Cinclus Pharma

Annual Report 2025

Cinclus Pharma Holding AB (publ)


Cinclus Pharma
Our aim is to give people living with reflux disease a life without limitations

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The report has been prepared in a Swedish and an English version. In the event of any discrepancies between the Swedish and the English versions, the Swedish version will take precedence.

The year in brief

The year has included several important steps in Cinclus Pharma's development, with the initiation of the company's first Phase III study, a strategic licensing agreement with Zentiva for the European market, and approval for commercialization in China.

Q1

- All third-party agreements with suppliers for the company's Phase III study were signed.
- Cinclus Pharma presented at the medical meeting 14th Expert Strategies in Endoscopy, Gastrointestinal and Liver Disorder in Kansas City.
- Advisory meeting with the UK's National Institute for Health and Care Excellence (NICE) regarding pricing and reimbursement for linaprazan glurate.

Q2

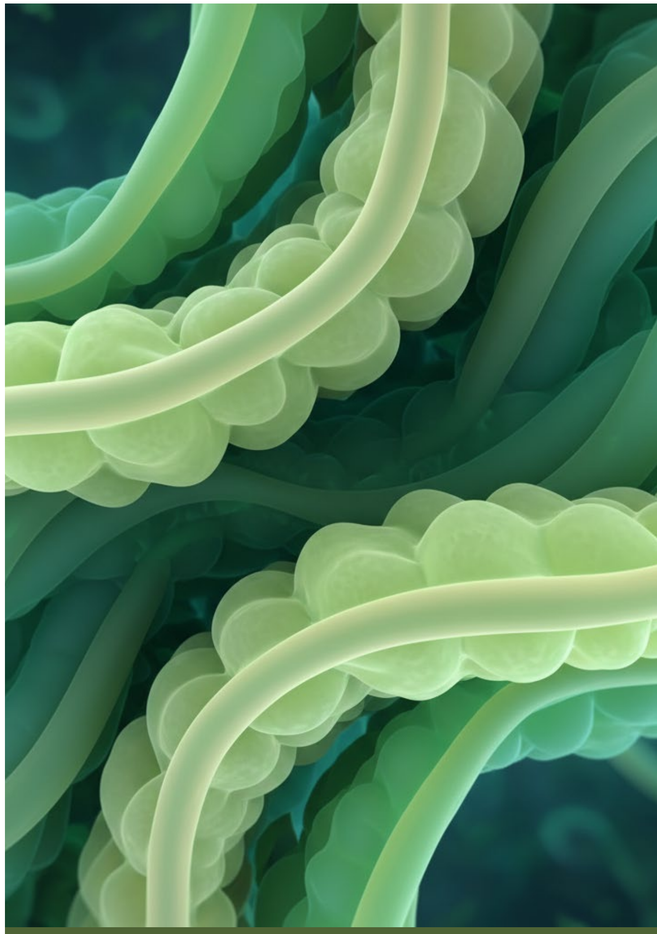
- Strategic alliance and licensing agreement with Zentiva was signed for the commercialization of linaprazan glurate in Europe. The total transaction value is up to EUR 220 million, along with royalties of approximately 20 percent.
- Cinclus Pharma was granted waivers by both the European and US regulatory authorities to exclude pediatric studies for the treatment of *H. pylori* infection.
- Publication of a scientific article presenting results from the Phase II study, showing a high degree of healing among patients with severe reflux disease.
- Cinclus Pharma participated in DDW 2025 (Digestive Disease Week) in San Diego, where the company presented data confirming the effective acid-blocking properties of linaprazan glurate, as well as promising results for the improved tablet formulation developed for Phase III and future launch.
- Cinclus Pharma sponsored a gastroenterology conference organized by GIE (Gatherings in Esophagology) in France.

Q3

- In August, Cinclus Pharma announced that it had received positive feedback from regulatory authorities, allowing the Phase III study, HEEALING 1, to begin in Europe.
- The first patient with erosive GERD was screened in the Phase III study in September.

Q4

- The first patient in the Phase III study HEEALING 1 was dosed in October.
- The positive results for the optimized tablet formulation of linaprazan glurate was presented in a scientific abstract at United European Gastroenterology Week (UEGW) in Berlin.
- Cinclus Pharma received positive feedback from the FDA following a recently conducted CMC (Chemistry, Manufacturing and Controls) meeting.
- In November, an abstract sponsored by Cinclus Pharma was presented at the ISPOR 2025 conference in Glasgow, highlighting the clinical and economic costs associated with treatment failure of PPIs in patients with severe erosive GERD.
- In December, Cinclus Pharma hosted a digital event where Professor Prateek Sharma from the Cancer Center in Kansas City shared insights on the unmet medical need among patients with erosive GERD and the potential of linaprazan glurate.
- Magnus Christensen was recruited as the new CFO, with commencement planned for Spring 2026.
- Linaprazan glurate was included on China's national reimbursement list for the treatment of GERD, meaning the product is expected to be launched in China in 2026.



"With the initiation of our first Phase III study and the strategic licensing agreement with Zentiva, Cinclus Pharma has taken important steps toward future commercialization."

Christer Ahlberg
CEO of Cinclus Pharma

Key figures for the group

The Group's figures in brief	2025	2024
Net sales, TSEK	57,470	4,580
Operating profit (EBIT), TSEK	–199,558	–169,639
Profit for the year, TSEK	–183,972	–168,031
Operating costs, TSEK	–255,650	–173,511
R&D costs/operational costs %	84%	79%
Cash flow from operating activities, TSEK	–74,647	–178,367
Cash and cash equivalents at year-end, TSEK	487,254	566,716
Cash Liquidity %	392%	1320%
Equity, TSEK	369,391	555,330
Equity ratio %	68%	92%
Average number of full-time employees during the year	19	13
Average number of ordinary shares before dilution	46,537,789	37,048,341
Average number of ordinary shares after dilution	46,564,368	37,060,299
Number of ordinary shares at the end of the year before dilution	46,537,789	46,537,789
Number of ordinary shares at the end of the year after dilution	46,564,368	46,561,439
Earnings per ordinary share for the year before dilution 1), SEK	–3.95	–4.54
Earnings per ordinary share for the year after dilution 1), SEK	–3.95	–4.54

[1] Earnings per share for the year before and after dilution are defined in IFRS. The other key performance measures in the above table are alternative performance measures and thus not defined in IFRS, see further section for definitions and reconciliation of key performance measures and alternative performance measures later in this report.
[2] Excluding transaction costs related to the Zentiva deal.
[3] Of which 21 employees and 24 in-house consultants.

84% R&D
OF OPERATING EXPENSES[2]

45
CO-WORKERS[3]

487 MSEK
CASH AND CASH EQUIVALENTS

Advancing toward Phase III readout

The past year was marked by significant progress for Cinclus Pharma. Our first Phase III study has had a promising start, and we expect to present topline results during the second half of the year. The strategic licensing agreement with Zentiva provides a strong platform for successful commercialization in Europe and lays a solid foundation for expansion into other markets. Following the inclusion of linaprazan glurate on China's national reimbursement list, our Chinese partner plans to launch the product on the market in 2026. With superior acid control compared to existing treatment options, linaprazan glurate has the potential to meet the substantial medical need among patients suffering from the more severe forms of erosive GERD, which we aim to confirm in the ongoing Phase III study.

Improved acid control – a significant market opportunity

The market for treatments of erosive GERD is substantial, with large patient populations who often require long term therapy due to the chronic nature of the disease. Historically, drugs that provide improved acid control have achieved strong commercial success, as better acid suppression directly contributes to both symptom relief and healing. The development we are now seeing for the first generation of PCABs (Potassium-Competitive Acid Blockers), which is on track to overtake proton pump inhibitors in the market, is fully consistent with this trend.

Linaprazan glurate represents the next generation of PCAB and has demonstrated in our clinical studies an ability to deliver close to 24 hours of acid control with pH above 4, something no other acid suppressing therapy on the market has shown at an approved dose for the treatment of GERD. Current treatment options with proton pump inhibitors and first generation PCAB provide, according to study data, insufficient acid control for patients during 7–13 and 4–7 hours of the day, respectively. Linaprazan glurate, on the other hand, provides esophageal protection for 96 percent of the day, which corresponds to only one hour with pH below 4[1]. The more stable and long-lasting acid control offered by linaprazan glurate addresses a clear medical need among patients with more severe forms of erosive GERD, who today lack sufficiently effective treatment alternatives.

The Phase III study is progressing according to plan

During the autumn, we initiated our first Phase III study, HEEALING 1. The objective is to demonstrate superior healing efficacy compared with the proton pump inhibitor lanzoprazole in patients with moderate to severe erosive GERD after four weeks of treatment, as well as healing and symptom relief for up to eight weeks.

The study includes just over 500 patients across seven European countries and has had a promising start. The first patient was dosed in early October, and recruitment has progressed fully according to plan. By mid-February, about one third of the patients in the study had been randomized. We remain fully on track to present topline results in the second half of 2026. Cinclus Pharma has financing that extends beyond these results, which we view as a significant value driver for the company.

The study will be followed by a second healing study, HEEALING 2, planned to be conducted in both the US and Europe, where data from both healing and maintenance treatment will be evaluated.

A strong partner for the European market

The strategic licensing agreement we signed with Zentiva during the year marked an important milestone that enhances the prospects for a successful launch in Europe. Cinclus Pharma and Zentiva bring complementary strengths, with Zentiva's experience and commercial capabilities creating strong opportunities to realize the product's full potential and ensuring an effective path forward. The potential deal value under the agreement, amounting to 220 million euros, is tied to regulatory and commercial milestones, of which just under 20 million euros relates to the signing of the agreement and the readout of the HEEALING 1 study. In addition, a royalty of approximately 20 percent on future sales ensures that Cinclus Pharma will receive a significant share of the upcoming revenues.

The US market is estimated to be 5-10 times larger than the European market and the transaction value of the European agreement, that was based on Phase II data, provides a clear indication of the value potential for linaprazan glurate in the US.

Green light for a 2026 launch in China

In December, it was announced that linaprazan glurate was included on China's national reimbursement list for drugs used to treat erosive GERD, effective January 2026. This enables broad patient access and means the product is expected to be launched on the Chinese market in 2026 by our licensee and co developer Jiangsu Sinorda Biomedicine Co. Ltd., together with its partner HuaDong Medicine Co. Ltd. Although this should be regarded as a separate product for the Chinese market and has been developed by our partner, the launch represents clear validation and will provide valuable commercial insights ahead of future market introductions.

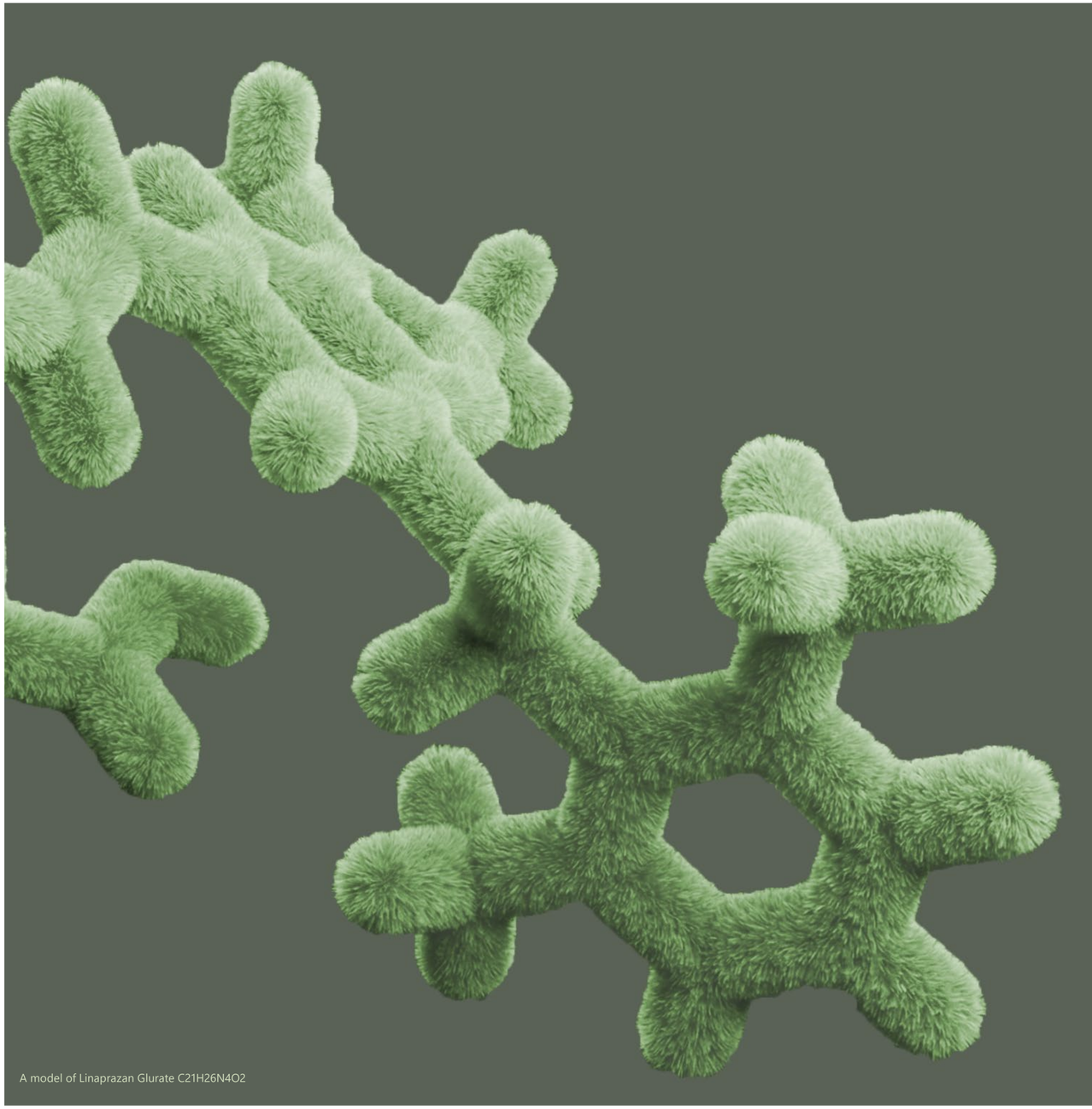
Need for a more cost-effective treatment

During the fourth quarter, a scientific abstract sponsored by Cinclus Pharma was published at ISPOR (International Society for Pharmacoeconomics and Outcomes Research), highlighting the significant need for investment in more effective treatments for severe erosive GERD, both from a patient and healthcare perspective. The large number of non-healed cases leads to substantial healthcare costs and reduced quality of life, with many referrals, surgical procedures, and long-term complications. Linaprazan glurate has strong potential to help these patients while also offering a cost-effective treatment option.

As we conclude the year, I want to express my appreciation to Cinclus Pharma's employees, partners, and shareholders for their dedication and support. We look ahead to an exciting 2026, and I look forward to keeping you informed as our work progresses.

Christer Ahlberg,
President and CEO

[1] Source: Miner P et al, Am J Gastro 2003, Phathom Pharmaceuticals Voquezna (Vonoprazan) FDA labeling 2023, Cinclus Pharma Study CX842A2107 (data on file) Phase I pH control 1,5-24 hours Day 1 and 0-24 hours Day 14 (data on file), Publicly available company reports from Phathom Pharmaceuticals.



A model of Linaprazan Glurate C21H26N4O2

Market

Severe erosive reflux disease causes damage to the esophagus

Many people experience temporary reflux symptoms at some point in their lives, such as heartburn or acid regurgitation. For most, these symptoms pass. For others, the condition becomes chronic and develops into severe erosive reflux disease, also known as erosive esophagitis.

The body's protection against reflux

In a healthy person, the transition between the esophagus and the stomach is controlled by a valve known as the lower esophageal sphincter. This ring-shaped muscle opens when we swallow, allowing food to pass into the stomach, and then closes to prevent stomach acid from flowing back up.

Impaired valve function

In reflux disease, this valve does not function properly. The muscle may be weakened, open too frequently, or be exposed to pressure from below. When the valve does not close tightly, stomach acid can flow back into the esophagus. This is known as reflux.

Stomach acid damages the esophageal lining

The stomach is able to tolerate strong stomach acid thanks to a protective mucus layer. The lining of the esophagus lacks this protection. When acid reaches the esophagus, it causes irritation and inflammation, leading to heartburn, pain behind the breastbone, and acid regurgitation. In some people this occurs occasionally, but in erosive reflux disease it happens frequently and over long periods of time. As a result, the lining does not have time to heal and is gradually eroded by the repeated acid exposure.

Inflammation and erosive injury

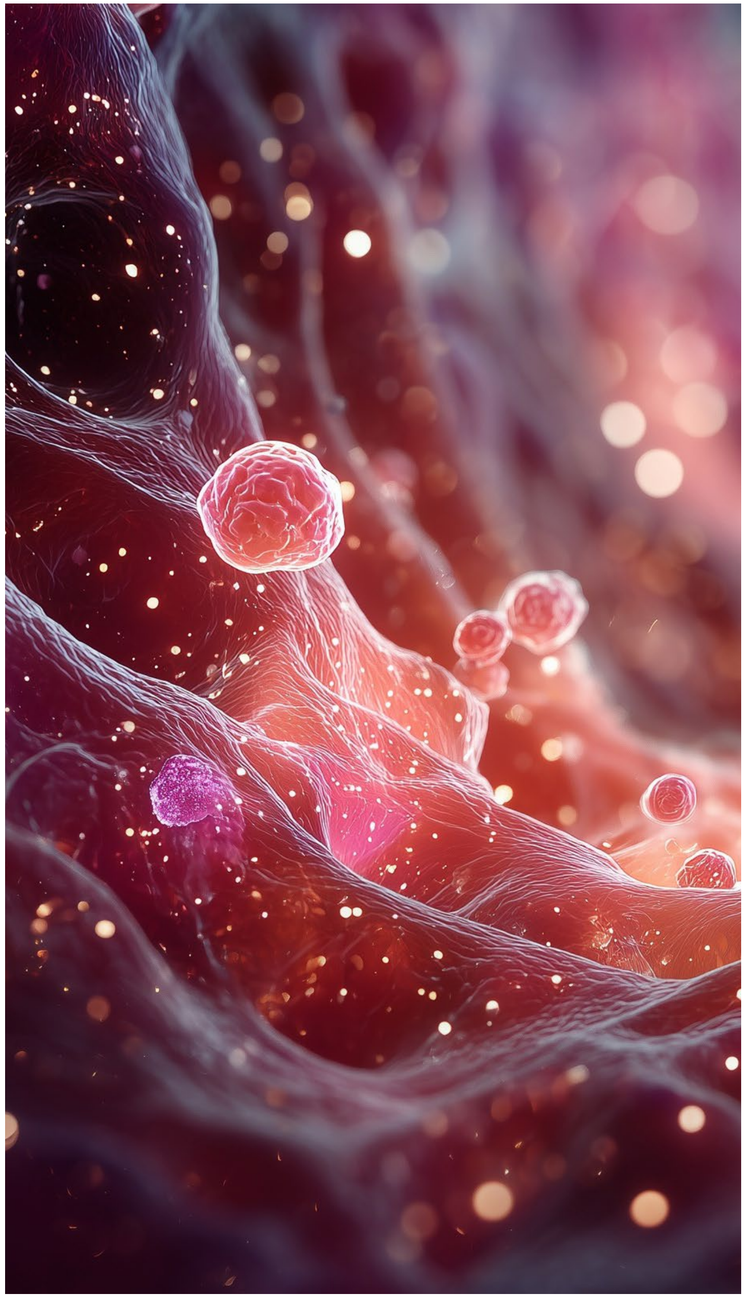
Repeated acid damage leads to inflammation of the esophagus. In more severe cases, ulcers may develop, causing burning pain, difficulty swallowing, and in some cases bleeding. Long-term inflammation can result in scarring and narrowing of the esophagus, making it painful and difficult for food to pass.

Spread of symptoms

In some patients, acid reaches higher up into the throat, larynx, and airways. This can cause coughing, hoarseness, sore throat, and a sensation of a lump in the throat. Acid exposure may also irritate the vocal cords and, in some cases, affect breathing.

Increased risk of cancer

With long-term exposure to stomach acid, the body attempts to protect itself by changing the type of cells in the esophageal lining. The normal flat cells of the esophagus are replaced by a more acid-resistant cell type similar to that found in the stomach or intestine. While this is a protective response, it can also be a precursor to esophageal cancer in a small proportion of patients.



Assessment of Reflux Disease

An internationally established system for assessing mucosal damage in the esophagus in erosive reflux disease is the so-called Los Angeles classification.

A: One or more superficial mucosal breaks, each less than 5 mm in length.

B: One or more mucosal breaks longer than 5 mm, without continuity between them.

C: Mucosal breaks that extend between the tops of two or more mucosal folds and involve less than 75% of the esophageal circumference.

D: Extensive mucosal breaks involving 75% or more of the esophageal circumference.

Cinclus Pharma's primary target population is patients with severe erosive reflux disease (grades C and D).

For those affected, everyday life is impacted

Severe erosive reflux disease is more than occasional heartburn. When stomach acid repeatedly flows back into the esophagus, it can lead to inflammation, erosive damage, and long-lasting symptoms that affect both health and quality of life.

For people living with severe erosive reflux disease, everyday life is often affected – from sleep and eating habits to social situations and mental well-being. Erosive damage means that even small amounts of acid can cause severe pain.

Meals require planning

Meals become something that must be carefully planned. What, when, and how to eat makes a significant difference. Spicy foods, coffee, citrus, wine, or chocolate can trigger symptoms, forcing many patients to avoid foods they enjoy. Eating slowly and in small portions often becomes a necessary routine.

Sleep is disrupted

Sleep is often the most affected. When lying down, acid more easily flows back into the esophagus, which means many patients must sleep with their head elevated, using extra pillows or an inclined position.

Despite this, nights are often marked by pain, coughing, and a burning sensation in the chest. Poor sleep leads to fatigue, difficulty concentrating, and reduced quality of life.

Constant worry

Social situations can also be challenging. Many patients describe a constant worry that symptoms may occur at the wrong moment and they may therefore decline meetings, travel, or shared meals, leading to feelings of isolation. Living with erosive reflux disease can have a negative impact on quality of life comparable to that of depression.

Treatment options are needed

Although established treatments for reflux disease are available today, they do not provide sufficient relief for a large number of patients with severe symptoms. For these individuals, more effective treatment options could help restore control over daily life, improve sleep, and significantly enhance quality of life.

19 million patients worldwide seek medical care for severe erosive reflux disease

Reflux disease affects people worldwide and is a growing health problem. The most common treatment today is proton pump inhibitors (PPIs), but their effect is often insufficient – especially in patients with more severe symptoms and erosive damage. An alternative treatment option, potassium-competitive acid blockers (PCABs), is now gaining ground in several countries.

The key is to control stomach acid

In reflux disease, stomach acid repeatedly flows back into the esophagus, causing irritation, inflammation, and in severe cases erosive damage to the lining. The primary goal of drug treatment is therefore to control stomach acid – that is, to keep gastric pH high for most of the day so the acid does not damage the tissue.

Today's standard treatment is not sufficient

Proton pump inhibitors (PPIs) have long been the most common medical treatment for reflux disease. These drugs block the activity of the proton pump in the acid-producing cells of the stomach, thereby reducing acid production.

PPI treatment provides symptom relief and improvement for many patients. However, in some cases acid control is not sufficient throughout the entire day, which can result in incomplete healing of the esophageal lining and a reduced therapeutic effect.

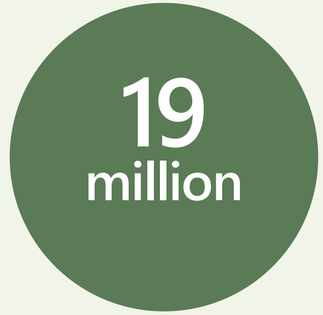
Linaprazan glurate shows strong and sustained acid control

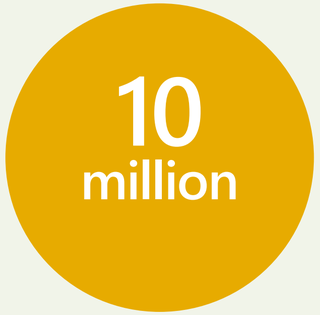
In recent years, a new class of drugs – potassium-competitive acid blockers (PCABs) – has been introduced in several markets. PCABs have a different mechanism of action than PPIs and can provide faster and more stable suppression of acid production. First-generation PCABs are now beginning to replace standard treatment in these markets.

Cinclus Pharma's drug candidate linaprazan glurate is in late-stage clinical development and represents the next generation of PCAB therapy. Previous clinical studies show that linaprazan glurate is more effective than first-generation PCABs, providing strong and long-lasting acid control. This level of control is critical for effective treatment of reflux disease and also supports significant commercial potential.

130 million people worldwide live with some form of reflux disease

19 million patients worldwide seek medical care for severe erosive reflux disease





The number of patients is estimated at 10 million in the United States and Europe

A commercial strategy that combines partnerships, patent protection, and growth

Cinclus Pharma's commercial strategy is built on a clear unmet medical need and a large global market. Through clinical development, strong intellectual property protection, and strategic partnerships, the company is creating the foundation for long-term value and new treatment options for patients with severe erosive reflux disease.

A partner-based path to market

In the second quarter of 2025, Cinclus Pharma entered into a strategic collaboration and licensing agreement with Zentiva, a leading European pharmaceutical company. The agreement covers the commercialization of linaprazan glurate across the EEA, including the United Kingdom and Switzerland. The total deal value amounts to up to EUR 220 million and includes upfront payments, regulatory and commercial milestone payments, as well as royalties of approximately 20 percent on future sales.

In Asia, Cinclus Pharma has previously licensed the rights to linaprazan glurate to Jiangsu Sinorda Biomedicine Co. Ltd for development and commercialization in China and other selected regions. In December 2025, linaprazan glurate was included on China's National Reimbursement Drug List for the treatment of gastroesophageal reflux disease, enabling commercial launch in 2026.

For other markets, including the United States, Cinclus Pharma continues to evaluate the most value-creating route to market.

Strong patent protection and data exclusivity

Strong intellectual property protection is a core element of Cinclus Pharma's commercial strategy. Linaprazan glurate is protected by multiple patents, including a polymorph patent in the US valid until 2042 and a formulation patent in Europe valid until 2040. During 2024, additional national approvals of the formulation patent were granted in several countries outside Europe, and new patent applications have been filed to further strengthen the protection.

In addition to patent protection, Cinclus Pharma also relies on regulatory data exclusivity, which provides effective protection against generic competition following potential market approval. In Europe, this provides up to 10–11 years of data exclusivity from the date of approval, while the corresponding protection in the US is five years. In addition, the company may be eligible for a further five years of exclusivity in the US if linaprazan glurate is approved for the treatment of *H. pylori* as the first indication.

Focus on long-term value creation

The combination of strong intellectual property protection, established partnerships, and a flexible market strategy provides Cinclus Pharma with a solid foundation for the next steps. With a clear focus on quality, long-term value, and collaboration, the company continues to advance linaprazan glurate toward the market and patients in need of improved treatment options.

H. pylori indication expands the potential use of linaprazan glurate

Cinclus Pharma is primarily developing linaprazan glurate for the treatment of severe erosive reflux disease. In parallel, the company is also evaluating the potential use of linaprazan glurate as part of a combination treatment of *Helicobacter pylori* infection.

H. pylori is a bacterium that infects the stomach and is a common cause of peptic ulcers and chronic gastritis. The World Health Organization (WHO) classifies *H. pylori* as a cancer-causing bacterium, and should therefore be treated. Current treatment typically consists of a combination of acid-suppressing medication and antibiotics.

Linaprazan glurate has the potential to provide stable and long-lasting acid control, which may improve treatment outcomes for *H. pylori* infection. Cinclus Pharma has also received regulatory waivers from pediatric studies for this indication, simplifying future development.

Approval for an *H. pylori* indication could, over time, expand the clinical use of linaprazan glurate and support additional regulatory data exclusivity.

Strategic partnership for commercialization in Europe

In 2025, a decisive step was taken in Cinclus Pharma's growth journey through a strategic licensing agreement with Zentiva. The agreement grants Zentiva exclusive rights to commercialize linaprazan glurate in Europe, a market with significant potential and growing medical needs. The goal is shared – to create the successful treatment of the future for patients with severe erosive reflux disease.

When Cinclus Pharma began the process of finding the right partner for the commercialization of linaprazan glurate, the starting point was clear.

"We were looking for a partner who could both facilitate the path to market and strengthen our development efforts. Zentiva also shares our ambition to build something long-term and sustainable, with the patient at the center and a shared view of what it takes to succeed in Europe," says Jesper Wiklund, Chief Business Officer at Cinclus Pharma.

The agreement grants Zentiva an exclusive license to market and sell linaprazan glurate in Europe. The potential compensation of up to EUR 220 million consists of milestone payments triggered as regulatory and commercial objectives are achieved. In addition, future royalties will be paid, ensuring that Cinclus Pharma retains a significant share of upcoming sales revenues.

