Immunovia interim report January-March 2019

"During the first quarter of 2019, we remained focused on our product launch strategy and continued to create value, as we reached several key objectives and took several steps towards the commercialization of IMMray™ PanCan-d, our diagnostic test for early detection of pancreatic cancer.

Another key objective that we reached in the first quarter was the addition of new participants to our PanFAM-1 study, a multicenter prospective validation study for early diagnosis of people with a high risk of hereditary pancreatic cancer. In Q1 2019 we added two additional centers, one in Sweden and one in Spain. Umeå University Hospital in Sweden and Catalan Institute of Oncology (ICO Hospitalet) – Bellvitge Biomedical Research Institute (IDIBELL) in Barcelona are now part of PanFAM-1 study.

We also took an extremely important step towards on the optimization of the algorithm during Q1. We announced in March that using blood samples that are as fresh as possible, i.e. stored for less than 24 months, increases the test performance and provides optimal results. We were able to attain the relevant samples through our large and growing network of clinical Key Opinion Leaders (KOL). It is imperative to note that we needed samples that best mirror the blood samples that will be used with our final product, finding these fresh samples and gaining access to them is quite difficult and takes time.

With the appointment of Julie Silber as Senior Investor Relations Director early this year we actualized a strategic objective in strengthening the IR role and our shareholder communication capabilities at Immunovia.

We continued to work intensely during the first quarter of 2019 on the preparations for our sales launch targeted for the beginning of 2020."

Excerpt from the CEO Mats Grahn's comment on the report.

Mats Grahn
CEO of Immunovia AB

Key indicators

SEK thousand unless otherwise stated	Jan-Mar 2019	Jan-Mar 2018	Full year 2018	Full year 2017
Net sales	66	112	333	149
Operating earnings	–27,197	–17,377	–87,708	–45,520
Earnings before tax	–26,381	–17,326	–86,531	–45,323
Net earnings	–26,384	–17,326	–86,538	–45,232
Earnings per share before and after dilution (SEK/share)	–1.35	–1.00	–4.67	–2.67
Equity ratio, %	89	94	97	94
No. of shares at the end of the period	19,531,353	17,318,059	19,531,353	17,318,059

This financial statement has been produced in accordance with IFRS for the Immunovia Group, which comprises Immunovia AB and the wholly-owned subsidiaries Immunovia Incentive AB, Immunovia Inc. and Immunovia GmbH.

Outlook

Immunovia is focused on fundamentally transforming diagnosis of complex forms of cancer and autoimmune diseases. The antibody-based platform, IMMray™, is the result of 15 years of research at CREATE Health – the Center for Translational Cancer Research at Lund University, Sweden. IMMray™ is a technology platform for the development of diagnostic tests and the company's primary test, IMMray™ PanCan–d, is the first test in the world for early diagnosis of pancreatic cancer.

The Company reiterates it's financial targets in accordance with what has previously been disclosed. The company anticipates the first revenues from self pay sales in early 2020. The following financial targets have been established:

- Immunovia's target is to achieve turnover of SEK 250-300 million by 2022 based on self-pay for IMMray™ PanCan–d.
- Immunovia's target is to achieve total turnover, including payment via self-pay and cost remuneration from insurance systems, of SEK 800-1,000 million by 2024.

CEO's statement

Important steps toward commercialization of IMMray™ PanCan-d

Dear shareholders,

During the first quarter of 2019, we remained focused on our product launch strategy and continued to create value, as we reached several key objectives and took several steps towards the commercialization of IMMray™ PanCan-d, our diagnostic test for early detection of pancreatic cancer.

With the appointment of Julie Silber as Senior Investor Relations Director early this year we actualized a strategic objective in strengthening the IR role and our shareholder communication capabilities at Immunovia. It has also been our intent to expand our capital markets exposure throughout Europe and especially in North America and to enhance our strategic communications plan in parallel with our commercial launch.

Additionally, and to further our expanded IR initiative, we attended three investor conferences in the first quarter of 2019 and hosted many meetings with interested investors and plan to do more.

Another key objective that we reached in the first quarter was the addition of new participants to our PanFAM-1 study, a multicenter prospective validation study for early diagnosis of people with a high risk of hereditary pancreatic cancer. In Q1 2019 we added two additional centers, one in Sweden and one in Spain. Umeå University Hospital in Sweden and Catalan Institute of Oncology (ICO Hospitalet) – Bellvitge Biomedical Research Institute (IDIBELL) in Barcelona are now part of PanFAM-1 study. The participation of these new centers not only add value by expanding our network of important centers that will help in commercializing IMMrayTM PanCan-d it also creates a more diverse sample pool ethnically and genetically which provides us with a wider range of data to better validate the test.

PanFAM-1 is the largest prospective study to date that is addressing the unmet need of early diagnosis in high-risk individuals with Familial Pancreatic Cancer (FPC). The PanFAM-1 study and ongoing screening programs that will include more than 2,000 patients and is scheduled to run for three years.

