CombiGene

Q2

Interim report

January – June 2024

CombiGene

CombiGene's vision is to provide patients affected by severe diseases with the prospect of a better life through gene therapy and other forms of advanced treatments.

Our business has three focus areas: sourcing of new and promising assets, development of these assets to proof of concept under our management and expertise, and outlicensing of the assets to a strategic partner for continued development and commercialization. Revenue is achieved through milestone payments and royalties.

The company is public and listed on the Swedish marketplace Nasdaq First North Growth Market. The company's Certified Adviser is FNCA Sweden AB.

CombiGene's lead project CG01 has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 823282.

CombiGene's projects COZY01 and CGT2 have received funding from the Eurostars programme, co-financed by the European Union's research and innovation programme Horizon Europe. Projects ID: 4408 and 114714, respectively.

Summary of the report

Events during the period

- CombiGene regains the global rights to the epilepsy project CG01 as the termination period of the collaboration and license agreement between the two companies has expired.
- CombiGene discontinues the preclinical development of the lipodystrophy project CGT2.
- CombiGene's epilepsy project CG01 has been granted patent in two new countries, Australia and India.
- CombiGene is initiating a collaboration with Västra Hamnen Corporate Finance, which includes assignment analysis, monitoring of news flow and web conferences in connection with CombiGene's quarterly reports. Further, Västra Hamnen will take over as Certified Adviser from 25 August 2024.
- The 2024 Annual General Meeting resolved, in accordance with the shareholder Orphazyme A/S's proposal, to re-elect Jonas Ekblom, Peter Nilsson, Per Lundin, Gunilla Lundmark and Malin Almgren, and to elect Marcus Isaksson as a new member.
- Annika Ericsson, currently Director Preclinical Development, will take over the role of Chief Scientific Officer from Karin Agerman, who has decided to leave the company.
- CombiGene enters into a license agreement with Spark Therapeutics for certain intellectual property developed or used by Spark in connection with the previous license agreement for CG01.

Events after the end of the period

- CombiGene and KTH Royal Institute of Technology receive grants from Vinnova totaling SEK 1 million.

Financial information

	2024 Apr–Jun	2023 Apr–Jun	2024 Jan–Jun	2023 Jan–Jun
Net sales, TSEK	0	1,788	326	3,955
Other operating revenues, TSEK	416	1,413	1,458	543
Profit from financial items, TSEK	-7,567	-6,286	-21,761	-20,903
Earnings per share, SEK	-0.38	-0.32	-1.10	-1.06
Cash and cash equivalents at the end of the period, TSEK	83,553	115,442	83,553	115,442

The license agreement with Spark Therapeutics in place

One of the quarter's most important events was the license agreement we entered into with Spark Therapeutics. Furthermore, the collaboration with Västra Hamnen Corporate Finance was expanded by the fact that they will take over as Certified Adviser. At the end of June, Västra Hamnen also published its initial analysis on CombiGene.

The agreement with Spark is now in place and I am very pleased with it. In short, this means that CombiGene gets access to the data that Spark has, and is still generating, in the epilepsy project CG01. The last important study is planned to be completed soon, and the data will be compiled in the fall. CombiGene will then be able to benefit from these study results, as well as the optimization of the AAV vector and other important rights, which will facilitate our search for a new collaboration partner for the project. Further, according to the agreement, CombiGene will not make any up-front or milestone payments, that is, we will not be charged with any costs until revenue is generated from a commercialized product.

Extended collaboration with Västra Hamnen

As previously announced, in mid-April this year we started a collaboration with Västra Hamnen Corporate Finance, which includes assignment analysis, monitoring of news flow and webcasts in connection with our quarterly reports. In June, we decided that Västra Hamnen will also take over as the company's Certified Adviser from August 25.

I look forward to the opportunity to reach a wider target group and am convinced that the continious analyzes will contribute to creating a better basis for evaluating our projects and the company. In the initial analysis, which Västra Hamnen published at the end of June, CombiGene was valued at SEK 12.19 per share. This clearly indicates the potential that exists in our projects. We focus on large patient groups where there is a lack of effective and sustainable treatments and as the projects progress and the risk in the projects decreases, the valuation will rise.

The rights to CGT2 have returned to Lipigon

The in-licensing and cooperation agreement with Lipigon regarding the lipodystrophy project CGT2 has been terminated as of August 5, and the rights to the project were reverted to Lipigon. During the summer, the company submitted a final report to Vinnova, which has now been approved. What now remains from our side is to complete the scientific work, which includes trying to get one or possibly two scientific articles published.

New Chief Scientific Officer

When Karin Agerman, CombiGene's Chief Scientific Officer since 2018, decided to leave the company for new challenges, there was already a very good successor in another employee, Annika Ericsson, current Director Preclinical Development. Annika has been in the company since 2018 and has solid experience in drug development of gene therapies in the preclinical phase and project management. She started by running the preclinical testing of CG01 and has subsequently been project manager in several projects, most recently for CGT2 and COZY02. I am very much looking forward to welcoming Annika to the management team and our continued collaboration. At the same time, I thank Karin for the progress she has contributed to through her knowledge and good leadership during her years at CombiGene and wish her all the best in her new role.

Business focus in 2024

The business focus we set for the company in 2024 is firm and will during the autumn be, partly, finding a new partner for the epilepsy project CG01, partly searching for new interesting projects or academic collaborations for in-licensing

Peter Ekolind
CEO

Planning for the next step in the pain program COZY

In the pain program COZY results from several studies have been obtained during the quarter. The results from the study in human peripheral neuronal tissue, obtained earlier this year, means that an important milestone for both the peptide COZY01 and the gene therapy COZY02 has been fulfilled and the project will continue according to plan.

