

Financial Summary for the group

KSEK	2023-01-01	2022-01-01
	2023-03-31	2022-03-31
Net turnover	0	0
Profit/loss before tax	-5 976	-16 679
Total assets	47 131	84 986
Earnings per share before and after dilution (SEK)	-0,06	-0,18
Cash and cash equivalents as per period end	22 394	69 194
Equity ratio as per period end	86,9%	85,5%

Significant Events

Significant events during the first quarter of 2023

- Cyxone announces the nomination committee's proposal for the AGM and the resignation of two board members.
- Cyxone makes significant progress in the manufacturing process for rabeximod.
- Cyxone receive ethical and regulatory approval from Georgia to conduct clinical Phase 2b study in RA.
- Cyxone advances the patent portfolio for rabeximod.

Significant events after the end of the period

- Carl-Magnus Högerkorp is elected as a new board member until the next AGM.
- Cyxone receives patent approval from the US for the salt forms of the compound rabeximod.

Follow our news and information about our presence at investor events via Nasdaq First North Growth Market and the company's website: www.cyxone.com.

This is a translation of the original Swedish version of the interim report. In case of any discrepancy between this translation and the Swedish original, the latter shall prevail.

The information was submitted for publication, through the agency of the contact person set out above, on 12th of May 2023.

Carl-Magnus Högerkorp, CEO
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CEO Carl-Magnus Högerkorp comments

We continue to gradually build our projects step by step. The focus is of course on the Phase 2b study APPRAIS with rabeximod in rheumatoid arthritis, but many other activities are continuously carried out to create a better foundation for both the rabeximod and T20K project.

"We see a renewed interest in immunology among the big companies. American Merck/MSD recently completed a major transaction through its purchase of Prometheus Biosciences, a company that develops drugs for a range of autoimmune conditions. This is a trend that is beginning to emerge, and therefore we have a very positive outlook on the future."

Carl-Magnus Högerkorp, CEO Cyxone AB



Rabeximod advances with new approvals for the study APPRAIS

The preparations for the planned phase 2b study APPRAIS in patients with moderate to severe rheumatoid arthritis is progressing. In February, ethical and regulatory approval was obtained from the LEPL Regulation Agency for Medical and Pharmaceutical Activities in Georgia. Along with regulatory approvals from the Hungarian Medical Product Agency (National Institute of Pharmacy and Nutrition - OGYEI) and the Polish Medical Product Agency (Office for Registration of Medicinal Products, Medical devices and Biocides) and its Central Ethics Committee, the approval in Georgia is the third in a row and gives us a good starting point for the study. Together, these countries will contribute upwards of 65% of the patient base and are therefore very important.

In order to further document safety in the rabeximod project, we have conducted a follow-up non-clinical GLP study during the autumn and winter. In the dialogue we had with the American Medical Product Agency (Food and Drug Administration - FDA) during the summer of 2022, it was recommended to conduct this follow-up study. The study has been carried out during the winter and has also been complemented by a couple of further investigations to ensure the right quality level of the data that is generated. Currently, the final report of the study will be made available for the FDA's review, together with other non-clinical and clinical documentation.

Patent applications reach new milestones

Since patents are a very important component in the commercialization process of new drugs, the continuous work to develop and strengthen the company's patent portfolio is something that much time and resources are invested into. Cyxone works very strategically to further develop the company's patent protection. Since 2020, we therefore have several new patent applications in place for our various projects. During February, we were able to announce that four of our latest patent applications had reached the national phase. National phase means that the patent

applications have come further in the process and are ready for examination at the national level in the regions and countries where it is advantageous to maintain patents from a marketing point of view, for example Europe, USA, China and several other parts of the world.

Important advances in the development of manufacturing processes

Other important aspects of the drug development process are manufacturing of the drug substance itself. During the early phases of development, small-scale manufacturing according to the principles of Good Manufacturing Practice (GMP) is important to establish. As the project advances, a more scalable process is necessary to get in place, that enables cost-effective manufacturing of the drug.

