

Annual Report for

# Oxcia AB

556932-4717

The financial year  
**2017-01-01 - 2017-12-31**

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## Directors' Report

The Board of Directors and the CEO of Oxcia AB, 556932-4717, hereby issue the Annual Report 2017, for the company's fifth financial year.

### General about the business

Oxcia AB, based in Stockholm, has a business strategy to support early research projects from the academy through clinical development, product development and commercialization, as well as developing and marketing products in the medical technology field. The company has strong expertise in clinical development work, business development, business negotiations, law, and patent issues - all focusing on life science. Behind Oxcia stands about 70 researchers, most of them from Karolinska Institutet.

### Important events 2017

The company has concentrated its activities on fulfilling its commitments according to the 2014 service agreement with the Thomas Hellday Foundation for Medical Research (the Foundation), but also provided services to other customers.

The company administers and manages for the the Foundation a Phase 1 clinical study with the substance Karonudib. In connection with this, the company has employed a clinical trial leader. The study is expected to be completed in 2018/2019.

In September, Oxcia acquired all rights including patents for the vaginal gel Libragel. The intention is that Oxcia will launch the product in 2018. In return, Oxcia pays royalty based on % of sales and minimum royalty.

During the year, the Foundation left a conditional shareholder contribution of SEK 1 million and Almi Business Partner paid out a previously granted loan grant of MSEK 1.1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-

### Development of company operations, result and position

Amounts in SEK

	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Net sales	-	2 125	47 000	-	-
Balance Sheet Total	8 180 725	6 033 962	3 653 812	690 886	50 084
Return on capital employed %	-9,4	-8,1	-4,3	N/A	N/A
Equity ratio, %	52,9	66,6	8,8	9,6	99,9

Definitions: see note

### Changes in Equity

	Share capital	Developments Fund	Balance sheet result	Shareholders contribution	Result	Total
Opening balance	100 000		-179 533	4 500 000	-404 082	4 016 385
Reclassifications		194 472	-194 472			
Shareholders contr.				1 000 000		1 000 000
Appropriation according to general meeting			-404 082		404 082	
Result					-688 240	-688 240
Internally generated costs						
Developm.. Costs		270 803	-270 803			
Closing balance	100 000	465 275	-1 048 890	5 500 000	-688 240	4 328 145

Conditional repayment liability for shareholders' contributions amounted to SEK 5,500,000 (4,500,000). The company's 1,000,000 shares consist of 400,000 A shares each with 10 votes and 600,000 B shares each with one vote.

### **Proposed allocation of company profit or loss**

The Board of Directors proposes that non-restricted equity, SEK 3 762 870, is appropriated as follows:

	<i>Amounts in SEK</i>
Carried forward	<u>3 762 870</u>
<b>Total</b>	<b>3 762 870</b>

Regarding the results and position in general, reference is made to the subsequent results and balance sheet with the associated notes

## Income Statement

<i>Amounts in SEK</i>	<i>Note</i>	<i>2017-01-01- 2017-12-31</i>	<i>2016-01-01- 2016-12-31</i>
Net sales		-	2 125
Work performed by the company for its own use and capitalized		270 804	194 472
Other operating income		179 525	-
		<u>450 329</u>	<u>196 597</u>
<b><i>Operating expenses</i></b>			
Raw materials and consumables		-680	-
Other external costs		-612 688	-289 389
Employee benefit expenses	2	-521 236	-311 317
Other operating expenses		-3 985	-4
<b>Operating profit</b>		<u>-688 260</u>	<u>-404 113</u>
<b><i>Profit from financial items</i></b>			
Other interest income and similar income		20	31
<b>Profit after financial items</b>		<u>-688 240</u>	<u>-404 082</u>
<b>Profit before tax</b>	4	<u>-688 240</u>	<u>-404 082</u>
<b>Net profit for the year</b>		<u>-688 240</u>	<u>-404 082</u>

## Balance Sheet

<i>Amounts in SEK</i>	<i>Note</i>	<i>2017-12-31</i>	<i>2016-12-31</i>
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible assets</i>			
Capitalized expenditure for development and similar	3	7 910 440	4 557 566
		<u>7 910 440</u>	<u>4 557 566</u>
<b>Total fixed assets</b>		<u>7 910 440</u>	<u>4 557 566</u>
<b>Current assets</b>			
<i>Current receivables</i>			
Other receivables		159 416	173 504
Prepaid expenses and accrued income		8 551	8 438
		<u>167 967</u>	<u>181 942</u>
<b>Cash and bank balances</b>		102 318	1 294 454
<b>Total current assets</b>		<u>270 285</u>	<u>1 476 396</u>
<b>TOTAL ASSETS</b>		<u>8 180 725</u>	<u>6 033 962</u>