› About 20–25 percent of the world's adult population suffers from some form of chronic pain ‹

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Target protein confirmed in human tissue

The pain program COZY consists of two projects, both of which are based on a new biological mechanism of action with the same target protein, PICK1 (Protein Interacting with C Kinase). This target protein has now been studied in human peripheral neuronal tissue and the results confirm that PICK1 is expressed in this type of human tissue. The next step is to confirm that the interaction between COZY01 and PICK1 demonstrated with recombinantly produced protein also occurs with PICK1 in human tissue samples. The work is carried out with the support of Eurostars.

Formulation development of COZY01

Part of the awarded Eurostars grant will also be used to develop a simple formulation for COZY01, for use in the first clinical studies. A preparatory work to investigate the possibilities of developing a more advanced formulation, which can prolong the effect and reduce the administration frequency of COZY01, is also included in the plan. That work has now been initiated in collaboration with an external company with experience of development of advanced formulations.

Pharmacokinetics and safety profile of COZY01

Further, comparative data for different animal species and humans have been produced for COZY01 regarding stability in plasma, plasma-protein binding and hepatocyte metabolism. The pharmacokinetic profile of COZY01 has, among other things, been investigated after subcutaneous injections, which is the intended mode of administration of the product. The investigation was done in three animal species. The results on mice and pigs show a similar and high degree of uptake, while the results for rats differed. Due to the discrepant results in rat, the decision was made to proceed with mouse and pig to the planned toxicology studies. This decision is also supported by the results from the metabolite studies.

The low uptake of COZY01 in rats means that participation in the PSPP (Preclinical Screening Platform for Pain), a program funded by the NIH (National Institutes of Health) in the USA, has been put on hold, as only rats are used in their behavioral and pain models. Of course, we can start clinical studies without participation in the NIH program

Planning for product manufacturing for the toxicological studies is progressing. A study on humans will be carried out as soon as the evaluation of the preclinical toxicology study is completed, and the necessary trial authorizations have been obtained.

In parallel with these activities, a program is underway to develop alternative substances if undesirable or insufficient properties emerge during the continued development of the current drug candidate.

Continued development in COZY02

The development of the gene therapy treatment, COZY02, is advancing but is still in a very early phase on the way to an eligible drug candidate.

The pain program COZY – a unique opportunity for a breakthrough in pain treatment

The pain program COZY is being developed together with the Danish company Zyneyro with the goal of developing an effective treatment for severe chronic pain, a common and often difficult-to-treat condition. The program consists of two projects – a peptide treatment (COZY01) and a gene therapy treatment (COZY02), which expresses the active part of the peptide from COZY01, with potential lifelong effect. Both treatments are based on a new biological mechanism of action that is expected to be without many of the debilitating side effects that current treatments often give rise to.

Pain a major global problem

About 20-25 percent of the world's adult population suffers from some form of chronic pain and between six and eight percent of the population suffers from severe chronic pain. Conventional treatment consists mainly of anti-inflammatory drugs, antidepressants, anticonvulsant drugs and opioids (a group of substances with a morphine-like mechanism of action).

The problem with these treatments is that they are not specifically developed to treat chronic pain. The pain relief that is achieved therefore often has a number of debilitating side effects such as substance abuse problems, depression, anxiety, fatigue, reduced physical and mental ability. In the United States, an estimated 700,000 people have died due to opioid abuse in the past 20 years. [1]

1 Prevalence of Chronic Pain and High-Impact Chronic Pain Among Adults — United States, 2016; CDC; Morbidity and Mortality Weekly Report Weekly / Vol. 67 / No. 36 September 14, 2018.

The peptide-based pain project COZY01 has received funding from the Eurostars-3 programme, co-financed by the European Union's research and innovation programme Horizon Europe. Project ID: 4408.

Cooperation agreement with Lipigon is terminated

In February, CombiGene terminated the in-licensing and collaboration agreement with Lipigon regarding the lipodystrophy project CGT2. The rights to the project were reverted to Lipigon on August 5, 2024.

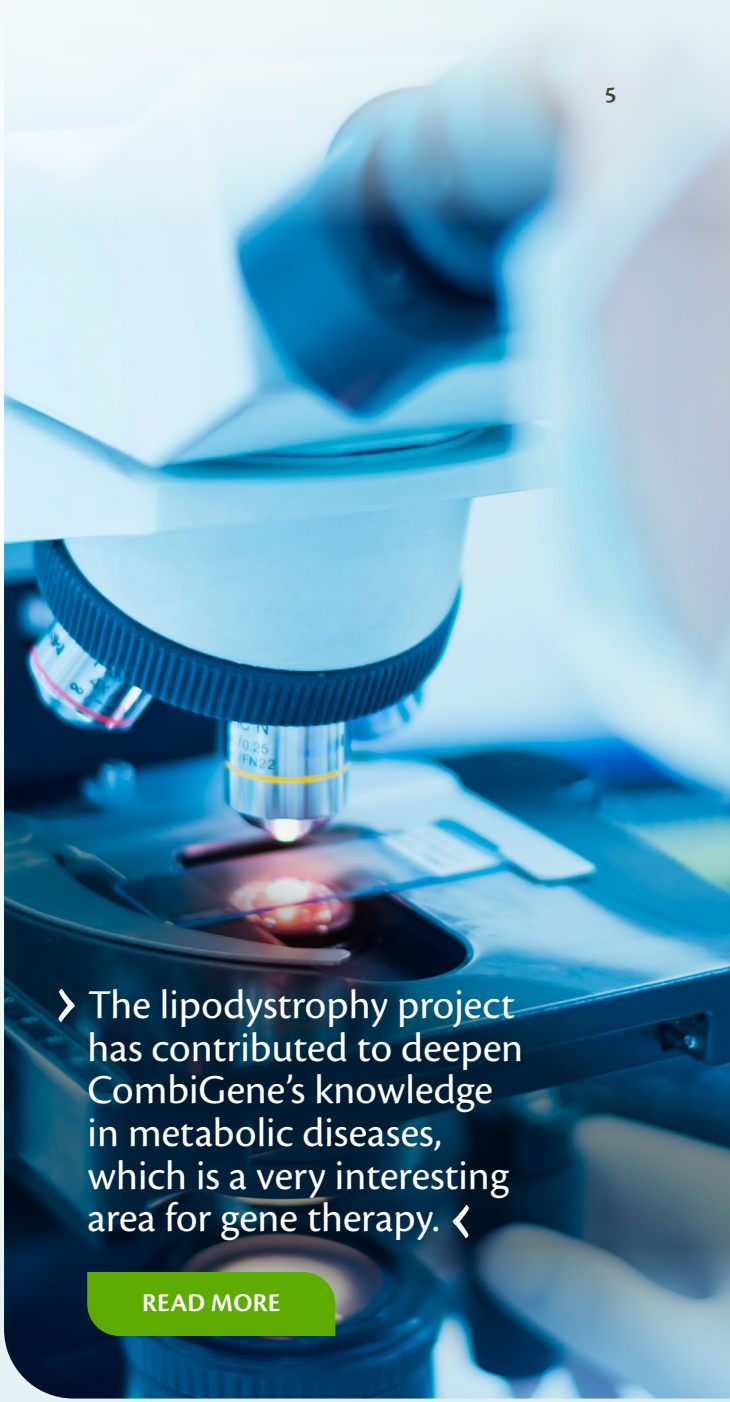
The decision to terminate the collaboration agreement was made after CombiGene conducted further studies in 2023, to provide a basis for a correct assessment of the project. The evaluation showed that there is no conclusive data to justify continued development. The decision is in line with CombiGene's strategy for project development. These plans always include decision points about the future, before major costs begin to burden the project. Discontinuation of the CGT2 project meant, above all, that resources are released which can now be used in other activities.

