MODUS THERAPEUTICS

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INTERIM REPORT FOR THE THIRD QUARTER

January - September 2024

2024

Interim report for the third quarter 2024

The third quarter in figures

- The loss after tax amounted to TSEK 2 989 (3 093).
- The loss per share amounted to SEK 0,08 (0,19).
- The cash flow from current operations was negative in the amount of TSEK 3 971 (2 955).

The first 9- months in figures

- The loss after tax amounted to TSEK 10 831 (13 828).
- The loss per share amounted to SEK 0,30 (0,86)
- The cash flow from current operations was negative in the amount of TSEK 11 061 (13 557).

Important events during the third quarter

- Board Member Torsten Goesch passed away.
- Extraordinary General Meeting in Modus Therapeutics Holding AB held on September 27.
- Modus Therapeutics attended NLS Malmö, Sweden.
- Modus Therapeutics attended LSX, Copenhagen Denmark.

Important events after the end of the period

- Modus Therapeutics attended BioEurope Stockholm, Sweden.
- Modus Therapeutics receives a recruitment update for Malaria study.
- Modus Therapeutics receives approval to initiate a Phase IIa clinical trial for chronic kidney disease (CKD).
- Modus Therapeutics secures access to bridge financing from Karolinska Development.

Financial overview

THE GROUP	2024 Jul - Sep 30	2023 Jul 1 - Sep 30	2024 Jan 1 – Sep 30	2023 Jan 1 – Sep 30	2023 Jan 1 – Dec 31
Net sales, TSEK	-	-	-	-	-
Operating profit/loss, TSEK	-2 989	-2 456	-10 992	-12 629	-16 401
Equity/Asset ratio, %	80%	-311%	80%	-311%	88%
Cash equivalents, TSEK	7 999	3 867	7 999	3 867	19 060
Cash flow from operating activities, TSEK	-3 971	-2 955	-11 061	-13 557	-16 684
Earnings per share, SEK	-0,08	-0,19	-0,30	-0,86	-1,01
Shareholders equity, TSEK	6 851	-16 413	6 851	-16 413	17 681
Shareholders equity per share, SEK	0,19	-1,02	0,19	-1,02	1,00
R&D expense/operating expense, %	61%	40%	57%	57%	52%
Average number of shares, 000’	35 939	16 100	35 939	16 100	17 745
Share price at the end of the period, SEK	1,65	1,98	1,65	1,98	1,74
Average number of employees	2,0	2,0	2,0	2,0	2,0

Definitions are provided on page 24.

“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.

Strategic Advances and Clinical Renewal for Modus Therapeutics

The third quarter of 2024 has been marked by both significant progress and focused work for Modus Therapeutics. We continue to advance our mission of bringing innovative treatments to high need patients, with major milestones achieved across our clinical pipeline, financing, and business development activities. As CEO I have the privilege of collaborating with a stellar, experienced and hard-working team of experts in the efforts that outline the recent developments and our future directions.

With the approval of our Phase 2a study in chronic kidney disease and anemia, we are fully focused on generating meaningful clinical data to support our commitment to addressing significant unmet medical needs

- John Öhd, CEO

Advancing Our Clinical Pipeline

A major step forward since the last quarterly report was the approval of our Phase 2a study for chronic kidney disease (CKD)-with anemia by the Italian regulatory authorities in November. This approval constitutes a starting point on the path to demonstrate the clinical potential of sevuparin for this patient population. We are fully focused on executing Part 1 of the study, which aims to support the start of Part 2, for example the selection of doses and in the longer perspective, our ongoing commitment in addressing unmet medical needs in chronic inflammatory conditions such as kidney disease. We look forward to providing updates from this study as it enters operational phase with an aim to deliver Part 1 and the ambition of doing so during the first half of 2025. Once finalized, Part 1 will trigger the initiation of study Part 2 which is contingent on further financing.

Progress in Malaria Research

We are also noting an encouraging recruitment update from the ongoing collaborative study in patients with severe Malaria. Since the activation of the second study site in Zambia, the first two cohorts of patients have been included, which triggered escalation to the next dose level. In all, 10 patients have now been dosed (15 Nov) with sevuparin in the study which is managed by Imperial College London and financed by Wellcome. We are very impressed and encouraged by the development and the achievement of the study consortium in advancing this important study. There is a high medical need in the treatment of severe malaria and the development of sevuparin as a potential adjuvant treatment in this setting constitutes a significant addressable opportunity.

