

Quarterly Report 2020

Q1 January – March 2020

Date of publication: 17 April 2020



WntResearch AB (publ) Reg.no. 556738-7864
www.wntresearch.com

FIRST QUARTER (JANUARY-MARCH 2020)

- Operating income amounted to MSEK 0 (0)
- Costs amounted to MSEK 6.3 (4.5)
- The result before and after taxes amounted to MSEK -6.3 (-4.5)

- Earnings per share amounted to SEK -0.25 (-0.21)

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- WntResearch announced with deep sadness that the member of the board Sten Trolle had passed away after a short illness. He was one of the founders of WntResearch, and participated actively in the operations during the first years. Sten Trolle was reelected to the board of WntResearch in 2018.
- WntResearch announced that the Hungarian authority approved the Company's application to start the NeoFox study in 12 clinics in Hungary.
- WntResearch announced updated information about the ongoing phase 2 study. Patient recruitment in Spain and initiation of new clinics in Hungary in the Company's ongoing NeoFox study with Foxy 5 had proceeded according to plan and accelerated. Two Spanish clinics informed that they temporarily halted recruitment to the study during March due to the COVID-19 outbreak. In addition, an ongoing assessment showed that the current patient base was not considered large enough to conduct an analysis of the primary endpoint during summer, as previously indicated.
- The Board of Directors of WntResearch convened an extraordinary general meeting on 15 April 2020 to obtain approval of a rights issue, which, if it is fully subscribed, is projected to provide the Company MSEK 28 in proceeds after issuance costs.
- WntResearch announced that the Company, due to the strain COVID-19 is causing on healthcare systems, put patient recruitment on hold in Spain and intends to do so at the recently activated Hungarian clinics as well, and that these measures were taken in accordance with the Spanish and Hungarian health authorities' directives. The decision was made in consultation with the principal investigators of the clinical trials, as the current healthcare conditions in Spain and the uncertainty in Hungary is making it difficult to conduct a clinical trial such as NeoFox. The trials will resume as soon as the healthcare situation allows it.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- An extraordinary general meeting held on 15 April resolved to carry out a rights issue which, if it is fully subscribed, will provide the Company MSEK 38 in proceeds before issuance costs. Upon full exercise of all warrants, the Company is provided up to an additional MSEK 38 before issuance costs. WntResearch has received subscription and guarantee commitments amounting to approximately MSEK 30, or about 80 percent of the total amount of the rights issue.

RESULT IN BRIEF

kSEK	Q1	Q1	Year	Year
	2020	2019	2019	2018
Operating income	0	0	0	0
Operating costs	-6,297	-4,484	-25,082	-24,206
Operating result	-6,297	-4,484	-25,082	-24,206
Result for the period	-6,297	-4,484	-25,082	-24,206

COMMENTS FROM OUR CEO

We are closing the books on a very turbulent first quarter. The ongoing pandemic has rocked our society in a way that is unprecedented in modern times. The unfortunate turn of events has impacted us in several ways, and it is with growing concern that we have followed the developments primarily in Spain, which, as previously disclosed, eventually forced us to put our clinical study on hold. The quarter set off in a positive spirit, with a strong increase in the Spanish recruitment rate. In addition, the Hungarian authorities gave us the go-ahead to initiate the study much sooner than the guidelines indicated. The commitment of the Hungarian clinics was very high, and we were able to conclude the majority of our contracts and initiate these clinics for activation in a short period of time.

However, as a consequence of the study being put on hold in Spain, we have chosen to postpone the study launch in Hungary as well; both the European and the Hungarian authorities have recommended that all available medical resources should be freed up to handle the pandemic.

This unwelcome interruption of the study will extend until the authorities consider the situation to be under control. It should however be emphasized that once the study can be restarted, this will be done immediately without any further interaction with the authorities.

The current turbulence notwithstanding, there is reason to be confident in the considerably improved recruitment rate which we saw in the Spanish part of the study and in that it will be sustained once the study is restarted. At the time of writing, three patients are still receiving treatment. The other patients are now included in the follow-up part of the study and are not subject to travel restrictions.

During the quarter, a first review of the included patients' level of risk has been carried out. The level of risk at diagnosis and inclusion of the patient is based on a clinical assessment aided by radiological methods, and is later verified through a pathological examination of the removed tumour. The review showed that the patients included early on in the study had a slightly too low level of risk to participate in the study, which entails that an early ctDNA analysis was not optimal. Given the accelerated recruitment and the start in Hungary, it would have been possible to include more patients during March to increase the number of assessable patients further. Unfortunately, COVID-19 put an end to this, and it is thus not possible to conduct an analysis during the summer. What is positive in our assessment, however, is that we are seeing that the measures we have taken to increase the accuracy of the preliminary diagnostics have been effective, and we are now approaching the expected outcome of the selection of patients.

We are reviewing our cost structure and minimizing the cost of the study during this involuntary recruitment pause. Regardless of the upcoming rights issue, a strict budgetary discipline must be enforced, and we are planning to perform a gradual reduction and have our savings plan fully implemented by June.

The times ahead will be very challenging, and with the uncertainty surrounding the advance of the epidemic, it is extremely difficult to make any forecasts regarding the completion of the study. The next few months will be a heavy strain on the whole society, and we can only wish for positive signs to appear soon.

Peter Morsing, Chief Executive Officer



WNTRESEARCH'S PRIMARY FOCUS IS TO DEVELOP NEW DRUGS THAT CAN IMPROVE CANCER SURVIVAL BY PREVENTING METASTASIS

Our vision is for cancer patients to no longer have to endure metastasis

One out of three people will develop cancer during their lifetime. Despite the improved efficiency of modern cancer therapy, there are currently no effective ways to prevent metastasis, nor to treat metastases when they occur. About 90 percent of all cancer-related deaths are directly associated with metastases. Thus, the medical need for drugs that are focused on inhibiting the spread and formation of metastases is significant.

Our mission is to prevent the metastatic process by providing new cancer therapies.

The lack of treatment options to prevent metastasis is the driving force behind WntResearch. Metastases, daughter tumors, are treated with similar therapies that are used on the primary tumor as well as with therapies

specifically directed to the daughter tumor. These therapies are not infrequently associated with significant adverse effects, and they usually only have a limited impact on survival while being costly. With the drug candidate Foxy-5, WntResearch tries to prevent metastases from forming in the first place. WntResearch's focus on this central aspect of cancer treatment makes the Company unique. Metastasis in solid tumours is regarded as the cause of approximately 90 percent of all cancer-related deaths. Foxy-5 is intended to be administered to cancer patients who are believed to have a low expression of WNT5A in the primary tumour. The main thesis is that a successful treatment with Foxy-5 should inhibit the tumour cells' ability to spread through the body, which would improve the patients' chance of survival significantly. Our mission is to prevent the metastatic process by providing new cancer therapies, and Foxy-5 is our main priority.

UPCOMING ANNOUNCEMENTS

Interim report January – June 2020 is presented on 13 August 2020

Interim report January – September 2020 is presented on 12 November 2020

Year-end report for 2020 is presented on Monday, 8 February 2021

IF YOU HAVE ANY FURTHER QUESTIONS, PLEASE CONTACT:

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