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Interim report January–September 2022

AlzeCure® is a Swedish pharmaceutical company that develops new innovative small molecule drug therapies for the treatment of severe diseases and conditions that affect the central nervous system, such as Alzheimer's disease and pain – indications for which currently available treatment is very limited. The company is listed on Nasdaq First North Premier Growth Market and is developing several parallel drug candidates based on three research platforms: NeuroRestore®, Alzstatin® and Painless.

NeuroRestore consists of two symptomatic drug candidates where the unique mechanism of action allows multiple indications, including Alzheimer's disease, as well as cognitive disorders associated with traumatic brain injury, sleep apnea and Parkinson's disease.

The **Alzstatin** platform focuses on developing disease-modifying and preventive drug candidates for early treatment of Alzheimer's disease and comprises two candidates.

Painless is the company's research platform in the field of pain and contains two projects: ACD440, which is a drug

candidate in the clinical development phase for the treatment of neuropathic pain, and TrkA-NAM, which targets severe pain in other conditions such as arthritis. AlzeCure® aims to pursue its own projects through preclinical research and development to an early clinical phase and is continually working on business development to find suitable solutions for outlicensing to other pharmaceutical companies.

FNCA Sweden AB is the company's Certified Adviser.

For more information, please visit www.alzecurepharma.com.

Financial information

July – September 2022

Figures in parentheses refer to the corresponding period of the previous year.

- Net sales during the period totaled SEK 0 thousand (0).
- Loss for the period totaled SEK -11,097 thousand (-16,507).
- Earnings per share, basic, totaled SEK -0.22 (-0.44).
- Cash flow from operating activities totaled SEK -14,504 thousand (-15,243).
- Total assets at the end of the period amounted to SEK 40,486 thousand (68,299).
- Cash and cash equivalents at the end of the period totaled SEK 37,169 thousand (62,672).

January – September 2022

Figures in parentheses refer to the corresponding period of the previous year.

- Net sales during the period totaled SEK 0 thousand (0).
- Loss for the period totaled SEK -45,291 thousand (-55,162).
- Earnings per share, basic, totaled SEK -0.97 (-1.46).
- Cash flow from operating activities totaled SEK -48,717 thousand (-49,708).
- Total assets at the end of the period amounted to SEK 40,486 thousand (68,299).
- Cash and cash equivalents at the end of the period totaled SEK 37,169 thousand (62,672).

Significant events

July – September 2022

- In August, the company presented new clinical data concerning NeuroRestore ACD856 at the Alzheimer's Association International Conference (AAIC).
- An overview article on AlzeCure's NeuroRestore platform as a novel Alzheimer's therapy was published in August in Drug Discovery Today.
- The company also had an abstract accepted on potential neuro-protective effects of NeuroRestore ACD856 in August.
- In September, the company communicated that a patent for NeuroRestore ACD856 has been approved in the US.

- On September 16, the company presented new data from the Phase I clinical trial (multiple ascending dose, MAD) in the NeuroRestore project, which show that ACD856 has a pharmacodynamic effect on EEG activity in healthy volunteers. The new EEG results show that ACD856 not only crosses the blood-brain barrier, but also has a demonstrated effect on EEG activity in the brain.
- In September, AlzeCure presented new data on the anti-inflammatory effects of the TrkA-NAM pain project at IASP 2022.

January – June 2022

- The company received a guiding response from the FDA supporting the continued clinical development program for ACD440, as well as preparations for the upcoming Phase II clinical trial.
- The Board of Directors approved a rights issue, subject to the approval of the Extraordinary General Meeting on March 1, 2022.
- The new share issue was completed on March 22 and raised SEK 48.5 million before issue expenses for the company.
- In March, the company received new indicative data from the ongoing clinical phase I MAD study with ACD856 (NeuroRestore) showing that the substance reaches the brain, the target organ for the substance which is developed as a treatment for Alzheimer's disease.
- A directed set-off issue is carried out in April in connection with ACD440 entering phase II and Acturum Life investing in the company. The set-off issue is the result of a previously agreed milestone payment, which will be made in the form of 845,070 shares instead of a cash payment.
- In April, the company presented results from the Phase I Single-Ascending-Dose-clinical study, which show that ACD856 demonstrates a good safety and tolerability profile in humans, as well as suitable pharmacokinetic properties, which supports further clinical development of the substance. In addition, new preclinical data were also presented, demonstrating a dose-dependent positive effect of the NeuroRestore substance on mitochondrial function, which is particularly interesting since impaired mitochondrial function is common in conditions such as Alzheimer's disease.
- In April, the company also presented new data concerning a new potent small-molecule gamma-secretase modulator (GSM), part of the Alzstatin research platform. The presentation contains preclinical data from studies that show that the substance, AC-0027875, effectively crosses the blood-brain barrier and reaches the target organ, i.e. the brain, in high concentrations