In the T20K project, we have worked with a process that makes it possible to produce substances based on chemical synthesis and enzymatic modification of the T20K molecule, a method based on work from the research group in Australia that has worked with T20K for many years. In March, the same research group reported new progress on a plant-based method to produce T20K. A plant-based process would eventually be a very interesting and cost-effective way to manufacture T20K.

In terms of continued optimization of a scalable manufacturing process for rabeximod, we made significant progress in Q1. One of the process steps could be significantly shortened by applying a different technology – from having previously required days, this step could be shortened to only requiring a few hours, which is very significant for a future scaled-up process.

New interest in immunology within the industry creates optimism

The Life Science sector is currently strongly affected by the current economic situation, where increased interest rates, unpredictability and inflation mean that the risk willingness on the market decreases. However, since Cyxone has mature projects that are far along in development, we have a good chance of generating interest from the industry. We see a renewed interest in immunology among the big companies. American Merck/MSD recently completed a major transaction through its purchase of Prometheus Biosciences, a company that develops drugs for a range of autoimmune conditions. This is a trend that is beginning to emerge, and therefore we have a very positive outlook on the future.

Please follow the company's development and our participation in investor meetings via Nasdaq First North Growth Market and on the company's website, www.cyxone.com

Carl-Magnus Högerkorp
CEO
Cyxone AB

Cyxone AB

Operations

Cyxone AB is a clinical stage biotech company specializing in the development of transformative therapies against autoimmune and autoinflammatory diseases. Our pipeline includes rabeximod, currently in Phase 2 clinical development for the treatment of rheumatoid arthritis and T20K, currently in early clinical development for the treatment of multiple sclerosis.

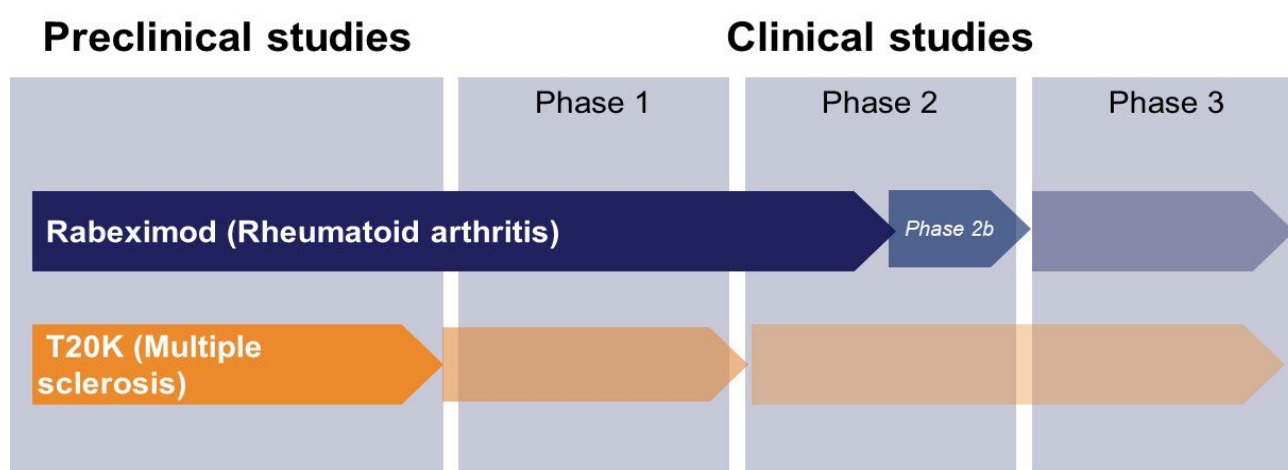
Cyxone is listed on Nasdaq First North Growth Market since 2016 under the ticker CYXO.

