MODUS THERAPEUTICS
INTERIM REPORT Q2 2025

APRIL 1 – JUNE 30 2025

THE SECOND QUARTER IN BRIEF

The second quarter in figures

- The loss after tax amounted to TSEK 6 066 (4 738).
- The loss per share amounted to SEK 0,17 (0,13).
- The cash flow from current operations was negative in the amount of TSEK 3 423 (3 425).

First half year in figures

- The loss after tax amounted to TSEK 8 881 (7 843)
- The loss per share amounted to SEK 0,25 (0,22).
- The cash flow from current operations was negative in the amount of TSEK 7 482 (7 090).

Important events during the second quarter

- Preclinical data showed that sevuparin improved hemoglobin and kidney status in an established CKD mouse model; the results were presented on 27 May at the BioIron 2025 congress in Montréal.
- Second study center opened in the ongoing Phase IIa sevuparin trial in CKD-anemia; ICS Maugeri clinic in Pavia, Italy, was activated on 2 April.
- AGM on 20 May 2025 resolved on unchanged Board, re-appointed auditor, no dividend, and renewed issuance authorisation.
- New preclinical data on sevuparin in chronic kidney disease were presented on 14 June 2025 at the EHA Congress in Milan.
- On 26 June 2025 the Board resolved on a fully guaranteed rights issue of units of approx. SEK 28.3 million; an EGM to approve the issue is convened for 29 July 2025.

Important events after the end of the period

- Patient enrollment for Part 1 of the ongoing Phase IIa study of sevuparin in chronic-kidney-disease (CKD) anemia was completed on schedule (press release 8 July 2025); the single-dose safety data and future dose levels identified here will guide Part 2, planned to begin Q4 2025.
- Extraordinary General Meeting (29 July 2025) approved: (i) new share-capital and share-number limits in the articles of association, (ii) a fully-underwritten rights issue of up to 8 984 724 units (~ SEK 28.3 million gross) priced at SEK 3.15 per unit, and (iii) an issue authorisation for additional shares and warrants.
- Sevuparin doses selected for Part 2 of the ongoing Phase IIa study in CKD anemia; protocol amendment submitted to regulatory authorities (press release August 1, 2025).

Financial overview

The Group	2025 Apr 1 – Jun 30	2024 Apr 1 – Jun 30	2025 Jan 1 – Jun 30	2024 Jan 1 – Jun 30	2024 Jan 1 – Dec 31
Net sales, TSEK	-	-	-	-	-
Operating profit/loss, TSEK	-5 873	-4 804	-8 588	-8 003	-15 838
Equity/Asset ratio, %	-197%	79%	-197%	79%	44%
Cash equivalents, TSEK	1 897	11 971	1 897	11 971	4 379
Cash flow from operating activities, TSEK	-3 423	-3 424	-7 482	-7 089	-14 681
Earnings per share, SEK	-0,17	-0,13	-0,25	-0,22	-0,43
Shareholders equity, TSEK	-6 744	9 839	-6 744	9 839	2 137
Shareholders equity per share, SEK	-0,19	0,27	-0,19	0,27	0,06
R&D expense/operating expense, %	62%	61%	57%	55%	57%
Average number of shares, 000'	35 939	35 939	35 939	35 939	35 939
Share price at the end of the period, SEK	1,20	1,04	1,20	1,04	1,81
Average number of employees	2,0	2,0	2,0	2,0	2,0

Definitions are provided on page 21.

"The Company" or "Modus" refers to the parent company Modus Therapeutics Holding AB with organization number 556851–9523.

"Subsidiary" or "Modus Therapeutics" refers to the subsidiary Modus Therapeutics AB with organization number 556669–2199.

ON TRACK – A STRONG FIRST HALF LAYS THE FOUNDATION FOR THE NEXT VALUE-DRIVING PHASE

The second quarter – and thus the entire first half of the year – was marked by unbroken delivery. We successfully completed Part 1 of our Phase IIa trial with sevuparin in chronic kidney disease (CKD) with anemia, and presented new data that further reinforce the scientific rationale for our drug candidate. Importantly, we also secured shareholder support for a fully guaranteed rights issue of SEK 28.3 million, enabling continued development as planned.

Enrollment in Part 1 of the CKD study was completed on July 8, and the analysis to determine a dose recommendation for the next phase has now been finalized. In a press release on August 1, we announced that the planned protocol amendment – including the final dose selection for Part 2 – has been submitted to regulatory authorities. This confirms that we remain fully on track to initiate Part 2 during the fourth quarter of 2025.

The upcoming study part is a so-called proof-of-concept study with repeated dosing – a critical value-driving milestone for both clinical validation and potential partnerships. This progress further strengthens our position in the global effort to address CKD-related anemia – an area of significant medical need and growing commercial interest.

In our broader pipeline, we also made important progress in the malaria program with completed enrollment in the SEVUSMART study, conducted in collaboration with Imperial College London. Meanwhile, our sepsis program is building on positive Phase Ib data, with current focus on business development and strategic partnerships. Our commercial presence was further expanded through participation in BioEurope Spring 2025, which helped broaden dialogue with potential partners and investors.

Preclinical Data Strongly Support Sevuparin

Preclinical data presented at BioIron 2025 and EHA 2025 show that sevuparin increases hemoglobin (Hb), lowers hepcidin, and reduces renal fibrosis – both as monotherapy and in combination with erythropoietin (EPO). These results reinforce the unique mechanism of action behind sevuparin and validate our hepcidin-targeted approach.

Independent reports, including KDIGO's draft guidelines, explicitly highlight the need for therapies targeting hepcidin. At the same time, the World Health Organization has extended its global goal to halve anemia prevalence to 2030 – a clear signal that current treatment options are insufficient.

Additionally, growing concerns over the long-term safety of oral HIF-PH inhibitors underscore the need for novel mechanisms of action.

Looking Ahead – Ready for the Next Value-Creation Milestone

In the second half of the year, our focus is on securing regulatory approval for Part 2 and initiating the study on schedule, completing the rights issue, and deepening strategic discussions – with CKD anemia as the primary focus, followed by severe malaria and sepsis. We will also continue to strengthen our industry presence through participation in selected partnering conferences.

The prospectus for the rights issue will be published on August 11, with the subscription period running from August 12 to 26.

With a clear clinical roadmap, reinforced scientific foundation, broadened partnership discussions, and funding in place, we are well positioned to unlock the full potential of sevuparin.