Developing a pharmaceutical product places very high demands on quality, precision, and reliability. It requires expertise, financial resilience, and the ability to build trust throughout the entire process. Cinclus Pharma and Zentiva each contribute complementary strengths to the partnership.

"Zentiva's experience and commercialization capabilities provide strong conditions for realizing the product's potential and ensure a secure and efficient path forward," Jesper continues. Zentiva's decision to collaborate with Cinclus Pharma is a testament to the strength of linaprazan glurate. After evaluating the alternatives available on the market, Zentiva concluded that linaprazan glurate is a promising product from both a medical and commercial perspective.

"Linaprazan glurate is among the most advanced PCABs currently in clinical development in Europe. We are exited to see the progress and potential of this product for the European market and proud to be the trusted partner to bring this innovative therapy to those suffering from severe erosive GERD," says Martin Albert, Chief Scientific Officer at Zentiva.

The partnership with Zentiva lays the foundation for the next chapter in Cinclus Pharma's journey. It also opens the door to a future in which more patients in Europe can gain access to a new and improved treatment for severe erosive reflux disease.

Foto: Jenny Hallengren

Jesper Wiklund, Chief Business Officer at Cinclus Pharma.

Product

Linaprazan glurate enters late-stage clinical development

In 2025, linaprazan glurate entered Phase III, marking an important milestone in its clinical development. The program is based on a comprehensive clinical data package from earlier studies demonstrating both effective acid control and high healing rates.

Phase I: Effective acid control

Across multiple Phase I studies, linaprazan glurate has demonstrated dose-dependent and sustained acid control. Gastric pH, used as a biomarker, provides an early and reliable indication of future clinical efficacy. For patients with severe erosive reflux disease, where esophageal damage is caused by prolonged exposure to gastric acid, effective acid suppression is critical to enable healing.

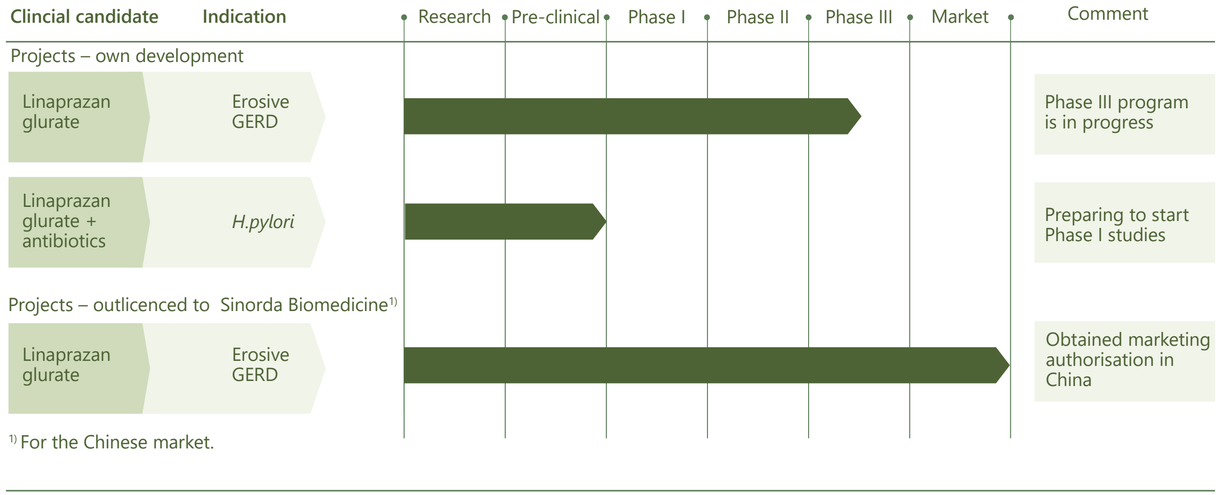
The relationship between gastric pH and healing is well established. When gastric pH is maintained above 4 for most of the day, conditions for esophageal healing improve significantly. In one of Cinclus Pharma's Phase I studies, linaprazan glurate maintained gastric pH above 4 for 96% of the day at the dose now used in the Phase III program. This level of acid control is unusually high and unique compared to currently approved therapies worldwide, making linaprazan glurate particularly promising for patients with erosive reflux disease.

Phase 2: Rapid healing

In the company's Phase II study, a healing rate of 93% was achieved in patients with severe erosive reflux disease in the optimal dose group. In comparison, the healing rate for the reference proton pump inhibitor (PPI) was 38%. These results demonstrate a rapid and robust treatment effect, even in the most difficult-to-treat patient populations, and provide strong support for continued clinical development.

Phase 3: Confirm efficacy at scale

In the Phase III program, linaprazan glurate is being evaluated in large, comparative studies against the current standard of care for erosive reflux disease. The objective is to confirm that the strong acid control and rapid, effective healing observed in earlier studies can also be demonstrated in a broader patient population and in a manner that meets regulatory requirements.



The Phase III program is designed to confirm healing and symptom relief

The Phase III study is now underway, marking a critical step in the clinical development. In this study, linaprazan glurate is compared with the current standard treatment for reflux disease, with a focus on both healing of esophageal damage and relief of symptoms in patients with erosive reflux disease.

In the ongoing Phase III study, the effects of linaprazan glurate on both healing of esophageal damage and the symptoms that affect daily life for patients with reflux disease are being evaluated.

"The goal is to demonstrate efficacy in as many patients as possible, and as quickly as possible," says Kajsa Larsson, Chief Medical Officer at Cinclus Pharma.

The study focuses on healing of the esophageal mucosa, where repeated exposure to stomach acid can cause inflammation and ulcers. Two doses of linaprazan glurate are being evaluated, and healing is assessed using endoscopy. The collected data is then reviewed by two independent assessors to ensure an objective and reliable evaluation.

In addition to mucosal healing, the study also evaluates how treatment affects patients' everyday symptoms. Heartburn, cough, hoarseness, as well as the impact on sleep and quality of life, are carefully monitored through patient-reported outcomes. This provides a clear picture of how the treatment affects symptoms that are noticeable and meaningful to patients.

"Regulatory requirements primarily focus on heartburn and reflux, but for patients, disrupted sleep and other symptoms are also very important to relieve."

Particular attention is given to patients with more severe erosive reflux disease. In these groups, a significant proportion of patients do not respond sufficiently to current standard treatments. Many therefore live with persistent symptoms and require long-term therapy.

The Phase III program includes two separate healing studies and one long-term maintenance study. The objective is to ensure that the results are robust and can be confirmed across multiple studies.

"This is about verification. We need to demonstrate that the results are consistent over time and across different studies."

Cinclus Pharma has a strong body of data from earlier studies demonstrating that linaprazan glurate is a safe and effective treatment. Results from the ongoing study are expected in the second half of 2026. A long-term study will then follow to further evaluate dosing and the effects of prolonged treatment.

"We look forward to continuing to build on the knowledge we already have. This is an important phase for both us and for patients who today do not achieve sufficient benefit from existing treatments."

Kajsa Larsson, Chief Medical Officer at Cinclus Pharma.

Patient recruitment for the Phase III study is progressing well

Approximately 100 selected clinical sites

All sites have access to a sufficient number of patients with reflux disease, as well as the resources and prior experience required to conduct the study

7 countries in Central Europe

Germany, Georgia, Romania, Hungary, the Czech Republic, Poland, and Bulgaria

Patient recruitment is progressing according to plan

Patients are positive about participating in the study, and recruitment is ongoing

Topline results are expected in the second half of 2026

The overall study results are expected to be presented in the second half of 2026

The study

treatment lasts eight weeks

Outcomes are evaluated after four and eight weeks

is double-blind

Neither the patient nor the investigator knows which treatment is being administered

is actively controlled

Linaprazan glurate is evaluated against lansoprazole

"The study start-up has progressed very well. We have selected clinical sites with strong resources and experience from similar studies, and with access to a large number of patients with this type of condition. Patient recruitment is progressing well, and so far many patients have been positive about participating in the study. This clearly reflects the need for more effective treatment options.

Our previous studies have shown promising results in terms of healing, and we now look forward to following the progress in this study as well. It provides further validation of the drug's potential and supports planning for the next steps in development."

Margit Mahlapuu,
R&D Director at Cinclus Pharma.

Sustainability

Sustainability for both individuals and society

We want to improve the quality of life for patients living with severe erosive reflux disease, while also contributing to positive societal impact globally.

For many people, reflux disease begins with occasional symptoms such as heartburn or acid regurgitation. For most, these symptoms pass. However, as risk factors increase, a growing number of patients develop a chronic condition that requires long-term treatment and has a significant impact on quality of life.

One of the main reasons reflux disease is becoming more common is changes in lifestyle. The increasing prevalence of overweight and obesity is an important risk factor, as higher pressure in the abdomen makes it easier for stomach acid to flow back into the esophagus. Sedentary work and low levels of physical activity further increase the strain on the upper esophageal sphincter, the valve that normally prevents reflux.

Diet also plays a central role. Foods and beverages such as coffee, alcohol, fatty or spicy foods can worsen symptoms. Combined with stress and irregular eating habits, this creates conditions for recurring reflux. Smoking is another well-known risk factor.

Reflux disease affects both women and men, but its prevalence increases with age, lifestyle factors, and work-related stress.

The rising incidence of reflux disease not only causes individual suffering but also places an increasing burden on healthcare systems. There is therefore a growing need for more effective treatments, improved prevention, and greater awareness of the disease.

Linaprazan glurate has the potential to significantly improve quality of life for patients with severe reflux disease.

A treatment that both relieves symptoms and promotes healing may also generate positive societal effects, including fewer medical examinations and healthcare visits, reduced need for sick leave, and more efficient use of healthcare resources.

Cinclus Pharma contributes to the UN's Sustainable Development Goals

UN Sustainable Development Goal 3 focuses on ensuring good health and well-being for people of all ages.

THE GLOBAL GOALS

Good health is a fundamental prerequisite for individual opportunity and societal development, and investments in prevention and effective healthcare support both improved well-being and long-term sustainability.

Cinclus Pharma works to contribute to the UN Sustainable Development Goal 3 by:

- achieving superior clinical efficacy for patients with severe erosive reflux disease
- reaching a wide range of patients in need of improved treatment options
- eradicating *H. pylori* infection
- reducing the use of antibiotics in the treatment of *H. pylori*

Our commitment to responsibility

Gender equality

Cinclus Pharma values gender equality, and the representation of women and men is well balanced across the organization, from the Board to management and employees.

Code of conduct

Cinclus Pharma has a Code of Conduct that applies to everyone working for or together with the company. It provides guidance in day-to-day work and decision-making and forms a foundation for the company's long-term, sustainable development.

The Code of Conduct covers areas such as working conditions, environmental responsibility, safety and quality, business ethics, as well as how we conduct research and development and manage information.

Ethics

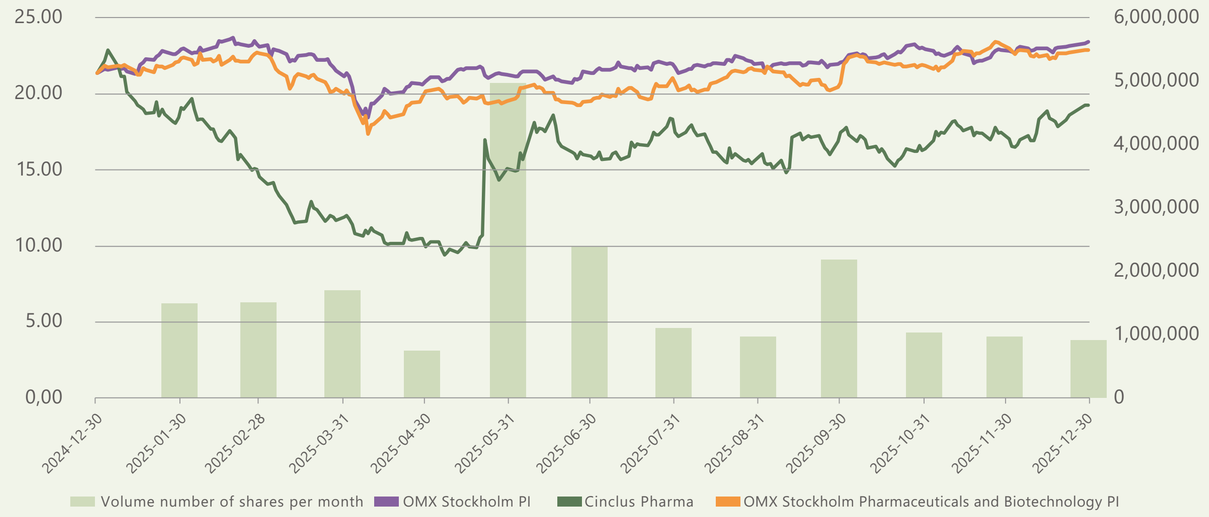
Cinclus Pharma has clear policies covering issues such as bribery, corruption, and whistleblowing.

Carbon emissions

Cinclus Pharma's ambition is to reduce its carbon footprint and, over time, achieve net zero emissions.

Shareholder information

The share



Source: Modular Finance AB

Share price and turnover

The shares of Cinclus Pharma Holding AB (publ), have since 20 June 2024 been listed on Nasdaq Stockholm MidCap and are traded under the name CINPHA.

The closing price on the last trading day in December was SEK 19.26 per share. The highest price paid during the year was SEK 23.50 and the lowest was SEK 9.31. During 2025, the averege volume-weighted share price was SEK 16.00 per share.

The number of shares traded during the year amounted to 23,526,894, of which 84% of the turnover took place on Nasdaq Stockholm. The remaining trading occurred mainly on Cboe, Börse München, and the London Stock Exchange.

SEK

19.26

The closing price on the last trading day in December was SEK 19.26 SEK per share.

Ownership

Cinclus Pharma Holding AB (publ) had 47,392,219 outstanding shares at the end of the year, of which 46,537,789 were common shares and 854,430 were Class C shares, each carrying 1/10 of a vote compared to a common share. The Class C shares are held in the company's own custody. At year-end, the company had approximately 4,200 shareholders, an increase of just over 7% compared with the previous year. The 15 largest shareholders owned shares corresponding to 55.5% of the votes. The market capitalization on the last trading day in December was SEK 913 million.

Of the total number of shares, 44% were held by private individuals, 14% by investment and asset management firms, 14% by pension and insurance institutions, 2% by fund management companies, and 26% by others. Shareholding in Sweden accounted for 86% of the capital, corresponding to the same proportion of voting rights. Among international shareholders, investors in Finland accounted for 4% of the capital, shareholders in Ireland for 1%, and shareholders with unknown geographic domicile for 7% of the capital. Trill Impact Ventures, Fjärde AP-fonden, Movestic Livförsäkring AB, and Linc AB are among the largest shareholders in the company. Analysts from ABG Sundal Collier, Stifel, DNB, Carnegie, and Redeye continuously follow Cinclus Pharma.

Analyst covering Cinclus Pharma

Firm	Analysts
ABG Sundal Collier	Georg Tigalonov-Bjerke
ABG Sundal Collier	Sten Gustafsson
Stifel	Oscar Haffen-Lamm
DNB Carnegie	Arvid Necander
Redeye	Kevin Sule
Redeye	Fredrik Thor

Owner information at year-end

	Number of shares	Share (%)
Trill Impact Ventures	3,721,221	7.9%
Fjärde AP-fonden	3,700,000	7.8%
Movestic Livförsäkring AB	2,364,458	5.0%
Linc AB	2,318,322	4.9%
Peter Unge privat via comapny	2,090,015	4.4%
Kjell Andersson via company	1,908,000	4.0%
Futur Pension Försäkringsaktiebolag	1,666,056	3.5%
Mikael Dahlström estate	1,569,613	3.3%
Nordnet Pensionsförsäkring	1,536,841	3.2%
Nylof Holding AB	1,164,575	2.5%
Lennart Hansson via company	1,084,771	2.3%
Eir Ventures I AB	898,750	1.9%
Cinclus Pharma *	854,430	1.8%
Avanza Pension	795,660	1.7%
Postamentet Holding AB	636,512	1.3%
Fifteen largest shareholders	**26,309,224**	**55.5%**
Others	21,082,995	44.5%
Total	**47,392,219**	**100.0%**

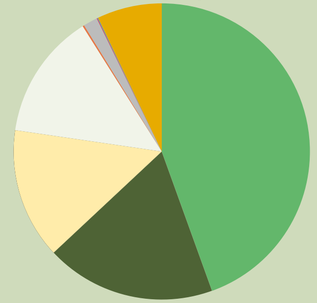
* Refers to C shares which give the right to 1/10 vote.

Owner distribution by holding

Size of holding	Shares	Capital	Votes	No of known users	Proportion known owners
1 - 100	34,877	0.07%	0.07%	935	22.11%
101 - 200	164,291	0.35%	0.35%	1,040	24.60%
201 - 300	119,151	0.25%	0.26%	467	11.05%
301 - 400	63,864	0.13%	0.14%	179	4.23%
401 - 500	110,304	0.23%	0.24%	231	5.46%
501 - 1,000	391,350	0.83%	0.84%	503	11.90%
1,001 - 2,000	443,104	0.94%	0.95%	297	7.02%
2,001 - 5,000	795,733	1.68%	1.71%	235	5.56%
5,001 - 10,000	856,824	1.81%	1.84%	113	2.67%
10,001 - 20,000	1,007,938	2.13%	2.16%	73	1.73%
20,001 - 50,000	2,093,722	4.42%	4.49%	67	1.58%
50,001 - 100,000	2,993,702	6.46%	6.57%	41	0.97%
100,001 - 500,000	5,927,930	12.74%	12.94%	29	0.69%
500,001 - 1,000,000	5,477,199	11.58%	10.10%	8	0.19%
1,000,001 - 5,000,000	23,435,780	49.45%	50.27%	10	0.24%
Unknown size	3,476,450	6.93%	7.08%	0	0.00%
Total	**47,392,219**	**100.00%**	**100.00%**	**4,228**	**100.00%**

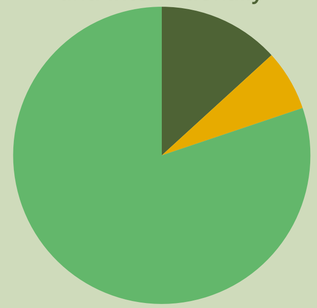
Source: Modular Finance AB

Share holding per owner category



- Physical persons and SME 44%
- Others 19%
- Investment & Asset Management 14%
- Pension & Insurance 14%
- Repurchased shares 0%
- Funds 1,54 %
- State, municipality, region 0%
- Foundation 0%
- Unknown owner category 7%

Ownership distribution domestically and internationally



- International 14%
- Unspecified country 7%
- Swedish 86%

Directors' report

Directors' report

The Board of Directors and the CEO of Cinclus Pharma Holding AB (publ), reg. no. 559136-8765, hereby submit the annual report and consolidated financial statements for the financial year 2025.

Company in brief and multi-year overview

Company description

Cinclus Pharma Holding AB (publ), hereinafter Cinclus Pharma or the Company, is a pharmaceutical company in clinical development phase that develops small molecules for the treatment of gastric acid-related diseases with a focus on the diseases Gastroesophageal Reflux Disease (GERD) and *Helicobacter pylori* infection. The Company's drug candidate linaprazan glurate represents a new class of drugs, Potassium Competitive Acid Blocker (PCABs), which has a different mechanism of action than the most commonly used drugs today, so-called proton pump inhibitors (PPIs). Linaprazan glurate is a fast-acting and highly potent regulator of intragastric pH and is a prodrug of linaprazan, a PCAB, which was developed by AstraZeneca before Cinclus Pharma acquired the global rights. Cinclus Pharma has successfully completed several clinical phase I studies and one clinical phase II study with its drug candidate linaprazan glurate.

During 2025, the company initiated its first Phase III study with linaprazan glurate for erosive GERD. During the year, the company established a strategic alliance and licensing agreement with Zentiva, a leading European pharmaceutical company, for the commercialization of linaprazan glurate in Europe. The agreement covers all EEA member states, the United Kingdom, and Switzerland.

Cinclus Pharma was founded in 2014 and Cinclus Pharma Holding AB (publ) is the parent company of the group, which in addition to the parent company consists of two subsidiaries, one in Sweden and one in Switzerland. The head office is based in Stockholm, Sweden.

MULTI YEAR OVERVIEW

(TSEK)	2025	2024	2023	2022	2021
Net sales	57,470	4,580	5,959	10,571	–
Operating profit (EBIT)	–199,558	–169,639	–200,976	–212,556	–84,285
Profit for the year	–183,972	–168,031	–215,118	–249,074	–76,266
Operational costs	–255,650	–173,511	–206,240	–221,299	–84,268
R&D costs/operating costs %	84%	79%	81%	71%	83%
Cash flow from operating activities	–74,647	–178,367	–209,186	–192,076	–75,353
Cash and cash equivalents at year-end	487,254	566,716	87,972	173,546	138,202
Cash Liquidity %	392%	1320%	57%	401%	747%
Equity	369,391	555,330	–76,800	126,874	127,101
Equity ratio (%)	68%	92%	–81%	68%	86%
Average number of full-time employees during the year	19	13	13	10	4
Average number of ordinary shares before dilution [1)]	46,537,789	37,048,341	26,227,040	23,045,112	21,091,528
Average number of ordinary shares after dilution [1)]	46,564,368	37,060,299	26,227,040	23,045,112	21,091,528
Number of ordinary shares at the end of the period before dilution [2)]	46,537,789	46,537,789	26,227,040	26,227,040	21,126,240
Number of ordinary shares at the end of the period after dilution [2)]	46,564,368	46,561,439	26,227,040	26,227,040	21,126,240
Earnings per ordinary share for the year before dilution [3)]	–3.95	–4.54	–8.20	–10.81	–3.62
Earnings per ordinary share for the year after dilution [3)]	–3.95	–4.54	–8.20	–10.81	–3.62

[1)] As the redemption price exceeds the market value per share in respect of all outstanding warrant programs, there will be no effect on the average number of shares after dilution. The number of shares and the amounts for all periods are recalculated for the split of the company's ordinary shares, 1:80, which was decided at an extraordinary general meeting on 29 May 2023.

[2)] The number of shares and the amounts for all periods are recalculated for the split of the company's ordinary shares, 1:80, which was decided at an extraordinary general meeting on 29 May 2023.

[3)] The period's earnings per share before and after dilution are defined in IFRS. Other key figures in the above table are alternative key figures and thus not defined in IFRS, see further section for definitions and reconciliation of key figures and alternative key figures later in this report.

GERD

Cinclus Pharma's drug candidate is being developed for the primary indication area of Gastroesophageal Reflux Disease (GERD). GERD is divided into two main groups, symptomatic GERD and erosive GERD, which is the primary indication for the Company. In erosive GERD, the patient develops ulcers in the esophagus due to stomach contents flowing back from the stomach into the esophagus.

Approximately 130 million people of the adult population in the USA and Europe suffer from GERD. The global market for the treatment of patients with GERD has long been dominated by the proton pump inhibitor (PPI) drug group. PPIs do not help the most seriously ill patients, and therefore there is a large medical need for other treatment options.

Regulatory and commercial strategy

Cinclus Pharma's goal is for linaprazan glurate to be best in class and thus drive a paradigm shift in the treatment of acid-related stomach diseases.

The first study in the Phase III program began in the third quarter of 2025 and aims to document the drug's efficacy and safety. Cinclus Pharma's ambition is for linaprazan glurate to establish a strong position in the market, in collaboration with commercial partners and a highly competent organization.

The primary objective is to obtain marketing approval for the treatment of patients with more severe forms of reflux disease. In the long term, an application is also planned for the treatment of *H. pylor*i infection, a common bacterial infection in the stomach.

Indications

Cinclus Pharma is focusing the development of linaprazan glurate for the indications erosive GERD and *H. pylori*. In the case of *H. pylori*, the treatment is linaprazan glurate in combination with antibiotics.

Patent and other protection regarding intellectual property rights

Linaprazan glurate has good patent protection. The company has previously received approval for a polymorph patent in the USA that is valid until 2042 and a formulation patent in Europe that is valid until 2040. The company has, in addition to this, submitted several new patent applications that are expected to be approved in the coming years.

As a complement to the patents, the company is also working with regulatory data exclusivity that provides strong protection against generic competition during the years that it is valid. In Europe, there will be data exclusivity of up to 10–11 years from the approval date of linaprazan glurate. In the USA, five years of regulatory data exclusivity will be obtained from the approval date. The company has also received an additional five-year extension from the FDA in the event that approval is obtained for an *H. pylori* indication.

Partnership

In May, Cinclus Pharma established a strategic alliance and license agreement with Zentiva for the commercialization of linaprazan glurate in Europe. The agreement covers all EEA member states, the United Kingdom, and Switzerland. The total transaction value, including upfront payments and regulatory and commercial milestone payments, amounts to EUR 220 million. Cinclus Pharma is also entitled to double-digit royalties on net sales in Europe, starting just below 20% and exceeding 20% at the highest levels.

Cinclus Pharma has previously entered into a license agreement with Jiangsu Sinorda Biomedicine Co. Ltd (Sinorda) for the development and commercialization of linaprazan glurate in China and other selected regions in Asia. Linaprazan glurate was included on China's National Reimbursement Drug List for the treatment of erosive GERD in December 2025, which means the product will be launched in China during 2026.

Business and operations development

Cinclus Pharma took important steps during 2025 toward the future commercialization of linaprazan glurate. The company has initiated its first Phase III study with the objecive of demonstrating superior healing efficacy compared with the proton pump inhibitor lansoprazole in patients with moderate to severe erosive GERD after four weeks of treatment, as well as healing and symptom relief for up to eight weeks. A second healing study is planned thereafter, which will also include the United States and will evaluate maintenance therapy. The Phase III study has had a promising start, and the company expects overall results from the study during the second half of 2026.

During the year, Cinclus Pharma established a strategic alliance and licensing agreement with Zentiva, a leading European pharmaceutical company, for the commercialization of linaprazan glurate in Europe. The agreement covers all EEA member states, the United Kingdom, and Switzerland. Cinclus Pharma and Zentiva have complementary strengths, with Zentiva's experience and commercial capabilities providing strong opportunities to realize the full potential of the product and ensuring an efficient path forward.

In October, Cinclus Pharma received positive feedback from the FDA following a recently held CMC meeting (Chemistry, Manufacturing and Controls). At the meeting, the FDA provided clear guidance and expressed support for the company's proposed strategy ahead of the upcoming New Drug Application (NDA).

Following the inclusion of linaprazan glurate on China's National Reimbursement Drug List for the treatment of erosive GERD in December, the product will be launched in China during 2026 by the company's local partner.

Product development

Clinical development

In 2025, the first Phase III study was initiated, which will include just over 500 patients across seven European countries. A second healing study is planned thereafter, which will also evaluate maintenance therapy. Cinclus Pharma has conducted a successful Phase II study in Europe and the United States involving 248 patients suffering from various forms of reflux disease. The primary objective of the study was to support dose selection for the subsequent Phase III study. The results showed that the drug is both effective and safe.

Several Phase I studies have also been conducted. The most recent study, using the company's new tablet formulation, was presented at the scientific congress UEG in October 2024 and at DDW in May 2025. The active substance in linaprazan glurate, linaprazan, has also been evaluated in 23 Phase I and two Phase II studies involving approximately 2,600 patients. In total, linaprazan and linaprazan glurate have been studied in more than 3,000 individuals in clinical trials, providing a strong foundation for the Phase III program.

In parallel, the company is discussing Phase I and Phase III studies for a new indication: *H. pylori* infection. Both programs are being continuously discussed with regulators and medical experts.

Pre-clinical development and CMC

Cinclus Pharma has conducted and is in the final stages of completing its preclinical studies. Within Chemistry,

Manufacturing and Control (CMC), the company has developed a new tablet formulation with improved absorption and lower manufacturing costs compared with the previous version. Through a stable CMC process, the company ensured that the tablet is available for the Phase III study as well as for commercial use after launch. In October 2025, the company received positive feedback from the FDA following a CMC meeting regarding the proposed strategy ahead of the upcoming New Drug Application (NDA).

Sustainability

Cinclus Pharma's vision is to improve the quality of life for people around the world living with acid-related diseases and other upper gastrointestinal diseases. If the company's innovative drug candidate is approved and commercialized, it could contribute to improving the quality of life for many patients living with GERD and *H. pylori*.

A drug that both alleviates symptoms and promotes healing has the potential to generate significant positive effects at the societal level. Such benefits include a reduction in diagnostic procedures and healthcare visits, a decreased need for sick leave, and a more efficient use of healthcare system resources. Expanding patient inclusion beyond the US and EU may further enhance value creation. Cinclus Pharma intends to establish a foundation to reach a broad audience and help a large number of patients in need of more effective treatment, through its regulatory and commercial strategy, where value creation and societal impact are highly prioritized.

