



# Half-Year Report 2023



Interim  
condensed  
consolidated  
financial  
statements  
as at June 30,  
2023

## Spexis Ltd and its subsidiaries

### Interim condensed consolidated statement of financial position

| in CHF                                             | Notes | Unaudited<br>June 30, 2023 | Audited<br>December 31, 2022 |
|----------------------------------------------------|-------|----------------------------|------------------------------|
| <b>Assets</b>                                      |       |                            |                              |
| <i>Current assets</i>                              |       |                            |                              |
| Cash and cash equivalents                          | 4     | 909'921                    | 1'804'586                    |
| Other accounts receivable                          |       | 417'807                    | 1'057'911                    |
| Prepaid expenses and accrued income                | 6     | 1'965'579                  | 225'408                      |
| <b>Total current assets</b>                        |       | <b>3'293'307</b>           | <b>3'087'905</b>             |
| <i>Non-current assets</i>                          |       |                            |                              |
| Property, plant and equipment                      |       | 378'415                    | 516'869                      |
| Right-of-use assets                                |       | 1'073'530                  | 1'199'827                    |
| Intangible assets (excl. goodwill)                 | 7     | 9'820'819                  | 10'045'747                   |
| Goodwill                                           | 8     | 14'653'983                 | 14'653'983                   |
| Financial assets (rent deposit)                    |       | 447'406                    | 447'406                      |
| <b>Total non-current assets</b>                    |       | <b>26'374'152</b>          | <b>26'863'832</b>            |
| <b>Total assets</b>                                |       | <b>29'667'459</b>          | <b>29'951'737</b>            |
| <b>Liabilities and shareholders' equity</b>        |       |                            |                              |
| <i>Current liabilities</i>                         |       |                            |                              |
| Trade accounts payable                             |       | 1'676'803                  | 1'455'921                    |
| Other accounts payable                             |       | 70'335                     | 74'713                       |
| Current lease liability                            |       | 852'803                    | 846'055                      |
| Current portion of debt                            | 9     | 301'793                    | 646'045                      |
| Accrued expenses                                   |       | 2'883'442                  | 2'979'872                    |
| <b>Total current liabilities</b>                   |       | <b>5'785'177</b>           | <b>6'002'605</b>             |
| <i>Non-current liabilities</i>                     |       |                            |                              |
| Pension liabilities                                | 10    | -                          | -                            |
| Non-current lease liability                        |       | 2'867'080                  | 3'295'176                    |
| Non-current portion of debt                        | 9     | 3'734'775                  | 1'251'977                    |
| <b>Total non-current liabilities</b>               |       | <b>6'601'855</b>           | <b>4'547'152</b>             |
| <b>Total liabilities</b>                           |       | <b>12'387'032</b>          | <b>10'549'758</b>            |
| <i>Shareholders' equity</i>                        |       |                            |                              |
| Share capital                                      | 11    | 1'048'448                  | 975'709                      |
| Additional paid-in capital                         |       | 53'240'753                 | 51'192'811                   |
| Foreign exchange translation reserve               |       | 567'536                    | 1'000'098                    |
| Accumulated deficit                                |       | -37'576'308                | -33'766'639                  |
| <b>Equity attributable to Spexis' shareholders</b> |       | <b>17'280'428</b>          | <b>19'401'979</b>            |
| Non-controlling interest                           |       | -                          | -                            |
| <b>Total shareholders' equity</b>                  |       | <b>17'280'428</b>          | <b>19'401'979</b>            |
| <b>Total liabilities and shareholders' equity</b>  |       | <b>29'667'459</b>          | <b>29'951'737</b>            |

## Spexis Ltd and its subsidiaries

### Interim condensed consolidated income statement for the six months ended June 30, 2023

| In CHF                                              | Notes | Unaudited<br>June 30, 2023 | Unaudited<br>June 30, 2022 |
|-----------------------------------------------------|-------|----------------------------|----------------------------|
| Other income                                        | 5     | 329'623                    | 616'486                    |
| Research and development                            |       | -2'679'639                 | -6'757'515                 |
| Marketing and sales                                 |       | -313'740                   | -420'139                   |
| General and administrative                          |       | -1'568'979                 | -2'984'516                 |
| <b>Net operating expenses</b>                       |       | <b>-4'232'735</b>          | <b>-9'545'684</b>          |
| <b>Operating loss</b>                               |       | <b>-4'232'735</b>          | <b>-9'545'684</b>          |
| Financial income                                    |       | 44'446                     | 12'615                     |
| Financial expenses                                  |       | -213'593                   | -87'110                    |
| Net foreign exchange gain/(loss)                    |       | 492'852                    | -352'140                   |
| <b>Net loss for the period</b>                      |       | <b>-3'909'030</b>          | <b>-9'972'319</b>          |
| - of which attributable to Spexis' shareholders     |       | -3'909'030                 | -9'972'319                 |
| - of which attributable to non-controlling interest |       | -                          | -                          |
| Net loss per share (basic)                          | 14    | -0.08                      | -0.21                      |
| Net loss per share (diluted)                        | 14    | -0.08                      | -0.21                      |

