

Vivesto AB (publ)

Interim report for the period January 1, 2023 – September 30, 2023

“Vivesto’s updated focus is an opportunity for the company. The streamlined development plan, combined with significantly lower cash burn rate, provide the possibility to build long-term value and anchor the company as an early-stage oncology development company”

Erik Kinnman, CEO of Vivesto

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- In August, Vivesto announced that the enrollment of patients in the Docetaxel micellar advanced prostate cancer Phase 1b study with the Swiss Group for Clinical Cancer Research (SAKK) was terminated early, and that Docetaxel micellar showed good tolerability at doses considered standard for conventional docetaxel formulations, as well as signs of clinical activity.
- On September 15, Vivesto's shares were delisted from the Frankfurt Stock Exchange ("FSE"). The delisting from the FSE does not affect the listing of the company's shares on Nasdaq Stockholm.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- In October announced that the Board of Directors has decided to focus the company's resources on the Cantrixil and Paccal Vet development programs, as well as on a number of measures aimed at reducing costs in the company. All further development related to the XR-18 technology platform within Vivesto, and all operations in the company's laboratories in Uppsala will be discontinued. The plan enables the delivery of a number of important milestones and secures the company's financial position and continued operations until the end of 2026.

THIRD QUARTER: JULY 1, 2023 – SEPTEMBER 30, 2023

- Consolidated net sales amounted to TSEK 0 (1,015)
- Operating profit/loss was TSEK -16,565 (-71,318)
- Net profit/loss after tax amounted to TSEK -15,784 (-71,682)
- Earnings per share amounted to SEK -0.03(-0.14)

THE PERIOD: JANUARY 1, 2023 – SEPTEMBER 30, 2023

- Consolidated net sales amounted to TSEK 0 (1,015)
- Operating profit/loss was TSEK -66,943 (-133,970)
- Net profit/loss after tax amounted to TSEK -64,385 (-136,653)
- Earnings per share amounted to SEK -0.12 kr (-0.28)

CEO REVIEW

The hard work during the first half of the year continued in the third quarter as Vivesto set its foundation as an oncology-focused research and development company with the potential to take a leading position within specific areas where we can make a difference. Following the strategic review and steps to streamline the company to reduce costs this year, the Vivesto Board of Directors decided after the end of the third quarter to focus the company's resources on the Cantrixil and Paccal Vet development programs.



Vivesto took additional steps aimed at reducing costs in the company, including discontinuing all further development related to the XR-18 technology platform and closing the company's laboratories in Uppsala. I regret that this closure means staff reductions, but it needs to happen for us to move forward with this new focus.

This new strategic direction to become a pure development company with a focus on early-stage oncology projects where there is a clear need for more effective drugs is expected to reduce costs by more than SEK 35 million on an annual basis and enables Vivesto to deliver several important milestones and secure the company's financial position and continued operations until the end of 2026. Targeting our investments toward the Cantrixil and Paccal Vet programs increases our ability to achieve success in our clinical development and enhance long-term value for our stakeholders.

Vivesto's animal business Paccal Vet is a great opportunity. There is a tremendous unmet medical need for improved veterinary drugs. There are more than 180 million dogs in the U.S. and in Europe, and owners are increasingly spending more to care for their pets, including \$39.6 billion on vet care and product sales in 2022 in the U.S., according to the American Pet Products Association.

The Paccal Vet clinical development program is progressing according to plan. During the summer of 2023, Vivesto had a successful pre-submission meeting with the US FDA's Center for Veterinary Medicine regarding the development of Paccal Vet. Preparations for our clinical pilot study to investigate the effect of Paccal Vet in dogs are ongoing and we expect all necessary activities for the start of patient recruitment to be in place by the end of 2023.

To maximize the commercial potential of the cancer program Cantrixil, we decided to target our development resources to bladder cancer and blood cancer, both of which are indications clearly in need of additional solutions and with significant commercial potential. We have had positive results from the pre-clinical tests and, based on those, we will decide on the continued development plan for Cantrixil. Additional important results are expected early next year.

Earlier in the year, the American pharmaceutical company Elevar Therapeutics said it intended to transfer the rights and obligations of the cancer drug Apealea to a third Party. Vivesto has had a global partnership with Elevar since 2020, but Apealea was only launched in Germany by Elevar's partner Inceptua. Development in the rest of the world and sales in Europe have gone slower than expected so we view this as an opportunity to find a better partner. Vivesto is negotiating a termination agreement with Elevar. Activities with aimed at identifying potential new partners have been initiated and discussions with several potential partners are ongoing.

