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INTERIM REPORT OCTOBER 1ST 2021 – DECEMBER 31ST 2021

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

SelectImmune
PHARMA

SELECTIMMUNE PHARMA IN SHORT

- SelectImmune Pharma is an innovative biotech company, developing novel immunotherapies as alternatives or complements to antibiotics.
- Excessive innate immune responses to infection cause symptoms and pathology in acute pyelonephritis and acute cystitis. Immunomodulation is therefore a realistic option for treating these conditions.
- Several of the company's drug candidates have shown protective effects against bacterial infection in animal models, including acute cystitis, severe kidney infection and urosepsis.
- One drug candidate, Interleukin-1 receptor antagonist (IL1-RA) is being tested in a Phase II trial for recurrent acute cystitis.
- Furthermore, IL1-RA has successfully been used in the clinic to treat bladder pain syndrome and is currently being developed for controlled Phase II trials.
- SelectImmune Pharma is research based and the company has an agreement with Lund University.
- The discoveries are protected by four patent families. Patents have been approved in the US, Europe and Australia. Group I includes known immunomodulatory substances and pain inhibitors, which are approved for other indications, Group II has 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 drug candidates address important medical needs in large patient groups. The markets for the treatment of infections are very large, nationally and internationally.
- Antibiotic resistance is a global, rapidly growing health issue. The World Health Organization (WHO) has declared antibiotic resistance a major threat to global health.

WORD FROM THE CHAIRMAN AND CEO

During the second quarter, SelectImmune Pharma has made significant progress in the areas of clinical trial planning and execution, patent protection and drug development. The planning of further clinical trials in patients with Bladder Pain syndrome is under way. In parallel, the Phase II study in patients with recurrent, acute cystitis is progressing at the Giessen site in Germany. As the study is blinded, updates will not be available until the study is concluded.

In addition, SelectImmune Pharma's patent portfolio was significantly strengthened with a series of patent approvals during the autumn. A new application was filed just after the reporting period regarding therapeutic use of active ingredients to treat pyelonephritis. These serious kidney infections may lead to urosepsis and securing intellectual property here is important.

The immunomodulators in SelectImmune Pharma's portfolio also affect pain, as shown in the off-label study of bladder pain. The molecular basis of the effects on pain are a current focus. Our research has confirmed direct links between infection and pain responses, identifying relevant molecular targets.

The process of establishing an efficient manufacturing process for the drug candidate NlpD was pursued during the quarter, resulting in successful technology transfer to our development partner, Lonza Corporation and we are now able to proceed further with steps to scale up production and develop the drug candidate for clinical trials.

SelectImmune Pharma is actively seeking partners for the different drug candidates. During the second quarter the company participated in the international partnering conference Bio-Europe and received interest from Big Pharma and international service providers, resulting in specific invitations to present the company at the JP Morgan conference in January.

We look forward to continued clinical trials and developing our potent new drug candidates to treat bacterial infections and their sequelae. 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 November 2nd, The SelectImmune Pharma Annual Report for the fiscal year of 2020/2021 was published. It may be found on the company home page.

On November 24th, The SelectImmune Pharma Annual General Meeting was held. Considering the covid pandemic situation, the AGM was held through mail voting as per temporary Swedish law.

On December 7th, a virtual investors' meeting was given via link and was well attended. A company presentation was given to follow up from the Annual General Meeting, and an active Q&A session followed. A recording of the meeting is available on the company home page.

Significant events after the period

On February 1st, it was announced that SelectImmune Pharma filed a patent application for the treatment of acute pyelonephritis. Acute pyelonephritis or kidney infection, is a severe and common form of urinary tract infection, caused by bacteria that directly infect the kidneys. Efficient new approaches have now been identified and the therapeutic effects confirmed in animal models as a basis for the patent application, strengthening the commitment to develop these substances for future clinical use.

On February 3rd, SelectImmune Pharma reported the successful technology transfer for production of the drug candidate NlpD in its Group II. The protein drug candidate needs adequate, large-scale production technology for continued development towards clinical trials. To achieve this goal, SelectImmune Pharma collaborates with the leading international manufacturer Lonza. The production technology has now successfully been transferred as a first step towards larger scale production.

On February 16th, the company announced the appointment of its Chief Medical Officer and Board member, Dr. Gabriela Godaly, to Professor at Lund University. Dr. Godaly received her PhD in 2000 and has since developed a successful, well-funded research group, focusing on the area of tuberculosis and the development of new alternatives to antibiotics for treating these infections. In addition, Dr. Godaly is a clinical trials expert, from work at Gambro AB as well as Lund University. Dr. Godaly was appointed Chief Medical Officer of SelectImmune Pharma in 2020 and has served on the Board of Directors since 2019.