Rabeximod for rheumatoid arthritis (RA)

Rabeximod directly addresses the gap in the medical need for RA treatment. Combined with the convenience of oral administration and a beneficial safety and tolerability profile, rabeximod can be available for treatment in both early and later stages of the disease. It is cost-effective and will be positioned as a treatment option for a patient group who demonstrated inadequate response to the first-line treatment methotrexate.

T20K for multiple sclerosis (MS)

T20K is a plant derived cyclotide that have demonstrated compelling immunomodulating properties impacting on T cell responses. In a preclinical model of multiple sclerosis (EAE model), T20K has been shown to significantly delay onset as well as severity of clinical symptoms by modulating T cells. This is a potentially disease preventing mechanism and T20K could thus be effective in slowing down the disease progression.



This figure shows the current phase of each drug project.

Business model

Cyxone's business model is to develop therapies to achieve value-creating milestones. The company develops early-stage projects within autoimmune diseases through Phase 2 studies. After this stage, the aim is to enter into licensing agreements with resourceful partners.

Management and Board of Directors

Cyxone's executive management team consists of experienced people with solid knowledge in the fields of drug development, business development and financing in innovative development companies. Members of the Cyxone board have extensive experience of taking projects from academic research stage to publicly traded development companies, fundraising as well as negotiating license and cooperation agreements.

Aims

Cyxone's aims are to develop therapies for autoimmune diseases which improve the quality of life and reduce side effects in patients, based on the latest scientific data on the disease mechanism.

Vision

Cyxone's vision is to provide patients with transformative therapies for autoimmune (inflammatory) diseases, such as rheumatoid arthritis (RA) and multiple sclerosis (MS).

Strategy

Cyxone's long-term strategy is to develop its projects to market approval in collaboration with external partners, and to extend the pipeline by exploring further indications for its existing drug candidates as well as in-licensing and acquisition of projects from external sources.

Financial information

The Group

Group's turnover and results for the period January - March 2022

Turnover amounted to 0.0 MSEK (0.0). Capitalized work on own account amounted to 1.4 MSEK (0.0). The operating cost amounted to 7.4 MSEK (16.7). The overall loss for the group was -6.0 MSEK (-16.7).

Cash flow, liquidity and financial position, Group, for the period January - March 2023

Cash and cash equivalents at the end of the period amounted to 22.4 MSEK, compared with 29.2 MSEK at the beginning of the period. Total Equity amounts to 41.0 (46.9) MSEK. Cash flow for the period was -6.8 MSEK (39.8), of which cash flow from operating activities amounted to -4.9 MSEK (-9.8). Cash flow from investments amounted to -1.8 MSEK (-0.5). Cash flow from financing activities amounted to -0.2 MSEK (50.1). At the end of the period, the equity ratio for the Group was 86.9 percent, compared with 85.5 percent at the end of March 2022.

Investments

Investments in tangible fixed assets amounted to 0.0 MSEK (0.3).

Parent Company

The Parent Company's turnover and results and financial position for the period January – March 2023

Turnover amounted to 0.0 MSEK (0.0). Capitalized work on own account amounted to 1.4 MSEK (0.0) and operating cost to 7.3 MSEK (16.7). The Parent Company's operating loss for the period was 5.9 MSEK (16.7). Net financial cost amounted to 0.0 MSEK (0.0) and the loss after financial items was 5.9 MSEK. (16.7). Cash and cash equivalents at the end of the period amounted to 21.3 MSEK at the end of the period, compared to 28.1 MSEK 1 January 2023.

The parent company's equity and share capital

The parent company's equity at the end of the period amounted to 41.1 MSEK, compared to 47.0 MSEK at the end of 2022.

Personnel

The average number of employees during the period is 5.3 (7.0), of which the number of employees in research and development consists of 2.0 (3.0) employees. At the end of the period, the Parent company and the Group had 5 employees.

