



AEGIRBIO



HALF-YEARLY REPORT

2020-01-01 to 2020-06-30

SUMMARY OF THE QUARTERLY REPORT

"The Company" and "Aegirbio" refer to AegirBio AB (publ), reg.no. 559222-2953. No comparative amounts are presented for the period as the company was established on 2019-10-14.

FIRST HALF OF THE YEAR (2020-01-01 – 2020-06-30)

- Revenue amounted to KSEK 14.
- Profit before taxes amounted to KSEK -5,506.
- Earnings per share* amounted to SEK -0.60.
- Solidity** amounted to 73 percent as of June 30, 2020.

SECOND QUARTER (2020-04-01 – 2020-06-30)

- Revenue amounted to KSEK 14.
- Profit before taxes amounted to KSEK -4,223.
- Earnings per share* amounted to SEK -0.46.

* Earnings per share: Profit/loss for the period divided by 9,160,878 shares, which as of 2020-06-30 is the registered number of shares.

** Solidity: Equity divided by total capital.

Amounts in brackets: Corresponding period in the previous year.

SIGNIFICANT EVENTS DURING THE SECOND QUARTER OF 2020

- ✓ On April 9, the company announces that Aegirbio's technology opens up new possibilities in the control of immunity after infection or vaccination against viruses. The Veritope molecules that are a central part of Aegirbio's operations within precise dosing of biological drugs can be used as a basis for testing the immunity of patients (antibodies). One example is immunity to coronavirus.
- ✓ On April 14, the company announces that it has completed its first sale.
- ✓ On April 29, Aegirbio announces its intent to apply for listing on the Nasdaq First North Growth Market.
- ✓ On May 8, it is announced that Aegirbio has attracted a lot of attention on the company's COVID-19 tests. The U.S. company Abreos Biosciences, which owns Aegirbio AB jointly with LifeAssays AB, has received considerable attention in the BioWorld magazine with a project aiming to create tests for specific COVID-19 antibodies. Aegirbio's partner is described as a company with novel and interesting technology that can create tests with far better performance than the ones on the market today. With Aegirbio's MagniaReader platform, health centres and similar settings would be able to offer quantitative testing with performance equivalent to the central laboratory's.
- ✓ On May 29, the Company publishes a growth prospectus regarding an issue of units on the Nasdaq First North Growth Market. In conjunction with the listing, as mandated by the Annual General Meeting on February 3, 2020, the Swedish public and institutional investors are offered to subscribe for no more than 2,000,000 units in the Company. Each Unit consists of (1) share and (1) subscription warrant of Series TO1 ("the Offering"). If the Offering attracts very strong interest, the Board of Directors has the option to issue no more than 300,000 additional units in a so-called overallotment issue. The subscription period to participate in the Offering runs from June 1 to June 15 2020 inclusive, and the preliminary first day of trading is June 26, 2020.
- ✓ On June 8, the Company announces that it will present at the "Småbolagsdagarna 2020" event.

- ✔ On June 16, the Company announces that the issue of units has been massively oversubscribed. The MSEK 15 Offering was subscribed to approximately MSEK 46, corresponding to a subscription rate of approximately 307 percent. The Board of Directors of Aegirbio therefore decided to utilize the overallotment option of 300,000 units. Through the Offering and the overallotment option, Aegirbio is provided about 1,100 new shareholders in total.
- ✔ On June 22, it is announced that Aegirbio has been approved for listing on the Nasdaq First North Growth Market. Trading of shares and warrants in Aegirbio will commence on Friday, June 26, 2020. The Company's share is traded under the AEGIR ticker and the Company's warrant under the AEGIR TO1 ticker.
- ✔ On June 26, the Company announces that trading of shares in Aegirbio AB has commenced on Nasdaq First North Growth Market.

SIGNIFICANT EVENTS AFTER THE PERIOD

- ✔ On July 27, the Company announces the launch of a new strategy, "From Precision Diagnostics to Precision Medication", where the long-term goal is to have the Company admitted for trading on a larger Exchange.
- ✔ On August 4, the Company announces that the exercise of TO1 warrants has resulted in approximately MSEK 3.6 in proceeds.