### Interim condensed consolidated statement of comprehensive income for the six months ended June 30, 2023

| in CHF                                                                                                    | Notes | Unaudited<br>June 30, 2023 | Unaudited<br>June 30, 2022 |
|-----------------------------------------------------------------------------------------------------------|-------|----------------------------|----------------------------|
| <b>Net loss for the period</b>                                                                            |       | <b>-3'909'030</b>          | <b>-9'972'319</b>          |
| <i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods</i> |       |                            |                            |
| Cumulative translation differences                                                                        |       | -432'562                   | 786'627                    |
| <i>Other comprehensive income/(loss) that will not be reclassified to profit in subsequent periods</i>    |       |                            |                            |
| Remeasurement of pension liabilities                                                                      | 10    | -75'979                    | 3'826'272                  |
| <b>Other comprehensive income/(loss)</b>                                                                  |       | <b>-508'541</b>            | <b>4'612'899</b>           |
| <b>Total comprehensive loss</b>                                                                           |       | <b>-4'417'572</b>          | <b>-5'359'420</b>          |
| - of which attributable to Spexis' shareholders                                                           |       | -4'417'572                 | -5'359'420                 |
| - of which attributable to non-controlling interest                                                       |       | -                          | -                          |

## Spexis Ltd and its subsidiaries

### Interim condensed consolidated statement of cash flows for the six months ended June 30, 2023

| in CHF                                                             | Notes | Unaudited<br>June 30, 2023 | Unaudited<br>June 30, 2022 |
|--------------------------------------------------------------------|-------|----------------------------|----------------------------|
| <b>Net loss for the period</b>                                     |       | <b>-3'909'030</b>          | <b>-9'972'319</b>          |
| Adjustments for                                                    |       |                            |                            |
| - Other non-cash items                                             |       | 1'269'381                  | 133'094                    |
| - Depreciation and amortization                                    |       | 489'680                    | 733'557                    |
| - Net finance costs                                                |       | 169'148                    | 74'494                     |
| - Share-based compensation                                         | 13    | 175'341                    | 1'120'374                  |
| - Net foreign exchange loss/(gain)                                 |       | -492'852                   | 352'140                    |
| Changes in                                                         |       |                            |                            |
| - Other accounts receivable                                        |       | 658'230                    | 270'230                    |
| - Prepaid expenses and accrued income                              | 6     | -1'749'566                 | 1'635'360                  |
| - Trade and other accounts payable                                 |       | 285'652                    | -1'153'282                 |
| - Accrued expenses and employee benefits                           |       | -41'850                    | -389'990                   |
| - Interest received                                                |       | 44'446                     | 12'615                     |
| <b>Net cash from operating activities</b>                          |       | <b>-3'101'422</b>          | <b>-7'183'726</b>          |
| <b>Cash flow from investing activities</b>                         |       |                            |                            |
| <b>Net cash from investing activities</b>                          |       | -                          | -                          |
| <b>Cash flows from financing activities</b>                        |       |                            |                            |
| Proceeds from convertible loans                                    | 9/12  | 1'375'800                  | -                          |
| Transaction costs of capital increases                             |       | -                          | -33'020                    |
| Proceeds from long term loans                                      | 9     | 1'516'647                  | -                          |
| Repayment of lease liabilities                                     |       | -281'270                   | -424'509                   |
| Repayment of debt                                                  |       | -161'018                   | -156'265                   |
| Interest paid                                                      |       | -135'742                   | -87'110                    |
| <b>Net cash from financing activities</b>                          |       | <b>2'314'417</b>           | <b>-700'904</b>            |
| <b>Net (decrease)/increase in cash equivalents</b>                 |       | <b>-787'005</b>            | <b>-7'884'631</b>          |
| <b>Cash and cash equivalents at January 1st</b>                    |       | <b>1'804'586</b>           | <b>14'368'240</b>          |
| Effect of movements in exchange rates on cash and cash equivalents |       | -107'660                   | 515'598                    |
| <b>Cash and cash equivalents as at end of period</b>               |       | <b>909'921</b>             | <b>6'999'208</b>           |

