MODUS THERAPEUTICS

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YEAR-END REPORT

January - December 2024

YEAR-END REPORT 2024

The fourth quarter in figures

- The loss after tax amounted to TSEK 4 713 (4 069).
- The loss per share amounted to SEK 0,13 (0,18).
- The cash flow from current operations was negative in the amount of TSEK 3 619 (3 126).

The full year in figures

- The loss after tax amounted to TSEK 15 545 (17 897).
- The loss per share amounted to SEK 0,43 (1,01)
- The cash flow from current operations was negative in the amount of TSEK 14 681 (16 684).

Important events during the fourth quarter

- Modus Therapeutics receives a recruitment update from the collaborative Phase Ib study in severe malaria.
- Modus Therapeutics Receives Approval to Initiate a Phase IIa Clinical Trial for Chronic Kidney Disease (CKD)
- Modus Therapeutics secures access to bridge financing of 5 MSEK from Karolinska Development.
- New Article on Sevuparin Published in HemaSphere
- Modus Therapeutics Initiates Phase II Study with Sevuparin for the Treatment of Chronic Kidney Disease with Anemia.
- Modus Therapeutics presents LPS Study Data at Pharmacology 2024.

Important events after the end of the period

- Modus Therapeutics receives a recruitment update from the collaborative Phase Ib study in severe malaria.

Financial overview

THE GROUP	2024 Oct 1 - Dec 30	2023 Oct1 - Dec 31	2024 Jan 1 – Dec 31	2023 Jan 1 – Dec 31
Net sales, TSEK	-	-	-	-
Operating profit/loss, TSEK	-4 846	-3 772	-15 838	-16 401
Equity/Asset ratio, %	44%	88%	44%	88%
Cash equivalents, TSEK	4 379	19 060	4 379	19 060
Cash flow from operating activities, TSEK	-3 619	-3 126	-14 681	-16 684
Earnings per share, SEK	-0,13	-0,18	-0,43	-1,01
Shareholders equity, TSEK	2 137	17 681	2 137	17 681
Shareholders equity per share, SEK	0,06	0,78	0,06	1,00
R&D expense/operating expense, %	59%	33%	57%	52%
Average number of shares, 000'	35 939	22 626	35 939	17 745
Share price at the end of the period, SEK	1,81	1,74	1,81	1,74
Average number of employees	2,0	2,0	2,0	2,0

Definitions are provided on page 25.

"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.

A year of transformation and new horizons in patient care as Modus strengthens its pipeline

2024 has been a pivotal year for Modus Therapeutics, marked by significant clinical and scientific progress, key financing milestones, and new research insights shaping the future of patient care. Our commitment to providing novel treatments where they are needed most—by advancing our drug candidate sevuparin—remains stronger than ever. As we look ahead to 2025, we are well-positioned to build on this foundation and continue our mission of delivering first-in-class solutions for inflammatory and hematological diseases.

"2024 has been a transformational year for Modus Therapeutics, marked by groundbreaking clinical progress and a reinforced pipeline. With a clear vision and strong scientific foundations, we are poised to drive innovation in delivering innovative treatments for disorders of high need.

- John Öhd, CEO

Clinical Progress and Scientific Developments

A key highlight of the year was the initiation of our Phase IIa study with sevuparin for chronic kidney disease (CKD) anemia. Following regulatory approval from Italian authorities in November, we commenced Part 1 of the study, focusing on establishing dosing levels and safety in patients with varying degrees of kidney impairment. Initial results are expected in the first half of 2025, setting the stage for Part 2 of the study and further clinical development.

Our research in CKD anemia aligns with global trends in novel treatments targeting iron regulation and erythropoiesis (the formation of red blood cells). Sevuparin's ability to lower hepcidin levels—a key regulator of iron availability—positions Modus at the forefront of innovation in CKD anemia treatment. This was further validated by our keystone research publication in Hemasphere (https://doi.org/10.1002/hem3.70035) and we plan to share additional research updates at upcoming scientific conferences in the near future.

In the sepsis program, we continued preparations for a Phase II study, building upon the promising top-line data from our 2023 Phase Ib LPS challenge study. This data was presented at the 2024 British Pharmacological Society's annual meeting, reinforcing sevuparin's potential to modulate systemic inflammation and improve outcomes in severe infections. As AI-driven diagnostics and personalized medicine reshape sepsis management by enhancing its prediction, we see a growing opportunity to position sevuparin within this evolving landscape.