Cinclus Pharma believes that commercial value creation, ESG and social impact in the form of improved quality of life go hand in hand, and that the importance of these issues will increase further over the coming years. The company's impact strategy, which is based on this fundamental belief, can be divided into three parts:

- Improve current standard of care: Cinclus Pharma is seeking to introduce new products that impact the current standard of care for acid-related and other upper gastrointestinal diseases, based on linaprazan glurate. Cinclus Pharma believes that linaprazan glurate has the potential to drive a paradigm shift in this field and improve the quality of life for patients suffering from acid-related diseases.
- Eradicate *H. pylori* and combat antimicrobial resistance: The eradication rate of *H. pylori* is declining worldwide due to increasing antibiotic resistance. *H. pylori* is listed by the WHO as a "high priority pathogen" and by the FDA as a "qualified pathogen", i.e. a bacterium that potentially poses a serious threat to public health. The current standard of care for the eradication of *H. pylori* is a triple therapy, with two types of antibiotics combined with a PPI. Linaprazan glurate has the potential to reduce antibiotic use by introducing a dual therapy, with only one type of antibiotic, thereby helping to reduce antibiotic use and the development of antimicrobial resistance. By combining acid control with antimicrobial agents and specifically dual therapy with amoxicillin in combination with an acid blocker, *H. pylori* eradication is achieved.
- Expand geographic reach: in addition to the company's target population in the US and Europe, Cinclus Pharma intends to reach a larger patient group outside high-income countries, through its strategy of reaching out broadly to patients.

In addition to the patient and societal perspective, Cinclus Pharma works to ensure that every employee has a safe, healthy and stimulating workplace. Furthermore, Cinclus Pharma stands for a non-discriminatory workplace with equal rights for all.

Significant events during the year

- In April, a scientific article was published presenting data from a Phase II study demonstrating a high proportion of healed patients with the more severe forms of erosive GERD.
- In May, Cinclus Pharma presented positive data at the scientific conference Digestive Disease Week in San Diego. The presentation included data showing linaprazan glurate's strong acid-suppressing properties, as well as positive results for the optimized tablet formulation developed for the Phase III studies and future commercialization.
- In May, Cinclus Pharma established a strategic alliance and license agreement with Zentiva for the commercialization of linaprazan glurate in Europe. The agreement covers all EEA member states, the United Kingdom, and Switzerland. The total transaction value, including upfront payments and regulatory and commercial milestone payments, amounts to EUR 220 million. Cinclus Pharma is also entitled to double-digit royalties on net sales in Europe, starting just below 20% and exceeding 20% at the highest levels.
- The Annual General Meeting was held on 22 May 2025. All board members were re-elected.
- In June, Cinclus Pharma announced that it had been granted a waiver by regulatory authorities in the United States and Europe from the requirement to conduct pediatric studies with linaprazan glurate for the treatment of *H. pylori* infection.
- In August, Cinclus Pharma Holding announced that the company is initiating its Phase III study HEEALING 1 following positive feedback from regulatory authorities.
- In September, Cinclus Pharma Holding announced that the first patient with erosive GERD had been screened for the company's Phase III study.
- Also in September, Cinclus Pharma announced the presentation of a scientific abstract on linaprazan glurate at United European Gastroenterology Week (UEGW) in Berlin. The abstract highlights positive results for the optimized tablet formulation developed for the Phase III studies and future commercialization.
- In October, Cinclus Pharma announced that the first patient had been dosed in the company's Phase III study, HEEALING 1.
- In October, Cinclus Pharma reported receiving positive feedback from the U.S. Food and Drug Administration (FDA) following a recently conducted CMC (Chemistry, Manufacturing, and Controls) meeting regarding the drug candidate linaprazan glurate.
- A scientific abstract sponsored by Cinclus Pharma was presented at ISPOR Europe 2025 – the International Society for Pharmacoeconomics and Outcomes Research – in Glasgow in November.
- In November, the Nomination Committee for the 2026 Annual General Meeting was appointed.
- On 11 December, a digital presentation was held featuring Professor Prateek Sharma from the Cancer Center in Kansas City, who provided insights into the current treatment landscape and the unmet medical needs of patients with erosive GERD, as well as the potential of linaprazan glurate
- In December, the company announced that the Nomination Committee proposes that co-founder Kjell Andersson be elected as a new board member at an Extraordinary General Meeting scheduled for 19 November 2026. Kjell Andersson is proposed to succeed Peter Unge, who has expressed his wish to step down from his position on the company's Board of Directors.

» In December, Cinclus Pharma announced that Magnus Christensen has been recruited as CFO, following Maria Engström's decision to step down from her role at her own request.

» Cinclus Pharma has been included on China's National Reimbursement Drug List (NRDL) 2025 for the treatment of erosive gastroesophageal reflux disease (GERD). Inclusion on the NRDL enables broad patient access, and the product is now expected to be launched on the Chinese market in 2026 by the company's licensee and co-developer Jiangsu Sinorda Biomedicine Co. Ltd. and its partner HuaDong Medicine Co. Ltd.

Significant events after the end of the year

» At an Extraordinary General Meeting on 19 January, Kjell Andersson was elected as a new board member after Peter Unge had announced his wish to step down from his position on the company's board.

» In January, Cinclus Pharma announced that the European Medicines Agency (EMA) has provided positive feedback following scientific advice regarding Chemistry, Manufacturing and Controls (CMC) for linaprazan glurate.

» In February, FDA provided a positive assessment of Cinclus Pharma's nonclincial development plan for linaprazan glurate following a scientific advice meeting.

» In February, Cinclus Pharma announced that the FDA has determined that one pivotal study will become the new standard for market approval of drugs in the United States.

» In March, Cinclus Pharma announced that a financing agreement of EUR 28 million has been entered into with Claret Capital Partners, enabling an earlier start of the final stage of the Phase III program. The financing is structured as a secured loan facility with warrants and convertibles.

Expected future development

Mission

To introduce completely new products that will change standards of care, improve health outcomes and quality of life for patients with gastrointestinal diseases.

Vision

An improved quality of life for people worldwide with stomach acid-related diseases.

Strategy

PCAB is the new treatment regimen that has the potential to replace proton pump inhibitors (PPIs), and the company's goal is for linaprazan glurate to be best in class and to achieve a paradigm shift in the treatment of acid-related gastric diseases. Thanks to the unique properties of linaprazan glurate, the company has the potential to develop a drug that is clearly differentiated and well positioned against other PCABs and PPIs. The company's strategy to achieve this paradigm shift is briefly based on the following:

1. Document linaprazan glurate in a phase III program and differentiate the product against PPIs and other PCAB:s.

2. Acquire strong commercial partners and build its own organization.

3. Obtain marketing approval in the US and Europe and the rest of the world primarily for eGERD but also other indications such as *H. pylori*.

All decisions made on the path to market approval and launch are based on the company's strategic ambition to become a market leader.

Financing

With the listing of the company's common stock on 20 June 2024 and the new share issue made in connection with this, the Company estimates as of 31 December 2025 that its current working capital is sufficient beyond the readout of the Phase III program's first study, which means until August 2027. The readout is expected per this report, with the current development plan as a basis to be obtained during the second half of 2026.

Ownership information at year-end

	Number of shares	Share (%)
Trill Impact Ventures	3,721,221	7.9%
Fjärde AP-fonden	3,700,000	7.8%
Movestic Livförsäkring AB	2,364,458	5.0%
Linc AB	2,318,322	4.9%
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Others	21,082,995	44.5%
Total	**47,392,219**	**100.0%**

* Refers to C shares which give the right to 1/10 vote.

Appropriations of earnings

Balanced funds at the disposal of the Annual General Meeting:

Earnings appropriation

(SEK)	
The annual general meeting has the following balanced funds at its disposal:	
Share premium fund	1,297,508,630
Retained earnings	–499,541,213
Profit or loss for the year	–117,028,592
Total	**680,938,825**
The board proposes that the profits be allocated as follows:	
Carried forward in new account	680,938,825
Total	**680,938,825**

Risks

Introduction

Cinclus Pharma's board and management work continuously to identify and assess risks to the company's operations and take measures to reduce their impact. For each significant risk, a risk management strategy is designed and incorporated into the work with the internal control process. This work involves expertise to support in areas such as regulatory strategies and the design and implementation of clinical studies.

Cinclus Pharma's operations are affected by many factors that the company can partially control in some respects but cannot control at all in other respects. These factors can also be expressed in various risks. The risks can have a more or less significant effect on the company's results and position depending on whether and how they turn out. Below are described some of these risks that the company assesses to be of greatest importance for the company's future development. The financial risks are described in more detail in the notes to the financial statements, see the Group's Note 19.

Industry and business-related risks

Risks related to the regulatory environment for pharmaceuticals

Cinclus Pharma's drug candidate linaprazan glurate is subject to extensive regulations worldwide and is monitored by various industry-specific regulatory authorities. In addition to such industry-specific regulations, Cinclus Pharma is also subject to a number of other requirements and restrictions arising from environmental, health and safety laws. These requirements may also be expanded in the future. The costs of complying with applicable laws, requirements and guidelines can be substantial. In addition, the regulatory environment has generally become stricter and more extensive over time. Failure to comply with these regulations could result in sanctions that could significantly increase Cinclus Pharma's costs, delay the development and commercialization of the company's product candidates and significantly harm the ability to generate planned revenues and achieve profitability. If these risks materialize, it could have a material adverse impact on the company's operations and financial position.

Risks related to the market access process for pharmaceuticals

Before Cinclus Pharma's drug candidate can be marketed in its intended treatment areas in a new national or regional market, the company must obtain approval from the relevant authorities in the countries where the company intends to market and sell its drug. Changes or delays in the process and requirements for market access could negatively impact Cinclus Pharma's ability to generate desired revenues. All of the risks listed above could have a material adverse effect on the company's business, financial condition and results of operations.

Risks related to the conduct and results of pre-clinical and clinical studies

Cinclus Pharma has completed several pre-clinical and clinical phase I studies and one phase II study regarding its drug candidate linaprazan glurate. In 2023, the company has prepared for phase III studies for use in the treatment area of eGERD and *H. pylori* in the medical field of gastroenterology. The implementation of the studies is crucial for the next step in the development work that will result in the company being able to market its upcoming potential drugs in the medical field in the markets that the company plans to target. The company is therefore dependent on obtaining positive results in studies in order to be able to achieve its long-term business goals. The execution of studies is associated with a number of risks. Among other things, there is always a risk for delays and for the costs of studies to be higher than estimated. Delays may arise, for example, due to problems finding study sites, problems obtaining required regulatory approvals for conducting studies, problems recruiting patients, problems reaching satisfactory agreements with, for example, contract research companies and suppliers, etc. Delays can lead to increased costs, but also to the launch of a product being delayed, which may result in the company not generating revenues as estimated. Increased costs may also arise due to the cost per patient being higher than estimated or due to poor quality in the conduct of the studies at the sites where they are conducted, etc. Studies may show negative or insufficient results within the treatment area that Cinclus Pharma's products are aimed at. If the desired results are not achieved, it may lead to the necessary marketing approvals not being obtained, which in turn may jeopardize the company's ability to market and sell its products and product candidates. If the risks above were to materialize, it could have a material adverse effect on the company's ability to generate revenues and have a material adverse effect on its operations, financial position and results.

Risks related to third-party agreements regarding, among other things, the performance of pre-clinical and clinical studies and manufacturing

Cinclus Pharma engages external companies such as contract research and manufacturing companies to conduct pre-clinical and clinical studies and to manufacture its products. These business operations are subject to extensive requirements, including reporting, safety and environmental requirements. There is a risk that these companies do not comply with applicable laws, regulations and relevant ethical standards such as good manufacturing practice (GMP), good laboratory practice (GLP) and good clinical practice (GCP). There is also a risk of insufficient or non-delivery of products or services from current and future contracted external companies. This may negatively affect the development and sales of Cinclus Pharma's products by causing delays and increased costs. The company is not dependent on any single contract research or manufacturing company, but changing suppliers can be both costly and time-consuming. The fulfillment of the risks described above could have a negative impact on Cinclus Pharma's operations, financial position and results.

Risks related to failed market acceptance from healthcare providers, patients and healthcare payers including the possibility of being covered by reimbursement systems

Even if a product meets the requirements for market entry, such as by obtaining marketing authorization, there is a risk that the desired level of market acceptance will not be achieved by physicians, hospitals, patients, healthcare payers and the industry in general, which could prevent Cinclus Pharma from generating desired revenues and could have a material adverse effect on the company's business, financial condition and results of operations. There is also a risk that the potential drug will not qualify for product subsidies from privately and publicly funded healthcare programs, or that reimbursement levels will be lower than expected, which could result in lower or no sales of linaprazan glurate.

Risks related to internal capacity for marketing, sales and distribution and/or collaborations

To the extent that Cinclus Pharma chooses, after marketing approval, to develop internal capacity to sell, market and distribute linaprazan glurate, it will be necessary to recruit additional personnel and implement new processes and strategies within the company, which is likely to be costly and time-consuming. On the other hand, dependence on licensees or other partners is associated with other risks, such as the company's partners not having sufficient

resources or otherwise being unable or unwilling to fulfill their commitments. If the above risks were to materialize, it could have a material adverse effect on the company's ability to generate revenues, increase its costs and have a material adverse effect on its operations, financial position and results of operations.

Risks related to competition

Cinclus Pharma's products within the defined treatment area primarily face competition from a number of competitors within the same treatment area. Although Cinclus Pharma is confident in the ability of its products to capture market share, there is a risk that the company will not achieve the desired market acceptance, and a risk of being exposed to competition that could have a detrimental effect on the company. The risks related to competition could have a material adverse effect on the company's operations, financial condition and results of operations.

Risks related to macroeconomic factors including pricing and demand for medical products

Since Cinclus Pharma intends to market and sell its products in several parts of the world, the company may be affected by the general demand and pricing of products within the specific treatment area in relevant markets as well as political instability. Cinclus Pharma cannot predict developments in financial markets, economic and political climates or other macroeconomic events. A recession or weak economic development may put pressure on the pharmaceutical market and lead to increased pressure on hospitals, authorities and other healthcare payers to cut costs, which potentially reduces the willingness to pay for products in general, including Cinclus Pharma's products. If the risks above materialize, it could have a material adverse effect on the company's operations, financial position and results.

Dependence on sales and development of one or a few products

Cinclus Pharma is currently focused on planning a Phase III clinical study program for its drug candidate linaprazan glurate with the aim of obtaining marketing approval for the product. The company's growth targets are based on a few indication areas for linaprazan glurate, primarily eGERD and *H. pylori*. Cinclus Pharma is therefore dependent on the successful development of linaprazan glurate through positive results from ongoing and planned pre-clinical and clinical studies, which are exposed to risks that are attributable to all drug development. Cinclus Pharma's operations, financial condition and results would be materially adversely affected by setbacks in current and future development programs, including pre-clinical and clinical studies and the application for market approval.

Risks related to key individuals and qualified personnel

Cinclus Pharma is dependent on its employees, particularly active founders, senior executives and other key employees. The company is dependent on being able to recruit highly qualified personnel for the continued development of the business. If Cinclus Pharma were to lose any of its key employees or fail to recruit qualified personnel, it could have a negative effect on the company's operations, financial position and results of operations.

Risks related to the company's protection of its intellectual property rights

Patents and other intellectual property rights are a central asset in Cinclus Pharma's operations and therefore any future success is largely dependent on the ability to maintain existing intellectual property rights such as trademarks and patents and to obtain patent protection for filed and future patent applications. If the company's patents, patent applications or other intellectual property rights were to be lost, not approved or restricted, or if the company is otherwise unable to maintain the required patent protection, it could have a material adverse effect on its operations, results of operations and financial position.

Risks related to fluctuating exchange rates

The company reports its financial position and results in Swedish kronor. However, a significant portion of the company's operating expenses are denominated in currencies other than Swedish kronor. Mostly euros, US dollars, Swiss francs and British pounds. In the future, the company's operating income and expenses may also be denominated in other currencies. As a result, Cinclus Pharma is subject to exchange rate risks in relation to payment flows within and outside Sweden and the eurozone, such as fluctuations where the exchange rate changes from the time an agreement is entered into until payment is due under the agreement, which may lead to currency transaction losses or gains (so-called transaction exposure) that the company cannot predict. Currency transaction losses could have a material adverse effect on the company's future operations, financial position and profits. Cinclus Pharma has developed a financial policy for how currency may be purchased in relation to fixed and estimated contracts. Cinclus Pharma has bank accounts in the currencies to which the company is exposed, which contributes to reduced currency exposure.

Risks related to current and additional financing

The extent of the resources that will be required for the implementation of Cinclus Pharma's business plan, including the development and commercialization of pharmaceuticals, depends on a number of factors that are not currently known. There is a risk that Cinclus Pharma will not obtain sufficient financing for its operations and development. If the company is unable to obtain financing on acceptable terms, it may limit the company's ability to maintain its position in the market or the competitiveness of its offerings in the future. Cinclus Pharma may also be forced to seek additional financing in order to continue its operations. Such financing may be sought from external investors or existing shareholders and may be through public or private financing initiatives. There is a risk that new capital cannot be obtained when needed or on acceptable terms or that the capital obtained is not sufficient to finance the operations in accordance with the established business plan and established goals. If risks associated with problems in obtaining sufficient financing to maintain the company's operations are met, it may have a material adverse effect on its future operations, financial position and results. See also page 8 of the administration report and the Group's note 19.

Risks related to exposure to tax requirements and changes in tax regulations

Cinclus Pharma believes that the company complies with applicable tax legislation. Tax regulation is complex and subject to different interpretations. There is no guarantee that Cinclus Pharma's tax situation will not be challenged by tax authorities or that the company will be successful in such an event. A decision by a tax authority may change Cinclus Pharma's previous tax situation, which could have a negative impact on the company's operations, financial position and results.

Risks related to accumulated tax deficit

As a result of the significant losses generated by the business, Cinclus Pharma has large accumulated tax losses. Changes in ownership that result in someone gaining control of the company may result in limitations on the ability to utilize such losses in the future. Such limitations and changes could have a negative impact on Cinclus Pharma's future operations, financial position and results of operations.

Financial overview for the Group

Income

Net sales

Net sales for the year were TSEK 57,470 (4,580) and are partly based on the license agreement with Zentiva k.s., an European pharmaceutical company, regarding the commercial rights of linaprazan glurate in Europe. The agreement with Zentiva includes an upfront payment, regulatory and commercial milestone payments, sales milestones and royalties on Zentiva's future product sales revenue of linaprazan glurate. In 2025, the revenue relates to parts of the upfront payment Cinclus Pharma received upon signing of the agreement with Zentiva. The upfront payment has been allocated over the estimated period of time that the Phase III program runs.

Net sales are also based on the agreement between Cinclus Pharma and its Chinese partner Sinorda Biomedicine Co. Ltd. The income in 2025 refers to royalties on license revenues that Sinorda Biomedicine has received from out-licensing to its partner in China, HuaDong Medicine Co. Ltd.

Operating expenses

Research and development expenses

Research and development (R&D) costs amounted to TSEK -198,402 (-136,657), corresponding to an increase of TSEK 61,745 or 45 %. The research and development expenses related mainly to the ongoing Phase III study, where patients are recruited and screened while the corresponding period last year consisted of costs for prepatory stage of the Phase III program. Research and development personnel have been increased, which also contributed to the cost increase.

Administration expenses

Administrative expenses amounted to TSEK -57,248 (-36,854), an increase of TSEK 20,394 or 55 %. The increased expenses are largely due to transaction costs from the partnership with Zentiva.

Other operating income and expenses

Other operating income and expenses amounted to a net TSEK -1,379 (-707), a change of TSEK -671. Other operating income and expenses consist of realized and unrealized exchange rate effects on operating receivables and operating liabilities.

Depreciations

(Included in R&D and Administration expenses)

Depreciation during the year amounted to TSEK -2,379 (-1,338) i.e. an increase of TSEK 1,040 compared to the previous year. Depreciation consists of tangible fixed assets regarding office equipment of TSEK -132 (-28) and depreciation on right-of-use assets regarding leased premises in accordance with IFRS 16 of TSEK -2,247 (-1,310).

Operating income/loss (EBIT)

The Group's operating loss for the full year amounted to TSEK -199,558 (-169,639), corresponding to a change of TSEK -29,919.

Financial items

Financial income and expenses (net financial income) amounted to TSEK 15,847 (2,359), coresponding to a change of TSEK 13,489. The positive net financial income is due to interest income on bank funds and the exchange rate development of the Swedish krona.

Tax

The Group reported a tax expense of TSEK -262 (-750) for the year. The tax consists of Swiss federal and cantonal tax.

Net income/loss

The Group reported a loss after tax of TSEK -183,972 (-168,031), a change of TSEK -15,941.

Equity and indebtedness

Equity in the Group as of December 31, 2025 amounted to TSEK 369,391 compared to TSEK 555,330 at the end of year 2024, a decrease of TSEK 185,939.

Non-current liabilities amounted to TSEK 40,373 (190) the end of the year and consisted mainly of non-current contractual liabilities, attributed to the out-licensing of the commercial rights to Zentiva in the second quarter of 2025.

Current liabilities in the Group amounted to TSEK 136,792 (45,493), an increase of TSEK 91,299. The increase is mainly attributed to current contractual liabilities amounted to TSEK 54,527 (0) deriving from the out-licensing of commercial rights to Zentiva. Furthermore, current liabilities consisted of trade payables of TSEK 48,464 (18,928), lease liabilities of TSEK 3,011 (109), tax liabilities of TSEK 207 (7,449), other liabilities of TSEK 9,656 (2,107) and accrued expenses of TSEK 20,827 (16,899). The increase of trade payables and accrued expenses concern mainly expenses for the clinical phase III trial.

Liquid funds and cash flow

Cash and cash equivalents at the end of the period amounted to TSEK 487,254 (566,716), a decrease of TSEK 79,463 compared to the end of 2024. During the year, the company received an advance payment of approximately MSEK 143 before transaction costs and tax from Zentiva for the commercial rights to the European market. The cash flow from operating activities before changes in working capital was TSEK -189,591 (-162,195).

Cash flow from operating activities including changes in working capital amounted to TSEK -74,647 (-178,367).

Cash flow from investing activities amounted to TSEK -1,429 (0), attributing to furniture and deposit for rent premises.

Cash flow from financing activities amounted to TSEK -1,760 (655,813) attributed to amortization of lease liabilities, while last year consisted of new share issue and associated costs.

The total cash flow for the year amounted to TSEK -77,836 (476,833).

Parent company

Cinclus Pharma Holding AB (publ), corporate registration number 559136–8765, is the parent company of the group. The operations consist of work with preclinical and clinical development, marketing, and administrative and corporate management functions.

The parent company has two wholly owned subsidiaries, one in Switzerland and one in Sweden, which together constitute the group.

The parent company's total revenue amounted to TSEK 62,894 (1,376) for the year. The operating loss/income amounted to TSEK -198,604 (-172,975).

Results from shares in group amounted to TSEK 68,139 (0) for the year, attributed to the ongoing liquidation of the Swiss subsiduary.

Net financial income/expense for the year amounted to TSEK 13,436 (-1,318). The positive net financial income is due to interest income on bank funds and the currency exchange development of the swedish krona.

The net income/loss for the year amounted to TSEK -117,029 (-170,000).

With the transfer of patents and IP rights to the parent company from the Swiss subsidiary as of January 1, 2022, the parent company reports an intangible asset of TSEK 320,463 (320,463).

Cash and cash equivalents at the end of the year amounted to TSEK 480,535 compared to TSEK 559,632 at the end of 2024. A decrease of TSEK 79,097.

Equity in the parent company as of December 31, 2025 amounted to TSEK 681,859 compared to TSEK 795,718 at the end of 2024, corresponding to a decrease of 113,859. Share capital amounted to TSEK 920 (920). The company had on the balance sheet day, December 31, 46,537,789 ordinary shares and 854,430 C-shares.

Non-Current liabilities in the parent company at the end of the year amounted to TSEK 35,587 (0) attributable to non-current contractual liabilities deriving from the Zentiva deal in May.

Current liabilities in the parent company at the end of the year amounted to TSEK 125,373 (204,977) a decrease of TSEK 79,605 due to a settlementof intra-group liabilities.

Organization and Personnel

Personnel

At the end of the year, the number of employees was 21 compared to 18 employees at the end of previous year. All employees are employed by the parent company. At the end of the year, the company had 24 consultants affiliated with the company.

Guidelines for remuneration of senior executives

Scope

The remuneration guidelines cover the Board of Directors, the CEO and other members of the Group Management. The guidelines shall apply to remuneration that is agreed upon and changes made to remuneration that is already agreed upon. The guidelines were adopted at the 2024 Annual General Meeting. The guidelines do not cover remuneration that is decided upon by the General Meeting.

The guidelines promotion of the Company's business strategy, long-term interests and sustainability

The successful implementation of the Company's business strategy and the safeguarding of the Company's long-term interests, including its sustainability, requires that the Company can recruit and retain qualified employees. This requires that the Company can offer competitive remuneration.

The remuneration guidelines enable senior executives to be offered a competitive total remuneration. The Board considers it of great importance that there is a clear connection between the remuneration and the Group's values and financial goals, both in the short and long term, i.e. its business strategy and sustainability.

The Company has established long-term share-based incentive programs in the form of warrant programs, qualified employee option programs, ordinary employee option programs and performance share programs. The programs cover the CEO, other senior executives and employees of the Company and aim to align the interests of key employees with the interests of the shareholders. Variable cash remuneration covered by these guidelines shall aim to promote the Company's business strategy and long-term interests, including its sustainability.

Forms of compensation, etc..

The remuneration shall be in line with the market and the criteria shall be based on the importance of the work tasks, requirements for competence, experience and performance. The remuneration may consist of the following components: fixed basic salary, variable cash remuneration, pension benefits and other benefits and severance pay. The general meeting may also – and independently of these guidelines – decide on, for example, share and share price-related remuneration or market-based programmes such as a warrant programme.

Fulfilment of criteria for payment of variable cash remuneration shall be measurable over a period of one year. The variable cash remuneration may amount to a maximum of 50 percent of the base salary for the CEO and a maximum of 30 percent of the base salary for other senior executives. Variable cash remuneration shall be based on the Company's overall objectives. In the first year as an employee of the Company, the employee may receive variable cash compensation in the current year if the employment commences no later than 30 June. If the employment commences after 30 June, the employee may not receive variable cash compensation until the following year.

The CEO shall receive a pension benefit amounting to 25 percent of the fixed annual base salary. For other senior executives, pension premiums shall be paid in an amount based on a company-specific pension policy that corresponds to the ITP1 plan. Variable cash compensation shall not be pensionable.

Other benefits may include, among others, life insurance, health insurance and car benefits. Such benefits may not exceed 15 percent of the fixed annual base salary in total.

With regard to employment relationships that are subject to rules other than Swedish, appropriate adjustments may be made to comply with such mandatory rules or fixed local practice insofar as pension benefits and other benefits are concerned, whereby the overall purpose of these guidelines shall be met as far as possible.

Termination of employment

In the event of termination by the Company, the notice period may be a maximum of twelve months, without entitlement to severance pay. In the event of termination by an executive, the notice period may be a maximum of six months, without entitlement to severance pay.

In addition, compensation for any non-competition commitment may be paid. Such compensation shall compensate for any loss of income and shall only be paid to the extent that the former executive is not entitled to severance pay. The compensation shall be based on the executive's average monthly remuneration (fixed and variable remuneration) during the last 12 months before the employment ended, however, a maximum of 60 percent of the executive's average remuneration and shall be paid during the period that the non-competition commitment applies, which shall be a maximum of 12 months after the employment ended.

Criteria for distribution of variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria that may be financial or non-financial. The criteria shall be designed to promote the Company's business strategy and long-term interests, including its sustainability, for example by having a clear link to the business strategy.

When the measurement period for fulfilling the criteria for payment of variable cash remuneration has ended, it shall be assessed and determined to what extent the criteria have been met. The Remuneration Committee shall be responsible for the assessment and the decision shall be made by the Board. With regard to financial targets, the assessment shall be based on the Company's most recently published financial information.

Remuneration to Board of Directors

The remuneration of board members for work on the Company's board is decided by the general meeting. Board members are only entitled to receive such remuneration as has been decided by the general meeting. However, any additional remuneration may be paid for services that board members provide to Cinclus Pharma within their respective areas of expertise outside of their assignments as board members. Such remuneration shall be in line with market conditions and regulated in a consultancy agreement approved by the board.

Salary and employment conditions for employees

In preparing the Board's proposal for these remuneration guidelines, the salary and employment conditions of the Company's employees have been taken into account by providing information on employees' total remuneration, the components of remuneration and the increase and rate of increase in remuneration over time as part of the basis for the Remuneration Committee's and the Board's decision-making when evaluating the reasonableness of the guidelines and the limitations that follow from them. The development of the gap between the remuneration of senior executives and the remuneration of other employees is reported in the remuneration report.

The decision-making process for establishing, reviewing and implementing the guidelines

The Board has established a Remuneration Committee. The Committee's tasks include preparing the Board's decision on proposed guidelines for remuneration to senior executives. The Board shall prepare proposals for new guidelines at least every four years and submit the proposal for decision at the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee shall also monitor and evaluate variable remuneration programs for the management, the application of guidelines for remuneration to senior executives and current remuneration structures and levels in the Company. The members of the Remuneration Committee are independent of the Company and the management. The CEO and other members of the management are not present when the Board considers and decides on remuneration-related issues, to the extent that they are affected by the issues.

