

Interim report  
2020

Q2 April – June 2020

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[www.wntresearch.com](http://www.wntresearch.com)

## SECOND QUARTER (APRIL-JUNE 2020)

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- Operating income amounted to MSEK 0 (0)
- Costs amounted to MSEK 4.2 (5.3)
- The result before and after taxes amounted to MSEK -4.2 (-5.3)
- Earnings per share amounted to SEK -0.12 (-0.23)

## FIRST HALF OF THE YEAR (JAN-JUNE 2020)

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- Operating income amounted to MSEK 0 (0)
- Costs amounted to MSEK 10.5 (9.8)
- The result before and after taxes amounted to MSEK -10.5 (-9.8)
- Earnings per share amounted to SEK -0.35 (-0.43)

## SIGNIFICANT EVENTS DURING THE SECOND QUARTER

- An extraordinary general meeting on 15 April resolved to carry out a rights issue which, if fully subscribed, would provide the Company MSEK 38 in proceeds before issuance costs. Upon full utilization of subscription warrants, further proceeds of up to MSEK 38 would be provided. WntResearch obtained subscription and guarantee commitments amounting to approximately MSEK 30 in total, corresponding to about 80 percent of the total amount of the rights issue.
- WntResearch announced that the rights issue of units that was approved by the extraordinary general meeting on 15 April 2020 had been completed. The subscription rate of the rights issue was 128.4 percent. The rights issue provided the Company approximately MSEK 38.1 in proceeds before issuance costs. Upon full utilization of all subscription warrants, the Company can raise up to MSEK 38.1 further after the exercise period, 8 February 2021 to 19 February 2021.
- The number of shares and votes in WntResearch increased to 52,825,308. The shareholder Kjell Stenberg held 1,461,148 shares prior to the rights issue and the directed compensation issue, corresponding to approximately 5.76 percent of the shares and votes in the Company; Kjell Stenberg's holding of shares and votes in the Company thus surpassed the major shareholding notification limit of 5 percent.
- All resolutions at the Annual General Meeting of WntResearch AB were passed with the necessary majority of votes. The Annual General Meeting resolved to adopt the presented balance sheet and income statement and to approve the directors and the CEO discharge from personal liability for the financial year 2019. The Annual General Meeting further resolved to adopt the nomination committees proposal for board fees. The Annual General Meeting resolved, in accordance with the nomination committees proposal, that the Board of Directors shall comprise six members with no alternates. It was further resolved, in accordance with the nomination committees proposal, to re-elect board members Tommy Andersson, Gudrun Anstrén, Jan Nilsson, Martin Olovsson and Peter Ström, and to elect Janna Sand-Dejmek as a new member of the board. Gudrun Anstrén was re-elected as Chairman of the Board.

- After consultation with Cato/SMS and Optimapharm, WntResearch announced its decision to restart the NeoFox study in Hungary. The Spanish part of the NeoFox study was considered to resume in September, due to the severe strain put on the Spanish healthcare system during the COVID-19 peak and with consideration to the low patient recruitment rate last August.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- WntResearch announced the receipt of a positive opinion from the European Patent Office, EPO, regarding previously submitted patent applications for two different synthetic pathways to reduce manufacturing costs and streamline the commercial-scale Foxy-5 manufacturing. The patents filed will further protect important building blocks required for the efficient production of Foxy-5. The positive opinion provides WntResearch with a considerable and enhanced protection for manufacturing of Foxy-5 beyond 2035. The novel process, which the patents will protect, represents a scalable manufacturing process as well as a significant reduction of manufacturing cost.
- WntResearch's CEO, Peter Morsing, notified the Board of Directors that he will resign after the year-end.

## RESULT IN BRIEF

kSEK	Q2	Q2	Q1-Q2	Q1-Q2	Year	Year
	2020	2019	2020	2019	2019	2018
Operating income	0	0		0	0	0
Operating costs	-4,169	-5,278	-10,466	-9,782	-25,082	-24,206
Operating profit	-4,169	-5,278	-10,466	-9,782	-25,082	-24,206
Profit/loss for the period	-4,169	-5,278	-10,466	-9,782	-25,082	-24,206

## COMMENTS FROM OUR CEO

Another quarter with the COVID-19 pandemic has passed, and the situation in Spain and the rest of Europe remains volatile. A slight improvement is discernible, and we can see Spain making a gradual return to become a functioning community. Nevertheless, setbacks have occurred and some parts of society that are not considered critical have been forced to reinstate more restrictive conditions.

Our main effort during the last quarter has been to maintain budgetary discipline and dialogue with our suppliers to reduce costs as we wait for our study to resume.