## Balance Sheet

<i>Amounts in SEK</i>	<i>Note</i>	<i>2017-12-31</i>	<i>2016-12-31</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital		100 000	100 000
Fund for Development costs		465 275	194 472
		<u>565 275</u>	<u>294 472</u>
<i>Non-restricted equity</i>			
Profit or loss brought forward		4 451 110	4 125 996
Profit for the year		-688 240	-404 082
		<u>3 762 870</u>	<u>3 721 914</u>
<b>Total equity</b>		<u>4 328 145</u>	<u>4 016 386</u>
<b>Non-current liabilities</b>			
Other liabilities to credit institution	5	2 000 000	1 000 000
Other non-current liabilities		1 000 000	-
		<u>3 000 000</u>	<u>1 000 000</u>
<b>Current liabilities</b>			
Accounts payable - trade		792 329	561 793
Other current liabilities		26 292	10 869
Accrued expenses and deferred income		33 959	444 914
		<u>852 580</u>	<u>1 017 576</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>8 180 725</u>	<u>6 033 962</u>

## Notes

### Note 1 Accounting principles

Amounts in SEK unless otherwise stated

#### **General accounting principles**

The annual report has been prepared in accordance with the Annual Accounts Act and the Accounting Standards Board's general guidelines BFNAR 2012:1 Annual and Group Reports (K3).

The previous year has been changed regarding the fund for development costs.

#### **Valuation principles etc.**

Assets, provisions and liabilities are valued based on cost unless otherwise stated.

#### **Judgments and estimates**

Preparation of financial statements and application of accounting policies, are often based on management judgments, estimates and assumptions deemed to be reasonable at the time the assessment is made. Estimates and assumptions are based on historical experience and several other factors, which under prevailing circumstances are considered reasonable. The results of these are used to assess the carrying amounts of assets and liabilities that are not otherwise evident from other sources. The actual outcome may differ from these estimates.

#### **Translation of foreign currency items**

Receivables and payables in foreign currencies are valued at the closing rate. Exchange gains and losses on operating receivables and liabilities are reported in operating result while exchange gains and losses on financial receivables and liabilities are reported as financial items.

#### **Revenue Recognition**

Revenue is recognized at the fair value of the company has received or will receive. This means that the company recognizes revenue at nominal value (invoice amount) if the company receives compensation in cash directly at the delivery. Deductions are made for discounts.

The sales of goods are normally recognized as revenue when the significant risks and rewards associated with ownership of the goods have been transferred from the company to the buyer.

#### **Depreciations**

Depreciation commences when the project has been completed.

### Note 2 Employees and personnel costs

#### **Salaries and other remunerations and social costs, including retirement costs**

	2017-01-01- 2017-12-31	2016-01-01- 2016-12-31
Salaries and other remuneration:	336 800	190 000
Social costs	99 036	58 817
Board of Directors fee	62 500	62 500
<b>Total</b>	<b>497 873</b>	<b>311 317</b>

Salaries and expenditures relates to three parttime employees, one man and two females.

### Note 3 Capitalised expenditure for development work and similar

	2017-12-31	2016-12-31
<i>Accumulated cost of acquisitions</i>		
- At beginning of year	4 557 566	3 480 894
-Miscellaneous investments	3 575 866	1 076 672
- Reclassifications	-222 992	
At the end of the year	<u>7 910 440</u>	<u>4 557 566</u>
<i>Accumulated depreciation</i>		
At the end of the year	<u>-</u>	<u>-</u>
<b>Carrying amount at year-end</b>	<b>7 910 440</b>	<b>4 557 566</b>

The item refers to costs incurred in connection with the development and commercialization of project rights and has been reduced by public funding from Vinnova's 600 000 (600 000) and a funding of the European Union of 496 004 (383 267). The item also includes interest on long-term liabilities of SEK 287,690 (182,472). The item also includes costs capitalized for the right to Libragel acquired during the year of SEK 247,345. The product is expected to be launched by the end of 2018.

### Note 4 6 Tax

The Company's result pre tax is -688 240 SEK (-404 082 SEK) and there are no material items effecting the relation between the taxcost for the year and the accounted taxcost. The taxcost for the year is 0 kr (0 kr).

### Note 5 Other longterm liabilities

	<i>Loans</i>
Almi Invest Interest 5,2 %	2 000 000
<b>Total</b>	<b>2 000 000</b>
	<i>Longterm liabilities</i>
Thomas Helledays Stiftelse för Medicinsk Forskning interest 3%	1 000 000
	<b>3 000 000</b>

The Loan has a length of 60 months and the first 24 months are free from amortization. The longtem liability to the Trustee will be amortized when the company starts generating profit.

### Note 6 7 Securities Pledged

	2016-12-31	2016-12-31
Securities in Oxcia AB	2 000 000	2 000 000

### Note 7 8 Contingent liabilities

The company had no Contingent liabilities 2017-12-31 aswell as 2016-12-31



**Note 8 9 Important events 2017**

The company has during 2018 moved its headoffice to Riddargatan 16 in Stockholm.

Of the companies loan grant, from "Thomas Helledays Stiftelse för Medicinsk Forskning" totaling 7 000 000 SEK has 4 000 000 SEK been paid during 2018.

## **Signatures**

Solna the 15th May 2017

Ulrika Warpman Berglund  
Chairman of the Board

Jan Zetterberg  
Managing Director

Johannes Linde

Annika Jenmalm Jensen

My Audit Report was submitted on 24th May 2017

Ernst & Young AB

Magnus Karlström  
Authorized public accountant