Deviations from the guidelines

The Board may decide to temporarily depart from the guidelines in whole or in part, if in an individual case there are special reasons for it and a departure is necessary to satisfy the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, the tasks of the Remuneration Committee include preparing the Board's decisions on remuneration issues, which include decisions on departures from the guidelines.

Warrant program

At the end of the financial year, Cinclus Pharma Holding AB (publ) had three outstanding warrant programs. All warrants have been subscribed for by employees and consultants in the Group at market terms. The holders have paid a market value for the warrants calculated according to the Black & Scholes valuation model. For full allocation, employees and consultants must be employed or contracted for three years. The total premium paid for the options in the outstanding programs amounted to SEK 1,268 thousand. A prerequisite for subscription of warrants in all programs is that employees have undertaken to the company, among other things, to sell back a certain portion of the subscribed but unvested warrants if the employee's employment or assignment in the Group terminates before the end of three years from the date of entry into the warrant agreement. Upon full exercise of all warrants in all outstanding warrant programs, the company's share capital will increase by approximately SEK 6,729 through the issuance of 354,160 new ordinary shares in the company, see also Note 8 in the Group.

Long-term incentive programs

Qualified Employee Stock Option Program (QESO) 2022–2027

An extraordinary general meeting on December 16, 2022 decided on a qualified employee stock option program (QESO 2022) for 13 employees of Cinclus Pharma at the time of the decision. Initially, the program comprised 5,200 options allocated to employees as of December 31, 2022. At the end of 2024, the number of options was 4,800. QESO 2022 runs from January 1, 2023 to December 31, 2025. The options must be exercised no later than December 31, 2027. In order to exercise the options, the holders must be employed during the 36-month term, otherwise the options will expire. Each employee stock option entitles the holder to acquire 80 new ordinary shares in the Company at an exercise price of SEK 47.33. Cinclus Pharma's average monthly cost for QESO 2022 is estimated to be approximately TSEK 180 and the total cost is approximately SEK 6,800 thousand (excluding remuneration to external advisors). Cinclus Pharma will not be charged with any costs for social security contributions in relation to QESO 2022. The value of an option has been calculated according to the Black & Scholes valuation model. Upon full exercise of all qualified employee options, the company's share capital will increase by approximately SEK 7 thousand through the issuance of 384,000 new ordinary shares in the company, see also Note 8 in the Group..

Qualified Employee Stock Option Program (QESO) 2024–2029

The Annual General Meeting in April 2024 decided on an additional qualified employee option program (QESO 2024) for 7 employees in Cinclus Pharma at the time of the decision. Initially, the program comprised 51,737 options allocated to employees as of April 9, 2024. At the end of 2024, the number of options was 51,737. QESO 2024 runs from April 9, 2024 to April 10, 2029. The options must be exercised no later than December 31, 2029. In order to exercise the options, the holders must be employed during the 36-month term, otherwise the options will expire. Each employee option entitles the holder to acquire 1 new ordinary share in the Company at an exercise price of SEK 47.33. Cinclus Pharma's average monthly cost for QESO 2024 is estimated to be approximately TSEK 27 and the total cost to approximately TSEK 852 (excluding remuneration to external advisors). Cinclus Pharma will not be charged with any social security costs in relation to QESO 2024. The value of an option has been calculated according to the Black & Scholes valuation model. Upon full exercise of all qualified employee options, the company's share capital will increase by approximately SEK 1 thousand through the issuance of 51,737 new ordinary shares in the company, see also Note 8.

Employee Stock Option Program (ESOPO) 2024–2027

At an extraordinary general meeting on June 3, 2024, a long-

term employee option program, PO 2024/2027 series 1, was adopted. 290,000 employee options were granted to the CEO and a scientific advisor in July 2024 and have begun to be expensed in quarter 3, 2024. The employee option program is a program under which participants will be granted options to acquire ordinary shares in Cinclus Pharma free of charge. The options vest three years after the grant. In order for vesting to occur, the participant must, with certain exceptions, still be employed by Cinclus Pharma (or, in the case of the scientific advisor, still provide services to Cinclus Pharma). In the event that the holder terminates his or her own employment before the options can be exercised, no options can be vested. The 2024/2027 employee stock option program will be accounted for in accordance with "IFRS 2 – Share-based Payments".

IFRS 2 stipulates that the options shall be expensed as personnel costs over the vesting period. Personnel costs in accordance with IFRS 2 do not affect the Company's cash flow. Costs for social security contributions will be expensed in the income statement in accordance with UFR 7 during the vesting period. Assuming an estimated annual employee turnover of 10 percent, a price of SEK 76 per ordinary share at the end of the vesting period and average social security contributions of 31.42 percent, the cost of the 2024/2027 employee stock option program in accordance with IFRS 2 is estimated to be SEK 1.5 million and social security costs to SEK 1.4 million. The total cost of the 2024/2027 stock option program, assuming full participation, is thus estimated to amount to approximately SEK 2.9 million over a three-year period.

Performance Share Program (PSP) 2024–2027

On June 3, 2024, an extraordinary general meeting of Cinclus Pharma decided to adopt a long-term incentive program in the form of a performance share program for employees of Cinclus Pharma. The Performance Share Program 2024/2027 initially included a maximum of 23 participants in the program, who could be existing and future employees of the Group. At the end of the year, there were 12 participants in the program. There are two series of the program. Series 1 is the participants who joined the program in July 2024. Series 2 is the participants who joined the program in December 2024. In connection with joining the program, the participants in the program have invested in the company by acquiring ordinary shares in Cinclus Pharma, so-called investment shares. The participants were also allowed to benefit from already held ordinary shares as investment shares. At the end of the year, the CEO has allocated 11,600 investment shares and members of the Company's Group Management have allocated 5,375 investment shares. Members of the Company's R&D management have allocated 16,625 investment shares and other employees have allocated 6,625 investment shares in the program. For each Investment Share held within the framework of the program, the Company will grant participants a right to one matching share, so-called matching rights, entailing the right to receive one matching share free of charge for each investment share. In addition, provided that certain performance conditions regarding the development of the common share are met, the CEO is entitled to a maximum of eight additional rights to eight performance shares and other participants four additional rights to four performance shares, so-called performance rights, free of charge, according to the conditions set out below.

The matching shares are received after the end of the vesting period as defined below. The matching rights for participants in series 1 can be exercised from the date of publication of the company's interim report for quarter 2, 2027 (however, no later than August 31, 2027). For series 2, exercise applies from and including the publication of the company's report for quarter 3, 2027 (however, no later than November 30, 2027). The requirement for receiving matching shares is that the employee has retained his or her original Investment Shares and that the participant, with certain exceptions, is still employed within the Group. In order to exercise the performance rights, in addition to the requirement for the participant's continued employment and an intact investment shareholding as above, certain performance conditions are set. A participant's performance rights entitle the CEO to a maximum number of performance shares of six per investment share and other participants to four per investment share if the total return (return to shareholders in the form of price appreciation and reinvestment of any dividends during the performance period) on Cinclus Pharma's common shares during the period from and including June 20, 2024, to and including June and November 2027, respectively, amounts to or exceeds 60 percent. In order for the allocation to take place according to the performance condition, the development of Cinclus Pharma's common shares must be at least 20 percent during the performance period, which entitles the participant to one performance share per investment share. Between these levels, performance shares are received linearly. The performance shares are received after the end of the vesting period. In addition to being entitled to performance shares upon meeting established targets related to the development of the common share, the CEO is also entitled to an additional two performance shares per investment share if the average share price of the company's common share on Nasdaq Stockholm during June 2027 is at or above SEK 75. Upon maximum allocation of all matching shares and performance shares, a maximum of 247,525 common shares will be allocated to participants within the framework of the program.

The maximum value per matching right or performance right is limited to SEK 252. In the event that the value of such a right exceeds this ceiling, the number of matching shares and performance shares will be reduced proportionately.

The Performance Share Program 2024/2027 will be accounted for in accordance with IFRS 2, which means that the rights shall be expensed as a non-cash personnel expense over the period that the Performance Share Program 2024/2027 runs. The cost of the Performance Share Program 2024/2027 is assumed to amount to approximately SEK 6.8 million, excluding social security contributions, calculated in accordance with IFRS 2 on the basis of the following assumptions: that all matching rights and performance rights are awarded, an estimated annual employee turnover of 10 percent and a price of SEK 76 per ordinary share at the end of the Vesting Period. The costs for social security contributions are estimated at approximately SEK 6.2 million based on the assumptions above and that social security contributions amount to 31.42 percent.

Together with the IFRS 2 cost, this results in estimated costs of SEK 13 million. In addition to what is stated above, the costs for the performance share program 2024/2027 have been calculated based on the assumption that the performance share program 2024/2027 includes a maximum of 21 participants and that each participant utilizes the maximum investment.

C-shares

The company's commitment to allocate shares to participants in the performance share program 2024/2027 and the employee stock option program 2024–2027 is intended to be secured with C shares. A new article of association was adopted at the extraordinary general meeting on 3 June 2024, according to which the company can issue C shares to secure delivery of ordinary shares to participants in the programs and to secure payment of future social security contributions. In December 2024, 854,430 C shares were issued, which the company repurchased and thus holds in its own custody.

Corporate Governance

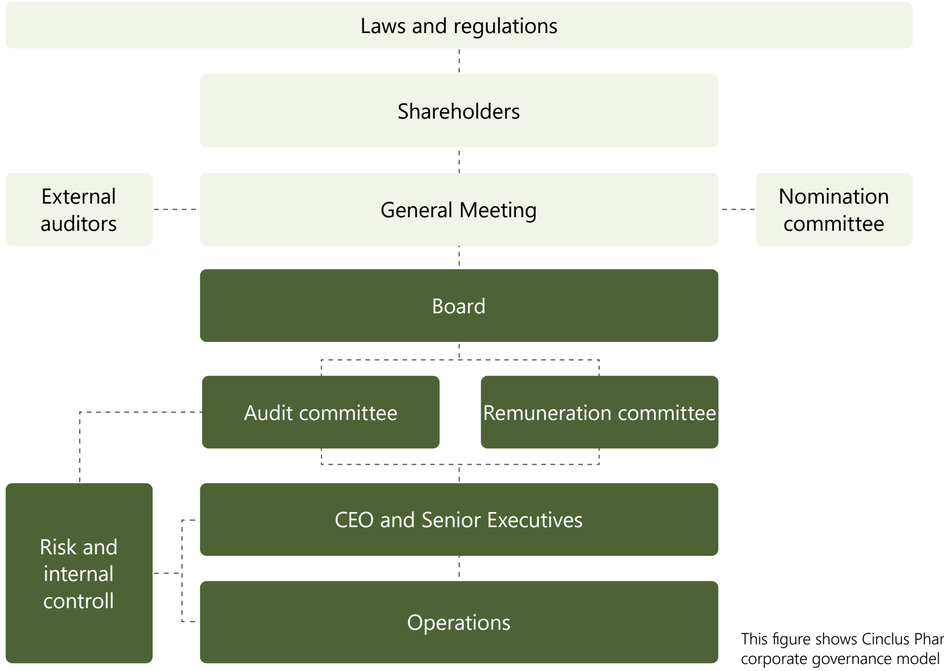
Corporate Governance

Intoduction

Cinclus Pharma Holding AB (publ) ("Cinclus Pharma" or the "Company") is a Swedish public limited company with its registered office in Stockholm. The Company's shares were listed on Nasdaq Stockholm on 20 June 2024. A general description of the corporate governance, corporate governance reports and financial reports are available on the Company's website, www. cinclusphar ma.com. This corporate governance report forms part of the Company's annual report. The corporate governance report has been reviewed by the Company's auditor.

Legislation, articles of association and governance

In connection with the listing of the Company's shares on Nasdaq Stockholm, the Company began to apply the rules that apply to listed companies on Nasdaq Stockholm Nordic Main Market; the Rulebook for Issuers of Shares (the "Issuer Rules") and the Swedish Code of Corporate Governance (the "Code"). In addition to legislation, the Issuer Rules and the Code, the Company's Articles of Association and internal policies and guidelines, see table to the right, are the primary basis for corporate governance. The figure to the right shows Cinclus Pharma's corporate governance model and how the various bodies operate.



This figure shows Cinclus Pharma's corporate governance model and how the different bodies operate.

Internal instructions and policies that, among other things, have significance for corporate governance

- Articles of association
- Board of Directors' Rules of Procedure and CEO Instructions
- Audit Committee Instruction
- Remuneration Committee Instruction
- Financial Reporting Instruction
- Guidelines for Remuneration of Senior Executives
- Code of Conduct
- Corporate Governance Policy
- Finance Policy
- Finance Manual
- Delegation of Authority Instruction
- Information Policy
- Insider Policy
- IT Policy
- HR Policy
- HR manual
- Whistleblower Policy
- Anti-Corruption Policy
- Sanctions Manual
- Related Party Transaction Guidelines
- Information Security Policy
- Risk Management Policy
- AI Policy

External regulations that affect corporate governance

- The Swedish Corporate Governance Code
- The Limited Liability Companies Act
- Accounting regulations
- Issuers regulations
- Good practice in the stock market

The Swedish Code of Corporate Governance is available at www.bolagsstyrning.se and the Issuer Regulations are available at https://www.nasdaq.com/market-regulation/nordic/stockholm.

Deviation from the Corporate Governance Code

During the year, Cinclus Pharma's board of directors has not made any deviations from the Code or committed any violations of the Issuer Regulations or good practice in the stock market.

General Meeting

The shareholders' influence in the Company is exercised at the Annual General Meeting, which, in accordance with the Companies Act, is the Company's highest decision-making body. As the Company's highest decision-making body, the Annual General Meeting may make decisions on any matter in the Company that does not constitute the exclusive competence of another company body. The Annual General Meeting thus has a superior role in relation to the Company's Board of Directors and CEO.

Notices, minutes and communiqués from general meetings will be made available on the Company's website. At the Annual General Meeting, which according to the Companies Act must be held within six months of the end of each financial year, decisions shall be made on the adoption of the income statement and balance sheet, appropriations of the Company's profit or loss, discharge from liability for the Board of Directors and the CEO, election of Board of Directors and auditors and remuneration for the Board of Directors and auditor. At the general meeting, the shareholders also make decisions on other central issues for the Company, such as amendments to the Company's articles of association, any new issue of shares, incentive programs, etc.

If the Board of Directors considers that there are grounds to hold a general meeting before the next Annual General Meeting, or if an auditor of the Company or an owner of at least one tenth of all shares in the Company so requests in writing, the Board of Directors shall call an Extraordinary General Meeting. Notice of the Annual General Meeting and of an Extraordinary General Meeting where amendments to the Articles of Association are to be considered shall be given no earlier than six weeks and no later than four weeks before the meeting. Notice of another Extraordinary General Meeting shall be given no earlier than six weeks and no later than three weeks before the meeting. Notice shall be given by advertisement in the Swedish Official Gazette and on the Company's website. The fact that notice has been given shall be simultaneously announced in Svenska Dagbladet.

In order to participate in the Annual General Meeting, shareholders must notify their intention to participate in the meeting no later than the date specified in the notice of the meeting. This day may not be a Saturday, Sunday, public holiday, Midsummer Eve, Christmas Eve or New Year's Eve and may not be earlier than the fifth weekday before the meeting. Shareholders may attend the Annual General Meeting in person or by proxy and may also be assisted by a maximum of two persons. Shareholders may normally register their attendance at the Annual General Meeting in several different ways in accordance with the instructions in the notice.

Shareholders who wish to have a matter dealt with at the Annual General Meeting must submit a written request to the Company's Board of Directors. Such a request shall normally be received by the Board no later than seven weeks before the Annual General Meeting. In order to determine who is entitled to participate and vote at the Annual General Meeting, Euroclear Sweden AB shall, at the Company's request, provide the Company with a list of all holders of shares as of the record date in connection with each Annual General Meeting. Shareholders whose shares are nominee-registered must instruct the nominee to temporarily register the shares in the shareholder's own name in order to have the right to participate and vote for their shares at the Annual General Meeting (voting rights registration). Such registration must be completed no later than the applicable record date and shall cease to be valid after the record date. Shareholders whose shares are directly registered in an account in the Euroclear system will automatically be included in the list of shareholders. There are no restrictions on how many votes each shareholder can cast at a general meeting..

Annual General Meeting 2025

The Annual General Meeting 2025 was held on 22 May 2025 in Stockholm, with participation by postal voting in accordance with the Articles of Association. A total of 12,106,568 shares were represented at the Meeting, corresponding to 26.01 per cent of the total number of votes and shares in the Company (excluding Class C shares held by the Company).

At the Annual General Meeting, the following resolutions were adopted, among others, in accordance with the proposals of the Board of Directors and the Nomination Committee, respectively:

- Lennart Hansson, Wenche Rolfsen, Torbjörn Koivisto, Peter Unge, Anders Öhberg, Helena Levander, and Nina Rawal were re-elected as members of the Board of Directors, and Lennart Hansson was re-elected as Chair of the Board of Directors.
- Öhrlings PricewaterhouseCoopers AB was re-elected as the Company's auditor, with Lars Kylberg as auditor in charge.
- Resolution on remuneration to the Chair of the Board of Directors and the other Board members elected by the Annual General Meeting, as well as to the auditor.
- Resolution to grant discharge from liability to the members of the Board of Directors and the CEO for the financial year 2024.
- Adoption of the income statement and balance sheet, as well as the consolidated income statement and consolidated balance sheet.
- Resolution on the allocation of the Company's results in accordance with the adopted balance sheet.
- Resolution that no dividend shall be paid and that the Company's results shall be carried forward.
- Authorisation for the Board of Directors to, on one or more occasions during the period until the next Annual General Meeting, decide on the issue of new shares, warrants and/or convertibles that may amount to a maximum of 20 per cent of the total number of registered shares in the Company the first time the authorization is exercised.

The full minutes and information from the Annual General Meeting are available at www.cinclupharma.com.

Extraordinary General Meeting 2026

An Extraordinary General Meeting was held on 19 January 2026 in Stockholm, with participation by postal voting in accordance with the Articles of Association. A total of 11,875,521 shares were represented at the Meeting, corresponding to 25.52 per cent of the total number of votes and shares in the Company (excluding Class C shares held by the Company). In accordance with the proposal of the Nomination Committee, Kjell Andersson was elected as a new member of the Board of Directors. It was noted that Peter Unge had resigned as a member of the Board of Directors in connection with the Extraordinary General Meeting. The full minutes of the Extraordinary General Meeting and related documentation are available at www.cinclupharma.com.

Annual General Meeting 2026

The 2026 Annual General Meeting will be held on Thursday, May 21, at the premises of the law firm Vinge on Smålandsgatan in Stockholm. For the right to participate, see information further on in this annual report or at www.cinclupharma.com. The minutes of the Annual General Meeting will be available at www.cinclupharma.com

Major shareholders

No shareholder in Cinclus Pharma has direct or indirect shareholdings in the company that represent at least one tenth of the voting rights for all shares in the company. At the end of 2025, the Company had 4,228 shareholders. The single largest owner was Trill Impact Ventures, which held 3,721,221 shares.

Nomination Committee

The Nomination Committee's mission is to ensure that the members of Cinclus Pharma's Board of Directors have the knowledge and experience that is relevant to being able to contribute to the Company's satisfactory development over time. The Nomination Committee shall submit proposals to the Annual General Meeting on the following:

- the number of board members,
- the composition of the board,
- remuneration of the board and for work in the committees,
- proposals regarding the Chair of the Board of Directors, the Chair of the General Meeting, and the auditors, as well as their remuneration.

The Company's Annual General Meeting on 8 April 2024 decided to adopt the following principles for the appointment of and instructions regarding the Nomination Committee for future annual general meetings. The principles and instructions below shall apply until a decision on amendment is made by the Annual General Meeting.

The Nomination Committee shall consist of the Chairman of the Board and a representative for each of the three largest shareholders listed in the share register maintained by Euroclear Sweden as of the end of the third quarter of the financial year. In the event that any of the three largest shareholders refrains from appointing a representative to the Nomination Committee, the right shall pass to the shareholder who, after these three shareholders, has the largest shareholding in the Company. The Chairman of the Board shall convene the Nomination Committee. The member representing the largest shareholder shall be appointed as Chairman of the Nomination Committee unless the Nomination Committee unanimously appoints another member.

If a shareholder who has appointed a representative to the Nomination Committee more than three months before the Annual General Meeting is no longer among the three largest shareholders, the representative appointed by that shareholder shall make his or her seat available, and the shareholder who has subsequently become one of the three largest shareholders shall have the right to appoint a representative to the Nomination Committee. Unless there are special reasons, however, no change shall be made to the Nomination Committee's composition if only a marginal change in ownership has occurred or if the change occurs more than three months before the Annual General Meeting. Shareholders who have become one of the three largest shareholders as a result of a material change in ownership less than three months before the Annual General Meeting shall, however, have the right to appoint a representative who shall have the right to take part in the Nomination Committee's work and attend the Nomination Committee's meetings. If a representative leaves the Nomination Committee before the Nomination Committee's work is completed and the Nomination Committee deems it necessary to replace him or her, such replacement representative shall represent the same shareholders or, if the shareholder is no longer one of the largest shareholders, the largest shareholder in the order of precedence. Shareholders who have appointed a representative as a member of the Nomination Committee have the right to dismiss such member and appoint a new representative as a member of the Nomination Committee. Changes in the composition of the Nomination Committee must be announced immediately.

The composition of the Nomination Committee for the Annual General Meeting shall normally be announced no later than six months before the meeting. No remuneration shall be paid to the representatives of the Nomination Committee. The Company shall reimburse any costs incurred by the Nomination Committee in its work. The term of office of the Nomination Committee shall end when the composition of the following Nomination Committee has been published..

The Nomination Committee for the 2026 Annual General Meeting was presented 18 November 2025 and consists of:

- Bita Sehat, appointed by Trill Impact Ventures Pharma 1 AB (Chairman of the Nomination Committee)
- Karl Tobieson, appointed by Linc AB
- Peter Unge, appointed by PetoMaj Invest AB
- The Chairman of the Board, Lennart Hansson, has been co-opted to the Nomination Committee.

The Board

Board of Directors' duties

The Board of Directors is the Company's highest decision-making body after the Annual General Meeting. According to the Companies Act, the Board of Directors is responsible for the Company's administration and organization, which means that the Board of Directors is responsible for, among other things, setting goals and strategies, ensuring routines and systems for evaluating established goals, continuously evaluating the Company's performance and financial position, and evaluating the operational management.

The Board of Directors is also responsible for ensuring that the annual report and interim reports are prepared in a timely manner. In addition, the Board of Directors appoints the Company's CEO. The Board shall also ensure that the Company operates in a sustainable manner. The Board of Directors does this, among other things, by ensuring that policies contain relevant guidelines regarding the environment, health, and equality.

The Board members are normally elected by the Annual General Meeting for the period until the end of the next Annual General Meeting. According to the Company's Articles of Association, the Board of Directors, to the extent that it is elected by the General Meeting, shall consist of at least three members and a maximum of ten members without deputies.

According to the Code, the Chairman of the Board shall be elected by the Annual General Meeting and shall have special responsibility for managing the work of the Board and ensuring that the work of the Board is well organized and carried out in an efficient manner.

The Board follows a written procedure that is revised annually and approved at the statutory Board meeting each year. The procedure regulates, for example, board practices, functions and the division of work between the board members and the CEO. In connection with the statutory Board meeting, the Board also approves the instructions for the CEO, including financial reporting.

The Board meets according to an annually approved schedule. In addition to these Board meetings, additional Board meetings may be convened to handle issues that cannot be referred to a regular Board meeting. In addition to the Board meetings, the Chairman of the Board and the CEO have an ongoing dialogue regarding the management of the Company. The Board works continuously during the year to evaluate the work of the CEO.

Composition of the Board

According to the Company's Articles of Association, the Company's Board shall consist of a minimum of three and a maximum of ten members. Board members are elected annually at the Annual General Meeting for the period until the next Annual General Meeting is held. There is no limitation on how long a board member may serve on the Board. In accordance with the Swedish Companies Code, a majority of the board members elected by the general meeting shall be independent of the Company and its management. All board members except one are deemed to be independent of the Company and its management. All board members are also deemed to be independent of the Company's major shareholders. Cinclus Pharma thus meets the Code's requirements for independence. As of the balance sheet date for the financial year, the Company's Board of Directors consisted of seven members: Lennart Hansson (Chairman), Torbjörn Koivisto, Helena Levander, Nina Rawal, Wenche Rolfsen, Peter Unge and Anders Öberg. For information about each board member, see further forward in this annual report.

	Year elected to the Board	Attendnce Board meetings (17)	Board remuneration * (TSEK)	Attendance Audit Committee (5)	Remuneration Audit Committee * (TSEK)	Attendance Remuneration Committee (5)	Remuneration Remuneration Committee* (TSEK)	Independent in relation to The Company	Independent in relation to Larger owners
Chairman of the Board:									
Lennart Hansson	2014	17	480			5	12,5	Yes	Yes
Board members:									
Torbjörn Koivisto	2017	17	240			5	25	Yes	Yes
Helena Levander	2021	17	240	5	50			Yes	Yes
Nina Rawal	2022	17	240	4	25			Yes	Yes
Wenche Rolfsen	2016	17	240	5	25			Yes	Yes
Peter Unge	2014	17	-					No	Yes
Anders Öberg	2016	16	240					Yes	Yes

* Decided at the 2024 Annual General Meeting and refers to the time until the next Annual General Meeting.

Board attendance and fees in 2025

The table above shows the Board's attendance at Board meetings and committee meetings during 2025 and the fees decided for the Board members at the 2025 Annual General Meeting. Board member Peter Unge did not receive any board fees as he held a consulting assignment in Cinclus Pharma, see also Note 27 in the Group.

Chairman of the Board

The Chairman of the Board is responsible for leading the work of the Board and ensuring that the work of the Board is carried out efficiently and that the Board fulfils its duties. The Chairman shall, through contacts with the CEO, monitor the Company's development and ensure that the Board members, through the CEO, continuously receive the information they need to monitor the Company's position, financial planning and development. The Chairman shall also consult with the CEO on strategic issues and ensure that the Board's decisions are implemented effectively. The Chairman of the Board is responsible for contacts with the shareholders on ownership issues and for conveying the views of the owners to the Board. The Chairman does not participate in the operational work of the Company, nor is he part of the company's management.

The work of the Board

The Board follows a written procedure that shall be reviewed annually and approved at the statutory board meeting. The procedure regulates, among other things, the Board's working methods, tasks, decision-making procedures within the Company, the Board's meeting procedures, the Chairman's tasks, and the division of work between the Board and the CEO. Instructions regarding financial reporting and CEO instructions are also approved in connection with the statutory board meeting. In addition to the board meetings, the Chairman and CEO have an ongoing dialogue regarding the management of the Company. The Board meets according to a previously decided annual plan and shall hold at least five regular board meetings between each annual general meeting. The Board works to constitute a gender-balanced board and to ensure that the operations of Cinclus Pharma are conducted in a sustainable manner. The Chairman of the Board is responsible for evaluating the Board's work, including the efforts of individual members. This is done through an annual, structured evaluation with subsequent discussions in the Board and the Nomination Committee, where the evaluation is used as a tool to develop the Board's work and also forms a basis for the Nomination Committee's nomination work. The Board's work was evaluated in December 2025 and the results have been communicated to the Nomination Committee.

Committees

The Board of Directors appoints an Audit Committee and a Remuneration Committee at the statutory board meeting.

The Audit Committee's tasks are described in an instruction for the Audit Committee. Within the framework of the Board's work, the Audit Committee shall, among other things, monitor the Company's financial reporting and prepare issues concerning the Company's financial reporting and auditing in accordance with Chapter 8, Section 49 b of the Swedish Companies Act and carry out the tasks that follow from EU Regulation No. 537/2014. As of the balance sheet date for the financial year, the Company's Audit Committee consists of Helena Levander (Chair), Wenche Rolfsen and Nina Rawal. All members of the Audit Committee are independent in relation to the Company and major shareholders.

The Remuneration Committee is tasked with handling the tasks that, according to the Code, fall to the Remuneration Committee, such as decisions regarding remuneration and terms of employment for the company's management and proposals for guidelines for remuneration to the CEO and senior executives, which the Board of Directors submits for decision by the Annual General Meeting. As of the balance sheet date for the financial year, the Company's Remuneration Committee consists of Torbjörn Koivisto (Chairman) and Lennart Hansson.

The Board of Directors may authorize the committees to decide on specific issues within their areas of responsibility. The committees may refer any matter that it has the authority to decide on to the Board of Directors for decision.

