



KLARIA

Interim report

Q1 2020

1 January – 31 March 2020

Strengthened financial position with 6.4 MSEK from EU Horizon 2020 and a merger with Karessa that added 13 MSEK in liquidity

FIRST QUARTER 2020 (JANUARY–MARCH)

- Net sales amounted to 0.0 MSEK (3.8 MSEK)
- R&D costs for the period amounted to 8.0 MSEK (4.8 MSEK)
- Profit after tax amounted to -11.0 MSEK (-2.1 MSEK)
- Earnings per share for the quarter amounted to -0.36 SEK (-0.07 SEK)
- Cash flow from operating activities amounted to 0.4 MSEK (0.8 MSEK)
- Total cash flow amounted to 13.5 MSEK (0.8 MSEK)
- Cash and cash equivalents on the balance day amounted to 16.4 MSEK (8.7 MSEK)
- Shareholder's equity per March 31, amounted to 99.5 MSEK (92.6 MSEK)
- On February 24, 2020, the merger between Karessa Pharma Holding AB (publ) and Klaria Pharma Holding AB (publ), that received approval at extraordinary general meetings in the two companies, was completed. The merger was registered at Bolagsverket as of March 6, 2020, and Karessa is thereby dissolved. The terms for the merger was that one share in Karessa was exchanged for 0,6032 new shares in Klaria. In connection with the merger, 6,035,200 new shares in Klaria were issued to Karessa's shareholders. After the merger has been completed, the number of shares in Klaria amounts to 38,728,448.
- Klaria receives milestone payment of 6.4 MSEK from the EU Horizon 2020 program to take Sumatriptan Alginate film to market.

Summary of the results

The Klaria Group TSEK (unless otherwise stated)	1 Jan–31 Mar		1 Jan–31 Dec
	2020	2019	2019
Net sales	0.0	3.8	4.2
Research and development costs	-8.0	-4.8	-24.2
Profit after tax	-11.0	-2.1	-22.5
Cash flow from operating activities	0.4	0.8	-14.8
Cash and cash equivalents on the balance day	16.4	8.7	2.9
Equity on the balance day	99.5	92.6	82.1

This interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act (ÅRL) as well as IFRS as accepted by EU. For the parent company, the Swedish Annual Accounts Act (ÅRL) and Rådet för Finansiell Rapportering's (the Council for Financial Reporting) recommendation RFR 2 Accounting for Legal Entities was applied.

Significant events during the first quarter of 2020

Klaria presents new strategy, upcoming milestones and new website

On January 30, Klaria announced that the company has formulated and is now implementing a new strategy. Klaria will focus all research and development exclusively on programs where Klaria's films have the potential to replace injections or nasal sprays, and where these formulations constitute a major problem for patients, caregivers or payers. As Klaria's Alginate Film technology has significant advantages to both injections and nasal sprays, this strategy ensures that resources are focused on programs where the unmet medical needs are significant and where development of oral transmucosal films will meet these unmet needs. The potential for value creation, and therefore also shareholder value, will therefore be maximized in each program.

The strategy dictates that Klaria will focus on areas where current treatments fulfil two criteria: 1) the treatment is only available as a nasal spray and/or injection, and 2) this presents a significant problem to patients, caregivers and/or paying entities. Klaria's existing projects for epinephrine (adrenaline) against acute allergic reaction, naloxon against opioid overdose, midazolam against acute epilepsy and ketamine against acute pain and depression are excellent examples of projects fulfilling both criteria.

Klaria also announced that the company is now aiming to achieve several important milestones:

- Completion of bioequivalence studies and preparation of an application for market approval for sumatriptan against acute migraine.
- Reach clinical phase with adrenaline treatment against acute allergic reaction (with partner Mundipharma/Purdue Pharma Canada).
- Reach clinical phase with naloxone against opioid overdose.
- Reach clinical phase with ketamine against acute pain and depression.

Klaria has also initiated the work to improve the company's market communication in 2020 and thereafter with the goal to give shareholders, potential investors and other interested parties a deeper understanding of the company's operations and thus the value in its development projects. As a part of this effort, Klaria has launched a new website. The new website is available at same address as before, www.klaria.com.



Klaria receives 6.4 MSEK milestone payment from EU's Horizon 2020 program to take Sumatriptan Alginate Film to market

On February 7, Klaria announced that the company has received a milestone payment of 6.4 MSEK from the EU's Horizon 2020 program. The payment was made as the development of Sumatriptan Alginate film (KL-00119) continues to proceed successfully according to plan. Large-scale production of the product is on-going, and all preparations for the upcoming bioequivalence study are completed. This pivotal clinical study required for submission of approval is planned to start in the first half of 2020 with completion in 2020.

The milestone payment of 6.4 MSEK is expected to cover remaining costs within the KL-00119 project up until filing of applications for market approval. These costs are primarily attributable to continued large-scale production as well as the upcoming bioequivalence study with completion in 2020.