Strengthening Our Financial Position

To ensure that we can maintain the momentum of our research efforts, Modus Thera-

peutics secured access to bridge financing of 5MSEK from our largest and longest-term investor, Karolinska Development. This commitment underscores our investor's maintained and long-standing belief in our work and provides the necessary resources to continue the development of sevuparin and execute Part 1 of our Phase 2a study. We are grateful for this support, which will help us achieve our strategic objectives in the mid-term including the delivery of Part 1 of our CKD trial. Modus is continuously evaluating the potential for financing in the longer-term perspective as we work towards providing new high need therapies for patients.

Honoring a Respected Board Member

It is with great sadness that we acknowledge the sudden passing of Board Member Torsten Goesch in September. Torsten's dedication and invaluable contributions to Modus have been deeply appreciated, and he will be missed. At the Extraordinary General Meeting held on September 27, 2024, we welcomed Johan Dighed as our new board member, effective until the Annual General Meeting in 2025. Johan brings extensive legal expertise and leadership experience as Deputy CEO and General Counsel at Karolinska Development AB, and we look forward to his contributions as we move forward.

Expanding Our Presence and Building Partnerships

Our business development team has been active across various industry forums, reflecting the growing interest in our portfolio. We participated in NLS Malmö, LSX Copenhagen, and BioEurope Stockholm, where we showcased our development work and explored potential partnering opportunities. The increased interest that we are experiencing underscores the value of our broadened portfolio and strengthens our position in the industry.

Scientific Engagement and Publications

Our data dissemination activities continue to be a priority. Modus data from the Phase 1b LPS-study were presented at the Figon Dutch Medicines Days in October (https://www.hyphenprojects.nl/figon-dmd/poster-presentations-and-award) and were also accepted for poster presentation at the British Pharmacological Society (Pharmacology 2024) meeting on December 1st in Harrogate, UK (https://www.miceconciergeme.com/pharmacology-2024/programme) . Sharing our findings with the scientific community is crucial as we work to build confidence and interest in our drug candidates.

Moving forward

Looking ahead, we are determined to continue our progress, building on this quarter's achievements to deliver meaningful solutions for patients. Thank you for your ongoing support and commitment to our mission.

John Öhd,
CEO Modus

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.

About Modus Therapeutics

Modus is a Swedish biotechnology company that is developing its proprietary polysaccharide sevuparin as a potential treatment for several major healthcare needs including sepsis, endotoxemia, severe malaria and other disorders with severe systemic inflammation as well as states of anemia, related to chronic inflammation such as kidney disease. There is a great need for new treatments that can effectively treat these conditions. Modus' ambition is to create a paradigm shift in the care of these diseases, where sevuparin could provide therapeutic benefits.

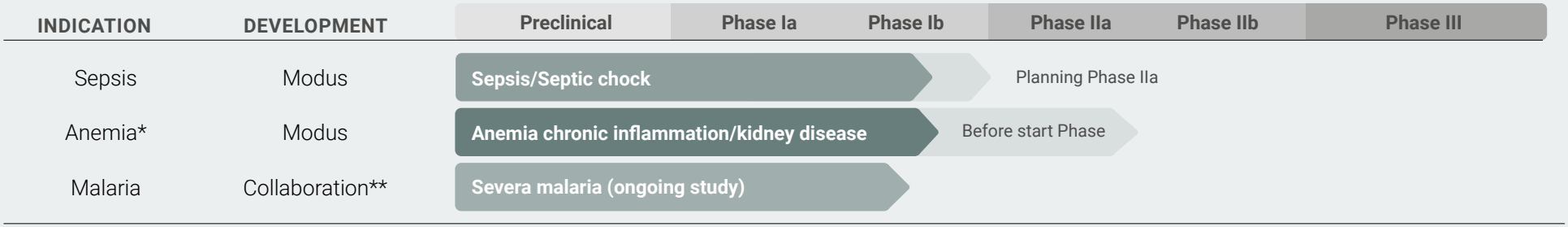
Sevuparin's mode of action

Sevuparin, a heparinoid (a heparin-like molecule), has been designed to retain its inflammation modifying properties while causing significantly less blood-thinning. As a result, sevuparin can be dosed at significantly higher levels than other comparable heparinoids, allowing it to be used to treat multiple diseases that are caused by severe inflammation.