– which is essential for a good pharmacological effect. Furthermore, data show that the potent effect of the substance on γ -secretase led to a reduction in the amount of harmful amyloid beta 42 (A β 42) by more than 50 percent.

- In May, the company received approval to start a Phase II clinical trial with the non-opioid substance ACD440 for the treatment of neuropathic pain.
- In June, the first patient was included in the aforementioned study, the company's Phase II clinical trial in neuropathic pain with the non-opioid ACD440.
- The Phase I clinical trial Multiple Ascending Dose for AlzeCure's Alzheimer's project NeuroRestore ACD856 ended in June. The data show that ACD856, the primary drug candidate in the company's NeuroRestore platform, has good tolerability and safety. Furthermore, the results demonstrate that the substance has suitable pharmacokinetic properties with rapid uptake into the body, as well as relevant and dose-dependent exposure in the CNS.

Significant events after the end of the period

- The Board of Directors decided to perform a preferential rights issue of SEK 31.7 million, guaranteed to 82.6 percent, with a possible over-allotment of SEK 15 million. The Rights Issue is subject to an approval at an Extraordinary General Meeting on November 29, 2022.

See page 58 of the company's 2021 annual report for a list of definitions.

50 million

Alzheimer's is the most common form of dementia, and worldwide around 50 million people were estimated to be living with dementia-related diseases in 2020, a figure that is expected to rise to 82 and 152 million sufferers by the years 2030 and 2050 respectively.

A word from the CEO

The third quarter of 2022 was yet another successful and active period for AlzeCure. We presented positive results from our Phase I study with ACD856, intended for treatment of Alzheimer's disease, with good safety and tolerability data as well as brain activity data, which support continued clinical development work. In addition, we presented new preclinical data in the TrkA-NAM pain project, where we showed that the compounds demonstrate not only analgesic, but also anti-inflammatory effects. Our goal – to deliver results in the summer of 2023 from our ongoing Phase IIa clinical trial with ACD440 for the treatment of neuropathic pain – remains.

In the third quarter, we presented positive Phase I clinical data for our leading drug candidate, ACD856, which is part of the innovative NeuroRestore platform. The primary focus is on the treatment of Alzheimer's disease, with the purpose of improving learning and memory impairment and other cognitive problems. The results, which were presented at the world-leading Alzheimer's Association International Conference (AAIC) in San Diego at the end of July, showed good safety and tolerability. It is particularly gratifying that we delivered these data at a point when we are seeing increased interest in projects in the field of Alzheimer's, which strengthens our ongoing out-licensing efforts. Results from the study also show that the substance activates neuronal pathways in the brain in ways that are considered central to the indications that we aim to treat.

We also presented positive data showing that ACD856 crosses the blood-brain barrier and can be measured in the spinal fluid, which means that the drug reaches the brain – the organ it intends to affect. Over 37 percent of the free, active substance crossed the blood-brain barrier, which can be compared with biologics such as antibodies, where only 0.1-0.2 percent pass.

In addition, we presented new NeuroRestore data indicating that ACD856 improves both mitochondrial function and cellular health, while protecting neurons from damage. These findings further strengthen the likelihood that the compound may have a disease-modifying effect and could potentially be used for additional indications where these mechanisms are central, which theoretically increases the value of the project.

The positive and noteworthy findings presented during the quarter regarding the antibody lecanemab, which is being jointly developed by Eisai, Biogen and Bioarctic, are extremely important for the entire field of Alzheimer's research and validate the amyloid hypothesis, on which AlzeCure's Alzstatin research platform is also based. During the spring, we presented new favorable preclinical data regarding Alzstatin, with the aim of developing preventive and disease-modifying treatments for Alzheimer's disease. AlzeCure's data stem from a new series of molecules that are expected to be advantageous from a patent perspective. The findings showed that a molecule from the series can reduce harmful amyloid-beta levels by 50 to 60 percent, which is extremely promising.