The Swedish Companies Registration Office has granted permission to execute the merger plan between Klaria and Karessa

On March 3, it was announced that the Swedish Companies Registration Office has granted permission to Klaria Pharma Holding AB to execute the merger with Karessa Pharma Holding AB. In connection with the registration of the merger, Karessa is dissolved and all its assets and liabilities are transferred to Klaria.

When the Swedish Companies Registration Office registers the merger, the shareholders included in Karessa's share book will receive merger consideration. For each Karessa share, 0.6032 new shares are received in Klaria.

The merger between Klaria and Karessa completed

On March 6, the Swedish Companies Registration Office registered the merger between Klaria Pharma Holding AB and Karessa Pharma Holding AB. The merger between Klaria and Karessa is thus complete

and Karessa has been dissolved. The merger has the final legal effect through registration and all of Karessa's assets and liabilities have been transferred to Klaria. The merged company retains the name Klaria Pharma Holding AB and continues to have its registered office in Stockholm.

In connection with the registration of the merger, the Swedish Companies Registration Office has registered the issue of 6,635,200 new shares in Klaria as a merger consideration. Klaria thus has a total of 38 728 448 shares outstanding.

Klaria's CEO and a Board member increase their share holdings in the company with purchases of over SEK 1 million in total

On March 17, Klaria announced that its CEO Jesper Wiklund has increased his share holding in the previous six months by acquiring 176,984 Klaria shares at a cost of 1,015,355 SEK. Additionally, Klaria's board member Anders Ardstål has acquired 40,000 shares in the company.

Significant events after the end of the period

Klaria raises approximately 27 MSEK through a preferential share issue of 17 MSEK and a loan of 10 MSEK


On April 28, it was announced that Klaria's Board of Directors has decided, pursuant to the authorization granted at the Annual General Meeting on April 24, 2020, to carry out a preferential share issue of a maximum of 5,697,960 shares with a subscription price of 3 SEK per share, corresponding to gross proceeds of up to approx. 17.1 MSEK, of which about 1 MSEK is contributed through offset. The preferential share issue is directed to Swedish and international investors. Klaria has also received a loan of 10 MSEK, which runs until April 30, 2021. In total, this corresponds to a capital injection of up to approximately 27.1 MSEK before issuing costs.

The capital injection enables Klaria to achieve increased diversification of ownership in the Company and ensures a strong financial position which, among other things, enables ambitious investments in additional clinical programs

Resolution on allocation in directed share issue

On May 6, Klaria announced that all shares in the company's preferential rights issue were subscribed during the subscription period. The Board of Directors has decided to allot a total of 5,697,960 shares to the subscribers, in accordance with the Board's decision on a preferential share issue on April 28, 2020.

Klaria's CEO participated in the financing round and further increased his holding with a purchase of shares worth 420 TSEK.



Klaria's CEO Jesper Wiklund comments

In Q1 2020, Klaria received a 6.4 MSEK milestone payment from the EU Horizon 2020 program for the upcoming pivotal clinical study with Sumatriptan Alginate Film, and additional financing of 27 MSEK was secured after the end of the period through a directed share issue and a loan. This means that we have the financing required for continued progress in line with our new focused strategy.

This new strategy was presented in late January, and in short it means that we are now focusing on the application areas and development projects where our drug delivery platform has the most significant medical potential. We want to offer our alginate films where they will be most beneficial, and thereby replace injections and nasal sprays as treatment of for example migraine and acute allergic reaction. By implementing our new strategy, we now have a more manageable pipeline with significant commercial potential in each development project. In addition, we have also completed the process of significantly strengthening Klaria as a company. We have an even stronger team with extensive experience of managing pharmaceutical companies and taking clinical programs to market, several promising development projects in global billion dollar markets and an effective strategy to rapidly and cost-effectively further develop and thus create value in these projects.

In order to continue to deliver in line with our ambitious strategy, which includes the initiation of several new clinical programs, the company also needs strong financing. It is therefore of great importance that we now have this in place, thanks to the continued support from the EU Horizon 2020 program for our clinical program for Sumatriptan Alginate film as well as a financing round of 27 MSEK in total that was finalised after the end of the period. It is a clear indication of strength that we were able to carry out this financing round in an effective manner during a period with historic levels of uncertainty in the financial markets.

The milestone payment from the EU Horizon 2020 program, which we received in February, is also important to highlight from a different angle. It shows that we have been able to conduct successful

clinical drug development according to plan despite the significant work required to strengthen Klaria's company structure. This proves that our new organisation is both effective and well-functioning for our drug development.

We believe that we know have the most exciting and rewarding period in Klaria's history ahead of us. I am personally so convinced of this that I have bought Klaria shares for over 1 MSEK during the period, which we communicated on March 17. I also participated in the financing round that we completed after the end of the period. In other words, I could not be more motivated to lead Klaria towards new milestones in our development programs. I would also like to take this opportunity to thank new and existing investors who came to a similar conclusion and became new shareholders or increased their holdings in Klaria when participating in our directed share issue.