Thanks to its unique properties and a confirmed safety profile, sevuparin has the potential to greatly improve the treatment of sepsis and other conditions with acute systemic inflammation for example severe endotoxemia, trauma, burns, major surgery, and severe malaria. Furthermore, the properties of sevuparin could also address states of anemia that are related to chronic inflammatory diseases such as kidney disease.
Based on preclinical research, sevuparin is believed to counteract systemic inflammation by binding and neutralizing harmful substances secreted by activated white blood cells as well as modifying the action of these cells in sepsis and septic shock, providing robust vascular protection. Sevuparin could thereby break the molecular chain of events that lead to loss of blood vessel integrity, plasma leakage, and ultimately failing organ function.

Additional data on the effect of sevuparin on the iron-regulating hormone hepcidin have been presented at prestigious international scientific meetings in 2023 (EHA and ASH). These indicate that sevuparin could lead to a major advance in the treatment of certain states of anemia that occur with concomitant chronic inflammation, for example in chronic kidney disease. In particular, high levels of hepcidin are suspected of causing and exacerbating the anemia that often complicates these conditions. High hepcidin levels are also thought to contribute to treatment resistance to current standard treatments of anemia in non-responsive patients.

Modus pipeline



** Anemia of chronic inflammation/kidney disease*
*** In collaboration with Imperial College, financed by grant from Wellcome*

Sepsis

Sepsis and septic shock are one of the leading causes of death in intensive care units globally and occur when a bacterial infection causes an exaggerated immune response, resulting in strong inflammation that can lead to harmful substances being secreted into the blood by activated and erratically behaving white blood cells. These substances and the hyperactivated cells risk damaging the inside of the blood vessels eventually causing leakage of plasma into the tissue.

The consequence of this course of events is an increased risk of reduced organ function, and if the condition is not treated, it may lead to respiratory and circulatory collapse followed by acute organ failure and severe tissue damage. As a result, sepsis can develop in a short time from a common infection to something life-threatening, affecting the lungs, heart, kidneys, and brain. There is currently no approved drug that specifically treats sepsis or septic shock.

At the start of 2023, we announced encouraging topline data from our Phase 1b lipopolysaccharide (LPS) provocation study with sevuparin for the treatment of conditions with systemic inflammation such as sepsis and endotoxemia. This was confirmed later in the year when data from the complete study was presented at ISICIP.

Modus believes that sevuparin has the potential to protect blood vessels from leakage, by binding and neutralizing the harmful substances secreted into the blood during severe systemc inflammation such as sepsis, thus preventing the condition from worsening further.

Anemia in chronic diseases

Modus is also evaluating sevuparin's potential as a treatment option in disorders with high levels of the iron regulating hormone hepcidin, such as anemia in chronic inflammation and kidney disease (CKD) and certain other chronic inflammation disorders, as part of its longstanding collaboration with the University of Brescia.

Compelling data, presented at the European Hematology Association Congress (EHA) in June 2023, demonstrates sevuparin's potential to treat anemia related to chronic diseases. These data show sevuparin's ability to potently suppress hepcidin, thereby reducing the signaling which plays a key role in restricting the body's access to iron for vital physiological processes such as the formation of hemoglobin and red blood cells.

These robust results from preclinical cellular and animal models as well as human subjects demonstrate sevuparin's ability to suppress hepcidin at clinically safe dose levels and provide strong evidence of its ability to modulate hepcidin expression. In addition, data from a disease model in mice with chronic kidney disease, presented at the annual American Society for Hematology meeting (ASH) in December 2023, showed that sevuparin alone and together with the standard treatment erythropoietin had a positive effect on both the anaemia and renal status of the mice. This positions sevuparin as a promising candidate for addressing high hepcidin disorders such as anemia of chronic diseases and potentially other conditions of chronic inflammation and anemia.
The results make sevuparin a promising candidate for the treatment of anemia and has contributed to Modus starting a new Phase 2a clinical program with sevuparin in kidney disease patients with anemia.

Malaria
Another promising ongoing clinical development program with sevuparin is conducted in a research collaboration with Imperial College London to treat patients with severe malaria. Severe malaria is a rapidly progressing, serious sepsis-like state caused by the parasite, predominantly in pediatric patients, and carrying a 15-25% mortality rate. Like for sepsis, there is no specific treatment for severe malaria and the purpose with this collaborative program is to evaluate the potential benefit of sevuparin as an early response treatment in the intensive care setting. Imperial College London is conducting the first clinical trial of the collaboration out of their specialized site in Kelifi Kenya as well as a site in Zambia. In 2021, WHO estimated that there were 247 million cases of malaria worldwide with 619 000 deaths of which 80% were children. The African Region alone carried a disproportionate 95% of all malaria cases and 96% of all associated deaths, underlining the importance to center development of new treatments to this region.