The Share

The company was formed on 2015-07-13. The share has been traded since 2016-06-07 on Nasdaq First North Growth Market Stockholm under the name CYXO.

The number of outstanding shares at the end of the period amounted to 98,444,728 and the total share capital to SEK 7,429,788.50.

Largest shareholders 31st of March 2023

Owner	Number of shares	Shares of votes and capital (%)
Avanza Pension	7,125,566	7.24
Ivar Nordqvist	3,291,155	3.34
Göran Ofsén	2,400,000	2.44
Oxypharma AB	1,916,372	1.95
Fornio AB*	1,788,732	1.82
Mikeoo Holding AB**	1,788,732	1.82
Nordnet Pensionsförsäkring AB	1,649,289	1.68
ABBMO Holding AB	1,619,078	1.64
Christian Pettersson	1,373,000	1.39
C & Son Invest AB	1,000,743	1.02
Övriga aktieägare	74,492,061	75.66
Total number of shares	98,444,728	100.00

*Bert Junno owns 100% of the shares in Fornio AB. Bert Junno further owns 400,000 shares in Cyxone AB.

**Mikael Lindstam owns 100% of the shares in Mikeoo Holding AB. Mikael Lindstam further owns 62,500 shares in Cyxone AB.

Future prospects including significant risks and uncertainties

Cyxone is dependent on external capital to finance its operations. The opportunity to raise external capital can be affected by factors beyond the company's control, such as cyclical fluctuations and market fluctuations, which can make it more difficult or more expensive for the company to raise new capital. Negative study results or significant delays can also affect the company's opportunities for financing.

Cyxone's ability to develop drug projects to the point where partnership agreements can be secured and a partner takes responsibility for the future development and commercialization of the project is crucial to the company's long-term financial strength and stability. No partnerships have been entered into so far. Negative study results can have a negative impact on the company's ability to attract potential partners. Market fluctuations and changed regulations can also affect the company's attractiveness in the market. Cyxone is developing two projects in parallel with different indications in an attempt to spread this risk and broaden its product portfolio.

A research company like Cyxone is characterized by high operational and financial risk, as the projects in which the company is involved have both developmental, regulatory and commercial risks. In addition, the company's ability to attract and retain key people with both insight into the research area and relevant product development experiences is a significant risk. The company is actively working to improve its opportunities to both attract and retain such key people.

Cyxone operates in an international market whereupon the company is affected by exchange rate changes around

the world. Cyxone is in many cases dependent on international subcontractors to carry out studies and production of materials, after which fluctuations in exchange rates can have a significant impact on the prices of both goods and services.

Cyxone is so far exclusively engaged in research and product development and thus there is always a risk that development results may deviate from expectations, which may have a negative impact on the company in the form of increased costs, delays and reduced opportunities or conditions for capital raising or licensing. The drug development industry is a highly regulated market with strict regulatory requirements. Cyxone is in several stages in the development process dependent on obtaining regulatory approval from various authorities. The company works within the framework of the regulatory framework regarding clinical trials and must comply with these rules, but changes in regulatory requirements and processes can affect the company's opportunities to obtain regulatory approval or lead to increased costs and delays in the development process. In short, the business is associated with risks related to factors such as drug development, competition, technological progress, patents, regulatory requirements and capital requirements.

The Group's operations are conducted primarily in the Parent Company, which is why risks and uncertainties pertain to both the Group and the Parent Company.

War in Ukraine and its effects

Russia's invasion of Ukraine has a global impact. The macroeconomic effects of what is happening in the world today have major consequences for the innovation industry in life science. The willingness to take risks in the investment collective has been strongly affected by the economic downturn. The board and management continuously monitor the situation in Ukraine. If any of the company's activities are deemed to be affected by the war, the company will inform the market.

Principles for the preparation of the interim report

The group was formed on July 30, 2019 when Cyxone AB formed the subsidiary Cyxone Switzerland AG. The Group prepares its financial reports in accordance with International Financial Reporting Standards (IFRS), as adopted for the application of the EU. See Note 1, accounting principles.

