ANNUAL REPORT

2019

Annual report for

Stayble Therapeutics AB

559024-8372

ENGLISH TRANSLATION

The financial year
2019-01-01 - 2019-12-31

Table of contents:	Page

Management report

The Board of Directors and the Chief Executive Officer of Stayble Therapeutics AB (publ), 559024-8372, registered in Gothenburg, hereby present the annual report for the financial year 2019-01-01 – 2019-12-31.

Summary

- Operating costs amounted to kSEK 7,413 (6,160).
- Operating profit/loss (EBIT) amounted to kSEK -6,875 (-6,119).
- Profit/loss for the period amounted to kSEK -7,408 (-6,134).

Significant events during the year

- The Company has successfully carried out a phase 1b study with 15 patients where 3 doses were tested against placebo. The study demonstrated positive results with regard to the safety and tolerability of the treatment. In addition, the treatment efficacy in the form of transformation of the injected discs into connective tissue could be verified with the use of MRI.
- During the period, the Company secured a bond loan of MSEK 7. The bonds were subscribed by eight people. The bonds were registered with Euroclear Sweden AB.
- The Company has received positive responses during 2019 regarding its patent portfolio, primarily relating to the European applications. The Company now holds 50 approved patents in three patent families, which is deemed to provide the Company appropriate IP protection of the innovation.

The operations in general

Stayble Therapeutics AB develops the injection treatment STA363 against degenerative disc disease, also known as discogenic low back pain.

Degenerative disc disease is currently treated primarily with conservative management, including analgesics and physiotherapy. Approximately 30 percent of the treated patients experience long-term improvement from this therapeutic regimen, while the remaining patients continue to suffer pain. About 1 percent of patients are offered spinal fusion surgery. This leaves approximately 70 percent of patients without an efficient treatment. STA363 is intended to be used on patients whose condition is not improved after 6 months of conservative treatment. The Company's goal is to establish STA363 as a new standard of care for patients suffering from degenerative disc disease.

Market

Degenerative disc disease is a global problem, with somewhat higher incidence in developed countries. Every year, approximately 400 million patients are diagnosed with degenerative disc disease, corresponding to a global incidence of 5.5 percent. It has been estimated that about 20 percent of patients with general low back pain develop chronic pain that lasts for more than 1 year and does not respond to conservative treatment. Stayble makes the cautious assumption that this percentage can be applied to the subgroup degenerative disc disease as well; this would entail that 80 million patients are lacking an efficient treatment option, globally. It is estimated that Stayble's product is an appropriate treatment option for about 30 percent of these patients. The number of new treatable patients in the world is thus estimated to be more than 24 million. In addition to these newly diagnosed patients per annum, a large number of existing patients are already suffering from degenerative disc disease, and STA363 is a viable treatment for these patients as well.

Research and development

The STA363 treatment focuses on the two primary causes of degenerative disc disease: leakage of pro-inflammatory substances and disc instability. The mode of action of the treatment is to stabilize the intervertebral segment and reduce the risk of disc leakage.

The therapeutic agent is developed to reduce the patient's back pain permanently, by way of an X-ray guided injection into the intervertebral disc that is causing the pain. The treatment is expected to give effect within 3 months and only requires the patient to restrain physical activity for a short period of time after the injection. STA363 is based on lactic acid, which is a well-documented substance used for example in dialysis treatment, and the concept is protected by patent applications which have been approved in the United States, China and other geographies. The Company's goal is to establish STA363 as a new standard of care for patients suffering from degenerative disc disease.

The Company has successfully carried out a phase 1b study with 15 patients where 3 doses were tested against placebo. The study demonstrated positive results with regard to the safety and tolerability of the treatment. The Company intends to initiate a phase 2b study with STA363 in 2020, based on the positive results obtained in the completed phase 1b study.

Development of company operations, result and position

Amounts in kSEK

	2019	*2018*	*2017*	*2015/2016*
Profit after financial items	-7 408	-6 134	-2 814	-1 204
Balance Sheet Total	9 719	9 004	9 459	12 160
Equity ratio, %	-3,0	79,0	87,2	91,0

Definitions: see note

CEO comments

The simplicity of the concept and the possibility to meet a great medical need for a large number of patients is what has always appealed to me. For me, one of the great advantages of Stayble is our focus on the underlying causes of the pain instead of just provision of pain relief. To transform an unstable and leaking disk into connective tissue and thus to stabilize the intervertebral segment and prevent leakage makes perfect sense. Furthermore, the fact that we are able to alleviate symptoms by utilizing a substance that is naturally produced in the body and naturally achieves transformation into connective tissue in the disc reduces the development risk, with regard to safety as well as efficacy.