Leading researchers are now showing growing interest in gamma-secretase modulators, such as Alzstatin, as potentially important treatments for Alzheimer's patients. Naturally, this trend is positive for our business development work with Alzstatin since only a few companies publicly state that they are conducting active gamma-secretase modulator projects. With multiple preclinical compounds under evaluation, we can ensure that we have the best possible drug candidate when we move into clinical trials.

We also see promising progress in our pain platform, Painless, with the ACD440 and TrkA-NAM projects. ACD440 is a TRPV1 antagonist for topical use aimed at treating peripheral neuropathic pain. The project is based on discoveries that were awarded by the Nobel Prize in Physiology or Medicine in 2021. The groundbreaking discovery of TRPV1 and its link to pain perception is of great significance and we have used it in our ACD440 clinical program. During



Martin Jönsson, CEO

the previous quarter, we started the company's first Phase II trial with ACD440 in patients with peripheral neuropathic pain. The conclusion of the Phase IIa clinical trial is planned for the first half of 2023 and we expect to receive the study results in the summer of that same year. The study is based in part on feedback from the FDA regarding documentation we submitted for a pre-IND meeting earlier this year.

Drugs for the treatment of neuropathic pain represent the single largest market for pain relievers, with sales of over USD 11 billion (GlobalData 2021). Nevertheless, as many as 80 percent of patients with neuropathic pain currently do not achieve adequate pain relief. Moreover, many of these patients are prescribed opioids in the US, which the authorities there want to prevent. Taken together, these circumstances indicate a great unmet medical need and thus the potential for our ACD440 project.

The company's second pain project, TrkA-NAM, which focuses on arthritis of the knee, also continues to make good progress. Even though the project is in the early stages, it has drawn the attention of several external parties with whom we have regular meetings. During the quarter, we presented new data indicating that TrkA-NAM not only has an analgesic effect, but also anti-inflammatory properties. We presented these findings at IASP, the world's largest pain congress, in September. The anti-inflammatory effect of

TrkA-NAM is positive for pain relief, which is expected to generate further external interest in the project. This benefits our business development and paves the way for potential new indications.

During the quarter we continued to have a strong focus on marketing communication and participated in several meetings and conferences, both in Sweden and abroad. We are constantly working on reaching out to both private and institutional investors, as well as other pharmaceutical and research companies that may be interested in investing in or in-licensing our development projects, or alternatively in entering into a partnership.

As part of enabling an accelerated development of our drug candidates, the Board of Directors has decided to perform a preferential rights issue with strong support of our principal owners and management. Their support means that we can cost-effectively continue to create great value in our research portfolio and intensify business development in the company. With this financial contribution, the company plans to work towards fulfilling the following goals in 2023:

- Achieve out-licensing of and/or collaboration around at least one of the Company's drug candidates.
- Complete the phase IIa study with ACD440.
- Enter the next phase of development with TrkA-NAM, pre-clinical development to continue development towards a clinical drug candidate.

- Drive the development of Alzstatin ACD680 further into pre-clinical development phase.
- Continue work on developing a clinical study plan for ACD856 with the goal of submitting a pre-IND application to the FDA.

We hope that we will have the opportunity to meet as many of you shareholders as possible at the Extraordinary General Meeting on November 29, and that you will also continue to support AlzeCure's continued development.

I remain pleased and proud to report that AlzeCure continues to make good progress thanks to our talented and ambitious employees and collaboration partners. We have several promising projects under development within fields of great unmet medical need, which is incredibly satisfying and motivating. I consider the accelerating interest in both AlzeCure and the field of Alzheimer's as confirmation that we are on the right path. I continue to be confident about the future, proud that AlzeCure is developing according to plan into a Phase II company, which demonstrates the competence and capability of the organization.

Stockholm, November 2022

Martin Jönsson



” The third quarter of 2022 was yet another successful and active period for AlzeCure. We presented positive results from our Phase I study with ACD856, intended for treatment of Alzheimer's disease, with good safety and tolerability data as well as brain activity data, which support continued clinical development work. In addition, we presented new preclinical data in the TrkA-NAM pain project, where we showed that the compounds demonstrate not only analgesic, but also anti-inflammatory effects. Our goal – to deliver results in the summer of 2023 from our ongoing Phase IIa clinical trial with Painless ACD440 for the treatment of neuropathic pain – remains.