The lipodystrophy project was licensed from Lipigon Pharmaceuticals AB on October 10, 2019. In February 2021, CombiGene was awarded EUR 481,000 by Eurostars for the development of the CGT2 project. The project grant also included funds for CombiGene's partner University Medical Center Hamburg-Eppendorf and the CRO company Accelero, which received EUR 265,000 and EUR 136,500, respectively. The grant from Eurostars has enabled CombiGene and its collaborators to carry out rigorous preclinical work of excellent scientific quality.

CombiGene and the University Medical Center Hamburg-Eppendorf are now, within the framework of the Eurostars project, working on completing the scientific work, including trying to publish the scientific results during the fall. Eurostar's funding period ended on June 30. A final report was submitted to both Vinnova and Eurostars in mid-July Shortly afterwards, Vinnova approved the report.

The lipodystrophy project has contributed to deepening of CombiGene's knowledge in metabolic diseases, which is a very interesting area for gene therapy. The networks of leading academic players have also been strengthened through the project.

CombiGene's projekt CGT2 has received funding from the Eurostars programme. Projekt-ID: 114714.



CG01 – continued focus on finding a new partner

On June 24, 2024, CombiGene entered into a license agreement with Spark Therapeutics. Finding a new partner to take CG01 into clinical trials is a top priority for CombiGene during the fall.

Through the license agreement, Spark is eligible to receive a low single digit percentage in royalties on future net sales of licensed products. The license agreement assures that CombiGene can use data and inventions and secures critical rights which will facilitate CombiGene's efforts in finding a new partner for the epilepsy project. According to the agreement, CombiGene will not make any up-front or milestone payments for the license.

Furthermore, through the license agreement, at the beginning of Q4, 2024 at the latest, CombiGene will have access to the data generated by Spark from both completed and ongoing studies.

In the spring, Australia and India granted patents for CG01. The approvals strengthen the project, which has previously been granted patents in the USA and Russia.

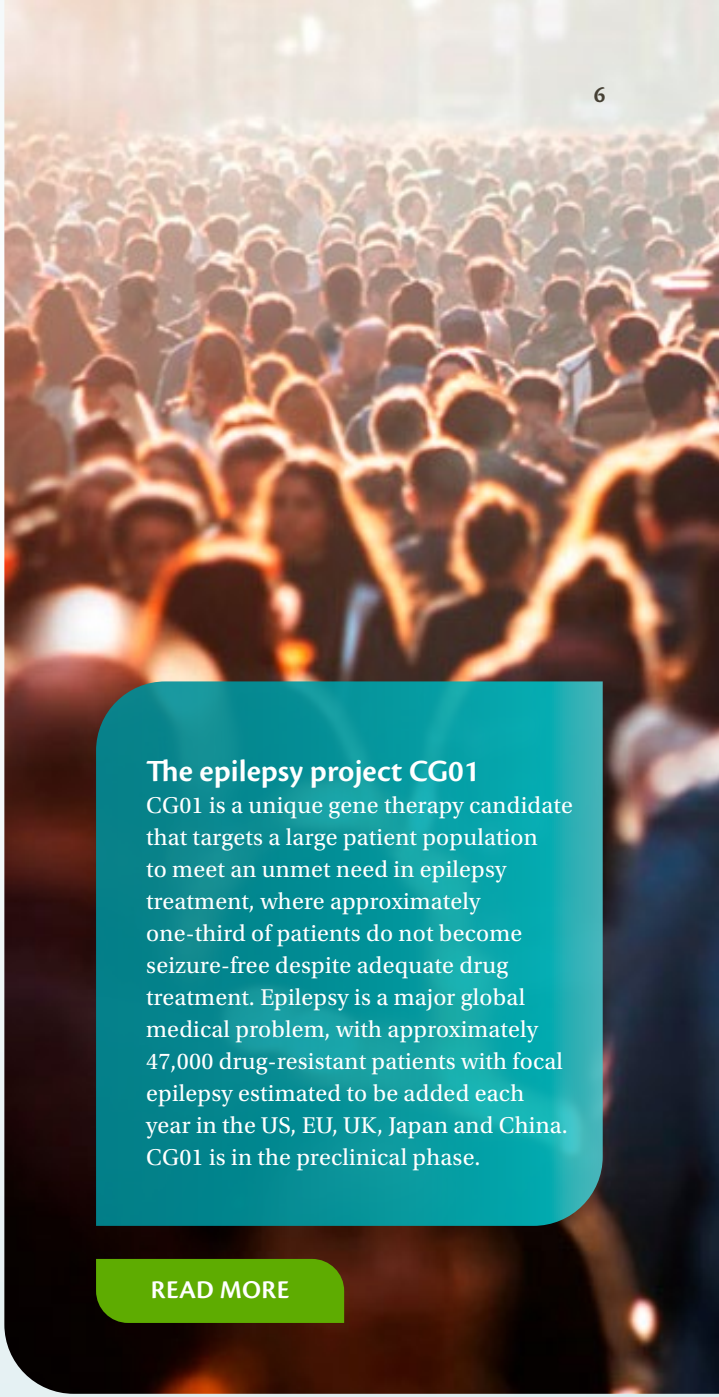
In the fall, the focus will be on defining the requirements for putting an attractive proposition together for a new partner. In parallel with this, the search for potential partners has also begun.

