options for certain employees at the company ("2023 Employee Stock Option Program"). Under the program, members of company management and certain other employees at Vivesto could be issued, free of charge, a certain number of performance-based employee stock options ("Performance Options") in June 2023. During the same period, the

company's CEO could also be allotted, free of charge, non-performance-based employee stock options ("Employee Stock Options"). The Performance Options are subject to certain performance targets for the 2023 fiscal year, which determine the extent to which employees are entitled to receive and exercise the Performance Options. A total of 7,349,662 Performance Options and 1,000,000 Employee Stock Options were allocated to participants in the 2023 Employee Stock Option Program.

The Performance Options and the Employee Stock Options have a vesting period from July 1, 2023 to June 30, 2026. The options entitle, after vesting in accordance with the terms and conditions, the holder to acquire shares in the company during a period of one year following the expiry of the vesting period. Each option entitles the holder to acquire one (1) share in the company at a price of SEK 0.39 per share, corresponding to 130% of the volume-weighted average price for the company's share on Nasdaq Stockholm between May 17, 2023 and May 24, 2023. The strike price and number of shares that each Performance Option and Employee Stock Option entitles subscription for shall be recalculated in the case of a share split or reverse share split, a new share issue and/or similar measures according to market practice. The company has issued 8,349,662 warrants in the 2023/2026 series to ensure the delivery of shares to participants in 2023 Employee Stock Option Program in accordance with the terms of the program.

The Annual General Meeting on May 25, 2022 approved the implementation of a long-term incentive program in the form of employee stock options for senior executives in the company. A total of 450,000 employee stock options were allocated under the program. During the period, all employee stock options were forfeited according to the terms of the program, with the reason that the participant gave notice of terminating their employment at the company. This entailed a negative impact of TSEK 16 on equity.

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 -48,564 (-64,919). On June 30, 2023, the Parent Company's cash and cash equivalents amounted to TSEK 3,107 (1,705) and short-term investments, which within a few banking days can be converted into cash, amounted to TSEK 99,122 (187,116).

Key metrics and other information

	2023	2022	2023	2022	2022
	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun	Jan–Dec
No. of shares at end of period, before and after dilution, thousand	538,043	538,043	538,043	538,043	538,043
Weighted average No. of shares, before and after dilution, thousand	517,390	517,390	538,043	493,207	493,207
Earnings per share before and after dilution, SEK	-0.05	-0.07	-0.09	-0.13	-0.72
Equity per share, SEK	0.51	1.15	0.51	1.15	0.60
Equity/assets ratio, %	90	95	90	95	91
Net liability, TSEK	-102,229	-188,828	-102,229	-188,828	-142,512
Debt/equity ratio, %	neg.	neg.	neg.	neg.	neg.
Return on total assets, %	neg.	neg.	neg.	neg.	neg.
Return on equity, %	neg.	neg.	neg.	neg.	neg.
Number of employees at period end	19	17	19	17	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	2022	2023	2022	2022
	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun	Jan–Dec
Equity per share					
Equity attributable to Parent Company shareholders at the end of the period, TSEK	276,796	617,187	276,796	617,187	325,424
No. of shares at end of period, thousand	538,043	538,043	538,043	538,043	538,043
Equity per share, SEK	0.51	1.15	0.51	1.15	0.60
Equity/assets ratio					
Equity at end of period, TSEK	276,796	617,187	276,796	617,187	325,424
Total assets at end of period, TSEK	306,932	651,496	306,932	651,496	355,876
Equity/assets ratio	90%	95%	90%	95%	91%
Net liability, TSEK					
Other borrowings	0	0	0	0	0
Total borrowings	0	0	0	0	0
Short-term investments	99,122	187,117	99,122	187,117	133,045
Cash and cash equivalents	3,107	1,711	3,107	1,711	9,467
Total short-term investments, and cash and cash equivalents	102,229	188,828	102,229	188,828	142,512
Net liability	-102,229	-188,828	-102,229	-188,828	-142,512
Debt/equity ratio					
Net liability, TSEK	-102,229	-188,828	-102,229	-188,828	-142,512
Equity, TSEK	276,796	617,187	276,796	617,187	325,424
Debt/equity ratio	-37%	-31%	-37%	-31%	-44%
Return on total assets					
Income before deduction of interest expenses	-28,034	-36,275	-48,060	-62,444	-353,589
Average total assets	331,404	622,902	331,404	622,902	475,092
Return on total assets	-8%	-6%	-15%	-10%	-74%
Return on equity					
Profit/loss before tax	-28,172	-38,514	-48,601	-64,971	-356,719
Average equity	301,110	583,450	614,955	614,955	437,569
Return on equity	-9%	-7%	-8%	-11%	-82%