The development of our projects has not yet been affected to any significant extent by the Covid-19 situation. We have full access to our lab facilities and all the equipment needed, and our operations are not dependent on travelling between countries. If anything, the ongoing pandemic shows that our acquisition in 2019 of a technology platform that can make it easier and more safe to treat large population groups with vaccines by using our Alginate Film technology instead of injections, is an effort that is well aligned with the time we live in. We are really looking forward to further develop this technology, and thereby contribute to a better handling of similar situations in the future.

Jesper Wiklund

CEO Klaria Pharma Holding AB (publ)
Uppsala in May 2020

Klaria's vision is to contribute to an improved quality of life for people with serious medical conditions by utilizing the company's unique Alginate Film technology.

Strategy

Klaria's strategy is to maximize shareholder value by focusing all of its development resources on projects where the current treatment fulfil two criteria: 1) the treatment is given as a nasal spray or injection due to weak or non-existing uptake in the stomach, and 2) this presents a significant problem for patients, caregivers or paying entities.

Klaria's existing projects for epinephrine (adrenaline) against acute allergic reaction, naloxone against opioid overdose, midazolam against acute epilepsy and ketamine against acute pain and depression are excellent examples of projects fulfilling both criteria.

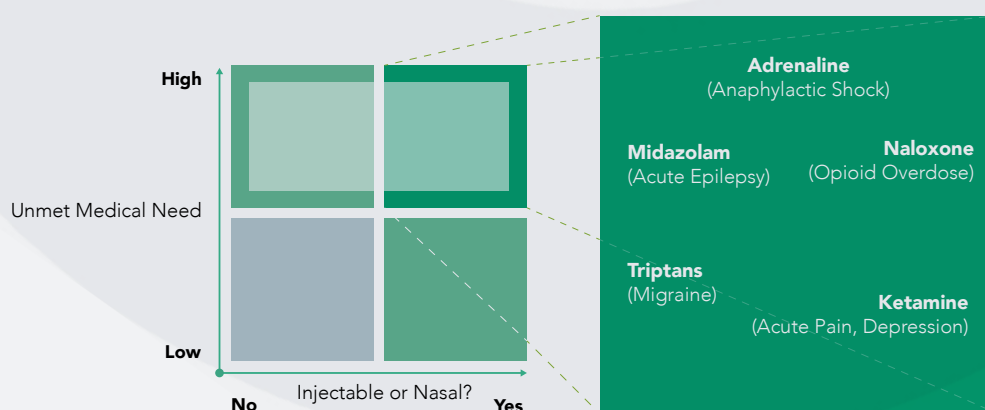
Klaria's strategy utilizes the key feature of Alginate Films; true and full transmucosal drug delivery of pharmaceuticals with no uptake in the stomach. This differentiates Alginate Films from other oral transmucosal technologies such as starch based oral films, fast-dissolving tablets and oral sprays, where a significant portion of the active substance is mixed with saliva and swallowed, which creates a partly oral administration.

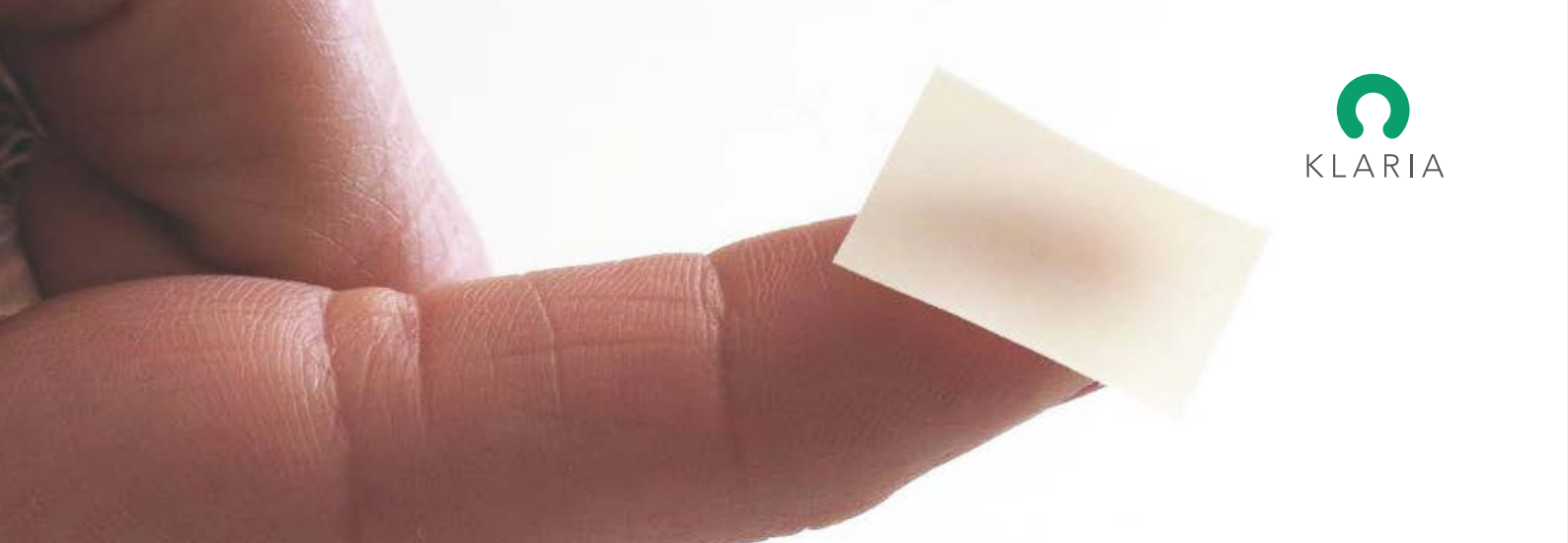
In contrast to these technologies, Klaria's Alginate Films are able to deliver pharmaceuticals which are not orally available (i.e. uptake from the stomach/intestines to the blood stream is low or non-existent). This is why Klaria has been able to for example develop fully working transmucosal films for adrenaline, naloxone and ketamine. All of these drugs are not orally available.