We also took an extremely important step towards on the optimization of the algorithm during Q1. We announced in March that using blood samples that are as fresh as possible, i.e. stored for less than 24 months, increases the test performance and provides optimal results. We were able to attain the relevant samples through our large and growing network of clinical Key Opinion Leaders (KOL). It is imperative to note that we needed samples that best mirror the blood samples that will be used with our final product, finding these fresh samples and gaining access to them is quite difficult and takes time. Thanks to our experienced KOLs, we now have these at hand and are well on our way towards completing the optimization work. Going forward, the verification and validation process of IMMray™ PanCan-d will be conducted solely with samples collected that best conforms to general clinical conditions. This was a very important step for many reasons: not only did this confirm the need to use fresh blood samples for optimal results, it also confirmed the incredible support of our KOL network. This was a crucial step towards the commercialization of IMMray™ PanCan-d.

The completion of the optimization work will then trigger the commercial test model study, followed by Verification and Validation studies. Like we mentioned in Q1 the details on timing of these milestones will be communicated in Q2.

At Immunovia, we remain fully committed and focused on the commercialization of IMMray™ PanCan-d and continue to do everything possible to maximize efficiency while maintaining our high quality. We continued to work intensely during the first quarter of 2019 on the preparations for our sales launch targeted for the beginning of 2020.

Thank you for your continuing support of Immunovia.

Mats Grahn
CEO, Immunovia AB

Important events

Important events in the first quarter of 2019
Immunovia has eliminated unforeseen variability in the test algorithm performance by consistent and optimal protocols.
As Immunovia previously announced in August 2018, the combination of retrospective samples from different biobanks, with varying sample collection procedures and storage, introduced unforeseen variability in the test algorithm performance. The distorting effect caused by the variability in blood sampling was eliminated by consistent and optimal protocols. During the first quarter 2019 it was also concluded that for optimal performance of the test, the samples should be stored for a maximum of 24 months from the testing period. The step of gaining these fresh samples has pushed out the previously communicated timeline for the optimizing study by about eight weeks which will impact the start of sales early 2020.

Important events after the end of the first quarter of 2019
Immunovia and University College of London have signed an agreement to extend validation studies of IMMray™ PanCan-d for early signs and symptoms.
Professor Stephen Pereira and his team at the institute for Liver and Digestive Health, University College London (UCL) will extend the prospective collection of blood samples funded by Immunovia and that started with the PanSYM-1 pilot study. The pilot PanSYM-1 study at UCL that started in 2017 is scheduled for readout in 2019 and will now support the continuation of PanSYM-1 as a prospective validation study. The continued PanSYM-1 study aims to demonstrate the diagnostic value of IMMray™ PanCan-d in detecting PDAC (pancreatic ductal adenocarcinoma) earlier than the current standard.

Consolidated financial results for January-March 2019

Net sales
Net sales for the first quarter of 2019 were SEK 66 thousand (112 k). Net sales principally comprise royalties.

Capitalization of costs for the first quarter of 2019 were SEK 5.9 million (6.2 m). Capitalization development costs are financed through approved and paid grants, the reported amounts are reduced by a comparable amount. No grants for development were received during the first quarter 2019.

Earnings
The net loss for the first quarter of 2019 was SEK 26.4 million (17.3 m).

The net loss for the first quarter of 2019 increased due to higher costs, relating to organizational enlargement, increased marketing activity and costs for set-up of prospective activities. Other external costs and personnel costs increased by a total of SEK 7.6 million compared with the previous year and resulting in SEK 31.0 million in the first quarter of 2019.

Research and development
Research and development is going as planned. The total cost of research and development in Q1 2019 was SEK 7.6 million (6.2 m), which corresponds to 18% (26%) of the Group's total operating costs.

The decline in R&D activity is mainly due to a comparative increase in other activities, such as marketing costs and the implementation of prospective studies.

Financial position and cash flow
Cash flow for Q1 2019 from operating activities amounted to SEK –14.3 million (–14.9 m). Cash and cash equivalents as at 31 March 2019 amounted to SEK 359.8 million (167.8 m).

Shareholders' equity at the end of the period was SEK 434.8 million (219.4 m) and the equity ratio was 89% (94).

Management believes that there is sufficient working capital to meet working capital needs, given the current business and development plan, for approximately 2 years going forward.

Investments
In Q1 2019 intangible assets were acquired for SEK 7.1 million (7.0 m), consisting of capitalized development expenditure for SEK 5.9 million (6.2 m) and patents for SEK 1.1 million (0.7 m).

Investments in tangible assets in the form of inventories were made during the Q1 2019 amounting to SEK 3.4 million. For the corresponding period last year the total was SEK 2.8 million.

Employees
The number of employees in the Group during Q1 2019 averaged 45 (36) and at the end of the period the number of full-time employees were 46.

Share information

Since 3 April 2018, Immunovia's shares have been listed on Nasdaq Stockholm's primary market (Mid Cap) under the IMMNOV ticker.

Subscription warrants scheme
Immunovia has four outstanding warrants schemes covering 340,650 warrants entitling to subscription of 340,650 shares. There will be no dilution as long as the Group's earnings are negative. For more information about he warrants, see page 6.

Share data
At the end of the reporting period the total number of shares was 19,531,353. The nominal value of each share is SEK 0.05.

