ISOFOL MEDICAL AB (PUBL)

INTERIM REPORT

JANUARY-SEPTEMBER 2024

Isofol issue all its reports in Swedish language.
This report is a direct unauthorized translation
of the issued Swedish interim report, January-September 2024.

A solid evidence platform forms the basis for future studies

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- On July 5, announced that an external committee of experts has performed a post hoc per-protocol analysis of the clinical Phase III AGENT study that shows new results in favor of arfolitixorin.
- On July 16, announced results of two further preclinical studies conducted by Oncosyne AS in collaboration with Akershus University Hospital in Oslo and at the Surgical Oncology Laboratory (SOL) at Sahlgrenska University Hospital in Gothenburg, respectively. Both studies show that increased doses of arfolitixorin in combination with 5-FU lead to significantly higher efficacy and thus support the dose-response relationship of arfolitixorin.
- On July 30, announced that Margareta Hagman had been appointed as Chief Financial Officer and would assume the position on August 13.
- On September 17, announced the positive outcome of a preliminary patentability report on a new international product patent application for arfolitixorin, submitted under the Patent Cooperation Treaty (PCT).

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- No significant events occurred after the end of the period.

Isofol is developing the cancer drug candidate arfolitixorin

Isofol Medical AB (publ) aims to raise the quality of life and increase the survival rate for patients with severe forms of cancer. The company's drug candidate arfolitixorin is being developed with the purpose of increasing the efficacy of standard first-line treatment for several forms of solid tumors, including colorectal cancer. The next step in the clinical development program is currently being prepared based on a new dosage regimen that is expected to optimize arfolitixorin's efficacy. Isofol Medical AB (publ) is traded on Nasdaq Stockholm.

FINANCIAL INFORMATION

This interim report concerns the company and no longer the Group. The subsidiary was liquidated and the Group ceased to exist in December 2023. Therefore all comparative figures now pertain to the company and not the Group.

Third quarter, July-September 2024

- Net revenue amounted to kSEK 0 (0) and other revenue to kSEK 0 (0)
- The result for the period amounted to kSEK-10,859 (-6,245)
- Earnings per share amounted to SEK -0.07 (-0.04)
- Cash and cash equivalents on September 30 amounted to kSEK 104,020 (144,176)

January-September 2024

- Net revenue amounted to kSEK 0 (721) and other revenue to kSEK 0 (0)
- The result for the period amounted to kSEK -30,387 (-28,188)
- Earnings per share amounted to SEK -0.19 (-0.17)

KEY FIGURES kSEK	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep
Net revenue	-	-	-	721
Result for the period	-10,859	-6,245	-30,387	-28,188
Earnings per share (SEK)	-0.07	-0.04	-0.19	-0.17
Cash and cash equivalents	104,020	144,176	104,020	144,176

Strong case for success in our clinical study with arfolitixorin

With a solid evidence platform and supported by strong partnerships, we put the final pieces of the puzzle into place during the third quarter for the design of the clinical study that will evaluate our drug candidate arfolitixorin as a new potential component in the treatment of colorectal cancer. Few drug candidates in the clinical development phase that we are in have as broad a scientific base as arfolitixorin – and all new data, from preclinical studies to analyses of the AGENT study, indicate that the new study design offers greater possibilities for arfolitixorin to demonstrate its full potential.

When collating the conclusions from the analyses and preclinical results that were presented over the last year, we can state that arfolitixorin in a post hoc per-protocol analysis showed indications of being better than the comparator product if administered in exact accordance with the protocol, that higher doses of arfolitixorin administered with a new method can lead to better efficacy, and that higher doses can likely be given without negatively impacting the safety profile. These conclusions form the basis of our evidence platform, which has been the fundament in designing the clinical study that is expected to commence in early 2025.

Convincing evidence platform forms basis for study

At this juncture, there is a large amount of preclinical and clinical data behind arfolitixorin, providing a strong scientific base for continued development. This include the Phase III AGENT study, which was conducted on a global scale and demonstrated that the drug candidate is active and efficacious, as well as the post hoc per-protocol analysis of the same study which showed promising results for the patients who received the investigational drugs in accordance with the protocol. Additionally, there are analyses showing that the dosage in the AGENT study was too low and not an equimolar dosage in relation to the comparator arm, as well as preclinical studies showing that higher doses of arfolitixorin can lead to better efficacy. Moreover, the per-protocol analysis demonstrated the importance of high precision and protocol compliance in the administration of the investigational drugs with the selected dosage regimen. A new dosage regimen that addresses all of this could reduce the need for precision and result in better overall efficacy. These conclusions were crucial when we designed the upcoming clinical study with the goal of demonstrating the full potential of arfolitixorin.