John Öhd, CEO, Modus Therapeutics

ABOUT MODUS THERAPEUTICS

Modus is developing sevuparin for patients with severe diseases and high unmet medical needs
Modus Therapeutics is a Swedish biotechnology company developing sevuparin, an innovative drug candidate with the potential to transform the treatment of diseases for which there are currently no effective therapeutic options. Our goal is to establish a new treatment paradigm and improve care for patients with serious and chronic illnesses.

Focus on anemia in chronic kidney disease (CKD)

In 2024, Modus took a decisive step in the development of sevuparin by initiating a Phase IIa clinical study targeting anemia in chronic kidney disease (CKD). The study, approved by Italian authorities in November 2023, aims to evaluate the safety and clinical effects of sevuparin in patients with varying degrees of kidney function impairment. The first part of the study commenced in December, with initial results expected in the first half of 2025.

Anemia in CKD is a major global health issue that adversely affects quality of life and disease progression for millions of patients. Current treatment options are limited, and the need for new therapeutic solutions is significant. Sevuparin's ability to influence key mechanisms in the disease's pathophysiology makes it a promising candidate in this area.

Sevuparin is also being developed for acute inflammatory conditions

Beyond CKD, Modus is also exploring the potential of sevuparin in sepsis and severe malaria—both life-threatening conditions characterized by intense systemic inflammation. Previous research has indicated that sevuparin may exert a protective effect by modulating inflammation in malaria and sepsis. We are now evaluating the possibilities for further development in these areas.

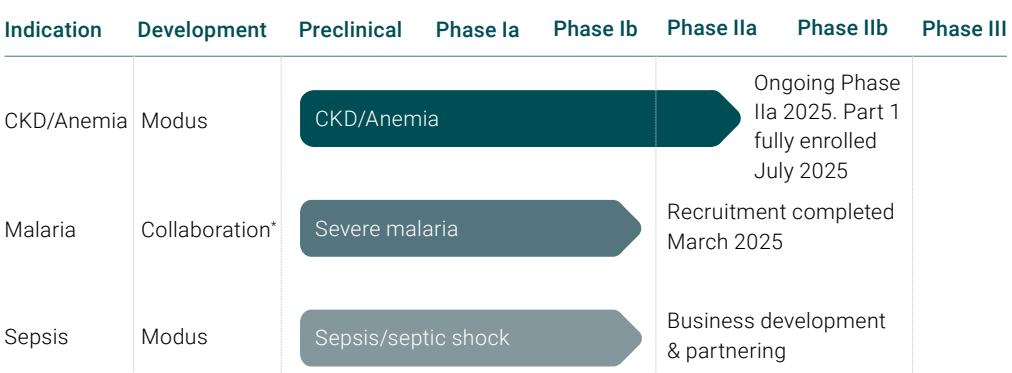
Looking ahead – continued clinical and business development

With an ongoing Phase IIa study in CKD, a strong intellectual property portfolio, and a team with deep scientific expertise, Modus is well-positioned to advance to the next stage of its development. In 2025, we will focus on driving our clinical programs forward while actively exploring business development opportunities to maximize the value of sevuparin.

Sevuparin in short

Sevuparin, a heparinoid (a heparin-like molecule), treats conditions with acute systemic inflammation, such as sepsis, severe endotoxemia, severe malaria as well as states of anemia related to chronic inflammatory disease. Sevuparin is design with inflammation modifying properties without causing any significant blood-thinning. As a result, higher doses of Sevuparin can be administered compared to other heparinoids, allowing treatment of a broader range of conditions caused by severe inflammation.

Modus pipeline



CKD: *Chronic Kidney Disease. * In collaboration with Imperial College London and financed by grant from Wellcome.*

SEVUPARIN – A DRUG CANDIDATE WITH BROAD CLINICAL POTENTIAL

Modus Therapeutics is developing innovative treatments for patients suffering from serious diseases where current therapeutic options are limited. With our drug candidate sevuparin, we have the opportunity to target multiple core disease mechanisms simultaneously addressing significant unmet medical needs in chronic kidney disease (CKD) with anemia, severe malaria, and sepsis.

Inspired by the body's own biology

Sevuparin is a refined derivative of naturally occurring heparin molecules, known as heparan sulfates, which evolution has shaped to play essential roles in a range of biological processes—and thus in multiple disease states. Heparan sulfates are found on cell surfaces and within the extracellular matrix, acting as key regulators of inflammation, coagulation, hormonal signaling, cell growth, and immune defense.

Thanks to its structural similarity to these endogenous molecules, sevuparin can interact with and modulate these biological systems. Unlike conventional heparins, which have been used primarily as anticoagulants since the 1930s, sevuparin is engineered to retain the biological functions of native heparan sulfates while significantly reducing its blood-thinning effect. This allows for higher dosing without increased bleeding risk—enabling novel therapeutic applications in serious medical conditions (outlined below).

Focus on CKD with anemia and chronic inflammation

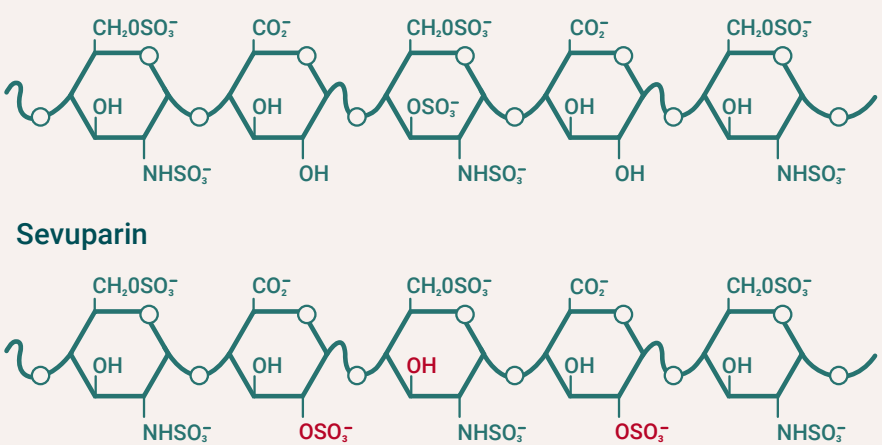
Our primary clinical development focus is the treatment of anemia in chronic kidney disease (CKD), a condition characterized by chronic inflammation and impaired iron metabolism that leads to reduced red blood cell production and diminished quality of life for patients. By targeting hepcidin—a central hormone in iron regulation—sevuparin has shown promising results in preclinical studies, improving both hemoglobin levels and kidney function.