Many I come into contact with have chronic back pain, or have loved ones who suffer from it. It is a vast problem, but it is perhaps of even more concern that these patients are relatively young (often between 20 and 50 years), and many of them have suffered for years or even decades without getting help. This clearly illustrates the urgent need to find novel and efficient treatments. There is also a treatment gap today between the combination of prescription-free pain relievers with physiotherapy and the much more radical procedure of spinal fusion surgery, which is offered to only a small percentage of the patients.

To fill this void, there is a demand for minimally invasive treatments that can be initiated at an early stage in the continuum of care. The great need for novel, efficient therapies is even more obvious when one considers the over prescription of opioids (morphine preparations) that is prevalent in the US in particular, causing widespread substance abuse and high mortality rates. As many as half of the patients on opioids in the United States are stating chronic back pain as the reason for their use of the medication. If Stayble by way of innovation and creativity is able to introduce an efficient treatment, patients would be spared profound suffering and the healthcare and society at large would achieve substantial cost savings.Stayble's one time injection is planned to be administered at outpatient care facilities, and the patients will be able to return home on the same day. The treatment entails minimal restrictions of physical activity post the injection, and it is intended to be provided after no more than 6 months of inadequate primary treatment.

During 2019, Stayble completed a phase 1b study with STA363 which included 15 patients with degenerative disc disease. The primary objective of the study, to demonstrate good safety and tolerability of the treatment, was reached. In addition, the treatment efficacy in the form of transformation of the injected discs into connective tissue could be verified with the use of MRI. Strengthened by these results, preparations for the phase 2b study are now underway; the goal is to demonstrate the safety and efficacy of the product with a larger patient population.

Together with my team and our new and old shareholders, I look forward to leading Stayble through the next major stage of the development of a novel treatment with the potential to completely transform the future treatment of chronic disc-related back pain.

Finance and Organization

Stayble's headquarter is located in Gothenburg, Sweden. Two employees are based in Gothenburg.

Management

Andreas Gerward, M.Sc.

Born in 1988 - co-founder and Chief Executive Officer since 2015.

Since joining Stayble as the CEO, Andreas Gerward has developed the company from the development phase to successful clinical trials. Gerward has an engineering background and holds a Master's degree in Entrepreneurship and Business Design from Chalmers University of Technology.

Anders Lehmann, Ph.D.

Born in 1957 - Vice President of development since 2015.

Anders Lehmann has extensive experience in drug development from AstraZeneca, with a wide international network. Lehmann has previously worked with biotech start-ups, and was the co-founder of a pharmaceutical company. He is currently responsible for the clinical development in Stayble.

Mattias Münnich, M.Sc.

Born in 1979 - co-founder and Vice President of business development since 2017.

Mattias Münnich has extensive experience of running start-ups. These companies have primarily operated in pharmaceutical and medical technology development. Münnich's work experience extends from companies in early development phase to multinational phase 2 clinical trials.

Thomas Pålsson, M.Sc.

Born in 1952 - CFO since 2018.

Thomas Pålsson has, among other things, been CFO consultant at Arexis AB. His experience of the Life Sciences sector encompasses 20 years. Pålsson has also served as business controller for the Albireo Group on a consultancy basis.

Board of Directors

Catharina Bäärnhielm, Ph.D.

Born in 1952 - Chairman of the Board since 2017.

Catharina has a broad experience from a variety of senior positions in the pharmaceutical industry, for example as Vice President and Global Project Manager at AstraZeneca. Her experience spans all phases of drug development, from idea to finished product.

Kjell Olmarker, M.D., Ph.D.
Born in 1958 - founder and member of the board since 2015.

With over 100 publications in the area of chronic back pain, Kjell is considered one of the world's most renowned researchers within the area. He holds a professorship at Gothenburg University and works actively in the development of STA363.

Jane Buus Laursen, Ph.D.
Born in 1975 - member of the board since 2018.