## Spexis Ltd and its subsidiaries

### Interim condensed consolidated statement of changes in shareholders' equity

| in CHF<br>Unaudited                                  | Notes | Share<br>capital | Additional<br>paid-in<br>capital | Foreign<br>exchange<br>translation<br>reserve | Accumulated<br>deficit | Equity<br>attributable to<br>Spexis'<br>shareholders | Non-<br>controlling<br>interest | Total share-<br>holders'<br>equity |
|------------------------------------------------------|-------|------------------|----------------------------------|-----------------------------------------------|------------------------|------------------------------------------------------|---------------------------------|------------------------------------|
| <b>Balance as of January 1, 2022</b>                 |       | <b>951'101</b>   | <b>50'110'685</b>                | <b>702'435</b>                                | <b>-21'646'939</b>     | <b>30'117'283</b>                                    | <b>106'458</b>                  | <b>30'223'741</b>                  |
| Net loss of the period                               |       |                  |                                  |                                               | -9'972'319             | -9'972'319                                           |                                 | -9'972'319                         |
| Other comprehensive income                           |       |                  |                                  | 786'627                                       | 3'826'272              | 4'612'899                                            |                                 | 4'612'899                          |
| <b>Total comprehensive loss</b>                      |       | <b>-</b>         | <b>-</b>                         | <b>786'627</b>                                | <b>-6'146'047</b>      | <b>-5'359'420</b>                                    | <b>-</b>                        | <b>-5'359'420</b>                  |
| Share-based compensation                             |       |                  | 186'945                          |                                               | 1'120'374              | 1'307'319                                            |                                 | 1'307'319                          |
| Capital increase to acquire non-controlling interest |       | 3'140            | 103'318                          |                                               |                        | 106'458                                              | -106'458                        | -                                  |
| Capital increase from conversion of notes            |       | 9'747            | 656'919                          |                                               |                        | 666'666                                              |                                 | 666'666                            |
| Transaction costs of capital increases               |       |                  | -226'436                         |                                               |                        | -226'436                                             |                                 | -226'436                           |
| <b>Balance as of June 30, 2022</b>                   |       | <b>963'988</b>   | <b>50'831'432</b>                | <b>1'489'062</b>                              | <b>-26'672'612</b>     | <b>26'611'869</b>                                    | <b>-</b>                        | <b>26'611'869</b>                  |
| <b>Unaudited</b>                                     |       |                  |                                  |                                               |                        |                                                      |                                 |                                    |
| <b>Balance as of January 1, 2023</b>                 |       | <b>975'709</b>   | <b>51'192'811</b>                | <b>1'000'098</b>                              | <b>-33'766'639</b>     | <b>19'401'979</b>                                    | <b>-</b>                        | <b>19'401'979</b>                  |
| Net loss of the period                               |       |                  |                                  |                                               | -3'909'030             | -3'909'030                                           |                                 | -3'909'030                         |
| Other comprehensive income                           |       |                  |                                  | -432'562                                      | -75'979                | -508'541                                             |                                 | -508'541                           |
| <b>Total comprehensive loss</b>                      |       | <b>-</b>         | <b>-</b>                         | <b>-432'562</b>                               | <b>-3'985'009</b>      | <b>-4'417'572</b>                                    | <b>-</b>                        | <b>-4'417'572</b>                  |
| Share-based compensation                             | 13    |                  |                                  |                                               | 175'341                | 175'341                                              |                                 | 175'341                            |
| Increase from convertible loans                      | 9/12  | 55'159           | 1'288'889                        |                                               |                        | 1'344'048                                            |                                 | 1'344'048                          |
| Interest accrued from convertible loan               | 12    |                  | 18'966                           |                                               |                        | 18'966                                               |                                 | 18'966                             |
| Capital increase from conversion of notes            |       | 17'579           | 334'572                          |                                               |                        | 352'151                                              |                                 | 352'151                            |
| Transaction costs of capital increases               |       |                  | -30'619                          |                                               |                        | -30'619                                              |                                 | -30'619                            |
| Equity part of loans with warrant coverage           | 9     |                  | 436'135                          |                                               |                        | 436'135                                              |                                 | 436'135                            |
| <b>Balance as of June 30, 2023</b>                   |       | <b>1'048'447</b> | <b>53'240'752</b>                | <b>567'536</b>                                | <b>-37'576'308</b>     | <b>17'280'428</b>                                    | <b>-</b>                        | <b>17'280'428</b>                  |

## **Spexis Ltd and its subsidiaries**

### **Notes to the interim condensed consolidated financial statements as of June 30, 2023**

#### **1 General information**

Spexis Ltd (“Spexis” or the “Company”, and together with its subsidiaries “the Group”) is a clinical stage, Swiss specialty pharma company.

The legal domicile of the Company is: Spexis AG, Hegenheimermattweg 125, 4123 Allschwil, Switzerland.

The Company is listed on the SIX Swiss Exchange under securities no. 10621379 (ISIN CH0106213793, ticker symbol “SPEX”). The Company was originally incorporated under the name Polyphor Ltd and renamed to Spexis Ltd as of December 29, 2021, following the legal acquisition of EnBiotix, Inc. in a share exchange transaction.

Spexis is a research-driven clinical-stage biopharmaceutical company based in Allschwil, Switzerland with a strategic focus on rare diseases and oncology. As from completion of the acquisition, Polyphor and EnBiotix, focus on products for rare, chronic respiratory diseases.

#### **2 Summary of significant accounting policies**

##### **2.1 Basis of preparation**

The interim condensed consolidated financial statements for the six months ended June 30, 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at December 31, 2022.

The interim condensed consolidated financial statements have been prepared on a historical cost basis – except for items that are required to be accounted for at fair value - and are presented in Swiss Francs (CHF), rounded to the nearest Swiss Franc. Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

The interim condensed consolidated financial statements of Spexis have been prepared under the going concern assumption. The Group’s board and management assessed the ability of the Group to continue as a going concern and concluded that the financial statements should continue to be prepared on a going concern basis, considering that sufficient funding is available for the remaining portfolio for at least the next 12 months. The going concern assessment is further supported by additional capital increases after the balance sheet date which have further strengthened the capital situation of the Company – refer to our announcements made on August 15, 2023 related to capital commitments from SPRIM Global Investments (SGI) and institutional investors totaling USD 2.5 million. Additionally, as of the date of the report, the IRIS equity-linked financing facility remains available for CHF 14.4 million.

