



Q1

QUARTERLY REPORT JULY 1ST 2021 – SEPTEMBER 30TH 2021

The "Company" or "SelectImmune Pharma" refers to SelectImmune Pharma AB,
corp. reg. no. 559104-6874

SelectImmune
PHARMA

SELECTIMMUNE PHARMA IN SHORT

- Antibiotic resistance is a global, rapidly growing health issue. The World Health Organization (WHO) has declared antibiotic resistance a major threat to global health.
- SelectImmune Pharma is an innovative biotech startup company, developing immunotherapy as alternatives or complements to antibiotics.
- The strategy of SelectImmune Pharma is to identify and develop compounds that strengthen and rebalance the innate immune defence against infection.
- SelectImmune Pharma is research based and the company has an agreement with Lund University.
- The company has developed well-documented strategies for fighting infection. Group I includes known immunomodulatory substances, which are approved for other indications, Group II molecules from good bacteria that rebalance the immune system and Group III small RNA inhibitors that target excessive inflammation and reduce the risk of sepsis or kidney damage.
- The discoveries are protected by four patent families. The immaterial rights encompass new indications for existing pharmaceuticals and new drug candidates discovered by the Lund University researchers. Patents have been approved in the US, Europe and Australia.
- The drug candidates address important medical needs in large patient groups. The markets for the treatment of infections are very large, nationally and internationally.
- Several of the company drug candidates have shown protective effects against urinary tract infection in animal models, including acute cystitis, severe kidney infection and urosepsis. One of the company drug candidates in Group I has successfully been used in the clinic to treat bladder pain syndrome.

POSITIVE DEVELOPMENT DURING THE FIRST QUARTER WITH MULTIPLE ACHIEVEMENTS

The susceptibility to infection depends on the immune system and its ability to get rid of infecting microbes. A dysfunctional immune defense increases susceptibility and the need for treatment. SelectImmune Pharma is developing three groups of drug candidates, with the aim to restore immune balance and promote the defense against bacterial infections. We have identified protective molecules in the immune system and now develop them as drug candidates. Each of the candidates has shown therapeutic efficacy in animal models of infection.

During the first quarter of the new fiscal year, results of a first human study were published. The IL1 receptor antagonist used for treatment showed positive effects in patients with severe bladder pain syndrome, alleviating symptoms and improving the quality of life in the majority of treated patients. In addition, a Phase II study has been initiated in patients with recurrent acute cystitis after an extensive process establishing the study organization and routines for advanced analyses of study samples.

As previously reported, SelectImmune Pharma's patent portfolio has been significantly strengthened with a number of patent approvals during the first quarter. IL1-RA treatment of cystitis, in Group I, has been granted in the US, Europe and Australia and MMP7-inhibitors in Europe. The NlpD protein, in Group II, has also been granted in Europe. IRF7-inhibitors against acute pyelonephritis, urosepsis and inflammation in Group III, which previously was granted in the US, has now also been granted in Europe.

The company has also continued the work to establish an efficient manufacturing process for the new drug candidate NlpD. Technology transfer and small-scale production of recombinant material is being performed at the UK site of our development partner, Lonza Corporation. After the end of the first quarter, SelectImmune Pharma has successfully participated in the international partnering conference Bio-Europe with an interest from Big Pharma and international service providers.

We look forward to continuing the work on the IL1 receptor antagonist and to develop our potent new drug candidates. We thank our colleagues, consultants and partners for their contributions and our shareholders for their confidence and continued support.

Catharina Svanborg

Chairman

Ann Gidner

CEO

SIGNIFICANT EVENTS

On August 13th it was announced that SelectImmune Pharma is extending its presence on the international pharmaceutical arena, where research & development as well as clinical study results and strategic partnerships are typically reported in English. The company Board of Directors therefore decided to change the company language to English from 2021/2022 and onwards. The web site will feature parallel documents in English and Swedish, including annual reports, interim reports and press releases.

On August 13th, Selectimmune Pharma announced a continued expansion of its intellectual property portfolio through a number of recent patent grants.

