MODUS THERAPEUTICS

INTERIM REPORT

JANUARY – MARCH 2024

INTERIM REPORT 2024

January 1 – March 31, 2024

"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.

The first quarter in figures

- The loss after tax amounted to TSEK 3 105 (6 040).
- The loss per share amounted to SEK 0,09 (0,38).
- The cash flow from current operations was negative in the amount of TSEK 3 665 (6 335).

Important events during the first quarter

- Modus Therapeutics participated in Swiss Nordic Bio, Zurich

Important events after the end of end of the period

No event to report.

Financial overview

THE GROUP	2024.01.01 -2024.03.31	2023.01.01 -2023.03.31	2023.01.01 -2023.12.31
Net sales, SEK ths	-	-	-
Operating profit/loss, SEK ths	-3 199	-5 808	-16 401
Equity/Asset ratio, %	91%	-117%	88%
Cash equivalents, SEK ths	15 395	6 589	19 060
Cash flow from operating activities, SEK ths	-3 665	-6 335	-16 684
Earnings per share, SEK	-0,09	-0,38	-1,01
Shareholders' equity, SEK ths	14 577	-8 625	17 681
Shareholders' equity per share, SEK	0,41	-0,54	1,00
R&D expense/operating expense, %	46%	68%	52%
Average number of shares, 000'	35 939	16 100	17 745
Share price at the end of the period, SEK	1,14	2,32	1,74
Average number of employees	2,0	2,0	2,0

Definitions are provided on page 19

Full speed ahead

After the financing that Modus Therapeutics carried out in the fourth quarter of 2023, the focus in the first quarter of 2024 has been on carrying out planned activities within the research areas that the company deems prioritized; chronic kidney disease with anemia, sepsis and severe malaria.

Kidney disease with anemia - initial study in starting blocks

During the quarter, Modus worked intensively on the preparations of the phase IIa study which aims to establish proof-of-concept for the treatment effect of sevuparin in patients with anemia in kidney disease.

Anemia is a global health problem that affects approximately 2.3 billion people worldwide - 1/4 of the world's population - and is defined as a lack of red blood cells or low levels of hemoglobin. The most common type of anemia is iron deficiency anemia, which affects nearly a billion people including those who suffer from severe secondary anemia in chronic conditions such as kidney disease in which internally stored iron is not readily available due to high levels of the hormone hepcidin. Sevuparin has shown promising effects both on blood counts and renal status in a kidney disease model, as well as strong inhibitory effects on hepcidin. The inhibition of hepcidin was observed throughout cultured cells, healthy and kidney damaged mice, and in human healthy volunteers already at single doses.

The preparatory work for the anemia study includes, in addition to the design itself, drawing up study protocols and all other study documentation, choosing a so-called CRO (Contract Research Organization), i.e. the partner who will carry out the study, and establishing study clinics. The majority of this work is now completed, and we plan to initiate the study later in Q2/Q3.

The Phase IIa study is intended to be conducted in two parts.

Part I aims to establish the dose levels of sevuparin by single doses in 25-30 patients with renal failure of various severity. Part I that also includes a small reference group of healthy volunteers, contains the added opportunity to measure the early effects of sevuparin on hepcidin in a relevant patient population. Part 2 is the so called “proof-of-concept” part, and will evaluate the effects of treatment with sevuparin at dose levels established in Part 1, on blood counts, renal status, hepcidin and other biomarkers in patients with more severe chronic renal failure and anemia.

Part 2 is estimated to recruit 25-30 patients, which means that the study's total recruitment refers to 50-60 patients.

We expect to be able to report results from the first part of the study in the first quarter of 2025 and the second part in early 2026. The company currently has funding to conduct part 1 of the study.

Sepsis - preparatory work started

With regard to the sepsis indication, work on the design and planning of a future phase 2 program has progressed further during Q1. In parallel with this, a process is underway where we aim to publish the underlying science in relevant journals, in addition to the poster that was presented in Barcelona, October 2023. Modus has also followed the so-called WSC Spotlight conference with great interest, where the need for early diagnosis and treatment of sepsis was highlighted by world-leading clinical researchers from different angles.

Severe malaria - new study site established in Zambia

Modus’ collaborative project with Imperial College London in severe malaria continues, and during the period we have prepared a new supply of sevuparin to both the newly added clinic in Zambia and the one in Kenya.