Vivesto's updated focus is an opportunity for the company. The streamlined development plan, combined with significantly lower cash burn rate, provide the possibility to build long-term value and anchor the company as an early-stage oncology development company.

Thanks for following Vivesto.

Erik Kinnman, CEO of Vivesto

VIVESTO

Vivesto is a research and development company that develops new treatment options for patients suffering from hard-to-treat cancer. The company develops projects with the potential to offer new treatment options for cancer patients with high medical needs. Vivesto has the capacity and expertise 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.

Product	Indication	Pre-clinical	Phase I	Phase II	Phase III	Registration/ approval	Launch
Apealea (paclitaxel micellar)	Ovarian cancer	→					
Paccal Vet (paclitaxel)	Hemangiosarcoma* Malignant melanoma*	→					
Docetaxel micellar	Prostate cancer	→					
Cantrixil	Bladder cancer Blood cancer	→					

*In dogs

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 drug candidate being developed for the treatment of late-stage cancer Cantrixil consists of the active molecule TRXE00201, a potent and selective third generation benzopyran SMET1 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 focus the further development of the program on bladder cancer and blood cancer. Both indications have high unmet medical needs and significant commercial potential. Positive results have been obtained in several hematological cancer cell lines. Important additional data on Cantrixil properties, as well as effects in bladder cancer are expected early next year.

Docetaxel micellar

An investigator-initiated open-label Phase I clinical trial with Vivesto's formulation Docetaxel micellar is conducted in metastatic prostate cancer 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 in the study, and that Docetaxel micellar showed good tolerability at doses considered standard for conventional docetaxel formulations, as well as signs of clinical activity.

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. Current solvents, such as cremophor, can cause unwanted effects in treated animals, and human albumin cannot be used in animals. The development is based on the market-approved drug Apealea, which enables the use of preclinical data and thus shorter time to market, as well as data from previous studies with Paccal Vet in dogs, which generated knowledge regarding safety and efficacy. A pilot study where the effect of Paccal Vet will be investigated in dogs is planned to start at the end of 2023. Activities ahead of starting patient recruitment are moving forward according to plan.

FINANCIAL INFORMATION

Condensed consolidated income statement

	2023	2022	2023	2022	2022
TSEK	Jul–Sep	Jul–Sep	Jan–Sep	Jan–Sep	Jan–Dec
Net sales	–	1,015	–	1,015	1,015
Operating profit/loss	-16,565	-71,318	-66,943	-133,970	-355,049
Profit/loss for the period	-15,784	-71,682	-64,385	-136,653	-356,719
Earnings per share before and after dilution, SEK	-0.03	-0.14	-0.12	-0.28	-0.72

THIRD QUARTER

July 1 – September 30, 2023

Net sales

Net sales amounted to TSEK 0 (1,015).

Other operating income

Other operating income amounted to TSEK 1,029 (113) and comprised disposal of equipment of TSEK 7 (0), recharged costs of TSEK 971 (0), government support and grants of TSEK 77 (0), foreign exchange gains of TSEK -26 (53) and other items of TSEK 0 (60).

Operating profit/loss for the quarter

The operating loss for the quarter amounted to TSEK -16,565 (-71,318). The year-on-year difference of TSEK 54,753 in operating profit/loss was largely attributable to the previous year's write-down of the company's operations in Russia, which amounted to TSEK -44,624. Other external expenses and employee benefit expenses also decreased TSEK 6,301 compared with the year-earlier quarter.

The change in inventories of products in progress and finished goods amounted to TSEK 0 (-886).

Other external expenses amounted to TSEK -7,778 (-14,079).

Employee benefit expenses amounted to TSEK -6,127 (-6,624). The number of employees at the end of the quarter was 14 (17).

Depreciation, amortization and impairment amounted to TSEK -3,689 (-50,857).

Net financial items for the quarter

Net financial items for the quarter of TSEK 781 (-364) consisted of financial income amounting to TSEK 1,004 (26) and financial expenses of TSEK -223 (-390).

The financial income comprised interest income from short-term investments of TSEK 984 (26), other interest income of TSEK 2 (0) and foreign exchange gains of TSEK 18 (0).

