MODUS THERAPEUTICS

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INTERIM REPORT FOR THE SECOND QUARTER

January - June 2024

2024

Interim report for the second quarter 2024

The second quarter in figures

- The loss after tax amounted to TSEK 4 738 (4 695).
- The loss per share amounted to SEK 0,13 (0,29).
- The cash flow from current operations was negative in the amount of TSEK 3 424 (4 267).

The first half-year in figures

- The loss after tax amounted to TSEK 7 843 (10 735).
- The loss per share amounted to SEK 0,22 (0,67).
- The cash flow from current operations was negative in the amount of TSEK 7 089 (10 602).

Important events during the first quarter

- The annual general meeting was held on May 17.
- Modus Therapeutics participated in Pharma partnering summit, Basel.

Important events after the end of the period

No event to report.

Financial overview

THE GROUP	2024 Apr 1 - Jun 30	2023 Apr 1 - Jun 30	2024 Jan 1 – Jun 30	2023 Jan 1 – Jun 30	2023 Jan 1 – Dec 31
Net sales, TSEK	-	-	-	-	-
Operating profit/loss, TSEK	-4 804	-4 365	-8 003	-10 173	-16 401
Equity/Asset ratio, %	79%	-238%	79%	-238%	88%
Cash equivalents, TSEK	11 971	4 822	11 971	4 822	19 060
Cash flow from operating activities, TSEK	-3 424	-4 267	-7 089	-10 602	-16 684
Earnings per share, SEK	-0,13	-0,29	-0,22	-0,67	-1,01
Shareholders equity, TSEK	9 839	-13 321	9 839	-13 321	17 681
Shareholders equity per share, SEK	0,27	-0,83	0,27	-0,83	1,00
R&D expense/operating expense, %	61%	53%	55%	61%	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	1,04	2,77	1,04	2,77	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.

Anemia study in kidney failure awaiting final approval

The quarter was characterized by continued intensive work on Modus' prioritized phase IIa study to establish proof-of-concept for the treatment effect of sevuparin in patients with anemia in chronic kidney disease. The study is now awaiting the review that must be done by the authorities before it can be initiated.

Our groundbreaking research together with Prof. Maura Poli at the University of Brescia and Prof. Domenico Giarelli at the University Hospital of Verona provides a natural connection to the expertise required, in which it is a great advantage to work with a CRO that is at home in this scientific eco-system.

- John Öhd, CEO

Kidney disease with anemia - initial study in starting blocks

Modus has, during the preparatory work, effectively collaborated with the selected CRO partner for the study, Latis (https://www.latiscro.it), which has a strong presence in Italy where the study is intended to start up. The choice of CRO is crucial for it to align perfectly with the planned study and the type of company we are. For example, it is important that it is not too large a CRO for a company like Modus as we need to be able to work on a personal basis with them. Our choice of Italy for the study is far from coincidental. Our groundbreaking research together with Prof. Maura Poli at the University of Brescia and Prof. Domenico Girelli at the University Hospital of Verona provides a natural connection to the expertise required, in which case it is a great advantage to work with a CRO that is at home in this scientific eco-system.

Regarding the processing time for regulatory approval, it is, against the backdrop of the new CTIS system, somewhat more difficult to predict. CTIS, or Clinical Trials Information System, is an EU common system for managing clinical trials. It aims to streamline and harmonize the process of applying for, conducting, and monitoring clinical trials within the EU/EEA. At the same time, the CTIS system gives the authorities greater freedom in assessing applications, which may prolong the processing time compared to earlier. The CTIS system is more modern and, in the long run, beneficial for Modus for several reasons. For example, it means that the study, once approved, will be available in CTIS, which increases visibility for Modus' research. If we, in the future, would need to modify or wish to expand the study to other EU/EEA countries, CTIS would also facilitate this. We expect to be able to communicate the start of the study during the third quarter of 2024.

Modus' other prioritized indications, sepsis

and severe malaria, are progressing with preparatory work for planned clinical trials. For sepsis, it is still essential to continue publish the underlying science in relevant journals in addition to the poster presented in Barcelona in October 2023. This work is now being intensified in the second half of 2024.

We see interest in malaria being constantly brought up to date as new outbreaks occur around the world, often attributable to the deteriorating climate. Our partner in the clinical malaria project with sevuparin for severe malaria, Imperial College London, is maintaining focus on running the study in Kenya and on the start-up of the latest study center in Zambia. There are of course many challenges with a project like this in which the patients are young children with a serious malaria condition, but at the same time this makes the matter all the more urgent. The study consortium, which works primarily from its center in Kelifi, Kenya, has recently published an article describing the study design and discussing sevuparin as a possible adjuvant treatment in severe malaria (https://wellcomeopenresearch.org/articles/8-484).