The collaborations around malaria and the anemia projects constitute good examples of how Modus works with academic partners in long term joint efforts that eventually may lead into the clinic, either as in-house Modus programs or as so-called investigator initiated collaborative clinical studies.

Completed studies support phase 2-development in sepsis and anemia in chronic disease

Sevuparin has been shown to be safe and tolerable with single and multiple subcutaneous and intravenous dosing within clinically relevant dose ranges in both patient trials and with healthy Phase 1 volunteers. Sevuparin has also undergone preclinical toxicological testing enabling dosing for up to 14 days in clinical trials.

Plasma hepcidin decreased to 30-50% of baseline values in the presence of Sevuparin, with maximal suppression between 6-24 hours.

Earlier in 2023, Modus announced positive top-line data from its Phase 1b lipopolysaccharide (LPS) provocation study, evaluating the potential of sevuparin, as a treatment for endotoxemia, sepsis and other conditions with systemic inflammation.

In this study, healthy volunteers received LPS to induce a transient endotoxemic systemic inflammation reaction together with one of three dose levels of sevuparin, or placebo for 6 hours. They were then followed up at 24 hours post treatment. Provocation with LPS is a well-established model used to characterize the early stages of endotoxemia and septic inflammation by provoking a range of measurable symptoms.

All three dose levels of sevuparin were found to be safe and well tolerated throughout the study period, confirming a favorable safety profile of the candidate drug under induced inflammatory conditions. Furthermore, sevuparin treatment induced statistically significant and dose-dependent increases in the levels of certain white blood cell populations as well as a dose-dependent inhibition of the increase in respiratory rate induced by LPS. These findings are indicative of clinically relevant and immunomodulatory effects exerted by sevuparin in a state of systemic inflammation.

Data from human volunteers, who were enrolled in a previous Phase 1 Single Ascending Dose (SAD) clinical study with sevuparin, showed that plasma hepcidin decreased to 30-50% of baseline values in the presence of sevuparin at three different dose levels with maximal suppression between 6 - 24h. All sevuparin doses were found to be safe and well tolerated.

In a model of chronic kidney disease in mice, the efficacy of sevuparin was shown to protect against both anemia and kidney damage. Taken together the data from these studies provide strong support for Modus continuing the clinical development of sevuparin in both sepsis/septic shock and anemia, related to kidney disease and other chronic inflammatory diseases.

Market overview

With sevuparin, Modus primarily target three challanging indications - sepsis, anemia and severe malaria. Sevuparin has significant potential within the markets for these indication, which are mainly driven by the significant medical need and the increasing global prevalence of these conditions. Together, these areas represent significant opportunities for the development of new drugs and therapies, combining high medical need with commercial potential.

Sepsis

According to the WHO, sepsis is one of the leading causes of death globally, contributing to 11 million deaths in 2017, which accounts for 19.7 percent of all deaths worldwide. In the United States, approximately 2 million cases are reported annually, and in Sweden, the number of sepsis cases exceeds the combined cases of the four most common types of cancer. Septic shock, the most severe form of sepsis, is a leading cause of death in intensive care units worldwide, with a mortality rate of around 30%. Despite this, there are no drugs specifically developed for the treatment of sepsis and septic shock. Although many patients are treated with antibiotics for the infection that caused sepsis, there remains a significant lack of effective treatment, making the diagnosis and treatment of sepsis extremely costly. In the U.S., the cost of sepsis care is estimated at around 22 billion dollars per year, an increase of 5 billion dollars since 2012. Sepsis represents a vital indication within the high-price segment of pharmaceuticals. Modus and the external valuation firm XPLICO identify the potential market for sevuparin in sepsis to include approximately 700,000 patients in the seven largest markets (7MM), with an estimated sales potential of around 6 billion USD by 2038. If the market should include all diagnosed sepsis patients, the potential market size would be five times larger.

Sepsis, a life-threatening infection that can lead to organ failure, remains a leading cause of death in hospitals, making innovative therapies critical for reducing mortality.