Jane Buus Laursen is Corporate Vice President and head of Novo Nordisk's commercial business development. Before that, she spent 15 years at AstraZeneca where she completed a large number of deals with biotech companies, pharmaceutical as well as academic.

Patrik Sjöstrand
Born in 1973 - member of the board since 2016.

Patrik Sjöstrand is investment manager at Almi Invest. For the last 20 years, Patrik Sjöstrand has worked predominantly as a project manager, managing director and chief operating officer for smaller companies. He also has more than 10 years of experience as a board member.

Pontus Ottosson, M.Sc.
Born in 1975 - member of the board since 2017.

Pontus Ottoson serves as Head of Investments at Chalmers Ventures. He previously led the venture capital company Aqilion (formerly P.U.L.S.) as the company's CEO, completing exits at a value of more than SEK 1.1 billion.

Financial information and comments

Net sales and profit
Operating income for the year totalled kSEK 538 (40) and relates to research grants.

Operating costs amounted to kSEK 7,413 (6,160) and for the most part comprises research and development costs. Operating profit/loss before financial items (EBIT) amounted to kSEK -6,875 (-6,119).

Financial position
Cash flow from operating activities amounted to kSEK 289 (-5,422). The positive cash flow during the year is mostly attributable to a bridging loan of MSEK 7, which is handled as a short-term liability. Cash and cash equivalents amounted to MSEK 3.8 (3.0) at the end of the year.

At the end of the year, the Company had interest-bearing loans payable in the amount of MSEK 8.4 (0.9), the bridging loan included.

At the balance sheet date, the Company reports a negative equity in the amount of MSEK 0.3. At the same time, the equity is secured by the bridging loan which according to the agreement in force shall be fully converted to equity by early 2020 at the latest. Hence, the Board of Directors deems that no additional measures are necessary.

The Board of Directors assesses the Company's liquidity and financial resources on an ongoing basis, in the short term as well as in the long term. In conjunction with the preparation of the annual report, is is upon the Board of Directors to make an assessment in a 12-month perspective in particular.

During February/March 2020, a new share issue was carried out. This provided the Company MSEK 27 in proceeds before issuance costs, and the Company was subsequently listed on Nasdaq First North.

Related party transactions

Companies related to Matttias Münnich (VP Business Development) and Thomas Pålsson (CFO), both members of the managing body, have had consultancy service agreements with the Company during the period. All related party transactions are conducted on market conditions.

Shareholders list

Shareholders	*Participating interest, shares and votes*
Stiftelsen Chalmers Tekniska Högskola	23,31
Kjell Olmarker	17,21
Almi Invest Västsverige AB	10,82
K-Svets Venture AB	9,42
Andreas Gerward	8,12
Advecto AB	6,45
Övriga	24,68
Totalt	**100**

Numbers of shares issued on Balance Day 4,066,340.

Stayble's share

Number of shares outstanding

On the balance sheet date, the number of shares outstanding totalled 4,066,340. The Company is public.

Each share has equal right to shares in the Company's assets and profit. There are no restrictions on the transferability of the shares. Shareholders normally have preferential rights to subscribe for new shares, warrants and convertible bonds, pursuant to the stipulations of the Companies Act and the Articles of Association, unless the Annual General Meeting or the Board of Directors authorized by the Annual General Meeting resolves to deviate from the shareholders' preferential rights.

Proposal for dividend

The Board of Directors proposes that no dividend be paid for the year.

Development of the share capital over the year

The extraordinary general meeting in October 2019 resolved to carry out a 20:1 share split. At the same time, it was resolved to carry out a bonus issue, after which the share capital amounts to SEK 528,624. The quota value amounts to SEK 0.13.

Key risks and uncertainty factors

Stayble's operations involve risks which could entail significant adverse effects on the company's operations, financial position and profit. Some of the key risks that Stayble faces are summarized below, in no particular order. The list should not be regarded as exhaustive.

Stayble is subject to risks related to clinical studies:

If the Company or its partners fail to sufficiently demonstrate the safety and efficacy of its drug, this could entail that government approval is not obtained, thus preventing commercialization and reducing or stopping cash flow. This could have a negative impact on the company's operations, earnings and financial position.