Malaria is a disease that is rarely mentioned as a serious health problem in Western media reporting. But the fact is that malaria is a very difficult problem in large parts of the world and the problem risks getting bigger as a result of climate change. As the earth is getting warmer, malaria spreads faster. We already see concrete evidence of that.

Pakistan, for example, experienced its worst malaria outbreak in 50 years in 2022, when floods caused by climate change created large areas of stagnant water - an environment in which the mosquitoes that spread the disease thrive.

An invasive mosquito originating from southern Asia is now also spreading malaria in African cities. Traditional methods of combating the disease have been shown to work poorly in this context.

We see that sevuparin can be an important contribution when it comes to finding new ways to cure severe malaria, where children today are particularly vulnerable and make up the majority of the mortality statistics.

In addition to the work with Modus' research project, the ongoing work with business development has also continued during the quarter. We have dialogues ongoing with potential partners in order to cost-effectively advance future studies with the speed and reliability required.

We would like to thank our investors, once again, for the trust and patience required in taking Modus' research forward. With the study we are now about to initiate, the company's product portfolio is significantly broadened and we look forward to reporting on the start of the study for the chronic kidney disease with anemia project during the second quarter.

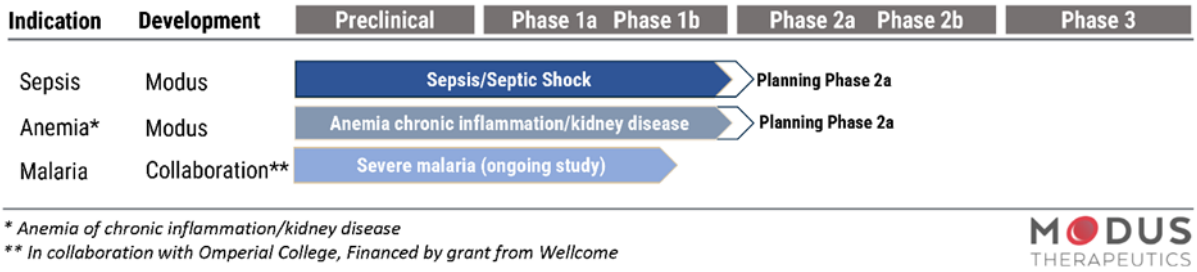
John Öhd

CEO Modus

ABOUT MODUS

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.

MODUS PIPELINE



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

MODUS THERAPEUTICS

Sevuparin's mode of action

Sevuparin, a heparinoid, 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.

Additionally, data presented at the EHA and ASH in 2023 shows that sevuparin could represent a major advance in the treatment of certain states of anemia including when combined with chronic kidney disease. In particular, high levels of hepcidin have been implicated in causing and aggravating the anemias that often complicate chronic kidney disease and other chronic inflammation disorders. High hepcidin is also responsible for conferring resistance to the current standard of care therapies to anemia in non-responding patients..

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 sepsis, thus preventing the condition from worsening and progressing further into septic shock.

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 reinforces Modus' intention to plan for a new Phase 2a clinical program with sevuparin in patients with high hepcidin and anemia such as is the case in chronic kidney disease.

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.

Market opportunities

Sepsis

According to the WHO, sepsis may be the leading cause of death in the world, and in 2017, sepsis accounted for approximately 11 million deaths, corresponding to 19.7 percent of global mortality. The most serious stage of sepsis, septic shock, is a leading cause of death in intensive care units globally, with a mortality rate usually exceeding 30 percent. There is no pharmaceutical product available that is specifically developed to treat patients with sepsis and septic shock, although most are already being treated with antibiotics for the infection that caused the condition. Due to the lack of effective treatment, it is cost-intensive to diagnose and treat sepsis / septic shock. In the United States, it is estimated that sepsis costs U.S. health care about $ 22 billion annually, a figure that has increased by about $ 5 billion since 2012.

Sepsis is a vital indication and thus places itself in a high-price segment for medicines. The company XPLICO specializes in the valuation of life science companies and has, on behalf of Modus, estimated that the total market potential for sevuparin in septic shock for the 7 major markets amounts to 6 billion USD. The potential for U.S. here amounts to USD 4.9 billion and the market potential in the EU and Japan amounts to USD 1.1 billion. In an analysis performed by Carlsquare assuming an earlier deployment of sevuparin in the sepsis treatment cascade the estimated total market potential for the 7 major

markets amounted to 27 billion USD in 2036. The Board of Director's assessment is that the gross margin for sevuparin at a market introduction amounts to approximately 90 percent.