The ten largest shareholders as of 31 March 2019

Name	No. of shares	Share capital and votes
Carl Borrebaeck	1,709,900	8.75%
Ålandsbanken, on behalf of the owner	1,622,446	8.31%
Handelsbanken Svenska Småbolag	1,050,000	5.38%
Sara Andersson Ek	888,950	4.55%
Per Mats Ohlin	888,950	4.55%
Christer Wingren	832,825	4.26%
Vincent Saldell	726,163	3.72%
Försäkringsbolaget Avanza Pension	583,283	2.99%
Swedbank Robur Folksams LO Sverige	500,000	2.56%
Mats Grahn	413,039	2.11%
10 largest owners	9,215,556	47.18%
Others	10,315,797	52.82%
Total	19,531,353	100.00%

Share capital development

Year	Event	Total share capital (SEK)	Change (SEK)	Total no. of shares	Change in shares	Nominal value (SEK)
24 May 2007	Formation	100,000.00	100,000.00	1,000,000	1,000,000	0.10
19 Oct 2011	New share issue	105,263.00	5,263.00	1,052,630	52,630	0.10
27 Oct 2011	Share split 5:1	105,263.00	-	5,263,150	4,210,520	0.02
5 July 2012	New share issue	108,869.92	3,606.92	5,443,496	180,346	0.02
21 May 2013	New share issue	122,483.76	13,613.84	6,124,188	680,692	0.02
10 Sept 2013	New share issue	124,899.76	2,416.00	6,244,988	120,800	0.02
5 May 2014	New share issue	220,924.32	96,024.56	11,046,216	4,801,228	0.02
13 Aug 2015	Bonus issue	552,310.80	331,386.48	11,046,216	-	0.05
17 Dec 2015	New share issue	714,560.80	162,250.00	14,291,216	3,245,000	0.05
15 Sept 2016	New share issue	823,728.40	109,167.60	16,474,568	2,183,352	0.05
17 Oct 2016	New share issue	840,202.95	16,474.55	16,804,059	329,491	0.05
4 Oct 2017	New share issue via warrants	865,902.95	25,700.00	17,318,059	514,000	0.05
8 June 2018	New share issue	974,042.65	108,139.70	19,480,853	2,162,794	0.05
19 Sept 2018	New share issue via warrants	976,567.65	2,525.00	19,531,353	50,500	0.05
At end of period		976,567.65		19,531,353		0.05

Incentive schemes

Warrants

The Annual General Meeting held on 3 May 2018 resolved to offer a warrants scheme (series 2018/2021) to employees and key persons in the company. The warrants (156,150) can be used to subscribe for newly issued shares of the Company during the utilization period from 7 September 2021 to 7 October 2021. Each warrant entitles the holder to subscribe for one share at a subscription price of SEK 271.05 per share. Full utilization would increase the company's share capital by SEK 7,739.50.

The Annual General Meeting held on 25 April 2017 resolved to offer a warrants scheme (series 2017/2020) to employees and key persons in the company. The warrants (61,000) can be used to subscribe for newly issued shares of the Company during the period from registration of the decision until 15 October 2020. Each warrant entitles the holder to subscribe for one share at a subscription price of SEK 205.00 per share. Full utilization would increase the company's share capital by SEK 3,050.

The Annual General Meeting held on 30 May 2016 resolved to offer a warrants scheme (series 2016/2019) to employees and key persons in the company. The warrants (123,500) can be used to subscribe for newly issued shares of the Company during the period from registration of the decision until 15 October 2019. Each warrant entitles the holder to subscribe for one share at a subscription price of SEK 82.90 per share. Full utilization would increase the company's share capital by SEK 6,175.

The Annual General Meeting held on 1 June 2015 resolved to offer a warrants scheme (series 2015/2018) to employees and key persons in the company. The warrants (47,000) can be used to subscribe for newly issued shares of the Company during the period from registration of the decision until 15 October 2018. 10,000 warrants have been exercised, therefore 37,000 warrants remain for subscription. Each warrant entitles the holder to subscribe for one share at a subscription price of SEK 13.50 per share. Full utilization would increase the company's share capital by SEK 1,850.

The Annual General Meeting held on 3 May 2018 resolved to introduce an alternative cash-based incentive scheme for key individuals in countries where allocation of warrants in accordance with the 2018/2021 scheme was not applicable for various reasons. Such an incentive scheme has been introduced for employees and key individuals and is designed so that the economic effects correspond to the terms of the 2018/2021 options scheme. The total cost for the company can be at most USD 250,000.

The Annual General Meeting held on 25 April 2017 resolved to introduce an alternative cash-based incentive scheme for key individuals in countries where allocation of warrants in accordance with the 2017/2020 scheme was not applicable for various reasons. Such an incentive scheme has been introduced for 6 key individuals and is designed so that the economic effects correspond to the terms of the 2017/202 options scheme. The total cost for the company can be at most USD 920,000.

The warrants are subject to customary recalculation terms in connection with share issues, etc.

