

## Interim report January – March 2000

- | Distribution agreement signed for RescueFlow®.
- | Directed placement to AB Traction.
- | Skandia converts its Series B shares to Series A shares.
- | Soili Longsén appointed new Managing Director.
- | Annual General Meeting authorized the Board to decide on a new share issue.
- | The net result for the period amounted to a loss of SEK 5.939.000 (loss: 9.285.000), SEK 2.499.000 (6.570.000) of which were research and development costs.

### **Distribution agreement for RescueFlow®**

BioPhausia has during the period focused its operations on discussions and negotiations with future distributors in the countries where RescueFlow® is approved for marketing. These efforts have resulted in a distribution agreement with Laboratoires Belamont, France, regarding sales of RescueFlow®. Laboratoires Belamont is part of the Cider Santé Group, which is one of the leading pharmaceutical organisations in France and the French speaking countries in Africa. The agreement covers France, 24 countries in Africa and a further nine territories under French rule. Further agreements are being negotiated.

### **Directed placement to AB Traction**

The BioPhausia SEK 10.000.000 debt to Industrifonden was on January 1 2000 taken over by AB Traction. At a Special General Meeting on February 25 the debt was converted into shares. AB Traction thus got 1.228.500 shares, corresponding to 12.2% of the share capital.

### **Skandia converts its Series B shares to Series A shares**

In January Skandia converted its Series B shares to Series A shares with 1:1 voting right. After the conversion Skandia's share capital in BioPhausia is equivalent to 11.9 % of the shares and the votes.

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### **The Board gets authorisation to decide on a new share issue**

On May 4 the Annual General Meeting decided to authorise the Board of Directors to, on one or several occasions, decide on a new issue of Series A or B shares. The authorisation will be in effect until the next Annual General Meeting. Any issue so authorised may be carried out independently of shareholders' preferential rights. Payment can be made in cash or in kind. The maximum number of shares that may be issued is 10.000.000 at par value of SEK 2.50 each.

### **New Managing Director**

During the period the new marketing oriented organisation has come into operation. Soili Longsen entered her position as deputy Managing Director on February 25 and has, from May 4, succeeded Ernst Feldtström as Managing Director. The number of employees was on March 31 10 (17).

### **Group results**

The period produced a loss of SEK 5.473.000 (loss: 9.236.000). Total depreciation, SEK 477.000 (804.000) has been distributed among the various functions. Research and development costs amounted to SEK 2.499.000 (6.570.000). Depreciation accounted for SEK 170.000 (655.000) of research and development costs.

### **Financial position and investments**

The Group's liquid funds at the end of the period amounted to SEK 20.580.000 (15.902.000). The equity/assets ratio was 53.6.3% (59.3%). No investments in fixed assets were made during the period.

### **Summary of Consolidated Income Statement (SEK 000's)**

	Jan-March 2000	Jan-March 1999
Net sales	-	163
Cost of goods sold	-	-13
<b>Gross profit</b>	<b>-</b>	<b>150</b>
Selling expenses	-	-
Administrative expenses	-3 331	-2 853
Research and development expenses	-2 499	-6 570
Exchange profit	857	109
Exchange loss	-500	-72
<b>Operating loss</b>	<b>-5 473</b>	<b>-9 236</b>
Interest income and similar revenues	163	139
Interest expenditure and similar costs	-629	-185
<b>Loss after financial items</b>	<b>-5 939</b>	<b>-9 282</b>
Taxes	-	-3
<b>Net loss for the year</b>	<b>-5 939</b>	<b>-9 285</b>

### **Summary of Consolidated Balance Sheet (SEK 000's)**

	2000-03-31	1999-03-31
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Fixed assets	30 631	44 363
Other current assets	2 630	2 404
Inventories	66	-
Accounts receivable	283	4 050
Liquid assets	20 580	15 902
<b>Total assets</b>	<b>54 190</b>	<b>66 719</b>
Equity	29 049	39 595
Interest-bearing liability	20 344	20 000
Operating liability	4 797	7 124
<b>Total equity</b>	<b>54 190</b>	<b>66 719</b>

### Key ratios

Equity per share, SEK	2.9	4.5
Equity/assets ratio	53.6	59.3
Earnings per share SEK	-0.6	-1.1

### Summary of Cash Flow Analysis, Group (SEK 000's)

	Jan-March 2000	Jan-March 1999
<b>1999</b>		
Cash used in operating activities before change in working capital items	-5 462	-8 481
Change in working capital items	-11 083	316
<b>Cash used in operating activities</b>	<b>-16 545</b>	<b>-8 165</b>
<b>Cash provided by investing activities</b>	<b>0</b>	<b>1 030</b>
<b>Cash used in financing activities</b>	<b>34 992</b>	<b>-58</b>
<b>Total cash flow</b>	<b>18 447</b>	<b>-7 193</b>
Liquid assets at the start of the period	2 133	23 095
Liquid assets at the end of the period	20 580	15 902

### Summary of operating profit/loss, Group (KSEK)

	Q 1 2000	Full year 1999	Q 4 1999	Q 3 1999	Q 2 1999	Q 1 1999

Gross profit/loss	-	1 351	-	-	1 201	150
Selling expenses	-	-	-	-	-	-
Admin. cost	-3 331	-13 492	-3 897	-3 307	-3 435	-2 853
R&D cost	-2 499	-18 728	-4 360	-4 157	-3 641	-6 570
Items affecting comparability	-	3 290	-	3 290	-	-
Exchange loss/profit	359	199	157	-142	147	37
<b>Operating loss</b>	<b>-5 472</b>	<b>-27 380</b>	<b>-8 100</b>	<b>-4 316</b>	<b>-5 728</b>	<b>-9 236</b>

Uppsala May 19, 2000

Soili Longsén  
Managing Director