Sepsis and kidney failure highlighted in media

During the quarter, news reporting has drawn attention to certain aspects that reflect the potential importance of our research portfolio. The increase in sepsis, primarily due to so-called invasive group A streptococci (GAS), has continued here in Sweden and the Public Health Agency has urged the healthcare system to be vigilant against conditions that may be caused by GAS (https://wellcomeopenresearch.org/articles/8-484).

DN and other editorial media have also recently drawn attention to the fact that kidney failure affects a large number of Swedes, often unnoticed (https://www.dn.se/sverige/manga-svenskar-har-njursjukdom-utan-att-veta-om-det/). Modus vision is to address diseases that have significant remaining medical needs where there is a lack of effective treatments but also where the number of sufferers is high.

We look forward to the second half of the year where continued updates on the anemia study in kidney disease patients and the fruits of our efforts to publish Modus' groundbreaking data are in focus. We are also planning on attending several life-science events in the fall to continue to drive awareness of our unique pipeline and our business development towards future partnerships.

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.

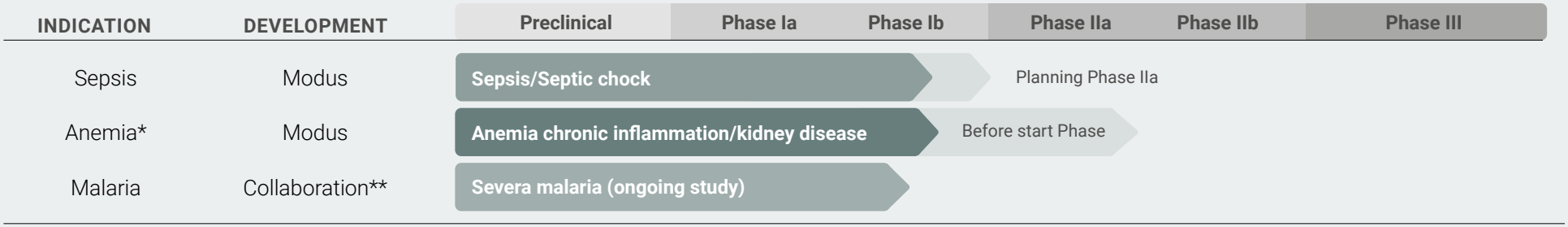
Sevuparin's mode of action

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

Second quarter

Operating profit/loss
Operating loss for the period April-June 2024 amounted to TSEK 4 804 (4 365). The costs for research and development increased with 614TSEK versus the same period last year. This is a result of phasing effects linked to clinical activities including the initiated phase 2a study. Costs for the initiated Phase 2a study amounts to 788KSEK during the quarter. The costs for administration decreased with 93TSEK or 5% 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 15 395, and at the end of the period to TSEK 11 971. Cash flow from current operations was negative to the amount of TSEK 3 424 (4 267), of which changes in working capital amounted to a positive TSEK 1 313 (98). The cash flow from financing activities amounted to TSEK 0 (2 500). The total cash flow amounted to a negative TSEK 3 424 (1 767).

First half-year

Operating profit/loss
Operating loss for the period January-June 2024 amounted to TSEK 8 003 (10 173). The costs for research and development decreased with 1 857 TSEK versus the same period last year. This is a result of phasing effects linked to clinical activities. The costs for administration decreased with 215TSEK or 6% 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 11 971. Cash flow from current operations was negative to the amount of TSEK 7 089 (10 602), of which changes in working capital amounted to a positive TSEK 753 (negative 429). The cash flow from financing activities amounted to TSEK 0 (5 000). The total cash flow amounted to a negative TSEK 7 089 (5 602).

Important events during the quarter

The annual general meeting was held on May 17 2024
The AGM resolved to adopt the income statement and balance sheet, consolidated income statement and consolidated balance sheet, determination of profit allocation, and the discharge from liability of the Board and the Managing Director.
All current board members were re-elected, and Viktor Drvota was re-elected as chairman of the board.

The Annual General Meeting resolved to amend the limits in the Articles of Association regarding share capital and the number of shares, whereby the share capital shall amount to a minimum of SEK 1,440,000 and a maximum of SEK 5,760,000, and the number of shares shall amount to a minimum of 24,000,000 and a maximum of 96,000,000.

The annual general meeting resolved to grant authorization to the board, for a period that does not extend past the date of the next annual general meeting, on one or several occasions, with or without pre-emptive rights for the shareholders, to resolve on the issue of new shares, convertibles and/or warrants. The purpose of the authorization is to enable the financing, commercialization and development of the Company's projects and to provide flexibility in commercial negotiations.