Consolidated income statement

TSEK	Note	2023	2022	2023	2022	2022
		Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun	Jan–Dec
Net sales		0	0		0	1,015
Other operating income		264	477	1,282	2,171	3,962
Change in inventories of products in progress and finished goods		0	-982	0	-993	-10,246
Raw materials and consumables		0	-1	0	-1	-1,425
Other external expenses		-16,304	-19,181	-26,420	-29,508	-58,371
Employee benefit expenses		-9,127	-9,378	-17,659	-19,800	-33,829
Depreciation, amortization and impairment		-3,675	-7,258	-7,581	-14,521	-256,155
Operating profit/loss		-28,842	-36,323	-50,378	-62,652	-355,049
Financial income		808	48	2,318	208	1,460
Financial expenses		-138	-2,239	-541	-2,527	-3,130
Financial income and expenses – net		670	-2,191	1,777	-2,319	-1,670
Profit/loss before tax		-28,172	-38,514	-48,601	-64,971	-356,719
Income tax		-	-	-	-	-
Profit/loss for the period		-28,172	-38,514	-48,601	-64,971	-356,719
Profit/loss for the period attributable to:						
Parent Company shareholders		-28,172	-38,514	-48,601	-64,971	-356,719
Non-controlling interests		-	-	-	-	-
Earnings per share before and after dilution, SEK		-0.05	-0.07	-0.09	-0.13	-0.72

Consolidated statement of comprehensive income

TSEK	Note	2023	2021	2023	2022	2022
		Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun	Jan–Dec
Profit/loss for the period		-28,172	-38,514	-48,601	-64,971	-356,719
Other comprehensive income						
Items that may subsequently be transferred to the income statement:						
Translation differences		0	0	0	0	-37
Total other comprehensive income		0	0	0	0	-37
Comprehensive income for the period		-28,172	-38,514	-48,601	-64,971	-356,756
Comprehensive income attributable to:						
Parent Company shareholders		-28,172	-38,514	-48,601	-64,971	-356,756
Non-controlling interests		-	-	-	-	-

Consolidated statement of financial position

TSEK	Note	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
ASSETS				
Non-current assets				
Property, plant and equipment		11,557	14,296	12,964
Capitalized development costs	2	155,253	391,032	158,408
Other intangible assets		32,287	38,008	33,885
Financial assets		301	301	301
Total non-current assets		199,398	443,637	205,558
Current assets				
Inventories	3	0	8,914	0
Accounts receivable		1,805	982	1,259
Other current receivables		1,520	3,040	2,328
Prepaid expenses and accrued income		1,980	6,095	4,219
Short-term investments		99,122	187,117	133,045
Cash and cash equivalents		3,107	1,711	9,467
Total current assets		107,534	207,859	150,318
TOTAL ASSETS		306,932	651,496	355,876
EQUITY				
Equity and reserves attributable to Parent Company shareholders				
Share capital		53,804	53,804	53,804
Ongoing new share issue, share capital not yet registered				
Other capital provided		2,029,311	2,029,321	2,029,327
Reserves		390	412	390
Retained earnings, including income for the period		-1,806,709	-1,466,350	-1,758,098
Equity attributable to Parent Company shareholders		276,796	617,187	325,424
Equity attributable to non-controlling interests		0	0	0
Total equity		276,796	617,187	325,424
LIABILITIES				
Long-term liabilities				
Lease liabilities, long-term		4,081	3,762	5,181
Total long-term liabilities		4,081	3,762	5,181
Current liabilities				
Accounts payable		4,766	8,065	7,000
Lease liabilities, short-term		2,897	3,054	2,987
Other current liabilities		2,203	2,468	2,329
Accrued expenses and deferred income		16,189	16,960	12,956
Total current liabilities		26,055	30,547	25,272
Total liabilities		30,136	34,309	30,452
TOTAL EQUITY AND LIABILITIES		306,932	651,496	355,876