The collaboration agreement with Spark Therapeutics, entered into in October 2021, gave Spark a global exclusive license to develop, manufacture and commercialize CG01. Under the terms of the agreement, CombiGene was entitled to receive up to USD 328.5 million excluding royalties. During the collaboration, CombiGene has also been compensated for agreed development costs.

CombiGene is not liable for any of the payments received by the company from Spark Therapeutics, totaling USD 8.5 million excluding development costs, nor is it entitled to any future milestone payments or royalties.

On October 14, 2023, Spark Therapeutics terminated the agreement, and on January 13, 2024, CombiGene regained the rights to the project.

CombiGene is not obligated to repay any of the compensation received by the Company from Spark Therapeutics, totaling USD 8.5 million excluding development costs, nor is it entitled to any future milestone payments or royalties.



The epilepsy project CG01

CG01 is a unique gene therapy candidate that targets a large patient population to meet an unmet need in epilepsy treatment, where approximately one-third of patients do not become seizure-free despite adequate drug treatment. Epilepsy is a major global medical problem, with approximately 47,000 drug-resistant patients with focal epilepsy estimated to be added each year in the US, EU, UK, Japan and China. CG01 is in the preclinical phase.

READ MORE

CombiGene's lead project CG01 has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 823282.

Strategy and business development

CombiGene develops groundbreaking therapies with the ambition to offer patients affected by severe life-changing diseases opportunities for a better life. We source research assets from industry or academia and develop them through the preclinical phase up to preclinical/clinical proof-of-concept and then out-license them to a larger pharmaceutical company for continued clinical development and commercialization.

Gene therapy has amazing medical possibilities

There are a large number of diseases that today either require life-long medical treatment or that completely lack effective therapies. It is above all these diseases that are the focus of development since gene therapy has the unique possibility to be able to replace defective/missing genes or change the expression of existing genes. This means that gene therapy can in some cases cure a disease instead of merely relieving symptoms and that you can achieve a long-lasting effect from a single or a few treatments. Around 500 clinical studies are currently being conducted within, among other things, the central nervous system, infectious diseases and metabolic diseases.

The commercial possibilities of gene therapy

Gene therapy is not only an interesting field of research. With one gene therapy approved in the second quarter of 2024, there are currently roughly twenty approved therapies in the EU and in the USA. The US pharmaceutical authority FDA has previously announced that it expects to approve 10-20 new cell and gene therapies annually from 2025 onwards. According to Precedence Research, the global gene therapy market is expected to grow to $26.9 billion by 2030.

Extensive work to find new projects

CombiGene is currently working intensively to find new interesting projects to complement the current project portfolio. The evaluation of potential projects is a structured and careful process based on several key criteria. The work includes review and analysis of intellectual property rights issues, preclinical data, intended contract structure, size of patient population and medical need, competitive situation and the project's commercial conditions.

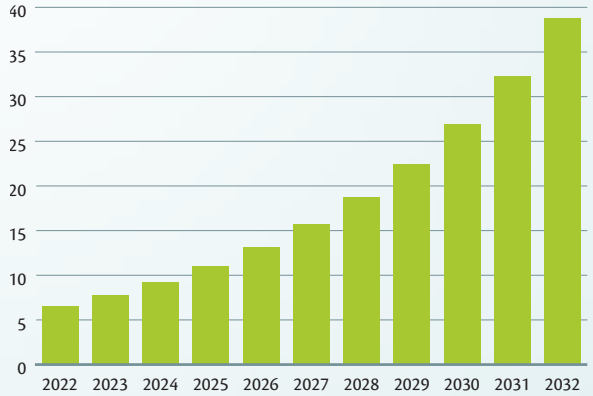
All criteria are important and a weakness in one of them, such as an unclear intellectual property rights situation, could mean that CombiGene chooses not to proceed with the project.

CombiGene has identified a number of projects that may be relevant for future strategic collaborations. These include projects for diseases of the central nervous system and genetic muscle diseases. CombiGene is currently conducting in-depth analyzes of these projects.

The importance of an expanded portfolio

Developments in 2023 clearly demonstrated the importance of building an expanded project portfolio to increase the opportunities to achieve commercial success. Business development in 2024 therefore has two focus areas: finding a new partner for the epilepsy project CG01 and finding interesting new projects for in-licensing and/or research collaborations within academia.

Expected gene therapy sales 2022–2032, MUSD



Source: Precedence Research

The share

The number of shares at the end of the period amounts to 19,801,197. The average number of shares for the period is 19,801,197. The quota value is SEK 0.05. All shares are of the same type and have the same voting rights.

LTI 2022

The AGM 2022 resolved, in accordance with the board of directors' proposal, on the implementation of a performance-based incentive program, named LTI 2022, directed issue of 900,000 warrants, transfer of the warrants to participants in LTI 2022 and transfer of warrants to cover costs for LTI 2022 and authorization to enter into swap agreement. A more detailed description of LTI 2022 can be found in the notice convening the Annual General Meeting 2022.