CEO and other Senior Executives

The Company's CEO is subordinate to the Board and, in accordance with the provisions of the Companies Act, manages the day-to-day management of the Company in accordance with the Board's guidelines and instructions. Measures that, taking into account the scope and nature of the Company's operations, are of an unusual nature or of great importance fall outside the scope of "day-to-day management" and must therefore, as a general rule, be prepared and submitted to the Board for decision. The Company's CEO shall also take the measures necessary to ensure that the Company's accounting is carried out in accordance with law and that the management of funds is carried out in a satisfactory manner. The Board's rules of procedure and written CEO instructions state the division of work between the Board and the CEO. The Board continuously evaluates the work of the CEO. In 2025, Christer Ahlberg was CEO of the Company. Cinclus Pharma's management team consisted of:

- CFO Maria Engström (January-December)
- CFO Patrik Norgren (December)
- CMO Kajsa Larsson (January-December)
- R&D Director Margit Mahlapuu (January-December)
- CCO Peter Wallich (Januari-December)
- Chief Business Officer Jesper Wiklund (January-December)

For information on each person in the management team, see further on in this annual report.

The management team is composed so that the management team can together steer and manage the Company in an effective manner and safeguard the Company's interests. The management team holds continuous meetings at least once a month.

Risk and internal control

Cinclus Pharma has established an internal control framework that aims to achieve efficient, structured and controlled processes for the organization to achieve the objectives set by the board. This framework includes work to ensure that Cinclus Pharma's operations are conducted correctly and efficiently and that laws and regulations are complied with. Furthermore, the work includes ensuring that financial reporting is correct, reliable and in accordance with applicable laws and regulations. The board's responsibility for internal control is regulated in the Swedish Annual Accounts Act, the Swedish Companies Act and the Code. Within the Group, the structure for internal control shall be based on the so-called COSO framework (Committee of Sponsoring Organizations of the Treadway Commission). Based on COSO, Cinclus Pharma applies the following building blocks to achieve good internal control.

Control environment

Internal control is based on the division of responsibilities and work assignments through, among other things, the board's rules of procedure, instructions for the board's committees and the CEO, instructions for the established financial reporting, and Cinclus Pharma's code of conduct and other policies. A financial policy has been adopted by the board that sets out the framework for how financial risks are to be managed and the division of responsibilities between the board, CEO and CFO. Cinclus Pharma also has a financial manual whose purpose is to set guidelines and rules for how financial control and reporting are to be carried out and complied with within Cinclus Pharma. Compliance with these governing documents and policies is monitored at least annually by management and reported to the audit committee and board.

Risk assessment

Cinclus Pharma's risk assessment aims to identify and evaluate risks of material errors in Group-wide risks and the Group's financial reporting. The risk assessment is the basis for, among other things, the work of ensuring that financial reporting is reliable and how the risks in reporting are to be managed through various control structures. Group management makes a risk assessment based on probability, the impact and consequences of different risks on the Company and its operations. This assessment is made at least annually and reported to the audit committee and board. The CFO is responsible for the risk assessment in financial reporting and the work to ensure its reliability. The CEO is overall responsible for the total risk assessment and the work to ensure its reliability.

Control activities

Controls shall be linked to each identified risk at a group-wide level and in relation to the group's financial reporting until the risk is deemed eliminated or reduced to an acceptable level. Developed measures and documented process maps and risk/control matrices are part of how control activities are managed within the group.

Information and communication

Relevant information should be communicated in the right way, to the right recipient and at the right time. Communicating significant information, both up and down an organization and to external parties, is an important part of good internal control. Group management meetings are used as a forum for communication and dissemination of information related to risk management for the Group. It is also the responsibility of the Group's management team to ensure that the process managers linked to financial reporting have sufficient knowledge of the significant risks and related control activities in the specific process.

The guidelines for internal and external communication are described in Cinclus Pharma's information policy. Ultimately, this is about ensuring that information obligations according to laws and regulations are complied with and that investors receive the right information in a timely manner. The Board of Directors and its Audit Committee regularly receive financial reports regarding the Group's position and performance. The procedures for external information provision aim to provide the market with relevant, reliable and correct information about the Company's development and financial position. The Company's guidelines include how such communication should take place, who is authorized to provide certain types of information and procedures regarding the maintenance of an insider list.

Governance and monitoring

Group management shall continuously evaluate that the Group-wide risk assessment and management and the specific control activities carried out in each significant process linked to financial reporting are relevant to managing the significant risks Cinclus Pharma faces. Control activities shall be documented so that their execution is traceable. Follow-up to ensure the effectiveness of internal control is also carried out by the Audit Committee and the Board. The Group-wide risk management and financial reporting system shall be continuously monitored and aims to ensure that the system is maintained, that changes are made when necessary and to evaluate changes in working methods. The Audit Committee shall also review that internal control follows established procedures and policies, and report to the Board at least once a year. The Company's Chief Financial Officer is responsible for ensuring that internal control is maintained in accordance with the decisions of the Board. The CEO is ultimately responsible.

Audit

Auditor and audit

The Company, as a public limited company, is required to have at least one auditor to audit the Company's and the Group's annual accounts and accounts, as well as the management of the Board of Directors and the Managing Director. The audit shall be as thorough and comprehensive as good auditing practice requires. The Company's auditors are elected by the Annual General Meeting in accordance with the Swedish Companies Act. An auditor in a Swedish limited company is thus assigned by and reports to the Annual General Meeting and may not be directed in his or her work by the Board of Directors or any senior executive. The auditor shall audit the Company's annual accounts and accounts, as well as the management of the Board of Directors and the Managing Director. After each financial year, the auditor shall submit an audit report and a group audit report to the Annual General Meeting. The Company's Board of Directors shall meet with the auditor without the presence of the Managing Director or other person from the company's management at least once a year. According to the Company's Articles of Association, the Annual General Meeting shall appoint at least one (1) and a maximum of two (2) auditors with a maximum of two (2) deputy auditors. The Company's current auditors are Öhrlings PricewaterhouseCoopers AB (PwC) with authorized public accountant Lars Kylberg. Lars Kylberg is seen as independent of the Company and of major shareholders.

Internal audit

Cinclus Pharma has not yet found a reason to establish a separate internal audit function in the financial area, as the company is relatively small and the ongoing work on internal control has resulted in a high awareness of internal control in the Group. The question of a separate internal audit function will be examined as the Company grows.

Board of Directors

Lennart Hansson

Chairman of the Board, Co-founder

Born: 1956

Nationality: Swedish

Position: Board member since 2014 and Chairman of the Board since 2020.

Education: Ph.D. in Genetics from Umeå University.

Board Committees: Member of the Remuneration Committee. AB.

Experience: Former head of Life Science Investments at Industrifonden. He has more than 35 years' experience from the pharma and biotech industry in executive positions at KabiGen, Symbicom AB, AstraZeneca AB, Karolinska Development AB and BioVitrum AB and as CEO for Arexis AB. Has held board positions in more than 25 Nordic biotech and Medtech companies.

Other current assignments: Chairman of the Board in Sixera Pharma AB, QureTech Bio AB and Ignitus AB.

Independent/Dependent of the company/major owners: Independent in relation to the company and its management and in relation to major shareholders.

Holdings in Cinclus Pharma: Ordinary shares: 1,084,771 (own and via related parties).

Kjell Andersson

Non-executive Director, Co-founder, Chief Scientific Officer

Born: 1957

Nationality: Swedish

Position: Board member from 2026.

Education: BSc University of Gothenburg, Ph.D in Pharmacology from Lund University.

Board Committees: -

Experience: 30 years' of experience from Astra/AstraZeneca. Preclinical project leader for Losec and Nexium. Discovery project leader on the PCAB-programme that brought linaprazan through the phase II clinical studies. CEO of Cinclus Pharma Holding AB between 2014-2021.

Other current assignments: Chief Scientific Officer and founder of Cinclus Pharma. Member of the Board of Directors of OBX Invest AB. CEO of Cinclus Pharma AG.

Independent/Dependent of the company/major owners: Dependent in relation to the company and its management. Independent in relation to the company's major shareholders.

Holdings in Cinclus Pharma: Ordinary shares: 1,908,000 (via related parties).

Torbjörn Koivisto

Non-executive Director

Born: 1969

Nationality: Swedish

Position: Board member since 2017.

Education: Master of Laws (LL.M.) from Uppsala University.

Board Committees: Chairman of the Remuneration Committee.

Experience: More than 20 years' experience as a business lawyer, focusing entirely on advising clients within the life sciences industry on matters of commercial and corporate law. Previous work experience includes law firms Mannheimer Swartling, Lindahl and Bird & Bird. Since 2006 working for his own company IARU.

Other current assignments: Member of the Board in IARU Institutet för Affärsjuridisk Rådgivning i Uppsala AB. Chairman of the Board in Servacq AB.

Independent/Dependent of the company/major owners: Independent in relation to the company and its management and in relation to major shareholders.

Holdings in Cinclus Pharma: Ordinary shares: 94,435 (via related parties).

Helena Levander

Non-executive Director

Born: 1957

Nationality: Swedish

Position: Board member since 2021.

Education: Master in Finance and Business Administration from Stockholm School of Economics.

Board Committees: Chairman of the Audit Committee.

Experience: More than 20 years of experience within asset management and equity markets from SEB, Nordea, Odin Funds and Neonet Securities. Entrepreneurial experience from building and running Nordic Investor Services, an advisory consultant within global corporate governance, since 2002.

Other current assignments: Chairman of the Board in Factoringgruppen AB and member of the board in Stendörren Fastigheter AB (publ) and Occlutech AG.

Independent/Dependent of the company/major owners: Independent in relation to the company and its management and in relation to major shareholders

Holdings in Cinclus Pharma: Ordinary shares: 50,270 (own and via related parties).

Board of Directors

Nina Rawal

Non-executive Director

Born: 1979

Nationality: Swedish

Position: Board member since 2022.

Education: Ph.D. in Molecular Neurobiology and Master of Science in Biomedicine. Both from Karolinska Institutet.

Board Committees: Member of the Audit Committee.

Experience: Former Partner and Co-Head at Trill Impact Ventures. Previous experience includes the roles of Head of life science at Industrifonden, Vice President, Strategy and Ventures at Gambro, and management consulting at Boston Consulting Group in Stockholm and New York.

Other current assignments: Member of the Board of Emerging Health Ventures I AB and serves on the board of Stockholms Sjukhem.

Independent/Dependent of the company/major owners: Independent in relation to the company and its management and in relation to major shareholders.

Holdings in Cinclus Pharma: –

Wenche Rolfsen

Non-executive Director

Born: 1952

Nationality: Swedish

Position: Board member since 2016.

Education: Pharmacist, Ph.D of Pharmacy (pharma-cognosy), Adjunct Professor at Uppsala University.

Board Committees: Member of the Audit Committee.

Experience: Former Head of pharmacology at Pharmacia & Upjohn; VP clinical trials Quintiles Europe, CEO of Quintiles Scandinavia. Chairman of Aprea Therapeutics AB, Denator AB and Aprea Personal AB. Board member of Swedish Match AB, SOBI AB, Recipharm AB, Smartfish AB, Moberg Pharma AB, TFS Trial Form Support International AB, Apotek Produktion & Laboratorier AB and Industrifonden. Chairman of the Board of Bionor Pharma, BioArctic AB and Index Pharmaceutical Holding AB.

Other current assignments: CEO and Member of the Board of Rolfsen Consulting AB. Partner in Serendipity Partners.

Independent/Dependent of the company/major owners: Independent in relation to the company and its management and in relation to major shareholders.

Holdings in Cinclus Pharma: Ordinary Shares: 23,290 (own).

Anders Öhberg

Non-executive Director

Born: 1980

Nationality: Swedish

Position: Board member since 2016.

Education: Master of Medical Sciences and Clinical Drug Development from Uppsala University.

Board Committees: –

Experience: More than 15 years experience from drug development and medical affairs within the pharmaceutical industry. He has held a broad spectrum of positions within clinical development, pharmacovigilance, quality assurance and medical affairs at Pfizer, Ipsen, Shire and Novartis. Medical Director for Northern Europe at PTC Therapeutics.

Other current assignments: Medical Director International at BridgeBio Pharma and Member of the Board in Fovea AB.

Independent/Dependent of the company/major owners: Independent in relation to the company and its management and in relation to major shareholders.

Holdings in Cinclus Pharma: Ordinary Shares: 24,083 (own).

Management

Christer Ahlberg

Chief Executive Officer and President

Born: 1971

Nationality: Swedish

Position: CEO and President since 2021. Employed since 2021.

Education: BSc in business administration and economics from Örebro University.

Experience: Former experience in the pharmaceutical industry includes CEO at Sedana Medical Group (2017-2021) and CEO at Unimedic Group (2010-2016), CEO at Eisai AB (2005-2010) and additional 10 years of experience in leading positions in sales and marketing at AstraZeneca (including launch of Nexium), Meda and Wyeth.

Other current assignments: Member of the Board of FrostPharma AB and FrostPharma Holding AB. Deputy CEO and deputy Member of the Board of Waxholm by the sea AB.

Holdings in Cinclus Pharma: Ordinary shares: 133,400 (own), Share rights (PSP2024): min 11,600 max 133,400, ESOP 24/27: 200,000, QESO: 22/25: 700 (conv. Term 1:80), QESO: 24/27: 7,391.

Magnus Christensen

Chief Financial Officer

Born: 1974

Nationality: Swedish

Position: Chief Financial Officer from 2026.

Education: Degree of Bachelor of Science in Accounting and Finance, University of East Anglia, England.

Experience: Over 25 years of experience in finance. CFO at Medivir 2019-March 2026, Interim CEO at Medivir, May 2021-January 2022. Leading positions at O'Learys Trademark AB, ICA Sverige AB, Scan AB and SkiStar AB.

Other current assignments: Board member at MC Consulting AB.

Holdings in Cinclus Pharma: Ordinary shares 6,500 (own).

Kajsa Larsson

Chief Medical Officer

Born: 1966

Nationality: Swedish

Position: CMO since 2022. Employed since 2022.

Education: MD and Ph.D in Medical Sciences from Karolinska Institutet.

Experience: Consultant in internal medicine and hematology/ hematooncology with more than 15 years' of clinical experience. From 2009 full time in the pharmaceutical industry at different positions within medical affairs and clinical development at national, regional and global levels in Genzyme, Roche, Alexion, Alnylam and Oncopeptides.

Holdings in Cinclus Pharma: Ordinary shares: 3,325 (own), Share rights (PSP2024): min 3,325 max 16,625, QESO: 22/25: 700 (conv. term 1:80), QESO: 24/27: 7,391, Warrants 21/24: 1,450 (conv. term 1:80).

Margit Mahlapuu

R&D Director

Born: 1972

Nationality: Estonian

Position: R&D Director since 2024. Consultant since 2024.

Education: PhD, Prof. in Molecular Genetics.

Experience: Senior manager with 20+ years of experience in R&D of novel pharmaceuticals overseeing cross-functional teams. Held leadership roles in publicly traded biopharmaceutical companies and privately owned biotech firms. Managed R&D portfolios across diverse therapeutic areas with an emphasis on clinical and product development, regulatory affairs, and vendor management.

Other current assignments: Prof. in Molecular Genetics, University of Gothenburg, Member of the Board in Sixera Pharma.

Holdings in Cinclus Pharma: –

Management

Patrik Norgren

Interim Chief Financial Officer until March 23, 2026

Born: 1963

Nationality: Swedish

Position: Interim CFO since 2025.

Education: BSc in Business Administration and Economics from Luleå University of Tehnology.

Experience: More than 20 years of experience working as interim CFO at several Swedish companies.

Other current assignments: Board Member in Two Tribes AB and Marbella Consulting AB. Deputy Board Member in Three Tribes AB.

Holdings in Cinclus Pharma: –

Peter Wallich

Commercial Director

Born: 1961

Nationality: Swedish, Australian

Position: Commercial Director since 2022, consultant since 2022.

Education: BSc, Biochemistry, Molecular Biology, Microbiology from Sydney University and Master Commerce, Marketing and Finance from University of NSW.

Experience: Extensive experience from the pharmaceutical industry. Former Head of Digital Transformation at Novartis and Ass. Global Brand Director of Diabetes at Novartis. Several executive positions within AstraZeneca such as VP Nexium, Global Marketing and Development, Global Product Director and Marketing Director Gastroenterology for Nexium and Losec.

Other current assignments: Member of the Board of PCW Consulting AB. Deputy Member of the Board of Wallich Composite AB and Wallich Holding AB.

Holdings in Cinclus Pharma: –

Jesper Wiklund

Chief Business Officer

Born: 1969

Nationality: Swedish

Position: Chief Business Officer since 2023. Consultant since 2023.

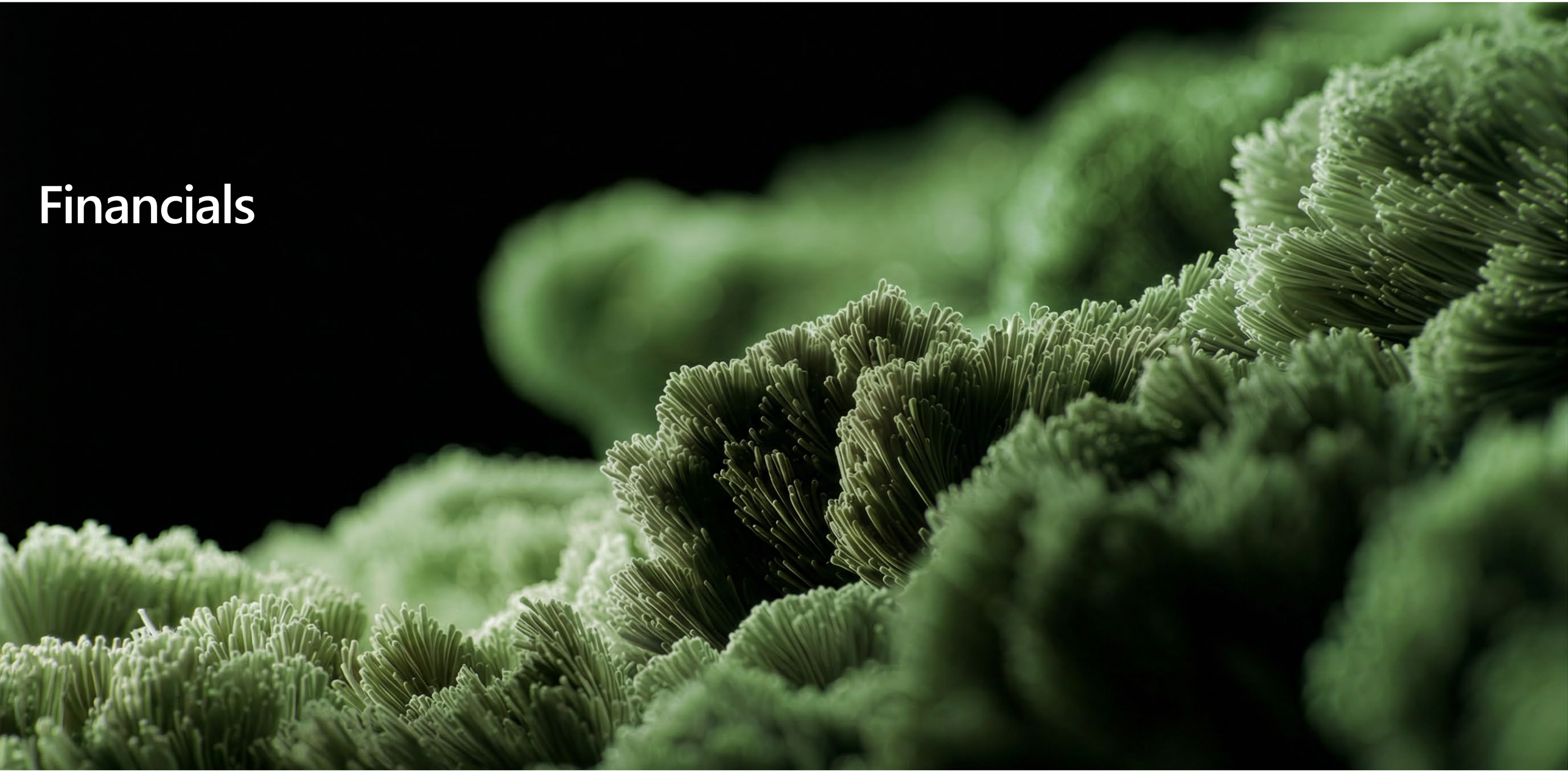
Education: BS Biology, St Mary's College of CA, MBA Harvard Business School.

Experience: 30 years experience in Biopharma industry. Jesper has served as Head of Business and Corporate Development at both Evotec and SOBI. CEO at Biopharma companies Index Pharmaceuticals and Klaria Pharma. Jesper also worked as a Private Equity investor while he was Managing Director, Europe at New York based Life Science focused investment fund Oberland Capital.

Other current assignments: Member of the Board in Math Colors AB. CEO and Member of the Board in W B C Europe AB. Member of the Board in WBC Europe GmbH.

Holdings in Cinclus Pharma: Ordinary shares: 54,490 (via related party).

Financials



Consolidated income statement

(TSEK)	Note	2025	2024
Revenues			
Net sales	4, 25	57,470	4,580
Operating expenses	5, 9		
Administrative expenses	6, 7	–57,248	–36,854
Research and development expenses	7	–198,402	–136,657
Other operating income	10	4,191	2,780
Other operating expenses	11	–5,570	–3,487
Operating income		**–199,558**	**–169,639**
Income from financial items			
Financial income	12	29,705	30,471
Financial expenses	13	–13,857	–28,113
Net financial items		**15,847**	**2,359**
Income before tax		**–183,710**	**–167,281**
Income tax	14	–262	–750
Net income for the year attributable to the parent company shareholders		**–183,972**	**–168,031**
Earnings per share, calculated on earnings attributable to the parent company's ordinary shareholders in SEK *:	15		
Before dilution		–3.95	–4.54
After dilution		–3.95	–4.54

* Earnings per share are recalculated for the split of the company's ordinary shares, 1:80, which was decided at the extraordinary general meeting on May 29, 2023.

Consolidated statement of comprehensive income

(TSEK)	Note	2025	2024
Net income for the year		**–183,972**	**–168,031**
Other comprehensive income			
Items that can later be reclassified to the income statement:			
Translation differences from operations abroad		–5,136	2,664
Other comprehensive income, net after tax		**–5,136**	**2,664**
Comprehensive income for the year		**–189,108**	**–165,367**
Comprehensive income for the year, as a whole attributable to the parent company's shareholders		**–189,108**	**–165,367**

Consolidated statement of financial position

(TSEK)	Note	Dec 31, 2025	Dec 31, 2024
ASSETS			
Tangible non-current assets			
Equipment	16	1,046	44
Right-of-use assets	9	8,360	500
Financial non-current assets			
Other non-current receivables	17, 18	296	1
Total non-current assets		**9,703**	**546**
Current assets			
Trade receivables		16,062	–
Other current assets	20	4,992	1,942
Prepaid expenses and accrued income	21	28,546	31,808
Cash and cash equivalents	18, 22	487,254	566,716
Total current assets		**536,854**	**600,467**
TOTAL ASSETS		**546,556**	**601,013**

(TSEK)	Note	Dec 31, 2025	Dec 31, 2024
EQUITY AND LIABILITIES			
Equity	24		
Share capital		920	920
Other contributed capital		1,297,740	1,297,740
Translation difference		23,530	28,667
Retained earnings including net income for the year		–952,800	–771,997
Equity attributable to the parent company's shareholders		**369,391**	**555,330**
Non-current liabilities			
Non-current lease liabilities	9	4,787	190
Non-current contract liabilities	25	35,587	–
Total non-current liabilities		**40,373**	**190**
Current liabilities			
Trade payables	18, 19	48,464	18,928
Current lease liabilities	9	3,111	109
Current tax liabilities	14	207	7,449
Other liabilities	18	9,656	2,107
Current contract liabilities	25	54,527	–
Accrued expenses	26	20,827	16,899
Total current liabilities		**136,792**	**45,493**
TOTAL EQUITY AND LIABILITIES		**546,556**	**601,013**

Consolidated statement of changes in equity

		Equity attributable to parent company shareholders				
(TSEK)	Note	Share capital	Other contributed capital	Translation difference	Retained earnings including profit for the year	Total
Opening balance at January 1, 2025		920	1,297,740	28,667	–771,997	555,330
Profit for the year		–	–	–	–183,972	–183,972
Other comprehensive income for the year		–	–	–5,136	–	–5,136
Comprehensive income for the year		**–**	**–**	**–5,136**	**–183,972**	**–189,108**
Transactions with the Group's owners						
Share-related remuneration, staff vested value		–	–	–	3,170	3,170
Total transactions with the Group's owners		–	–	–	**3,170**	**3,170**
Closing balance at December 31, 2025	8, 24	**920**	**1,297,740**	**23,530**	**–952,800**	**369,391**

		Equity attributable to parent company shareholders				
(TSEK)	Note	**Share capital**	**Other contributed capital**	**Translation difference**	**Retained earnings including profit for the year**	**Total**
Opening balance at January 1, 2024		509	503,524	26,004	–606,837	–76,800
Profit for the year		–	–	–	–168,031	–168,031
Other comprehensive income for the year		–	–	2,664	–	2,664
Comprehensive income for the year		**–**	**–**	**2,664**	**–168,031**	**–165,367**
Transactions with the Group's owners						
Issue expenses		347	714,653	–	–	715,000
New share issue		–	–58,424	–	–	–58,424
Set-off issue		64	137,988	**–**	**–**	138,051
Share-related remuneration, staff vested value		–	–	–	2,870	2,870
Total transactions with the Group's owners		**411**	**794,216**	**–**	**2,870**	**797,497**
Closing balance at December 31, 2024	8, 24	**920**	**1,297,740**	**28,667**	**–771,997**	**555,330**

Consolidated statement of cash flow

(TSEK)	Note	2025	2024
Operating activities			
Operating income		–199,558	–169,639
Adjustment for non-cash items	22		
Depreciations and amortisations		2,379	1,338
Exchange rate differences		–68	–251
Share-based remuneration		3,170	2,870
Interest received		12,216	11,271
Interest paid		–449	–349
Taxes paid		–7,279	–7,437
Cash flow from operating activities before change in working capital		**–189,591**	**–162,195**
Cash flow from change in working capital			
Increase/decrease in operating receivables		–16,047	–27,512
Increase/decrease in trade payables		29,536	2,480
Increase /Decrease of contract liabilities		90,114	–
Increase/decrease in other operating liabilities		11,340	8,860
Cash flow from operating activities		**–74,647**	**–178,367**
Investing activities			
Investments in tangible assets		–1,134	–
Investments in financial assets		–295	–
Cash flow from investing activities		**–1,429**	–
Financing activities			
New share issue		**–**	715,000
Issue expenses		–	–58,424
Amortisation of lease liabilities		–1,760	–1,376
Cash flow from financing activities		**–1,760**	**655,200**
Cash flow for the year		**–77,836**	**476,833**
Cash and cash equivalents at the beginning of the year		**566,716**	**87,972**
Exchange rate differences in cash and cash equivalents		–1,627	1,911
Cash and cash equivalents at the end of the year	22	**487,254**	**566,716**

Notes – Group

NOTE 1 General information

This annual report and consolidated financial statements comprise the Swedish parent company Cinclus Pharma Holding AB (publ) (the "Parent Company"), corporate registration number 559136–8765, and its subsidiaries (collectively the "Group"). The Group's principal activity is to develop pharmaceuticals.

The Parent Company is a limited liability company registered in and with its registered office in Stockholm, Sweden. The address of the head office is Kungsbron 1, 111 22 Stockholm, Sweden. Unless otherwise stated, all amounts are reported in thousands of Swedish kronor (TSEK).

The Board of Directors has approved this annual report and consolidated financial statements on April 16, 2026, which will be submitted for adoption at the Annual General Meeting on May 21, 2026.

NOTE 2 Significant accounting and valuation principles

Basis for preparing the reports

The consolidated accounts have been prepared in accordance with the Annual Accounts Act (1995:1554) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU). In addition, the consolidated accounts comply with the recommendation from the Swedish Financial Reporting Board RFR 1 "Supplementary accounting rules for groups".

The accounting principles set out below have, unless otherwise stated, been applied consistently to all periods presented in the Group's financial statements. The Group's accounting principles have been applied consistently by the Group's companies.

New and amended standards applied by the Group

No other new or amended standards applied by the Group have had any material effect on the 2025 annual report..

New standards and interpretations that have not yet been applied by the Group

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements, and introduces new requirements that will help to achieve comparability in the reporting of performance of similar entities and provide users with more relevant information and transparency. Although IFRS 18 will not affect the recognition or measurement of items in the financial statements, its effects on presentation and disclosures are expected to be pervasive, particularly those related to the income statement and performance measures defined by management.

Management is currently evaluating the exact consequences of applying the new standard to the consolidated financial statements. It's expected that exchange differences will be presented in the same category as the items that are the source to the differencies and that the consolidated cash flow statement will be affected, as interest received and paid will be presented in investing activities and financing activities, respectively. The Group intyends to provide an update on the transition to IFRS 18 at each reporting date.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and therefore, comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

Operating segments

The chief executive officer of Cinclus Pharma is the CEO, as the CEO is responsible for allocating resources and evaluating performance. The assessment of the Group's operating segments is based on the financial information reported to the CEO. The financial information reported to the CEO, as a basis for allocating resources and assessing the Group's performance, refers to the Group as a whole. As the CEO monitors the operations as one unit, the entire operations constitute a single operating segment.