Additionally, our partnership with Imperial College London in severe malaria progressed with impressive recruitment, now including a new study site in Zambia alongside Kenya. As of this report, 18 of the 20 expected patients have been recruited (18 February) and we are grateful for all the hard work of the SEVUSMART consortium, led by Professor Kathryn

Maitland, in bringing this trial closer to completion. Given the increasing concerns over climate change's impact on malaria transmission, our collaboration potentially represents a crucial contribution to global health solutions. A 2024 report from the Boston Consulting Group and the Malaria Atlas Project, funded by the Gates Foundation, predicts that climate change could cause over 550,000 additional malaria-related deaths by 2050 (https://www.bcg.com/publications/2024/predicting-impact-climate-change-on-malaria). Modus is determined to play a role in addressing this growing threat.

Competitive Positioning & Market Differentiation

In an increasingly competitive landscape, Modus remains uniquely positioned to fill key gaps in CKD anemia, sepsis, and malaria treatment:

- **CKD Anemia:** Traditional ESA (erythropoiesis-stimulating agent) therapies have efficacy and safety limitations. Sevuparin's unique hepcidin-lowering mechanism represents a novel, differentiated approach with the potential to enhance iron availability and erythropoiesis. In a mouse model with kidney failure and anemia, we also saw improved kidney status (presented at ASH 2023).
- **Sepsis:** The growing impetus for predictive diagnostic tools presents a strategic entry point for sevuparin in targeting a treatment start early in the septic reaction, with a higher potential to reduce systemic damage and maintain immune balance.
- **Severe Malaria:** Sevuparin's disaggregating effect on parasite infected red cells and its inhibition of parasitic spread to uninfected cells offer a promising adjunct therapy potential to existing malaria treatments, particularly in severe malaria in high-risk pediatric populations..

Financial Achievements and Business Development

Entering 2024, Modus successfully leveraged a rights issue to initiate its Phase II program in CKD anemia. With the strong backing of our long-term investor, Karolinska Development, we secured SEK 5 million in bridge financing, allowing us to advance patient recruitment and maintain momentum in our research priorities.

We have also actively engaged with potential partners and investors, attending key industry events to strengthen our network and future collaboration opportunities.

Outlook for 2025

As we move into 2025, Modus will focus on:

- Completing Part 1 of the Phase IIa CKD anemia study and securing funding for, and starting Part 2 (proof-of-concept phase).
- Continuing research collaborations and communications to further validate sevuparin in chronic inflammation such as kidney disease and in severe systemic inflammation disorders such as sepsis and endotoxemia.
- Advancing the sepsis Phase II program, including securing financing and strategic partnerships.
- The Phase Ib collaborative study in severe malaria and its advancement towards completion.

Final Thoughts

I would like to express my deepest gratitude to our dedicated team, investors, and partners, whose support has been instrumental in our progress. As we enter 2025, we remain steadfast in our commitment to scientific innovation, strategic partnerships, and delivering transformative solutions for patients with high unmet medical needs.

Together, we will build on our successes and drive Modus into its next chapter of growth and clinical excellence.

John Öhd,
CEO Modus

MODUS THERAPEUTICS

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 THERAPEUTICS

Modus pipeline

INDICATION	DEVELOPMENT	Preclinical	Phase Ia	Phase Ib	Phase IIa	Phase IIb	Phase III
Sepsis	Modus	Sepsis/Septic chock			Planning Phase IIa		
Anemia*	Modus	Anemia chronic inflammation/kidney disease			Phase II a initiated Dec 2024		
Malaria	Collaboration**	Severa malaria (ongoing study)					