- The European Patent Office has announced acceptance of the patent claims for cystitis treatment by interleukin-1-receptor antagonist (IL-1-RA, Group I). Grant of the European patent expected to follow soon.
- Protection over MMP7 inhibitors for the treatment of cystitis (Group I) to be granted to Selectimmune Pharma in Europe in mid-August.
- The European Patent Office will soon grant to Selectimmune Pharma protection over therapeutic uses of E. coli NlpD protein (Group II). The protection broadly covers any therapy where these proteins may be useful, and it is noted that these proteins appear particularly promising in immunosuppression, antiinflammation and anti-infection roles.

On August 19th, the successful outcome of a new treatment approach was reported for patients with severe bladder pain. The publication presents data showing that an IL-1 receptor antagonist (IL-1-RA) reduces pain and increases the quality of life in this severely handicapped patient group. Preliminary findings were reported in 2020. The results are published in European Urology Open Science, ([https://www.eu-openscience.europeanurology.com/article/S2666-1683\(21\)00134-8/fulltext](https://www.eu-openscience.europeanurology.com/article/S2666-1683(21)00134-8/fulltext)).

On August 30th, SelectImmune Pharma reported that the Phase II trial of the IL1 receptor antagonist (IL1-RA) in patients with recurrent acute cystitis has started. The clinical trial is led by Professor Wagenlehner, in Giessen, Germany, in collaboration with scientists at Lund University and SelectImmune Pharma. The aim of the study is to evaluate the efficacy of IL1-RA treatment in patients with recurrent episodes of acute cystitis. The study is based on the scientific discovery that acute cystitis is an interleukin-1 β hyper-activation disorder, triggered by infection of the bladder. Characteristic symptoms include urgency, frequency of urination and pain. Since IL-1-RA is registered for other clinical indications, SelectImmune Pharma has the permission to perform a Phase II trial.

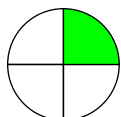
On September 23rd, SelectImmune Pharma invited shareholders to a digital investor meeting. A brief presentation of the company was followed by a lively and fruitful discussion with about 40 attendants.

COMMENTARY RE THE COVID-19 PANDEMIC

The ongoing pandemic has affected the infrastructure for clinical trials all around the world. The clinical Phase II study with the IL1 receptor antagonist is sponsored by SelectImmune Pharma and carried out in Germany in collaboration with leading international opinion leaders in the field. The pandemic has caused certain delays in the process.

THE PERIOD IN SUMMARY

Amounts in parentheses indicate the corresponding value in the preceding year.



FIRST QUARTER 2021-07-01 – 2021-09-30

- Net sales for the quarter totaled kSEK 0 (0)
- Loss before tax amounted to kSEK -3,132 (-2,163)
- Loss after tax amounted to kSEK -3,132 (-2,163)
- Loss per share* was SEK -0,1794 (-0,1381)
- On September 30, 2021, the equity/assets ratio** was 83 (95)%

* Profit/loss after tax for the period divided by 17,459,225 (15,666,660) shares, where 17,459,225 is the number of shares outstanding on September 30, 2021. The comparative figure in parentheses was the number of shares on September 30, 2020.

** Equity divided by total capital.

SelectImmune

PHARMA

SelectImmune Pharma AB

SelectImmune Pharma AB is a company that performs drug development. The company's development aims to offer effective alternatives to antibiotics. Instead of killing the bacteria directly, the body's immune system is strengthened and balanced. The company is developing new drug candidates for the treatment of bacterial infections.

Revenue and earnings

As SelectImmune Pharma is a development company in life science, future income will primarily consist of various forms of royalty income such as advance payments, milestone-based payments and ongoing royalties. The longer the company runs its projects under its own auspices, the better bargaining power the company will have in business negotiations with potential future partners. The company has assessed that continued development under its own auspices will increase value and has therefore chosen not to enter into any cooperation agreements yet.

This means that the company had net sales of kSEK 0 (0) during the quarter. Profit after tax for the corresponding period amounted to kSEK -3,132 (-2,163) kSEK. The costs have mainly been related to continued development in collaboration with the research group at Lund University.