The interim condensed consolidated financial statements were authorized for issue by the Company’s Board of Directors on September 28, 2023.

## **Spexis Ltd and its subsidiaries**

### **Notes to the interim condensed consolidated financial statements as of June 30, 2023**

#### **2.2 New standards, interpretations and amendments adopted by Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2022. The amendments effective as of January 1, 2023 do not have a material impact on the interim condensed consolidated financial statements of the Group. The following amendments/new standards apply for the first time in 2023: definition of accounting estimates (amendments to IAS 8), disclosure of accounting policies (amendments to IAS 1 and IFRS practice statement 2), deferred tax related to assets and liabilities arising from a single transaction/pillar two model rules (amendments to IAS 12) and insurance contracts (IFRS 17).

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### **2.3 Use of judgement and estimates**

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the affected assets or liabilities in future periods.

The significant judgements and the key sources of estimation uncertainty are the same as those applied in the annual financial statements.

#### **Critical accounting judgements and key sources of estimation uncertainty**

The key assumptions at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to valuation of intangible assets not yet in use (note 7), valuation of goodwill (note 8) and valuation of defined benefit obligation (note 10).

Intangible assets not yet in use and goodwill are reviewed annually for impairment, or more frequently if there are indications of impairment. To assess whether any impairment exists, estimates of expected future cash flows are used. Actual outcomes could vary significantly from such estimates. Other estimates relate to factors such as changes in discount rates and market capitalization of Spexis.

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

The Group based its assumptions and estimates on parameters available when the interim condensed consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



## Spexis Ltd and its subsidiaries

### Notes to the interim condensed consolidated financial statements as of June 30, 2023

#### 2.4 Seasonality

Spexis' operating result is not subject to significant seasonal variations.

#### 2.5 Group structure

There were no changes in composition of the Group in the first half of the year 2023 apart from a name change.

##### June 30, 2023

| Company                     | Registered     | Currency | Nominal capital | Equity Interest |
|-----------------------------|----------------|----------|-----------------|-----------------|
| Spexis Ltd                  | Switzerland    | CHF      | 1'048'448       | 100.00%         |
| EnBiotix (Switzerland) GmbH | Switzerland    | CHF      | 20'000          | 100.00%         |
| EnBiotix, Inc.              | USA            | USD      | 15'044          | 100.00%         |
| Polyphor UK Ltd             | United Kingdom | GBP      | 1'000           | 100.00%         |
| Spexis Germany GmbH*        | Germany        | EUR      | 25'000          | 100.00%         |
| Polyphor Deutschland GmbH   | Germany        | EUR      | 25'000          | 100.00%         |

\* EnBiotix GmbH was renamed to Spexis Germany GmbH in the first half of the year 2023

##### December 31, 2023

| Company                     | Registered     | Currency | Nominal capital | Equity Interest |
|-----------------------------|----------------|----------|-----------------|-----------------|
| Spexis Ltd                  | Switzerland    | CHF      | 975'709         | 100.00%         |
| EnBiotix (Switzerland) GmbH | Switzerland    | CHF      | 20'000          | 100.00%         |
| EnBiotix, Inc.              | USA            | USD      | 15'044          | 100.00%         |
| Polyphor UK Ltd             | United Kingdom | GBP      | 1'000           | 100.00%         |
| EnBiotix GmbH               | Germany        | EUR      | 25'000          | 100.00%         |
| Polyphor Deutschland GmbH   | Germany        | EUR      | 25'000          | 100.00%         |

#### 3 Segments

The Group has one operating segment focusing on the research and development and prospective commercialization of respiratory therapeutics addressing high unmet medical needs.

#### 4 Cash and cash equivalents

Cash is mainly held with banks in Switzerland and the United States.

Cash and cash equivalents restricted for credit card payments in the amount of CHF 100'000 and EUR 50'000 are pledged as of June 30, 2023 (December 31, 2022: CHF 100'000 and EUR 50'000). Regarding expected credit loss on cash and cash equivalents the low credit risk exemption has been applied.

## Spexis Ltd and its subsidiaries

### Notes to the interim condensed consolidated financial statements as of June 30, 2023

#### 5 Other income

|              | June 30, 2023<br>CHF | June 30, 2022<br>CHF |
|--------------|----------------------|----------------------|
| Grants       | 219'461              | 526'536              |
| Subleases    | 83'509               | 63'907               |
| Other        | 26'653               | 26'043               |
| <b>Total</b> | <b>329'623</b>       | <b>616'486</b>       |

Grant income relates to a cost reimbursement research sub award agreement between the former Polyphor and the Trustees of Boston University to initiate and complete the pre-clinical development of Thanatin.

Based on several sub lease agreements relating to the sublease of laboratories and office space in the main building in Allschwil, Spexis recognized CHF 83'509 in other income.