Financial expenses consisted of value changes in short-term investments of TSEK 0 (-275), exchange losses of TSEK -124 (-20) and interest expenses from leases of TSEK -99 (-95).

Profit/loss before tax for the quarter

Profit/loss before tax amounted to TSEK -15,784 (-71,682). 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 -15,784 (-71,682).

Cash flow and capital expenditure

Net cash flow for the quarter was TSEK 664 (688) and consisted of Cash flow from operating activities of TSEK -18,702 (-22,591), Cash flow from investing activities of TSEK 20,465 (24,752) and Cash flow from financing activities of TSEK -886 (-1,473).

Cash flow from operating activities

The cash flow from operating activities for the quarter was TSEK -18,702 (-22,591). Cash flow from operating activities before changes in working capital improved TSEK 8,448, which was due to the improved operating profit/loss, while working capital declined TSEK 4,559.

Cash flow from investing activities

Cash flow from investing activities for the quarter was TSEK 20,252 (24,752) and pertained to the divestment of short-term investments of TSEK 20,465 (25,000) and investments of TSEK 213 (248) in property, plant and equipment.

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 (248).

Short-term investments

During the quarter, short-term investments amounting to TSEK 20,465 (25,000) were divested. These flows are reported in the cash flow statement as investments in and divestments of short-term investments. The funds' rates are subject to low volatility and the fund units can be converted into cash within a few banking days.

Cash flow from financing activities

The cash flow from financing activities amounted to TSEK -886 (-1,473) and comprised amortization of lease liabilities of TSEK 886 (1,473). Amortization of lease liabilities primarily comprised rental payments which were recognized as amortization pursuant to IFRS 16.

THE PERIOD

January 1 - September 30, 2023

Net sales

Net sales amounted to TSEK 0 (1,015).

Other operating income

Other operating income amounted to TSEK 2,311 (2,284) and comprised disposal of equipment of TSEK 10 (384), recharged costs of TSEK 2,233 (393), government support and grants of TSEK 77 (0), foreign exchange gains of TSEK -9 (322), insurance compensation of TSEK 0 (1,125) and other items of TSEK 0 (60).

Operating profit/loss for the period

The operating loss for the period amounted to TSEK -66,943 (-133,970). The year-on-year difference of TSEK 67,027 in operating profit/loss was largely attributable to the previous year's write-down of the company's operations in Russia, which amounted to TSEK -44,624. Other external expenses decreased TSEK 9,389 and employee benefit expenses decreased TSEK 2,638 compared with the year-earlier quarter.

The change in inventories of products in progress and finished goods amounted to TSEK 0 (-1,879).

Employee benefit expenses amounted to TSEK -23,786 (-26,424). The number of employees at the end of the period was 14 (17). As a part of streamlining operations on research and development, staff was reduced by five roles during the period.

Depreciation, amortization and impairment amounted to TSEK -11,270 (-65,378).

Net financial items for the period

Net financial items for the period of TSEK 2,558 (-2,683) consisted of financial income of TSEK 3,322 (234) and financial expenses of TSEK -764 (-2,917).

Financial income of TSEK 3,322 (234) comprised changes in short-term investments of TSEK 3,297 (234), other interest income of TSEK 2 (0) and exchange gains of TSEK 23 (0).

Financial expenses of TSEK -764 (-2,917) consisted of value changes in short-term investments of TSEK -236 (-2,516), interest expenses of TSEK -1 (-39), exchange losses of TSEK -189 (-38) and interest expenses from leases of TSEK -338 (-324).

Profit/loss before tax for the period

Profit/loss before tax amounted to TSEK -64,380 (-136,653). 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 -64,380 (-136,653).

Cash flow and capital expenditure

Net cash flow for the period was TSEK -5,455 (-4,165) and consisted of Cash flow from operating activities of TSEK -58,454 (-59,101), Cash flow from investing activities of TSEK 55,806 (-75,277) and Cash flow from financing activities of TSEK -2,807 (130,213).

Cash flow from operating activities

Cash flow from operating activities for the period was TSEK -58,454 (-59,101). Cash flow from operating activities before changes in working capital improved TSEK 13,810, which was due to the improved operating profit/loss, while working capital declined TSEK 13,163.

Cash flow from investing activities

Cash flow from investing activities for the period was TSEK 55,806 (-75,277) and pertained to the divestment of short-term investments of TSEK 56,465 (45,000) and investments of TSEK 659 (277) 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 659 (277).