Stayble is subject to risks related to delays and costs of drug trials:

It may be difficult to determine the timetables of clinical studies related to the Company's treatment with any degree of certainty. Delays could occur for a variety of reasons, for example due to difficulties in recruiting clinics, recruiting patients or obtaining approval from medicinal products authorities and ethical review authorities. This could entail that the Company is forced to raise additional capital to be able to complete the clinical study.

Stayble relies on partners for development:

Stayble relies on, and will continue to rely on, cooperations with partners in conjunction with development of drug candidates, clinical studies and licensing and partnerships intended for future distribution of pharmaceuticals. Should one or more of the Company's partners fail, terminate or otherwise interrupt the cooperation, this could entail that Stayble is not able to compensate such a supplier or partner in a timely, qualitatively or financially adequate manner. This could result in delays, additional costs and/or development failure, thus impacting the company's operations, earnings and thus financial position adversely.

Stayble is dependent on key individuals:

The future growth of the Company relies heavily on the knowledge, experience and commitment of the senior management, the board and other key individuals. If one or more of these key individuals suddenly were to put an end to their involvement in the Company, the Company could suffer the loss of know-how regarding the operations, the treatment and the development effort as a result.

Equity

Restricted equity	*Share capital*	*New share issue in progress*	*Statutory reserve dev expenditures*
Opening balance	94 515	3 000 270	1 922 820
Reg of new share issue from 2018	7 144	-3 000 270	
Transfers between items in equity			
Bonus issue	426 965	-	-
Total	528 624	-	1 922 820
Closing balance	**528 624**	**-**	**1 922 820**

Unrestricted equity	*Share premium Reserve*	*Profit or loss Brought forward*
Opening balance	13 969 736	-11 874 734
Reg of new share issue from 2018	2 993 126	-
Adjusted opening balance	16 962 862	-11 874 734
Net result 2019		-7 408 049
Transfers between items in equity		
Bonus issue		-426 965
Transfer as decided by the AGM	-11 874 733	11 874 733
Total	-11 874 733	4 039 719
Closing, year end	**5 088 129**	**-7 835 015**

Proposed allocation of company profit or loss

The Board of Directors proposes that unrestricted equity, SEK -2,746,886, be treated by offsetting the balanced loss and the loss for the year against the premium reserve by SEK 5,088,129:

	Amount in SEK
Balanced in new account	-2 746 886
Sum	**-2 746 886**

Thereafter, the premium reserve remains with SEK 0.

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

Income Statement

Amounts in SEK	Note	2019-01-01- 2019-12-31	2018-01-01- 2018-12-31
Other operating income	3	537 886	40 110
		537 886	40 110
Operating expenses			
Other external costs	5,7	-6 074 119	-4 822 567
Employee benefit expenses	4	-1 335 400	-1 334 367
Other operating expenses	6	-3 067	-2 649
Operating profit		-6 874 700	-6 119 473
Profit from financial items			
Other interest income and similar income		1 522	-
Interest expenses and similar expenses	8	-534 871	-14 837
Profit after financial items		-7 408 049	-6 134 310
Profit before tax		-7 408 049	-6 134 310
Net profit for the year		-7 408 049	-6 134 310

Balance Sheet

Amounts in SEK	*Note*	*2019-12-31*	*2018-12-31*
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditure for development and similar	9	5 649 412	5 649 412
		5 649 412	5 649 412
Total fixed assets		5 649 412	5 649 412
Current assets			
Current receivables			
Current tax assets		11 286	10 131
Other receivables		204 816	280 440
Prepaid expenses and accrued income		30 891	30 285
		246 993	320 856
Cash and bank balances		3 822 658	3 033 267
Total current assets		4 069 651	3 354 123
TOTAL ASSETS		9 719 063	9 003 535

Balance Sheet

Amounts in SEK	*Note*	*2019-12-31*	*2018-12-31*
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		528 624	94 515
New share issue in progress		-	3 000 270
Fund for development expenditure		1 922 820	1 922 820
		2 451 444	5 017 605
Non-restricted equity			
Share premium reserve		5 088 129	13 969 735
Profit or loss brought forward		-426 966	-5 740 423
Profit for the year		-7 408 049	-6 134 310
		-2 746 886	2 095 002
Total equity		-295 442	7 112 607
Non-current liabilities	*10*		
Other non-current liabilities		1 350 000	850 000
		1 350 000	850 000
Current liabilities			
Accounts payable - trade		654 724	732 891
Other current liabilities		7 104 266	286 036
Accrued expenses and deferred income	*11*	905 515	22 001
		8 664 505	1 040 928
TOTAL EQUITY AND LIABILITIES		9 719 063	9 003 535

