PledPharma

PledPharma AB (publ)
Interim report January – March 2017
April 25, 2017

January – March summary

- Net result for the period amounted to KSEK -12 281 (-6 846)
- Cash equivalents at the end of the period amounted to KSEK 382 041 (43 684)
- Cash flow from operating activities amounted to KSEK -11 958 (-6 676)
- Result per share amounted to SEK -0.3 (-0.2)

Significant events during the period

- Gunilla Osswald and Elisabeth Svanberg were elected to the Board of Directors. Håkan Åström and Sten Nilsson will remain on the board.
- PledPharma's key patent application for the active pharmaceutical ingredient of the drug candidates PledOx® and Aladote® was approved in Japan and Russia.
- Patent for the anticancer-effect of PLED compounds was approved in Canada and an important use patent for PLED compounds was approved in Israel.

Significant events after the end of the period

- Nicklas Westerholm was appointed as new CEO of PledPharma.
- At the AGM on April 25, 2017, Marie Ekström Trägårdh is proposed as a new member of the Board of Directors.

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ACTIVITIES DURING THE QUARTER

The continued clinical development program for PledOx® is under evaluation and planning. Contacts with regulatory authorities, specialists within oncology and chemotherapy induced peripheral neuropathy, patient organizations, service providers (CROs) of clinical trials as well as commercial considerations will form the basis in the design of the continued development program for PledOx®. Manufacturing costs for the continued clinical studies, as well as costs for safety studies affected the quarterly results. In the Aladote® project, the start of a proof of principle study is being prepared and Dr James Dear - active in Edinburgh and key opinion leader in the field of acetaminophen poisoning - has been selected as the principal investigator. The first phase of this study will include 24 patients treated for acetaminophen poisoning.

During the first quarter of the year, patent protection for PledPharma's two drug candidates were strengthened when the company's patent application for the active pharmaceutical ingredient in PledOx® and Aladote® was approved in two additional countries with significant market potential - Japan and Russia.

During the quarter, Dr Gunilla Osswald and Dr Elisabeth Svanberg, both with extensive experience in clinical drug development, were selected as new members of the Board. Marie Ekström Trägårdh is proposed as a new member of the Board at the Annual General Meeting on April 25.

Nicklas Westerholm has since 1995 been working in the AstraZeneca Group in several global roles and different business areas, most recently as Vice President Project & Portfolio Management, Cardiovascular and Metabolic Diseases, Global Medicines Development Unit. Prior positions include roles as Executive Officer and Vice President of Japan Operations, Director Investor Relations, Head of Global API Supply and Head of Development Manufacture. Nicklas Westerholm has studied analytical and organic chemistry at Stockholm University, and Chemical Engineering at KTH Royal Institute of Technology. He has also participated in educational programs at the University of Warwick, INSEAD and Harvard Business School.

I look forward to continuing the work with our unique data from the PLIANT study within PledPharma’s research and development and together with Nicklas Westerholm develop PledOx® to a valuable drug to reduce cancer patient’s suffering, says CEO Jacques Näsström.

Further recruitments are underway to ensure adequate resources and expertise relevant for the continued clinical development and commercialization of drug candidates PledOx® and Aladote®.

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PLEDPHARMA IN BRIEF

PledPharma develops new drugs that are intended to protect the body against oxidative stress – a potentially debilitating and sometimes life-threatening condition that can be caused by chemotherapy treatment and following acetaminophen (paracetamol) overdose. The company's most advanced project PledOx® is being developed to reduce nerve damage associated with chemotherapy. A phase IIb study has been conducted and will serve as the basis for the continued development. The drug candidate Aladote® is being developed to reduce the risk of acute liver failure associated with acetaminophen poisoning.

PledPharma (STO: PLED) is listed on Nasdaq First North. Erik Penser Bank is the company's Certified Adviser (tel +46 8 463 80 00). For more information, see www.pledpharma.se

Vision

PledPharma is a leading pharmaceutical company, developing new, unique therapies for debilitating and life-threatening conditions.