Detailed study design with several cohorts

Based on the new information that emerged, including the comprehensive conclusions in our evidence platform, we have adjusted and expanded the study design to ensure that all conclusions are addressed and the likelihood of a positive outcome is maximized. Briefly put, we will administer arfolitixorin at higher doses and at different injection times, and with the investigational drugs administered in accordance with the protocol. This will enable us to optimize the dose-response relationship and maximize arfolitixorin's potential to interact with 5-FU so that synergistic efficacy can be achieved. Among other things, this entails that we in the initial part of the study will evaluate an additional dose cohort and more methods of administration than previously planned. The second part of the study will subsequently evaluate the most promising treatment regimens, with efficacy in the form of the overall response rate (ORR) as the primary endpoint, in accordance with the original plan. Overall, these adjustments will increase the likelihood of achieving a positive result, but require a slightly longer preparation period, which could mean that the first patient is included in the first quarter of 2025 – a small delay. The study will consequently be more comprehensive, and thereby provide a more robust base for continued development and future regulatory procedures. As previously announced, the study will be conducted at Charité – Universitätsmedizin Berlin, headed by the eminent Professor Sebastian Stintzing.

Improved outlook for expanded patent protection

In parallel with setting up the clinical study, we are working continuously to strengthen the intellectual property protection for arfolitixorin. In September, we were presented with a positive preliminary report on a new international product patent application for arfolitixorin that – if approved – will significantly strengthen and prolong its international patent protection. The patentability report concerns a product patent for arfolitixorin and was submitted by the International Searching Authority (ISA) of the European Patent Office (EPO). This report is an important step in the patent process and means that a new product patent is likely to be granted in the next two to three years, subject to positive decisions by national and regional patent offices.

Moreover, we are working on additional patent applications with the goal of maximizing the value of our drug candidate and ensuring its protection for decades to come.

Important participation in scientific and partnering meetings

After the end of the period, in late October, the preclinical results from the collaboration with Oncosyne were presented at the ENA 2024 cancer conference in Barcelona, Spain – a scientific meeting arranged by the European Organisation for Research and Treatment of Cancer, the U.S. National Cancer Institute, and the American Association for Cancer Research. The study indicates a clear dose-response relationship for arfolitixorin, meaning that an increased dose led to higher efficacy, and together with other studies conducted during the year had a major impact on the design of Isofol's upcoming clinical study. I am particularly pleased that the results of the study were selected for a late-breaking abstract; the arrangers themselves describe such abstracts as being based on groundbreaking research that has the potential to fundamentally change prevailing clinical practice.

BIO-Europe, the major international partnering conference, kicked off in Stockholm in early November, giving us the opportunity for several meetings with both current and potential future partners.

Stable foundation for continued clinical development

While already large, the market for the treatment of colorectal cancer is expected to grow further and the need for better treatments for metastasized cancers in particular is vast. The current 5-FU-based chemotherapy treatment will remain standard of care for the foreseeable future, and the best possibility for improving the outlook for patients is therefore to optimize the same, which is the purpose of arfolitixorin. If the upcoming study confirms arfolitixorin's efficacy, the drug candidate will – as one of a very few innovations in first-line treatment – have a crucial role to play.

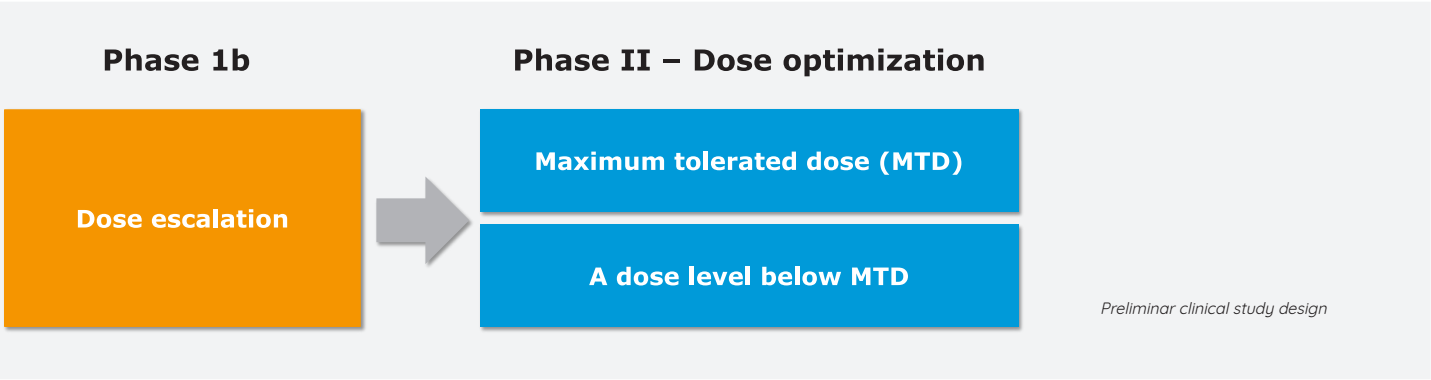
To determine which dosage regimen yields the best efficacy, we have – as mentioned above – chosen to expand the clinical study as regards the number of cohorts and dosage levels. This means that the study will be slightly more comprehensive and costly than we previously estimated, but we feel that this resource allocation is justified since it is based on the conclusions from our evidence platform and increases the likelihood of achieving a positive result. In short, Isofol is at an exciting stage, and we look forward to initiating the clinical study very soon.