Cash flow statement

Amounts in SEK	*Note*	*2019-01-01-2019-12-31*	*2018-01-01-2018-12-31*
Operating activities			
Profit after financial items		-7 408 049	-6 134 310
		-7 408 049	-6 134 310
Paid income tax		-11 286	-10 131
Cash flow from operating activities before changes in working capital		**-7 419 335**	**-6 144 441**
Cash flow from changes in working capital			
Increase(-)/Decrease (+) in operating receivables		85 149	43 537
Increase (+)/Decrease (-) in operating liabilities		7 623 577	678 555
Cash flow from operating activities		**289 391**	**-5 422 349**
Investing activities			
Sale of equipment		-	1 000
Cash flow from investing activities		**-**	**1 000**
Financing activities			
New share issue		-	5 000 520
Borrowings		500 000	-
Cash flow from financing activities		**500 000**	**5 000 520**
Cash flow for the year		**789 391**	**-420 829**
Cash at the beginning of the year		**3 033 267**	**3 454 096**
Cash and cash equivalents at the end of the year		**3 822 658**	**3 033 267**

Notes

Note 1 Accounting policies

All amounts in SEK unless otherwise specified.

General accounting policies

This annual report was prepared in accordance with the Swedish Annual Accounts Act and to the general recommendations of the Swedish Accounting Standards board BFNAR 2012:1 Annual accounts and consolidated financial statements (K3).

The cash flow statement is drawn up using an indirect method.

Registered office

Stayble Therapeutics AB conducts operations in the association form of a limited company, and has its registered office in Gothenburg, Sweden. The address of the head office is Medicinaregatan 8A, Göteborg, Sweden, and the Board of Directors is situated at the same address.

Valuation policies, etc.

Assets, provisions and liabilities are measured at cost unless otherwise specified below.

Intangible fixed assets

Research and development expenditure

Costs for research, that is, planned and systematic search för new scientific or technological knowledge and insight, are recognized as cost when incurred. All expenses that are incurred during the development phase are recognized as assets when all of the factors below have been fulfilled: the Company intends to to complete the intangible fixed asset and to use it or sell it, and the Company has prerequisite to use or sell the asset; it is technically possible to complete the intangible fixed asset for use or sale and there are adequate technological, financial and other resources available to complete the development and use or sell the intangible asset; it is likely that the intangible asset will generate future economic benefits and the Company can reliably calculate the costs that are attributable to the intangible asset during its development. The cost includes personnel costs arising from the development work together with an appropriate percentage of relevant overhead and borrowing costs. The Company applies the Expensing Method.

In its early development, the Company capitalized direct development costs related to the innovation in accordance with the main owners' (Chalmers Ventures and Almi Invest) guidelines for early projects. During 2018, the Company entered a new phase; in conjunction, the Company decided to discontinue the capitalization of later development costs.

When the asset is completed, amortization is expected to commence. Amortization is linear over the asset's estimated useful life. The useful life is reassessed on each balance-sheet date.

Leasing

Lessee
All leases are recognized as operational lease agreements. Operational lease agreements Leasing fees under operating leases, including increased first-time rent but excluding expenses for services such as insurance and maintenance, are recognized as expenses on a straight-line basis over the leasing period.

Lessor
All leases are recognized as operational lease agreements.

Operational lease agreements
Leasing fees under operating leases, including increased first-time rent but excluding expenses for services such as insurance and maintenance, are recognized as income on a straight-line basis over the leasing period.

Foreign currency

Items in foreign currency
Monetary items in foreign currency are translated at the exhange rate at the balance sheet date. Non-monetary items are not translated but are recognized at the exchange rate at the date of acquisition.

Remuneration to employees

Post-employment employee benefits

Classification
Post-employment benefits plans are classified as either defined contribution or defined benefit.

Under defined-contribution plans, fixed fees are paid to another company, generally an insurance company, with no further obligations to the employee once the fee has been paid. The size of the employee's post-employment remuneration depends on the fees that were paid and the returns that the fees generate.