Business idea

PledPharma develops therapies to improve the treatment of debilitating and life-threatening conditions based on the company's patented and clinically proven technology, PLED (PyridoxyL EtylDiamin based compounds).

Goals

PledPharma's goal is to create value for patients, society and the shareholders by developing effective new treatments for debilitating and life-threatening conditions.
PledPharma's primary business objective is:

- To successfully develop PledOx® to market registration
- To successfully develop Aladote® to clinical "proof of concept"

Business model and strategy

PledPharma uses its patented and clinically proven technology, PLED, to develop treatments for debilitating and life-threatening conditions caused by oxidative stress. The company focuses on a few key projects. The projects are selected based on several criteria, the most important are the medical need, scientific rational and development path. That the potential treatments are in areas with limited competition is considered to be beneficial.

With a small number of projects in development PledPharma can give each project the attention and resources necessary for successful development. The company has an entrepreneurial approach and manage their projects in a resource efficient manner. The business is run by its own expert organization with expertise in preclinical and clinical development collaborating with partners, including conducting studies. PledPharma also intends to work with partners to manufacture, sale and distribute future approved products. Until profitable, the organization will mainly be financed through equity and licensing of projects to commercial partners.

Patents and trademarks

PledPharma has four different patents which have been granted or applied for in many countries, aiming to get an exclusive market protection and broad commercial rights for the manufacture and use of PLED therapeutics.

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PledPharma's patent applications are approved in 16 countries. The first has been approved in several countries including the US, EU, Japan and most recently in Canada with patent protection until 2028. The second is approved in Australia, Japan, Canada, Mexico, Russia, Israel and South Africa with patent protection until 2030. The third and most important patent which covers calmangafodipir, the active ingredient of the drug candidates PledOx® and Aladote®, is approved in the US, Japan and Russia with patent protection until December 2032. The fourth application has entered the national phase and is expected to provide patent protection until October 2033.

PledPharma has trademark protection for PledOx® since 2010 and since 2015 for Aladote®.

OUR PROJECTS

PledPharma develops therapeutics based on PLED technology and currently has two projects in or about to enter the clinical development.

PledOx® (chemotherapy induced peripheral neuropathy)

PledOx® is developed to provide patients, that are treated adjuvantly or for metastatic colorectal cancer, protection against the nerve damage that can occur in conjunction with chemotherapy treatment. The side-effects of chemotherapy can lead to a reduction of the planned dose or in worst case, treatment discontinuation. Unfortunately, it appears that the chemotherapy can induce permanent nerve damage. Patients may, for example, experience discomfort and numbness in the hands and feet, difficulty with balance with risk of falling and problems with sensation that can last for the rest of their lives. PledOx® is a "first-in-class" treatment and there is a large medical need as there are currently no preventive or curative treatment for nerve damage from chemotherapy.

The results from the Phase IIb study PLIANT, where patients with metastatic colorectal cancer (colorectal cancer) treated with the chemotherapy combination FOLFOX and PledOx® (calmangafodipir), indicates that the patients who received PledOx® had a lower risk than the placebo group to suffer from nerve damage during the chemotherapy. Patients also showed a reduction in chronic symptoms of nerve damage up to 6 months after treatment. This is the first time, in a controlled clinical trial, where one has shown that it may be possible to prevent chemotherapy caused nerve damage in a clinically significant manner and without interfering with the cancer treatment.