With this strategy, Klaria will be able to create substantial shareholder value by developing products which delivers an improved clinical outcome while also improving the user-friendliness compared to the products available on the market today.

The methodology of combining Klaria's patented drug delivery platform with well-known active substances brings great benefits to Klaria as a company, including shorter time to market, lower development costs and a reduced risk level compared to traditional drug development.

Focus on enabling and transformative treatments





Klaria's operations cont.

Klaria's drug delivery platform

Klaria's unique and patented drug delivery platform consists of an alginate-based polymer film that enables the absorption of a product's active substance through the oral mucosa. The film is similar to a stamp and is attached to the inside of the cheek or palate. Within ten minutes, the active substance is distributed directly into the blood stream.

Klaria's Alginate Films offers several clear advantages to nasal sprays and injections:

- The convenient size makes the films easy to carry around, enabling a dramatic improvement in cases such as patients with severe allergies, who currently have to bring a large injector with them.
- Patients, caregivers and family do not have to worry about injections. Needle phobia is a widespread problem, in addition to the risks of using needles including spreading of infections.
- The dosage will be more precise compared to nasal spray as the substance takes a more direct route into the bloodstream. Any risk of the patient vomiting and losing the drug dose is eliminated.

Patents



Klaria owns a patent portfolio that protects the unique Alginate technology behind the company's drug delivery platform. To further extend this protection, Klaria is continuously adding project-specific patent protection covering the combinations within each project. Up until now, the company has applied for such patent in all of its projects.

This enables Klaria to gradually build a strong patent portfolio, despite the fact that the active substances are well-known, in some cases with already expired patents. Klaria now has approved patents for the platform covering all important markets in the world.

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The film is similar to a stamp and is attached to the inside of the cheek or palate. Within ten minutes, the active substance is distributed directly into the bloodstream.”



Pipeline for Klaria's development projects

	Pre-Clinical	Clinical Dose Finding	Bioequivalence	File for Approval	Partner
Sumatriptan			Complete in 2020		
Adrenaline /Epinephrine	Complete in 2020	Start in 2020			
Naloxone		Start in 2020			
Cannabinoids					
Ketamine		Start in 2020			
Midazolam	Complete in 2020				

Sumatriptan

Klaria's Sumatriptan Alginate Film is a novel treatment for migraine. The film achieves transmucosal delivery of Sumatriptan, giving it unique and valuable benefits compared to any other currently available treatments. This is especially true for the 80 percent of migraine patients who suffer from nausea.

In 2018, Klaria received a grant of 21 MSEK in total from the innovation focused EU Horizon 2020 program. The most recent milestone payment was received in February 2020.

Adrenaline/Epinephrine

The aim of Klaria's Adrenaline Alginate Film project is to:

1. Replace EpiPen (aged incumbent technology with expensive auto-injector pen that is imprecise and bulky) with adrenaline/epinephrine formulated into Klaria's Alginate Film.
2. Disrupt the \$4.2 billion/year product EpiPen by offering a superior product with added value for the patient for the benefit of all stakeholders.
3. Become the market leader. This potential makes Epinephrine Alginate Film a massive commercial opportunity for Klaria.

The program is partnered with Mundipharma/Elvium Pharma through a deal worth in excess of \$50m in milestones, as well as additional royalties.

Naloxone

Klaria's Naloxone Film is a novel treatment for opioid overdose. There are several significant benefits of using a film as compared to nasal spray. The option of co-prescription of Naloxone with opioids is a substantial and growing market with major unmet needs.