Accounting principles

The Group applies the Swedish annual accounts act and International Financial Reporting Standards (IFRS) as adopted by the EU, and RFR 1 complementary accounting rules for Groups when preparing financial reports. The parent company applies the Swedish annual accounts act and RFR 2 Accounting for legal entities when establishing financial reports. The applied accounting principles are in agreement with the information in the 2017 annual report. From 1 January 2019, the Group is applying IFRS 16 Leases.. Otherwise, the applied accounting principles are consistent with those applied in the 2018 annual report.

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

IFRS 16 Leases

IFRS 16 Leases is effective from 1 January 2019. Immunovia has applied the simplified transition method, which means that comparatives have not been restated. The lease liability consists of the discounted remaining leasing payments as at 1 January 2019. The right-of-use asset for all leases corresponds to the lease liability adjusted for prepaid or accrued lease payments reported in the statement of financial position as at 1 January 2019.

The transition to IFRS 16 has not had any effect on equity. Immunovia applies practical expedients allowed under IFRS 16 for leases where the underlying asset has a low value and for short-term leases, which also include leases that terminate in 2019.

The most significant leases are rental agreements for office premises. The Group's total assets have increased as a result of the inclusion of right-of-use assets and lease liabilities following the introduction of IFRS 16. Under IAS 17, lease payments in the comparative year were reported as other external expenses in the income statement. These have now been replaced by depreciation of the right-of-use asset, recognized as an expense in operating profit/loss, and interest on the lease liability, recognized as a financial expense. The lease payment is apportioned between repayment of the lease liability and payment of interest.

The outstanding lease payments were measured at their present value using Immunovia's incremental borrowing rate, which was 4 percent.

The following adjustments to the Group's balance sheet as at 1 January 2019 have been made.

	SEK thousands
Property, plant & equipment, right-of-use assets	36,067
Current receivables, prepaid expenses	–610
	35,457
Non-current interest-bearing liabilities, lease liability	31,450
Current interest-bearing liabilities, lease liability	4,007
	35,457

With regard to the existing leasing portfolio in 2019, Immunovia estimates that depreciation will increase by SEK 4,596 thousand, financial expenses will increase by SEK 1,316 thousand and profit after tax will decline by SEK 589 thousand.

Reconciliation of operating lease obligations under IAS 17 and lease liabilities under IFRS 16

Reconciliation of operating lease obligations under IAS 17 and lease liabilities under IFRS 16	SEK thousands
Operating lease obligations, 31 December 2018	20,586
Additional extension period	21,806
Total	*42,392*
Effect of present value measurement	-6,325
Prepayments	-610
Lease liability recognized	**35,457**

The Parent Company applies the exception allowed in RFR 2, which means that IFRS 16 is not required to be applied in a legal entity.

New and amended standards adopted with effect from 2019 are not otherwise expected to have any significant impact on the Group's financial position.

Other information

Financial instruments
The Group currently has no financial instruments that are valued at fair value. Instead, all financial assets and liabilities are valued at accrued acquisition cost. It is estimated that there are no significant differences between fair value and book value relating to financial assets and liabilities. The reported value of financial assets on the balance sheet date amounted to SEK 365.2 million (174.9 m).

Transactions with related parties
In addition to salaries and other remuneration to company managers, and fees to Board members, as decided at the annual general meeting, the company has a consulting agreement with CB Ocean Capital AB regarding services performed by Immunovia's chairman and largest shareholder, Carl Borrebaeck. Services provided do not concern information relating to the Board role. Instead the services are to provide the company with scientific and strategic support at scientific presentations and conferences, for example. This agreement runs from 1 January 2018 until further notice with three months notice for both parties. The remuneration per quarter amounts to SEK 41.0 million.

Risks
Immunovia is exposed to financial risks and business risks. The financial risks management and the financial risks are described below. The company's business risks are presented on page 41 of the 2018 annual report. No significant changes have occurred that affect these reported risks.

Market risks
Currency risks
The Group operates both nationally and internationally, which involves exposure to fluctuations in various currencies, especially USD and EUR. Currency risk arises from future commercial transactions and recognized assets and liabilities. The extent of the company's business currently means that the net exposure in foreign currencies is limited. The company therefore does not have a currency hedging policy.

Interest rate risk in cash flow
Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates. The Group currently only has interest-bearing financial assets in the form of bank deposits.

Credit risk
Credit risk is the risk that one party to a transaction with a financial instrument fails to meet its obligation. The maximum exposure to credit risk on financial assets as of 31 March 2019 amounted to SEK 365.2 million (174.9 m).

Liquidity Risk
Prudent liquidity risk management implies maintaining sufficient cash or agreed credit options to close market positions. Based on the existing business plan, there is enough liquidity for around 24 months.

Financial reports

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The company's annual report is available at the company's website: www.immunovia.com

Financial calendar

26 April 2019	AGM
23 August 2019	Q2 2019 interim report
8 November 2019	Q3 2019 interim report
14 February 2020	2019 Financial statement

Telephone conference

29 April at 15:00 (CET)

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DE: +49 69222220380
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US: +1 6467224956

Financial reports

In some cases figures have been rounded off, which means tables and calculations will not always appear to be correctly totalled.