** 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.

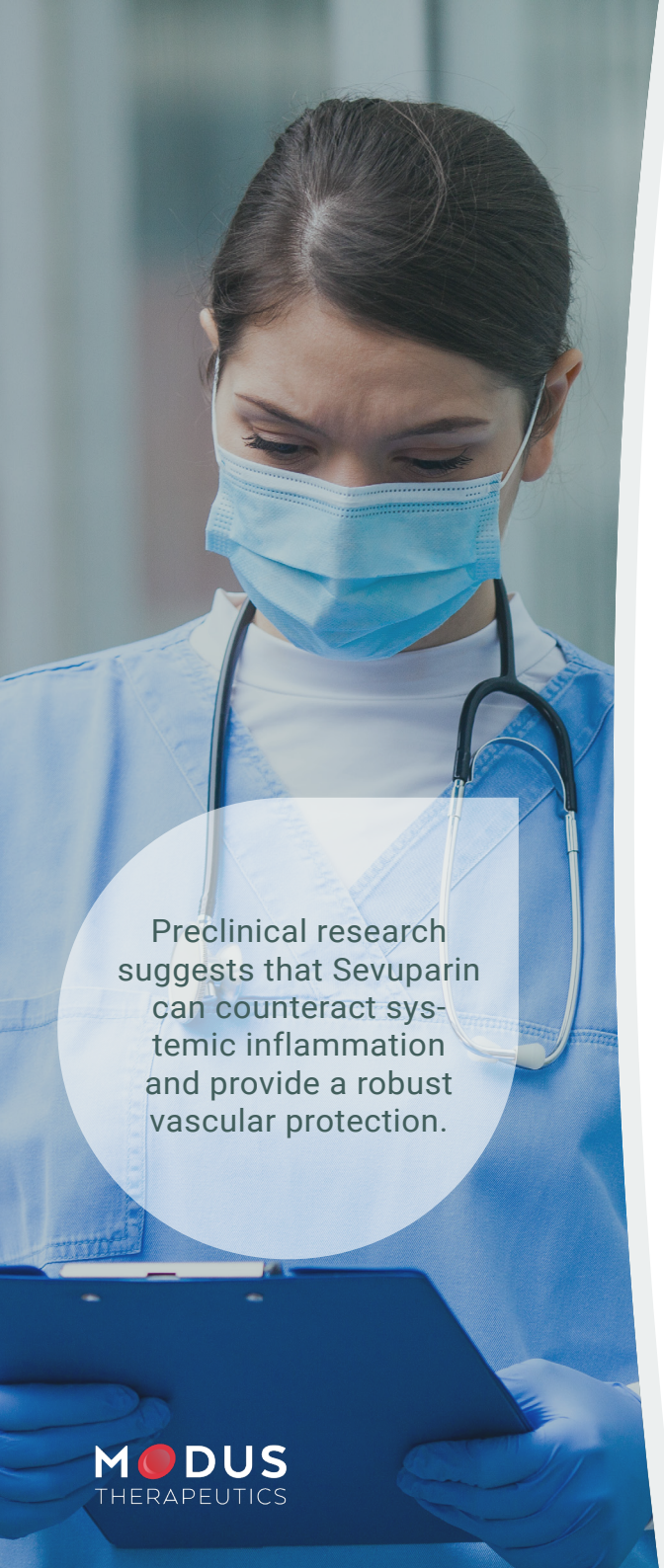
At the start of 2023, we announced encouraging topline data from our Phase 1b lipopolysaccharide (LPS) provocation study with sevuparin for the treatment of conditions with systemic inflammation such as sepsis and endotoxemia. This was confirmed later in the year when data from the complete study was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