WntResearch has received good response in these dialogues, and the cost base has thus reached a level which can be considered to be reasonable.

Early in the quarter, a rights issue was resolved upon, and due to the pandemic, it was carried out under conditions that were far from the best. It was thus especially gratifying

that the issue was massively oversubscribed; this is an indication that the shareholders believe in our development effort and have confidence in our operations. Thanks to the oversubscribed rights issue, we are able to continue our effort to advance the company's research into results that can convince potential licensees and partners.

It is encouraging that the Hungarian authorities have declared the situation to be under control in the country, so that we quickly could restart our activities to include the Hungarian clinics in our clinical trial. The work has proceeded at a good pace and we have nine clinics activated at the time of writing – the others will be activated shortly. The first two patients have been included, and at the majority of the clinics, screening is fully underway. This is several weeks ahead of the projections we made this spring, when the study was put on hold. We will now keep our fingers crossed for the Hungarian society to continue to function without setbacks.

As regards our activities in Spain, we are cautiously optimistic and hope to be able to resume our operations in September. Over the recent weeks, a number of COVID-19 outbreaks have flared up in Catalonia, where several of our clinics are located. The Spanish authorities have opened up for clinical studies to be restarted, and it is up to individual hospitals to decide on resumption. Considering that certain provinces have reinstated strict restrictions, we have chosen to wait a little longer before we restart NeoFox in Spain. As the inclusion rate was low in Spain during the holiday period in August last year, our assessment is that we have nothing to lose by waiting. We will press the start button when the situation is more stable, in consultation with the clinical trial monitors.

Just the other day, I notified the company that I will resign from my position as CEO after the turn of the year. By then, I will have been responsible for this interesting project and company for more than three years. My task and ambition has been to lead the company to a point where we can demonstrate that the underlying hypothesis behind Foxy-5 can be transposed into clinical benefit, as well as to identify a partner for the future development into a finished medicinal product. Due to the unexpected difficulties we initially experienced recruiting patients – that we spent a lot of effort to overcome – and the outbreak of the pandemic to boot, this point has slipped further ahead in time. I now consider the task confided to me by the Board of Directors in December 2017 to be attainable, if the pandemic situation so permits. That means that the time has come to hand over the reins of the company to a new CEO that can complete the effort and move the company into the next important phase. The search for a new CEO can now commence while the company is in a well funded position and with a clinical trial ongoing. I look forward to working in parallel with my successor to transfer the experience and knowledge that we have amassed in view of a successful completion of NeoFox and a future commercialization. I wish to extend my gratitude to all the shareholders and colleagues for the confidence placed in me.

*Peter Morsing, Chief Executive Officer*



## WNTRESEARCH'S MAIN FOCUS IS TO DEVELOP NOVEL DRUGS THAT CAN INCREASE SURVIVAL RATES FOR CANCER BY PREVENTING METASTASIS

### **Our vision is for cancer patients to not have to endure metastasis**

One in every three people will contract cancer at some point in their lives. Although modern cancer therapies have become more efficient, effective preventive measures and treatment options for metastasis are still lacking. Approximately 90 percent of all cancer-related deaths are directly linked to metastasis. Thus, there is great medical need for drugs that focus on preventing the formation and spread of metastases.

### **Our mission is to prevent the metastatic process by supplying novel cancer therapies.**

The lack of treatment options capable of preventing metastasis is the driving force behind WntResearch. Metastases, daughter tumours, are treated with therapies similar to the ones used against the primary tumour as well as therapies that specifically target the daughter tumour.

Such therapies are often associated with significant adverse effects. In addition, they are usually costly and provide a relatively limited improvement of the survival rate. With the drug candidate Foxy-5, WntResearch attempts to prevent metastases from forming in the first place. The focus on this key aspect of cancer therapy makes WntResearch's approach unique. Metastasis in solid tumours is regarded as the cause of approximately 90 percent of all cancer-related deaths. Cancer patients who are expected to have a low expression of WNT5A in their primary tumours are treated with Foxy-5. The fundamental argument is that a successful treatment with Foxy-5 should prevent the tumour cells from spreading, which would improve the chance of survival considerably. Our mission is to prevent the metastatic process by supplying novel cancer therapies, of which Foxy-5 is our main priority.

*The complete financial report for the second quarter is available in Swedish only.*

## UPCOMING ANNOUNCEMENTS

The interim report for January – September 2020 will be presented on 12 November 2020

The year-end report for 2020 will be presented on 8 February 2021

IF YOU HAVE ANY FURTHER QUESTIONS, PLEASE CONTACT:

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