11 million

deaths globally per year

4 million

patients addressable market in 2038

Anemia in chronic kidney disease

Anemia is a global health issue affecting approximately 2.3 billion people, which represents 25% of the world's population. The most common form of anemia is iron deficiency anemia, impacting nearly one billion individuals. Chronic kidney disease (CKD) is also highly prevalent, with a global prevalence of 10% of the world's population for the more severe stages (CKD stages 3-5). In 2017, chronic kidney disease was estimated to account for 1.4 million deaths globally, making it one of the most common causes of death worldwide. Anemia is one of the most critical complications of chronic kidney disease, with approximately 25% of all CKD patients in stages 3-5 estimated to have anemia, which corresponds to 4.5 million patients in the U.S. alone. It is well known that these patients have a poorer prognosis if they do not receive adequate standard treatment. CKD is a chronic condition with long treatment durations, which is reflected in the market potential, even though this is based on a conservative assumption that sevuparin would be used only in patients who do not respond to, or lose their response to, standard erythropoietin, or EPO treatment (hyporesponsive patients). Modus and the external valuation firm XPLICO identify the addressable market for sevuparin in CKD/anemia to include anemia in CKD patients in stages 3-5. It is estimated that this will encompass more than 7 million patients in the seven largest markets (7MM) by 2038, representing a multi-billion-dollar market.

Anemia associated with chronic kidney disease is a growing challenge as the population ages and more people suffer from kidney failure, creating a substantial demand for effective treatment options.

Severe malaria, primarily found in tropical regions, causes significant disease burden and mortality, providing an opportunity for new treatments to make a substantial impact, particularly in low- and middle-income countries.

619 000
deaths globally per year

80%
of the deaths are children

Severe malaria

Severe malaria is a rapidly progressing and serious condition resembling sepsis, primarily affecting young children, with a mortality rate of 10-20%. While available standard treatments are effective given time to start working, there is a lack of an adjuvant therapy that can be immediately deployed to target the acute underlying mechanisms causing severe symptoms. Additionally, the growing issue of resistance to existing treatments poses a significant challenge. Sevuparin offers a distinct advantage in this context, as its mechanism of action is not impacted by this type of resistance. According to WHO estimates in 2021, there were 247 million cases of malaria worldwide, resulting in 619,000 deaths, 80% of which were children, including 475,000 under the age of five. A staggering 95% of all malaria cases, including fatalities, occur in Africa, highlighting the critical need for the development of new treatments focused on this region.

Development of profit and financial position

Third quarter

Operating profit/loss
Operating loss for the period July-September 2024 amounted to TSEK 2 989 (2 456). The costs for research and development increased with 828TSEK versus the same period last year. This is a result of phasing effects linked to clinical activities including the initiated phase 2a study. The costs for administration decreased with 334TSEK or versus the same period last year. This is mainly a result of efficiency improvements.

Cash flow, investments, and financial position
At the beginning of the period, cash and cash equivalents amounted to TSEK 11 971, and at the end of the period to TSEK 7 999. Cash flow from current operations was negative to the amount of TSEK 3 971 (2 955), of which changes in working capital amounted to a negative TSEK 983 (500). The cash flow from financing activities amounted to TSEK 0 (2 000). The total cash flow amounted to a negative TSEK 3 971 (955).

First 9- months

Operating profit/loss
Operating loss for the period January-September 2024 amounted to TSEK 10 992 (12 629). The costs for research and development decreased with 1 028 TSEK versus the same period last year. This is a result of phasing effects linked to clinical activities. The costs for administration decreased with 549TSEK versus the same period last year. This is mainly a result of efficiency improvements.

Cash flow, investments, and financial position
At the beginning of the period, cash and cash equivalents amounted to TSEK 19 060, and at the end of the period to TSEK 7 999. Cash flow from current operations was negative to the amount of TSEK 11 061 (13 557), of which changes in working capital amounted to a negative TSEK 230 (929). The cash flow from financing activities amounted to TSEK 0 (7 000). The total cash flow amounted to a negative TSEK 11 061 (6 557).

Important events during the quarter

Board member Torsten Goesch passed away

On September 5 Modus announced that board member Torsten Goesch suddely passed away. Torsten was a valued and respected member of the board, and he made significant contributions to the company's development during his time with Modus. Modus nomination committee initiated the process of appointing a successor for Torsten Goesch.

Extraordinary general meeting in Modus

Modus EGM held on September 27 2024 resolved in electing Johan Dighed as new board member for the period until the end of the annual general meeting 2025. Johan Dighed has a Master of Laws from Lund University and is currently deputy CEO and general counsel at Karolinska Development AB.

Modus Therapeutics attended NLS in Malmö

Modus particiapated in Nordic Life Science days (NLS) in Malmö, Sweden on september 17-18.

Modus Therapeutics attended LSX in Copenhagen

Modus particiapated in LSX Nordic Conferance in Copenhagen, Denmark on October 6-7.