Consolidated income statement, summary

SEK thousand	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Operating income, etc.			
Net sales	66	112	333
Capitalized work for own account	5,942	6,212	25,052
Other income	51	320	744
Total income	*6,059*	*6,644*	*26,129*
Operating costs			
Other external costs	–18,985	–14,531	–65,275
Personnel costs	–12,057	–8,879	–45,257
Depreciation and amortization of tangible and intangible assets	–2,048	–536	–2,777
Other operating expensesr	–166	–75	–528
Total operating expenses	*–33,256*	*–24,021*	*–113,837*
Operating profit/loss	**–27,197**	**–17,377**	**–87,708**
Financial items			
Financial income	1,159	51	1,178
Financial costs	–343	0	–1
Total financial items	*816*	*51*	*1,177*
Profit/loss after financial items	**–26,381**	**–17,326**	**–86,531**
Tax on income	–3	0	–7
Profit/loss for the period	**–26,384**	**–17,326**	**–86,538**
Earnings per share before and after dilution (SEK)	–1.35	–1.00	–4.67
Average number of shares before and after dilution	19,531,353	17,318,059	18,545,795
No. of shares at the end of the period	19,531,353	17,318,059	19,531,353

Consolidated comprehensive income, summary

SEK thousand	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Profit/loss for the period	**–26,384**	**–17,326**	**–86,538**
Items that may be later reclassified in the income statement			
Exchange rate differences for foreign net investment	–740	–104	–593
Other comprehensive income for the period	*–740*	*–104*	*–593*
Comprehensive income for the period	**–27,124**	**–17,430**	**–87,131**

Consolidated financial position, summary

SEK thousand	31-03-19	31-03-18	31-12-18
ASSETS			
Fixed assets			
Intangible fixed assets	68,827	43,689	61,786
Tangible fixed assets [1)]	51,383	9,654	14,019
Financial fixed assets	3,112	2,802	3,008
Total fixed assets	**123,322**	**56,145**	**78,813**
Current assets			
Accounts receivable	0	34	32
Current receivables	7,587	9,795	12,401
Cash and cash equivalents	359,849	167,790	386,136
Total current assets	**367,436**	**177,619**	**398,569**
TOTAL ASSETS	**490,758**	**233,764**	**477,382**
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	977	866	977
Other contributed capital	626,348	314,170	626,348
Translation reserve	−1,333	−104	−593
Retained earnings including total comprehensive income	−191,163	−95,567	−164,779
Total shareholders' equity	**434,829**	**219,365**	**461,953**
Long-term debt			
Interest-bearing liabilities [2)]	30,154	0	0
Total long-term debt	**30,154**	**0**	**0**
Current liabilities			
Interest-bearing liabilities [2)]	4,057	0	0
Other liabilities	21,718	14,399	15,429
Total current liabilities	**25,775**	**14,399**	**15,429**
TOTAL EQUITY AND LIABILITIES	**490,758**	**233,764**	**477,382**

[1)] Of which right-of-use assets SEK 36,067 thousand.

[2)] Refers to lease liability.

Change in consolidated equity, summary

SEK thousand	Share capital	Other contributed equity	Reserves	Retained earnings including total comprehensive income	Total shareholders' equity
Equity, 1 January 2018	**866**	**314,170**	**0**	**–78,241**	**236,795**
Comprehensive income for the period			–104	–17,326	–17,430
Equity 31 March 2018	**866**	**314,170**	**–104**	**–95,567**	**219,365**
Comprehensive income for the period			–489	–69,212	–69,701
Received subscription warrant premiums		936			936
New share issue	111	325,927			326,038
Issue costs		–14,685			–14,685
Equity 31 December 2018	**977**	**626,348**	**–593**	**–164,779**	**461,953**
Equity, 1 January 2019	**977**	**626,348**	**–593**	**–164,779**	**461,953**
Comprehensive income for the period			–740	–26,384	–27,124
Equity 31 March 2019	**977**	**626,348**	**–1,333**	**–191,163**	**434,829**

Consolidated key indicators

	Jan-Mar 2019	Jan-Mar 2018	Full year 2018	Full year 2017	Full year 2016
Operating profit/loss (SEK thousand)	–27,197	–17,377	–87,709	–45,520	–14,978
Profit/loss for the year (SEK thousand)	–26,384	–17,326	–86,539	–45,232	–14,723
Earnings per share before and after dilution (SEK)	–1.35	–1.00	–4.67	–2.67	–0.98
R&D costs (SEK thousand)	–7,644	–6,212	–26,048	–24,041	–24,239
R&D costs as percentage of operating costs (%)	19	26	23	34	62
Cash and cash equivalents at end of period (SEK thousand)	359,849	167,790	386,136	192,425	259,094
Cash flow from operating activities (SEK thousand)	–14,262	–14,884	–84,111	–46,525	–11,867
Cash flow for the period (SEK thousand)	–26,310	–24,662	193,680	–66,669	183,327
Equity(SEK thousand)	434,829	219,365	461,953	236,795	276,631
Equity per share (SEK)	22.26	12.67	23.65	13.67	16.46
Equity ratio (%)	89	94	97	94	98
Average no. of employees	45	36	39	30	16
Average no. of employees in R&D	17	17	17	16	11