Short-term investments

During the period, short-term fixed-income funds amounting to TSEK 56,465 (45,000) 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 -2,807 (130,213) and comprised amortization of lease liabilities of TSEK -2,807 (-4,045). 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 4,166 (2,400).

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 September 30, 2023, the value of the funds was TSEK 83,156 (161,841).

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 6,049 (6,244), of which long-term liabilities were TSEK 3,423 (3,442).

Equity

At the end of the period, equity amounted to TSEK 261,169 (545,495), the equity/assets ratio was 92% (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 (1,015) and profit/loss before tax was TSEK -64,380 (-136,602). As of September 30, 2023, the Parent Company's cash and cash equivalents amounted to TSEK 4,166 (2,400) and short-term investments, which within a few banking days can be converted into cash, amounted to TSEK 83,156 (161,841).

Key metrics and other information

	2023	2022	2023	2022	2022
	Jul–Sep	Jul–Sep	Jan–Sep	Jan–Sep	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	538,043	517,390	538,043	493,207	493,207
Earnings per share before and after dilution, SEK	-0.03	-0.14	-0.12	-0.28	-0.72
Equity per share, SEK	0.49	1.01	0.49	1.01	0.60
Equity/assets ratio, %	92	95	92	95	91
Net liability, TSEK	-83,807	-164,241	-83,807	-164,241	-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	14	17	14	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
	Jul–Sep	Jul–Sep	Jan–Sep	Jan–Sep	Jan–Dec
Equity per share					
Equity attributable to Parent Company shareholders at the end of the period, TSEK	261,169	545,495	261,169	545,495	325,424
No. of shares at end of period, thousand	538,043	538,043	538,043	538,043	538,043
Equity per share, SEK	0.49	1.01	0.49	1.01	0.60
Equity/assets ratio					
Equity at end of period, TSEK	261,169	545,495	261,169	545,495	325,424
Total assets at end of period, TSEK	283,481	573,236	283,481	573,236	355,876
Equity/assets ratio	92%	95%	92%	95%	91%
Net liability, TSEK					
Other borrowings	0	0	0	0	0
Total borrowings	0	0	0	0	0
Short-term investments	79,641	161,841	79,641	161,841	133,045
Cash and cash equivalents	4,166	2,400	4,166	2,400	9,467
Total short-term investments, and cash and cash equivalents	83,807	164,241	83,807	164,241	142,512
Net liability	-83,807	-164,241	-83,807	-164,241	-142,512
Debt/equity ratio					
Net liability, TSEK	-83,807	-164,241	-83,807	-164,241	-142,512
Equity, TSEK	261,169	545,495	261,169	545,495	325,424
Debt/equity ratio	-32%	-30%	-32%	-30%	-44%
Return on total assets					
Income before deduction of interest expenses	-15,561	-71,292	-63,621	-133,736	-353,589
Average total assets	295,207	633,270	319,679	583,772	475,092
Return on total assets	-5%	-11%	-20%	-23%	-74%
Return on equity					
Profit/loss before tax	-15,784	-71,682	-64,385	-136,653	-356,719
Average equity	268,983	548,782	293,297	547,603	437,569
Return on equity	-6%	-13%	-22%	-25%	-82%

Consolidated income statement

TSEK	Note	2023	2022	2023	2022	2022
		Jul–Sep	Jul–Sep	Jan–Sep	Jan–Sep	Jan–Dec
Net sales		–	1,015	–	1,015	1,015
Other operating income		1,029	113	2,311	2,284	3,962
Change in inventories of products in progress and finished goods		–	-886	–	-1,879	-10,246
Raw materials and consumables		–	–	–	-1	-1,425
Other external expenses		-7,778	-14,079	-34,198	-43,587	-58,371
Employee benefit expenses		-6,127	-6,624	-23,786	-26,424	-33,829
Depreciation, amortization and impairment		-3,689	-50,857	-11,270	-65,378	-256,155
Operating profit/loss		-16,565	-71,318	-66,943	-133,970	-355,049
Financial income		1,004	26	3,322	234	1,460
Financial expenses		-223	-390	-764	-2,917	-3,130
Financial income and expenses – net		781	-364	2,558	-2,683	-1,670
Profit/loss before tax		-15,784	-71,682	-64,385	-136,653	-356,719
Income tax		–	–	–	–	–
Profit/loss for the period		-15,784	-71,682	-64,385	-136,653	-356,719
Profit/loss for the period attributable to:						
Parent Company shareholders		-15,784	-71,682	-64,385	-136,653	-356,719
Non-controlling interests		–	–	–	–	–
Earnings per share before and after dilution, SEK		-0.03	-0.14	-0.12	-0.28	-0.72