Gothenburg, November 12, 2024

Petter Segelman Lindqvist
CEO, Isofol Medical AB (publ)

Clinical development plan for arfolitixorin

Isofol will soon initiate a clinical Phase Ib/II study to evaluate the efficacy and safety of the new dosage regimen with the company's drug candidate, arfolitixorin. The study will be conducted in collaboration with the prominent academic hospital Charité – Universitätsmedizin Berlin, and the goal is for the study to commence in the first quarter of 2025.



Preliminar clinical study design

During the year, Isofol carried out an in-depth analysis of the available clinical data and the comprehensive scientific knowledge base for arfolitixorin. The purpose was to identify potential causes for why, in the Phase III AGENT study, arfolitixorin did not display significantly better efficacy than the current standard treatment, and how this could be addressed in future studies. As a part of the evaluation, the company – together with external experts – carried out pharmacokinetic simulations, preclinical studies and analyses of the AGENT study. The primary conclusions were that the chosen administration regimen likely meant that the concentration of arfolitixorin in the blood was too low to deliver a sufficiently high quantity of the active ingredient into the tumor. This also meant that the comparison with the standard treatment control arm was not accurate, since the control group was being treated with a higher dose. The pharmacokinetic models and a review of the available safety data also indicate that it is likely possible to administer arfolitixorin at a higher dose than the one evaluated in the AGENT study, and that this should lead to better efficacy. Furthermore, the results from a post hoc analysis of the AGENT study demonstrated that arfolitixorin had significantly better efficacy in the patients who received the investigational drug in accordance with the instructions in the protocol. All of this now forms the foundation for the design of the upcoming clinical study.

New clinical study

Based on current knowledge, the company deems it possible to further improve the efficacy of the drug candidate by using an optimized dosage regimen. Isofol therefore plans to carry out a clinical Phase Ib/II study of arfolitixorin as a first-line treatment in combination with 5-FU-based cytostatic therapies in treatment-naive mCRC patients. The study aims to generate efficacy and safety data ahead of the continued clinical development. To achieve an indication of improved efficacy compared with the current standard treatment (5-FU-based cytostatic therapies with leucovorin), comparable analyses will be made against historical controls data.

The study will be carried out as a clinical Phase Ib/II study, where the introductory Phase Ib portion will evaluate escalating doses. The highest tolerated dose will then be compared with a lower dose and further evaluated in the following Phase II portion of the study, with a focus on evaluating efficacy. Interim analyses will be carried out in the Phase II portion in order to wind down the arm that potentially demonstrates inferior efficacy and/or toxicity. The study will be conducted in collaboration with Charité – Universitätsmedizin Berlin, Europe's leading cancer hospital, which we entered into a partnership with in May 2024.

Clinical development in collaboration with partners

To optimize the completion of the clinical study and to maximize the possibility of its success, the company is conducting clinical development in collaboration with existing partners including, in addition to Charité – Universitätsmedizin Berlin, Merck & Cie and Solasia Pharma K.K. as well as select suppliers and partners.

Financial information, July-September

COMPARISON BETWEEN THE THIRD QUARTER OF 2024 AND 2023

Amounts stated without parentheses refer to the July-September 2024 period, and amounts stated in parentheses refer to July-September 2023.

REVENUE

Operating revenue

Net revenue amounted to kSEK 0 (0) during the period. Other revenue amounted to kSEK 0 (0).

OPERATING COSTS

Other external costs

Other external costs amounted to kSEK -9,740 (-6,868), corresponding to an increase of kSEK 2,872. Costs during the quarter are primarily attributable to start-up costs for future studies related to clinical CRO, advisory services and consulting resources pertaining to drug development and administration, along with other ongoing operating expenses. The year-earlier period was strongly impacted by costs related to analyses of the AGENT study in accordance with the strategy presented at that time.

Personnel costs

Personnel costs amounted to kSEK -1,627 (-693), corresponding to an increase of kSEK 934. There were four (three) employees at the end of September 2024.

Depreciation and amortization

Depreciation, amortization and impairment of tangible and intangible fixed assets during the period amounted to kSEK -1 (-6).

Financial items

Financial revenue amounted to kSEK 851 (1,284), attributable to interest income in cash and cash equivalents. Financial costs amounted to kSEK 0 (0).