Previous clinical trials have also confirmed a favorable safety profile for sevuparin in humans, providing a strong foundation for continued development in CKD/anemia—a field in urgent need of new and effective therapies.

Potential benefits in severe malaria and sepsis

Beyond CKD/anemia, sevuparin shows considerable promise in severe malaria and sepsis—two life-threatening conditions in which uncontrolled inflammation and vascular endothelial damage are key drivers of disease progression. By protecting the endothelium and neutralizing harmful inflammatory mediators, sevuparin may help reduce disease burden and improve survival in these critical illnesses.

With its unique biological profile—rooted in the body's own defense mechanisms—sevuparin stands out as an innovative drug candidate with the potential to transform the treatment landscape for multiple serious diseases. Modus Therapeutics is well positioned to advance this development and create both medical and commercial value.



MARKET OVERVIEW

With sevuparin, Modus is targeting three challenging indications—each with significant standalone potential.

Anemia in Chronic Kidney Disease (CKD)
One of the most serious complications of CKD is anemia, affecting approximately 25% of patients in stages 3–5—equivalent to over 4.5 million individuals in the U.S. alone. Anemia in CKD worsens disease progression and is linked to poor prognosis, higher rates of hospitalization, and increased mortality. Current treatments primarily rely on erythropoiesis-stimulating agents (ESA/EPO) and iron supplementation. However, a significant unmet need remains—particularly for patients who do not respond to treatment or where anemia is driven by alternative mechanisms.

Sevuparin is a novel, low-anticoagulant heparinoid with anti-inflammatory and hepcidin-lowering properties. Preclinical and clinical data show that sevuparin strongly downregulates hepcidin expression—a key regulator of iron metabolism—through the BMP/SMAD signaling cascade. In a CKD mouse model, sevuparin improved both hemoglobin levels and kidney function, while reducing serum hepcidin and markers of kidney injury and fibrosis. These data suggest that sevuparin may offer dual benefits in treating anemia and preserving kidney function in CKD.

The market potential is substantial. Modus, together with external analytics firm XPLICO, has identified an addressable market for sevuparin in CKD-associated anemia (stage 3–5) projected to include over 10 million patients across the seven major pharmaceutical markets (7MM) by 2038—representing a potential multi-billion-dollar opportunity. This is reflected in previous deals in the field, such as Akebia Therapeutics' partnership with Otsuka Holdings, and the market valuation of companies like Disc Medicine (NASDAQ: IRON), which stood at approximately USD 1.8 billion as of April 2025.

Severe Malaria
Severe malaria is a rapidly progressing, life-threatening condition caused by Plasmodium falciparum and closely resembles sepsis in its clinical presentation—featuring systemic inflammation, vascular injury, and multi-organ dysfunction. It primarily affects children under the age of five and is associated with a mortality rate of 10–20%, even with treatment. While intravenous artemisinin-based drugs are the standard of care, there are currently no approved adjunctive therapies targeting the underlying mechanisms responsible for the early, severe symptoms.

The global situation is further exacerbated by rising drug resistance, particularly in Africa and Southeast Asia, the spread of novel urban-

Anemia/CKD

1.4 million
deaths globally per year.

10 million
patients addressable market 2038.

Sepsis

11 million
deaths globally per year.

4 million
patients addressable market 2038.

Severe malaria

619 thousand
deaths globally per year.

80%
of deaths are children.

adapted mosquito vectors, and climate-related changes that increase the incidence and severity of malaria outbreaks.

Sevuparin has the potential to become a first-in-class adjunctive therapy by targeting the host's inflammatory response and microvascular dysfunction—key drivers in the pathogenesis of severe malaria. Its mechanism of action is independent of parasite resistance, making it particularly relevant in today's evolving therapeutic landscape.

Malaria remains one of the world's deadliest infectious diseases. According to WHO, there were 247 million malaria cases globally in 2021, resulting in 619,000 deaths—80% of which occurred in children under five. Africa accounts for 95% of malaria-related deaths, highlighting the urgent need for new treatment options.

There is growing international commitment to tackling malaria. For example, UNICEF and GAVI have entered into a procurement agreement with GSK for 18 million doses of the first malaria vaccine (RTS,S), valued at up to USD 170 million—demonstrating global willingness to invest in effective solutions. The market for malaria treatments is projected to grow beyond USD 3 billion by 2035, according to current market analyses.

Beyond the global disease burden, malaria drug development also benefits from regulatory incentives in high-income countries. In the U.S., malaria is classified as a rare disease (fewer than 2,000 cases annually—primarily among travelers), making sevuparin eligible for Orphan Drug Designation by the FDA. This would grant seven years of market exclusivity, reduced regulatory fees, and enhanced support. Examples of approved orphan therapies include intravenous artemisinin derivatives, now marketed as orphan drugs in both the U.S. and EU.

Malaria treatments may also qualify for the FDA's Priority Review Voucher (PRV) program, which awards a transferable voucher for accelerated review of another drug upon approval. PRVs have recently been sold for over USD 100 million, underscoring their considerable commercial value.

With its innovative mechanism of action, robust safety profile, and potential to combine clinical efficacy with commercial appeal, sevuparin is well-positioned to become an important future asset in the global fight against severe malaria—from both a public health and investment standpoint.

Sepsis

Sepsis is a life-threatening condition caused by the body's extreme response to an infection, resulting in injury to its own tissues and organs. According to the World Health Organization (WHO), sepsis was linked to an estimated 11 million deaths globally in 2017—about 20% of all global deaths that year. In the U.S., approximately 2 million cases occur annually, and in Sweden, sepsis accounts for more cases than the four most common cancer types combined.

Septic shock, the most severe form of sepsis, is among the leading causes of death in intensive care units worldwide, with an estimated mortality rate of 30%. Despite its severity, there are currently no approved therapies specifically indicated for sepsis or septic shock. Treatment typically focuses on addressing the underlying infection with antibiotics and stabilizing the patient through intensive care interventions. The lack of targeted therapies has kept sepsis among the most resource-intensive conditions in healthcare—with estimated annual costs of USD 22 billion in the U.S. alone, a USD 5 billion increase since 2012.