Project portfolio overview

Drug development phase

Drug candidate	Molecule/ Mechanism of action	Effect	Drug development phase								
			Discovery	Therapeutic effect in mice	Data support -clinical studies	Drug production/ development	Drug production/ development	Clinical trials			
								Phase I	Phase II	Phase III	
Group Ia	IL1-beta receptor antagonist	Inhibition of exaggerated inflammation	[Progress bar spanning Discovery, Therapeutic effect in mice, Data support -clinical studies, Drug production/development, Drug production/development, Phase I, Phase II]							GROUP I Inflammation and pain caused by infection	
Group Ib	NK1 receptor antagonist	Inhibition of pain & nerve activation	[Progress bar spanning Discovery, Therapeutic effect in mice, Data support -clinical studies, Drug production/development]								
Group IIa	RNA Pol II inhibitor	Broad inhibition of inflammation	[Progress bar spanning Discovery, Therapeutic effect in mice, Data support -clinical studies, Drug production/development]							GROUP II Anti-inflammatory treatment from good bacteria	
Group IIb	RNA Pol II bacterial therapy	Preventive inhibition of inflammation	[Progress bar spanning Discovery, Therapeutic effect in mice, Data support -clinical studies, Drug production/development]								
Group III	IRF7 inhibitor sIRNA	Inhibition of severe septic infections	[Progress bar spanning Discovery, Therapeutic effect in mice, Data support -clinical studies]							GROUP III Bacterial infection/ Sepsis	

Group I
Inflammation and pain
caused by infection

Group I

- Based on the initial successful off-label study of IL1-RA treatment of patients with bladder pain syndrome, we are proceeding towards a placebo-controlled clinical trial and partners in Sweden and abroad have been identified.
- The IL1-RA Phase II clinical trial in recurrent, acute cystitis is being performed in Giessen, Germany, and the patient enrolment continues as foreseen.
- Selectimmune Pharma has been seeking patent protection for modulators of the IL-1 pathway for treatment of chronic inflammatory conditions in the lower urinary tract and chronic pelvic/ bladder pain syndrome. The company has recently extended the geographical scope by filing for patent protection in Europe, the US, Australia, China and Japan.
- While the IL1-RA compound is effective against pain, the company is also pursuing the pain inhibitor NK1-RA, neurokinin receptor antagonist, which is efficient in animal models.
- Dialogues for potential project partnering are pursued internationally.



Grupp II

- The polymerase inhibitor NlpD is a potent drug candidate. The protective properties of this molecule have been confirmed and extended in cellular assays and animal models.
 - Technology transfer and small-scale production of the NlpD protein have been successfully completed at the pharmaceutical manufacturing partner Lonza corporation at its UK site. SelectImmune Pharma is testing small-scale quantities for further development work.
 - SelectImmune Pharma has filed patent applications for further indications of this interesting protein active.
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Grupp III

- Continued studies in animal models are performed for the Interferon-7 (IRF7) inhibitor to support and develop results obtained. Additional molecules are being explored for this indication.
- SelectImmune Pharma was recently granted patent protection in Australia for IRF-7 Inhibitors for treatment of antibiotic resistance prone infections with Enterobacteriaceae. This adds to patents already granted in Europe and the US for this invention.

Patent portfolio overview

An updated overview of the SelectImmune Pharma patent portfolio is shown below.

It includes the recent patent application for the treatment of acute pyelonephritis, where efficient new approaches have been identified and the therapeutic effects confirmed in animal models as a basis for the patent application. Patent protection has also been granted in Australia for IRF-7 Inhibitors for treatment of Enterobacteriaceae infections. This patent was previously granted in Europe and the US. In addition, Selectimmune has been seeking protection for modulators of the IL-1 pathway for treatment of chronic inflammatory conditions in the lower urinary tract and chronic pelvic pain syndrome and has recently extended the geographical scope for this invention by filing for patent protection in Europe, the US, Australia, China and Japan.