Functional currency and reporting currency

The various units in the Group have the local currency as their functional currency, as the local currency is defined as the currency used in the primary economic environment in which the respective unit primarily operates. The consolidated financial statements use the Swedish kronor (SEK), which is the parent company's functional currency and the Group's reporting currency.

Transactions and balance sheet items

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction date. Exchange gains and losses arising on the settlement of such transactions and on the translation of monetary assets and liabilities in foreign currencies at the closing rate are recognised in operating profit or loss in the statement of comprehensive income. Exchange gains and losses relating to loans and cash and cash equivalents are recognised in the statement of comprehensive income as financial income or expenses.

Valuation bases and classification

The consolidated financial statements have been prepared in accordance with the historical cost method, except for certain financial assets and liabilities (including derivative instruments) measured at fair value. Non-current assets and liabilities consist essentially of amounts expected to be recovered or paid more than twelve months after the balance sheet date. Current assets and short-term liabilities consist essentially of amounts expected to be recovered or paid within twelve months after the balance sheet date.

Revenues - Net sales

The Group's revenues consist of revenues from license agreements, with revenue streams mainly from milestone payments and remuneration for development services.

Where revenue arise from the licensing of the Group's own intellectual property, the licenses are "right to use" intellectual property which do not change during the period of the license. Revenue from licenses is recognized at the point in time the license is granted.

The revenue for milestones is recognized when performance commitments are met and it is considered very likely that there will be no significant reversal of reported revenue. If there is significant uncertainty as to whether it is highly likely that there would be no significant reversal of income related to specific milestones, the Group considers that the threshold for recognition is not met until the specific milestone has been reached.

When the Group provides development services, revenue in respect of this performance obligation is recognized over the duration of those services. Revenue is recognized, based on the value of the services transferred to date, using an output method for milestones reached.
In the case where the transaction has two or more performance obligations, eg both a license and development services, the transaction price is allocated to the performance

obligations on the basis of the standalone selling price of each performance obligation. However, where there is a licence of intellectual property, it is not always possible to establish a reliable estimate of the standalone selling price of the licence. In these situations, the residual approach is used to determine the consideration attributable to the licence.

Remuneration to employees Pensions

The Group's pension obligations are covered solely by defined contribution plans.

Income tax

Current tax

Current tax is tax payable or receivable for the current year, using the tax rates enacted or substantively enacted at the balance sheet date. Current tax also includes adjustments to current tax relating to previous periods.

Deferred tax

Deferred tax is recognized on all temporary differences that arise between the tax base of assets and liabilities and their carrying amounts.

Deferred tax is calculated using the tax rates and tax rules that have been enacted or substantively enacted by the balance sheet date and that are expected to apply when the deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets relating to deductible temporary differences and tax loss carryforwards are recognized only to the extent that it is probable that they will be utilized. The value of deferred tax assets is reduced when it is no longer probable that they can be utilized.

Leasing agreements

The Group's lease agreements essentially relate to office premises. The lease agreements are recognised as right-of-use assets and a corresponding liability on the date the leased asset is available for use by the Group.

Right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Assets and liabilities arising from leases are initially recognised at present value. Lease liabilities include the present value of the following lease payments:

- fixed lease payments
- variable lease payments linked to index

Lease payments are discounted at the lease's implicit interest rate. If this interest rate cannot be readily determined, which is normally the case for the Group's leases, the lessee's incremental borrowing rate is used.

Short-term and low-value leasing agreements

Lease payments attributable to short-term leases and leases for which the underlying asset has a low value are recognised as an expense on a straight-line basis over the lease period. Short-term leases are leases with a lease term of 12 months or less. Leases for which the underlying asset has a low value are essentially parking spaces.

Options to extend and terminate contracts

Options to extend or terminate the agreement are included in the Group's office leases. The terms are used to maximize flexibility in managing the agreements. Options to extend or terminate the agreement are included in the asset and liability when it is reasonably certain that they will be exercised..

Research and development

- All expenses directly attributable to the development and testing of identifiable and unique products controlled by CinclusPharma are recognized as intangible assets when the following criteria are met:
- It is technically possible to complete the product or process so that it can be used.
- Cinclus Pharma's intention is to complete the product and to use or sell it.
- There are conditions to use or sell the product.
- It can be shown how the product generates probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the product are available.
- The expenses attributable to the product during its development can be estimated reliably.

Research expenses are expensed when incurred. Development expenses that were expensed in previous periods are not recognized as an asset in a subsequent period.

Tangible non-current assets

Tangible non-current assets include inventories. Tangible non-current assets are stated at cost less depreciation. Cost includes expenses directly attributable to the acquisition of the asset. Depreciation on assets, to allocate their cost to their estimated residual value over their estimated useful lives, is made on a straight-line basis as follows:

- Inventories – 5 years
- Computers – 3 years

Financial assets and liabilities

Classification and valuation of financial assets

The Group's financial assets consist of non-current receivables, other current receivables and cash and cash equivalents, all of which are classified at amortized cost. Assets classified at amortized cost are held in accordance with the business model of collecting contractual cash flows that are only payments of principal and interest on the outstanding principal.

For accounts receivable, the Group applies the simplified method for calculating expected credit losses. The method means that expected losses over the entire life of the receivable are used as a starting point. Cash and cash equivalents, accrued income and part of the Group's other current assets that constitute financial instruments are also within the scope of application for impairment. However, the impairment that would be considered has been deemed to be immaterial.

Classification and valuation of financial liabilities

The Group's financial liabilities are classified at amortized cost, with the exception of derivative instruments, see below.

Financial liabilities carried at amortized cost are initially measured at fair value, net of transaction costs. After initial recognition, they are measured at amortized cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents consist of cash and immediately available balances with banks and similar institutions.

Classification as equity or liability

When issuing a financial instrument, the company assesses whether the instrument is, in whole or in part, an equity instrument or a financial liability. A financial instrument is an equity instrument in the following cases:

- It does not include any contractual obligation to deliver cash or another financial asset, or to exchange a financial asset or financial liability under conditions that may be unfavorable to the company.
- The instrument will or may be settled in the company's own shares unless it is a derivative and does not entail that the company must pay a variable number of shares..
- It is a derivative that will only be settled by the company exchanging a fixed amount of cash or financial asset for a fixed number of the company's shares.

Equity

Ordinary shares, Class C shares, other contributed capital and retained earnings are classified as equity. Financial instruments that are deemed to meet the criteria for classification as equity are reported as equity even if the financial instrument is legally structured as a liability. Transaction costs that are directly attributable to the issue of new shares or options are reported net of tax in equity as a deduction from the issue proceeds. Exchange rate differences arising from the translation of financial statements from foreign operations are classified as reserves in equity.

Warrants

The Group has issued warrants that have been transferred at fair value, and are reported as share-based compensation. Premiums received for issued options to acquire shares in companies within the Group are reported as a contribution to

equity, based on the option premium, on the date the option is transferred to the counterparty.

Share-based compensation

The Group has share-based payment plans where the settlement is made with shares and where the company receives services from employees as consideration for the Group's equity instruments (options/share rights). The fair value of the service that entitles employees to the allocation of options/share rights is expensed. The total amount to be expensed is based on the fair value of the allocated options/share rights.

At the end of each reporting period, the Group reassesses its assessments of how many shares are expected to vest based on the terms of service and the share price development. Any deviation from the original assessments that the reassessment gives rise to is recognized in the income statement and corresponding adjustments are made in equity.

When the options/share rights are exercised, the company issues new shares. Payments received, after deduction of any directly attributable transaction costs, are credited to the share capital (quota value) and other contributed capital.

The social security contributions arising from the allocation of option programs and share rights are recognized in the same way as a cash-settled share-based payment. Social security costs are recognized over the period the service is performed. The fair value of the liability is remeasured at the end of each reporting period.

Earnings per share

The calculation of earnings per share is based on the consolidated profit for the year attributable to the parent company's shareholders and on the weighted average number of ordinary shares outstanding during the year. In calculating diluted earnings per share, the profit and the average number of shares are adjusted to take into account the effects of dilutive potential ordinary shares. To the extent that the dilution would result in earnings per share after dilution being higher than earnings per share before dilution, or the loss per share being lower than the loss per share before dilution, the profit is not adjusted for this.

Cash flow

The cash flow statement is prepared according to the indirect method. The reported cash flow only includes transactions that have resulted in receipts or payments, divided between operating activities, investing activities and financing activities. Cash flows from receipts and payments are reported gross, with the exception of transactions that consist of receipts and payments of large amounts relating to items that are quickly traded and have a short maturity.

NOTE 3 Assessments and estimates

Preparing the financial statements in accordance with IFRS requires management to make judgments and estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual outcomes may differ from these estimates.

The estimates and assumptions are evaluated on an ongoing basis. Changes in estimates are recognized in the period in which the change is made if the change only affects that period, or in the period in which the change is made and future periods if the change affects both the current period and future periods.

Revenues

The Group receives remuneration from license Partners, such as milestone payments and development services remuneration. Milestone payments are received when certain performance commitments in a License Agreement are fulfilled. Revenues are recognized when the performance commitment is fulfilled, either at a certain point in time or based on the degree of completion of such performance commitment.

Cinclus Pharma has performance commitments where revenues are recognized during the time for certain clinical studies. Since it is not possible to know in advance exactly at what pace the studies are carried out, the time line has been estimated. A change in the estimate could lead to a change in the estimated pace of fulfilment of the performance commitments, which could entail an adjustment of revenues. A review is conducted quarterly to ensure that revenues are based on the most likely outcome regarding the fulfilment of the performance commitments.

Timing of capitalization of internally generated intangible assets related to development projects

The risk in ongoing development projects is high overall. The risk consists of, among other things, safety and efficacy-related risks that may arise in clinical studies, regulatory risks related to applications for approval of clinical studies and market approval. All development work is therefore considered to be research, since the work does not meet the criteria listed in the accounting principles for capitalizing development costs. As of 31 December 2024 and in the comparative periods no development costs have therefore been reported as intangible assets in the balance sheet.

The Group will capitalize expenses for the development of drugs to the extent that they are deemed to meet the criteria for capitalization according to IAS 38 p. 57. As the company's expenses for the development of drugs are not yet deemed to meet the criteria for capitalization, SEK -136 657 (-166 678) thousand have been expensed. Capitalization of expenses for drug development occurs at a late stage of phase III, alternatively in connection with the commencement of registration work, depending on when and whether the criteria are deemed to be met. The reason for this is that it is too uncertain before then whether the expenses will generate future economic benefits and that the financing of the completion of the asset is not secured.

Loss carryforward

Deferred tax assets relating to loss carryforwards or other future tax deductions are recognised to the extent that it is probable that the deduction can be offset against surplus in future taxation. As the Group does not report a positive result, no deferred tax assets relating to loss carryforwards have yet been recognised, except to the extent that they are deemed to be able to be offset against deferred tax liabilities. See also Note 14 Income tax on profit for the year.

Going concern principle

Cinclus Pharma is a research and development company and does not have any approved products on the market. As the company has costs that far exceed the low royalty income received from the out-licensing of its product candidate to its Chinese partner, there is uncertainty about its continued operation. The Board of Directors and the CEO continuously assess the Group's liquidity and position, both in the short and long term.

As of December 31, 2025, the company estimates that its current working capital is sufficient until August 2027. The annual report has been prepared on the assumption that the company has the ability to continue operations for the next 12 months. Cinclus Pharma will continue to be dependent on financing from external parties including current shareholders to be able to continue the development of linaprazan glurate in, among other things, a second phase III study.

NOTE 4 Geographic information - net sales and non-current tangible assets

Geographic information

The table below presents revenues from external customers by country, based on where the customers are located, and revenue from external customers by type of revenue. The revenue relates to development services and license revenue for development and regulatory milestones for linaprazan glurate.

Revenue by geographic area

(TSEK)	2025	2024
China	4,613	4,580
Czech Republic	52,858	–
Total	**57,470**	**4,580**

Revenue by type of revenue

(TSEK)	2025	2024
License	56,421	**4,580**
Development services	1,050	–
Total	**57,470**	**4,580**

Fixed assets by country

Non-current assets, other than financial instruments and deferred tax assets (there are no assets related to post-employment benefits or rights under insurance contracts), are distributed by country as follows:

(TSEK)	2025	2024
Sweden	9,407	544
Total	**9,407**	**544**

The allocation of the fixed assets above has been made based on the ownership of the asset.

Assets and liabilities related to contracts with customers

The group reports the following assets and liabilities related to contracts with customers:

(TSEK)	2025	2024
Accrued revenue attributable to license agreements	–	4,580
Current contract liabilities related to license agreements	54,527	–
Non-current contract liabilities related to license agreements	35,587	–
	90,114	**4,580**

NOTE 5 Operating expenses per cost type

(TSEK)	2025	2024
Other external costs	–210,431	–138,419
Personnel costs	–42,840	–33,754
Depreciation	–2,379	–1,338
Other operating costs	–5,570	–3,487
Total	**–261,220**	**–176,999**

Total expenses for research and development that have been expensed during the period amount to 198,402 (136,657) TSEK.

NOTE 6 Fees and reimbursement of expenses to auditors

(TSEK)	2025	2024
Öhrlings PricewaterhouseCoopers AB		
Audit assignment	695	591
Other auditing activities	–	10
Tax advice	580	169
Other services	338	2,456
Total	**1,613**	**3,226**

Audit engagements refer to statutory audits of the annual accounts and accounting records, as well as the management of the board and CEO, and audits carried out in accordance with an agreement or contract. This includes other tasks that it is the responsibility of the company's auditor to perform, as well as advice or other assistance arising from observations made during such audits or the performance of such other tasks.

Other auditing activities refer to the services according to a special agreement concerning financial reports.

Other services refer to advice on accounting issues, advice on processes and internal control, and various services in connection with the stock exchange listing, such as so-called comfort letters to advisory banks.

NOTE 7 Employees, personnel expenses and remuneration of senior executives

Employees and senior executives

	2025		2024	
Average number of employees	Total	Of which men	Total	Of which men
Parent company				
Sweden	19	8	13	5
Total	**19**	**8**	**13**	**5**
Total group	**19**	**8**	**13**	**5**
Senior executives at year-end				
Board of Directors	7	4	7	4
CEO and senior executives	3	1	6	4

Gender distribution among the Board of Directors and senior executives at the end of the year.

	2025		2024	
	Proportion of women	Propotion of men	Proportion of women	Propotion of men
Board of Directors	43%	57%	43%	57%
Other senior executives [1)]	67%	33%	32%	68%

[1)] Senior executives include the CEO and other senior executives.

Salaries and other remuneration, pension costs and social security costs for the board of directors, senior executives and other employees.

Salaries and other compensations

(TSEK)	2025	2024
Parent company		
Board of Directors and senior executives [1)]	12,576	18,651
Other employees	14,800	6,299
Total	**27,376**	**24,950**
Subsidiaries		
Board of Directors and senior executives [1)]	–	1,230
Other employees	–	–
Total	**–**	**1,230**
Total group	**27,376**	**26,179**

Share-based remuneration

(TSEK)	2025	2024
Parent company		
Board of Directors and senior executives [1)]	1,650	1,997
Other employees	1,523	874
Total	**3,173**	**2,870**

Social and pension costs

(TSEK)	2024	2024
Parent company		
Pension costs for the board and senior executives [1)]	2,137	2,415
Pension costs for other employees	2,600	1,746
Social cost	5,545	3,925
Total	**10,282**	**8,086**

[1)] Senior executives include the CEO and other senior executives.

Disclosures regarding remuneration to the Board of Directors and senior executives.

Financial year 2025

(TSEK)	Base salary, board fees	Pension cost	Variable remuneration	Consultant fees	Share-based remuneration	Total
Chairman of the Board						
Lennart Hansson	426	–	–	–	–	426
Board members						
Wenche Rolfsen	227	–	–	–	–	227
Peter Unge	–	–	–	1,076	–	1,076
Torbjörn Koivisto	227	–	–	–	–	227
Anders Öhberg	206	–	–	–	–	206
Helena Levander	247	–	–	–	–	247
Nina Rawal	227	–	–	–	–	227
Senior executives						
Christer Ahlberg (CEO) [2]	4,208	1,081	1,034	–	793	7,116
Other senior executives (2 st) [2]	4,917	1,057	399	–	1,417	7,790
of which subsidiaries	–	–	–	–	–	–
Total	**10,685**	**2,138**	**1,433**	**1,076**	**2,210**	**17,542**

Financial year 2024

(TSEK)	Base salary, board fees	Pension cost	Variable remuneration	Consultant fees	Share-based remuneration	Total
Chairman of the Board						
Lennart Hansson	495	–	–	–	–	495
Board members						
Wenche Rolfsen	265	–	–	–	–	265
Peter Unge	–	–	–	1,941	–	1,941
Torbjörn Koivisto	265	–	–	76	–	341
Anders Öhberg	240	–	–	–	–	240
Helena Levander	290	–	–	–	–	290
Nina Rawal	265	–	–	–	–	265
Senior executives						
Christer Ahlberg (CEO) [2]	3,676	953	1,034	–	580	6,242
Other senior executives (5 st) [2]	7,335	1,746	426	3,573	1,417	14,497
of which subsidiaries	–	–	–	–	–	–
Total	**12,830**	**2,699**	**1,460**	**5,590**	**1,997**	**24,576**

[2] CEO and number of senior executives refer to the end of the year. The remuneration amounts refer to the entire financial year. The number of senior executives including the CEO were eight until September 30, 2024. From October 1, 2024 the number of senior executives including the CEO were six.

Remuneration of senior executives

Remuneration to the CEO and other senior executives consists of base salary and variable remuneration. Other senior executives refer to the 5 (6) individuals who, together with the CEO, formed the Group Management Team. Other senior executives refer to the Chief Financial Officer, Chief Medical Officer, Executive R&D Director, Chief Commercial Officer and Director of Corporate and Business Development.

Pensions

All pension obligations are defined contributions. The retirement age of the CEO is 65 years and the pension premium is 25% of the base salary. The pension obligations for other Swedish senior executives are between 15–20% of the basic salary. The retirement age is 65 years for all other senior executives. There are no other pension obligations.

Variable remuneration

Variable remuneration refers to variable bonus based on a fixed proportion of the base salary. The outcome is based on a one-year earning period, and is dependent on the achievement of corporate objectives. The maximum outcome for the CEO is 50% of the fixed annual salary and for other senior executives, the maximum variable remuneration is 30% of the fixed annual salary in accordance with the guidelines for remuneration to senior executives.

Share-based remuneration

Total personnel costs include costs for qualified employee stock option programmes, a share performance programme and an employee stock option programme in accordance with IFRS2. See also note 8.

Severance pay

If the termination of employment is made by the CEO, a notice period of 6 months applies. If the termination of employment is made by the company, a notice period of 12 months applies. The CEO is not entitled to special severance pay but receives a salary during the notice period. Between the company and other senior executives, a mutual notice period of 6 months applies during which salary is paid. No severance pay will be paid to the members of the Board of Directors.

NOTE 8 Share-based remuneration

Table of option programs in 2025

Warrant program	Number of options at the beginning of the year	Number of options granted during the year	Number of repurchased options during the year	Number of options at year-end [1]	Number of ordinary shares per option [2]	Exercise price (SEK) [3]
Other senior executives	2,900	–	–2,900	–	80	85
Other	600	–	–600	–	80	85
2021/2024 serie 1	**3,500**	**–**	**–3,500**	**–**	**80**	**85**
Other employees	27	–	–27	–	80	85
2021/2024 serie 2	**27**	**–**	**–27**	**–**	**80**	**85**
Other employees	900	–	–900	–	80	95
2022/2025 serie 3	**900**	**–**	**–900**	**–**	**80**	**95**
Total CEO	-	–	-	–	80	
Total other senior executives	2,900	–	–2,900	–	80	
Totalt other employees	–	–	–27	–	80	
Total other	1,527	–	–1,527	–	80	
Total	**4,427**	**–**	**–4,454**	**–**	**80**	

Dilution at full vesting and exercise [4] 0.00%

Qualified employee stock option program	Number of options at the beginning of the year	Number of options granted during the year	Number of overdue options during the year	Number of options at year-end [1]	Number of ordinary shares per option [2]	Exercise price (SEK) [3]
CEO	700	–	–	700	80	47
Other senior executives	2,100	–	–	2,100	80	47
Other employees	1,650	–	–	1,650	80	47
Total KPO 2022/2027	**4,450**	**–**	**–**	**4,450**	**80**	

Dilution at full vesting and exercise [4] 0.76%

Qualified employee stock option program	Number of options at the beginning of the year	Number of options granted during the year	Number of overdue options during the year	Number of options at year-end [1]	Number of ordinary shares per option	Exercise price (SEK) [3]
CEO	7,391	–	–	7,391	1	47
Other senior executives	14,782	–	–	14,782	1	47
Other employees	29,564	–	–	29,564	1	47
Total KPO 2024/2029	**51,737**	**–**	**–**	**51,737**	**1**	

Dilution at full vesting and exercise [4] 0.11%

Employee stock option program	Number of options at the beginning of the year	Number of options granted during the year	Number of overdue options during the year	Number of options at year-end [1]	Number of ordinary shares per option	Exercise price (SEK) [3]
CEO	200,000	–	–	200,000	1	55
Other	90,000	–	–	90,000	1	55
Total PO 2024/2027	**290,000**	**–**	**–**	**290,000**	**1**	

Dilution at full vesting and exercise [4] 0.62%

[1] Of which no warrants/employee stock options are redeemable.

[2] The terms and conditions for conversion of warrants have been changed from one share per warrant/employee stock option to 80 shares per warrant/employee stock option as a result of the share split resolved at the Extraordinary General Meeting on 29 May 2023.

[3] The exercise price has been recalculated in accordance with the share split resolved at the Extraordinary General Meeting on 29 May 2023.

[4] Dilution in relation to the total number of shares at the end of the financial year, excluding C-shares and other incentive programmes.

Table of option programs in 2024

Warrant program	Number of warrants at the beginning of the year	Number of warrants allocated during the year	Number of overdue options during the year	Number of options at year-end [1]	Number of ordinary shares per option 2)	Ransom-course (SEK) [3]
CEO	8,225	–	–8,225	0	80	75
Other	735	–	–735	0	80	75
2021/2024 serie 1	**8,960**	**–**	**–8,960**	**–**	**80**	**75**
Other senior executives	1,450	–	–1,450	0	80	75
Other employees	600	–	–600	0	80	75
2021/2024 serie 2	**2,050**	**–**	**–2,050**	**–**	**80**	**75**
Other senior executives	2,900	–	–	2,900	80	85
Other	600	–	–	600	80	85
2022/2025 serie 1	**3,500**	**–**	**–**	**3,500**	**80**	**85**
Other	27	–	–	27	80	85
2022/2025 serie 2	**27**	**–**	**–**	**27**	**80**	**85**
Other	900	–	–	900	80	95
2022/2025 serie 3	**900**	**–**	**–**	**900**	**80**	**95**
Total CEO	8,225	–	–8,225	–	80	
Total other senior executives	4,350	–	–1,450	2,900	80	
Totalt other employees	600	–	–600	–	80	
Total other	2,262	–	–	1,527	80	
Total	**15,437**	**–**	**–10,275**	**4,427**	**80**	

Dilution at full vesting and exercise 1.35%

Qualified employee stock option program	Number of options at the beginning of the year	Number of options granted during the year	Number of overdue options during the year	Number of options at year-end [1]	Number of ordinary shares per option 2)	Ransom-course (SEK) [3]
CEO	700	–	–	700	80	47
Other senior executives	2,100	–	–	2,100	80	47
Other employees	2,400	–	–200	2,200	80	47
Total QESO 2022	**5,200**	**–**	**–200**	**5,000**	**80**	**47**

Dilution at full vesting and exercise 1.5%

[1] Of which no warrants/employee stock options are redeemable.
[2] The terms and conditions for conversion of warrants have been changed from one share per warrant/employee stock option to 80 shares per warrant/employee stock option as a result of the share split resolved at the Extraordinary General Meeting on 29 May 2023.
[3] The exercise price has been recalculated in accordance with the share split resolved at the Extraordinary General Meeting on 29 May 2023.

Warrant program, general

For all warrant programs, complete terms and conditions apply, including customary recalculation terms and conditions, which among other things mean that the subscription price as well as the number of shares that the warrant entitles to subscription for may be recalculated in certain cases, e.g. in the event that the company makes changes to the share capital and/or the number of shares through, for example, issue of shares or other securities, reverse share split or share split. All transfers of warrants to employees (employees and consultants) in the Group have been made on market terms. The holders have paid a market value for the warrants calculated according to the Black & Scholes valuation model by an external valuer. The volatility of the calculation in the valuation model has been determined by a comparison with similar listed companies. The same company (comparison group) has been used in all warrant programs. For full assignment, employees must be employed for 3 years. The total premium for the warrants paid by the warrant holders for the outstanding programs amounts to SEK 3,790,880. A prerequisite for the acquisition of warrants within the framework of all programs is that employees have undertaken towards Cinclus Pharma Holding AB (publ) to sell back acquired but not vested warrants if the employee's employment or assignment in the Group ends before three years have passed from the date of acquisition. Upon full exercise of all warrants in all outstanding programs, the company's share capital will increase by approximately SEK 6,729 through the issuance of 354,160 new shares in the company. The share price on the grant date of the options is recalculated in the tables for option programs taking into account the split (1:80) that took place during the second quarter of 2023.

Warrant program 2021/2024, series 1

At an Extraordinary General Meeting held on 19 May 2021 in Cinclus Pharma Holding AB (publ), it was resolved to introduce a warrant program, TO 2021/2024, series 1 for the CEO and consultants. A total of 10,167 warrants were issued, of which 8,960 warrants were subscribed, entitling to subscription of a total of 716,800 shares. Each warrant entitles the holder to subscribe for 80 new shares in Cinclus Pharma Holding AB (publ) during the period 1 April–30 June 2024 at a subscription price of SEK 75 per share. As of the balance sheet date, 8,960 warrants have been transferred at market value to the CEO and consultants, whereby the remaining 1,207 warrants have been cancelled. As of 30 June 2024, 8,960 warrants lapsed. As a result, there are no warrants in this program outstanding as of the balance sheet date.

Other terms and conditions for the calculation of the option premium are presented as follows:

Risk-free interest rate	0%
Volatility	40%
Maturity, years	3.0
Expected dividend	0 SEK
Share price on the date of grant of the option	38 SEK
Fair value of the option	228 SEK

Warrant program 2021/2024, series 2

At the Annual General Meeting on 24 June 2021 in Cinclus Pharma Holding AB (publ), the Board of Directors was authorised to implement a new warrant program for employees (employees and consultants) in Cinclus Pharma Holding AB (publ). In September 2021, the company thus issued 2,050 warrants entitling to subscription of a total of 164,000 shares. Each warrant entitles the holder to subscribe for 80 new shares in Cinclus Pharma Holding AB (publ) during the period 1 July–30 September 2024 at a subscription price of SEK 75 per share. As of 30 September 2024, 2,050 warrants lapsed. As a result, there are no warrants in this program outstanding as of the balance sheet date.

Other terms and conditions for the calculation of the option premium are presented as follows:

Risk-free interest rate	0%
Volatility	40%
Maturity, years	3.0
Expected dividend	0 SEK
Share price on the date of grant of the option	38 SEK
Fair value of the option	234 SEK

Warrant program 2022/2025, Series 1

At the Annual General Meeting on 24 June 2021 in Cinclus Pharma Holding AB (publ), the Board of Directors was authorised to implement a new warrant program for employees (employees and consultants) in Cinclus Pharma Holding AB (publ). In February 2022, the Company thereby issued 3,500 warrants entitling to subscription of a total of 280,000 shares. Each warrant entitles the holder to subscribe for 80 new shares in Cinclus Pharma Holding AB (publ) during the period 25 November 2024 – 25 February 2025 at a subscription price of SEK 85 per share. As of the balance sheet date, 3,500 warrants have been lapsed. As a result, there are no warrants in this program outstanding as of the balance sheet date.

Other terms and conditions for the calculation of the option premium are presented as follows:

Risk-free interest rate	0%
Volatility	40%
Maturity, years	3.0
Expected dividend	0 SEK
Share price on the date of grant of the option	43 SEK
Fair value of the option	263 SEK

Warrant program 2022/2025, Series 2

At the Annual General Meeting on 24 June 2021 in Cinclus Pharma Holding AB (publ), the Board of Directors was authorised to implement a new warrant program for employees (employees and consultants) in Cinclus Pharma Holding AB (publ). In March 2022, the company thus issued 200 warrants. During 2022, the company repurchased 173 warrants, of which 27 warrants are outstanding at the end of the year and entitle warrant holders to subscribe for a total of 2,160 shares. Each warrant entitles the holder to subscribe for 80 new shares in Cinclus Pharma Holding AB (publ) during the period 25 November 2024 – 25 February 2025 at a subscription price of SEK 85 per share. As of the balance sheet date, 27 warrants have been lapsed. As a result, there are no warrants in this program outstanding as of the balance sheet date.