Under defined-benefit plans, the company has an obligation to pay the agreed remuneration to its current and former employees. The company essentially carries the risk that the remuneration will be higher than expected (actuarial risk), and in part the risk any return on assets may deviate from expectations (investment risk). Investment risk exists even if the assets are transferred to another company.

Defined-contribution plans
Fees for defined-contribution plans are recognized as an expense. There are no defined-benefit plans in the Company.

Termination benefits

Termination benefits, to the extent that the benefits do not provide the Company any future economic benefits, are recognized as expenses and liabilities only when there is legal or constructive obligation to either
a) terminate the employment of an employee or a group of employees before the normal retirement date, or
b) provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. Termination benefits are recognized when, and only when, the Company has a detailed plan for the termination and is without realistic possibility of withdrawal.

Taxes

Tax on profit for the year in the income statement consists of current tax and deferred tax liabilities. Current tax is income tax for the current financial year, which relates to the taxable profit for the year and the part of the previous financial year's income tax that has not yet been reported. Deferred tax is income tax for taxable profit for future financial years as a result of past transactions or events. Deferred tax liabilities are recognized for all taxable temporary differences except temporary differences arising from the initial recognition of goodwill. Deferred tax assets are reported for deductible temporary differences and for the carry forward of unused tax losses. The valuation is based on how the recognized value of the corresponding asset or liability is expected to be recovered or settled. The amounts are based on tax rates and tax laws that have been enacted before the balance sheet date and are not calculated in present value terms.
Deferred tax assets are measured at no more than the amount that will likely be returned based on present and future taxable earnings. The valuation is reassessed on every balance sheet date.

Revenue

The inflow of economic benefits received and receivable by the Company on its own account is recognized as revenue. Revenue is recognized at the fair value of the consideration received or receivable after deductions for discounts.

Interest, royalty and dividend

Revenue is recognized when it is likely that the financial benefits arising from the transaction will be available to the company and when the revenue can be reliably calculated.

Interest is recognized as revenue according to the effective interest method.

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

Public grants

Public grants that are not contingent on future performance are recognized as revenue when the conditions for the award of the grant are satisfied. Public grants that are contingent on future performance are recognized as revenue when the performance is delivered. If the grant has been received before the satisfaction of the associated conditions, the grant is recognized as a liability.

Note 2 Accounting estimates

The Company makes judgements and assessments regarding the future that affect the reported amounts of assets, liabilities, income and expenses. These assessments are based on historical experience and on such assumptions that the managing body and board considers reasonable given the prevailing circumstances. When the recognized value of assets or liabilities can not be determined otherwise, such judgements and assumptions will provide the basis for the valuation. If other assumptions are made or other circumstances prevail, the actual outcome may differ from these assessments.

The value of intangible fixed assets well exceeds the book value.

Note 3 Other operating income

	2019-01-01-2019-12-31	2018-01-01-2018-12-31
Research grants received	537 886	40 110
Total	**537 886**	**40 110**

Research grants are final, and there are no repayment obligations when the submitted reports have received their final approval.

Not 4 Employees and personnel costs

Average number of employees

	2019-01-01-2019-12-31	*Of which men*	2018-01-01-2018-12-31	*Of which men*
Sweden	2	2	2	2
Total	**2**	**2**	**2**	**2**

Salaries and other remuneration and social costs, including pension costs

	2019-01-01-2019-12-31	2018-01-01-2018-12-31
Board of Directors and CEO	632 784	638 040
Other employees	328 320	337 988
Total	**961 104**	**976 028**
Social costs	330 504	322 092
(including pension costs) 1)	52 949	56 197

1) Of the company's pension costs, 28,032 (previous year 28,132) refer to the company's CEO and board.

Severance payment

The CEO's employment has a 3 month period of notice when terminated by either party. For other employees, the Employment Protection Act shall apply.

Compensation to leading company officials

2019

	Basic salary, Board fees	Variable compensation	Other compensation	Retirement-Cost
Chairman of the Board	93 000	-	-	-
CEO	496 154	36 750	6 880	28 032
Other senior executives (3 persons)	328 320	-	1 062 895	14 580
Sum	917 474	36 750	1 069 775	42 612

2 018

	Basic salary, Board fees	Variable compensation	Other compensation	Retirement-Cost
Chairman of the Board	89 600	-	-	-
CEO	523 440	25 000	-	28 132
Other senior executives (3 persons)	335 596	-	560 563	14 433
Sum	948 636	25 000	560 563	42 565

Note 5 Remuneration to, and expenses of, auditors

	2019-01-01-2019-12-31	2018-01-01-2018-12-31
Leif Bohman, RSM Göteborg KB		
Audit assignments	22 875	23 945

Audit assignments refer to the statutory audit of the annual report and accounts and the administration of the Company's affairs by the Board of Directors and the Managing Director, as well as other statutory and contractual audits and examinations.