It was further resolved to authorize the Board of Directors, up until the time of the next Annual General Meeting, on one or more occasions, to enter into exit bonus agreements on behalf of the company with senior executives and other key employees in order to retain such individuals and offer them reasonable incentives regarding the continued development of the company.

Modus Therapeutics participated in the Pharma Partnering Summit, Basel
On May 22-23, 2024, the company participated in the in the Pharma Partnering Summit in Basel, Switzerland.

Important events after the end of the quarter

No events to report.

Other disclosures

Ownership structure

At the end of the fourth quarter, there were 946 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 June 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 June 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 370 (370). The loss for the period amounted to TSEK 3 366 (3 974). 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 June 2024, the Group's cash and cash equivalents amounted to SEK 11,8 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 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 Apr 1 - Jun 30	2023 Apr 1 - Jun 30	2024 Jan 1 - Jun 30	2023 Jan 1 - Jun 30	2023 Jan 1 - Dec 31
Net sales	-	-	-	-	-
Research and development costs	-2 911	-2 297	-4 396	-6 253	-8 482
Administration costs	-1 898	-1 991	-3 599	-3 814	-7 831
Other operating expenses	5	-77	-7	-106	-87
Operating profit/loss	**-4 804**	**-4 365**	**-8 003**	**-10 173**	**-16 401**
Net interest income	66	-330	160	-562	-1 496
Profit/loss after financial items	**-4 738**	**-4 695**	**-7 843**	**-10 735**	**-17 897**
Income tax	-	-	-	-	-
PROFIT/LOSS FOR THE PERIOD	**-4 738**	**-4 695**	**-7 843**	**-10 735**	**-17 897**
Earnings per share before and after dilution (SEK)	-0,13	-0,29	-0,22	-0,67	-1,01
Net profit/loss attributable to: Parent company shareholders	**-4 738**	**-4 695**	**-7 843**	**-10 735**	**-17 897**

Consolidated summary balance sheet

TSEK	2024 Jun 30	2023 Jun 30	2023 Dec 31
Assets			
Fixed assets			
Other financial fixed assets	51	50	51
Total fixed assets	**51**	**50**	**51**
Current assets			
Other receivables	497	34	930
Cash equivalents	11 971	4 822	19 060
Total current assets	**12 468**	**5 556**	**19 990**
TOTAL ASSETS	**12 519**	**5 606**	**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	-325 216	-310 213	-317 373
Total equity attributable to parent company shareholders	**9 839**	**-13 321**	**17 682**
Current liabilities			
Interest-bearing liabilities	-	16 500	-
Accounts payable	1 255	892	1 312
Other liabilities	187	156	521
Accrued expenses and deferred income	1 238	1 379	527
Total current liabilities	**2 680**	**18 927**	**2 359**
TOTAL EQUITY AND LIABILITIES	**12 519**	**5 606**	**20 041**

Consolidated change in shareholder's equity in summary

TSEK	2024 Apr 1 - Jun 30	2023 Apr 1 - Jun 30	2024 Jan 1 - Jun 30	2023 Jan 1 - Jun 30	2023 Jan 1 - Dec 31
Opening balance equity	**14 576**	**-8 625**	**17 681**	**-2 585**	**-2 585**
Profit/loss for the period	-4 738	-4 695	-7 843	-10 735	-17 897
Total comprehensive income	**-4 738**	**-4 695**	**-7 843**	**-10 735**	**-17 897**
New issue of shares	-	-	-	-	39 678
Costs for new issue	-	-	-	-	-1 515
Total transactions with shareholders	**-**	**-**	**-**	**-**	**38 163**
CLOSING BALANCE EQUITY	**9 839**	**-13 321**	**9 838**	**-13 321**	**17 681**

The equity is assignable the shareholders of the parent company.

Consolidated cash flow statement in summary

TSEK	2024 Apr 1 - Jun 30	2023 Apr 1 - Jun 30	2024 Jan 1 - Jun 30	2023 Jan 1 - Jun 30	2023 Jan 1 - Dec 31
Operating activities					
Operating profit/loss	-4 804	-4 365	-8 003	-10 173	-16 401
Interest received	66	-	160	-	3
Interest paid	-	-	-	-	-
Cash flow from operating activities before changes in working capital	**-4 738**	**-4 365**	**-7 842**	**-10 173**	**-16 398**
Changes in working capital	1 313	98	753	-429	-286
Cash flow from operating activities	**-3 424**	**-4 267**	**-7 089**	**-10 602**	**-16 684**
Cash flow from investment activities	**-**	**-**	**-**	**-**	**-**
Cash flow from financing activities	-	2 500	-	5 000	25 320
Cash flow for the period	**-3 424**	**-1 767**	**-7 089**	**-5 602**	**8 636**
Cash equivalents at the beginning of the period	15 395	6 589	19 060	10 424	10 424
Changes in cash equivalents	-3 424	-1 767	- 7 089	-5 6025	8 636
CASH EQUIVALENTS AT THE END OF THE PERIOD	**11 971**	**4 822**	**11 971**	**4 822**	**19 060**