Martin Jönsson, CEO

Project portfolio

AlzeCure works with several research platforms:

NeuroRestore® and Alzstatin® – with a focus on Alzheimer’s disease, where the leading candidate ACD856 is in clinical development phase.

Painless – focuses on pain treatment and contains two projects: ACD440 in clinical development phase and TrkA-NAM in research phase.

There are several small-molecule drug candidates in the various platforms: two in NeuroRestore and two in Alzstatin. There are also two projects in the Painless platform. A diversified portfolio of drug candidates paves the way for other indications, such as cognitive disorders associated with Alzheimer’s, traumatic brain injury, sleep disturbances and Parkinson’s disease, as well as for severe pain in conditions such as neuropathy and arthritis.

- The NeuroRestore platform is developing a new generation of symptomatic drugs for the treatment of illnesses with cognitive disorders, such as Alzheimer’s disease. The target mechanism also has other potential indications, including depression and cognitive disorders in Parkinson’s disease, traumatic brain injury and sleep disorders.
- Innovative disease-modifying and preventive oral drugs for Alzheimer’s disease are under development within the Alzstatin platform. They are intended to enable simple administration of the drug and be more cost-effective.
- The Painless platform includes two projects: TrkA-NAM and ACD440, which both focus on severe pain conditions.
 - The drug candidate ACD440 was in-licensed in January 2020 and affects a specific biological mechanism; the 2021 Nobel Prize in Physiology or Medicine was awarded for the discovery of this mechanism.
 - The compound is being developed for the treatment of neuropathic pain, a field with great unmet medical need. The project is currently in the clinical development phase.
 - The TrkA-NAM project is aimed at treating other severe pain caused by disorders such as arthritis, which today lacks sufficiently effective treatment. The project is currently in the research phase.

AlzeCure’s project portfolio¹

Platform	Candidate	Indication	Research phase	Preclinical phase	Phase I	Phase II	Phase III	
NeuroRestore	ACD856	Alzheimer’s disease Sleep disorders Traumatic brain injury Parkinson’s disease	Completed					
	ACD857	Alzheimer’s disease	In progress	In progress				
Alzstatin	ACD679	Alzheimer’s disease	In progress	In progress				
	ACD680	Alzheimer’s disease	In progress					
Painless	ACD440	Neuropathic pain	Completed				In progress	
	TrkA-NAM	Arthritic pain & other severe pain conditions	In progress					

 In progress  Completed

1) For definitions of the phases, please see the AlzeCure Pharma website, www.alzecurepharma.com

Project development

AlzeCure works with research and development of innovative and effective new small molecule drugs for treatment of diseases that affect the nervous system and the brain, with a focus on Alzheimer's disease and pain. The need for new treatments for these severe illnesses is great; for example, disease-modifying therapy for Alzheimer's is expected to be able to generate more than USD 15 billion* in annual sales.

The company is simultaneously developing four drug candidates based on the two research platforms NeuroRestore and Alzstatin, along with two projects within the Painless platform – TrkA-NAM and ACD440.

A diversified portfolio of drug candidates paves the way for other indications, such as cognitive disorders associated with traumatic brain injury, Parkinson's disease and sleep disorders. With its broad portfolio of assets, the company maximizes shareholder value by working in multiple indication areas where there is scientific support for the biological target mechanisms.

Neurology

Within NeuroRestore, a new generation of symptomatic drugs is being developed for the treatment of cognitive dysfunction (memory disorders) in Alzheimer's disease. The company initiated the first clinical trial with the primary drug candidate in NeuroRestore, ACD856, in late 2019. The study was completed on schedule in the second quarter of 2020, with results showing that ACD856 was well-suited for further clinical development. Consequently, continued clinical trials could be initiated at the end of 2020, the "SAD study," also according to plan. In the third quarter of 2021 the MAD study was also initiated and both of these studies, which are part of the phase I program for the drug candidate, have had the primary purpose of assessing safety and tolerability in humans. The MAD study, which was concluded according to plan in June 2022, showed that ACD856 had a good safety and tolerability profile in humans. Moreover, the results showed that the compound demonstrated good pharmacokinetic properties with rapid uptake in the body. In addition, ACD856 easily crosses the blood-brain barrier and can be measured in the spinal fluid. These important