Financial position

At the end of the quarter, the equity/assets ratio was 83 (95) %, and the company's cash and cash equivalents were kSEK 24,997 (21,895). The equity at the same time amounted to kSEK 22,735 (36,347).

Cash flow and investments

During the period July 1, 2021 to September 30, 2021, cash flow amounted to kSEK -1,572 (-1,074).

No intangible assets were capitalized during the period, since the company is in an R&D stage. R&D costs are therefore recognized as operating expenses in the income statement. No new investments in tangible assets were capitalized during the quarter.

Depreciation

During the quarter, depreciation of equipment amounted to kSEK 99 (100).

Employees

The company had the corresponding 2 (2) full-time employees during the quarter.

The share

The number of registered shares as of September 30, 2021 amounted 17,459,225 (15,666,660), of which 2,000,000 (2,000,000) Series A shares and 15,459,225 (13,666,660) Series B shares. Each Series A share entitles to 10 votes and Series B shares to one vote.

SelectImmune Pharma's Series B shares have been admitted to trading on Spotlight Stock Market since 26 June 2019. Spotlight Stock Market

is the secondary name of ATS Finans AB, a securities company under supervision by the Swedish Financial Supervisory Authority (Finansinspektionen).

Transactions with related parties

During the quarter, there were costs to Linnane Pharma AB of kSEK 375 (0) for the technology platform, kSEK 120 (120) for license costs for patents and kSEK 0 (176) for consulting fees. Linnane Pharma AB is the parent company of SelectImmune Pharma AB. Linnane Pharma is owned by Professor Catharina Svanborg. Furthermore, salaries and remuneration to the Board and management were paid during the period. Transactions with related parties are on market terms.

In addition to the collaboration with Lund University, SelectImmune Pharma needs access to current and innovative cutting-edge expertise. Linnane Pharma offers a collaboration to solve these needs. A technology platform provides access to a unique combination of cutting-edge expertise, large-scale analysis methods such as proteomics, RNA and DNA sequencing, methods for analysis of clinical materials and animal models for the design of clinical studies for drug development, etc.

The technology agreement between SelectImmune Pharma and Linnane Pharma ensures the company's access to advanced science and technology. The agreement runs for two years and the technology platform is available to SelectImmune Pharma on a subscription basis. This is an effective way to gain access to cutting-edge expertise and new technology at low cost. The agreement does not contain any further financial commitments to Linnane Pharma.

Significant risks and uncertainties

The Board's assessment of significant risks and uncertainties is unchanged compared with the most recent financial year and is described in the most recently published annual report (2021-06-30).

Basis of preparation for the interim report

The company prepares its accounts in accordance with the Swedish Annual Accounts Act and the K3 framework (BFNAR 2012:1) of the Swedish Accounting Standards Board (Bokföringsnämnden).

The company's accounting principles are unchanged compared with the most recent financial year and are described in the most recent published annual report (2021-06-30).

Review

This interim report has not been audited.

Financial calendar

Annual meeting 2020/2021	November 24, 2021
Interim report for Q2 (half-year), 2021/2022	February 24, 2022
Interim report for Q3, 2021/2022	May 24, 2022

INCOME STATEMENT

SEK	2021-07-01 2021-09-30	2020-07-01 2020-09-30	2020-07-01 2021-06-30
Net sales	0	0	0
Other operating income	0	0	7 768
Operating income	0	0	7 768
Other external costs	-2 367 636	-1 620 322	-9 203 688
Employee benefit expenses	-654 941	-442 316	-3 043 741
Depreciation of tangible assets	-99 297	-99 833	-399 333
Other operating expenses	-9 998	-872	-4 192
Operating loss	-3 131 871	-2 163 344	-12 643 187
Financial items	0	0	-309
Loss before tax	-3 131 871	-2 163 344	-12 643 496
Tax on loss for the period	0	0	0
Loss after tax	-3 131 871	-2 163 344	-12 643 496