CEO MARTIN LINDE

It is with great joy and pride that I look back upon the early days of the company. We can conclude that the first half of the year has been full of successes, but it also contained a few concerns in the form of a corona pandemic and the effect that it had on our activities.

I am pleased to note the confidence placed in us by our shareholders, who oversubscribed the issue by 307 percent; the subsequent rise of the share price to the current levels is both flattering and a challenging call to action.

We have made giant strides forward over the course of the first half of the year, and it is encouraging to see that we have successfully concluded our first sale, to Dr. John Foley at the Rocky Mountain MS Clinic in the United States. We have, in other words, ensured that we have a marketable product – the moNATor, for patients suffering from MS that receive treatment with the drug Tysabri – and that we have the entire framework in place including product, logistics and analysis. This is excellent and fully in line with our plan. Unfortunately, we have in a way been impacted by the corona pandemic since it is currently difficult to gain access to healthcare professionals in the United States – due to the interstate travel ban and the fact that they are fully engaged in combating the pandemic. Nevertheless, we are now well placed to increase our sales during the fall and to intensify the development of new analyses. We have a good pipeline to work with.

If we look at the technology related to Veritope and MagniaReader, our effort to roll out these products, individually as well as in combination, continues as planned. We can see that the market is showing a lot of interest in our products, both in the laboratory solution and the point of care solution. As regards the development of a COVID-19 antibody test, we are still waiting for the NIH to provide its final response while we continue the development effort in order to accelerate the time to market as much as possible.

Following the IPO, the Board of Directors of Aegirbio has opted to update and clarify the Company's strategy. We could broadly sum up the strategy as a focus on building a multi-diagnostic company. This will be achieved through further development of our current technology as well as through acquisitions of companies that complement us. The long-term objective of Aegirbio is to grow the company quickly and then list it on a regulated market abroad within 12-18 months.

The headline target remains to focus on providing benefits for customers and patients. Aegirbio considers that the new strategy will allow the company to complement the existing technology focused on Veritope and MagniaReader, thus strengthening our offer to the market.

To be given the opportunity to lead such a fast-paced company with such vast potential is very inspiring. It is truly exciting that we have found a well-defined niche where we believe our knowledge to be world-leading, and that there are so many smaller and larger companies that consider their technology complementary to ours. There is substantial potential for growth in the company, organically and through complementary acquisitions. We are bound to find resources and companies that will help us reach commercial success with our technology (Veritope+MagnaReader) and create significant shareholder value. Aegirbio is looking towards an extremely exciting future, with regard to the roll-out of the products within the pipeline for precise dosing of biological drugs as well as the possible acquisitions that lie ahead of us this fall.

Martin Linde, CEO of Aegirbio AB

AEGIRBIO AB

Aegirbio is a Swedish diagnostics company offering tests to monitor and optimize the dosing of biological drugs by means of a unique, patented technology platform. Biological therapies is the fastest growing segment of the pharmaceutical industry; a quarter of all drugs are projected to be biological in 2020. At the same time, drug concentrations vary tremendously (up to 100 times) in patients that receive biological drugs in standard doses.

The result of this one size fits all-approach is that patients with low drug concentrations do not respond to treatment while excessive drug concentrations increase the risk of adverse effects in others. The uncertainty surrounding dosing results in overdosing or underdosing in about 55 percent of the cases, which causes unnecessary costs and suboptimal clinical outcomes.

The Company's tests for optimal dosing of biological drugs will be focused on neurological disorders, autoimmune diseases and cancer. In the first quarter of 2020, Aegirbio initiated sales in the U.S. of the MoNATor test for the drug Tysabri, which is used for treatment of the neurological disorder Multiple Sclerosis (MS). Aegirbio's goal is to launch a total of four tests before 2023. Diagnostics will be offered through laboratory testing as well as in the form of a P.O.C. (Point of Care) test for use in hospitals and health centres. The plan further includes P.O.N. (Point of Need) tests for use at home.