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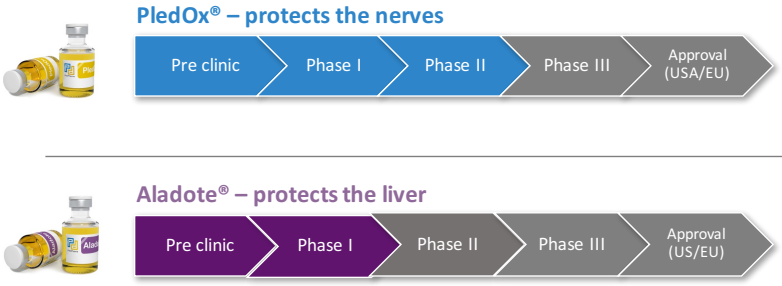
Aladote® (Acetaminophen overdose)

The Aladote® project is based on calmangafodipir, that has been evaluated and tested pre-clinically with promising results. A clinical trial for the prevention of acetaminophen induced acute liver failure (ALF) in patients that have overdosed acetaminophen is under preparation. Aladote® is a "first-in-class" treatment and there is a large medical need as there are currently no adequate treatment for patients that arrive late to the hospital after an overdose of aciteminophen.

PROJECT STATUS



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FINANCIAL INFORMATION

January - March 2017

Revenue

Revenue amounted to KSEK 57 (48) during the quarter. The revenue consisted of rental revenues and foreign exchange gains. Interest income amounted to KSEK 45 (37) for the quarter.

Expenses

Operating expenses amounted to KSEK 12 383 (6 931) for the quarter. Of these, planned project costs amounted to KSEK 7 047 (1 914) The increase of costs during the quarter was associated with the manufacturing of PledOx for the continued clinical development and cost related to safety studies.

Employee costs amounted to KSEK 1 856 (1 590) for the quarter. Other operating costs amounted to KSEK 3 441 (3 413) and included costs of license patents and consulting costs.

Results

Operating result amounted to KSEK -12 325 (-6 883) for the quarter. Result after financial items amounted to KSEK -12 281 (-6 846) for the quarter.

No income tax was recorded for the quarter (-). Result per average share amounted to SEK -0.3 (-0.2).

Financial position

Cash

Cash at 31 March 2017 amounted to KSEK 382 041 (43 684).

Cash flow

Cash flow from operating activities amounted to KSEK -11 958 (-6 676) for the quarter. The cash flow from financing activities and investment activites amounted to KSEK 0 (0). Cash flow amounted to KSEK -11 958 (-6 676) for the quarter.

Equity and equity ratio

At March 31, 2017 shareholders' equity amounted to KSEK 377 281 (41 187). The company's equity ratio was 98 (92) %. Shareholders' equity per share amounted to SEK 7.8 (1.5), at the end of the period.

Debts

No long-term debts were outstanding (-). Current liabilities amounted to KSEK 9 337 (3 481).

Investments, tangible and intangible assets

During the period, investments in tangible fixed assets corresponding to 0 (0) SEK.

Employees

Average number of employees during the period was 4 (4) persons, 3 women and 1 man.

Share

The number of shares at March 31, 2017 were 48 666 656. PledPharma´s shares were listed on NASDAQ Stockholm First North on 7 April 2011.

Parent Company

The parent company's expenses for the quarter amounted to KSEK 12 383 (6 931).

The parent company's result after financial items amounted to KSEK -12 281 (-6 846) for the quarter.

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Consolidated statement of comprehensive income

KSEK	2017 Jan-March	2016 Jan-March	2016 Jan-Dec
Revenue			
Other operating income	57	48	1 026
	57	**48**	**1 026**
Operating expenses			
Project costs	-7 047	-1 914	-19 513
Other external costs	-3 441	-3 413	-13 162
Employee benefit costs	-1 856	-1 590	-6 357
Depreciation and impairment, fixed assets	0	0	0
Other operating expenses	-39	-14	-356
Operating result	**-12 325**	**-6 883**	**-38 363**
Net financial items			
Interest income	45	37	140
Interest expense and similar items	-	-	-
Result after financial net	**-12 281**	**-6 846**	**-38 223**
Result before tax	**-12 281**	**-6 846**	**-38 223**
Tax	-	-	-
Result after tax	**-12 281**	**-6 846**	**-38 223**
Statement of comprehensive income			
Other comprehensive income	-	-	-
Comprehensive income for the period	**-12 281**	**-6 846**	**-38 223**
Net earnings and comprehensive income is entirely attributable to parent company shareholders			
Share Data			
Number of shares at the end of period	48 666 656	28 388 883	48 666 656
Average number of shares during period	48 666 656	28 388 883	29 675 504
Result per share before dilution (SEK)	-0,3	-0,2	-1,3
Result per share after dilution (SEK)	-0,3	-0,2	-1,3
Equity per share (SEK)	7,8	1,5	8,0
Equity per share after dilution (SEK)	7,8	1,5	8,0