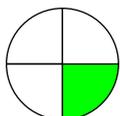
Title	Filing Date	Country	Patent	Granting Date	Comments
IL-1 receptor antagonists	January 2016	Australia	2016205864	May 2021	IL-1 receptor antagonists for the treatment of cystitis.
		Europe	3242680	Oct 2021	
		USA	11,013,786	May 2021	
Bladder pain	June 2019	Australia	2020288361	All Pending	IL-1 receptor antagonists for the treatment of bladder pain.
		China	202080049659.X		
		Europe	20734114.0		
		Japan	2021-572575		
		USA	17/617,204		
MMP7 inhibitors	January 2016	Europe	3586840	Aug 2021	MMP-7 inhibitors for the treatment of cystitis.
		Australia	2021202603	Pending	
ASC/NLRP-3	January 2016	Europe	19186921.3	Pending	ASC or NLRP-3 proteins for use in treatment of cystitis
		USA	17/313,463	Pending	
NK1 receptor antagonists	June 2017	Europe	17740488.6	Pending	NK1 receptor antagonists or natural substrate (Substance P) for treating bacterial infection and/or pain from bacterial infection.
		Hong Kong	19132137.1	Pending	
		USA	16/316,324	Pending	
PoI II inhibitors	October 2017	Australia	2017344453	Pending	Inhibitors of polymerase II, which can be used for immunosuppression, anti-inflammation, and/or anti-infection.
		Europe	3525807	Dec 2021	
		Hong Kong	19132176.9	Pending	
		India	20194718316	Pending	
		Singapore	11201903336U	Pending	
		USA	17/032,308	Pending	
IRF7 inhibitors	March 2016	Australia	2016241555	Dec 2021	IRF-7 inhibitors for the treatment of Enterobacteriaceae infections.
		Europe	16715897.1	Sep 2020	
		USA	10,287,585	May 2019	

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, however patient enrolment is proceeding according to plan.

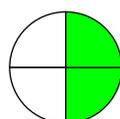
THE PERIOD IN SUMMARY

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



SECOND QUARTER 2021-10-01–2021-12-31

- Net sales for the quarter totaled kSEK 0 (0)
- Loss before tax amounted to kSEK -4,498 (-3,054)
- Loss after tax amounted to kSEK -4,498 (-3,054)
- Loss per share* was SEK -0,2576 (-0,1749)



FIRST HALF YEAR 2021-07-01–2021-12-31

- Net sales for the half totaled kSEK 0 (0)
- Loss before tax amounted to kSEK -7,630 (-5,218)
- Loss after tax amounted to kSEK -7,630 (-5,218)
- Loss per share* was SEK -0,4370 (-0,2989)
- On December 31, 2021, the equity/assets ratio** was 86 (97)%

* Profit/loss after tax for the period divided by 17,459,225 (17,459,225) shares, where 17,459,225 is the number of shares outstanding on December 31, 2021. The comparative figure in parentheses was the number of shares on December 31, 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

The company had net sales of kSEK 0 (0) during the first half year. Profit after tax for the corresponding period amounted to kSEK -7,630 (-5,218). The costs have mainly been related to continued development in collaboration with the research group at Lund University. Net sales during the second quarter amounted to of kSEK 0 (0), and the profit after tax amounted to kSEK -4,498 (-3,054).

Financial position

At the end of the first half year, the equity/assets ratio was 86 (97) %, and the company's cash and cash equivalents were kSEK 19,411 (32,269). The equity at the same time amounted to kSEK 18,237 (33,292).

Cash flow and investments

During the period July 1 2021 to December 31 2021, cash flow amounted to kSEK -7,158 (9,300).

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 half year, depreciation of equipment amounted to kSEK 199 (200), while the quarter represented kSEK 100 (100).

Employees

The company had the correspondence of 2 (2) full-time employees during the period.

The share

The number of registered shares as of December 31, 2021 amounted 17,459,225 (17,459,225), of which 2,000,000 (2,000,000) Series A shares and 15,459,225 (15,459,225) Series B shares. Each Series A share entitles to ten votes and Series B shares to one vote.

SelectImmune Pharma's Series B shares have been admitted to trading on Spotlight Stock Market since June 26, 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 first half year, there were costs to Linnane Pharma AB of kSEK 750 (0) for the technology platform, kSEK 240 (240) for license costs for patents and kSEK 0 (358) for consulting fees. The corresponding amounts for the quarter are kSEK 375 (0) for the technology platform, kSEK 120 (120) for license costs and kSEK 0 (182) 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

Interim report Q3 2021/2022	May 24, 2022
Year-end report 2021/2022	August 30, 2022
Annual Report 2021/2022	November 2, 2022
Interim report Q1, 2022/2023	November 16, 2022
Annual General Meeting 2021/2022	November 23, 2022