Klaria's formulation of Naloxone is uniquely positioned to meet these unmet needs and the development of Naloxone Alginate Film is expected to result in a very valuable and competitive new product.

Klaria's operations cont.

Cannabis Delivery Sciences

The mission of Cannabis Delivery Sciences (CDS) is to fully realize the commercial opportunities of cannabis/cannabinoids, including THC and CBD, in Klaria's unique film technology. CDS is a separate entity operating within the Klaria group, with a focus on both medical and recreational applications. More information is available on its website, www.cannabisdeliverysciences.com.

Cannabis Delivery Sciences enables:

- An entirely new, patent protected category of cannabis products with a rapid and exact uptake of cannabinoids (effect after approx. 20 minutes), without the social/health related drawbacks of smoking and edibles.
- Dedicated resources with initial focus to sign a first agreement with a strong entity on the cannabis market.
- Utilisation of a team with extensive marketing experience in several regions including the United States, Canada, Jamaica and the United Kingdom.

A fast-growing market worth over 30 billion USD by 2022

The total cannabis market is estimated to be worth 30 billion USD by 2020. Cannabis edibles (oils, drinks, cookies and gummies) constitute one of the segments and is expected to be worth over 4 billion USD in 2022. Absorption via edibles is however inexact, and time to effect is usually over one hour.

The smoking segment has an estimated value of over 20 billion USD, but is associated with significant health and regulatory disadvantages.

Cannabis Delivery Sciences expects that it will reach a significant market share in both these segments. Klaria's film technology is easier to use and carry, provides more accurate dosing and allows significantly shorter time to effect compared to edible products. At the same time, the technology is free of the health and regulatory disadvantages associated with smoking.

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Cannabis Delivery Sciences makes it possible to fully realize the commercial opportunities of cannabis in Klaria's unique film technology.

Financial development during the first quarter of 2020

The Klaria Group

The Klaria Group TSEK (unless otherwise stated)	1 Jan–31 Mar		1 Jan–31 Dec
	2020	2019	2019
Net sales	0	3,824	4,223
Other operating income	1,472	241	7,362
Operating Costs	-11,726	-6,148	-32,677
Research and development costs	-7,959	-4,761	-24,208
Operating profit/loss	-10,254	-2,083	-21,092
Profit/loss after financial items	-11,029	-2,098	-22,492
Profit/loss after tax	-11,029	-2,098	-22,492
Cash flow from operating activities	442	750	-14,796
Cash and cash equivalents on the balance day	16,443	8,709	2,917
Equity on the balance day	99,455	92,602	82,108
Financial summary			
Return on equity, %	neg	neg	neg
Return on capital employed, %	neg	neg	neg
Earnings per share, before and after dilution, SEK	-0.36	-0.07	-0.72
Cash flow from operating activities per share, SEK	0.01	0.02	-0.47
Equity/assets ratio	78 %	88 %	81 %
Equity per share, SEK	2.57	3.09	2.56
Number of employees at the end of the period	5	3	3

Financial development

First quarter, January-March

Net sales

The Group's net sales for the quarter amounted to 0 TSEK (3,824 TSEK).

Costs

Costs during the quarter amounted to 11,726 TSEK (6,148 TSEK), of which administrative costs 3,310 TSEK (905 TSEK) which increased primarily due to costs of approximately 2 MSEK for the merger with Karessa, sales costs 457 TSEK (482 TSEK) and research and development costs 7,959 TSEK (4,761 TSEK) which increased mainly due to increased R&D costs of approximately 2 MSEK in Klaria and depreciation of intellectual property rights in Karessa of approximately 1 MSEK.

Earnings

Earnings after financial items amounted to -11,029 TSEK (-2,098 TSEK), or -0.36 TSEK (-0.07 TSEK) per share. The deviation in earnings is attributable to the milestone payment of 3.8 MSEK from Purdue in the previous year, merger costs in Q1 2020 of approximately 2 MSEK and increased R&D costs of approximately 2 MSEK in Klaria and depreciation of intellectual property rights in Karessa of approximately 1 MSEK.

Cash flow and liquidity

The cash flow for the quarter amounted to 13,528 TSEK (750 TSEK) and the cash flow from operating activities amounted to 442 TSEK (750 TSEK), or 0.01 TSEK (0.02 TSEK) per share. Cash and cash equivalents at the end of the period amounted to 16,443 TSEK (8,709 TSEK).

Investments

During the quarter, Klaria has invested 0 (0) TSEK in intangible assets.

During the quarter, the merger with Karessa Pharma Holding AB (publ) was completed, which added 13,084 TSEK in cash and cash equivalents to the group.

Equity

At the end of the period, the Klaria Group's equity amounted to 99,455 TSEK (92,602 TSEK) or 2.57 SEK (3.09 SEK) per share. Equity/assets ratio was 78% (88%) at the end of the period.