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Consolidated statement of financial position

KSEK	2017-03-31	2016-03-31	2016-12-31
ASSETS			
Fixed assets			
Property, plant and equipment			
Equipment, tools, fixtures and fittings	-	-	-
Total fixed assets	-	-	-
Current assets			
Current receivables			
Other receivables	350	399	1 344
Prepaid expenses and accrued income	4 227	585	1 093
	4 578	**984**	**2 437**
Cash and bank balances	382 041	43 684	393 998
Total current assets	**386 618**	**44 668**	**396 435**
Total assets	**386 618**	**44 668**	**396 435**
EQUITY AND LIABILITIES			
Equity			
Share capital	2 561	1 494	2 561
Other capital contributions	387 001	46 538	425 224
Accumulated loss including net loss	-12 281	-6 846	-38 223
Total equity	**377 281**	**41 187**	**389 562**
Short term liabilities			
Accounts payable	6 022	1 102	4 678
Other liabilities	424	213	213
Accrued expenses and deferred income	2 890	2 166	1 983
Total short term liabilities	**9 337**	**3 481**	**6 873**
Total equity and liabilities	**386 618**	**44 668**	**396 435**

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Consolidated statement of cash flows

KSEK	2017 Jan - March	2016 Jan-March	2016 Jan-Dec
OPERATING ACTIVITIES			
Result after financial net	-12 281	-6 846	-38 223
Adjustments for non-cash items	0	0	0
Tax paid	-	-	-
Cash flow from operating activities before changes in working capital	**-12 280**	**-6 845**	**-38 223**
Changes in short term liabilities	-2 141	1 017	-436
Changes in account payables	1 344	-664	2 912
Changes in operating liabilities	1 119	-184	-367
Cash flow from operating activities	**-11 958**	**-6 676**	**-36 114**
INVESTING ACTIVITIES			
Cash flow from investing activities	**-**	**-**	-
FINANCING ACTIVITIES			
New share issue	-	-	405 555
Cost new share issue	-	-	-25 803
Cash flow from financing activities	**-**	**-**	**379 753**
Cash flow for the period			
Balance at beginning of period	393 998	50 360	50 360
Change in cash	-11 958	-6 676	343 638
CASH BALANCE AT THE END OF THE PERIOD	382 041	43 684	393 998

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Consolidates statement of changes in equity

KSEK	Share capital	Other capital contributions	Accumulated loss incl. net result for the period	Totalt equity
Opening balance 20170101	**2 561**	**425 224**	**(38 223)**	**389 562**
Loss allocation according AGM resolution	-	(38 223)	38 223	-
Comprehensive income for period	-	-	(12 281)	(12 281)
Closing balance 20170331	**2 561**	**387 000**	**(12 281)**	**377 281**
Opening balance 20160101	**1 494**	**90 374**	**(43 836)**	**48 032**
Loss allocation according AGM resolution	-	(43 836)	43 836	-
Comprehensive income for period	-	-	(6 846)	(6 846)
Closing balance 20160331	**1 494**	**46 538**	**(6 846)**	**41 187**
Opening balance 20160101	**1 494**	**90 374**	**(43 836)**	**48 032**
Loss allocation according AGM resolution	-	(43 836)	43 836	-
New share issue	1 067	404 488	-	405 555
Costs new share issue	-	(25 803)	-	(25 803)
Comprehensive income for period	-	-	(38 223)	(38 223)
Closing balance 20161231	**2 561**	**425 224**	**(38 223)**	**389 562**