Consolidated statement of comprehensive income

TSEK	Note	2023	2021	2023	2022	2022
		Jul–Sep	Apr–Jun	Jan–Sep	Jan–Sep	Jan–Dec
Profit/loss for the period		-15,784	-71,682	-64,385	-136,653	-356,719
Other comprehensive income						
Items that may subsequently be transferred to the income statement:						
Translation differences		0	71	0	360	-37
Total other comprehensive income		0	71	0	360	-37
Comprehensive income for the period		-15,784	-71,611	-64,385	-136,293	-356,756
Comprehensive income attributable to:						
Parent Company shareholders		-15,784	-71,611	-64,385	-136,293	-356,756
Non-controlling interests		–	–	–	–	–

Consolidated statement of financial position

TSEK	Note	Sep 30 2023	Sep 30, 2022	Dec 31, 2022
ASSETS				
Non-current assets				
Property, plant and equipment		10,247	12,998	12,964
Capitalized development costs	2	153,672	342,550	158,408
Other intangible assets		31,489	37,210	33,885
Financial assets		301	301	301
Total non-current assets		195,709	393,059	205,558
Current assets				
Inventories	3	–	8,027	–
Accounts receivable		361	1,322	1,259
Other current receivables		1,339	1,762	2,328
Prepaid expenses and accrued income		2,265	4,825	4,219
Short-term investments		79,641	161,841	133,045
Cash and cash equivalents		4,166	2,400	9,467
Total current assets		87,772	180,177	150,318
TOTAL ASSETS		283,481	573,236	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		2,029,781	2,029,327	2,029,327
Reserves		0	395	390
Retained earnings, including income for the period		-1,822,416	-1,538,032	-1,758,098
Equity attributable to Parent Company shareholders		261,169	545,495	325,424
Equity attributable to non-controlling interests		0	0	0
Total equity		261,169	545,495	325,424
LIABILITIES				
Long-term liabilities				
Lease liabilities, long-term		3,423	3,442	5,181
Total long-term liabilities		3,423	3,442	5,181
Current liabilities				
Accounts payable		3,481	6,547	7,000
Lease liabilities, short-term		2,626	2,802	2,987
Other current liabilities		1,037	2,517	2,329
Accrued expenses and deferred income		11,745	12,434	12,956
Total current liabilities		18,889	24,299	25,272
Total liabilities		22,312	27,741	30,452
TOTAL EQUITY AND LIABILITIES		283,481	573,236	355,876

Consolidated statement of changes in equity

TSEK	Attributable to Parent Company shareholders					Total equity attributable to Parent Company shareholders	Total equity
	Share capital	Other capital provided	Reserves	Retained earnings, including profit/loss for the period			
Opening balance, January 1, 2022	44,837	1,905,828	427	-1,401,379	549,713	549,713	
Profit/loss for the period	–	–	–	-136,653	-136,653	-136,653	
Other comprehensive income	–	–	-32	–	-32	-32	
Comprehensive income for the period	0	0	-32	-136,653	-136,685	-136,685	
Employee stock options		-1,792			-1,792	-1,792	
Share issues	8,968	141,685			150,652	150,652	
Issue expenses	–	-16,394	–	–	-16,394	-16,394	
Closing balance, September 30, 2022	53,804	2,029,327	395	-1,538,032	545,494	545,494	
Opening balance, January 1, 2022	44,837	1,905,828	427	-1,401,379	549,713	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	-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	325,424	
Opening balance, January 1, 2023	53,804	2,029,327	390	-1,758,098	325,424	325,424	
Profit/loss for the period	–	–	–	-64,385	-64,385	-64,385	
Other comprehensive income	–	307	-390	67	-16	-16	
Comprehensive income for the period	0	307	-390	-64,318	-64,401	-64,401	
Employee stock options	–	147	–	–	147	147	
Closing balance, September 30, 2023	53,804	2,029,781	0	-1,822,416	261,169	261,169	