DEVELOPMENT IN FIGURES

Revenue

The company recognized net sales amounting to KSEK 14 for the first six months of the year. The corresponding amount for the second quarter was KSEK 14.

Result

The Company's operating profit for the first half of the year amounted to KSEK -5,506. The operating profit for the second quarter amounted to KSEK -4,223.

Other external charges are still the Company's only costs, and they amounted to KSEK 5,520 for the period January-June. The costs were mostly consultancy costs related to the Company's listing and IPO. Other external charges for the second quarter amounted to KSEK 4,223.

Profit before tax for the period January to June 2020 amounted to KSEK -5,506. The corresponding amount for the second quarter was KSEK -4,223.

Related party transactions

During the first quarter, the Company's related party transactions totaled KSEK 1,777 of which KSEK 1,261 was invoiced from Abreos BioSciences Inc. and KSEK 516 from LifeAssays AB. These major owners conduct the Company's product development and KSEK 1,739 of these costs have thus been capitalized as investments in intangible fixed assets.

FINANCIAL POSITION

Aegirbio's solidity was 73 percent on June 30, 2020, and the equity amounted to KSEK 14,346. The Company's cash and cash equivalents amounted to KSEK 578. The Company's total assets amounted to KSEK 19,535 at the same time.

CASH FLOW AND INVESTMENTS

Aegirbio's cash flow for the period January to June 2020 amounted to KSEK 529. The investments amounted to KSEK 1,739 and covered intangible fixed assets. For the second quarter 2020, the corresponding amounts were KSEK -319 in cash flow and KSEK 0 in investments.

THE SHARE

The Aegirbio AB (publ) share was listed on Nasdaq First North Growth Market in Stockholm on June 22, 2020, where it is traded under the AEGIR ticker. First North is an alternative stock exchange, operated by an exchange within the NASDAQ OMX Group. Companies listed on First North Growth Market are not subject to the same regulations as companies listed on the regulated main market; instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk associated with investing in a company on Nasdaq First North Growth Market may therefore be higher than when investing in a company on the main market. All companies with shares traded on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. The exchange approves the application for admission to trading.

Aegirbio's Certified Adviser on Nasdaq First North Growth Market is Eminova Fondkommission AB, +46 8 684 211 00, info@eminova.se

As of June 30, 2020, the number of shares amounted to 9,160,878. There is one class of shares. Each share has equal right to shares in the Company's assets and profit, and entitles to one vote in the General Meeting.

	Jan-June 2020
Number of shares before dilution	9,160,878
Number of shares after maximum dilution	12,490,962
Basic earnings per share	-0.60
Average number of shares before dilution	6,755,243
Average number of shares after maximum dilution	6,828,836

FINANCIAL REPORTING IN ACCORDANCE WITH K3

Aegirbio prepares its financial reports in accordance with the general recommendations of the Swedish Accounting Standards board BFAR 2012:1 Annual accounts and consolidated financial statements (K3) and the Swedish Annual Accounts Act. The same principles are applied in the preparation of the annual report.

AUDITORS' REVIEW

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

UPCOMING FINANCIAL REPORTS

Interim report Q3, 2020 2020-11-27

RISKS AND UNCERTAINTIES

Limited resources

Aegirbio AB is a small company with limited resources in terms of management, administration and capital. It is essential for the implementation of the strategy to make optimal use of the available resources. There is a risk that the Company's resources will be insufficient and that the Company encounters financial and operational problems as a result. The Board of Directors is working continuously to ensure that the operational activities are sufficiently financed on the basis of different scenarios, including licensing revenue, partnership agreements and external funding.

Dependence of key individuals and personnel

Aegirbio AB's success relies on the know-how, experience and creativity of a small number of key individuals. The Company is dependent on its ability to recruit qualified employees in the future. The Company is making a considerable effort to reduce this dependence by ensuring that procedures and working methods are well documented.