Consolidated key ratios

KSEK	2017 Jan-March	2016 Jan-March	2016 Jan-Dec
Equity	377 281	41 187	389 562
Equity ratio %	98%	92%	98%
Return on equity %	neg.	neg.	neg.
Number of shares at the end of the period	48 666 656	28 388 883	48 666 656
Number of shares at the end of the period after dilution	48 666 656	28 388 883	48 666 656
Average number of shares under the period	48 666 656	28 388 883	29 675 504
Average number of shares under the period after dilution	48 666 656	28 388 883	29 675 504
Share Data (SEK)			
Result per share before/after dilution	-0,3	-0,2	-1,3
Cash flow from operating activities	-0,2	-0,2	-1,2
Equity per share before/after dilution	7,8	1,5	8,0
Dividend	-	-	-
Number of employees	4	4	4

Key Ratios definitions

Ratios that have been calculated according to IFRS
Earnings per share
Net income divided by average number of shares before dilution

Number of shares at end of period
The number of outstanding shares before dilution at the end of the period

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Number of shares after dilution
The number of issued shares after dilution effect of potential shares at end of period

Average number of shares during the period
Average number of outstanding shares before dilution for the period

Average number of shares during the period after dilution
Average number of issued shares after dilution effect of potential shares

Number of employees (average)
The number of employees at the end of each period

Ratios that have not been calculated in accordance with IFRS

Equity ratio, %
The company defines the ratio as follows; The period's closing equity divided by the period's closing balance sheet. The company uses the alternate ratio Equity as it shows the proportion of total assets represented by shareholders' equity and has been included to allow investors to assess the company's capital structure.

Return on equity, %
The company defines the ratio as follows; Net income divided by shareholders' equity. The company uses the alternate key figure Return on equity, % because the company believes that the key ratio gives investors a better understanding of the return generated on the total capital that the shareholders have invested in the Company.

Cash flow from operations per share
The company defines the ratio as follows; Cash flow from operating activities divided by the number of shares outstanding at the end of the period. The company uses the alternate key figure Cash flow from operations per share because the Company believes that the key ratio gives investors a better understanding of the company's cash flow in relation to its number of shares adjusted for changes in the number of shares outstanding during the period.

Equity per share
The company defines the ratio as follows; Equity divided by number of shares outstanding at the end of the period. The company uses the alternate key ratio equity per share because the Company believes that the key ratio gives investors a better understanding of the historical return per share adjusted for changes in the number of shares outstanding during the period.

Parent company - Income statement

SEKk	2017 Jan-March	2016 Jan-March	2016 Jan-Dec
Revenue			
Other operating income	57	48	1 026
	57	**48**	**1 026**
Operating expenses			
Project costs	-7 047	-1 914	-19 513
Other external costs	-3 441	-3 413	-13 162
Employee benefit costs	-1 856	-1 590	-6 357
Depreciation and impairment, fixed assets	0	0	0
Other operating expenses	-39	-14	-356
Operating result	**-12 325**	**-6 883**	**-38 363**
Net financial items			
Interest income	45	37	140
Interest expense and similar items	-	-	0
Result after financial net	**-12 281**	**-6 846**	**-38 223**
Result before tax	**-12 281**	**-6 846**	**-38 223**
Tax	-	-	-
Result after tax	**-12 281**	**-6 846**	**-38 223**

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Parent company - Balance sheet