This further includes other tasks which are for the Company's auditor to perform, and consultation and other assistance in response to observations made during the aforementioned performance of audits, examinations and other tasks.

Note 6 Other operating costs

	2019-01-01-2019-12-31	2018-01-01-2018-12-31
Exchange rate losses on receivables/liabilities of operational nature	3 067	2 649
Total	**3 067**	**2 649**

Note 7 Operational leasing - lessee

	2019-01-01-2019-12-31	2018-01-01-2018-12-31
Future minimum leasing fees with respect to non-Redeemable operational leasing agreement:		
Within one year	125 669	95 478
Between one and five years	-	-
Later than five years	-	-
	125 669	95 478
The financial year's expensed leasing fees	125 669	95 478

Leasing fees refer only to premises costs.

Note 8 Interest expenses and similar result items

	2019-01-01-2019-12-31	2018-01-01-2018-12-31
Interest costs, other	534 871	14 837
Interest costs, other	**534 871**	**14 837**

The item Other interest expenses includes accrued interest costs for bridge loans with SEK 493,500 (previous year SEK 0).

Note 9 Capitalised expenditure for development work and similar

	2019-12-31	2018-12-31
Accumulated cost of acquisitions		
- At beginning of year	5 649 412	5 649 412
At the end of the year	5 649 412	5 649 412
Accumulated depreciation		
- At beginning of year	-	-
-Depreciation for the year	-	-
At the end of the year	-	-
Carrying amount at year-end	**5 649 412**	**5 649 412**

Research and development work has not been completed for commercialization, so depreciations has not been started.

Note 10 Long-term liabilities

	2019-12-31	2018-12-31
Liabilities falling due more than five years after balance day		
Other liabilities	1 350 000	850 000

Other long-term liabilities refer to so-called "soft loans" that mature as the company generates operating income.

Note 11 Accruals and prepaid income

	2019-12-31	2018-12-31
Accrued interest costs related to bridge loans	493 500	-
Other accrued costs	412 015	22 001
	905 515	**22 001**

Note 12 Pledged assets and contingent liabilities

Securities pledged

	2019-12-31	2018-12-31
Securities pledged	*None*	*None*

Contingent liabilities

No contingent liabilities exists.

Note 13 Significant events after the end of the financial year

Listing on Nasdaq First North Growth Market

On 9 March 2020, trading in the shares and warrants of Stayble Therapeutics AB commenced on Nasdaq First North Growth Market. The share is traded under the ticker “STABL” with the ISIN code SE0013513652 and the warrant is traded under the ticker ”STABL TO1” with the ISIN code SE0013748381. The Company’s new unit issue of MSEK 35 which was carried out in the beginning of 2020 was subscribed to approximately MSEK 153 (corresponding to a subscription rate of 436%). The issue provided the Company around 830 new shareholders.

Stayble has submitted applications to regulatory authorities in The Netherlands, Russia and Spain for start of phase 2b clinical trial

The Company has submitted all applications to regulatory authorities in the three countries in which the Company's phase 2b study is planned to be conducted.

Stayble receives approval from regulatory authorities in The Netherlands to start clinical phase 2b study with STA363

On 17 March 2020, the Company obtained approval from the Dutch regulatory authorities to start the clinical phase 2b study with STA363. The final approval is conditioned on the approval of the Ethics Committee, which has not yet finalized the review of the application.

Coronavirus - COVID-19

In the light of the outbreak of coronavirus and COVID-19 during 2020, Stayble monitors the developments closely and is taking measures to minimize or eliminate negative influences on the Company's operations. Stayble complies with the guidelines and recommendations issued by the Public Health Agency of Sweden, the WHO and the European Centre of Disease Prevention and Control (ECDC).