Important events after the end of the quarter

Modus Therapeutics attended BIO Europe in Stockholm

Modus particiapated in BIO Europe in Stockholm, Sweden on November 4-6.

Modus Therapeutics receives a recruitment update for Malaria study

On November 15 Modus receives a recruitment update from the ongoing collaborative study in patients with severe Malaria. Since the activation of the second study site in Zambia, the first two cohorts of patients have been included, which triggered escalation to the next dose level. In all, 10 patients have now been dosed with sevuparin in the study which is managed by Imperial College London and financed by Wellcome.

Modus Therapeutics receives approval to Initiate a Phase IIa clinical trial for chronic kidney disease (CKD)

On November 18 Modus announces that it has received approval from the relevant authorities in Italy for its planned Phase IIa clinical trial with sevuparin.

As previously communicated, the planned Phase IIa study will be conducted in two parts. Part 1 aims to establish dosage levels and safety of sevuparin through single doses in 25-30 patients with varying degrees of kidney failure. Part 1 will also include a small reference group of healthy volunteers and may also provide an opportunity to assess early effects on hepcidin in a relevant patient population.

Part 2, the so-called "proof of concept" segment, will evaluate the effects of repeated dosing of sevuparin based on the dose levels established in Part I, focusing on endpoints related to anemia, hepcidin, kidney status, and relevant biomarkers in patients with more severe chronic kidney disease and anemia. It is expected to recruit 25-30 patients, bringing the total study enrollment to 50-60 patients. The approval is in line with Modus' target to execute Part I of the study during the first half of 2025.

Modus Therapeutics secures access to bridge financing from Karolinska Development

On November 19 Modus announces that it has secured access to bridge financing of up to SEK 5.0 million from its largest shareholder, Karolinska Development. The access to this funding enables Modus to maintain momentum in its research and initiate the recently approved Phase IIa study for chronic kidney disease (CKD).

Other disclosures

Ownership structure

At the end of the fourth quarter, there were 962 shareholders in Modus Therapeutics Holding AB, of which the three largest shareholders owned 79,6% of the capital and votes. The total number of shares was 35 938 899. The largest shareholders, on September 30, 2024, 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 September 30 2024, 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 555 (555). The loss for the period amounted to TSEK 4 712 (5 969). 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 forecast cash flow to ensure that the company's funds and resources necessary to pursue operations and 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 September 2024, the Group's cash and cash equivalents amounted to SEK 8,0 million.

On 5 December 2023, Modus completed the new share issue with preferential rights for the Company's shareholders that was announced on 8 November 2023. A total of 9,682,280 shares were subscribed for and the subscription price in the Rights Issue was SEK 2.00 per share. Through the Rights Issue, Modus thus received approximately SEK 19.4 million before issue costs, which primarily finances general working capital, a clinical phase IIa study in anemia with kidney disease, preparation of other clinical activities and storage of sevuparin and distribution of the same to the study in malaria.

On November 19 Modus announced that it has secured access to bridge financing of up to SEK 5.0 million from its largest shareholder, Karolinska Development. The access

to this funding enables Modus to maintain momentum in its research and initiate the recently approved Phase IIa study for chronic kidney disease (CKD).

On an ongoing basis, Modus investigates future opportunities for the necessary funding to be able to complete the clinical research plan for its drug candidate sevuparin.
There are no guarantees that the required capital can be raised to finance the development on favorable terms, or that the capital can be procured at all. The Board and the CEO make the assessment that these projects will be able to be completed and put into use, and they also make the assessment that the prospects for future capital raising are good provided that the development projects delivers according to plan.

Should capital raising activities according to the above not be fulfilled, there is a risk regarding the group's continued operations.

Financial risks
Russia's invasion of Ukraine and the economic situation affect the economy and society, as well as Modus. The general decline in the stock market and the rise in interest rates could affect Modus and its financing opportunities. Delays in clinical trials may occur and the opportunities for refinancing can be hampered. A general downturn in the stock market and the increase in interest rates may also affect Modus and its opportunities to secure financing for its continued development. The Board monitors the evolvement of the crises closely and Modus is working intensively to minimize the impact of these crises.

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 22 of Modus Therapeutics Holding's annual report for 2023.