Anemia and chronic disease

Anemia is a global health issue affecting approximately 2.3 billion people worldwide or 25% of the world's population and is defined by the deficiency of red blood cells or low hemoglobin.

levels. The most common type is iron-deficiency anemia, affecting nearly 1 billion people which includes those who suffer from a more severe internal iron dependent anemia type also known as anemia of chronic disease (ACD) in which the internal iron stores cannot be accessed. For example, with an estimated global general prevalence of 10.6%, patients with chronic kidney disease represent later stages of the disease (CKD stage 3-5) and in about 1/4 of these, the condition is exacerbated by anemia.

Modus believes that the company's advances in the understanding of sevuparin's effects on hepcidin highlights its potential in ACD and that this work also exemplifies Modus' continuous efforts to expand the potential uses of sevuparin into new and significant therapy areas where Modus is strengthening its IP portfolio.

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.

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.

DEVELOPMENT OF PROFIT AND FINANCIAL POSITION

January-March

Operating profit/loss

Operating loss for the period January-March 2024 amounted to TSEK 3 199 (5 808). The costs for research and development decreased with 2 471TSEK versus the same period last year. This is a result of phasing effects linked to clinical activities. Costs for the upcoming Phase 2a study are expected to impact the results from Q2 2024.

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 15 395. Cash flow from current operations was negative to the amount of TSEK 3 665 (6 335), of which changes in working capital amounted to a negative TSEK 560 (527). The cash flow from financing activities amounted to TSEK 0 (2 500). The total cash flow amounted to a negative TSEK 3 665 (3 835).

IMPORTANT EVENTS DURING THE QUARTER

Modus Therapeutics participated in Swiss Nordic Bio, Zurich

On March 7, 2024, the company participated in Swiss Nordic Bio, Zurich

Important events after the end of the quarter

No event to report.

OTHER DISCLOSURES

Ownership structure

At the end of the fourth quarter, there were 976 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 March 31, 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 March 31, 2023, 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 185 (185). The loss for the period amounted to TSEK 1 667 (1 909). 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 March 2024, the Group's cash and cash equivalents amounted to SEK 15,4 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 uncertainty

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	2024.01.01 -2024.03.31	2023.01.01 -2023.03.31	2023.01.01 -2023.12.31
Net sales	-	-	-
Research and development costs	-1 485	-3 956	-8 482
Administration costs	-1 702	-1 823	-7 831
Other operating expenses	-12	-29	-87
Operating profit/loss	**-3 199**	**-5 808**	**-16 401**
Net interest income	94	-232	-1 496
Profit/loss after financial items	**-3 105**	**-6 040**	**-17 897**
Income tax	-	-	-
Profit/loss for the period	**-3 105**	**-6 040**	**-17 897**
Earnings per share before and after dilution (SEK)	-0,09	-0,38	-1,01
Net profit/loss attributable to:			
Parent company shareholders	**-3 105**	**-6 040**	**-17 897**

Consolidated summary balance sheet

TSEK	2024.03.31	2023.03.31	2023.12.31
Assets			
Fixed assets			
Other financial fixed assets	51	50	51
Total Fixed assets	**51**	**50**	**50**
Current assets			
Other receivables	561	714	930
Cash equivalents	15 395	6 589	19 060
Total current assets	**15 956**	**7 303**	**19 990**
Total assets	**16 007**	**7 353**	**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	-320 478	-305 517	-317 373
Total equity attributable to parent company shareholders	**14 577**	**-8 625**	**17 682**
Current liabilities			
Interest-bearing liabilities	-	14 000	-
Accounts payable	661	779	1 312
Other liabilities	197	160	521
Accrued expenses and deferred income	573	1 040	527
Total current liabilities	**1 430**	**15 978**	**2 359**
Total equity and liabilities	**16 007**	**7 353**	**20 041**

Consolidated change in shareholder's equity in summary

TSEK	2024.01.01 -2024.03.31	2023.01.01 -2023.03.31	2023.01.01 -2023.12.31
Opening balance equity	**17 681**	**- 2 585**	**-2 585**
Profit/loss for the period	-3 105	-6 040	-17 897
Total comprehensive income	**- 3 105**	**-6 040**	**-17 897**
Transactions with shareholders			
New issue of shares	-	-	39 678
Costs for new issue	-	-	-1 515
Total transactions with shareholders	**14 576**	**-**	**38 163**
Closing balance equity	**14 576**	**-8 625**	**17 681**

The equity is assignable the shareholders of the parent company.