#### 6 Prepaid expenses and accrued income

|                  | June 30, 2023<br>CHF | June 30, 2022<br>CHF |
|------------------|----------------------|----------------------|
| Prepaid expenses | 1'925'579            | 225'408              |
| Accrued income   | 40'000               | -                    |
| <b>Total</b>     | <b>1'965'579</b>     | <b>225'408</b>       |

The amount of USD 1'750'000 of the capital commitment from SPRIM Global Investments (also refer to note 2.1 and 9) was directly paid to an external party which will support Spexis in carrying out the COPILLOT study. This amount was reflected in Spexis' books as a prepayment (prepaid expenses) and a loan. The prepayment amounts to CHF 1'568'525 as of June 30, 2023.

#### 7 Intangible assets (excl. Goodwill)

|                     | June 30, 2023<br>CHF | June 30, 2022<br>CHF |
|---------------------|----------------------|----------------------|
| Technology platform | 674'784              | 899'711              |
| Inhaled Murepavadin | 9'146'000            | 9'146'000            |
| Other               | 35                   | 36                   |
| <b>Total</b>        | <b>9'820'819</b>     | <b>10'045'747</b>    |

Inhaled Murepavadin is an intangible asset which is not yet in use, and accordingly no amortization was recorded.

#### 8 Goodwill

Goodwill of CHF 14'653'983 (December 31, 2022: CHF 14'653'983) originates from the reverse acquisition of the former Polyphor by EnBiotix, Inc. in December 2021.

## Spexis Ltd and its subsidiaries

### Notes to the interim condensed consolidated financial statements as of June 30, 2023

Goodwill is monitored at Group level and has thus been allocated to the cash generating unit Spexis Ltd, e.g. at Group level. The impairment test is performed at least annually or when an impairment indicator is identified.

On June 30, 2023 the recoverable amount of the cash generating unit was assessed based on fair value less costs of disposal using the Spexis' share price (level 1 input). Based on the market capitalization of Spexis of CHF 19'920'503 at June 30, 2023 resulting from 52'422'377 shares outstanding at a share price of CHF 0.38, less costs of disposal, no impairment was identified.

|                                               | June 30, 2023<br>CHF | December 31, 2022<br>CHF |
|-----------------------------------------------|----------------------|--------------------------|
| Shares outstanding                            | 52'422'377           | 48'785'463               |
| Share price in CHF                            | 0.38                 | 0.41                     |
| <b>Market capitalisation / Fair value</b>     | <b>19'920'503</b>    | <b>20'002'040</b>        |
| Estimated cost of disposal (3%)               | -597'615             | -600'061                 |
| <b>Fair value less cost of disposal</b>       | <b>19'322'888</b>    | <b>19'401'979</b>        |
| Carrying amount of equity before impairment   | 17'280'428           | 22'827'015               |
| Headroom                                      | 2'042'460            | -                        |
| Impairment charge                             | -                    | -3'425'036               |
| <b>Sensitivity Analysis</b>                   |                      |                          |
| <b>Market capitalisation / Fair value</b>     | <b>19'920'503</b>    | <b>20'002'040</b>        |
| Estimated cost of disposal (3%)               | -597'615             | -600'061                 |
| <b>Fair value less cost of disposal</b>       | <b>19'322'888</b>    | <b>19'401'979</b>        |
| Carrying amount of equity before impairment   | 17'280'428           | 22'827'015               |
| <b>Reduction of share price in CHF by 30%</b> | <b>13'526'022</b>    | <b>13'581'385</b>        |
| Headroom                                      | -                    | -                        |
| Impairment charge                             | -3'754'406           | -9'245'630               |
| <b>Increase of share price in CHF by 30%</b>  | <b>25'119'755</b>    | <b>21'342'176</b>        |
| Headroom                                      | 7'839'327            | 2'395'557                |
| Impairment charge                             | -                    | -                        |
| Break-even share price                        | 0.33                 | 0.47                     |
| <b>Estimated cost of disposal 2%</b>          | <b>19'522'093</b>    | <b>19'601'999</b>        |
| Headroom                                      | 2'241'665            | -                        |
| Impairment charge                             | -                    | -3'225'016               |
| <b>Estimated cost of disposal 5%</b>          | <b>18'924'478</b>    | <b>19'001'938</b>        |
| Headroom                                      | 1'644'050            | -                        |
| Impairment charge                             | -                    | -3'825'077               |

## Spexis Ltd and its subsidiaries

### Notes to the interim condensed consolidated financial statements as of June 30, 2023

#### 9 Debt

|                                            | June 30, 2023<br>CHF | December 31, 2022<br>CHF |
|--------------------------------------------|----------------------|--------------------------|
| Current convertible notes (IRIS)           | -                    | 327'500                  |
| Derivative financial instrument (IRIS)     | -                    | 24'651                   |
| Current portion of infrastructure loan     | 301'793              | 293'895                  |
| <b>Total current portion of debt</b>       | <b>301'793</b>       | <b>646'045</b>           |
| Non-current portion of infrastructure loan | 1'099'079            | 1'251'977                |
| Term loan 1 (SPRIM)                        | 1'340'250            | -                        |
| Term loan 2 (SPRIM)                        | 1'295'446            | -                        |
| <b>Total non-current portion of debt</b>   | <b>3'734'775</b>     | <b>1'251'977</b>         |