Consolidated cash flow statement, summary

SEK thousand	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Operating activities			
Operating profit/loss	−27,197	−17,377	−87,709
Adjustment for items not included in cash flow	2,057	253	2,682
Received interest	94	51	319
Paid interest	−343	0	−1
Paid tax	−3	0	−7
Cash flow from operating activities before changes in operating capital	**−25,392**	**−17,073**	**−84,716**
Cash flow from changes in operating capital			
Change in operating receivables	4,850	1,762	−840
Change in operating liabilities	6,280	427	1,445
Cash flow from operating activities	**−14,262**	**−14,884**	**−84,111**
Investment activities			
Investment in intangible assets	−7,069	−6,958	−28,230
Investment in tangible assets	−3,374	−2,820	−9,056
Investment in financing assets	0	0	−2
Cash flow from investing activities	**−10,443**	**−9,778**	**−37,288**
Financing activities			
Amortization of lease liability	−1,605	0	0
National and European grants for development costs	0	0	2,791
New share issue	0	0	311,352
Received subscription warrant premiums	0	0	936
Cash flow from financing activities	**−1,605**	**0**	**315,079**
Cash flow for the period	**−26,310**	**−24,662**	**193,680**
Cash and cash equivalents at beginning of period	386,136	192,425	192,425
Exchange rate difference in cash and cash equivalents	23	27	31
Cash and cash equivalents at end of period	**359,849**	**167,790**	**386,136**

Parent company's income statement, summary

SEK thousand	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Operating income, etc.			
Net sales	66	112	333
Capitalized work for own account	5,942	6,212	25,052
Other income	51	320	744
Total income	*6,059*	*6,644*	*26,129*
Operating costs			
Other external costs	–18,368	–13,529	–59,679
Personnel costs	–8,811	–6,639	–32,003
Depreciation and amortization of tangible and intangible assets	–681	–385	–1,996
Other operating expenses	–166	–75	–527
Total operating expenses	*–28,026*	*–20,628*	*–94,205*
Operating profit/loss	**–21,967**	**–13,984**	**–68,076**
Financial items			
Interest income	1,412	111	1,743
Interest costs	–2	0	–1
Total financial items	*1,410*	*111*	*1,742*
Profit/loss after financial items	**–20,557**	**–13,873**	**–66,334**
Tax on income	0	0	0
Profit/loss for the period	**–20,557**	**–13,873**	**–66,334**
Earnings per share before and after dilution (SEK)	–1.05	–0.80	–3.58
Average number of shares before and after dilution	19,531,353	17,318,059	18,545,795
No. of shares at the end of the period	19,531,353	17,318,059	19,531,353

Parent company's comprehensive income, summary

SEK thousand	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Profit/loss for the period	**–20,557**	**–13,873**	**–66,334**
Other comprehensive income for the period	0	0	0
Comprehensive income for the period	**–20,557**	**–13,873**	**–66,334**

Parent company's financial position, summary

SEK thousand	31-03-19	31-03-18	31-12-2018
ASSETS			
Fixed assets			
Intangible fixed assets	67,878	43,689	60,868
Tangible fixed assets	11,741	5,035	8,989
Financial fixed assets	303	253	253
Total fixed assets	**79,922**	**48,977**	**70,110**
Current assets			
Accounts receivable	0	34	32
Receivables from Group companies	36,754	12,158	29,984
Current receivables	4,356	6,376	8,465
Prepaid costs and accrued income	3,627	3,117	3,843
Cash and cash equivalents	358,779	166,657	385,517
Total current assets	**403,516**	**188,342**	**427,841**
TOTAL ASSETS	**483,438**	**237,319**	**497,951**
EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity			
Share capital	977	866	977
Fund for development expenses	45,086	23,095	39,144
Tortal restricted equity	***46,063***	***23,961***	***40,120***
Unrestricted equity			
Premium fund	312,178	4,897	312,178
Retained earnings including total comprehensive income	103,953	194,064	130,452
Total unrestricted equity	***416,130***	***198,961***	***442,630***
Total shareholders' equity	**462,193**	**222,922**	**482,750**
Current liabilities			
Other liabilities	21,244	14,397	15,201
Total current liabilities	***21,244***	***14,397***	***15,201***
TOTAL EQUITY AND LIABILITIES	**483,437**	**237,319**	**497,951**

Parent company's cash flow statement, summary

SEK thousand	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Operating activities			
Operating profit/loss	−21,967	−13,984	−68,076
Adjustment for items not included in cash flow	681	384	2,230
Received interest	89	110	306
Paid interest	−2	0	−1
Paid tax	0	0	0
Cash flow from operating activities before changes in operating capital	**−21,199**	**−13,490**	**−65,541**
Cash flow from changes in operating capital			
Change in operating receivables	204	−4,623	−23,826
Change in operating liabilities	4,751	528	1,332
Cash flow from operating activities	**−16,244**	**−17,585**	**−88,035**
Investment activities			
Investment in intangible assets	−7,069	−6,958	−27,341
Investment in tangible assets	−3,374	−763	−6,149
Investment in financing assets	−50	−253	−253
Cash flow from investing activities	**−10,493**	**−7,974**	**−33,743**
Financing activities			
National and European grants for development costs	0	0	2,791
New share issue	0	0	311,352
Received subscription warrant premiums	0	0	936
Cash flow from financing activities	**0**	**0**	**315,079**
Cash flow for the period	**−26,737**	**−25,559**	**193,301**
Cash and cash equivalents at beginning of period	385,517	192,216	192,216
Cash and cash equivalents at end of period	**358,780**	**166,657**	**385,517**

Board assurance

The Interim report has not been reviewed by the company's auditors.