Condensed consolidated statement of profit or loss

KSEK	Note	2023-01-01	2022-01-01
		2023-03-31	2022-03-31
Operating income			
Other income		13	67
Capitalized work on own account		1 429	-
Total operating income		1 442	0
Operating costs			
Other external costs		-4 521	-13 656
Personnel expenses		-2 218	-2 641
Amortisation of intangible assets		-634	-449
Other operating expenses		-34	0
Total operating costs		-7 407	-16 679
Operating profit/loss		-5 965	-16 679
Financial income		0	0
Financial costs		-11	0
Net financial items		-11	0
Profit/loss before tax		-5 976	-16 679
Tax		1	0
Profit/loss for the period		-5 975	-16 679
Profit/loss for the period attributable to:			
Parent Company shareholders		-5 975	-16 679
Profit/loss for the period		-5 975	-16 679
Earnings per share			
Before and after dilution (SEK)		-0,06	-0,18

Condensed consolidated statement of profit or loss and other comprehensive income

KSEK	Note	2023-01-01	2022-01-01
		2023-03-31	2022-03-31
Profit/loss for the period		-5 975	-16 679
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on foreign operations		3	17
Other comprehensive income for the period		3	17
Total comprehensive income for the period		-5 972	-16 662
Total comprehensive income for the period attributable to			
Parent Company shareholders		-5 972	-16 662
Total comprehensive income for the period		-5 972	-16 662
The number of outstanding shares at the end of the reporting period			
– Before and after dilution		98 444 728	98 444 728
The average number of outstanding shares at the end of the reporting period			
– Before and after dilution		96 444 396	90 332 271

Condensed consolidated statement of financial position

KSEK	Note	31-mar-23	31-mar-22	31-dec-22
Assets				
Capitalized work on own account		7 829		6 399
Patents, licenses		13 656	13 643	13 727
Leased assets		1 467	–	1 477
Equipment and tools		160	–	170
Long-term receivables		344	382	343
Total non-current assets		23 456	14 025	22 116
Prepayment supplier's		–	456	–
Trade receivables		–	–	–
Other current receivables		621	593	581
Prepaid expenses and accrued income		660	719	583
Cash and cash equivalents		22 394	69 194	29 246
Total current assets		23 675	70 961	30 411
Total assets		47 131	84 986	52 527
Equity				
Share capital		7 430	7 430	7 430
Development reserve				
Other paid in capital		232 530	232 530	232 530
Reserves		136	45	133
Retained earnings including profit/loss for the period		-199 123	-167 359	-193 146
Equity attributable to Parent Company shareholders		40 973	72 646	46 946
Total equity		40 973	72 646	46 946
Liabilities				
Long-term financial liability		617	–	721
Total long-term liabilities		617	0	721
Trade payables		2 282	9 325	1 842
Short-term financial liability		721	–	645
Other current liabilities		534	275	685
Accrued expenses and deferred income		2 004	2 740	1 689
Total current liabilities		5 541	12 341	4 860
Total liabilities		6 158	12 341	5 581
Total equity and liabilities		47 131	84 986	52 527

Condensed consolidated statement of changes in equity

KSEK	Equity attributable to the parent company's shareholders					Total equity
	Share capital	Development reserve	Other unrestricted equity	Revaluation reserve	Balanced profits incl. The result of the period	
Opening balance equity 2022-01-01	4 806		185 078	28	-150 680	39 232
Total comprehensive income for the period						
Profit/loss for the period					-16 679	-16 679
Other comprehensive income for the period				17		17
Total comprehensive income for the period				17	-16 679	-16 662
Transactions with the Group's owners						
Share issues	2 624		47 452			50 076
Total transactions with the Group's owners	2 624		47 452			50 076
Closing balance equity 2022-03-31	7 430		232 530	45	-167 359	72 646