KSEK	2017-03-31	2016-03-31	2016-12-31
ASSETS			
Fixed assets			
Property, plant and equipment			
Equipment, tools, fixtures and fittings	0	0	0
Financial assets			
Shares and participations in group companies	50	50	50
Total fixed assets	**50**	**50**	**50**
Current assets			
Current receivables			
Receivables group companies			
Other receivables	350	399	1 344
Prepaid expenses and accrued income	4 227	585	1 093
	4 577	984	2 437
Cash and bank balances	382 041	43 684	393 998
Total current assets	**386 618**	**44 668**	**396 435**
Total assets	**386 668**	**44 718**	**396 485**
EQUITY AND LIABILITIES			
Equity			
Restricted equity	2 561	1 494	2 561
Share capital			
Non-restricted equity	387 000	46 538	425 224
Share premium reserve	-12 281	-6 846	-38 223
Result for the period	**377 281**	**41 187**	**389 562**
Total equity			
Debt to group company	50	50	50
Accounts payable	6 022	1 102	4 678
Other liabilities	424	213	213
Accrued expenses and deferred income	2 890	2 166	1 983
Total short term liabilities	**9 387**	**3 531**	**6 924**
Total equity and liabilities	**386 668**	**44 718**	**396 485**

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Notes

NOTE 1 - Accounting principles

PledPharma applies International Financial Reporting Standards (IFRS) as adopted by the EU. This report is prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The parent company's interim report is prepared in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. Applied accounting principles and calculation methods are the same as in the latest annual report for 2015.

NOTE 2 – Additional information

Other information in accordance with IAS 34.16A are found on pages before the income statement and statement of comprehensive income. Information on earnings, cash flow and financial position, see page 6. For events after the period, see page 1.

NOTE 3 – Financial assets and debts

Group 31 Mars 2017

The fair value and carrying value are shown in the table below:

	Account and loan receivables	Financial debts	Total carrying amount	Fair value
Accounts receivable	-	-	**-**	**-**
Accrued but not invoiced income	-	-	**-**	**-**
Cash	382 041	-	382 041	382 041
Total assets	**382 041**	**-**	**382 041**	**382 041**
Accounts payable	-	6 022	6 022	6 022
Other liabilities	-	-	**-**	**-**
Total debts	**-**	**6 022**	**6 022**	**6 022**

Group 31 December 2016

The fair value and carrying value are shown in the table below:

	Account and loan receivables	Financial debts	Total carrying amount	Fair value
Accounts receivable	-	-	**-**	**-**
Accrued but not invoiced income	-	-	**-**	**-**
Cash	393 998	-	393 998	393 998
Total assets	**393 998**	**-**	**393 998**	**393 998**
Accounts payable	-	4 678	4 678	4 678
Other liabilities	-	-	**-**	**-**
Total debts	**-**	**4 678**	**4 678**	**4 678**

NOTE 4- Related parties transactions

Consultancy agreements exist with Board members Håkan Åström and Sten Nilsson who receive a maximum annual compensation as follows: Håkan Åström 582 TSEK, Sten Nilsson 204 TSEK. During the period, Board member Sten Nilsson has invoiced 102 TSEK in consultancy fees.

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Other information

Next reports
Interim report Jan – June 2017, August 30, 2017
Interim report Jan – September 2017, October 20, 2017

Annual general meeting
The Annual General Meeting is being held on April 25, 2017 at. 16:00 at IVA Konferenscenter, Grev Turegatan 16, Stockholm.

PledPharma is required to publish the information in this report in accordance with Market Abuse Act. and Swedish Securities Market Act. The information was submitted for publication at 8:00 on April 25, 2017.

This report, and further information is available on the website, www.pledpharma.se

This is a translation of the Swedish interim report that has not been reviewed by the company's auditor.

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Certified Advisor
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Analysts who follow PledPharma
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Certification
This report provides a true and fair overview of the company's business activities, financial position, and results of operations, and describes significant risks and uncertainties to which the company is exposed.

Stockholm, April 25, 2017

Håkan Åström	Gunilla Osswald	Elisabeth Svanberg
Chairman of the board	*Board member*	*Board member*

Sten Nilsson
Board member