Other terms and conditions for the calculation of the option premium are presented as follows:

Risk-free interest rate	0%
Volatility	40%
Maturity, years	3.0
Expected dividend	0 SEK
Share price on the date of grant of the option	43 SEK
Fair value of the option	263 SEK

Warrant program 2022/2025, Series 3

At the Annual General Meeting on 24 June 2021 in Cinclus Pharma Holding AB (publ), the Board of Directors was authorised to implement a new warrant program for employees (employees and consultants) in Cinclus Pharma Holding AB (publ). In May 2022, the company thereby issued 900 warrants entitling to subscription of a total of 72,000 shares. Each warrant entitles the holder to subscribe for 80 new shares in Cinclus Pharma Holding AB (publ) during the period 1 June 2025 – 1 September 2025 at a subscription price of SEK 95 per share. As of the balance sheet date, 900 warrants have been lapsed. As a result, there are no warrants in this program outstanding as of the balance sheet date.

Other terms and conditions for the calculation of the option premium are presented as follows:

Risk-free interest rate	1.5%
Volatility	40%
Maturity, years	3.0
Expected dividend	0 SEK
Share price on the date of grant of the option	47 SEK
Fair value of the option	328 SEK

Qualified employee stock option program, QESO 2022 -2027

At an Extraordinary General Meeting on 16 December 2022 in Cinclus Pharma Holding AB (publ), the Board of Directors resolved to implement a qualified employee stock option program for employees of Cinclus Pharma Holding AB (publ). As of 31 December 2022, the Company thus allotted 5,200 qualified employee stock options entitling the holder to subscribe for a total of 416,000 shares. Each qualified employee stock option entitles the holder to subscribe for 80 new shares in Cinclus Pharma Holding AB (publ) during the period 1 January 2026 – 31 December 2027 at a subscription price of SEK 47 per share. In order to exercise the options, the holders must be employed for the term of 36 months, otherwise the options expire. At full subscription, the company's share capital will increase by SEK 7,296. The qualified employee stock options are subject to complete terms and conditions, including customary recalculation terms and conditions, which entail, among other things, that the subscription price as well as the number of shares that the qualified employee stock entitles to subscribe for may be recalculated in certain cases, e.g. in the event that the company makes changes to the share capital and/or the number of shares through, for example, the issue of shares or other securities, reverse share split or share split. As of the balance sheet date, 4,800 qualified employee stock options have been allotted to employees in the Group. All qualified employee stock options have been vested by the employees only after 3 years of employment from the date on which the options were granted. In 2025, personnel costs of SEK 1,892 thousand were incurred by the company in accordance with IFRS2. The fair value of the options has been calculated according to the Black & Scholes valuation model by an external valuer.

Other terms and conditions for calculating the value of the option are presented as follows:

Risk-free interest rate	2.2%
Volatility	41%
Maturity, years	5.0
Expected dividend	0 SEK
Share price on the date of grant of the option	47 SEK
Fair value of the option	1 463 SEK

Qualified employee stock option program, QESO 2024-2029

At the Annual General Meeting on 8 April 2024 in Cinclus Pharma Holding AB (publ), the Board of Directors resolved to implement a qualified employee stock option program for employees of Cinclus Pharma Holding AB (publ). As of 9 April 2024, the Company thus allotted 51,737 qualified employee stock options entitling the holder to subscribe for a total of 51,737 shares. Each qualified employee stock option entitles the holder to subscribe for one new share in Cinclus Pharma Holding AB (publ) during the period 10 April 2027 – 9 April 2029 at a subscription price of SEK 47 per share. In order to exercise the options, the holders must be employed for the term of 36 months, otherwise the options expire. Upon full subscription, the company's share capital will increase by SEK 983. The qualified employee stock options are subject to complete terms and conditions, including customary recalculation terms and conditions, which entail, among other things, that the subscription price as well as the number of shares that the qualified employee stock entitles to subscribe for may be recalculated in certain cases, e.g. in the event that the company makes changes to the share capital and/or the number of shares through, for example, the issue of shares or other securities, reverse share split or share split. As of the balance sheet date, 51,737 qualified employee stock options have been allotted to employees in the Group. All qualified employee stock options have been vested by the employees only after 3 years of employment from the date on which the options were granted. In 2025, personnel costs of SEK 277 thousand were incurred by the company in accordance with IFRS2. The fair value of the options has been calculated according to the Black & Scholes valuation model by an external valuer.

Other terms and conditions for calculating the value of the option are presented as follows:

Risk-free interest rate	2.2%
Volatility	41%
Maturity, years	5.0
Expected dividend	0 SEK
Share price on the date of grant of the option	47 SEK
Fair value of the option	18 SEK

Employee Stock Option program, ESOP 2024-2027

At an Extraordinary General Meeting on 3 June 2024, an employee stock option program, PO 2024/2027 series 1, was adopted. As of 1 July 2024, a total of 290,000 employee stock options were granted to the CEO and one scientific advisor to the company, of which the CEO was allotted 200,000 employee stock options. Each employee stock option entitles the holder to subscribe for one new share at a subscription price of SEK 54.60. Upon full subscription, the company's share capital will increase by SEK 983. The employee stock options are subject to complete terms and conditions, including customary recalculation terms and conditions, which among other things mean that the subscription price as well as the number of shares that the employee share entitles to subscribe for may be recalculated in certain cases, e.g. in the event that the company makes changes to the share capital and/or the number of shares through, for example, the issue of shares or other securities, reverse share split or share split. The program also generates personnel costs in accordance with IFRS2 totalling approximately SEK 1.5 million and social security costs estimated at SEK 1.4 million during the term. In 2025, personnel costs of SEK 230 thousand and social security costs of SEK 3 thousand were imposed on the company in accordance with IFRS2.

Other terms and conditions for calculating the value of the option are presented as follows:

Risk-free interest rate	2.3%
Volatility	33%
Maturity, years	3.0
Expected dividend	0 SEK
Share price on the date of grant of the option	31 SEK
Fair value of the option	2,45 SEK

Performance share program

	Employees per category and series			Investment in number of shares per category			Max. share rights at the end of the vesting period per category		
Category	Series	Max no. of employees	Actual no. of employees	Max. per employee	Max. total	Actual total	Per employee	Total	Vesting period
CEO (1 person)	1	1	1	11,600	11,600	11,600	104,400	104,400	2407-2708
Executve management (maximum 3 persons)	1	3	1	5,375	16,125	5,375	26,875	26,875	2407-2708
R&D-management (maximum 7 persons)	1	7	5	3,325	23,275	16,625	16,625	83,125	2407-2708
Employees level 2 (maximum 2 persons)	1	2	–	1,775	3,550	–	8,875	–	2407-2708
Employees level 1 (maximum 8 persons)	1	8	3	1,025	8,200	3,075	5,125	15,375	2407-2708
Total series 1		**21**	**10**		**62,750**	**36,675**		**229,775**	
Employees level 2 (maximum 2 persons)	2	2	2	1,775	3,550	3,550	1,775	17,750	2412-2712
Total series 2		**2**	**2**		**3,550**	**3,550**		**17,750**	
TOTAL series 1 and 2		**23**	**12**		**66,300**	**40,225**		**247,525**	

Performance Share Program, PSP 2024-2027 Series 1 and 2

At an extraordinary general meeting on June 3, 2024, a performance share program was adopted. The first part of the performance share program (series 1) for employees has been awarded on July 1, 2024 and began to be expensed during quarter 3, 2024 and its second part (series 2) has been awarded as of December 1, 2024 and began to be expensed during December 2024. The performance share program runs for just over 3 years and participants must maintain their employment and their invested shares during the entire vesting period in order to be able to receive allocation of new shares. The number of shares allocated depends partly on how the share price develops, partly on employment status at the end of the vesting period. Regarding the development of the share price, at the end of the vesting period, a comparison is made between the initial share price, i.e. the listing price of SEK 42 per share, and the price at n at the end of the vesting period. A range between 20% and 60% in price development results in a linearly different allocation of shares. A maximum of 360,150 shares can be allocated to participants in the program. The performance share program generates personnel costs, in accordance with IFRS2 and are initially calculated at approximately SEK 6.8 million, as well as social costs which are calculated at SEK 6.2 million according to certain assumptions. These estimated costs refer to the entire duration of the program. During 2025, personnel costs of SEK 771 thousand and social costs of SEK 20 thousand have been imposed on the company in accordance with IFRS2.

The dilution of all incentive programs in the company, at maximum allocation, including hedging of social costs by means of C shares, is 1.9%.

NOTE 9 Leasing agreements

Right-of-use assets and depreciation

This year's leasing agreements include rented office premises, a car lease and parking spaces. The lease agreement for the office premises lasts 36 months and can be extended unless either party terminates the lease at least 9 months ahead. The lease agreement for the parking spaces lasts 1 - 3 months and can be extended unless either party terminates the lease at least 1 - 3 months ahead. The lease agreement for the car lasts 36 months without extension options.

Reported amounts in the balance sheet

In the balance sheet, the following amounts related to leasing agreements are reported.

Right-of-use assets

(TSEK)	Dec 31, 2025	Dec 31, 2024
Rented office space	8,360	500
Closing balance	**8,360**	**500**

Additional rights of use in 2025 amounted to SEK 7,860 (1,561) thousand.

Lease liabilities

(TSEK)	Dec 31, 2025	Dec 31, 2024
Non-current leasing liabilities	4,787	190
Current leasing liabilities	3,111	109
Closing balance	**7,898**	**299**

Amounts reported in the income statement

Depreciation on right-of-use assets is included in the income statement in the sub-items research and development costs with SEK 1,775 (1,031) thousand and administration costs with SEK 472 (280) thousand.

Depreciation on rights of use

(TSEK)	2025	2024
Rented premises	–2,247	–1,310
Total depreciation	**–2,247**	**–1,310**
Interest expenses attributable to lease liabilities	–237	–30
Costs attributable to current leases	–60	–48
Costs attributable to variable lease payments that are not included in lease liabilities	–214	–104
Total leasing costs reported in the income statement	**–2,758**	**–1,492**

Cash flow

(TSEK)	2025	2024
Total cash flow attributable to leasing agreements	**–2,250**	**–1,495**

Leasing fees

Maturity analysis, future leasing fees, contractual

(TSEK)	Dec 31, 2025	Dec 31, 2024
< 1 year	2,653	109
2 - 5 years	5,879	190
Total	**8,531**	**299**

Future contractual leasing fees as above are undiscounted and include variable fees.

NOTE 10 Other operating income

(TSEK)	2025	2024
Exchange rate effects on operating receivables/operating liabilities	4,191	2,780
Total	**4,191**	**2,780**

NOTE 11 Other operating expenses

(TSEK)	2025	2024
Exchange rate effects on operating receivables/operating liabilities	–5,570	–3,487
Total	**–5,570**	**–3,487**

NOTE 12 Financial income

(TSEK)	2025	2024
Interest income from short-term investments	11,622	11,212
Exchange rate effects on financial assets and liabilities	18,083	18,016
Fair value-change derivatives	–	1,243
Total	**29,705**	**30,471**

NOTE 13 Financial expenses

(TSEK)	2025	2024
Other interest expenses	–395	–8,726
Exchange rate effects on financial assets and liabilities	–13,463	–19,387
Total	**–13,857**	**–28,113**

NOTE 14 Income tax

(TSEK)	2025	2024
Current tax on the income of the year	–262	–453
Adjustment regarding previous years	–	–297
Reported tax expense	**–262**	**–750**

	2025	2024
Reconciliation of effective tax rate		
Income before tax	–183,710	–167,281
Tax according to the applicable tax rate for the parent company 20.6% (20.6%)	37,844	34,460
Tax effect of:		
- Non-deductible expenses/non-taxable income	–128	–57
- Deductible expenses not reported in the consolidated income statement (issue expenses)	–	13,215
- Adjustment regarding previous years	0	–297
- Difference in foreign tax rates	140	107
- Increase in tax loss carryforwards without corresponding capitalization of deferred tax	–38,118	–48,178
Reported tax expense	**–262**	**–750**
Effective tax rate group	–0.1%	–0.4%

The group has tax deductions for issue expenses totaling SEK 0 (64,150) thousand which are reported directly in equity. No deferred tax has been reported for these.

There are tax loss carry forwards for which deferred tax assets have not been reported in the balance sheet amounting to SEK 865,287 (680,250) thousand in Sweden and loss carry forwards in Switzerland amounting to CHF 0 (0) thousand. The deficits in Sweden have no time limit.

A deferred tax asset has not been reported in the balance sheet, as there is currently an uncertainty about whether the group will be able to utilize the losses for set-off against future taxable profits.

Deferred tax

Deferred tax receivables

(TSEK)	2025	2024
Reported amounts relate to temporary differences attributable to:		
Lease liabilities	1,627	62
Fiscal deficits	96	41
Sub-total	**1,722**	**103**
Amounts that are set off against deferred tax liabilities according to the set-off rules	–1,722	–103
Net deferred tax receivables	–	–

Deferred tax liabilities

(TSEK)	2025	2024
Reported amounts relate to temporary differences attributable to:		
Right-of-use	1,722	103
Sub-total	**1,722**	**103**
Amounts that are set off against deferred tax receivables according to the set-off rules	–1,722	–103
Net deferred tax liabilities	–	–

NOTE 15 Earnings per share

Earnings per share before and after dilution	2025	2024
Net income for the year (TSEK) attributable to the parent company's shareholders	–183,972	–168,031
Average number of ordinary shares outstanding before dilution	46,537,789	37,048,341
Average number of ordinary shares outstanding after dilution	46,564,368	37,060,299
Earnings per share before dilution	–3.95	–4.54
Earnings per share after dilution	–3.95	–4.54

Earnings per share is calculated by dividing the year's net income attributable to the parent company's shareholders by the weighted average number of outstanding ordinary shares during the year. There is no dilution effect for issued warrants and employee options, as the result for the years as described above has been negative.

For information on changes in the number of outstanding shares, see note 24 Equity.

NOTE 16 Equipment

(TSEK)	Dec 31, 2025	Dec 31, 2024
Accumulated acquisition values:		
- At the beginning of the year	196	196
- New acquisitions	1,134	–
- The year's translation differences	–	–
At the end of the year	**1,330**	**196**
Accumulated depreciation according to plan:		
- At the beginning of the year	–151	–123
- Depreciation for the year	–132	–28
- The year's translation differences	–	–
At the end of the year	**–283**	**–151**
Reported value at the end of the year	**1,047**	**44**

Depreciation on inventories is included in the income statement among research and development expenses of SEK -104 (-23) thousand and administrative expenses of SEK -28 (-5) thousand.

Depreciation per country in reported income

(TSEK)	Dec 31, 2025	Dec 31, 2024
Sweden	–132	–28
Total	**–132**	**–28**

NOTE 17 Financial non-current assets

(TSEK)	Dec 31, 2025	Dec 31, 2024
Accumulated acquisition values:		
- Initial acquisition value	1	1
- New acquisitions	295	–
- Reclassification	–	–
At the end of the year	**296**	**1**
Reported value at the end of the year	**296**	**1**

Financial non-current assets consist of deposits left for the pharmaceutical insurance.

NOTE 18 Financial assets and liabilities

(TSEK)	Dec 31, 2025	Dec 31, 2024
Financial assets valued at amortized cost		
Trade payables	16,062	–
Financial non-current assets	296	1
Accrued income	692	141
Liquid funds	487,254	566,716
Closing carrying amount	**504,304**	**566,859**

(TSEK)	**Dec 31, 2025**	**Dec 31, 2024**
Financial liabilities valued at amortized cost		
Accounts payable	48,464	18,928
Accrued costs	12,364	10,783
Sub-total	**60,827**	**29,711**

The reported value of the group's financial assets and liabilities is deemed to be a reasonable estimate of the fair value as they relate to current receivables and liabilities, whereby the discounting effect is immaterial. For leasing liabilities, see note 9.

NOTE 19 Financial risks

Through its operations, the Group is exposed to various types of financial risks; credit risk, market risks (currency risk, interest rate risk and other price risk) and liquidity risk. The group's overall risk management focuses on the unpredictability of the financial markets and strives to minimize potential adverse effects on the group's financial results.

The group's financial transactions and risks are managed centrally by the parent company through the group's CFO and CEO. The overall objective for financial risks is to provide cost-effective financing and liquidity management and to ensure that all payment obligations are handled in a timely manner.

The board has approved the group's financial policy. The financial policy is a governing document in which the overall risk management for the group is described for specific areas such as credit risks, currency risks, interest rate risks, refinancing risks, liquidity risks as well as the use of derivative instruments and the placement of surplus liquidity. The policy specifies for each risk details about how different risks are to be managed and mandates. Reporting to the board is done monthly and at board meetings.

Credit risk

Credit risk is the risk that the group's counterparty in a financial instrument cannot fulfill its obligation and thereby cause the group a financial loss. The group's exposure to credit risk is limited to the credit risk in cash balances in banks with credit rating A.

Market risks

Market risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market prices. The market risk that affects the group consists of currency risk and interest rate risk as well as general price risk such as inflation.

Currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will vary due to changes in foreign exchange rates. The main exposure stems from the group's purchases in foreign currencies. This exposure is called transaction exposure. Currency risks are also found in the translation of foreign operations' assets and liabilities into the parent company's functional currency, so-called translation exposure. Currently, the group does not hedge the currency risk, but continuously monitors the development of the currencies in which the group has a payment flow.

Transaction exposure

The transaction exposure from contracted payment flows in foreign currency is significant in the group. The group only has significant transaction exposure regarding payment flows out of the group, therefore no exposure is reported for operating income. See also the table below for exposure in each currency.

Currency exposure for operating expenses (%)	**2025**	**2024**
EUR	64%	45%
CHF	0%	0%
GBP	3%	12%
USD	7%	6%

As can be seen from the table above, the group's main transaction exposure consists of EUR, GBP and USD. A 10% stronger EUR against SEK would have a negative impact on the result after tax by approximately SEK -13,765 (-7,165) thousand. A 10% stronger GBP against SEK would have a negative impact on the result after tax by approximately SEK -596 (-1,871) thousand. A 10% stronger USD against SEK would have a negative impact on the result after tax by approximately SEK -1,571 (-981) thousand.

Translation exposure

Recalculation of net assets in foreign subsidiaries

The group has a translation exposure that arises from the translation of foreign subsidiaries' net assets into SEK. The translation exposure is against CHF, where the exposure on the balance sheet date amounts to SEK 8,389 (166,518) thousand. A 10% stronger CHF against SEK would have a positive impact on equity by approximately SEK 839 (16,662) thousand.

Translation of financial instruments in foreign currency in the group (Supplier liabilities and bank balances)

The group also has a translation exposure that arises from the translation of foreign trade payables and bank balances in foreign currency to SEK.

Exposure per balance sheet date per currency in thousands of SEK	**Dec 31, 2025**	**Dec 31, 2024**
SEK *	1,043	1,228
CHF	134	302
GBP	2,857	25,564
USD	1,170	16,932
EUR	114,866	79,845
Total	**120,070**	**123,871**

* converted to CHF in the Swiss subsidiary

The table below shows that a 10% appreciation against SEK would have a negative impact on the result after tax by approximately SEK 11,905 (12,264) thousand. A 10% depreciation against SEK would have a positive impact on the result after tax by approximately SEK 11,905 (12,264) thousand.

Sensitivity analysis (+/-) 10% in SEK thousand	**Dec 31, 2025**	**Dec 31, 2024**
CHF	13	30
GBP	286	2,556
USD	117	1,693
EUR	11,487	7,984
Total	**11,903**	**12,264**

Refinancing risk

Refinancing risk refers to the risk that liquid funds are not available and that financing can only be obtained partially or not at all, alternatively at an increased cost. The group is currently financed with own capital and is thus not exposed to risks related to external loan financing. The main risks therefore relate to the risk of not receiving additional contributions and investments from owners.For further information on Cinclus Pharma's work on refinancing, see further description in the Board and Management Report, Expected future development, section Financing.

Liquidity risk

Liquidity risk is the risk that the Group will have difficulty meeting its obligations related to financial liabilities. The Board manages liquidity risks by continuously monitoring cash flow to reduce liquidity risk and ensure solvency. Given that the Company currently does not have its own earning capacity, the Board is engaged in long-term work with owners and independent investors to ensure that liquidity is available to the Company when needed.

The group's contractual and undiscounted interest payments and repayments of financial liabilities are shown in the table below. Amounts in foreign currency have been converted to SEK using the exchange rate on the balance sheet date. Liabilities have been included in the period when repayment can be required at the earliest.

Maturity analysis (TSEK)

Dec 31, 2025	**<3 month**	**4-6 month**	**6-12 month**	**>12 month**
Accounts payable	48,464	–	–	–
Lease liabilities	2,653	–	–	5,879
Other accrued costs	13	–	–	–
Total	**51,130**	**–**	**–**	**5,879**

Maturity analysis (TSEK)

Dec 31, 2024	**<3 month**	**4-6 month**	**6-12 month**	**>12 month**
Accounts payable	18,928	–	–	–
Lease liabilities	109	–	190	–
Tax liabilities (see note 14)	**–**	**–**	**7,449**	**–**
Other accrued costs	10,783	–	–	–
Total	**29,820**	**–**	**7,639**	**–**

Management of capital

The Group's objective regarding the capital structure is to secure the Group's ability to continue as a going concern, so that it can generate returns for shareholders and benefits for other stakeholders, and keep the cost of capital down. The Company's ability to generate returns depends on the quality and value of the research results generated, which is evaluated on an ongoing basis by the management and board of directors.

NOTE 20 Other current receivables

(TSEK)	**Dec 31, 2025**	**Dec 31, 2024**
VAT receivables	4,022	905
Preliminary tax paid	936	830
Receivables employees	–	205
Tax claims	34	2
Total	**4,992**	**1,942**

NOTE 21 Prepaid expenses and accrued income

(TSEK)	**Dec 31, 2025**	**Dec 31, 2024**
Prepaid rental expenses	199	35
Prepaid insurance premiums	583	539
Prepaid license cost	88	80
Prepaid patent costs	321	290
Prepaid software	272	227
Prepaid educational expenses	558	–
Prepaid consulting fees	155	55
Prepaid costs for research and development	25,438	25,015
Prepaid telephony costs	26	1
Accrued interest income	692	141
Accrued contract revenue	–	4,580
Accrued royalty income	216	844
Total	**28,546**	**31,808**

NOTE 22 Cash and cash equivalents and cash flow

(TSEK)	Dec 31, 2025	Dec 31, 2024
Cash in bank accounts	487,254	566,716
Total	**487,254**	**566,716**

Cash and cash equivalents refer to cash in bank accounts.

Non-cash items in the cash flow

(TSEK)	2025	2024
Depreciations based on accounting	132	28
Depreciation on leasing agreements	2,247	1,310
Qualified employee stock options	3,170	2,870
Exchange rate effects	–68	–251
Total	**5,480**	**3,958**

Reconciliation of liabilities from financing activities		**Cash flow**	**Items not affecting cash flow**	
(TSEK)	Jan 1, 2025	Amortization of leasing agreements	Additional, revalued and terminated lease agreements and conversion of loans to equity	Dec 31, 2025
Lease liabilities	299	–1,760	9359	7898
Total	**299**	**–1,760**	**9,359**	**7,898**

(TSEK)	Jan 1, 2024	Borrowings including derivatives and amortization of lease agreements	Additional, revalued and terminated leases	Dec 31, 2024
Loans from shareholders	123,678	–	–123,678	–
Derivatives attributable to loans to shareholders	665	–	–665	–
Lease liabilities	24	–1,376	1,651	299
Total	**124,367**	**–1,376**	**–122,692**	**299**

NOTE 23 Group companies

Cinclus Pharma Holding AB (publ) with Sweden as the country of operations, is the parent company in the group. Other group companies follow below:

		Share	
Company	Country [1]	2025	2024
Cinclus Pharma AG	Switzerland	100%	100%
Cinclus Pharma AB	Sweden	100%	100%

[1] Country of registration and operation

NOTE 24 Equity

(TSEK)	Number of shares	Share capital	Other capital contributed
As of 1 January 2024	**26,227,040**	**509**	**503,524**
New share issue	17,023,810	330	714,653
Issue expenses	–	–	–58,424
C-shares	854,430	17	–
Set-off issue	3,286,939	64	137,988
As of 31 December 2024	**47,392,219**	**920**	**1,297,740**
As of 1 January 2025	**47,392,219**	**920**	**1,297,740**
As of 31 December 2025	**47,392,219**	**920**	**1,297,740**

Share capital

All shares are fully paid and no shares are reserved for transfer. All ordinary shares give equal rights to capital and carry one vote, while the C shares carry one tenth of a vote. The quota value amounts to SEK 0.019. The C shares are held in the company's own custody.

Other contributed capital

Other contributed capital consists of capital contributed by the company's owners, premium on share subscription and other financing which is reported as equity.

Warrants

Option premiums received relate to warrants to senior executives and other personnel, see further note 8.

NOTE 25 Loans from shareholders

The table below presents the amounts that have been reported as contract liabilities in the group's balance sheet. The contract liabilities relate to an advance payment from the group's license partner Zentiva.

(TSEK)	2025	2024
Current contract liabilities related to license agreements	54,527	–
Non-current contract liabilities related to license agreements	35,587	–
Total	**90,114**	**–**

Contract liabilities shown in the table correspond to the total amount of the transaction price allocated to development services that are partially unfulfilled as of December 31, 2025. Cinclus expects that approximately 61 % (54 527 TSEK) of the transaction price allocated to unfulfilled performance obligations as of December 31, 2025, will be recognized as revenue during the next fiscal year. The remaining 39% (35 587 TSEK) will be recognized during 2026-2028.

NOTE 26 Accrued expenses

(TSEK)	Dec 31, 2025	Dec 31, 2024
Accrued salaries and board remuneration	5,985	4,758
Accrued employer contributions	1,690	1,358
Accrued expenses for research and development	11,056	8,823
Accrued audit fee	505	386
Accrued legal fees	803	185
Accrued expenses relating to IPO preparations	–	176
Accrued interest expenses	–	588
Accrued severance pay	789	–
Other accrued expenses	–	626
Total	**20,827**	**16,899**

NOTE 27 Transactions with related parties

The ultimate parent company in the Group is Cinclus Pharma Holding AB (publ). Related parties are all subsidiaries within the Group as well as senior executives in the Group and their related parties. Remuneration to senior executives is disclosed in Notes 7 and 8 of the Group. The table below reports consulting fees to related parties who have provided consulting services to the Group's companies.

Reported amounts in the income statement

Purchase via Cinclus Pharma Holding AB (publ), TSEK

Supplier/employee	Related to:	2025	2024
PetoMaj Invest AB	Peter Unge, board member	1,066	1,587
PCW Consultants AB	Peter Wallich, Chief Commercial Officer	583	737
Iaru AB	Torbjörn Koivisto, board member	–	76
Brera Life Sciences Consultancy Ltd	Andrew Thompson, business development manager	–	304
WBC Europe GmbH	Jesper Wiklund, business development manager	3,456	1,568
Arexela AB,	Margit Mahlapuu, Executive R&D director	1,742	625
Felicia Ahlberg	Christer Ahlberg, CEO	32	16
TWO TRIBES AB	Patrik Norgren, CFO	294	–
Invegio AB	Carina Palm Sundqvist, People & Culture	399	–
Total		**7,573**	**4,912**

Purchase via Cinclus Pharma AB, TSEK

Supplier	Related to:	2025	2024
PetoMaj Invest AB	Peter Unge, board member	–	355
Total		**–**	**355**

Amounts reported in the balance sheet

Liabilities in Cinclus Pharma AG, TSEK

Supplier	Related to:	2025	2024
PCW Consultants AB	Peter Wallich, Chief Commercial Officer	43	77
WBC Europe GmbH	Jesper Wiklund, business development manager	1,088	–
PetoMaj Invest AB	Peter Unge, board member	–	72
Arexela AB	Margit Mahlapuu, FoU chef	184	–
TWO TRIBES AB	Patrik Norgren, CFO	250	–
Invegio AB	Carina Palm Sundqvist, People & Culture	106	–
Total*		**1,671**	**149**

* Amount excluding VAT

Receivables in Cinclus Pharma Holding AB (publ), TSEK

Senior executives	Related to:	2025	2024
Head of Pre-clinical operations Gösta Hiller	Loan to employee	–	206
Total		**–**	**206**

NOTE 28 Pledged assets and contingent liabilities

Pledged assets

There are no pledged securities in the group.

Contingent liabilities

Commitment in license agreement with Sinorda Biomedicine Co. Ltd.
Cinclus Pharma AB has a license agreement with its Chinese partner Sinorda Biomedicine Co. Ltd. (Sinorda). The agreement includes a commitment to royalties on future sales and licensing income. This further means that Cinclus Pharma AB, the group's Swedish subsidiary, may in the future receive royalties on sales revenue of linaprazan glurate in Sinorda's agreed territory, provided that linaprazan glurate is approved for sale in these territories. Cinclus Pharma AB, in turn, has an obligation to pay royalties to Sinorda on future license and sales revenue from Cinclus Pharma's defined territory, provided that linaprazan glurate is approved for sale in these territories.