**IRIS:** In July 2022 Spexis announced that it had renewed the equity-linked financing arrangement with IRIS to raise a gross amount of up to CHF 15'000'000 over a period of two years. If amounts are drawn by Spexis, IRIS will receive Spexis shares to be created from the Company's conditional capital based on this interest-free mandatory convertible bonds program. It remains at the sole discretion of Spexis to suspend or terminate the staggered financing. If Spexis elects to draw down any amounts, IRIS is committed to buy over a period of two years twenty-four tranches of CHF 625'000 of unsecured zero-coupon mandatory convertible bonds. The program can be tailor-made in terms of period and tranche size, according to Spexis' financing needs. During the term of the financing, for any financing amounts drawn by Spexis, IRIS will convert the mandatory convertible bonds into shares at a discount to the applicable volume weighted average price (VWAP). In the first half of the year 2023 Spexis has not drawn any new amounts. The changes in current convertible notes amount and derivative financial liability are solely reasoned by conversion of notes into share capital and accompanied derecognition of derivative financial liability. The available facility under this agreement amounts to CHF 15'000'000 as of June 30, 2023.

The IRIS convertible notes are classified as a hybrid contract containing a host that is a financial liability at amortized costs and embedded derivatives separated from the host. The embedded derivatives of the convertible notes are closely related to each other and are therefore accounted for as a single instrument (i.e. compound derivative). The conversion based on the market share price the conversion right triggers a variable number of shares. The embedded derivative is classified as a financial liability and measured at fair value through profit and loss. The IRIS convertible notes and embedded derivatives developed as follows:

|                                                                          | Convertible<br>notes<br>CHF | Current derivative<br>financial<br>instruments<br>CHF |
|--------------------------------------------------------------------------|-----------------------------|-------------------------------------------------------|
| <b>December 31, 2021</b>                                                 | <b>1'262'500</b>            | <b>95'027</b>                                         |
| Initial recognition of derivative financial instruments                  | -                           | -                                                     |
| Carrying amount of convertible notes converted into shares               | -620'000                    | -                                                     |
| Derecognition of derivative financial instruments on conversion of notes | -                           | -4'667                                                |
| <b>June 30, 2022</b>                                                     | <b>642'500</b>              | <b>90'360</b>                                         |

## Spexis Ltd and its subsidiaries

### Notes to the interim condensed consolidated financial statements as of June 30, 2023

| <b>December 31, 2022</b>                                                 | <b>327'500</b> | <b>24'651</b> |
|--------------------------------------------------------------------------|----------------|---------------|
| Initial recognition of derivative financial instruments                  | -              | -             |
| Carrying amount of convertible notes converted into shares               | -327'500       | -             |
| Derecognition of derivative financial instruments on conversion of notes | -              | -24'651       |
| <b>June 30, 2023</b>                                                     | <b>-</b>       | <b>-</b>      |

#### Fair value hierarchy of financial instruments

|                                        | June 30, 2023<br>CHF |          |          | December 31, 2022<br>CHF |               |          |
|----------------------------------------|----------------------|----------|----------|--------------------------|---------------|----------|
|                                        | Level 1              | Level 2  | Level 3  | Level 1                  | Level 2       | Level 3  |
| Derivative financial instrument (IRIS) | -                    | -        | -        | -                        | 24'651        | -        |
| <b>Total</b>                           | <b>-</b>             | <b>-</b> | <b>-</b> | <b>-</b>                 | <b>24'651</b> | <b>-</b> |

The fair value of the derivative is calculated by considering contractually agreed discount and historic observable VWAP. The carrying amount of the derivative equals its fair value.

**SPRIM:** Spexis announced the closing of capital commitment of USD 4'500'000 from SPRIM to enable initiation of ColiFin® Phase 3 study on April 18, 2023. The capital commitment was split into three separate loans:

- USD 1'000'000: This amount was converted into equity at a price of CHF 0.32 per share as of May 5, 2023.
- USD 1'750'000: Term loan 1 was directly paid to an external party – representing a non-cash transaction – which will support Spexis in carrying out the COPIOLT study (refer to note 6) and was reflected in Spexis' books as a prepayment and a loan. The loan is interest bearing at margin + SOFR (secured overnight financing rate). Spexis only pays interest on the used amount (amount used as of June 30, 2023: zero). The maturity date will be April 18, 2025 and first partial repayment is expected to happen at the end of June 2024. The loan has warrant coverage and is therefore a compound financial instrument and split into a liability and an equity part according to the proportional fair value method. The liability part is a financial instrument and measured according to IFRS 9. As the loan is not held for trading and not designated at fair value through profit and loss the liability part is initially measured at fair value minus transaction costs and subsequently at amortized cost with an effective interest rate of 28.73%. The fair value of the warrant was calculated with the Black-Scholes model.
- USD 1'750'000: Term loan 2 was paid to Spexis and is interest bearing at margin + SOFR (secured over-night financing rate). The maturity date will be October 18, 2026 and first partially repayment is expected to happen at the end of June 2024. Term loan 2 has the same characteristics as term loan 1. Please refer to paragraph above regarding classification and measurement. The effective interest rate used for term loan 2 is 27.42%.