RESULT

The operating result amounted to kSEK -11,711 (-7,529), corresponding to an increased loss of kSEK 4,182. The result after financial items was kSEK -10,859 (-6,245), corresponding to an increased loss of kSEK 4,614. The Group has no tax costs since there was no profit in the period.

CASH AND CASH BALANCE

The company's cash and bank as of September 30, 2024 amounted to kSEK 104,020 (144,176). No loans had been taken up as of September 30, 2024 or have been taken up since then. SEK 0 (0) has been pledged as collateral from cash and bank.

CASH FLOW

Cash flow from operating activities

Cash flow from operating activities during the period amounted to kSEK -14,703 (-12,585), corresponding to a change of kSEK 2,118. The negative cash flow is primarily attributable to start-up costs for future studies related to clinical CRO, advisory services, consulting costs for drug development and administration, and personnel costs.

Cash flow from investing activities

Cash flow from investing activities during the period amounted to kSEK 0 (51).

Cash flow from financing activities

Cash flow from financing activities during the period amounted to kSEK 0 (0).

Cash flow for the period

Cash flow for the period amounted to kSEK -14,703 (-12,534), corresponding to a change of kSEK 2,169.

INVESTMENTS

Investments during July-September 2024

The investments during the period amounted to kSEK 0 (0). Most of the company´s costs are related to research and development. These costs are expensed on an ongoing basis and are thus not classified as investments. The company has no material ongoing or planned investments.

Financial information, January-September

COMPARISON BETWEEN JANUARY TO SEPTEMBER 2024 AND 2023

Amounts stated without parentheses refer to January-September 2024, and amounts stated in parentheses refer to January-September 2023.

REVENUE

Operating revenue

Net revenue amounted to kSEK 0 (721) during the period. Other revenue amounted to kSEK 0 (0).

OPERATING COSTS

Other external costs

Other external costs amounted to kSEK -28,083 (-25,924), corresponding to an increase of kSEK 2,159. Costs during the period are primarily attributable to start-up costs for future studies related to clinical CRO, advisory services and consulting resources pertaining to drug development and administration, along with other ongoing operating expenses. The year-earlier period was strongly impacted by costs related to wind-up activities and analyses related to the AGENT study in accordance with the strategy presented at that time.

Personnel costs

Personnel costs amounted to kSEK -5,079 (-6,499), corresponding to an increase of kSEK 1,420. There were four (three) employees at the end of September 2024.

Depreciation and amortization

Depreciation, amortization and impairment of tangible and intangible fixed assets during the period amounted to kSEK -3 (-36).

Financial items

Financial revenue amounted to kSEK 3,113 (3,363), attributable to interest income in cash and cash equivalents. Financial costs amounted to kSEK 0 (0).

RESULT

The operating result amounted to kSEK -33,501 (-31,551), corresponding to an increased loss of kSEK 1,950. The result after financial items was kSEK -30,387 (-28,188), corresponding to an increased loss of kSEK 2,199. The company has no tax costs since there was no profit in the period.

CASH AND CASH EQUIVALENTS

The company's cash and bank as of September 30, 2024 amounted to kSEK 104,020 (144,176). No loans had been taken up as of September 30, 2024 or have been taken up since then. SEK 0 (0) has been pledged as collateral from cash and bank.

CASH FLOW

Cash flow from operating activities

Cash flow from operating activities during the period amounted to kSEK -33,704 (-46,461), corresponding to a change of kSEK 12,757. The negative cash flow is primarily attributable to start-up costs for future studies related to clinical CRO, advisory services, consulting costs for drug development and administration, and personnel costs.

Cash flow from investing activities

Cash flow from investing activities during the period amounted to kSEK 0 (51).

Cash flow from financing activities

Cash flow from financing activities during the period amounted to kSEK 0 (0).

Cash flow for the period

Cash flow for the period amounted to kSEK -33,704 (-46,410), corresponding to a change of kSEK 12,706.

INVESTMENTS

Investments during July-September 2024

The investments during the period amounted to kSEK 0 (0). Most of the company´s costs are related to research and development. These costs are expensed on an ongoing basis and are thus not classified as investments. The company has no material ongoing or planned investments.

Other information

ORGANIZATION AND EMPLOYEES

There were four (three) full-time employees at the end of the reporting period, of whom one man and three women, all employed at the company's head office in Gothenburg, Sweden. In addition, the company has a number of consultants in important key functions who work full-time or almost full-time for Isofol.

INFORMATION ABOUT TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties take place on market terms.

Since the end of Roger Tell's employment in June 2023, Isofol has had a consultancy agreement with a company owned by Roger for medical consultancy services as well as a consultancy agreement as acting CEO of Isofol. The agreement for medical consultancy services was terminated in connection with Roger taking office as acting CEO, and a new agreement was signed with the same company for the CEO assignment. In January 2024, Roger's CEO consultancy agreement was replaced with a consultancy agreement for medical advisory services in the role as Chief Medical Officer, and in the third quarter of 2024 remuneration of SEK 750,000 was paid for CMO services.