Consolidated summary income statement

TSEK	2024 Jul 1 - Sep 30	2023 Jul 1 - Sep 30	2024 Jan 1 - Sep 30	2023 Jan 1 - Sep 30	2023 Jan 1 - Dec 31
Net sales	-	-	-	-	-
Research and development costs	-1 818	-990	-6 214	-7 243	-8 482
Administration costs	-1 149	-1 483	-4 748	-5 297	-7 831
Other operating expenses	-22	16	-29	-90	-87
Operating profit/loss	**-2 989**	**-2 456**	**-10 992**	**-12 629**	**-16 401**
Net interest income	0	-637	160	-1 199	-1 496
Profit/loss after financial items	**-2 989**	**-3 093**	**-10 831**	**-13 828**	**-17 897**
Income tax	-	-	-	-	-
PROFIT/LOSS FOR THE PERIOD	**-2 989**	**-3 093**	**-10 831**	**-13 828**	**-17 897**
Earnings per share before and after dilution (SEK)	-0,08	-0,19	-0,30	-0,86	-1,01
Net profit/loss attributable to: Parent company shareholders	**-2 989**	**-3 093**	**-10 831**	**-13 828**	**-17 897**

Consolidated summary balance sheet

TSEK	2024 Sep 30	2023 Sep 30	2023 Dec 31
Assets			
Fixed assets			
Other financial fixed assets	51	50	51
Total fixed assets	**51**	**50**	**51**
Current assets			
Other receivables	560	1 369	930
Cash equivalents	7 999	3 867	19 060
Total current assets	**8 559**	**5 235**	**19 990**
TOTAL ASSETS	**8 610**	**5 286**	**20 041**
Equity and liabilities			
Share capital	2 156	966	2 156
Additional paid-in capital	332 899	295 926	332 899
Retained earnings including net loss for the period	-328 205	-313 305	-317 373
Total equity attributable to parent company shareholders	**6 851**	**-16 413**	**17 682**
Current liabilities			
Interest-bearing liabilities	-	18 500	-
Accounts payable	951	945	1 312
Other liabilities	199	425	521
Accrued expenses and deferred income	609	1 828	527
Total current liabilities	**1 759**	**21 698**	**2 359**
TOTAL EQUITY AND LIABILITIES	**8 610**	**5 286**	**20 041**

Consolidated change in shareholder's equity in summary

TSEK	2024 Jul 1 - Sep 30	2023 Jul 1 - Sep 30	2024 Jan 1 - Sep 30	2023 Jan 1 - Sep 30	2023 Jan 1 - Dec 31
Opening balance equity	**9 838**	**-13 320**	**17 681**	**-2 585**	**-2 585**
Profit/loss for the period	-2 989	-3 093	-10 831	-13 828	-17 897
Total comprehensive income	**-2 989**	**-3 093**	**-10 831**	**-13 828**	**-17 897**
New issue of shares	-	-	-	-	39 678
Costs for new issue	-	-	-	-	-1 515
Total transactions with shareholders	**-**	**-**	**-**	**-**	**38 163**
CLOSING BALANCE EQUITY	**6 850**	**-16 413**	**6 850**	**-16 413**	**17 681**

The equity is assignable the shareholders of the parent company.

Consolidated cash flow statement in summary

TSEK	2024 Jul 1 - Sep 30	2023 Jul 1 - Sep 30	2024 Jan 1 - Sep 30	2023 Jan 1 - Sep 30	2023 Jan 1 - Dec 31
Operating activities					
Operating profit/loss	-2 989	-2 456	-10 992	-12 629	-16 401
Interest received	0	1	160	1	3
Interest paid	-	-	-	-	-
Cash flow from operating activities before changes in working capital	**-2 989**	**-2 455**	**-10 831**	**-12 628**	**-16 398**
Changes in working capital	-983	-500	-230	-929	-286
Cash flow from operating activities	**-3 971**	**-2 955**	**-11 061**	**-13 557**	**-16 684**
Cash flow from investment activities	**-**	**-**	**-**	**-**	**-**
Cash flow from financing activities	-	2 000	-	7 000	25 320
Cash flow for the period	**-3 971**	**-955**	**-11 061**	**-5 557**	**8 636**
Cash equivalents at the beginning of the period	11 971	4 822	19 060	10 424	10 424
Changes in cash equivalents	-3 971	-955	- 11 061	-6 557	8 636
CASH EQUIVALENTS AT THE END OF THE PERIOD	**7 999**	**3 867**	**7 999**	**3 867**	**19 060**