NOTE 29 Significant events after the end of the year

» At an extraordinary general meeting on January 19, Kjell Andersson was elected as a new board member after Peter Unge had announced his wish to step down from his position on the company's board.

» In January, In January, Cinclus Pharma announced that the European Medicines Agency (EMA) has provided positive feedback following scientific advice regarding Chemistry, Manufacturing and Controls (CMC) for linaprazan glurate.

» In February, FDA provided a positive assessment of Cinclus Pharma's nonclincial development plan for linaprazan glurate following a scientific advice meeting.

» In February, Cinclus Pharma announced that the FDA has determined that one pivotal study will become the new standard for market approval of drugs in the United States.

» » In March, Cinclus Pharma announced that a financing agreement of EUR 28 million has been entered into with Claret Capital Partners, enabling an earlier start of the final stage of the Phase III program. The financing is structured as a secured loan facility with warrants and convertibles.

NOTE 30 Definitions and reconciliation of key figures and alternative key figures

Key figures according to IFRS	Definitions
Earnings per share for the year before and after dilution	Earnings for the year divided by the average number of ordinary shares during the year before and after dilution. Earnings per ordinary share after dilution is calculated by adjusting the weighted average number of ordinary shares outstanding with an estimated conversion of all potential ordinary shares giving rise to a dilutive effect, which is in accordance with IAS 33 Earnings per share.

Alternative key figures	Definitions	Reasons for using the key figures
Operating income (EBIT)	Profit before financial items and tax. The information is taken from the consolidated income statement.	The key figure helps the reader understand the profitability of the operating business.
Operating expenses	The sum of research and development expenses and administrative expenses for the year. The information is taken from the consolidated income statement.	The key figure helps the reader understand the costs of the operational business.
Research and development expenses / Operating expenses % *	Research and development expenses, divided by operating expenses, which consists of research and development expenses and administrative expenses.	The key figure helps the reader of the financial reports to analyze the proportion of the group's expenses that are attributable to the group's research and development activities.
Equity ratio, % *	The equity ratio at the end of each year is calculated by dividing total equity attributable to the parent company's shareholders by total assets.	The equity ratio measures the proportion of the total assets that is financed by the shareholders.
Quick ratio, %	Current assets in relation to current liabilities.	The key figure shows the group's short-term ability to pay.
Number of ordinary shares on the balance sheet date	Number of ordinary shares in the company at the end of the year.	The key figure gives the reader a picture of the number of ordinary shares at the end of the year.
Equity per ordinary share	Equity divided by number of ordinary shares at the end of the year.	The key figure gives the reader a possibility to compare book value with market value.
Cash flow per ordinary share	Cash flow for the year divided by average number of ordinary shares.	The key figure shows the net cash generated or used on a per ordinary share basis.

* Reconciliation of these key figures can be found to the right.

In the report, the company presents key figures in accordance with the IFRS regulations. The company also presents so-called alternative key figures, i.e. measures that are not defined according to IFRS. The alternative key figures found in the report are, among other things, expenses related to research and development as a percentage of total operating expenses, equity ratio % and quick ratio %. The company considers the former to be an important complement because it enables a better evaluation of the company's financial trends. This financial performance measure should not be seen in isolation or considered to replace the performance indicators which has been prepared in accordance with IFRS.

Furthermore, the alternative performance measure as the company has defined it should not be compared with other performance measures with a similar name used by other companies. This is because the above-mentioned performance measure is not always defined in the same way, and other companies may calculate it differently than Cinclus Pharma, see below table for additional definitions and reconciliation of KPIs and alternative KPIs.

Reconciliation of alternative performance measures

(TSEK)	2025	2024
Administrative expenses	–57,248	–36,854
Research and development expenses	–198,402	–136,657
Operating expenses	–255,650	–173,511
Research and development expenses / Operating expenses [1], %	**84%**	**79%**
Cash flow for the period	–77,836	476,833
Average number of ordinary shares	46,537,789	37,048,341
Cash flow for the period per ordinary share, SEK	**–1.67**	**12.87**

	Dec 31, 2025	Dec 31, 2024
Equity	369,391	555,330
Total assets	546,556	601,013
Equity ratio %	**68%**	**92%**
Trade receivables	16,062	–
Other receivables	4,992	1,942
Prepaid expenses and accrued income	28,546	31,808
Cash and cash equivalents	487,254	566,716
Total current receivables	**536,854**	**600,467**
Trade payables	48,464	18,928
Leasing liabilities	3,111	109
Current tax liabilities	207	7,449
Other current liabilities	9,656	2,107
Other contract liabilities	54,527	–
Accrued expenses and deferred income	20,827	16,899
Total current liabilites	**136,792**	**45,493**
Quick ratio %	**392%**	**1320%**
Equity	369,391	555,330
Number of ordinary shares at the end of the period	46,537,789	46,537,789
Equity per ordinary share, SEK	**7.94**	**11.93**

[1] Transaction costs are exluded from operating expenses in this calculation.

Parent company income statement

(TSEK)	Note	2025	2024
Revenues			
Net sales	3, 4, 22	62,894	1,376
Operating expenses	5		
Administrative expenses	6, 7, 8	−62,124	−38,301
Research and development expenses	7	−198,220	−135,313
Other operating income	9	4,101	2,751
Other operating expenses	10	−5,255	−3,487
Operating income		**−198,604**	**−172,975**
Income from financial items			
Results from participations in group companies		68,139	–
Financial income	11	29,223	28,673
Financial expenses	12	−15,787	−29,991
Net financial items		**81,575**	**−1,318**
Income after financial items		**−117,029**	**−174,292**
Group contributions	13	–	4,292
Income before tax		**−117,029**	**−170,000**
Income tax	14	**–**	**–**
Net income for the year *		**−117,029**	**−170,000**

* In the parent company there are no items accounted for in other comprehensive income. Total comprehensive income corresponds to the net income for the year.

Parent company balance sheet

(TSEK)	Note	Dec 31, 2025	Dec 31, 2024
ASSETS			
Intangible assets			
Concessions, patents, licences, etc.	15	320,463	320,463
Tangible non-current assets			
Equipment	16	1,046	44
Financial assets			
Shares in group companies	17	2,025	88,543
Other non-currect assets		296	–
Total non-current assets		**323,831**	**409,050**
Current assets			
Trade receivables		399	–
Receivables from group companies	24	7,911	3,585
Other current receivables	18	969	1,932
Prepaid expenses and accrued income	19	29,174	26,496
Cash and cash equivalents	20	480,535	559,632
Total current assets		**518,988**	**591,645**
TOTAL ASSETS		**842,818**	**1,000,695**

(TSEK)	Note	Dec 31, 2025	Dec 31, 2024
EQUITY AND LIABILITIES			
Equity	21		
Restricted equity			
Share capital		920	920
Non restricted equity			
Share premium fund		1,297,509	1,297,509
Retained earnings		–499,541	–332,710
Profit or loss for the year		–117,029	–170,000
Equity attributable to the parent company's shareholders		**681,859**	**795,718**
Non-current liabilities			
Non-current contract liabilities	22	35,587	–
Total non-current liabilities		**35,587**	**–**
Current liabilites			
Trade payables		41,728	18,924
Liabilities to group companies	24	1,937	167,730
Other liabilities		6,352	2,107
Current contract liabilities	22	54,527	–
Accrued expenses	23	20,828	16,216
Total current liabilities		**125,373**	**204,977**
TOTAL EQUITY AND LIABILITIES		**842,818**	**1,000,695**

Statement of changes in equity, parent company

	Equity attributable to parent company shareholders				
	Restricted equity	Non-restricted equity			
(TSEK)	Share capital	Share premium fund	Retained earnings	Profit for the year	Total equity
Opening balance at January 1, 2025	920	1,297,509	−332,710	−170,000	795,718
Appropriation from AGM	–	–	−170,000	170,000	–
Adjusted opening balance 1 January 2025	920	1,297,509	−502,711	–	795,718
Net income for the year	–	–	–	−117,029	−117,029
Comprehensive income for the year	**–**	**–**	**–**	**−117,029**	**−117,029**
Changes in the carrying amounts recognised directly in equity					
Share-related remuneration, staff vested value	–	–	3,170	–	3,170
	–	–	**3,170**	–	**3,170**
Closing balance at December 31, 2025	**920**	**1,297,509**	**−499,541**	**−117,029**	**681,859**

	Equity attributable to parent company shareholders				
	Restricted equity	Non-restricted equity			
(TSEK)	Share capital	Share premium fund	Retained earnings	Profit for the year	Total equity
Opening balance at January 1, 2024	509	503,293	−117,823	−217,757	168,221
Appropriation from AGM	–	–	−217,757	217,757	–
Adjusted opening balance at January 1, 2024	509	503,293	−335,581	–	168,221
Net income for the year	–	–	–	−170,000	−170,000
Comprehensive income for the year	**–**	**–**	**–**	**−170,000**	**−170,000**
Changes in the carrying amounts recognised directly in equity					
New share issue	347	714,653	–	–	715,000
Expenses for warrant programme	–	−58,424	–	–	−58,424
Set-off issue	64	137,988	**–**	**–**	138,051
Share-related remuneration, staff vested value	–	–	2,870	–	2,870
	411	**794,216**	**2,870**	**–**	**797,497**
Closing balance at December 31, 2024	**920**	**1,297,509**	**−332,710**	**−170,000**	**795,718**

Parent company statement of cash flow

(TSEK)	Note	2025	2024
Operating activities			
Operating income		–198,604	–172,975
Adjustment for non-cash items			
Depreciations and amortisations	16	132	28
Share-based remuneration		3,170	2,870
Interest received		12,149	11,116
Interest paid		–212	–319
Cash flow from operating activities before change in working capital		**–183,366**	**–159,279**
Cash flow from change in working capital			
Increase/decrease in operating receivables		–5,890	–22,248
Increase/decrease in trade payables		22,805	2,745
Increase /decrease of contract liabilities		90,114	–
Increase/decrease in other operating liabilities		62	–2,365
Cash flow from operating activities		**–76,276**	**–181,147**
Investing activities			
Investments in tangible assets		–1,134	–
Investments in financial assets		–296	–
Cash flow from investing activities		**–1,430**	**–**
Financing activities			
New share issue		–	715,000
Issue expenses		–	–58,424
Cash flow from financing activities		**–**	**656,576**
Cash flow for the year		**–77,706**	**475,429**
Cash and cash equivalents at the beginning of the year		559,632	82,304
Exchange rate differences in cash and cash equivalents		–1,391	1,899
Cash and cash equivalents at the end of the year	20	**480,535**	**559,632**

Notes – Parent Company

NOTE 1 Parent Company Accounting Principles

The annual accounts for the parent company have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Annual Accounts Act. The application of RFR 2 means that the parent company applies all IFRS adopted by the EU and statements to the extent possible within the framework of the Annual Accounts Act (ÅRL), the Pension Obligations Vesting Act and with regard to the connection between accounting and taxation.

The annual accounts have been prepared in accordance with the cost method. The parent company applies accounting principles other than the Group's accounting principles in the cases specified below.

Presentation formats

The income statement and balance sheet follow the format of the Annual Accounts Act (ÅRL). The statement of changes in equity follows the group's format but must contain the columns specified in the ÅRL. Furthermore, there is a difference in terms, compared to the consolidated accounts, primarily regarding financial income and expenses and equity.

Financial instruments

IFRS 9 is not applied in the Parent Company. The Parent Company applies instead the points stated in RFR 2 (IFRS 9 Financial Instruments, p. 3–10).

Financial instruments are valued based on acquisition value. In subsequent periods, financial assets acquired with the intention of being held in the short term will be reported in accordance with the lower of cost principle at the lower of acquisition value and net realizable value.

When calculating the net realizable value of receivables that are reported as current assets, the principles for impairment testing and loss risk provision in IFRS 9 are applied.

Leasing

The Parent Company has chosen not to apply IFRS 16 Leases, but has instead chosen to apply RFR 2 IFRS 16 Leases paragraphs 2–12. This choice means that no right-of-use asset and lease liability are recognized in the balance sheet, but the lease payments are recognized as an expense on a straight-line basis over the lease term.

Intangible assets

An intangible asset that is acquired separately is recognized at cost. This cost is then amortized over its useful life. No assets have been amortized at the balance sheet date as market approval for the underlying asset, the product candidate linaprazan glurate, is a number of years away, i.e. it is not certain that the product can technically be used or sold. Amortization could begin late in Phase III or during the regulatory approval process at the earliest.

Group contributions and shareholder contribution

Received and paid group contributions are reported as appropriations in accordance with the alternative rule. Shareholder contributions are reported directly against equity of the recipient and shares and participations of the donor.

Shares and participations in subsidiaries

Shares and participations in subsidiaries are reported at cost less any impairment losses. Cost includes acquisition-related costs. When there is an indication that shares and participations in subsidiaries have decreased in value, a calculation of the recoverable amount is made. If this is lower than the carrying amount, an impairment loss is made. Impairment losses are reported on the line Result from participations in group companies.

NOTE 2 Assessments and estimates

The intangible asset in the parent company has been tested for impairment to verify the carrying amount and exclude impairment. No impairment has been deemed necessary. Amortization begins at the earliest when market approval has been obtained and the product has been launched. Since this asset was acquired internally, it is eliminated at group level.

See also note 3 in the group.

NOTE 3 Geographic information – net sales

Geographic information

In the table below, revenues are reported distributed by country, based on where the counterparty is located.

(TSEK)	2025	2024
Switzerland	556	897
Sweden	9,480	479
Czech Republic	52,858	
Total	**62,894**	**1,376**

NOTE 4 Purchases and sales within the Group

Sales within the group

(TSEK)	2025	2024
Revenue for services relating to group companies	10,037	1,376
Total	**10,037**	**1,376**

Purchasing within the group

(TSEK)		
Costs for services from group companies	–9,433	–1,592
Total	**–9,433**	**–1,592**

NOTE 5 Operating expenses per cost type

(TSEK)	2025	2024
Other external expenses	–217,372	–139,832
Personnel expenses	–42,840	–33,754
Depreciation	–132	–28
Other operating expenses	–5,255	–3,487
Total	**–265,599**	**–177,102**

NOTE 6 Fees and reimbursement of expenses to auditors

(TSEK)	2025	2024
Öhrlings PricewaterhouseCoopers AB		
Audit assignment	695	562
Other auditing activities	–	10
Tax advice	580	169
Other services	338	2,456
Total	**1,613**	**3,197**

Audit engagements refer to statutory audits of the annual accounts and accounting records, as well as the management of the board and CEO, and audits carried out in accordance with an agreement or contract. This includes other tasks that it is the responsibility of the company's auditor to perform, as well as advice or other assistance arising from observations made during such audits or the performance of such other tasks.

Other audit activities refer to the services according to a separate agreement concerning financial reports.

Other services refer to advice on accounting issues, advice on processes and internal control.

NOTE 7 Employees and staff expenses

All employees in the group are employed by the parent company. For information on employees and personnel expenses in the parent company, see note 7 for the group.

NOT 8 Leasing agreement

(TSEK)	2025	2024
Agreed future minimum lease payments regarding non-cancelable contracts are due for payment:		
Within 1 year	4,074	2,443
Between 2 - 5 years	6,931	10,340
Total	**11,005**	**12,783**

NOTE 9 Other operating income

(TSEK)	2025	2024
Exchange rate effects on operating receivables/operating liabilities	4,101	2,751
Total	**4,101**	**2,751**

NOTE 10 Other operating expenses

(TSEK)	2025	2024
Exchange rate effects on operating receivables/operating liabilities	–5,255	–3,487
Total	**–5,255**	**–3,487**

NOTE 11 Interest income and similar items

(TSEK)	2025	2024
Interest income	11,555	11,057
Exchange rate effects on financial assets and liabilities	17,668	17,616
Total	**29,223**	**28,673**

NOTE 12 Interest expenses and similar items

(TSEK)	2025	2024
Interest expenses for shareholder loans	–	–4,051
Other interest expenses	–2,672	–7,046
Exchange rate effects on financial assets and liabilities	–13,115	–18,894
Total	**–15,787**	**–29,991**

NOTE 13 Appropriations

(TSEK)	2025	2024
Group contributions received	–	4,292
Total	**–**	**4,292**

NOTE 14 Income tax

(TSEK)	2025	2024
Profit before tax	**–117,029**	**–170,000**
Tax according to the applicable tax rate for the parent company 20.60% (20.6%)	24,108	35,020
Tax effect of:		
- Non-deductible expenses/non-taxable income	13,962	–57
- Deductible expenses not reported in the income statement (issue expenses)	–	13,215
- Increase in tax loss carryforwards without corresponding capitalization of deferred tax	–38,070	–48,178
Reported tax expense	0	–
Effective tax rate	**0.0%**	**0.0%**

There are unutilized tax loss deductions for which deferred tax assets have not been reported in the balance sheet amounting to TSEK 865,287 (680,250). The deficits have no time limit.

Deferred tax receivable is not reported as the assessment is that the criteria for reporting deferred tax according to IAS 12 are not met.

NOTE 15 Concessions, patents, licenses, etc.

(TSEK)	Dec 31, 2025	Dec 31, 2024
Accumulated acquisition values:		
- At the beginning of the year	320,463	320,463
- New acquisitions		
At the end of the year	**320,463**	**320,463**
Accumulated depreciation according to plan:		
- At the beginning of the year	–	–
- Depreciation for the year	–	–
At the end of the year	**–**	**–**
Reported value at the end of the year	**320,463**	**320,463**

No depreciation has taken place as of the balance sheet date as the underlying asset, the product candidate linaprazan glurate, is in a development stage. A market approval has not yet been obtained and the asset has therefore not yet been put into use.

NOTE 16 Equipment

(TSEK)	Dec 31, 2025	Dec 31, 2024
Accumulated acquisition values:		
- At the beginning of the year	131	131
- New acquisitions	1,134	–
At the end of the year	**1,265**	**131**
Accumulated depreciation according to plan:		
- At the beginning of the year	–87	–59
- Depreciation for the year	–132	–28
At the end of the year	**–219**	**–87**
Reported value at the end of the year	**1,046**	**44**

Depreciation on inventories is included in the income statement among research, development and administrative expenses.

NOTE 17 Shares in Group companies

(TSEK)	Dec 31, 2025	Dec 31, 2024
Accumulated acquisition values:		
- At the beginning of the year	88,543	88,543
- Acquisitions during the year	–	–
-Write-down during the year	–86,518	–
At the end of the year	**2,025**	**88,543**
Reported value at the end of the year	**2,025**	**88,543**

Subsidiary: Cinclus Pharma AB

Corporate registration number: 559375-7684

Registred office: Stockholm, Sweden

	Dec 31, 2025	Dec 31, 2024
Capital share directly owned by the parent company	100%	100%
Voting share	100%	100%
Number of shares	25,000	25,000
Book value	**2,025**	**2,025**

Subsidiary: Cinclus Pharma AG

Corporate registration number: CHE.203.595.588

Registred office: Basel, Schweiz

	Dec 31, 2025	Dec 31, 2024
Capital share directly owned by the parent company	100%	100%
Voting share	100%	100%
Number of shares	123,385	123,385
Book value	–	**86,518**

NOTE 18 Other current receivables

(TSEK)	Dec 31, 2025	Dec 31, 2024
VAT receivables	–	830
Preliminary tax paid	936	896
Receivables employees	–	205
Tax claims	33	1
Total	**969**	**1,932**

NOTE 19 Prepaid expenses and accrued income

(TSEK)	Dec 31, 2025	Dec 31, 2024
Prepaid rental expenses	1,054	162
Prepaid insurance premiums	583	535
Prepaid license cost	88	80
Prepaid patent costs	321	290
Prepaid software	260	216
Prepaid educational expenses	558	–
Prepaid consulting fees	155	55
Prepaid expenses for R&D	25,438	25,015
Prepaid telephony costs	26	1
Accrued interest income	692	141
Total	**29,174**	**26,496**

NOTE 20 Cash and cash equivalents

(TSEK)	Dec 31, 2025	Dec 31, 2024
Cash in bank accounts	480,535	559,632
Total	**480,535**	**559,632**

Regarding credit risk, see the group's note 19.

NOTE 21 Equity

See the group's note 24 for information on the parent company's share capital.

NOTE 22 Loans from shareholders

See the group's note 25 for information on loans from shareholders.

NOTE 23 Accrued expenses

(TSEK)	Dec 31, 2025	Dec 31, 2024
Accrued salaries and board remuneration	5,985	4,758
Accrued employer contributions	1,690	1,358
Accrued expenses for research and development	11,056	8,823
Accrued audit fee	505	356
Accrued legal fees	803	185
Accrued expenses relating to IPO preparation	–	176
Accrued severance pay	789	–
Other accrued expenses	–	561
Total	**20,828**	**16,216**

NOTE 24 Transactions with related parties

The ultimate parent company in the Group is Cinclus Pharma Holding AB (publ). Related parties are all subsidiaries within the Group as well as senior executives in the Group and their related parties. Transactions are carried out on market terms.

Transactions with Cinclus Pharma AG

(TSEK)	2025	2024
Sale of goods and services	556	897
Intercompany interest expenses	2,670	4,051
Current liabilities at the balance sheet date	1,937	167,730

Transactions with Cinclus Pharma AB

(TSEK)	2025	2024
Purchase of goods and services	9,433	1,592
Sale of goods and services	9,480	479
Current receivables at the balance sheet date	7,911	3,585
Current liabilities at the balance sheet date	–	–

For information on remuneration to senior executives, see note 7 in the group, Employees and personnel costs and remuneration to senior executives. See the note 27 in the group for consulting fees to senior executives.

NOTE 25 Pledged assets and contingent liabilities

The parent company, Cinclus Pharma Holding AB (publ), has, with the IP transfer that took place on January 1, 2022, internally from the subsidiary Cinclus Pharma AG in Switzerland to the parent company, undertaken by agreement to cover costs in the subsidiary so that it does not operate at a loss.

NOTE 26 Appropriation of earnings

(SEK)

The annual general meeting has the following balanced funds at its disposal:

Premium fund	1,297,508,630
Balanced result	–499,541,213
This year's results	–117,028,592
Total	**680,938,825**

The board proposes that the profits be allocated as follows:

Balanced in new account	680,938,825
Total	**680,938,825**

NOTE 27 Significant events after the end of the year

See the group's note 29 for information on significant events after the end of the year.

Certification by the board of directors and the CEO

The board of directors certifies that this annual report gives a true and fair view of the group's operations, financial position and results. The annual report was decided on April 16, 2026.

Stockholm April 16, 2026

WENCHE ROLFSEN
Board member

KJELL ANDERSSON
Board member

TORBJÖRN KOIVISTO
Board member

ANDERS ÖHBERG
Board member

HELENA LEVANDER
Board member

NINA RAWAL
Board member

LENNART HANSSON
Chairman of the board

CHRISTER AHLBERG
Chief executive officer
and President

Our audit report was submitted on April 16, 2026
Öhrlings PricewaterhouseCoooper AB

Lars Kylberg
Certified Public Accountant

Auditor's report

To the general meeting of the shareholders of Cinclus Pharma Holding AB (publ), corporate identity number 559136-8765

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Cinclus Pharma Holding AB (publ) for the year 2025 except for the corporate governance statement on pages 35-44. The annual accounts and consolidated accounts of the company are included on pages 24-81 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 december 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 december 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 35-44. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key Audit Matter
Revenue from collaboration agreements Cinclus Pharma Holding has entered into a collaboration agreement with Zentiva in 2025 regarding the development of Linaprazan Glurate. The agreement includes compensation in the form of milestones that amount to significant amounts, both regarding 2025 and also future compensation. The accounting for collaboration agreements and milestone compensation can be complicated and contain estimates and assessments from the company, this, together with the amount of the compensation, means that we have assessed this as a key audit matter in this year's audit.

How our audit addressed the Key Audit Matter
Our audit procedures has consisted, among other things, of: Understanding and evaluating the agreement with Zentiva and the compensation that will be received. Evaluating the company's analysis of the Revenue for each performance obligation in relation to IFRS 15, and on a sample basis reviewing this against supporting documentation. Evaluating the information provided in the annual report related to the agreement and how the compensation is reported.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-23 and 85-86. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Cinclus Pharma Holding AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with

generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Cinclus Pharma Holding AB (publ) for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Cinclus Pharma Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors (and the Managing Director)

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 35-44 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act/ the Annual Accounts Act for Credit Institutions and Securities Companies/ the Annual Accounts Act for Insurance Companies.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed auditor of Cinclus Pharma Holding AB (publ), by the general meeting of the shareholders on the 22 may 2025 and has been the company's auditor since the 23 november 2021.

Stockholm 16 april 2026
Öhrlings PricewaterhouseCoopers AB

Lars Kylberg
Authorized Public Accountant

Annual General Meeting

The Annual General Meeting will be held on 21 May 2026 at 18:30-20:00. Registration will take place from 18:00. Furthermore, the meeting will be held at the premises of the law firm Vinge at Smålandsgatan 20, 111 46 Stockholm. The notice will be available on the Company's website at the time of publication of this annual report.

Financial calendar

May 13, 2026	Interim report Q1
May 21, 2026	Annual General Meeting
Aug 19, 2026	Interim report Q2
Nov 4, 2026	Interim report Q3
Feb 18, 2027	Year end report 2026

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Glossary

Carcinogenicity studies – Tests to assess whether a chemical or physical agent increases the risk of cancer.

Clinical phase I – The first time a new substance is given to a human being. Phase I studies are often conducted with a small number of healthy volunteers to assess the safety and dosage of a yet-to-be-approved treatment.

CMC – stands for Chemistry Manufacturing and Control, and refers to the process of producing and manufacturing medicines.

CRO – stands for Contract Research Organization, and is the company that, together with pharmaceutical and medtech companies, carries out the clinical studies needed to get their products approved by the authorities.

Eradicate – to remove, eradicate, for example, the bacterium *Helicobacter pylori* in peptic ulcer disease.

Esophagitis – is damage to the oesophagus or esophageal catarrh caused by the backward flow of stomach acid into the oesophagus.

FDA – is the US Food and Drug Administration

GERD and eGERD – GERD stands for Gastroesophageal reflux disease and is the collective name for all acid-related esophageal disease. GERD is characterized by symptoms, with or without tissue damage, that result from repeated or prolonged exposure of the lining of the esophagus to acidic or non-acidic contents from the stomach. If tissue damage is present, the individual is said to have esophagitis or erosive GERD (eGERD).

International Non-proprietary Name (INN) – is a generic name used to facilitate the identification of drug substances or active ingredients of medicines.
IPO – IPO stands for Initial Public Offering, i.e. stock exchange listing.

KOL – KOL stands for Key Opinion Leader. A KOL is an expert with proven experience and expertise in a particular field of work. In healthcare, these experts can be doctors, hospital managers, health system directors, researchers, members of patient groups and others.

LA scale – The Los Angeles scale (LA scale) is an accepted way to describe the endoscopic presence of reflux esophagitis and determine its severity. The scale is divided into grades A-D, with D being the most severe grade of reflux esophagitis.

Linaprazan glurate (formerly X842) – A prodrug of linaprazan of the potassium-competitive acid blocker (PCAB) class. Linaprazan has been evaluated in 23 Phase I and two Phase II studies in a total of approximately 2,500 patients. The favorable safety and pharmacokinetic properties of linaprazan glurate have been documented in a phase I study. Linaprazan glurate provides superior gastric acid control compared to current medication.

'Off label' prescribing – The term "off label" is defined as the use of a medicine that deviates from the approved summary of product characteristics, such as use for an unapproved indication, with a different dose or with a different route of administration.

PCAB – PCAB stands for Potassium-Competitive Acid Blocker and is a new class of drugs called acid secretion inhibitors.

Pharmaceutical dossier – Evidence and documentation that forms the basis for the application for drug approval.

Phase II clinical trial – Phase II refers to the first time a medicine under development is administered to patients to study the safety, dosage and efficacy of a yet-to-be-approved treatment regimen.

Phase III clinical trials – Phase III trials involve many patients and often last for a longer period; they are intended to investigate the effects and side effects of the medicine under routine yet carefully controlled conditions.

PPI – stands for Proton Pump Inhibitor and is a group of drugs whose main action is a marked and long-lasting reduction in the production of stomach acid. This type of drug has been the most potent acid secretion inhibitors available for a very long time and is still available today. The first product, omeprazole, was launched in 1988 under the brand name Losec. Proton pump inhibitors are among the best-selling medicines in the world.

Preclinical phase – In the preclinical phase, various types of tests and experiments are carried out in a lab environment. These tests take place before a drug project enters the clinical phase.

'Prodrug' – A 'prodrug' is an inactive drug in the form in which it is taken. Once the prodrug has entered the body, it is convertedinto the active form. The conversion takes place by changing some part of the chemical structure of the medicine.

Proof of Concept (concept validation) – This concept is also known as 'PoC'. It refers to a prototype or study that covers all key features. The aim is simply to prove that the concept works

QIDP – The granting of a product as a qualified device for the treatment of infectious diseases. The grant is decided by the US Food and Drug Administration (FDA), giving 5 years of data exclusivity. QIDP stands for Qualified Infectious Disease Product.

Cinclus Pharma

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