Remuneration to the company's senior executives was paid according to applicable policies and guidelines during the year.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

Isofol's main business is the research and development of one drug, arfolitixorin. This business is capital-intensive and associated with risk. Isofol's operations are associated with risks that could have a material negative impact on the company's operations, financial position and result. The market risks that are considered to be of special significance in regard to Isofol's future development are linked to the availability of the financial and clinical resources to conduct the company's clinical activities.

Isofol works continuously to identify, evaluate and manage risks in various systems and processes. Risk analyses are conducted on an ongoing basis for the business, but also for activities that lie outside Isofol's normal quality system.

The most significant strategic and operational risks that affect the company are described in the 2023 Annual Report. The company's assessment is that there have been no material changes to these risks and uncertainties as of September 30, 2024.

ISOFOL'S SHARE

The number of shares at the end of the period was 161,515,440 (161,515,440), with a nominal value of SEK 0.0306 (0.0306). The average number of shares in the third quarter was 161,515,440 (161,515,440). Since 2021, the share is listed on Nasdaq Stockholm's main list, under the commercial name "ISOFOL" and ISIN SE0009581051.

Largest shareholders at September 30, 2024

Shareholder	Number of shares	Share capital/votes
Avanza Pension	13,526,897	8.37 %
Swedbank Försäkring	7,734,911	4.79 %
Christian Haglund	7,636,506	4.73 %
Göran Gustafsson*	6,038,508	3.74 %
Mats Franzén and related parties*	5,952,393	3.69 %
Hans Enocson	4,555,236	2.82 %
Claes Ekman	3,850,000	2.38 %
Bengt Gustafsson*	3,749,459	2.32 %
Långedrags Båtvarv AB	3,044,659	1.89 %
Futur Pension	2,348,777	1.45 %
10 largest shareholders	**58,437,346**	**36.18 %**
Other shareholders	103,078,094	63.82 %
TOTAL	**161,515,440**	**100.00 %**

** Own or related natural or legal person's holding of shares (direct and indirect) and other financial instruments in the company.*

SOURCE: MONITOR OF MODULAR FINANCE AB. COMPILED AND PROCESSED DATA FROM SOURCES INCLUDING EUROCLEAR, MORNINGSTAR AND THE SWEDISH FINANCIAL SUPERVISORY AUTHORITY.

EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events other than those stated on page 1 have occurred since the end of the reporting period.

FORWARD-LOOKING INFORMATION

Even if the available data appears to be positive, there can be no guarantee that the clinical studies that the company intends to carry out will be successful. Consequently, actual future outcomes may differ significantly compared with what is stated in the forward-looking information, depending on factors including changed conditions in the economy and the market, changes in legal and regulatory requirements as well as political measures.

AUDIT REPORT

This report has been reviewed by the company's auditors.

FINANCIAL REPORTS

This interim report pertains to the company, and no longer to the Group. The subsidiary was divested in December 2023. Therefore, all comparative figures now pertain to the company and no longer the Group.

Major fluctuations in revenue and costs for various periods may occur due to the nature of the business. Revenue is not seasonal or regular in any other way; instead, it is partly related to when milestones that generate remuneration are achieved in licensed research projects. Exactly as with revenue, costs may fluctuate between different periods. This is affected by the phases that various projects are in since some phases generate more costs. Figures in parentheses indicate the outcome for the corresponding period in the preceding year for items related to the income statement and cash flow. Amounts are stated in kSEK unless otherwise specified. All stated amounts are rounded, which means that some totals may occasionally appear to be incorrect as a result.

FINANCIAL CALENDAR

Isofol intends to publish financial reports and hold meetings according to the following schedule:

Investor meeting	November 20, Gothenburg
Year-end report 2024	February 19, 2025
Annual report 2024	week 15 in April, 2025
Interim report January-March 2025	May 21, 2025
Annual General Meeting 2025	May 21, 2025, Gothenburg
Interim report April-June 2025	July 18, 2025
Interim report July-September 2025	November 12, 2025

The interim reports are published on the company's website, and updates about upcoming events take place continuously at www.isofolmedical.com.

For further information

Petter Segelman Lindqvist, CEO
Phone: +46 (0)739 60 12 56
E-mail: petter.s.lindqvist@isofolmedical.com

Margareta Hagman, CFO
Phone: +46 (0)738 73 34 18
E-mail: margareta.hagman@isofolmedical.com

Isofol Medical AB (publ)
Biotech Center
Arvid Wallgrens Backe 20
413 46 Gothenburg, Sweden

www.isofolmedical.com | info@isofolmedical.com
Corporate identity number: 556759-8064 | Registered office: Gothenburg

This report has been prepared in a Swedish original and has been translated into English. In the event of differences between the two, the Swedish version shall apply.