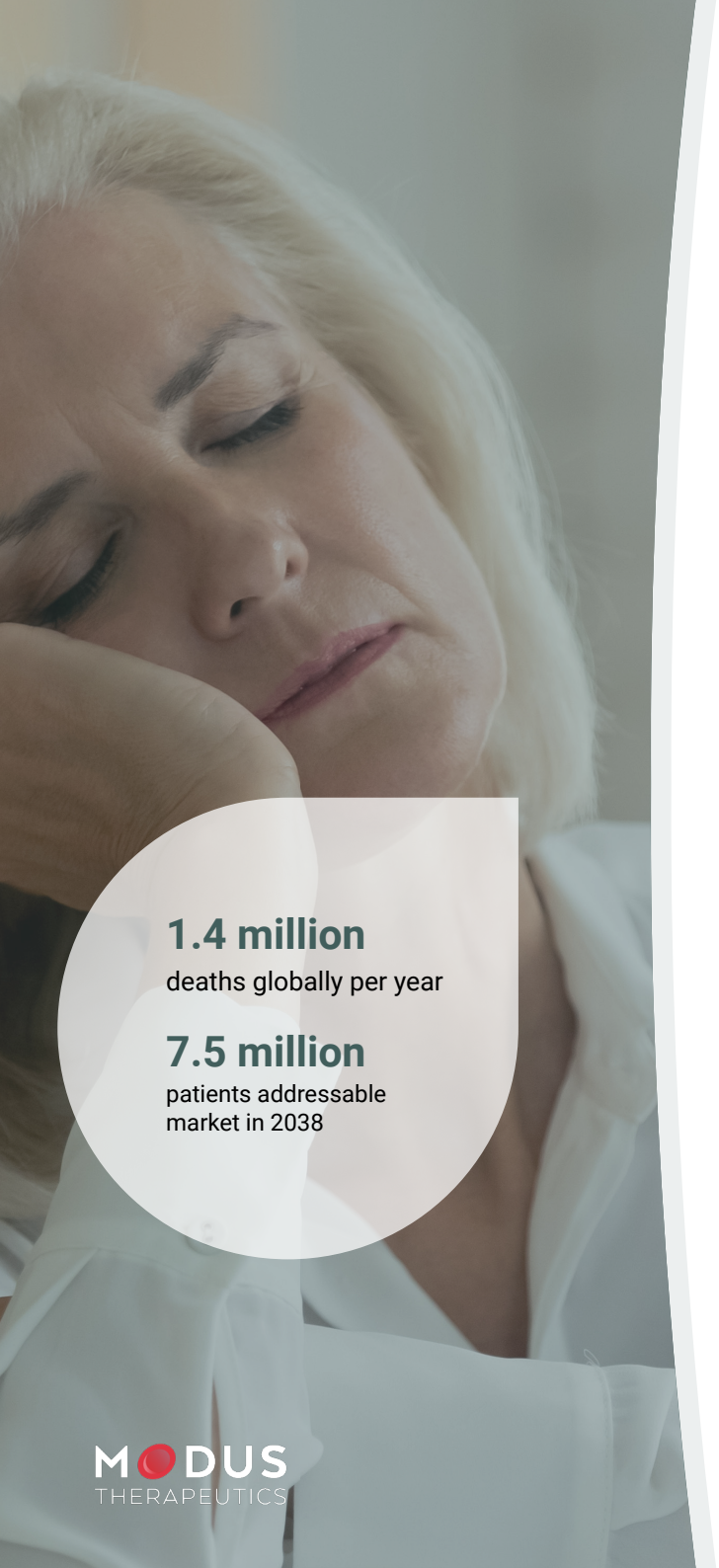
Sepsis, a life-threatening infection that can lead to organ failure, remains a leading cause of death in hospitals, making innovative therapies critical for reducing mortality.

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

Fourth quarter

Operating profit/loss
The operating loss for the period October–December 2024 amounted to 4,846 (3,772) TSEK. Research and development costs increased by 1,614 TSEK compared to the same period last year, primarily due to phasing effects related to clinical activities, including the initiation of the Phase 2a study. At the same time, administrative costs decreased by 557 TSEK, driven by efficiency improvements and cost control.

Cash flow, investments, and financial position
At the beginning of the period, cash and cash equivalents amounted to TSEK 7 999, and at the end of the period to TSEK 4 379. Cash flow from current operations was negative to the amount of TSEK 3 619 (3 126), of which changes in working capital amounted to a positive TSEK 1 095 (643). The cash flow from financing activities amounted to TSEK 0 (18 320). The total cash flow amounted to a negative TSEK 3 619 (positive 15 193).

Full year

Operating profit/loss
The operating loss for the period January–December 2024 amounted to 15,838 (16,401) TSEK. Research and development costs increased by 585 TSEK compared to the same period last year, primarily due to phasing effects related to clinical activities. At the same time, administrative costs decreased by 1,105 TSEK, driven by efficiency improvements and cost control.

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 4 379. Cash flow from current operations was negative to the amount of TSEK 14 681 (16 684), of which changes in working capital amounted to a positive TSEK 865 (negative 286). The cash flow from financing activities amounted to TSEK 0 (25 320). The total cash flow amounted to a negative TSEK 14 681 (positive 8 636).