The Board and the CEO certify that the interim report gives a true and fair view of the company's and the group's operations, position and results, and describes significant risks and uncertainties that the group faces.

Lund, 24 April 2019

Carl Borrebaeck
Chairman

Hans Johansson
Board member

Åsa Hedin
Board member

Mimmi Ekberg
Board member

Christofer Sjögren
Board member

Ann-Christine Sundell
Board member

Mats Grahn
CEO

Definitions

Key indicator	Definition	Reason for using key indicator not defined in accordance with IFRS
Average number of employees	The average number of employees is calculated as the sum of hours worked during the period divided by the normal working hours for the period.	
Average number of employees in R & D	The average number of employees in the company's research and development departments.	
Average number of shares before and after dilution	Average number of shares outstanding during the period before and after dilution. As the Group's performance is negative, there is no dilution although the issue price is lower than the market price.	
Cash and cash equivalents	Cash and bank balances.	
Cash flow for the period	Net change in cash and cash equivalents excluding the impact of unrealized gains and losses.	
Cash flow from operating activities	Cash flow before cash flows from investing and financing activities.	
Earnings per share before and after dilution	Profit attributable to parent company shareholders divided by the weighted average number of shares during the period before and after dilution.	
Equity per share	Equity divided by number of shares at period end.	Management monitors this number to monitor how much value is equity per share.
Equity ratio	Equity as a percentage of total assets.	Management monitors this ratio as an indicator of the financial stability of the company.
Net sales	Revenues for goods and services sold in the main activity during the current period.	
Operating profit	Profit before financial items and tax.	Operating income provides a picture of the results that the company's regular operations have generated.
R & D costs	The Company's direct costs for research and development. Refers to the costs of personnel, materials and external services.	The company's main activity is research and development. Management believes that its R & D costs is an important parameter to follow as an indicator of the level of activity of the company.
R & D expenses as a percentage of operating expenses	R & D expenses divided by operating expenses, which include other external costs, personnel costs and depreciation.	Management believes that the company's R & D expenses in relation to total costs is an important parameter to follow as an indicator of how much of the total costs is used for the company's main business.

Glossary

Actionable information – Information that is sufficiently authoritative and specific to be used in clinical decision making.
Antibodies – Antibodies, or immunoglobulins, are a type of protein used by the body's immune system to detect and identify foreign substances such as viruses, bacteria or parasites.
Antigen – A foreign body substance that elicits a reaction of the immune system in contact with the organism. The substance may be a chemical substance, a protein or a carbohydrate.
Autoimmunity – Autoimmunity is the immune system's harmful attack on the body's own tissue, which can take the form of disease or rejection of organs during transplantation.
Benign – If a tumour is benign it means that the tumour is not dangerous and will not spread.
Bioinformatics – Bioinformatics is an interdisciplinary field in which algorithms are developed for the analysis of biological (especially molecular biology) data.
Biomarker – A biomarker can be defined as a biological response to a change caused by disease or foreign substance. Biomarkers can be used as early warning signs of biological changes in an organism.
Companion Diagnostics – Diagnostics tools aimed at identifying which groups of patients will respond well to a particular treatment and thus ruling out ineffective treatments.
Discovery Trial – Research carried out in order to verify a special hypothesis.
Histology – Histology is the study of biological tissue.
Invasive – Invasive means to penetrate or attack. Invasive medical examinations refer to examinations that include any form of penetration through a hole in the body or surgical operation.
Malignant – Malignant tumours tend to worsen and become mortal. They are termed cancer, and thus differ from benign tumours.
Metastasis – A metastasis is a tumour that has spread to other organs.
Microarray – A microarray is a molecular biology test format for simultaneously measuring the relative concentrations of proteins.
Molecular Diagnosis – A collection of technologies used to analyze biological markers at the genomic and protein levels (ie, the genetic code of individuals and how their cells express their genes as proteins in the body), using molecular biology for medical testing. These technologies are used to diagnose and monitor disease, detect the risk of disease and to determine which treatment is likely to work best for the individual.
NSCLC – Non Small Cell Lung Cancer, the most common type of lung cancer, 80-85% of all lung cancer cases.
Palliative care – Palliative care is administered when the patient's disease is beyond the ability to cure. The purpose of palliative care is to provide support to patients and families using both psychological and medical practices.
PANDIA-1 – Prospective trial for the diabetes risk group of patients aged over 50 recently diagnosed with type-2 diabetes.
PANFAM-1 – Prospective trial for familiar and hereditary risk groups.
Pancreatologist – Doctor specialising in diseases relating to the pancreas.
PANSYM-1 – Prospective trial for early symptom risk groups.
Prospective trial – A trial in which a group of individuals is studied and followed often for a long time to see how a particular disease develops. A prospective trial is used to study the relationship between different risk factors and a certain disease. You follow individuals with and without risk factors going forwards over time. At the end of the trial, the proportion of individuals in the two groups who developed disease is compared.
Proteomics – Proteomics is a branch of biology and includes surveys of large amounts of data about proteins.
RA – Rheumatoid arthritis, one of the most common autoimmune diseases.
RA double negative – Patients who have RA, but test negative for it using the current two single-marker standard tests, RF factor and anti-CCP.
Reproducibility – Within the field of statistics, reproducibility is described as the correlation between results from repeated measurements performed by different observers with different instruments of the same type, which measurements are performed in order to reject any measurement error due to materials and personnel.
Retrospective study – A study in which the focus is on something that has happened in the past, i.e. using historic data. This form of study starts with the answer, i.e. it is known which individuals became ill and which did not.
Screening – Screening refers to medical examinations to identify a disease. It is normally carried out before the patient has exhibited obvious symptoms.
Self-pay customers – Patients or organizations that pay without reimbursement from insurance companies or authorities.
Sensitivity – Sensitivity is a statistical measure of the reliability of a binary diagnostic test and the probability that a generated positive result is correct.
Serum – A serum is a transparent yellowish liquid obtained by allowing the blood to clot, and then removing the blood cells and the coagulation proteins. Serum contains proteins, including antibodies.
SLE (Systemic Lupus Erythematosus) – SLE is an autoimmune inflammatory disease which means that the immune system attacks the body. The symptoms come and go in cycles, sometimes the patient is sick and sometimes has no sickness at all. Usually it is the joints, skin, blood and kidneys which become inflamed, but also the nervous system, lungs and heart can be affected. The disease is currently difficult to diagnose and is often confused with other autoimmune diseases.
Specificity – Specificity is a statistical measure of the reliability of a binary diagnostic test and the probability that the generated negative result is de facto negative.
Vinnova – Vinnova is a Swedish government agency under the Ministry of Industry which aims to promote sustainable growth by improving conditions for innovation and by funding needs-driven research.