Sepsis is classified as a high-priority condition (vital indication), enabling potential future treatments to command premium pricing. Modus and XPLICO have identified the target market for sevuparin in sepsis as patients with septic shock—approximately 700,000 individuals across the seven major pharmaceutical markets (7MM). This group represents a potential annual sales opportunity of around USD 6 billion by 2038. An even broader market potential exists in the general sepsis population, which is approximately five times larger.

BUSINESS MODEL & COLLABORATIONS

Business model
Given that sevuparin has the potential to be the first and only treatment specifically targeting the conditions Modus is pursuing, the company expects significant market interest in sevuparin following favorable clinical trial outcomes.

Modus' business model is to independently advance the development of sevuparin through Phase IIa proof-of-concept trials—both in anemia associated with chronic kidney disease and in sepsis. The company also aims to continue progress in severe malaria through advantageous collaborative frameworks.

Based on data from these studies, Modus intends to either initiate a sale of the company or license out sevuparin, with the ultimate goal of establishing the drug on the market. Should market interest not be sufficiently strong based on the Phase IIa data, a potential acquisition or licensing agreement may be revisited at a later stage—such as toward the end of Phase IIb trials. At that point, a larger commercial partner would be able to drive Phase III development in a manner best aligned with their operational and strategic capabilities. According to the current development plan, a market launch and New Drug Application (NDA) could be feasible by 2030.

In general, market authorization requires two large Phase III studies with more than 1,000 patients over an extended time frame. However, treatments that address areas of high unmet need may qualify for regulatory flexibilities. A number of FDA and EMA programs may be applicable to sevuparin, should future clinical trials prove successful. For instance, Modus could be granted Accelerated Approval based on positive Phase IIb or early Phase III results, particularly if improvement in sepsis or severe malaria symptoms can be demonstrated. Such approval would allow earlier market entry for sevuparin while confirmatory Phase III trials are ongoing.

There is also the potential to receive Breakthrough Therapy Designation, which could facilitate the clinical development and regulatory review process, including acceptance of alternative clinical endpoints.

Timeline in traditional drug development

In non-endemic markets such as the US and EU, malaria/severe malaria may be classified as an orphan disease due to its relative rarity, primarily affecting returning travelers from endemic regions. Orphan Drug Designation can provide market exclusivity, regulatory support, and access to a Priority Review Voucher (PRV), enabling faster regulatory review and carrying significant commercial value.

A final scenario could involve Modus continuing development through the completion of Phase III trials, after which a licensing or acquisition strategy would again be pursued. Modus is also prepared to bring sevuparin to market independently, potentially through a network of geographically defined commercial partnerships with local sales partners.

Collaborations
Modus has an ongoing research collaboration with Professor Maura Poli and her team at the University of Brescia, which has been instrumental in establishing the therapeutic focus on anemia and kidney disease within Modus' pipeline.

An additional collaboration was initiated in 2021 with Imperial College London to investigate sevuparin's potential as an adjunctive treatment in severe malaria. Under this collaboration, Modus supplies sevuparin for the various phases of clinical trials in patients with severe malaria. The program is funded by research grants awarded to the study sponsor, Imperial College London, by Wellcome.

Accelerated approval
Granted by both the EMA and FDA to enable faster approval of a drug compared to the standard lengthy regulatory process. The FDA will re-evaluate the application and provide a decision within 60 days of submission. Typically granted for indications with high unmet medical needs.

Breakthrough Therapy
A designation that can expedite the development and review of drugs intended for serious medical conditions, where early clinical evidence indicates a substantial improvement over existing treatments or achievement of one or more clinically meaningful endpoints (endpoint = study objective or goal).

Orphan Drug Designation (ODD)
Granted by FDA and EMA for treatments targeting rare diseases, offering benefits such as market exclusivity and regulatory support, including fee waivers. In the US, an approved ODD may also qualify for a PRV, offering commercial and strategic advantages.

DEVELOPMENT OF PROFIT AND FINANCIAL POSITION

Second quarter

Operating profit/loss

The operating loss for the period April – June 2025 amounted to 5 873 (4 804) TSEK. Research and development expenses increased by 754 TSEK compared to the same period last year, mainly due to phasing effects related to clinical activities, including the ongoing Phase 2a study.

Cash flow, investments, and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 5 320, and at the end of the period to TSEK1 897. Cash flow from current operations was negative to the amount of TSEK 3 423 (3 425), of which changes in working capital amounted to a positive TSEK 2 451 (1 313).
The cash flow from financing activities amounted to TSEK 0(0). The total cash flow amounted to a negative TSEK 3 423 (3 425).

First half year

Operating profit/loss

The operating loss for the period January –June 2025 amounted to 8 588 (8 003) TSEK. Research and development expenses increased by 480 TSEK compared to the same period last year, mainly due to phasing effects related to clinical activities, including the ongoing Phase 2a study.

Cash flow, investments, and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 4 379, and at the end of the period to TSEK 1 897. Cash flow from current operations was negative to the amount of TSEK 7 482 (7 090), of which changes in working capital amounted to a positive TSEK 1 107 (753). The cash flow from financing activities amounted to TSEK 5 000 (0). The total cash flow amounted to a negative TSEK 2 482 (7 090).

Important events during the second quarter

Modus Therapeutics presented new preclinical data reinforcing sevuparin's potential in CKD-related anemia

On 1 April 2025, Modus Therapeutics announced that fresh preclinical findings for its drug candidate sevuparin had been accepted for an oral presentation at the 10th Congress of the BioIron Society (25–29 May, Montréal, Canada). The talk – "*The Heparinoid Sevuparin Improves Anemia and Kidney Status in a Mouse Model of Chronic Kidney Disease*" – was delivered on 27 May by Dr Michela Asperti, senior researcher in Professor Maura Poli's group at the University of Brescia.

In the validated CKD mouse model, sevuparin treatment:

- Raised hemoglobin levels significantly, indicating improved erythropoiesis.
- Suppressed hepcidin, the master regulator of iron metabolism, enhancing iron availability.
- Lowered serum creatinine and reduced renal fibrosis, consistent with preserved kidney function.
- Enhanced and prolonged the hemoglobin response when combined with erythropoietin (EPO), the current standard of care, with effects lasting up to six weeks.

These results complement earlier published data on sevuparin's hepcidin-lowering mechanism and strengthen the scientific rationale for the ongoing Phase IIa study in CKD-related anemia. CEO John Öhd commented that the data "strengthen the biological rationale for sevuparin in chronic kidney disease and chronic inflammation."