Consolidated statement of cash flows

TSEK	2023 Jul–Sep	2022 Jul–Sep	2023 Jan–Sep	2022 Jan–Sep	2022 Jan–Dec
Operating activities					
Operating profit/loss	-16,565	-71,318	-66,943	-133,970	-355,049
Adjustments for non-cash items	3,689	50,857	11,270	65,378	256,155
Interest paid	0	-863	-239	-1,130	-495
Cash flow from operating activities before changes in working capital	-12,876	-21,324	-55,912	-69,722	-99,389
Changes in working capital					
Change in inventories	–	887	–	1,870	9,897
Change in accounts receivable	1,444	-340	898	8,779	8,842
Change in other current receivables	-104	2,548	2,943	12,642	12,682
Change in accounts payable	-1,285	-1,518	-3,519	-7,043	-6,590
Change in other current liabilities	-5,881	-2,844	-2,864	-5,627	-5,958
Cash flow from operating activities	-18,702	-22,591	-58,454	-59,101	-80,516
Investing activities					
Investments in property, plant and equipment	-213	-248	-659	-277	-277
Short-term investments	–	–	–	-120,000	-120,000
Divestment of short-term investments	20,465	25,000	56,465	45,000	75,000
Cash flow from investing activities	20,252	24,752	55,806	-75,277	-45,277
Financing activities					
Amortization of lease liability	-886	-1,473	-2,807	-4,045	-5,495
New share issues	–	–	–	150,652	150,652
Issue expenses	0	0	0	-16,394	-16,394
Cash flow from financing activities	-886	-1,473	-2,807	130,213	128,763
Cash flow for the period	664	688	-5,455	-4,165	2,970
Effects of exchange rate changes on cash and cash equivalents	395	1	154	-1,347	-1,415
Cash and cash equivalents at the beginning of the period	3,107	1,711	9,467	7,912	7,912
Cash and cash equivalents at the end of the period	4,166	2,400	4,166	2,400	9,467

Parent Company income statement

TSEK	Note	2023	2022	2023	2022	2022
		Jul–Sep	Jul–Sep	Jan–Sep	Jan–Sep	Jan–Dec
Net sales		0	1,015		1,015	1,015
Change in inventories of products in progress and finished goods		0	-886		-1,879	-10,246
Other operating income		1,029	113	2,311	2,284	3,962
Raw materials and consumables		0	-1		-1	-1,425
Other external expenses		-8,795	-15,116	-37,338	-46,700	-62,580
Employee benefit expenses		-6,127	-6,627	-23,786	-26,424	-33,829
Depreciation, amortization and impairment of PPE and intangible assets		-2,803	-49,911	-8,463	-62,538	-252,294
Operating profit/loss		-16,696	-71,413	-67,276	-134,243	-355,397
Other interest income and similar income		1,004	25	3,322	234	1,460
Interest expenses and similar expenses		-124	-295	-426	-2,592	-2,675
Financial income and expenses – net		880	-270	2,896	-2,359	-1,215
Profit/loss before tax		-15,816	-71,683	-64,380	-136,602	-356,612
Income tax on profit/loss for the period		–	–	–	–	–
Profit/loss for the period		-15,816	-71,683	-64,380	-136,602	-356,612

Parent Company balance sheet

TSEK	Note	Sep 30 2023	Sep 30, 2022	Dec 31, 2022
ASSETS				
Non-current assets				
Intangible non-current assets				
Capitalized development costs	2	153,672	342,550	158,408
Concessions, patents, licenses, trademarks and similar rights		31,489	37,210	33,885
Property, plant and equipment				
Equipment, tools and fixtures and fittings		3,848	6,283	4,523
Construction in progress and advance payments for property, plant and equipment		121	648	121
Financial assets				
Participations in Group companies		–	–	–
Other securities held as non-current assets		301	301	301
Total non-current assets		189,431	386,992	197,238
Current assets				
Inventories, etc.				
Raw materials and consumables	3	–	5,944	–
Products in progress		–	2,083	–
		0	8,027	0
Current receivables				
Accounts receivable		361	1,322	1,259
Other current receivables		1,339	1,762	2,328
Prepaid expenses and accrued income		3,233	5,677	5,106
		4,933	8,761	8,693
Short-term investments		79,641	161,841	133,046
Cash and bank balances		4,166	2,400	9,467
Total current assets		88,740	181,029	151,206
TOTAL ASSETS		278,171	568,021	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		19,449	20,927	20,557
		77,873	79,352	78,982
Non-restricted equity				
Share premium reserve		2,029,781	2,029,640	2,029,650
Retained earnings		-1,781,366	-1,426,231	-1,425,861
Profit/loss for the period		-64,380	-136,602	-356,612
		184,035	466,807	247,177
Total equity¹		261,908	546,159	326,159
Current liabilities				
Accounts payable		3,481	6,547	7,000
Other current liabilities		1,037	2,517	2,328
Accrued expenses and deferred income		11,745	12,798	12,956
Total current liabilities		16,263	21,862	22,284
TOTAL EQUITY AND LIABILITIES		278,171	568,021	348,444