Important events during the quarter

Modus Therapeutics receives a recruitment update from the collaborative Phase Ib study in severe malaria

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

Modus Therapeutics Receives Approval to Initiate a Phase IIa Clinical Trial for Chronic Kidney Disease (CKD)

On November 18, Modus announced it has received approval from Italian authorities for its planned Phase IIa clinical trial with sevuparin.

The study will be conducted in two parts. The approval aligns with Modus' goal to initiate Part 1 in the first half of 2025.

Modus Therapeutics secures access to bridge financing from Karolinska Development

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

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

Scientific Article on Sevuparin Published in HemaSphere

On December 5, Modus Therapeutics announced the publication of a scientific article on sevuparin in the respected medical journal HemaSphere. Titled "Sevuparin

strongly reduces hepcidin expression in cells, mice, and healthy human volunteers," the study demonstrates that sevuparin significantly lowers hepcidin levels, a key regulator of iron metabolism.

The research, which includes data from lab studies, animal models, and clinical trials in healthy volunteers, highlights sevuparin's potential to address anemia in chronic kidney disease and other inflammatory conditions.
Key Findings:
• Hepcidin levels reduced by up to 72% in healthy volunteers at the highest dose.
• Strong inhibitory effects observed in preclinical models, supporting further development.
• Study confirms sevuparin's favorable safety profile.

These results reinforce sevuparin's potential in treating conditions with high unmet medical need.

Modus Therapeutics Initiates Phase II Study with Sevuparin for the Treatment of Chronic Kidney Disease with Anemia

On December 9, Modus announced that the first dose has been administered in its Phase IIa study evaluating sevuparin for the treatment of chronic kidney disease (CKD) with anemia.

The study is being conducted at Centro Ricerche Cliniche di Verona in Italy.

Study Design and Objectives
The study consists of two parts:
Part 1: Evaluates safety and dosage levels in patients with varying degrees of kidney impairment, along with a small reference group of healthy volunteers.
Part 2: Assesses the effects of repeated dosing on hemoglobin levels, kidney function, hepcidin, and other biomarkers in patients with advanced CKD and anemia.

A total of 50–60 patients are expected to be enrolled, with Part 1 scheduled for completion in the first half of 2025.

Important events during the quarter cont.

Modus Therapeutics Presents LPS Study Data at Pharmacology 2024

On December 10, Modus Therapeutics announced that data from its Phase 1b LPS study will be presented as a poster at the British Pharmacological Society Annual Meeting (Pharmacology 2024) in Harrogate, UK, on December 10–12.

The poster, titled ”Sevuparin effects on local and systemic LPS-induced inflammation in healthy volunteers,” summarizes results from a randomized, double-blind, placebo-controlled Phase 1b study in 71 healthy participants. It will be presented by Dr. de Bruin from the Centre for Human Drug Research (CHDR) in Leiden, The Netherlands.

Important events after the end of the quarter

Modus Therapeutics receives a recruitment update from the collaborative Phase Ib study in severe malaria

On February 18 Modus received a recruitment update from the ongoing collaborative study in patients with severe Malaria. In all, 18 patients of the expected 20 have now been dosed with sevuparin in the study which is managed by Imperial College London and financed by Wellcome.

Other disclosures

Ownership structure
At the end of the fourth quarter, there were 948 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 December 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 December 31 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 740(740). The loss for the period amounted to TSEK 14 968 (15 187). 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).

Proposed dividend
In view of the Modus financial position and negative earnings, the company's Board of Directors does not intend to propose any dividend before the company generates long-term sustainable profit and positive
cash flow.

Annual General Meeting and Annual Report
The Annual General Meeting will be held on May 20, 2025. The annual report for the financial year 2024 will be available for download via the Company's website (www.modustx.com) on April 15, 2025

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 December 2024, the Group's cash and cash equivalents amounted to SEK 4,4 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 November 19 2024 Modus announced that it has secured access to bridge financing of up to SEK 5.0 million from its largest shareholder, Karolinska Development. The access to this funding enables Modus to maintain momentum in its research and initiate the recently approved Phase IIa study for chronic kidney disease (CKD).

On February 12 2025, Modus utilized the bridge loan facility.