Fiscal deficits

Klaria's current operations are initially expected to generate negative earnings and fiscal deficits. There are currently not convincing enough reasons to indicate fiscal surpluses in the future that can justify capitalisation of the value of loss carry-forwards. Deferred tax assets have therefore not been reported. Sales of a candidate drug are expected to generate profits which at present are estimated to be tax-deductible from previous years' fiscal deficits, which would entail a low tax burden on the Company when a project is sold or the pharmaceutical is launched on a commercial market. The fiscal deficits for the Group companies amounted to 50,130 TSEK per December 31 2018, and amounted to 72,611 TSEK per December 31 2019.

Employees

Number of employees was 5 (including CEO) at the end of the quarter, of which 0 on part time.

Parent company

The legal form of the company is a public limited liability company, regulated by the Swedish Companies' Act (2005:551). The Board's registered office is located in Stockholm. Klaria Pharma Holding AB (publ) is the parent company in a group of nine companies in total. Klaria owns all shares in Klaria Incentive AB (556955-6573), Uppsalagruppen Medical AB (556847-3390), WBC Drug Delivery Technologies GmbH AG Munich (HRB 247378), Karessa Pharma AB (556966-7420), Karessa incentive AB (559114-8514), Klaria AB (559012-2577), which in turn owns all shares in FFT Pharmaceutical AB (556955-6573) and owns Klaria Pharma Holding AB (publ) and 95% of CDS Functional Film AB (559222-7374).

First quarter, January-March

The parent company's turnover amounted to 0 (0) TSEK. Costs amounted to 5,178 TSEK (1,771 TSEK), of which administrative costs amounted to 3,373 TSEK (792 TSEK), sales costs 457 TSEK (290 TSEK) and research and development costs 1,348 TSEK (689 TSEK). Profit/loss after net interest income for the quarter amounted to -3,995 TSEK (-605 TSEK).

As of March 31 2020, cash and cash equivalents in the parent company amounted to 11,080 TSEK (1,375 TSEK). At the end of the period, equity amounted to 170,076 TSEK (134,979) TSEK and the equity/assets ratio was 87% (99%).

Share capital

Klaria's share capital amounts to 645,620 SEK divided on 38,728,448 shares.

The share

The Klaria Pharma Holding share is listed on Nasdaq First North under the trading name KLAR. The share's ISIN code is SE0005506193. Klaria's ICB category is Subsector 4577. FNCA AB is the company's Certified Advisor. As of March 31, 2020, the number of shareholders in the company amounted to approx. 2,600.

Significant risks and uncertainties

Through its operations, Klaria is exposed to risks and uncertainties. Information about risks and uncertainties related to the company can be found at page 28-29 in the company's annual report for 2019 which is available on the company's website www.klaria.com.

Consolidated Income Statement (Group)

The Klaria Group TSEK (unless otherwise stated)	1 Jan–31 Mar		1 Jan–31 Dec
	2020	2019	2019
<i>Operating revenues</i>			
Net sales	0	3,824	4,223
Other operating revenues	1,472	241	7,362
Total operating revenues	1,472	4,065	11,585
<i>Operating costs</i>			
Administrative costs	-3,310	-905	-6,653
Sales costs	-457	-482	-1,816
Research and development costs	-7,959	-4,761	-24,208
Total operating costs	-11,726	-6,148	-32,677
Operating profit/loss	-10,254	-2,083	-21,092
<i>Earnings from financial investments</i>			
Net interest income	-775	-15	-1,400
Profit/loss after financial items	-11,029	-2,098	-22,492
Tax	-	-	-
Profit/loss for the period	-11,029	-2,098	-22,492
Attributable to parent company shareholders	-11,029	-2,098	-22,492
Average number of shares before and after dilution (thousands)	34,305	30,792	31,159
Number of shares on the balance day (thousands)	38,728	30,792	32,102
Profit/loss per share before and after dilution, SEK	-0.36	-0.07	-0.72

Consolidated Statement of Comprehensive Income

TSEK (unless otherwise stated)	1 Jan–31 Mar		1 Jan–31 Dec
	2020	2019	2019
Earnings for the period	-11,029	-2,098	-22,492
Other earnings in total for the period, net before tax	2	0	-2
Earnings in total for the period	-11,027	-2,098	-22,494
Attributable to parent company shareholders	-11,027	-2,098	-22,494
Minority interest	0	0	1

Consolidated Balance Sheet (Group)