Parent Company statement of changes in equity

TSEK	Restricted equity			Non-restricted equity		Total equity
	Share capital	Statutory reserve	Reserve for development costs	Share premium reserve	Retained earnings, including profit/loss for the year	
Opening balance, January 1, 2022	44,837	4,620	25,394	1,906,141	-1,430,699	550,293
Profit/loss for the period	–	–	–	–	-136,602	-136,602
Reversal of Reserve for development costs	–	–	-4,467	–	4,467	–
Employee stock options	–	–	–	-1,792	–	-1,792
Share issues	8,967	–	–	141,685	–	150,652
Issue expenses	–	–	–	-16,394	–	-16,394
Closing balance, September 30, 2022	53,804	4,620	20,927	2,029,640	-1,562,833	546,159
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	–	–	–	–	-64,380	-64,380
Reversal of Reserve for development costs	–	–	-1,108	–	1,108	–
Employee stock options	–	–	–	131	–	131
Closing balance, September 30, 2023	53,804	4,620	19,450	2,029,781	-1,845,746	261,909

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	Sep 30 2023	Sep 30, 2022	Sep 30 2023
Paclical	44,264	233,142	291,391
Paclical Vet	109,408	109,408	109,408
Total	153,672	342,550	400,799

Amortization in the period amounted to TSEK 3,155 (20,754).

Note 3 Inventories

TSEK	Sep 30 2023	Sep 30, 2022	Dec 31, 2022
Measured at cost			
Raw materials and consumables	-	5,944	-
Products in progress	-	2,083	-
Total	-	8,027	-

Goods have been expensed and written down as follows:

TSEK	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Expensed goods	-	886	886
Written down goods	-	993	9,360

Note 4 Transactions with related parties

During the period, expenses in the form of consultancy fees to members of the management were recognized in an amount of TSEK 2,710 (1,976). Otherwise, no material transactions with related parties were conducted during the quarter other than the remuneration disbursed to Board members and employees.

Note 5 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, November 16, 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 been subject to review by the company's auditors.

Audit report
Vivesto AB (publ)
Org. no. 556332-6676

Introduction

We have reviewed the condensed interim financial information (interim report) of Vivesto AB (publ) as of 30 September 2023 and the nine-month period then ended.

The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing standards. The procedures performed in a review do not enable us to obtain assurance that we are aware of all significant matters that might be identified in an audit. The expressed conclusion based on a review does not therefore provide the same level of assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the Parent Company in accordance with the Swedish Annual Accounts Act.

Stockholm, 16 November 2023

KPMG AB

Henrik Lind
Authorized Public Accountant

COMPANY INFORMATION

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Corp. reg. no. 556332-6676
Domicile: Stockholm

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Financial calendar

Year-end report (Jan-Dec 2023)	February 23, 2024
Annual Report publication	Week 17, 2024
Annual General Meeting 2023/4	May 23, 2024
Interim report Q1 (Jan-Mar 2024)	May 23, 2024
Interim report Q2 (Jan-Jun 2024)	August 22, 2024
Interim report Q3 (Jan-Sep 2024)	November 21, 2024
Year-end report (Jan-Dec 2024)	February 20, 2025

About Vivesto AB

Vivesto is a research and development company that develops new treatment options for patients suffering from hard-to-treat cancer. The company develops projects with the potential to offer new treatment options for cancer patients with high medical needs. Vivesto has the capacity and expertise 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'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. In addition, Vivesto is developing the cancer programs Cantrixil and Docetaxel micellar, and the veterinary oncology program Paccal Vet (paclitaxel micellar) which is being developed for the treatment of malignant melanoma and hemangiosarcoma in dogs.

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