KSEK	Equity attributable to the parent company's shareholders					Total equity
	Share capital	Development reserve	Other unrestricted equity	Revaluation reserve	Balanced profits incl. The result of the period	
Opening balance equity 2023-01-01	7 430		232 530	133	-193 146	46 946
Total comprehensive income for the period						
Profit/loss for the period					-5 975	-5 975
Other comprehensive income for the period				3		3
Total comprehensive income for the period				3	-5 975	-5 972
Transactions with the Group's owners						
Development reserve						
Share issues						0
Total transactions with the Group's owners	0		0			0
Closing balance equity 2023-03-31	7 430	0	232 530	136	-199 122	40 973

The amounts for share issues are reported net after deductions for transaction costs of 10.767 (1.097) KSEK.

Condensed consolidated statement of cash

KSEK	Note	2023-01-01 2023-03-31	2022-01-01 2022-03-31
Operating activities			
Profit/loss before tax		-5 976	-16 819
Adjustment for non-cash items, etc			
Amortisation of intangible assets		625	449
Amortisation of tangible assets		10	
		-5 341	-16 370
Increase (-) / Decrease (+) of current receivables		-116	1 032
Increase (-) / Decrease (+) of current liabilities		606	5 584
Cash flow from operating activities		-4 852	-9 754
Investing activities			
Acquisition of intangible assets		-1 807	-139
Acquisition of tangible assets		0	-363
Acquisition of financial assets		0	0
Cash flow from investing activities		-1 807	-502
Financing activities			
Share issues		0	59 747
Share issue costs		0	-9 671
Financial liability		-177	0
Cash flow from financing activities		-177	50 076
Total cash flow for the period		-6 836	39 820
Cash and cash equivalents at the beginning of the period		29 246	29 357
Exchange rate difference in cash and cash equivalents		-16	17
Cash and cash equivalents at the end of the period		22 394	69 194

Condensed income statement for the parent company

KSEK	Note	2023-01-01	2022-01-01
		2023-03-31	2022-03-31
Operating income			
Other income		13	67
Capitalized work on own account		1 429	0
Total operating income		1 442	67
Operating costs			
Other external costs		-4 635	-13 649
Personel costs		-2 218	-2 641
Amortisation of intangible assets		-458	-449
Other operating costs		-34	0
Total operating costs		-7 345	-16 739
Operating profit/loss		-5 903	-16 672
Profit/loss from financial items:		0	0
Write-down of financial fixed assets		0	0
Profit/loss before tax		-5 903	-16 672
Tax		0	0
Profit/loss for the period		-5 903	-16 672
Earnings per share for the parent company			
Before and after dilution (SEK)		-0,06	-0,18

Condensed income statement and other comprehensive income for the parent company

KSEK	Note	2023-01-01	2022-01-01
		2023-03-31	2022-03-31
Profit/loss for the period		-5 903	-16 672
Total comprehensive income for the period		-5 903	-16 672

Condensed balance sheet for the Parent company in summary

KSEK	Note	31-mar-23	31-mar-22	31-dec-22
Assets				
Non-current assets				
Capitalized work on own account		7 829		6 399
Patents, licenses		13 656	13 643	13 727
Tangible assets		160		170
Financial assets:				
Participation in group companies		784	795	784
Long-term receivables		340	382	340
Total financial assets		1 124	1 177	1 124
Total non-current assets		22 769	14 820	21 420
Current assets				
Prepayment supplier's		0	456	0
Current receivables:				
Trade receivables		0	0	0
Receivables from group companies		358	152	297
Other current receivables		616	591	580
Prepaid expenses and accrued income		809	719	709
Total current receivables		1 783	1 463	1 586
Cash and bank		21 256	68 192	28 111
Total current assets		23 039	70 111	29 697
Total assets		45 809	84 931	51 117
Equity and liabilities				
Equity				
Restricted equity				
Share capital		7 430	7 430	7 430
Development reserve		7 829		6 399
Non-restricted equity				
Share premium reserve		232 530	232 530	232 530
Retained earnings		-200 831	-150 649	-154 323
Profit/loss for the period		-5 903	-16 672	-45 078
Total equity		41 055	72 638	46 957
Current liabilities				
Trade payables		2 257	9 323	1 829
Other current liabilities		533	275	683
Accrued expenses and deferred income		1 964	2 695	1 648
Total current liabilities		4 754	12 293	4 160
Total equity and liabilities		45 809	84 931	51 117