Consolidated statement of changes in equity

TSEK	Attributable to Parent Company shareholders						Total equity
	Share capital	Other capital provided	Reserves	Retained earnings, including profit/loss for the period	Total equity attributable to Parent Company shareholders	Non-controlling interests	
Opening balance, January 1, 2022	44,837	1,905,828	427	-1,401,379	549,713	0	549,713
Profit/loss for the period	-	-	-	-64,971	-64,971	-	-64,971
Other comprehensive income	-	-	-15	-	-15	-	-15
Comprehensive income for the period	0	0	-15	-64,971	-64,986	0	-64,986
Employee stock options		-1,798			-1,798		-1,798
Share issues	8,968	141,685			150,652		150,652
Issue expenses	-	-16,394	-	-	-16,394	-	-16,394
Closing balance, June 30, 2022	53,804	2,029,321	412	-1,466,350	617,187	0	617,187
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	-	-	-	-48,601	-48,601	-	-48,601
Other comprehensive income	-	0	0	-10	-10	-	-10
Comprehensive income for the period	0	0	0	-48,611	-48,611	0	-48,611
Employee stock options	-	-16	-	-	-16	-	-16
Closing balance, June 30, 2023	53,804	2,029,311	390	-1,806,709	276,797	0	276,796

Consolidated statement of cash flows

TSEK	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	2022 Jan–Dec
Operating activities					
Operating profit/loss	-28,842	-36,323	-50,378	-62,652	-355,049
Adjustments for non-cash items	3,675	7,258	7,581	14,521	256,155
Interest paid	-76	-228	-239	-267	-495
Cash flow from operating activities before changes in working capital	-25,243	-29,293	-43,036	-48,398	-99,389
Changes in working capital					
Change in inventories	-	983	-	983	9,897
Change in accounts receivable	-265	8,755	-546	9,119	8,842
Change in other current receivables	3,411	13,502	3,047	10,094	12,682
Change in accounts payable	2,816	3,525	-2,234	-5,525	-6,590
Change in other current liabilities	2,796	-12,043	3,017	-2,783	-5,958
Cash flow from operating activities	-16,485	-14,571	-39,752	-36,510	-80,516
Investing activities					
Investments in property, plant and equipment	-233	-	-446	-29	-277
Short-term investments	-	-120,000	-	-120,000	-120,000
Divestment of short-term investments	16,000	-	36,000	20,000	75,000
Cash flow from investing activities	15,767	-120,000	35,554	-100,029	-45,277
Financing activities					
Amortization of lease liability	-885	-1,294	-1,921	-2,572	-5,495
New share issues	-	150,652	-	150,652	150,652
Issue expenses	-	-16,394	-	-16,394	-16,394
Cash flow from financing activities	-885	132,964	-1,921	131,686	128,763
Cash flow for the period	-1,603	-1,607	-6,119	-4,853	2,970
Effects of exchange rate changes on cash and cash equivalents	-223	-1,357	-241	-1,348	-1,415
Cash and cash equivalents at the beginning of the period	4,933	4,675	9,467	7,912	7,912
Cash and cash equivalents at the end of the period	3,107	1,711	3,107	1,711	9,467

Parent Company income statement

TSEK	Note	2023	2022	2023	2022	2022
		Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun	Jan–Dec
Net sales		-	-	-	-	1,015
Change in inventories of products in progress and finished goods		-	-982	-	-993	-10,246
Other operating income		264	477	1,282	2,171	3,962
Raw materials and consumables		-	-1	-	-1	-1,425
Other external expenses		-17,305	-20,217	-28,543	-31,584	-62,580
Employee benefit expenses		-9,127	-9,378	-17,659	-19,797	-33,829
Depreciation, amortization and impairment of PPE and intangible assets		-2,789	-6,313	-5,660	-12,627	-252,294
Operating profit/loss		-28,957	-36,414	-50,580	-62,830	-355,397
Other interest income and similar income		808	48	2,318	208	1,460
Interest expenses and similar expenses		-25	-2,131	-302	-2,297	-2,675
Financial income and expenses – net		783	-2,083	2,016	-2,089	-1,215
Profit/loss before tax		-28,174	-38,497	-48,564	-64,919	-356,612
Income tax on profit/loss for the period		-	-	-	-	-
Profit/loss for the period		-28,174	-38,497	-48,564	-64,919	-356,612