Ten largest shareholders as of June 30, 2024

	Total holdings	Holding %
Orphazyme AS	1,986,610	10.03%
Nordqvist, Ivar	1,889,325	9.54%
Avanza Pension	1,191,072	6.02%
M&L Industriförvaltning AB	600,000	3.03%
Nordnet Pensionsförsäkring AB	521,992	2.64%
Thoren Tillväxt AB	494,894	2.50%
Molse, Oliver	450,000	2.27%
Ferstad, Arne	302,000	1.53%
Olsson, Per Magnus	262,491	1.33%
Thomassen Skaar, Christian	262,178	1.32%

CombiGene is a public company and is listed on Nasdaq First North Growth market.

The share capital of the Company shall amount to no less than SEK 990,000 and no more than SEK 3,960,000 divided into no less than 19,800,000 shares and no more than 79,200,000 shares.

CombiGene has one class of share. Each share carries equal rights to CombiGene's assets and profits and is entitled to one vote at the Annual General Meeting (AGM).

CombiGene share register is maintained electronically by Euroclear.

Share name: CombiGene
Ticker symbol: COMBI
ISIN-Code: SE0016101935

Financial information

Income and earnings

Net sales consist of milestone payments and compensation from license and cooperation agreements. For January-June 2024, the net sales consist of compensation from Spark regarding costs during the preclinical development of CG01. Due to the nature of the business, there may be large fluctuations between revenues for different periods when revenue from milestone payments is recognized at the time when the performance obligations are met. The Group has a total net sale of TSEK 326 (3,955) during the period January-June. The decrease is explained by the termination of the cooperation agreement with Spark. Other operating revenues amounts to TSEK 1,458 (543) of which TSEK 548 (0) refers to the revenue part of the grant received from Eurostars regarding COZY01 and TSEK 0 (345) refers to the revenue part of the received grant regarding CGT2. Other operating revenues also consist of realized and unrealized foreign exchange gains. Operating profit for the period amounted to TSEK -21,761 (-20,903). The main costs during the period have been related to research & development, fees for consultants and personnel costs, as well as an initial payment of DKK 5 million, corresponding to SEK 7,5 million, to Zyneyro.

Cash flow and financial position

Cash flow for the period January-June amounts to TSEK -17,796 (-16,470). Cash and cash equivalents at the end of the period amounts to TSEK 83,553 (115,442). The equity ratio is 94.1 % (95.3).

Liquidity and financing

The EU's Eurostars program, which is aimed at small and medium-sized enterprises wishing to collaborate on research and development projects, has allocated development grants to the CGT2 project. The total grant for CombiGene amounts to SEK 5 million, of which SEK 4.8 million has so far been paid out. The Eurostars programme has also awarded the COZY01 project development grants. The total grant for CombiGene amounts to SEK 5 million, of which SEK 1.3 million has so far been paid out. The board and company management continuously evaluate alternatives to ensure the company's financing in the short and medium term.

Incentive programs and warrants

The 2022 Annual General Meeting resolved on a performance-based incentive program (LTI 2022). The duration of the program is approximately three years and will be offered to certain employees and consultants, or newly hired persons, in the company. A maximum of 617,220 Performance Share Rights may be allocated to the participants, corresponding to approximately 3 percent of the out-standing shares and votes in the Company, as well as 282,780 warrants that can be issued to hedge the Company's cost under the Program, which corresponds to approximately 1.4 percent of the outstanding shares and votes in the Company. In accordance with the Board's proposal, the AGM resolved on a directed issue of 900,000 warrants with the right to subscribe for new shares in the company for the implementation of LTI 2022.

Employees

The number of employees in the Group at the end of the period was 10 (10), of whom 6 (6) are women.

Risks and uncertainties

A drug development company of CombiGene's type is characterized by a high operational and financial risk. The Company is dependent on current and future licensing, collaboration, and other agreements with experienced partners for the development and successful commercialization of existing and future drug candidates. Other factors that may negatively affect the likelihood of commercial success include, among other things, the risk that CombiGene's gene therapies are not deemed safe or not effective, and the risk that the business may not receive the necessary funding.

Principles for preparation of the interim report

CombiGene prepares its financial reports in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3) Annual Accounts and Consolidated Accounts. The same accounting principles have been applied in this interim report as were applied in the most recent annual report.

Review by auditors

This report has not been subject to review by the Company's auditors.

Future reporting dates

Interim report January – September 2024	8 November 2024
Year-end report 2024	14 February 2025

For further information, please contact:

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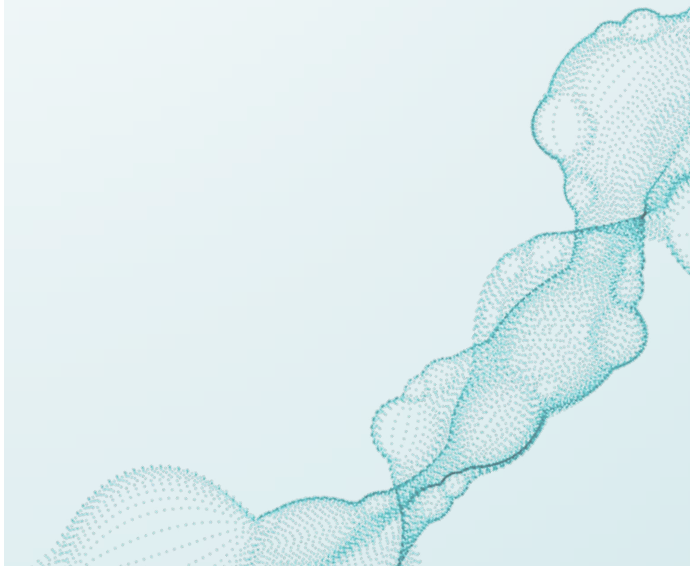
Group income statement in summary