Income statement

kSEK	Note	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
OPERATING REVENUE						
Net revenue	2	-	-	-	721	721
Other revenue		-	-	-	-	-
Total operating revenue		**-**	**-**	**-**	**721**	**721**
OPERATING COSTS						
Other external costs		-9,740	-6,868	-28,083	-25,924	-35,136
Personnel costs		-1,627	-693	-5,079	-6,499	-7,424
Depreciation		-1	-6	-3	-36	-37
Other operating costs*		-343	37	-337	187	192
Total operating costs		**-11,711**	**-7,529**	**-33,501**	**-31,551**	**-42,405**
Operating result		**-11,711**	**-7,529**	**-33,501**	**-31,551**	**-41,683**
FINANCIAL ITEMS						
Financial revenue		851	1,284	3,113	3,363	4,622
Financial costs		-	-	-	-	-10
Total financial items		**851**	**1,284**	**3,113**	**3,363**	**4,612**
Result after financial items		**-10,859**	**-6,245**	**-30,387**	**-28,188**	**-37,071**
Profit before tax		**-10,859**	**-6,245**	**-30,387**	**-28,188**	**-37,071**
Tax on result for the period		-	-	-	-	-
Result		**-10,859**	**-6,245**	**-30,387**	**-28,188**	**-37,071**
Attributable to:						
Company's shareholders		-10,859	-6,245	-30,387	-28,188	-37,071
EARNINGS PER SHARE						
Before dilution (SEK)		-0.07	-0.04	-0.19	-0.17	-0.23
After dilution (SEK)		-0.07	-0.04	-0.19	-0.17	-0.23

* Includes currency effects associated with the business.

There are no amounts to be recognized as other comprehensive income, which is why the result for the period/year corresponds to comprehensive income for the period/year.

Balance sheet

kSEK	Note	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
ASSETS				
FIXED ASSETS				
Intangible fixed assets				
Patents, licenses and similar rights		-	-	-
Total intangible fixed assets		**-**	**-**	**-**
Tangible fixed assets				
Equipment, tools and right-of-use assets		-	4	3
Total tangible fixed assets		**-**	**4**	**3**
Financial fixed assets				
Participations in Group companies		-	50	-
Total financial fixed assets		**-**	**50**	**-**
Total fixed assets		**-**	**54**	**3**
CURRENT ASSETS				
Accounts receivable		-	3	-
Other receivables	3	2,436	2,591	2,145
Prepaid expenses and accrued income		3,616	3,288	301
Cash and cash equivalents	3	104,020	144,176	138,148
Total current assets		**110,072**	**150,059**	**140,594**
Total assets		**110,072**	**150,112**	**140,597**

Balance sheet

kSEK	Note	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
EQUITY AND LIABILITIES				
EQUITY				
Restricted equity				
Share capital		4,945	4,945	4,945
Total restricted equity		**4,945**	**4,945**	**4,945**
Non-restricted equity				
Share premium reserve		1,218,276	1,218,276	1,218,276
Retained earnings		-1,101,789	-1,064,718	-1,064,718
Result for the year		-30,387	-28,188	-37,071
Total non-restricted equity		**86,101**	**125,371**	**116,488**
Total equity		**91,046**	**130,316**	**121,433**
LIABILITIES				
Long-term liabilities				
Other provisions	4	626	873	910
Total long-term liabilities		**626**	**873**	**910**
Current liabilities				
Accounts payable	3	1,084	2,574	1,988
Other liabilities	3	751	1,181	1,232
Accrued expenses and deferred income	3	16,564	15,168	15,033
Total current liabilities		**18,399**	**18,923**	**18,253**
Total liabilities		**19,026**	**19,796**	**19,164**
Total equity and liabilities		**110,072**	**150,112**	**140,597**

Statement of changes in equity

	Restricted equity	Non-restricted equity		
kSEK	**Share capital**	**Share premium reserve**	**Retained earnings**	**Total equity**
Opening balance, Jan 1, 2023	4,945	1,218,276	-1,064,718	158,504
Result for the period	**-**	**-**	**-28,188**	**-28,188**
Equity, Sep 30, 2023	**4,945**	**1,218,276**	**-1,092,905**	**130,316**
Opening equity, Oct 1, 2023	4,945	1,218,276	-1,092,905	130,316
Result for the period	**-**	**-**	**-8,883**	**-8,883**
Equity, Dec 31, 2023	**4,945**	**1,218,276**	**-1,101,789**	**121,433**
Opening equity, Jan 1, 2024	4,945	1,218,276	-1,101,789	121,433
Result for the period	**-**	**-**	**-30,387**	**-30,387**
Equity, Sep 30, 2024	**4,945**	**1,218,276**	**-1,132,176**	**91,046**