Parent company income statement in summary

TSEK	2024 Apr 1 - Jun 30	2023 Apr 1 - Jun 30	2024 Jan 1 - Jun 30	2023 Jan 1 - Jun 30	2023 Jan 1 - Dec 31
Net sales	185	185	370	370	740
Research and development costs	-65	-3334	-766	-681	-1 419
Administration costs	-1 884	-1 584	-3 129	-3 090	-6 587
Other operating expenses	-1	-3	-1	-11	-
Operating profit/loss	**-1764**	**-1 736**	**-3 525**	**-3 412**	**-7 266**
Net interest income	66	-330	160	-562	-1 496
Profit/loss after financial items	**-1 699**	**-2 066**	**-3 366**	**-3 974**	**-8 763**
Appropriation	-	-	-	-	-6 424
Income tax expense	-	-	-	-	-
PROFIT/LOSS FOR THE PERIOD	**-1 699**	**-2 066**	**-3 366**	**-3 974**	**-15 187**

Parent company balance sheet in summary

TSEK	2024 Jun 30	2023 Jun 30	2023 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	554	634	762
Cash equivalents	11 289	4 004	18 381
Total current assets	**11 843**	**4 638**	**19 143**
TOTAL ASSETS	**81 894**	**74 688**	**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	-3 366	-3 963	-15 187
TOTAL EQUITY	**68 743**	**45 199**	**72 138**
Current liabilities			
Interest-bearing liabilities	-	16 500	-
Accounts payable	332	463	845
Liabilities to Group companies	11 970	11 036	15 201
Other liabilities	233	155	521
Accrued expenses and deferred income	586	1 335	488
Total current liabilities	**13 122**	**29 489**	**17 055**
TOTAL EQUITY AND LIABILITIES	**81 894**	**74 688**	**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 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

At the Annual General Meeting on May 3, 2021, it was decided to issue a maximum of 215,000 warrants to a long-term incentive program for employees and consultants in the Company called "Incentive Program 2021/2024". The scope of the program corresponds to a maximum of 2 percent dilution before listing. Each warrant entitles the holder to subscribe for one new share in the Company at a subscription price corresponding to 130 percent of the subscription price applicable upon listing on Nasdaq First North SEK 6.40.

Subscription of new shares with the support of the warrants shall take place during the period from 1 September 2024 to 31 October 2024. At the date of this report, 172,000 warrants had been granted and acquired. During 2022 no warrants have been acquired. In addition, 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 - Jun 30**	**Jan 1 - Jun-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	**25 938 899**	**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 August 23, 2024

Viktor Drvota
Chairman of the board

Ellen Donnelly
Board member

Torsten Goesch
Board member

John Öhd
CEO

Quarterly overview

	2024		2023				2022	
THE GROUP	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Net sales, TSEK	-	-	-	-	-	-	-	-
Operating profit, TSEK	-4 804	-3 199	-3 771	-2 456	-4 365	-5 808	-9 121	-2 829
Equity/Asset ratio, %	79%	91%	88%	-311%	-238%	-117%	-23%	35%
Cash equivalents, TSEK	11 971	15 395	19 060	3 867	4 822	6 589	10 424	18 616
Cashflow from operating activities, TSEK	-3 424	-3 665	-3 127	-2 955	-4 267	-6 335	-8 192	-2 760
Earnings per share (before and after dilution), SEK	-0,13	-0.09	-0.18	-0.19	-0.29	-0.38	-0.58	-0.18
Shareholder's equity at the end of the period, TSEK	9 839	14 577	17 682	-16 413	-13 321	-8 625	-2 585	6 771
Shareholder's equity per share, SEK	0,27	0.41	0.78	-1.02	-0.83	-0.54	-0.16	0.42
R&D expense/operating expense, %	61%	46%	33%	40%	53%	68%	83%	40%
Average number of shares, 000'	35 939	35 939	22 626	16 100	16 100	16 100	16 100	16 100
Share price at the end of the period, SEK	1,03	1.14	1.74	1.98	2.77	2.32	2.79	2.27
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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