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 Oct 1 - Dec 31	2023 Oct 1 - Dec 31	2024 Jan 1 - Dec 31	2023 Jan 1 - Dec 31
Net sales	-	-	-	-
Research and development costs	-2 853	-1 239	-9 067	-8 482
Administration costs	-1 978	-2 535	-6 727	-7 832
Other operating expenses	-15	2	-44	-87
Operating profit/loss	**-4 846**	**-3 772**	**-15 838**	**-16 401**
Net interest income	133	-297	293	-1 496
Profit/loss after financial items	**-4 713**	**-4 069**	**-15 545**	**-17 897**
Income tax	-	-	-	-
PROFIT/LOSS FOR THE PERIOD	**-4 713**	**-4 069**	**-15 545**	**-17 897**
Earnings per share before and after dilution (SEK)	-0,13	-0,18	-0,43	-1,01
Net profit/loss attributable to: Parent company shareholders	**-4 713**	**-4 069**	**-15 545**	**-17 897**

Consolidated summary balance sheet

	2024	2023
TSEK	**Dec 31**	**Dec 31**
Assets		
Fixed assets		
Other financial fixed assets	52	51
Total fixed assets	**52**	**51**
Current assets		
Other receivables	453	930
Cash equivalents	4 379	19 060
Total current assets	**4 832**	**19 990**
TOTAL ASSETS	**4 884**	**20 041**
Equity and liabilities		
Share capital	2 156	2 156
Additional paid-in capital	332 899	332 899
Retained earnings including net loss for the period	-332 919	-317 373
Total equity attributable to parent company shareholders	**2 137**	**17 682**
Current liabilities		
Interest-bearing liabilities	-	-
Accounts payable	1 555	1 312
Other liabilities	229	521
Accrued expenses and deferred income	963	527
Total current liabilities	**2 747**	**2 359**
TOTAL EQUITY AND LIABILITIES	**4 884**	**20 041**

Consolidated change in shareholder's equity in summary

TSEK	2024 Oct 1 - Dec 31	2023 Oct 1 - Dec 31	2024 Jan 1 - Dec 31	2023 Jan 1 - Dec 31
Opening balance equity	**6 850**	**-16 414**	**17 681**	**-2 585**
Profit/loss for the period	-4 713	-4 069	-15 545	-17 897
Total comprehensive income	**-4 713**	**-4 069**	**-15 545**	**-17 897**
New issue of shares	-	39 678	-	39 678
Costs for new issue	-	-1 515	-	-1 515
Total transactions with shareholders	**-**	**-**	**-**	**38 163**
CLOSING BALANCE EQUITY	**2 137**	**17 681**	**2 137**	**17 681**

The equity is assignable the shareholders of the parent company.

Consolidated cash flow statement in summary

TSEK	2024 Oct 1 - Dec 31	2023 Oct 1 - Dec 31	2024 Jan 1 - Dec 31	2023 Jan 1 - Dec 31
Operating activities				
Operating profit/loss	-4 846	-3 771	-15 838	-16 401
Interest received	132	2	292	3
Interest paid	-	-	-	-
Cash flow from operating activities before changes in working capital	**-4 714**	**-3 769**	**-15 546**	**-16 398**
Changes in working capital	1 095	643	865	-286
Cash flow from operating activities	**-3 619**	**-3 126**	**-14 681**	**-16 684**
Cash flow from investment activities	**-**	**-**	**-**	**-**
Cash flow from financing activities	-	18 320	-	25 320
Cash flow for the period	**-3 619**	**-15 193**	**-14 681**	**8 636**
Cash equivalents at the beginning of the period	7 999	3 867	19 060	10 424
Changes in cash equivalents	-3 620	15 193	- 14 681	8 636
CASH EQUIVALENTS AT THE END OF THE PERIOD	**4 379**	**19 060**	**4 379**	**19 060**