The Klaria Group TSEK (unless otherwise stated)	1 Jan–31 Mar		1 Jan–31 Dec
	2020	2019	2019
<i>Assets</i>			
<i>Non-current assets</i>			
<i>Intangible assets</i>			
Intellectual property rights	108,782	94,242	96,740
<i>Tangible assets</i>			
Machinery and equipment	61	61	41
<i>Financial assets</i>			
Right-of-use	636	1,144	763
Total non-current assets	109,479	95,447	97,544
<i>Current assets</i>			
Accounts receivable and other receivables	1,763	1,036	1,266
Cash and cash equivalents	16,443	8,709	2,917
Total current assets	18,206	9,745	4,183
TOTAL ASSETS	127,685	105,192	101,727
<i>Equity and liabilities</i>			
<i>Equity</i>			
Total equity	99,455	92,602	82,108
Minority interest in group companies	3	0	2
<i>Provisions and liabilities</i>			
Non-current liabilities	130	767	130
Current liabilities	28,097	11,823	19,487
Total provisions and liabilities	28,097	11,823	19,487
TOTAL EQUITY AND LIABILITIES	127,685	105,192	101,727

Changes in equity (Group)

The Klaria Group, 1 January 2019–31 March 2019

TSEK (unless otherwise stated)	Share capital	Other contributed capital	Translation reserve	Accumulated loss	Minority share of equity	Total equity
Opening balance 2019-01-01	513	185,165		-90,978		94,700
<i>Comprehensive income</i>						
Income for the period				-2,098		-2,098
Other comprehensive income			-2			-2
Total comprehensive income	0	0	0	-2,098		-2,098
<i>Transactions with shareholders</i>						
Total transactions with shareholders	0	0	0	0		0
Closing balance 2019-03-31	513	185,165	0	-93,076		92,602

The Klaria Group, 1 January 2019–31 December 2019

TSEK (unless otherwise stated)	Share capital	Other contributed capital	Translation reserve	Accumulated loss	Minority share of equity	Total equity
Opening balance 2019-01-01	513	185,165		-90,978		94,700
<i>Comprehensive income</i>						
Appropriation of previous year's income		-90,978		90,978		
Income for the period				-22,492		-22,492
Other comprehensive income			-2			-2
Total comprehensive income	0	-90,978	-2	68,486		-22,494
<i>Transactions with shareholders</i>						
New share issues	22	9,882				9,904
Total transactions with shareholders	22	9,882	0	0		9,904
Minority share of equity				1	-3	-2
Closing balance 2019-12-31	535	104,069	-2	-22,491	-3	82,108

Changes in equity (Group)

The Klaria Group, 1 January 2020–31 March 2020

TSEK (unless otherwise stated)	Share capital	Other contributed capital	Translation reserve	Accumulated loss	Minority share of equity	Total equity
Opening balance 2020-01-01	535	104,069	-2	-22,491	-3	82,108
<i>Comprehensive income</i>						
Appropriation of previous year's income		-22,491		22,491		
Income for the period			2	-11,029		-11,027
Total comprehensive income	0	-22,491	2	11,462		-11,027
<i>Transactions with shareholders</i>						
Merger	111	28,263				28,374
Total transactions with shareholders	111	28,263	0	0	0	28,374
Closing balance 2020-03-31	646	109,841	0	-11,029	-3	99,455

Consolidated Cash Flow Statement (Group)

The Klargia Group TSEK (unless otherwise stated)	1 Jan–31 Mar		1 Jan–31 Dec
	2020	2019	2019
<i>Operating activities</i>			
Operating profit/loss after financial items	-11,029	-2,098	-22,492
Depreciation	3,358	2,394	10,089
Non-cash items		3	0
Cash flow from operating activities before changes in working capital	-7,671	299	-12,403
Changes in working capital	8,113	451	-2,393
Cash flow from operating activities	442	750	-14,796
<i>Investment activities</i>			
Acquisition of subsidiaries, net liquidity impact	13,084	0	387
Investments in tangible fixed assets	0	0	0
Cash flow from investing activities	13,084	0	387
Cash flow before financing activities	13,526	750	-14,409
<i>Financing activities</i>			
New loans	0		10,000
Liabilities attributable to financing activities	0		-633
Contributed capital	0	0	0
Cash flow from financing activities	0	0	9,367
CASH FLOW FOR THE PERIOD	13,526	750	-5,042
Cash and cash equivalents, opening balance	2,917	7,959	7,959
Cash and cash equivalents, closing balance	16,443	8,709	2,917

Income statement - (Parent Company)

TSEK (unless otherwise stated)	1 Jan–31 Mar		1 Jan–31 Dec
	2020	2019	2019
<i>Operating income</i>			
Net sales	0	0	0
Other operating incomes	1,204	1,172	4,821
<i>Operating costs</i>			
Administrative costs	-3,373	-792	-6,168
Sales costs	-457	-290	-1,544
Research and development costs	-1,348	-689	-3,081
Other income and costs	0	0	0
Total operating costs	-5,178	-1,771	-10,793
Operating profit/loss	-3,974	-599	-5,972
<i>Earnings from financial investments</i>			
Net interest income	-21	-6	-26
Profit/loss after financial items	-3,995	-605	-5,998
Appropriations			-14,585
Profit/loss before tax	-3,995	-605	-20,583
Tax	0	0	0
Profit/loss for the period	-3,995	-605	-20,583