Parent company income statement in summary

TSEK	2024 Jul 1 - Sep 30	2023 Jul 1 - Sep 30	2024 Jan 1 - Sep 30	2023 Jan 1 - Sep 30	2023 Jan 1 - Dec 31
Net sales	185	185	555	555	740
Research and development costs	-319	-327	-766	-1 008	-1 419
Administration costs	-1 213	-1 228	-1 085	-4 318	-6 587
Other operating expenses	-	-	-1	-	-
Operating profit/loss	**-1347**	**-1 369**	**-4 872**	**-4 770**	**-7 266**
Net interest income	0	-637	160	-1 199	-1 496
Profit/loss after financial items	**-1 346**	**-2 006**	**-4 712**	**-5 969**	**-8 763**
Appropriation	-	-	-	-	-6 424
Income tax expense	-	-	-	-	-
PROFIT/LOSS FOR THE PERIOD	**-1 346**	**-2 006**	**-4 712**	**-5 969**	**-15 187**

Parent company balance sheet in summary

	2024	2023	2023
TSEK	**Sep30**	**Sep 30**	**Dec 31**
Assets			
Non-current assets			
Financial assets	70 051	70 050	70 051
Total non-current assets	**70 051**	**70 050**	**70 051**
Current assets			
Other receivables	327	1 223	762
Cash equivalents	7 502	3 412	18 381
Total current assets	**7 829**	**4 634**	**19 143**
TOTAL ASSETS	**77 880**	**74 684**	**89 194**
Equity and liabilities			
Restricted equity			
Share capital	2 156	966	2 156
Non-restricted equity			
Share premium reserve	332 773	295 800	332 773
Retained earnings	-262 791	-247 604	-247 604
Profit/loss for the period	-4 712	-5 969	-15 187
TOTAL EQUITY	**67 426**	**43 193**	**72 138**
Current liabilities			
Interest-bearing liabilities	-	18 500	-
Accounts payable	2 36	344	845
Liabilities to Group companies	9 508	10 259	15 201
Other liabilities	245	471	521
Accrued expenses and deferred income	465	1 918	488
Total current liabilities	**10 454**	**31 491**	**17 055**
TOTAL EQUITY AND LIABILITIES	**77 880**	**74 684**	**89 194**

Notes to the financial reports in summary

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 2023 note 1.

Note 2 | Transactions with related parties

During the period, the parent company Modus Therapeutics Holding AB has invoiced TSEK 555 (555) 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

The "Incentive Program 2021/2024" has expired. No subscription of new shares occurred during the subscription period, and the program has therefore expired without being exercised. 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.

	2024	2023
Shares/SEK	**Jan 1 - Sep 30**	**Jan 1 - Sep-30**
Subscribed and paid shares:		
At the beginning of the period	35 938 899	16 100 050
Share merger	-	-
Offset issue	-	-
Rights issue	-	-
Subscribed and paid shares	**35 938 899**	**16 100 050**
Shares for sharebased payments	-	-
SUM AT THE END OF THE PERIOD	**2 156 334**	**966 003**

Financial calendar

Interim Report Q3 2024
| November 20th, 2024

Year-End Report 2024
| February 20th, 2025

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.

MODUS THERAPEUTICS HOLDING AB
Stockholm November 20, 2024

Viktor Drvota
Chairman of the board

Ellen Donnelly
Board member

Johan Dighed
Board member

John Öhd
CEO

Quarterly overview

	2024			2023				2022
THE GROUP	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Net sales, TSEK	-	-	-	-	-	-	-	-
Operating profit, TSEK	-2 989	-4 804	-3 199	-3 771	-2 456	-4 365	-5 808	-9 121
Equity/Asset ratio, %	80%	79%	91%	88%	-311%	-238%	-117%	-23%
Cash equivalents, TSEK	7 999	11 971	15 395	19 060	3 867	4 822	6 589	10 424
Cashflow from operating activities, TSEK	-3 971	-3 424	-3 665	-3 127	-2 955	-4 267	-6 335	-8 192
Earnings per share (before and after dilution), SEK	-0.08	-0.13	-0.09	-0.18	-0.19	-0.29	-0.38	-0.58
Shareholder's equity at the end of the period, TSEK	6 851	9 839	14 577	17 682	-16 413	-13 321	-8 625	-2 585
Shareholder's equity per share, SEK	0.19	0.27	0.41	0.78	-1.02	-0.83	-0.54	-0.16
R&D expense/operating expense, %	61%	61%	46%	33%	40%	53%	68%	83%
Average number of shares, 000'	35 939	35 939	35 939	22 626	16 100	16 100	16 100	16 100
Share price at the end of the period, SEK	1.65	1.03	1.14	1.74	1.98	2.77	2.32	2.79
Average number of employees	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

Definitions

Financial key ratios

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.

MODUS THERAPEUTICS

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