Consolidated cash flow statement in summary

TSEK	2024.01.01 -2024.03.31	2023.01.01 -2023.03.31	2023.01.01 -2023.12.31
Operating activities			
Operating profit/loss	-3 199	-5 808	-16 401
Interest received	94	-	3
Interest paid	-	-	-
Cash flow from operating activities before changes in working capital	**-3 105**	**-5 808**	**-16 398**
Changes in working capital	-560	-527	-286
Cash flow from operating activities	**-3 665**	**-6 335**	**-16 684**
Cash flow from investment activities	-	-	-
Cash flow from financing activities	-	2 500	25 320
Cash flow for the period	**-3 665**	**-3 835**	**8 636**
Cash equivalents at the beginning of the period	19 060	10 424	10 424
Changes in cash equivalents	-3 665	-3 835	8 636
Cash equivalents at the end of the period	**15 395**	**6 589**	**19 060**

Parent company income statement in summary

TSEK	2024.01.01 -2024.03.31	2023.01.01 -2023.03.31	2023.01.01 -2023.12.31
Net sales	185	185	740
Research and development costs	-701	-347	-1 419
Administration costs	-1 245	-1 506	-6 587
Other operating expenses	-	-	-
Operating profit/loss	-1 761	-1 668	-7 266
Net interest income	94	-232	-1 496
Profit/loss after financial items	**-1 667**	**-1 900**	**-8 763**
Appropriation	-	-	-6 424
Income tax expense	-	-	-
Profit/loss for the period	**-1 667**	**-1 900**	**-15 187**

Parent company balance sheet in summary

TSEK	2024.03.31	2023.03.31	2023.12.31
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	686	603	762
Cash equivalents	14 913	5 688	18 381
Total current assets	**15 599**	**6 291**	**19 143**
Total assets	**85 650**	**76 341**	**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	-1 667	-1 900	-15 187
Total equity	**70 472**	**47 262**	**72 138**
Current liabilities			
Interest-bearing liabilities	-	14 000	-
Accounts payable	322	174	845
Liabilities to Group companies	14 201	13 767	15 201
Other liabilities	243	160	521
Accrued expenses and deferred income	413	978	488
Total current liabilities	**15 179**	**29 079**	**17 055**
Total equity and liabilities	**85 650**	**76 341**	**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 185 (185) 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.

Not 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.

Shares/SEK	2024.01.01 -2024.03.31	2023.01.01 -2023.03.31
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**

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

Financial calendar

AGM 2024	2024.05.17
Interim Report Q2 2024	2024.08.23
Interim Report Q4 2024	2024.11.20
Year-End Report 2024	2025.02.20

Modus Therapeutics Holding AB - Stockholm 14 May 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	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales, SEK ths	-	-	-	-	-	-	-	-	-
Operating profit, SEK ths	-3 199	-3 771	-2 456	-4 365	-5 808	-9 121	-2 829	-2 992	-3 065
Equity/Asset ratio,%	91%	88%	-311%	-238%	-117%	-23%	35%	90%	94%
Cash equivalents, SEK ths	15 395	19 060	3 867	4 822	6 589	10 424	18 616	9 876	13 103
Cashflow from operating activities, SEK ths	-3 665	-3 127	-2 955	-4 267	-6 335	-8 192	-2 760	-3 228	-7 545
Earnings per share (before and after dilution), SEK	-0,09	-0,18	-0,19	-0,29	-0,38	-0,58	-0,18	-0,19	-0,19
Shareholder's equity at the end of the period, SEK ths	14 577	17 682	-16 413	-13 321	-8 625	-2 585	6 771	9 678	12 670
Shareholder's equity per share, SEK	0,41	0,78	-1,02	-0,83	-0,54	-0,16	0,42	0,60	0,79
R&D expense/operating expense, %	46%	33%	40%	53%	68%	83%	40%	38%	34%
Average number of shares, 000'	35 939	22 626	16 100	16 100	16 100	16 100	16 100	16 100	16 100
Share price at the end of the period, SEK	1,14	1,74	1,98	2,77	2,32	2,79	2,27	3,25	3,61
Average number of employees	2,0	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.

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