Balance Sheet (Parent Company)

TSEK (unless otherwise stated)	31 Mar 2020	31 Mar 2019	31 Dec 2019
<i>Assets</i>			
<i>Non-current assets</i>			
<i>Tangible assets</i>			
Equipment	8	14	9
<i>Financial assets</i>			
Participations in subsidiaries	166,274	130,050	140,100
Total non-current assets	166,282	130,064	140,109
<i>Current assets</i>			
Receivables from group companies	18,439	4,560	0
Accounts receivable and other receivables	379	217	148
Cash and cash equivalents	11,080	1,375	1,738
Total current assets	29,898	6,152	1,886
TOTAL ASSETS	196,180	136,216	141,995
<i>Equity and liabilities</i>			
<i>Equity</i>			
Restricted equity	646	513	535
Non-restricted equity	169,430	134,466	124,366
Total equity	170,076	134,979	124,901
<i>Provisions and liabilities</i>			
Liabilities to Group companies			12,739
Current liabilities	26,104	1,237	4,355
Total provisions and liabilities	26,104	1,237	17,094
TOTAL EQUITY AND LIABILITIES	196,180	136,216	141,995

Note 1 Accounting Policies

This year-end report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act (ÅRL) as well as IFRS as accepted by EU. For the parent company, the Swedish Annual Accounts Act (ÅRL) and Rådet för Finansiell Rapportering's (the Council for Financial Reporting) recommendation RFR 2 Accounting for Legal Entities was applied.

In addition to what is stated below, the parent company's accounting principles and calculation method for the report have remained unchanged from those applied in the most recent annual report for the financial year ending December 31, 2017 and should be read in conjunction with that report. The Group's accounting principles have changed regarding the reporting of goodwill and intangible fixed assets. Previous years' goodwill has been reclassified to intellectual property rights. This change has led to depreciation of the rights beginning to apply from the time of acquisition in June 2015 up to the end of the useful life of the rights December 2026. Previous years' accumulated depreciation has been recognized as equity and this year's depreciation as profit for the year. Comparative figures for 2018 have been adjusted as a consequence of these changes.

As of January 1, 2018, Klaria applies IFRS 9 Financial Instruments and IFRS 15 Revenue from contracts with customers. IFRS 15 has not had any significant impact on the Group's financial reports since Klaria has no contract research for external customers. IFRS 9 has not had any effect on the Group since the Group's financial instruments, which consist of accounts receivable and other receivables as well as loans that are reported at accrued cost, do not occur.

As of January 1, 2018, Klaria applies IFRS 15 Revenue from contracts with customers that replaces existing standards as of 2018, related to revenue recognition. The change will not have any significant effects on Klaria's earnings and financial position as the company does not yet have any revenues and milestone revenues are made in accordance with the cash accounting policy, i.e. is reported as revenue when payments are received.

Estimated effects of the transition to IFRS 16 Leases

As of January 1, 2019, the Group applies the new standard IFRS 16 Leases. IFRS 16 introduces a single accounting method for lease agreements, which means that the Group's lease agreements for premises that have previously been classified as operational leases according to IAS 17 are reported in the balance sheet as an asset in the form of a right-of-use asset and lease liabilities.

Note 2 Transactions with related parties

No transactions with related parties have been made during the period.

Profit/loss per share

Net profit/loss divided by the average number of shares.

Average number of shares

The average number of shares in Klaria Pharma Holding AB (publ) has been calculated on the basis of a weighting of the historical number of issued shares in Klaria Pharma Holding AB (publ) after each completed share issue, times the number of days since the respective number of shares were issued.

Equity/assets ratio

Equity in relation to total assets.

Return on equity

Profit/loss after tax.

Return on capital employed

Profit/loss after net interest income in relation to capital employed.

Capital employed

Total assets minus interest-bearing liabilities.

Equity per share

Equity divided by the number of shares on the balance day.

Cash flow from operating activities per share

Cash flow from operating activities divided with the average number of shares.

Cash flow per share

Cash flow for the period divided with the average number of shares.

The Board of Directors and CEO hereby assure that this interim report gives a true and fair view of the company's operations, financial position and performance.

Stockholm 2020-05-28

Fredrik Hübinette
Chairman of the Board

Anders Ardstål
Director of the Board

Scott Boyer
Director of the Board

Jesper Wiklund
CEO

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

This information is such information that Klaria Pharma Holding AB (publ) is obligated to publish in compliance with the EU market abuse regulation and the Securities Markets Act. The information was provided, through the contact set out on page 23, for publication on May 28, at 08.30 CET.

Financial calendar

Interim Report Q2 2020	2020-08-28
Interim Report Q3 2020	2020-11-26
Year-end report 2020	2021-02-26

Jesper Wiklund, CEO

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KLARIA

KLARIA PHARMA HOLDING AB (PUBL.)

Interim report January – March 2020