Modus Therapeutics opened a second Italian study center in its Phase IIa sevuparin trial for CKD-related anemia

On 2 April 2025, Modus Therapeutics opened a second study center in its ongoing Phase IIa trial evaluating the safety, tolerability and preliminary efficacy signals of sevuparin in both non-dialysis and dialysis-dependent patients with chronic kidney disease (CKD) and anemia. The new site was activated at the Nephrology and Dialysis Unit, Istituti Clinici Scientifici Maugeri S.p.A. in Pavia, Italy, adding to the first site at Centro Ricerche Cliniche di Verona/Policlinico G.B. Rossi that initiated the study in December 2024.

The expansion broadened the recruitment pool and kept the trial on its projected timeline. CEO John Öhd noted that "having two active sites in Italy further strengthened our ability to execute the study as planned in close collaboration with the expert teams at both clinics and our CRO partner Latis S.r.l."

Additional study updates were expected during the first half of 2025.

Annual General Meeting – 20 May 2025

Modus Therapeutics Holding AB (publ) held its AGM on 20 May 2025. The shareholders resolved:

- no dividend for the 2024 financial year
- discharge from liability for the Board and the CEO
- the Board shall comprise three members and no deputies
- re-election of Viktor Drvota (Chair), Ellen Donnelly and Johan Dighed
- re-appointment of Ernst & Young AB as auditor
- adoption of updated principles for the Nomination Committee
- amendment of the Articles of Association: share capital SEK 2.1–8.4 million, shares 35–140 million
- authorisation for the Board, until the next AGM, to resolve on new issues of shares, convertibles and/or warrants, with or without pre-emptive rights for existing shareholders

Presentation of new preclinical sevuparin data at EHA 2025

On 14 May 2025, Modus Therapeutics announced that it had been selected to present a scientific poster at the European Hematology Association (EHA) Congress 2025 in Milan, Italy. The poster, entitled "*Improvement of Anemia and Kidney Status by Sevuparin Treatment in a Mouse Model of Chronic Kidney Disease*", was presented on 14 June 2025.

In the CKD mouse model, the collaboration with the University of Brescia (Professor Maura Poli, Dr Michela Asperti) demonstrated:

- reduced gene expression of renal fibrosis and injury markers
- increased hemoglobin and hematocrit levels
- decreased serum hepcidin concentrations
- effects observed with sevuparin both as monotherapy and in combination with erythropoietin (EPO).

Rights issue of approx. SEK 28.3 million resolved on 26 June 2025

On 26 June 2025, Modus Therapeutics Holding AB (publ) resolved to carry out a rights issue of up to 8,984,724 units at SEK 3.15 per unit, corresponding to about SEK 28.3 million before transaction costs. Each unit comprises nine shares, three warrants (TO 2026) and four warrants (TO 2030). The issue is fully secured through subscription commitments (62.7 %) and guarantee undertakings (37.3 %). Proceeds will primarily fund the continued clinical development of sevuparin, notably Part 2 of the ongoing Phase II study in CKD-related anemia.

The resolution is subject to approval at an Extraordinary General Meeting scheduled for 29 July 2025. The record date for unit rights is 8 August 2025 and the subscription period is set for 12–26 August 2025. Owing to the transaction, the company advanced publication of its Q2 interim report to 7 August 2025.

Important events after the end of the period

Modus Therapeutics completes enrollment in Part 1 of its Phase IIa CKD-anemia study with sevuparin

On 8 July 2025, Modus Therapeutics announced that patient enrollment in Part 1 of its ongoing Phase IIa trial evaluating sevuparin for anemia associated with chronic kidney disease was completed on schedule. The study is being conducted at two leading nephrology centers in Italy—Centro Ricerche Cliniche di Verona/Policlinico G.B. Rossi in Verona and the Nephrology & Dialysis Unit at Istituti Clinici Scientifici Maugeri in Pavia—in collaboration with the CRO Latis S.r.l.

Part 1 assessed safety and establishes future dose levels after single dosing in CKD stages 3, 4 and 5, alongside a reference cohort of healthy volunteers. The resulting data will underpin a planned protocol amendment with dose recommendations for Part 2, which will evaluate the therapeutic potential of repeated sevuparin dosing (proof-of-concept). Modus intends to initiate Part 2 in Q4 2025.

Completion of Part 1 on schedule aligns with the Board's 26 June 2025 resolution on a fully secured rights issue of approximately SEK 28.3 million—subject to approval at an extraordinary general meeting on 29 July 2025—to fund Part 2 of the study.

"Completing enrollment in Part 1 on time is an important milestone and highlights the very successful collaboration with our clinical partners and contract research organizations. We look forward to taking the next step with Part 2 later this year to demonstrate sevuparin's potential as a new treatment for CKD patients with anemia."

- John Öhd, VD

The Extraordinary General Meeting was held on 29 July 2025

On 29 July 2025 Modus Therapeutics convened an Extraordinary General Meeting (EGM) in Stockholm. Shareholders adopted every proposal presented by the Board of Directors.

1. Amendment of the Articles of Association

The meeting resolved to widen the capital framework: the share capital is now set at SEK 5–20 million and the number of shares at 100–400 million, providing headroom for future financings and incentive programmes.

2. Approval of a fully underwritten rights issue of units

The EGM ratified the Board's 26 June 2025 decision to launch a rights issue of up to 8 984 724 units. Each unit comprises nine new shares, three 2025/2026 warrants and four 2025/2030 warrants; the subscription price is SEK 3.15 per unit (equivalent to SEK 0.35 per share), with warrants issued free of charge. Assuming full subscription, Modus' share count could rise from 35 938 899 to 116 801 415 shares, and share capital from SEK 2 156 333.94 to SEK 7 008 084.90. Record date is 8 August 2025 and the subscription window runs 12–26 August 2025. Gross proceeds would amount to roughly SEK 28.3 million, earmarked chiefly for Part 2 of the ongoing Phase IIa CKD-anemia study and general working capital.

3. Issue authorisation

Finally, the EGM authorised the Board—until the 2026 AGM—to resolve, with or without pre-emptive rights, on additional share and/or warrant issues. This flexibility is primarily intended to cover guarantee fees linked to the rights issue and to support strategic initiatives that may arise.

Strategic impact

Together, these resolutions secure near-term funding for the CKD programme and expand Modus Therapeutics' financial toolkit, ensuring the company can progress sevuparin through its next clinical milestones while retaining agility for future partnership or investment opportunities.