Parent Company balance sheet

TSEK	Note	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
ASSETS				
Non-current assets				
Intangible non-current assets				
Capitalized development costs	2	155,253	391,032	158,408
Concessions, patents, licenses, trademarks and similar rights		32,287	38,008	33,885
Property, plant and equipment				
Equipment, tools and fixtures and fittings		4,272	6,635	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		192,234	436,624	197,238
Current assets				
Inventories, etc.				
Raw materials and consumables	3	0	6,831	0
Products in progress		0	2,083	0
		0	8,914	0
Current receivables				
Accounts receivable		1,805	982	1,259
Other current receivables		1,520	3,025	2,328
Prepaid expenses and accrued income		2,948	6,947	5,106
		6,273	10,954	8,693
Short-term investments				
		99,122	187,116	133,046
Cash and bank balances				
		3,107	1,705	9,467
Total current assets		108,502	208,689	151,206
TOTAL ASSETS		300,736	645,313	348,444
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		53,804	53,804	53,804
Share capital not yet registered				
Statutory reserve		4,620	4,620	4,620
Reserve for development costs		19,819	24,542	20,557
		78,243	82,967	78,982
Non-restricted equity				
Share premium reserve		2,029,634	2,029,634	2,029,650
Retained earnings		-1,781,735	-1,429,848	-1,425,861
Profit/loss for the period		-48,564	-64,919	-356,612
		199,335	534,867	247,177
Total equity¹		277,578	617,834	326,159
Current liabilities				
Accounts payable		4,766	8,065	7,000
Other current liabilities		2,203	2,453	2,328
Accrued expenses and deferred income		16,189	16,961	12,956
Total current liabilities		23,158	27,479	22,284
TOTAL EQUITY AND LIABILITIES		300,736	645,313	348,444

Parent Company statement of changes in equity

TSEK	Restricted equity			Non-restricted equity		
	Share capital	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	-	-	-	-	-64,919	-64,919
Reversal of Reserve for development costs	-	-	-851	-	851	-
Employee stock options	-	-	-	-1,798	-	-1,798
Share issues	8,967	-	-	141,685	-	150,652
Issue expenses	-	-	-	-16,394	-	-16,394
Closing balance, June 30, 2022	53,804	4,620	24,543	2,029,634	-1,494,767	617,834
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
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	-	-	-	-	-48,564	-48,564
Reversal of Reserve for development costs	-	-	-739	-	739	-
Employee stock options	-	-	-	-16	-	-16
Closing balance, June 30, 2023	53,804	4,620	19,819	2,029,634	-1,830,299	277,578

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, 2021 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	Jun 30, 2023	Jun 30, 2022	Jun 30, 2023
Paclical	45,845	281,624	291,391
Paclical Vet	109,408	109,408	109,408
Total	155,253	391,032	400,799

Amortization in the period amounted to TSEK 3,155 (9,968).

Note 3 Inventories

TSEK	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Measured at cost			
Raw materials and consumables	-	6,831	-
Products in progress	-	2,083	-
Total	-	8,914	-

Goods have been expensed and written down as follows:

TSEK	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Expensed goods	-	-	886
Written down goods	-	983	9,360

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 1,101 (1,147). 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 a previous overdraft facility of TSEK 5,000 and a limit 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, 2021 to December 31, 2022.

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, August 24, 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 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

Interim report Q3 (Jan-Sep 2023)
Year-end report (Jan-Dec 2023)

November 16, 2023
February 23, 2024

About Vivesto AB

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 with the potential of offering cancer patients with unmet medical needs new treatment alternatives. Vivesto has a track-record of developing drugs from the preclinical stage, through clinical development to regulatory approval. 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. Furthermore, the company is developing Paccal Vet (paclitaxel micellar) for the treatment of malignant melanoma and hemangiosarcoma in dogs. Vivesto has developed proprietary drug delivery technologies designed to improve solubility of various active pharmaceutical ingredients.

Vivesto's shares are traded on Nasdaq Stockholm (ticker: VIVE). Visit www.vivesto.com for more information about Vivesto.