Immunovia in brief

Immunovia is a Swedish molecular diagnostic company with a strong financial position in a commercial phase. The company develops and commercialises diagnostic tools for complex forms of cancer and autoimmune diseases.

Immunovia AB was founded in 2007 by researchers from the Department of Immunotechnology at Lund University and CREATE Health, the Center for Translational Cancer Research in Lund, Sweden. The purpose was to establish a base from which to make scientific discoveries and gain patents within the fields of human antibodies, biomarkers and antibody arrays, covering the stages from research to clinical application.

Immunovia's core technology platform, IMMray™, is based on microarray analysis of biomarker antibodies. IMMray™ PanCan-d is the company's primary diagnostic tool, capable of diagnosing with a high level of sensitivity and specificity. This enables diagnosis of patients with pancreatic cancer before symptoms are noted (stages I and II), which is not currently possible with existing methods. Immunovia is now performing clinical validation studies to prepare for the commercialization of IMMray™ PanCan-d, which could become the first blood-based test for early diagnosis of pancreatic cancer.

The antibody-based technology platform, IMMray™, is the result of 15 years of research at CREATE Health, Lund University. It is used to decode mechanisms behind the body's immune system, the first system in the body that reacts to disease. The platform can also be used for the development of diagnostic tests for autoimmune diseases.

Pancreatic cancer

Each year about 338,000 patients fall ill with pancreatic cancer. This form of cancer has one of the worst survival forecasts and only about 5% of diagnosed patients live more than five years, making it one of the deadliest cancers in the world. It is estimated that early detection would increase the five-year survival rate by around 50%. The initial addressable market for Immunovia consists of two high-risk pancreatic cancer groups. The market in the US and Europe for diagnosis of these groups is estimated to be worth over SEK 30 billion per year.

Goals

Immunovia's goal is to provide diagnostic tests that will enable earlier, more efficient and more accurate diagnosis of patients who run the risk of developing cancer or autoimmune disease. The aim is to make Immunovia's tests the first choice of specialist doctors and general practitioners across the world in the screening of specially high-risk groups or when there is a suspicion of the aforementioned diseases.

Strategy

As the first company, Immunovia's strategy is to decipher the wealth of information in blood and translate it into clinically useful tools to diagnose complex diseases earlier and more accurately than previously possible. The focus is on unsolved problems in early diagnosis, monitoring of the course of a disease and the patient's response to treatment. These are areas where there are extensive clinical benefits for patients and the healthcare system, current solutions are lacking or insufficient, and where IMMray™ has significant competitive advantages.

Initially, the key focus for Immunovia is to bring IMMray™ PanCan-d to the market. Because early detection of pancreatic cancer constitutes a major clinical problem, Immunovia considers there to be good prospects for being the first to establish a strong position on the market.

Organization. no. 556730-4299

Immunovia has its head office in Lund, Sweden. Immunovia's shares (IMMNOV) are listed on Nasdaq Stockholm First North. The Certified Advisor is Wildeco. For more information, visit www.immunovia.com

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