Dose selection finalized for Part 2 of Phase IIa study in CKD-related anemia

On August 1, 2025, Modus announced that three dose levels of sevuparin have been selected for use in Part 2 of its ongoing Phase IIa study in CKD-associated anemia. The selection was based on positive data from Part 1, where sevuparin was well tolerated at all tested levels of kidney impairment, with no treatment discontinuations or clinically significant safety signals. No dose adjustment is deemed necessary for patients with mild CKD. A corresponding protocol amendment has been submitted to the regulatory authorities in line with the planned timeline, and initiation of Part 2 remains on track for the fourth quarter of 2025.

OTHER DISCLOSURES

Ownership structure

At the end of the first quarter 2025, there were 902 shareholders in Modus Therapeutics Holding AB, of which the three largest shareholders owned 79,4% of the capital and votes. The total number of shares was 35 938 899. The largest shareholders, on June 30, 2025, were Karolinska Development AB, KDev Investment AB and Hans Wigzell.

Parent Company

Modus Therapeutics Holding AB, corporate identity number 556851-9523 is the parent company of the group and was formed in 2011. The actual operations are conducted by the fully owned subsidiary Modus Therapeutics AB. As per June 30 2025, there were two employees, the CEO and the groups finance department.

The company's main task is of a financial nature to fund the group's operational activities. Net sales for the period reached TSEK 370 (370). The loss for the period amounted to TSEK 4 111 (3 366). The company's net sales consist of invoiced consultancy fees to the fully owned subsidiary Modus Therapeutics AB.

Employees

The number of employees at the end of the period was 2 (2).

Financing

The Board of Directors regularly reviews the company's existing and forecasted cash flow to ensure that the company has the funds and resources necessary to pursue its operations and the strategic focus adopted by the Board. As Modus is primarily a research and development company, the company's long-term cash needs are determined by the scope and results of the clinical research conducted with regard to the company's drug candidate sevuparin. As of the last June 2025, the Group's cash and cash equivalents amounted to SEK 1,9 million.

On November 19, 2024, and March 31, 2025, respectively, Modus announced that the company had secured access to bridge financing of up to SEK 10 million (5+5 MSEK) from its largest shareholder, Karolinska Development AB. The financing enables continued progress in the ongoing Phase IIa study in chronic kidney disease (CKD) with anemia, where the focus is on completing part 1 and establishing the foundation for part 2.

On 26 June 2025, Modus Therapeutics Holding AB (publ) resolved to carry out a rights issue of up to 8,984,724 units at SEK 3.15 per unit, corresponding to about SEK 28.3 million before transaction costs. Each unit comprises nine shares, three warrants (TO 2026) and four warrants (TO 2030). The issue is fully secured through subscription commitments (62.7 %) and guarantee undertakings (37.3 %). Proceeds will primarily fund the continued clinical development of sevuparin, notably Part 2 of the ongoing Phase II study in CKD-related anemia. At the extraordinary general meeting held on 29 July, the Board of Directors' resolution on the share issue was approved.

The share component of the Offering amounts to a maximum of approximately SEK 28.3 million before issue costs. The remaining net proceeds—assuming the Offering is fully subscribed—is a total of approximately SEK 19.0 million, after issuing costs of about SEK 3.9 million and the set-off of loans of around SEK 5.4 million. In addition, the Company may receive up to approximately SEK 9.4 million from the warrants of series TO 2025/2026 and up to roughly SEK 14.4 million from the warrants of series 2025/2030.

The rights issue will provide Modus with funding for the continued clinical development of the Phase II study in CKD and related activities. The study is expected to conclude in the second half of 2026, and proceeds from the rights issue, including potential proceeds from the TO 2026 series warrants, are expected to finance operations through the end of 2026.

Modus is continuously exploring future opportunities for the financing required to complete the clinical research plan for its drug candidate sevuparin. There are no guarantees that the necessary capital can be raised on favourable terms, or that such capital can be raised at all. The Board of Directors and the CEO assess that these projects will be completed and brought into use, and they also believe that the prospects for future capital raising are favorable, provided that the development projects deliver according to plan. Should the capital raising as outlined above not be realized, there is a risk concerning the Group's continued operations.

Financial risks

Modus operates in a global environment where external factors increasingly affect the conditions for capital raising. Geopolitical events such as Russia's invasion of Ukraine, increased trade barriers, inflation, interest rate hikes, and a generally deteriorated investment climate in the capital markets create uncertainty for research-intensive companies within life sciences. These factors may affect Modus' ability to secure necessary financing on favorable terms in a timely manner. In addition, unforeseen delays in clinical development could lead to further pressure on the company's refinancing needs. The Board closely monitors developments, and Modus is working intensively to minimize the impact of crises and other external circumstances.

Risks and uncertainties

Modus Therapeutics risks and uncertainties include, but are not limited to, risks related to drug development and financial risks such as future financing. Further information on the Company's risk exposure can be found on page 25 of Modus Therapeutics Holding's annual report for 2024.

Consolidated summary income statement

TSEK	2025 Apr 1 – Jun 30	2024 Apr 1 – Jun 30	2025 Jan 1 – Jun 30	2024 Jan 1 – Jun 30	2024 Jan 1 – Dec 31
Net sales	-	-	-	-	-
Research and development costs	-3 665	-2 911	-4 876	-4 396	-9 067
Administration costs	-2 197	-1 898	-3 711	-3 600	-6 727
Other operating income	-11	5	-1	-7	-44
Operating profit/loss	**-5 873**	**-4 804**	**-8 588**	**-8 003**	**-15 838**
Net interest income	-193	66	-293	160	293
Profit/loss after financial items	**-6 066**	**-4 738**	**-8 881**	**-7 843**	**-15 545**
Income tax	-	-	-	-	-
PROFIT/LOSS FOR THE PERIOD	**-6 066**	**-4 738**	**-8 881**	**-7 843**	**-15 545**
Earnings per share before and after dilution (SEK)	-0,17	-0,13	-0,25	-0,22	-0,43
Net profit/loss attributable to: Parent company shareholders	**-6 066**	**-4 738**	**-8 881**	**-7 843**	**-15 545**