Signatures

Göteborg / 2020

Catharina Bäärnhielm
Chairman of the Board

Andreas Gerward
CEO

Jane Buus Laursen

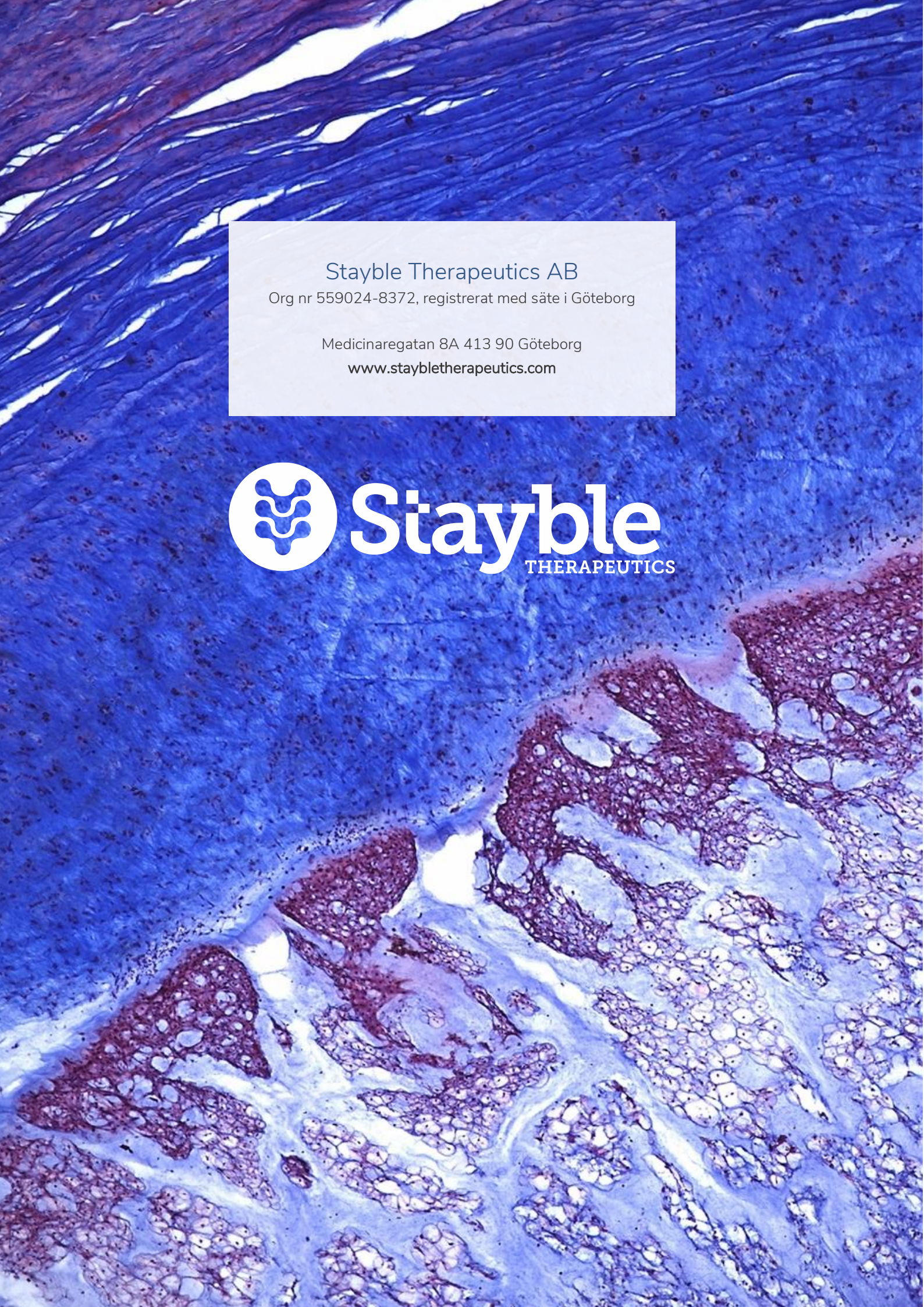
Kjell Olmarker

Pontus Ottosson

Patrik Sjöstrand

My Audit Report was submitted on

Leif Bohman
Authorized public
accountant



Stayble Therapeutics AB

Org nr 559024-8372, registrerat med säte i Göteborg

Medicinaregatan 8A 413 90 Göteborg

www.staybletherapeutics.com

Stayble THERAPEUTICS