data support further clinical development work. Moreover, in September 2022 the company reported new EEG results from a planned exploratory analysis in the MAD study, which showed that ACD856 not only reaches the CNS, but also activates neuronal pathways in the brain, of relevance to both cognition and depression. ACD857 is in the research phase and also has the primary indication of cognitive dysfunction/Alzheimer's disease. New preclinical data within the NeuroRestore platform presented in January 2022 also show positive effects on mitochondrial function, which is disrupted in neurodegenerative diseases such as Alzheimer's. In the summer of 2022, these studies were complemented by additional data concerning the neuroprotective effects of ACD856, which further strengthens its potential as a disease-modifying treatment.

AlzeCure's disease-modifying research platform for Alzheimer's disease, Alzstatin, focuses specifically on reducing the production of toxic amyloid beta (A β 42) in the brain. A β plays a key pathological role in Alzheimer's disease and begins to accumulate in the brain years before clear symptoms develop.

The target mechanism in Alzstatin is confirmed by previously reported study results, which we believe validate the amyloid hypothesis and thus Alzstatin's focus. The goal is to develop a tablet preparation for oral use that would be easily administered within the healthcare system.

The leading drug candidate within Alzstatin, ACD679, is in preclinical phase and alongside this work, the development of an additional drug candidate (ACD680) is in progress to ensure that the company has the best compound for clinical studies. New positive preclinical Alzstatin data from a newly developed series of molecules, which are expected to be advantageous from a patent perspective, indicate reductions in toxic A β 42 by more than 50%.

1 NeuroRestore® – the platform is developing a new generation of symptomatic drugs for the treatment of illnesses with cognitive disorders, such as Alzheimer's disease.

2 Alzstatin® – the platform develops innovative disease-modifying and preventive drugs for Alzheimer's disease.

3 Painless – two projects: TrkA-NAM and ACD440, which both focus on severe pain.

”Diagnostics and biomarkers within the field of Alzheimer's are active fields of research, where key advances made in recent years have been of great importance for diagnostics, as well as for evaluating new drug candidates.”

Professor Henrik Zetterberg, University of Gothenburg;
University College of London

* Source: Asher Mullard, Nature, June 8, 2021; Landmark Alzheimer's drug Approval.

Pain

The Painless platform contains two projects aimed at developing new treatments for pain. Both projects involve non-opiates, which is important to emphasize, because of the inherent risk associated with opiates for abuse, overdose and secondary injuries – which has led to avoidance of opiates as first-line treatment for pain. Despite this treatment problem they are still frequently used, for which reason the need for new non-opiate treatments is great.

In January 2020, a drug candidate in the clinical development phase aimed at treating neuropathic pain, ACD440, was in-licensed. This project is an important strategic in-licensing that strengthens the company's current clinical portfolio. The ACD440 project has its origins in Big Pharma and is based on strong scientific grounds. The 2021 Nobel Prize in Physiology or Medicine was awarded for the discovery of and insights into TRPV1, the biological system that serves as the basis for ACD440 and is central to temperature regulation and pain. The compound that is being developed as a gel for topical treatment has previously undergone clinical trials, but at that time as oral treatment. As planned, AlzeCure initiated a Phase Ib clinical trial of the drug candidate in late 2020, which was completed in April 2021 and showed positive proof-of-mechanism results, i.e. an analgesic effect in humans. The efficacy of ACD440 was clearly significant compared with placebo. The compound was also well tolerated as a topical gel on the skin, indicating good suitability for further clinical development as topical treatment for neuropathic pain conditions. During the first quarter of 2022, the FDA provided feedback regarding the material and documentation submitted for a pre-IND meeting. The response was informa-

tive and in June 2022, the company initiated a Phase II trial with ACD440 in patients with peripheral neuropathic pain. This double-blind, placebo-controlled, randomized cross-over study aims to evaluate the efficacy, safety and pharmacokinetics of the company's leading drug candidate in pain. The study results are expected in mid-2023.