Consolidated summary balance sheet

TSEK	2025 Jun 30	2024 Jun 30	2024 Dec 31
Assets			
Fixed Assets			
Other financial fixed assets	52	51	52
Total fixed assets	**52**	**51**	**52**
Current assets			
Other receivables	1 472	497	453
Cash equivalents	1 897	11 971	4 379
Total current assets	**3 369**	**12 468**	**4 832**
TOTAL ASSETS	**3 421**	**12 519**	**4 884**
Equity and liabilities			
Share capital	2 156	2 156	2 156
Additional paid-in capital	332 899	332 899	332 899
Retained earnings including net loss for the period	-341 799	-325 216	-332 919
Total equity attributable to parent company shareholders	**-6 744**	**9 839**	**2 137**
Current liabilities			
Interest-bearing liabilities	5 000	-	-
Accounts payable	1 479	1 255	1 555
Other liabilities	168	187	229
Accrued expenses and deferred income	3 518	1 238	963
Total current liabilities	**10 165**	**2 680**	**2 747**
TOTAL EQUITY AND LIABILITIES	**3 421**	**12 519**	**4 884**

Consolidated change in shareholder's equity in summary

TSEK	2025 Apr 1 – Jun 30	2024 Apr 1 – Jun 30	2025 Jan 1 – Jun 30	2024 Jan 1 – Jun 30	2024 Jan 1 – Dec 31
Opening balance equity	**-678**	**14 576**	**2 137**	**17 681**	**17 681**
Profit/loss for the period	-6 066	-4 738	-8 881	-7 843	-15 545
Total comprehensive income	**-6 066**	**-4 738**	**-8 881**	**-7 843**	**-15 545**
New issue of shares	-	-	-	-	-
Costs for new issue	-	-	-	-	-
Total transactions with shareholders	**-**	**-**	**-**	**-**	**-**
CLOSING BALANCE EQUITY	**-6 744**	**9 839**	**-6 744**	**9 838**	**2 137**

The equity is assignable the shareholders of the parent company.

Consolidated cash flow statement in summary

TSEK	2025 Apr 1– Jun 30	2024 Apr 1– Jun 30	2025 Jan 1– Jun 30	2024 Jan 1– Jun 30	2024 Jan 1– Dec 30
Operating activities					
Operating profit/loss	-5 873	-4 804	-8 588	-8 003	-15 838
Interest received	-	66	-	160	292
Interest paid	-1	-	-1	-	-
Cash flow from operating activities before changes in working capital	**-5 874**	**-4 738**	**-8 589**	**-7 843**	**-15 546**
Changes in working capital	2 451	1 313	1 107	753	865
Cash flow from operating activities	**-3 423**	**-3 425**	**-7 482**	**-7 090**	**-14 681**
Cash flow from investment activities	-	-	-	-	-
Cash flow from financing activities	-	-	5 000	-	-
Cash flow for the period	**- 3 423**	**-3 425**	**-2 482**	**-7 090**	**-14 681**
Cash equivalents at the beginning of the period	5 320	15 395	4 379	19 060	19 060
Changes in cash equivalents	-3 423	-3 425	-2 482	-7 090	-14 681
CASH EQUIVALENTS AT THE END OF THE PERIOD	**1 897**	**11 971**	**1 897**	**11 971**	**4 379**

Parent company income statement in summary

TSEK	2025 Apr 1– Jun 30	2024 Apr 1– Jun 30	2025 Jan 1– Jun 30	2024 Jan 1– Jun 30	2024 Jan 1– Dec 31
Net sales	185	185	370	370	740
Research and development costs	-383	-65	-741	-766	-1 450
Administration costs	-2 072	-1 884	-3 444	-3 129	-6 110
Other operating expenses	-3	-1	-3	-1	-1
Operating profit/loss	**-2 273**	**-1 764**	**-3 818**	**-3 526**	**-6 821**
Net interest income	-193	66	-293	160	293
Profit/loss after financial items	**-2 466**	**-1 699**	**-4 111**	**-3 366**	**-6 528**
Appropriation	-	-	-	-	-8 440
Income tax expense	-	-	-	-	-
PROFIT/LOSS FOR THE PERIOD	**-2 466**	**-1 699**	**-4 111**	**-3 366**	**-14 968**

Parent company balance sheet

TSEK	2025 Jun 30	2024 Jun 30	2024 Dec 31
Assets			
Non-current assets			
Financial assets	70 052	70 051	70 052
Total non-current assets	**70 052**	**70 052**	**70 052**
Current assets			
Other receivables	698	554	162
Cash equivalents	1 604	11 289	2 519
Total current assets	**2 302**	**11 843**	**2 681**
TOTAL ASSETS	**72 354**	**81 894**	**72 733**
Equity and liabilities			
Restricted equity			
Share capital	2 156	2 156	2 156
Non-restricted equity			
Share premium reserve	332 773	332 773	332 773
Retained earnings	-277 759	-262 791	-262 791
Profit/loss for the period	-4 111	-3 366	-14968
TOTAL EQUITY	**53 059**	**68 772**	**57 170**

TSEK	2025 Jun 30	2024 Jun 30	2024 Dec 31
Current liabilities			
Interest-bearing liabilities	5 000	-	-
Accounts payable	473	332	144
Liabilities to Group companies	12 704	11 970	14 366
Other liabilities	168	233	229
Accrued expenses and deferred income	950	586	823
Total current liabilities	**19 295**	**13 122**	**15 562**
TOTAL EQUITY AND LIABILITIES	**72 354**	**81 894**	**72 733**

NOTES

Note 1. Accounting principles

Modus Therapeutics Holding AB's consolidated accounts have been prepared in accordance with the annual accounts act and the Swedish accounting standards board's general advice BFNAR 2012: 1 Annual Report and the Consolidated Financial Statements (K3). The interim report for the company has been prepared in accordance with chapter 9 of the annual accounts act and the same accounting principles have been applied as in the most recent annual report for 2024 note 1.

Note 2. Transactions with related parties

During the period, the parent company Modus Therapeutics Holding AB has invoiced TSEK 370 (370) to the fully owned subsidiary Modus therapeutics AB, which corresponds to 100% of the parent company's turnover for the period. During the reporting period there were no other transactions with related parties that had any material impact on the group or parent company's position and earnings.

Note 3. Incentive program

There are no outstanding share related incentive programs in the Company.

Note 4. Equity

The share capital of the Parent Company consists only of fully paid ordinary shares with a nominal (quota value) of SEK 0,06/share. The company has 35 938 899 shares.