Figures in TSEK	2024 Apr–Jun	2023 Apr–Jun	2024 Jan–Jun	2023 Jan–Jun	2023 Jan–Dec
Operating income					
Net sales	0	1,788	326	3,955	5,544
Other operating revenues	416	1,413	1,458	543	1,464
Operating expenses					
Other external expenses	-3,216	-4,778	-14,378	-16,543	-26,835
Personnel expenses	-4,075	-4,060	-7,782	-7,561	-14,868
Other operating expenses	0	0	0	0	-1,281
Profit/loss before depreciation	**-6,874**	**-5,637**	**-20,376**	**-19,605**	**-35,976**
Depreciation	-693	-649	-1,385	-1,297	-2,624
Profit/loss after depreciation	**-7,567**	**-6,286**	**-21,762**	**-20,903**	**-38,600**
Net financial income/expense	0	0	1	0	2,935
Income after net financial items	**-7,567**	**-6,286**	**-21,761**	**-20,903**	**-35,665**
Tax	0	0	0	0	0
Net profit/loss for the period	**-7,567**	**-6,286**	**-21,761**	**-20,903**	**-35,665**
Attributable to					
Parent company shareholders	-7,567	-6,286	-21,761	-20,903	-35,665
Earnings per share before dilution	-0.38	-0.32	-1.10	-1.06	-1.80
Earnings per share after dilution	-0.38	-0.32	-1.10	-1.06	-1.80
Average number of shares before dilution	19,801,197	19,801,197	19,801,197	19,801,197	19,801,197
Average number of shares after dilution	19,801,197	19,801,197	19,801,197	19,801,197	19,801,197
Total outstanding shares	*19,801,197*	*19,801,197*	*19,801,197*	*19,801,197*	*19,801,197*

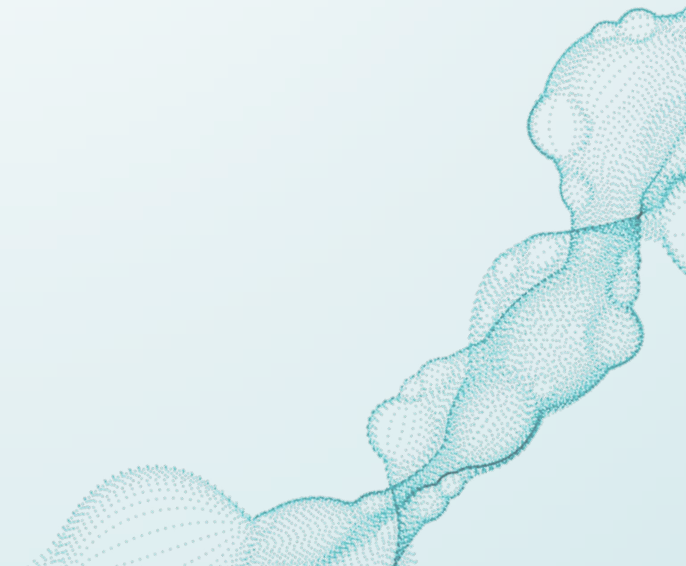
Group balance sheet in summary

Figures in TSEK	2024 30 Jun	2023 30 Jun	2023 31 Dec
ASSETS			
Fixed assets			
Intangible assets	15,220	17,815	16,518
Tangible fixed assets	763	0	851
Financial fixed assets	5	5	5
Total fixed assets	**15,988**	**17,820**	**17,373**
Current assets			
Accounts receivable	0	1,032	0
Other receivables	1,111	3,344	1,799
Cash and cash equivalents	83,553	115,442	101,440
Total current assets	**84,664**	**119,818**	**103,239**
TOTAL ASSETS	**100,652**	**137,638**	**120,612**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	990	990	990
Other capital contribution	224,124	224,124	224,124
Other shareholders' equity	-108,657	-72,992	-72,992
Profit/loss for the period	-21,761	-20,903	-35,665
Equity attributable to parent company shareholders	**94,696**	**131,220**	**116,457**
Total equity	**94,696**	**131, 220**	**116,457**
LIABILITIES			
Current liabilities	5,957	6,419	4,156
Total liabilities	**5,957**	**6,419**	**4,156**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**100,652**	**137,638**	**120,612**



Summary report of changes in the Group's shareholders' equity

Figures in TSEK	Share capital	Other capital contribution	Accumulated profit/loss	Total shareholders' equity
Balance brought forward	**990**	**224,124**	**-108,657**	**116,457**
Net profit/loss for the period			-21,761	-21,761
Amount as per the end of the reporting period	**990**	**224,124**	**-130,418**	**94,696**

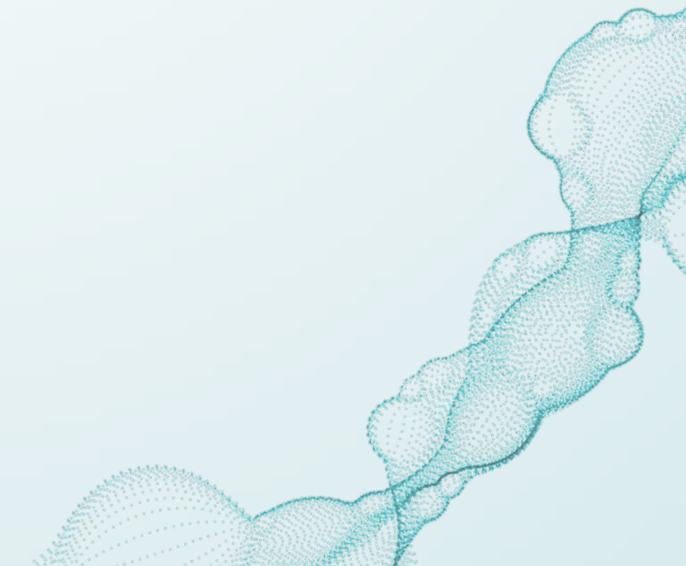


Group cash flow statement in summary

Figures in TSEK	2024 Jan–Jun	2023 Jan–Jun	2023 Jan–Dec
Cash flow from operating activities	-17,796	-16,356	-30,557
Cash flow from investing activites	0	-114	-994
Cash flow from financing activities	0	0	0
Cash flow for the period	**-17,796**	**-16,470**	**-31,551**
Liquid assets at the beginning of the reporting period	101,440	131,777	131,777
Exchange rate difference cash and cash equivalents	-90	135	1,213
Liquid assets at the end of the reporting period	**83,553**	**115,442**	**101,440**