TrkA-NAM builds on the knowledge amassed and assets developed in the NeuroRestore platform, but with the purpose of developing new compounds that focus on providing pain relief in several conditions associated with severe pain. The goal of the project is to develop a small molecule "TrkA-negative allosteric modulator" that can reduce movement-induced and spontaneous pain in patients with painful arthritis. The compounds in the platform block NGF-mediated signaling via TrkA receptors, a biological mechanism with strong genetic, preclinical and clinical validation with respect to its role in pain. The company received the first positive preclinical efficacy data during the latter part of 2020 and is actively working on the development of a drug candidate for preclinical safety studies. In September 2022, AlzeCure presented results for a new compound, AC-0027838, which has been identified as a potent and selective negative modulator of NGF/TrkA signaling in cell-based analyses, at the IASP international pain conference. The results showed a potent analgesic effect in a nociceptive pain model. The data also show that the compound has a powerful anti-inflammatory effect, which can potentiate the analgesic effects in clinical contexts. Analysis of the inflamed tissue also demonstrated significant effects on CGRP, a relevant biomarker for inflammation and pain.

50 million

In the US alone, an estimated 50 million adults live with chronic or severe pain, and more people suffer from pain than diabetes, heart disease and cancer combined.

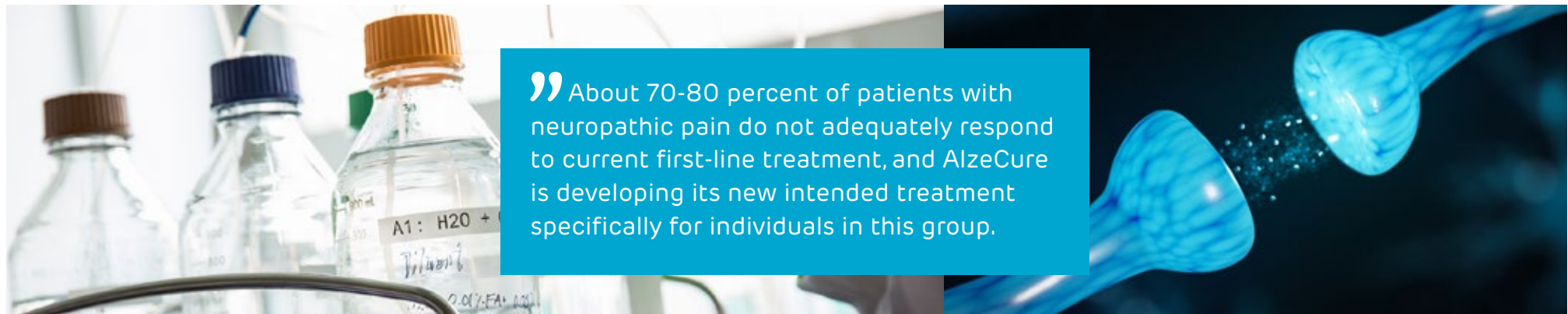
Nobel Prize

The 2021 Nobel Prize in Physiology or Medicine was awarded for Professor David Julius' discovery of TRPV1, the biological system that serves as the basis for ACD440 and is central to temperature regulation and pain.

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” About 70-80 percent of patients with neuropathic pain do not adequately respond to current first-line treatment, and AlzeCure is developing its new intended treatment specifically for individuals in this group.



Market trends affecting AlzeCure®

Increased social costs for Alzheimer’s and other neurodegenerative diseases.

Costs associated with Alzheimer’s and other neurodegenerative diseases are sharply rising and account for a substantial burden on the public healthcare system. The global cost to society for dementia is estimated at more than USD 1 trillion and is expected to triple over the next 30 years. These burgeoning costs increase the need for disease-modifying and/or preventive treatments appreciably.

Increased need for treatment due to an aging population.

Old age is the greatest risk factor in dementia-related illnesses such as Alzheimer’s, but also for pain problems. Life expectancy is anticipated to rise globally as a result of improving living standards and improved health care.

New treatment for Alzheimer’s disease targeting amyloid plaques receives FDA approval

An antibody therapy (Aduhelm) targeting amyloid pathology received approval in the US in June 2021 as the first disease-modifying treatment for Alzheimer’s disease through the FDA’s Accelerated Approval process. The approval is based on a “surrogate endpoint,” in this case the reduction of beta-amyloid in the brain.