	2025	2024
Shares/SEK	Apr 1 – Jun 30	Jan 1 – Jun 30
Subscribed and paid shares:		
At the beginning of the period	35 938 899	35 939 899
Share merger	-	-
Offset issue	-	-
Rights issue	-	-
Subscribed and paid shares	**35 938 839**	**35 938 899**
Shares for sharebased payments	-	-
SUM AT THE END OF THE PERIOD	**2 156 334**	**2 156 334**

SIGNATURES

The Board of Directors and the CEO provide their assurance that this interim report provides an accurate view of the operations, position and earning of the group and the parent company, and that it also describes the principal risks and uncertainties faced by the parent company and the companies included within the group.

This report has been prepared in both Swedish and English. In the event of discrepancies between the versions, it is the Swedish version that applies.

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

Viktor Drvota,
Chairman of the board

Ellen K. Donnelly,
Board member

Johan Dighed,
Board member

John Öhd,
CEO

Financial Calendar

Interim Report Q3 2025	November 26, 2025
Year-End report	February 25, 2026

QUARTERLY OVERVIEW

	2025		2024				2023	
The Group	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Net sales, TSEK	-	-	-	-	-	-	-	-
Operating profit, TSEK	-5 873	-2 715	-4 846	-2 989	-4 804	-3 199	-3 771	-2 456
Equity/Asset ratio, %	-197%	-11%	44%	80%	79%	91%	88%	-311%
Cash equivalents, TSEK	1 897	5 320	4 379	7 999	11 971	15 395	19 060	3 867
Cashflow from operating activities, TSEK	-3 423	-4 059	-3 619	-3 971	-3 424	-3 665	-3 127	-2 955
Earnings per share (before and after dilution), SEK	-0,17	-0,08	-0,13	-0,08	-0,13	-0,09	-0,18	-0,19
Shareholder's equity at the end of the period, TSEK	-6 744	-678	2 137	6 851	9 839	14 577	17 682	-16 413
Shareholder's equity per share, SEK	-0,19	-0,02	0,06	0,19	0,27	0,41	0,78	-1,02
R&D expense/operating expense, %	62%	45%	59%	61%	61%	46%	33%	40%
Average number of shares, 000'	35 939	35 939	35 939	35 939	35 939	35 939	22 626	16 100
Share price at the end of the period, SEK	1,20	1,33	1,81	1,65	1,03	1,14	1,74	1,98
Average number of employees	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0

Definitions

Financial key ratio

Operating profit
Operating income less operating expenses.

Equity/Asset ratio
Equity at the end of the period divided by total assets at the end of the period.

Earnings per share for the period before dilution
Profit for the period divided by the average number of shares before dilution.

Earnings per share for the period after dilution
Profit for the period divided by the number of shares after dilution. Earnings per share after dilution is the same as before dilution because potential ordinary shares do not cause dilution.

Shareholder's equity per share
Equity divided by average number of shares.

R&D expense/operating expense, %
Research and development costs divided by total operating costs.

Number of employees (average)
Weighted average number of employees in the relevant period.

LEADERSHIP TEAM & BOARD

John Öhd, M.D., PhD

CEO since 2020 and previously CMO since 2018.

Born: 1971

Education and experience: MD, PhD. John Öhd has extensive experience in drug development and has previously worked in several different indication areas, including CNS, cancer and blood diseases. His previous qualifications include leadership positions within the research organizations of AstraZeneca and Shire and as Chief Medical Officer at the biotechnology company Medivir.

Other current roles: Board Member at Umecrine Cognition AB, SVF Vaccines AB and Boost Pharma.

Holdings: 1 730 591 shares.

Claes Lindblad

CFO since 2021.

Born: 1967

Education and experience: Master of Sciences in Chemical and administrative sciences from university of Karlstad. Claes Lindblad has over 25 years of broad experience from leading positions in life science. He has previously been CFO of the Medtech company OssDsign, where he led the company's financial and administrative functions and played a key role in the company's listing on Nasdaq First North Growth Market 2019. Before that, he has held several senior positions, including Country manager for the global and market leading Medtec company ConvaTec, and in the role of Sales director for the OTC and generic portfolio at Nycomed / Takeda.

Holdings: 24 327 shares.

Viktor Drvota, M.D, PhD

Chairman since 2016.

Born: 1965

Education and experience: MD, PhD, Assoc Prof in Cardiology at Karolinska Institute. Viktor Drvota has over 18 years' experience from venture capital in life sciences. He was responsible for life science at SEB Venture Capital 2002–2016 and has many years of experience of board duties in biotech and medtech companies.

Other current roles: CEO of Karolinska Development AB. Chairman of the board at Modus Therapeutics AB, Modus Therapeutics Holding AB, Umecrine Cognition AB and KDev Investments AB. Board member at UC Research AB, Dilafor AB and Dilafor Incentive AB. Deputy board member at Promimic AB and Svenska Vaccinfabriken Produktion AB.

Holdings: 0.

Independent in relation to the Company and company management but dependent in relation to the Company's major shareholders.

Johan Dighed

Board Member since September 2024.

Born: 1973

Education and experience: Master of Laws from Lund University. Johan Dighed has over 20 years' experience in financial and business law including positions as Head of Legal with the German bank SEB AG and legal counsel with SEB AB. Prior to joining the financial sector he worked with the international law firm Baker & McKenzie and in the Swedish Judiciary.

Other current roles: Deputy CEO and general counsel at Karolinska Development AB. Board assignments in KDev Investments AB, KDev Invest Consulting AB, KCIF Fund Management, AnaCardio AB, AnaCardio R&D AB, AnaCardio Holding AB, KD Incentive AB, Modus Therapetuics AB and Promimic AB (publ).

Holdings: 0.

Independent in relation to the Company and company management but dependent in relation to the Company's major shareholders.

Ellen K. Donnelly, PhD

Board Member since 2020.

Born: 1974

Education and experience: PhD in Neuroscience from the Yale School of Medicine. Ellen Donnelly has extensive experience from leadership positions within Life Science, including as former CEO of Modus and senior positions within Pfizer and Combinato Rx. She was previously CEO of Epigenetics Division and Juvenescence and management consultant for MEDACorp / Leerink and Swann Strategic Advisors.

Other current roles: Board member of Alzecure Pharma AB.

Holdings: 195 073 shares.

Independent in relation to the Company, the Company management and the Company's major shareholders.

MODUS THERAPEUTICS

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