Notes to the condensed interim financial statements

Note 1 Accounting principles

This quarterly report has been prepared according to the IFRS standards that have been adopted by EU as well as the interpretations of the valid standards adopted by EU, IFRICs. This report for the Group has been prepared according to IAS 34, Interim financial reporting as well as applicable regulations in the Annual Accounts Act. The parent company quarterly report has been prepared according to chapter 9 in the Annual Accounts Act, Quarterly reports and RFR 2, Accounting rules for legal entities. The quarterly report has been prepared for the Group and parent company according to the same accounting principles and conditions applied in the latest Annual Report, except for the amended accounting principles described below.

In addition to the financial reports and their accompanying notes further information according to IAS 34.16A can be found in other sections of the quarterly report.

Note 2 Fair value for financial Instruments

Carrying amount is considered to be a reasonable approximation of fair value for all of the Group's financial instruments.

Note 3 Related party transactions

Chairman of the Board Bert Junno has assisted the company with work in investor relations, business development and financing of the company. The compensation to Bert Junno for these services amounted to 50 KSEK during January. CFO Ola Skanung has invoiced 270 KSEK for CFO services during the period January-March.

Note 4 IFRS 16 leasing agreement

The new leasing agreement regarding office premises means that the group's income statement as of Q1 2023 has been affected by the fact that depreciation has increased by approximately 0.18 MSEK and financial costs have increased by approximately 0.01 MSEK. In the balance sheet, tangible fixed assets have increased by approximately 1.47 MSEK, leasing liabilities by approximately 1.34 MSEK.

Note 5 Capitalized work on own account

During Q3 2022 Cyxone received regulatory approval for the start of clinical phase 2b study in RA. After obtaining the approval the board and management made the assessment that the criteria for capitalizing developmental expenditures according to IAS 38 have been met. During Q1 2023 additional 1 429 KSEK of development costs have been activated.

Certified Adviser

The company's Certified Adviser on Nasdaq First North Growth Market is FNCA AB.

Auditing

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

Legal disclaimer

This report contains forward-looking statements that constitute subjective estimates and forecasts about the future. Assessments about the future are only valid on the date they are made and are, by their nature, similar to research and development work in the biotech field, associated with risk and uncertainty. In light of this, actual outcomes may differ substantially from what is described in this report.

Financial calendar

2023

30 th of May	Annual General Meeting 2023
30 th of August	Half Year Report, 2023
27 th of October	Interim Report Q3, 2023

2024

23 rd of February	Year-end Report, 2023
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The reports will be available from these dates at www.cyxone.com: [Cyxone » Financial Reports](#)

Submission of Interim Report

The report for the period January – March 2023 provides a true and fair view of the Parent Company's and the Group's operations, position and results, and describes significant risks and uncertainties that the Parent Company and Group companies face.

Malmö
12th of May 2023
The Board of Directors
Cyxone AB

About Cyxone

Cyxone AB (publ) (Nasdaq First North Growth Market: CYXO) develops disease modifying therapies for diseases such as rheumatoid arthritis and multiple sclerosis. Rabeximod is a Phase 2 candidate drug being evaluated for the management of rheumatoid arthritis. T20K is a Phase 1 candidate drug for treatment of multiple sclerosis. Certified Adviser is FNCA Sweden AB. For more information, please visit www.cyxone.com