**Infrastructure loan:** Spexis Ltd obtained a loan to finance the laboratory and building infrastructure in its research building which matures in September 2027. It is measured at amortized cost with an effective interest rate of 5.32%.

## **Spexis Ltd and its subsidiaries**

### **Notes to the interim condensed consolidated financial statements as of June 30, 2023**

#### **10 Pension liabilities**

In accordance with the Swiss pension fund law “Federal Act on Occupational Old Age, Survivors’ and Invalidation Pension Provision” (“OPA”), Spexis Ltd, Allschwil is affiliated with a collective independent pension fund.

The assumptions for the valuation - prepared by an actuarial expert - remained unchanged compared to December 31, 2022 apart from a decrease in discount rate from 2.25% to 1.90% as of June 30, 2023. The independent pension fund’s funding ratio is 104.4% as of June 30, 2023 (December 31,2022: 100.5%).

#### **11 Share capital**

##### **Ordinary share capital**

During the period under review 3’636’914 shares were issued out of the conditional capital for convertible notes/loan with a carrying amount of CHF 1’210’048.

As per June 30, 2023 the Company’s share capital consisted of 52’422’377 common shares with a nominal value of CHF 0.02 each. Already registered in the commercial register is an amount of 48’785’463 common shares.

##### **Capital band (previously authorized share capital)**

The annual general meeting held on June 26, 2023 authorized a capital band between CHF 975’709 (lower limit) and CHF 1’463’564 (upper limit) which could lead to an increase of 24’392’731 registered shares. The Board of Directors is authorized to increase the share capital up to the upper limit at any time and as often as required until June 25, 2028. If the share capital increases as a result of an increase from conditional capital the upper and lower limits of the capital range shall increase in an amount corresponding to such increase in the share capital.

##### **Conditional share capital**

The conditional share capital exclusively reserved for the participants of the employee stock option plan amounts to 4’243’228 registered shares. At the general meeting the conditional share capital has been additionally increased by another amount of CHF 32’202 equivalent to a maximum of 1’610’139 registered shares reserved for convertible bonds or other similar financial instruments.

As of June 30, 2023, the Company had conditional share capital pursuant to which the share capital may be increased by a maximum amount of CHF 415’116 through the issue of a maximum of 20’755’817 registered shares. The amount of CHF 84’865 of the conditional share capital is exclusively reserved for the members of the employee stock option plan.

##### **Warrants**

In 2023 Spexis granted warrants to buy shares of the company to parties which committed capital. No additional consideration was paid for these warrants and one warrant gives the right to buy one share.

## Spexis Ltd and its subsidiaries

### Notes to the interim condensed consolidated financial statements as of June 30, 2023

| June 30, 2023                    |                         |                                          |                         |
|----------------------------------|-------------------------|------------------------------------------|-------------------------|
| Outstanding warrants<br>(number) | Exercise price<br>(CHF) | Remaining<br>contractual life<br>(years) | Exercisable<br>(number) |
| 271'471                          | 0.50                    | 1.6                                      |                         |
| 1'032'270                        | 0.32                    | 2.8                                      |                         |
| 1'032'270                        | 0.32                    | 4.3                                      |                         |
| <b>2'336'011</b>                 |                         |                                          | <b>2'336'011</b>        |

  

| December 31, 2022                |                         |                                          |                         |
|----------------------------------|-------------------------|------------------------------------------|-------------------------|
| Outstanding warrants<br>(number) | Exercise price<br>(CHF) | Remaining<br>contractual life<br>(years) | Exercisable<br>(number) |
| -                                | -                       | -                                        |                         |
| -                                |                         |                                          | -                       |

#### 12 Loan with characteristics of equity

In February 2023 SPRIM granted an initial loan of CHF 461'500 to Spexis. The loan is mandatorily convertible until February 7, 2025 and is interest bearing at 10.0%. Interest will be accrued and converted into shares at maturity date as well. As the fixed-for-fixed criteria according to IAS 32 is met the entire loan including accrued interest is classified as equity. The conversion price will be CHF 0.425 per share and at maturity date the loan would be converted into additional 1'303'356 shares.

#### 13 Share-based payment arrangements

##### ESOP 2019

The ESOP 2019 is a share option plan under which eligible persons like Members of the Executive Management and employees of the company obtain rights to acquire options. Under this plan, holders of vested options are entitled to purchase shares at a price which is equal to the Company's average share price of the last twenty trading days of the months of the grant. The fair value of the stock options is determined at the grant date based on the closing share price on SIX Swiss Exchange using the Black-Scholes model. 25% of the stock options vest one year after grant start date and the balance (75%) vest in twelve quarterly equal instalments of 6.25% per calendar quarter. The maximum term for exercising the options is 7 years.

##### ESOP 2019 (Board)

Along with the ESOP2019 there is an additional share option plan exclusively for members of the board. This share option program is based exactly on the terms of the ESOP2019 but with 25% of the options vesting immediately at grant date and the remaining 75% vesting in three quarterly instalments.