Group financial key ratios

	2024 Jan–Jun	2023 Jan–Jun	2023 Jan–Dec
Earnings per share before dilution, SEK	-1.10	-1.06	-1.80
Earnings per share after dilution, SEK	-1.10	-1.06	-1.80
Shareholders' equity per share, SEK	4.78	6.63	5.88
Equity ratio, %	94.08	95.34	96.55
Average number of shares before dilution	19,801,197	19,801,197	19,801,197
Average number of shares after dilution	19,801,197	19,801,197	19,801,197
Total outstanding shares	*19,801,197*	*19,801,197*	*19,801,197*



Parent Company income statement in summary

Figures in TSEK	2024 Apr–Jun	2023 Apr–Jun	2024 Jan–Jun	2023 Jan–Jun	2023 Jan–Dec
Operating income					
Net sales	0	1,788	326	3,955	5,544
Other operating revenues	416	1,424	1,468	556	1,464
Operating expenses					
Other external expenses	-3,214	-4,778	-14,358	-16,525	-26,782
Personnel expenses	-4,075	-4,060	-7,782	-7,561	-14,868
Other operating expenses	0	0	0	0	-1,280
Profit/loss before depreciation	**-6,872**	**-5,626**	**-20,347**	**-19,574**	**-35,922**
Depreciation	-119	-75	-238	-150	-329
Profit/loss after depreciation	**-6,991**	**-5,701**	**-20,585**	**-19,724**	**-36,252**
Net financial income/expense	-574	-574	-1,147	-1,147	639
Income after net financial items	**-7,565**	**-6,275**	**-21,732**	**-20,871**	**-35,613**
Tax	0	0	0	0	0
Net profit/loss for the period	**-7,565**	**-6,275**	**-21,732**	**-20,871**	**-35,613**

Parent Company balance sheet in summary

Belopp i TSEK	2024 30 jun	2023 30 jun	2023 31 dec
ASSETS			
Fixed assets			
Intangible assets	3,746	4,046	3,896
Tangible fixed assets	763	0	851
Financial assets	15,761	18,056	16,908
Total fixed assets	**20,270**	**22,102**	**21,655**
Current assets			
Accounts receivable	0	1,032	0
Other receivables	1,344	3,512	2,006
Cash and cash equivalents	83,351	115,251	101,235
Total current assets	**84,696**	**119,795**	**103,241**
TOTAL ASSETS	**104,965**	**141,897**	**124,896**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted equity			
Share capital	990	990	990
Statutory reserve	4	4	4
Reserve for development expenses	868	868	868
Non-restricted equity			
Share premium reserve	165,826	165 826	165,826
Accumulated loss including profit/loss for the period	-68,634	-32 161	-46,902
Total shareholders' equity	**99,054**	**135 527**	**120,786**
LIABILITIES			
Current liabilities	5,912	6,370	4,111
Total liabilities	**5,912**	**6,370**	**4,111**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**104,965**	**141,897**	**124,896**

Summary report of changes in the Parent Company's shareholders' equit

Figures in TSEK	Share capital	Other capital contribution	Accumulated profit/loss	Total shareholders' equity	Accumulated profit/loss	Total shareholders' equity
Balance brought forward	**990**	**4**	**868**	**165,826**	**-46,902**	**120,786**
Net profit/loss for the period					-21,732	-21,732
Amount as per the end of the reporting period	**990**	**4**	**868**	**165,826**	**-68,634**	**99,054**

Parent Company cash flow statement in summary

Belopp i TSEK	2024 Jan–Jun	2023 Jan–Jun	2023 Jan–Dec
Cash flow from operating activities	-17,794	-16,354	-30,568
Cash flow from investing activites	0	-114	-994
Cash flow from financing activities	0	0	0
Cash flow for the period	**-17,794**	**-16,467**	**-31,561**
Liquid assets at the beginning of the reporting period	101,235	131,583	131,583
Exchange rate difference cash and cash equivalents	-90	135	1,213
Liquid assets at the end of the reporting period	**83,351**	**115,251**	**101,235**