Cash flow statement

kSEK	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jul-Sep	2023 Jan-Dec
OPERATING ACTIVITIES					
Result after financial items	-10,859	-6,245	-30,387	-28,188	-37,071
Adjustments for non-cash items	-427	-884	-2,968	-2,871	-4,411
Income tax paid	-	-	-	-	-
Cash flow from operating activities before changes in working capital	**-11,286**	**-7,129**	**-33,355**	**-31,059**	**-41,482**
CASH FLOW FROM CHANGES IN WORKING CAPITAL					
Increase (-)/decrease (+) in other current receivables	-483	-14	-495	16,216	21,233
Increase (+)/decrease (-) in other current liabilities	-2,934	-5,442	146	-31,618	-32,287
Change in working capital	**-3,417**	**-5,456**	**-349**	**-15,402**	**-11,054**
Cash flow from operating activities	**-14,703**	**-12,585**	**-33,704**	**-46,461**	**-52,536**
INVESTING ACTIVITIES					
Acquisition of tangible fixed assets	-	51	-	51	51
Acquisition of financial fixed assets	-	-	-	-	50
Cash flow from investing activities	**-**	**51**	**-**	**51**	**101**
FINANCING ACTIVITIES					
Cash flow from financing activities	**-**	**-**	**-**	**-**	**-**
Cash flow for the period	-14,703	-12,534	-33,704	-46,410	-52,435
Cash and cash equivalents at the beginning of the period	119,150	156,717	138,148	190,533	190,533
Exchange rate difference in cash and cash equivalents	-427	-6	-424	53	50
Cash and cash equivalents at the end of the period	**104,020**	**144,176**	**104,020**	**144,176**	**138,148**

Notes

Note 1 Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Reporting Board's recommendation RFR 2 Accounting for legal entities. Disclosures in accordance with IAS 34 are provided in the notes and in other sections of the report.

New and amended standards adopted from 2024 are not expected to have any significant impact on the company's financial position.

The company does not apply IFRS 16 in accordance with the exception in RFR 2.

Note 2 Net sales and operating segments

NET SALES

Isofol's net revenue derives from licensing agreements for the licensing rights to Isofol's intellectual property. Revenue from licensing agreements may comprise one-off payments, licensing fees, royalties and milestone payments for the use of Isofol's intellectual property. Isofol may also be entitled under its licensing agreements to receive reimbursements for costs incurred for the execution of service assignments.

The company had no revenue in the third quarter of 2024, which thereby totaled kSEK 0 (0).

OPERATING SEGMENTS

The Group's operations comprise the development of the drug candidate arfolitixorin and are organized as a cohesive business within the framework of the development of the drug candidate and evaluation of the paths forward for arfolitixorin in accordance with the strategic plan that was presented on March 19, 2024. Accordingly, all of the company's operations comprise one operating segment. The operating segment is followed up in a manner that complies with the internal reporting submitted to the chief operating decision maker, namely the CEO. Only one segment is used in the internal reporting to the CEO.

Note 3 Financial assets and liabilities

There are no significant differences between fair value and carrying amount in respect of financial assets and liabilities. Financial assets and liabilities are measured at amortized cost. As of the balance sheet date, the carrying amount of the Group's financial assets amounted to kSEK 107,131 (147,063) and financial liabilities to kSEK 17,399 (17,524).

As of September 30, 2024, the company had no financial instruments measured at fair value.

Note 4 Provisions

In 2022, Isofol entered into an agreement with a supplier for purchases of packaging material for the potential future sale of arfolitixorin. Use of the material depends on an approval for the commercialization of arfolitixorin. The agreement contains a financial guarantee totaling EUR 75,963, in which Isofol commits to purchasing material for an equivalent amount. The provision was adjusted in the first quarter of 2024 since part of the material had been disposed of and the cost of EUR 20,527 was settled against the provision. Based on the study outcome, management deemed it likely that the financial guarantee will be triggered. After the adjustment, kSEK 626 – equivalent to a present value of EUR 55,436 – was recognized as a provision in the company's balance sheet. The cost of the provision was recognized in the company's balance sheet in 2022. The specific date for the remainder of the outflow is still undetermined, but it is expected that a settlement will be made within five years.

Key figures and definitions

This report includes key figures that are not defined in IFRS, but are included in the report because management believes that this information allows investors to analyze the company's earnings trend and financial position. Investors should consider these key figures as a supplement to the IFRS financial information.

kSEK	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
Equity	91,046	130,316	121,433
Total assets	**110,072**	**150,112**	**140,597**
Solvency	**82.7%**	**86.8%**	**86.4%**
Working capital	91,673	131,136	122,341

Solvency
Solvency is calculated by comparing equity in relation to total assets and is thus a measure of the proportion of assets that are financed with equity.

Equity
Equity consists of share capital, other contributed capital and retained earnings, including the company's result for the year.

Working capital
Working capital consists of the Group's current assets less current liabilities.