Risks related to marketing

There is no way to guarantee that the products developed by the Company will be as favourably received by the market as this interim report implies. The sales quantities may be lower and it may take longer to become established in the market than the Company currently has reason to believe.

CONDENSED INCOME STATEMENT

KSEK	2020-04-01 2020-06-30	2020-01-01 2020-06-30
Operating income		
Net sales	14	14
Total income	14	14
Operating costs		
Raw materials and consumables	-	-
Other external charges	-4 237	-5 520
Personnel costs	-	-
Depreciation/amortization	-	-
Total operating costs	-4 237	-5 520
Operating profit	-4 223	-5 506
Result from financial items		
Interest income	-	-
Interest costs	-	-
Profit after financial items	-4 223	-5 506
Tax on profit for the year	-	-
Profit/loss for the period	-4 223	-5 506
Earnings per share	-0,46	-0,60

There are no items recognized in other comprehensive income in the Company. The comprehensive income is thus equal to the profit/loss for the period.

CONDENSED BALANCE SHEET

TSEK	2020-06-30	2019-12-31
Assets		
Subscribed capital unpaid	14 904	
Fixed assets		
Intangible assets	2 540	801
Tangible fixed assets	-	-
Financial fixed assets	-	-
Total fixed assets	2 540	801
Current assets		
Other receivables	1 513	101
Cash and cash equivalents	578	49
Total current assets	2 091	150
Total assets	19 535	951
Equity and liabilities		
Equity		
Share capital	733	500
Fund for development costs	2 540	801
Share premium reserve	19 118	351
Retained earnings	-2 540	-801
Profit/loss for the period	-5 506	-
Total equity	14 346	851
Current liabilities		
Accounts payable	4 830	100
Other liabilities	-	-
Accruals	360	-
Total current liabilities	5 189	100
Total equity & liabilities	19 535	951

THE COMPANY'S CONDENSED CASH FLOW STATEMENT

(KSEK)	2020-04-01 2020-06-30	2020-01-01 2020-06-30
Operating activities		
Operating profit	-4 223	-5 506
Depreciation/amortization	-	-
Financial income	-	-
Financial costs	-	-
Cash flow from operating activities before change in working capital	-4 223	-5 506
Change in working capital		
Increase/Decrease in receivables	-867	-1 412
Increase/Decrease in short-term liabilities	4 457	5 089
Change in working capital	3 590	3 677
Cash flow from operating activities	-633	-1 829
Investing activities		
Increase/Decrease in tangible fixed assets	-	-
Increase/Decrease in intangible fixed assets	-	-1 739
Increase/Decrease in financial fixed assets	-	-
Cash flow from investing activities	-	-1 739
Financing activities		
New share issue	-	3 783
Warrant proceeds	314	314
Cash flow from financing activities	314	4 097
Changes in liquid funds	-319	529
Cash and cash equivalents at the beginning of the period	897	49
Cash and cash equivalents at the end of the period	578	578

CHANGES IN EQUITY

(KSEK)	Share capital	Fund for development costs	Share premium reserve	Retained earnings	Result for the period	Total
Opening balance on January 1, 2020	500	801	351	-801	-	851
Fund for development costs	-	1 739	-	-1 739	-	-
New share issue	36	-	3 747	-	-	3 783
New share issue, IPO	197	-	15 020	-	-	15 217
Profit/loss for the period	-	-	-	-	-5 506	-5 506
Equity on March 31, 2020	733	2 540	19 118	-2 540	-5 506	14 346

INTANGIBLE FIXED ASSETS

(KSEK)	2020-06-30
Cost, opening balance on 2020-01-01	801
Acquisitions during the period	1 739
Accumulated cost, closing balance	2 540
Depreciation, opening balance	-
Depreciation for the period	-
Accumulated depreciation, closing balance	-
Carrying amount	2 540

The intangible fixed assets refer to development costs for the company's existing and future products.

Lund, August 27, 2020

Anders Ingvarsson
Chairman of the Board

Seppo Mäkinen
Director

Bradley Messmer
Director

Fredrik Häglund
Director

Kristian Enkvist
Director

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