Share capital development

Year	Event	Total share capital (SEK)	Change (SEK)	Total shares	Change shares	Quotient (SEK)
1990	Company registration	50,000	50,000	500	500	100.00
1997	Bonus issue	100,000	50,000	1,000	500	100.00
2010	New share issue	102,600	2,600	1,026	26	100.00
2013	New share issue	143,600	41,000	1,436	410	100.00
2014	Bonus issue	574,400	430,800	5,744	4 308	100,00
2014	New share issue	604,400	30,000	6,044	300	100.00
2014	Split 1 000:1	604,400	0	6,044,000	6,037,956	0.10
2014	New share issue	884,400	280,000	8,844,000	2,800,000	0.10
2015	New share issue	1,134,400	250,000	11,344,000	2,500,000	0.10
2015	New share issue	1,138,197	3,797	11,381,970	37,970	0.10
2016	New share issue	1,180,159	41,962	11,801,590	419,620	0.10
2017	New share issue	1,652,223	472,064	16,522,230	4,720,637	0.10
2018	New share issue	1,719,783	67,560	17,197,836	675,596	0.10
2018	New share issue	5,159,348	3,439,565	51,593,476	34,395,650	0.10
2019	New share issue	6,372,384	1,213,036	63,723,836	12,130,360	0.10
2019	New share issue	6,373,090	706	63,730,896	7,060	0.10
2019	New share issue	6,505,365	132,275	65,053,647	1,322,751	0.10
2020	New share issue	11,762,201	5,256,836	117,622,007	52,568,360	0.10
2020	New share issue	12,562,201	800,000	125,622,007	8,000,000	0.10
2020	New share issue	14,721,013	2,158,813	147,210,132	21,588,125	0.10
2020	New share issue	17,666,081	2,945,068	176,660,811	29,450,679	0.10
2020	New share issue	17,822,218	156,137	178,222,176	1,561,365	0.10
2020	New share issue	20,768,890	2,946,672	207,688,899	29,466,723	0.10
2020	New share issue	22,927,702	2,158,813	229 277,024	21,588,125	0.10
2021	New share issue	39,602,395	16,674,693	396,023,950	166,746,926	0.10
2021	Reverse share split (1:20)	39,602,395	0	19,801,197	-376,222,753	2.00
2021	Reduction of share capital	990,060	-38,612,335	19,801,197	0	0.05
At the end of the period		**990,060**		**19 801 197**		**0.05**

Declaration by the Board of Directors and the CEO

The Board of Directors and the Chief Executive Officer certify that the year-end report provides a true and fair view of the company's business, financial position, performance and describes material risks and uncertainties, to which the company is exposed.

The year-end report has not been reviewed by the company's auditors.

Stockholm, August 23, 2024

Jonas Ekblom
Chairman

Malin Almgren
Board member

Gunilla Lundmark
Board member

Per Lundin
Board member

Marcus Isaksson
Board member

Peter Nilsson
Board member

Peter Ekolind
CEO


Jonas Ekblom


Malin Almgren


Gunilla Lundmark


Per Lundin


Marcus Isaksson


Peter Nilsson


Peter Ekolind

Glossary

AAV Adeno-associated virus.

AMPA receptor A transmembrane receptor subtype for glutamate that acts as an ion channel and mediates fast synaptic signal transmission in the central nervous system (CNS). AMPA receptors are also present in peripheral nerves and may play a role in pain signaling.

C-kinase A family of protein kinase enzymes that are involved in controlling the function of other proteins through the phosphorylation of hydroxyl groups of serine and threonine amino acid residues on these proteins, or a member of this family.

CDMO Contract development and manufacturing organization is a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing.

Chronic pain Pain that has lasted longer than three to six months. In some cases, the chronic pain may disappear at a later stage. Thus, chronic pain is not necessarily permanent.

Clinical development Comprises three phases, see clinical phase I, II, III below.

Clinical phase I Phase I refers to the first instance of testing of a candidate drug on humans. Phase I trials are often conducted with a small group of healthy volunteer trial subjects to determine the safety and dosage of an as yet non-approved treatment method.

Clinical phase II Phase II trials refer to a pharmaceutical product under development that is administered to a small group of patients to study the safety, dosage and efficacy.

Clinical phase III Phase III studies include a sufficient number of patients to meet regulatory prerequisites for approval. The aim is to determine the statistical significance with respect to the effect of a new candidate drug, without major side effects and under carefully controlled real-world conditions. The new drug is sometimes compared with an established treatment, such as an approved drug.

Clinical study Research studies that explore whether a new, as yet non-approved, drug, medical strategy, treatment, or device is safe and effective for humans.

CRO Contract Research Organization is a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis.

Eurostars A funding instrument that supports innovative SMEs (Small and Medium-sized Enterprises), and project partners (large companies, universities, research organizations and other types of organizations) by funding international collaborative R&D and innovation projects.

Gene therapy A medical field which focuses on the genetic modification of cells to produce a therapeutic effect or the treatment of disease by repairing or reconstructing defective genetic material.

GMP Good Manufacturing Practice is a system for ensuring that pharmaceutical products are consistently produced and controlled according to quality standards. Permits for GMP are granted by the Food and Drug Administration in the country in question and the process is characterized by extremely rigid and high demands on quality in all respects.

In vitro A term used in biomedical science to describe a biological process made to occur in a laboratory vessel or other controlled experimental environment, for example cultivated cells, rather than within a living organism.

In vivo A term used in biomedical science to describe an experimental biological process, and observations thereof, made to occur within a living organism.

Lipodystrophy A rare disease characterized by altered fat distribution on the body. In the absence of normal body fat, various organs, primarily the liver, begin to accumulate fat, leading on to serious metabolic complications, including extreme insulin resistance, hypertriglyceridemia (elevated values of blood fat triglyceride) and liver steatosis (fatty liver).

Neuropathic pain Nerve pain can occur after diseases and injuries of the somatosensory nervous system and spread within a neuroanatomical innervation area. The term neuropathic pain is usually associated with pain that persists after healing of the initial insult.

Neuronal tissue is the type of tissue that consists of nerve cells, also called neurons, and their supporting cells. This tissue is mainly found in the brain, spinal cord and nervous system.

PCT Patent Cooperation Treaty, an international patent law treaty, concluded in 1970. It provides a unified procedure for filing patent applications to protect inventions in each of its contracting states. Peptide Short chains of amino acids linked by peptide bonds.

PICK1 A protein that interacts with C-kinase 1.

Plasmid Small, extrachromosomal DNA molecule within a cell that is physically separated from chromosomal DNA.

Preclinical study In vitro and in vivo studies carried out before the clinical development (see above) with the objective to make sure that the new therapy is safe and has the intended effect.

Proof-of-concept Documented evidence that a potential product or method has the intended effect.

Viral vector Viral vectors are tools that are used to deliver genetic material to cells. Examples of viral vectors are lentivirus, adeno-associated virus (AAV), retro virus and adenovirus. AAV vectors are non-hazardous viruses that can infect human cells without causing disease and can be used to deliver genetic material into human cells.

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