INCOME STATEMENT

SEK	2021-10-01 2021-12-31	2020-10-01 2020-12-31	2021-07-01 2021-12-31	2020-07-01 2020-12-31	2020-07-01 2021-06-30
Net sales	0	0	0	0	0
Other operating income	0	1 096	0	223	7 768
Operating income	0	1 096	0	223	7 768
Other external costs	-3 647 803	-2 189 912	-6 015 439	-3 810 234	-9 203 688
Employee benefit expenses	-743 551	-765 757	-1 398 491	-1 208 073	-3 043 741
Depreciation of tangible assets	-99 834	-99 833	-199 131	-199 666	-399 333
Other operating expenses	-6 685	0	-16 683	0	-4 192
Operating loss	-4 497 872	-3 054 405	-7 629 744	-5 217 750	-12 643 187
Financial items	0	0	0	0	-309
Loss before tax	-4 497 872	-3 054 405	-7 629 744	-5 217 750	-12 643 496
Tax on loss for the period	0	0	0	0	0
Loss after tax	-4 497 872	-3 054 405	-7 629 744	-5 217 750	-12 643 496

BALANCE SHEET

SEK	2021-12-31	2020-12-31	2021-06-30
ASSETS			
Fixed assets			
Tangible assets	1 321 828	1 720 626	1 520 959
Total fixed assets	1 321 828	1 720 626	1 520 959
Current assets			
Other receivables	266 506	151 122	629 839
Prepaid expenses	114 848	143 585	165 958
Cash and bank balances/financial investments	19 410 814	32 268 931	26 568 831
Total current assets	19 792 168	32 563 639	27 364 627
Total assets	21 113 996	34 284 265	28 885 586
EQUITY & LIABILITIES			
Restricted equity			
Share capital	872 961	872 961	872 961
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	-7 629 744	-5 217 750	-12 643 496
Total non-restricted equity	17 363 745	32 419 235	24 993 489
Total equity	18 236 707	33 292 196	25 866 450
Current liabilities			
Accounts payable	837 739	212 031	812 644
Tax liabilities	21 273	0	21 273
Other liabilities	108 873	162 142	150 321
Accrued expenses	1 909 404	617 895	2 034 898
Total current liabilities	2 877 289	992 069	3 019 136
Total Equity & Liabilities	21 113 996	34 284 265	28 885 586

CASH FLOW STATEMENT

SEK	2021-07-01 2021-12-31	2020-07-01 2020-12-31	2020-07-01 2021-06-30
Operating activities			
Loss after financial items	-7 629 744	-5 217 750	-12 643 496
Adjusted for non-cash items, etc.	199 131	199 666	399 333
Cash flow from operating activities before changes in working capital	-7 430 613	-5 018 084	-12 244 163
Cash flow from changes in working capital			
Change in current receivables	414 443	-100 472	-601 561
Change in current liabilities	-141 847	279 723	2 306 790
Cash flow from operating activities	-7 158 017	-4 838 833	-10 538 934
Financing activities			
New share and subscription warrant issues	0	14 340 520	14 340 520
Issuance costs	0	-202 136	-202 136
Cash flow from financing activities	0	14 138 384	14 138 384
Cash flow for the period	-7 158 017	9 299 551	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	19 410 814	32 268 931	26 568 831

EQUITY

SEK	Share capital	Share premium reserve	Retained earnings	Loss for the period	Total
Opening balance July 1, 2021	872 961	49 348 206	-11 711 221	-12 643 496	25 866 450
Transfer of prior year's loss			-12 643 496	12 643 496	0
Loss for the period, Q1				-3 131 871	-3 131 871
Loss for the period, Q2				-4 497 872	-4 497 872
Equity December 31, 2021	872 961	49 348 206	-24 354 717	-7 629 744	18 236 707

KEY FIGURES AND DATA PER SHARE

	2021-10-01 2021-12-31	2020-10-01 2020-12-31	2020-07-01 2021-12-31	2020-07-01 2021-12-31	2020-07-01 2021-06-30
Net sales, kSEK	0	0	0	0	0
Earnings after financial items, kSEK	-4 498	-3 054	-7 630	-5 218	-12 643
Equity/assets ratio, %	86%	97%	86%	97%	90%
Number of shares	17 459 225	17 459 225	17 459 225	17 459 225	17 459 225
Of which Series A	2 000 000	2 000 000	2 000 000	2 000 000	2 000 000
Of which Series B	15 459 225	15 459 225	15 459 225	15 459 225	15 459 225
Loss per share, SEK	-0,2576	-0,1749	-0,4370	-0,2989	-0,7242
Cash and cash equivalents, kSEK	19 411	32 269	19 411	32 269	26 569
Equity, kSEK	18 237	33 292	18 237	33 292	25 866

Malmö, February 24th 2022

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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