Parent company income statement in summary

TSEK	2024 Oct 1 - Dec 31	2023 Oct 1 - Dec 31	2024 Jan 1 - Dec 31	2023 Jan 1 - Dec 31
Net sales	185	185	740	740
Research and development costs	-506	-411	-1 591	-1 419
Administration costs	-1 627	-2 270	-5 969	-6 587
Other operating expenses	-	-	-1	-
Operating profit/loss	**-1 948**	**-2 497**	**-6 821**	**-7 266**
Net interest income	133	-297	293	-1 496
Profit/loss after financial items	**-1 815**	**-2 794**	**-6 528**	**-8 763**
Appropriation	-8 440	-6 424	-8 440	-6 424
Income tax expense	-	-	-	-
PROFIT/LOSS FOR THE PERIOD	**-10 255**	**-9 218**	**-14 968**	**-15 187**

Parent company balance sheet in summary

	2024	2023
TSEK	**Dec 31**	**Dec 31**
Assets		
Non-current assets		
Financial assets	70 052	70 051
Total non-current assets	**70 052**	**70 051**
Current assets		
Other receivables	162	762
Cash equivalents	2 519	18 381
Total current assets	**2 681**	**19 143**
TOTAL ASSETS	**72 733**	**89 194**
Equity and liabilities		
Restricted equity		
Share capital	2 156	2 156
Non-restricted equity		
Share premium reserve	332 773	332 773
Retained earnings	-262 791	-247 604
Profit/loss for the period	-14 898	-15 187
TOTAL EQUITY	**57 170**	**72 138**
Current liabilities		
Interest-bearing liabilities	-	-
Accounts payable	144	845
Liabilities to Group companies	14 366	15 201
Other liabilities	229	521
Accrued expenses and deferred income	823	488
Total current liabilities	**15 563**	**17 055**
TOTAL EQUITY AND LIABILITIES	**72 733**	**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 740 (740) to the fully owned subsidiary Modus therapeutics AB, which corresponds to 100% of the parent company's turnover for the period. During the reporting period there were no other transactions with related parties that had any material impact on the group or parent company's position and earnings.

Note 3 | Incentive program

The "Incentive Program 2021/2024" has expired. No subscription of new shares occurred during the subscription period, and the program has therefore expired without being exercised. There are no outstanding share related incentive programs in the Company.

Note 4 | Equity

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

	2024	2023
Shares/SEK	**Jan 1 - Dec 31**	**Jan 1 - Dec 31**
Subscribed and paid shares:		
At the beginning of the period	35 938 899	16 100 050
Share merger	-	-
Offset issue	-	10 156 569
Rights issue	-	9 682 280
Subscribed and paid shares	**35 938 899**	**35 938 839**
Shares for sharebased payments	-	-
SUM AT THE END OF THE PERIOD	**2 156 334**	**2 156 334**

Financial calendar

Annual Report 2024
| April 15th, 2025

Interim Report Q1 2025
| May 14th, 2025

AGM 2025
| May 20th, 2025

Interim Report Q2 2025
| August 27th, 2025

Interim Report Q3 2025
| November 26th, 2025

Year-End Report 2025
| February 25th, 2026

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 February 20, 2025

Viktor Drvota
Chairman of the board

Ellen Donnelly
Board member

Johan Dighed
Board member

John Öhd
CEO

Quarterly overview

	2024				2023			
THE GROUP	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Net sales, TSEK	-	-	-	-	-	-	-	-
Operating profit, TSEK	-4 846	-2 989	-4 804	-3 199	-3 771	-2 456	-4 365	-5 808
Equity/Asset ratio, %	44%	80%	79%	91%	88%	-311%	-238%	-117%
Cash equivalents, TSEK	4 379	7 999	11 971	15 395	19 060	3 867	4 822	6 589
Cashflow from operating activities, TSEK	-3 619	-3 971	-3 424	-3 665	-3 127	-2 955	-4 267	-6 335
Earnings per share (before and after dilution), SEK	-0.13	-0.08	-0.13	-0.09	-0.18	-0.19	-0.29	-0.38
Shareholder's equity at the end of the period, TSEK	2 137	6 851	9 839	14 577	17 682	-16 413	-13 321	-8 625
Shareholder's equity per share, SEK	0.06	0.19	0.27	0.41	0.78	-1.02	-0.83	-0.54
R&D expense/operating expense, %	59%	61%	61%	46%	33%	40%	53%	68%
Average number of shares, 000'	35 939	35 939	35 939	35 939	22 626	16 100	16 100	16 100
Share price at the end of the period, SEK	1.81	1.65	1.03	1.14	1.74	1.98	2.77	2.32
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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