BALANCE SHEET

SEK	2021-09-30	2020-09-30	2021-06-30
ASSETS			
Fixed assets			
Tangible assets	1 421 662	1 820 459	1 520 959
Total fixed assets	1 421 662	1 820 459	1 520 959
Current assets			
Other receivables	240 385	14 285 890	629 839
Prepaid expenses	678 686	211 196	165 958
Cash and bank balances/financial investments	24 996 987	21 895 346	26 568 831
Total current assets	25 916 058	36 392 432	27 364 627
Total assets	27 337 720	38 212 891	28 885 586
EQUITY & LIABILITIES			
Restricted equity			
Share capital	872 961	783 333	872 961
Unregistered share capital	0	89 628	0
Total restricted equity	872 961	872 961	872 961
Non-restricted equity			
Share premium reserve	49 348 206	49 348 206	49 348 206
Retained earnings	-24 354 717	-11 711 221	-11 711 221
Loss for the period	-3 131 871	-2 163 344	-12 643 496
Total non-restricted equity	21 861 618	35 473 640	24 993 489
Total equity	22 734 579	36 346 602	25 866 450
Current liabilities			
Accounts payable	1 899 747	221 096	812 644
Tax liabilities	21 273	0	21 273
Other liabilities	116 467	81 800	150 321
Accrued expenses	2 565 654	1 563 394	2 034 898
Total current liabilities	4 603 141	1 866 289	3 019 136
Total Equity & Liabilities	27 337 720	38 212 891	28 885 586

CASH FLOW STATEMENT

SEK	2021-07-01 2021-09-30	2020-07-01 2020-09-30	2020-07-01 2021-06-30
Operating activities			
Loss after financial items	-3 131 871	-2 163 344	-12 643 496
Adjusted for non-cash items, etc.	99 297	99 833	399 333
Cash flow from operating activities before changes in working capital	-3 032 574	-2 063 511	-12 244 163
Cash flow from changes in working capital			
Change in current receivables	-123 274	-164 466	-601 561
Change in current liabilities	1 584 005	1 153 943	2 306 790
Cash flow from operating activities	-1 571 844	-1 074 035	-10 538 934
Financing activities			
New share and subscription warrant issues	0	0	14 340 520
Issuance costs	0	0	-202 136
Cash flow from financing activities	0	0	14 138 384
Cash flow for the period	-1 571 844	-1 074 035	3 599 450
Cash and cash equivalents at the beginning of the period	26 568 831	22 969 381	22 969 381
Cash and cash equivalents at the end of the period	24 996 987	21 895 346	26 568 831

EQUITY

SEK	Share capital	Unregistered share capital	Share premium reserve	Retained earnings	Loss for the period	Total
Opening balance July 1, 2021	872 961	0	49 348 206	-11 711 221	-12 643 496	25 866 450
Transfer of prior year's loss - Preliminary				-12 643 496	12 643 496	0
Loss for the period, Q1					-3 131 871	-3 131 871
Equity September 30, 2021	872 961	0	49 348 206	-24 354 717	-3 131 871	22 734 579

KEY FIGURES AND DATA PER SHARE

kSEK	2021-07-01	2020-07-01	2020-07-01
	2021-09-30	2020-09-30	2021-06-30
Net sales, kSEK	0	0	0
Earnings after financial items, kSEK	-3 132	-2 163	-12 643
Equity/assets ratio, %	83%	95%	90%
Number of shares	17 459 225	15 666 660	17 459 225
Of which Series A	2 000 000	2 000 000	2 000 000
Of which Series B	15 459 225	13 666 660	15 459 225
Loss per share, SEK	-0,1794	-0,1381	-0,7242
Cash and cash equivalents, kSEK	24 997	21 895	26 569
Equity, kSEK	22 735	36 347	25 866

Malmö, November 18th 2021

Catharina Svanborg
Chairperson of the Board

Ann Gidner
CEO

Gabriela Godaly
Board member

Helena Lomberg
Board member

Carl-Johan Wachtmeister
Board member



SelectImmune

PHARMA

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