Earnings per share
The result for the period divided by the weighted average number of shares during the period, before and after dilution.

This report was submitted by the CEO on behalf of the Board.

Gothenburg, November 12, 2024

Petter Segelman Lindqvist
CEO

Auditor's report

To the Board of Directors of
Isofol Medical AB (publ).
Corporate identity number 556759-8064

Introduction

We have reviewed the condensed interim financial information (interim report) of Isofol Medical AB (publ) as of 30 September 2024 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

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

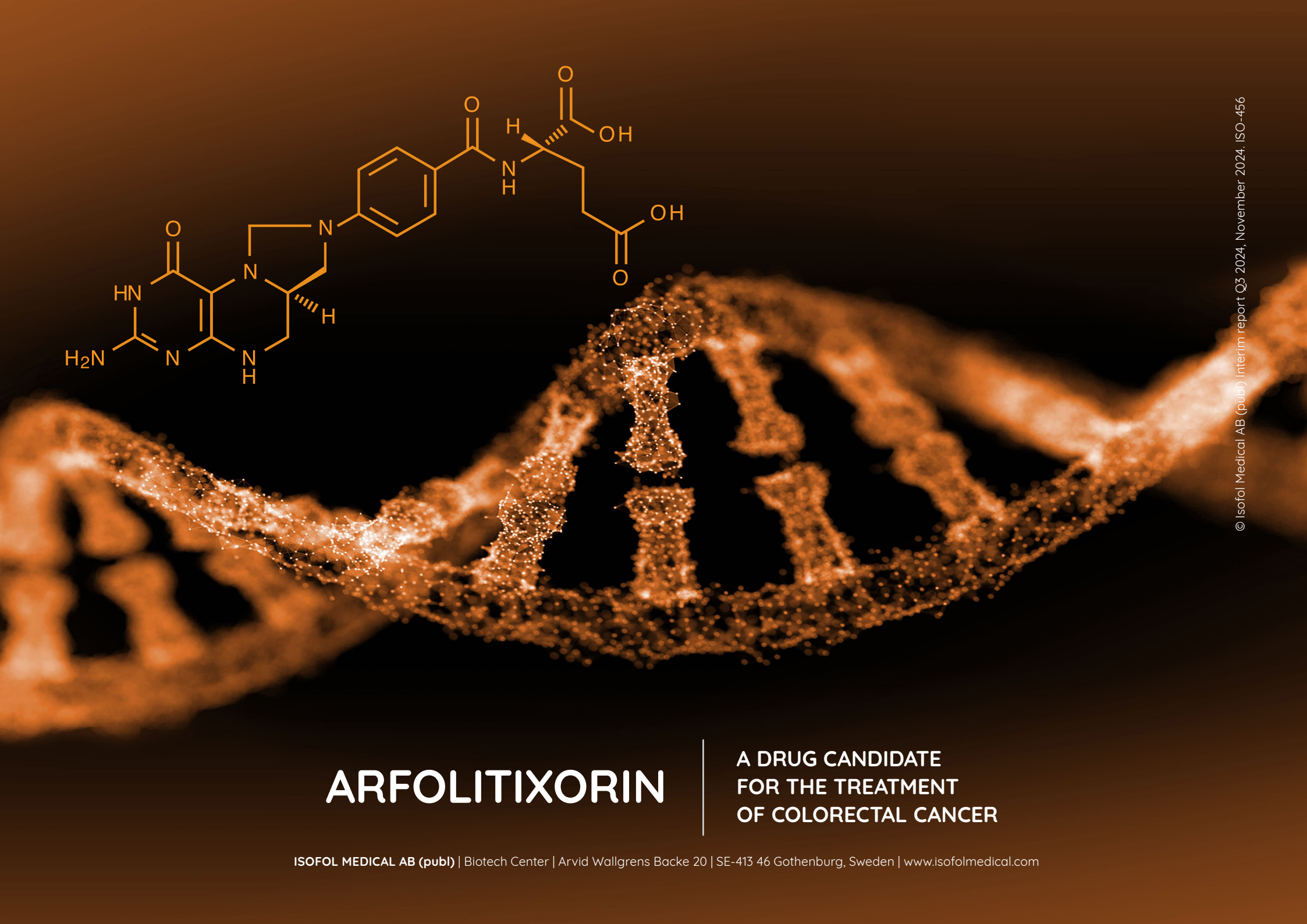
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act.

Gothenburg, November 12, 2024

KPMG AB

Daniel Haglund
Authorized Public Accountant



ARFOLITIXORIN

A DRUG CANDIDATE FOR THE TREATMENT OF COLORECTAL CANCER

ISOFOL MEDICAL AB (publ) | Biotech Center | Arvid Wallgrens Backe 20 | SE-413 46 Gothenburg, Sweden | www.isofolmedical.com