In the first six months of 2023 no new options were granted under the share option plans and 440'815 options forfeited.

## Spexis Ltd and its subsidiaries

### Notes to the interim condensed consolidated financial statements as of June 30, 2023

| June 30, 2023                   |                         |                                                              |                         |
|---------------------------------|-------------------------|--------------------------------------------------------------|-------------------------|
| Outstanding options<br>(number) | Exercise price<br>(CHF) | Weighted average<br>remaining contractual<br>life<br>(years) | Exercisable<br>(number) |
| 41'295                          | 1.28                    | 5.8                                                          |                         |
| 69'597                          | 1.37                    | 5.7                                                          |                         |
| 2'347'948                       | 1.75                    | 5.5                                                          |                         |
| 118'632                         | 5.00                    | 4.2                                                          |                         |
| 134'667                         | 5.69                    | 3.8                                                          |                         |
| 14'750                          | 7.22                    | 4.0                                                          |                         |
| 103'275                         | 7.46                    | 4.8                                                          |                         |
| <b>2'830'164</b>                |                         |                                                              | <b>1'447'197</b>        |

  

| December 31, 2022               |                         |                                                              |                         |
|---------------------------------|-------------------------|--------------------------------------------------------------|-------------------------|
| Outstanding options<br>(number) | Exercise price<br>(CHF) | Weighted average<br>remaining contractual<br>life<br>(years) | Exercisable<br>(number) |
| 49'699                          | 1.28                    | 6.2                                                          |                         |
| 69'597                          | 1.37                    | 6.2                                                          |                         |
| 2'780'358                       | 1.75                    | 6.0                                                          |                         |
| 118'633                         | 5.00                    | 4.7                                                          |                         |
| 134'667                         | 5.69                    | 4.2                                                          |                         |
| 14'750                          | 7.22                    | 4.5                                                          |                         |
| 103'275                         | 7.46                    | 5.2                                                          |                         |
| <b>3'270'978</b>                |                         |                                                              | <b>621'324</b>          |

#### 14 Earnings per share (EPS)

Basic and diluted earnings per share have been computed based upon the weighted average number of registered shares outstanding. Basic earnings per share excludes any dilutive effects of options, warrants, convertible notes and preferred shares. Outstanding employee shares options to purchase registered share, convertible notes and preferred shares are not included in the computation of the diluted earnings per share as the effect would have been anti-dilutive.



## Spexis Ltd and its subsidiaries

### Notes to the interim condensed consolidated financial statements as of June 30, 2023

| <b>For the period ending</b>                       | <b>June 30, 2023</b> | <b>June 30, 2022</b> |
|----------------------------------------------------|----------------------|----------------------|
| <b>Basic and diluted earnings</b>                  | <b>CHF</b>           | <b>CHF</b>           |
| Net loss attributable to the ordinary shareholders | -3'909'030           | -9'972'319           |

  

| <b>Weighted average number of shares</b>             | <b>Shares</b> | <b>Shares</b> |
|------------------------------------------------------|---------------|---------------|
| Weighted average number of ordinary shares (basic)   | 50'315'543    | 47'919'372    |
| Weighted average number of ordinary shares (diluted) | 50'315'543    | 47'919'372    |

  

| <b>Earnings per share</b>  | <b>June 30, 2023</b> | <b>June 30, 2022</b> |
|----------------------------|----------------------|----------------------|
|                            | <b>CHF</b>           | <b>CHF</b>           |
| Basic earnings per share   | -0.08                | -0.21                |
| Diluted earnings per share | -0.08                | -0.21                |

#### 15 Pledged amounts to secure own liabilities

The Group has pledged the shares of its subsidiaries Enbiotix Inc. and Enbiotix (Switzerland) GmbH, which contribute CHF 7'284'303 to net assets of the Group's interim condensed consolidated financial statement, and intangible assets in the amount of CHF 9'146'000 to secure the debt granted by SPRIM in the amount of USD 4'500'000 to the Group.

#### 16 Events after the reporting date

The company announced on August 15, 2023 a capital commitment totaling USD 2.5 million, which was made in the form of USD 1.0 million in secured, interest-bearing debt with partial warrant coverage from SGI and USD 1.5 million subordinated debt mandatorily converting into equity from institutional investors.

To the Board of Directors of  
**SPEXIS LTD., ALLSCHWIL**

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### *Introduction*

We have reviewed the interim condensed consolidated financial statements of Spexis Ltd., which comprise the interim condensed consolidated statement of financial position as of June 30, 2023, and the related interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in shareholders' equity, and interim condensed consolidated statement of cash flows for the six-month period then ended, and the notes to the interim consolidated financial statements presented on pages 3 to 17. The Board of Directors is responsible for the preparation and presentation of this interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 – "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements for the six months ended June 30, 2023 are not prepared, in all material respects, in accordance with International Accounting Standard IAS 34 – "Interim Financial Reporting".

### **Deloitte AG**



Matthias Gschwend  
Licensed Audit Expert  
Auditor in charge



Adrian Kaeppli  
Licensed Audit Expert

Basel, September 29, 2023

Imprint

September 2023

Overall Responsibility

Spexis Ltd

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