Three other antibody therapies targeting amyloid pathology have also been granted “Breakthrough Therapy Designation” status, giving them access to the FDA’s other fast track processes, which could lead to a significantly faster pathway to market for drugs in this important area.

Amyloid-targeted therapeutics show positive effects on cognitive function in Alzheimer’s patients

Lecanumab, one of the above-mentioned antibody treatments targeting amyloid pathology, recently underwent a pivotal phase III study. In September 2022 it was reported that the trial had achieved the set efficacy measures, with significant positive effects on functional and cognitive functions as well as reduced amount of amyloid plaques in the brain. The results, which support the amyloid hypothesis, may form the basis for possible market approval in 2023. This has led to a significant and increased interest in the research of other new drugs against Alzheimer’s disease. Partly those that target symptoms in other ways (NeuroRestore) but also drugs (such as Alzstatin) that target amyloid formation at an early stage, and which can be given in tablet form, unlike antibody treatments which are given intravenously. Drugs such as NeuroRestore and Alzstatin can also potentially be given in combination with other therapies.

Major pharmaceutical companies are allocating investments in CNS-related illnesses to specialized research projects.

An increasing number of major pharmaceutical companies are starting investment funds aimed at smaller research companies and drug companies, as this is where a great deal of innovation takes place. The trend favors smaller R&D companies as opportunities for licensing agreements concerning the research, development and commercialization of drug candidates are increasing.

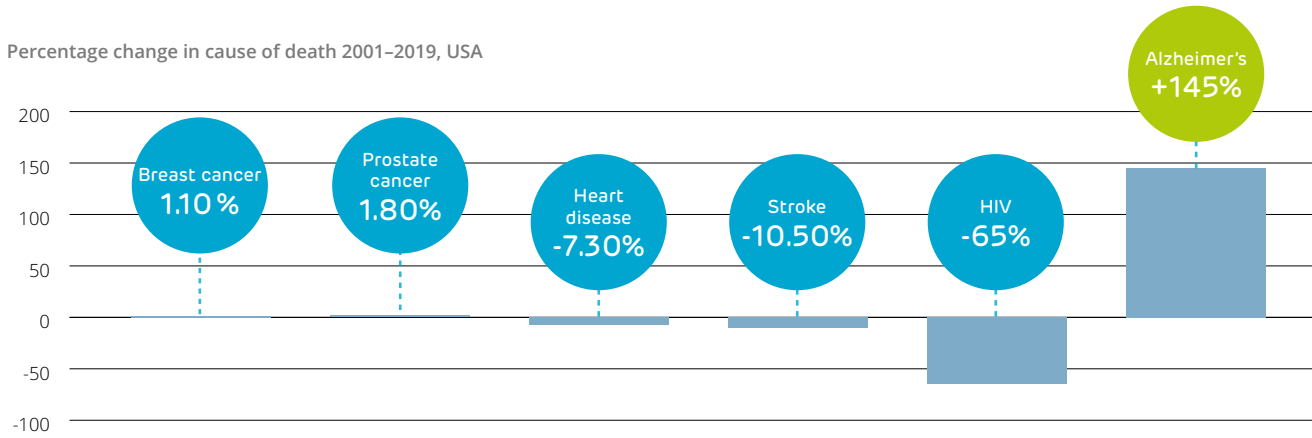
Development related to diagnostics & biomarkers for Alzheimer’s disease

Significant progress has been made in this field through intensive work, including recent findings that a combination of blood-based biomarkers and simple cognitive tests have very high sensitivity for detection of Alzheimer’s disease at an earlier stage. Currently, Alzheimer’s disease is mainly diagnosed through clinical examination, including a lumbar puncture combined with tests of cognitive ability and brain imaging (PET). A spinal fluid test is an invasive procedure in which spinal fluid is drawn for analysis. PET diagnostics is a nuclear medicine imaging method used to identify differences between healthy brains and brains in patients with Alzheimer’s. There is a great need to be able to correctly diagnose Alzheimer’s in order to include a relevant population in clinical trials to develop drugs for the disease and the development that is taking place in the field, including in blood-based biomarkers, entails significant progress for the area.

Great need for new pain treatments

In the US alone, an estimated 50 million adults live with chronic or severe pain, and more people suffer from pain than diabetes, heart disease and cancer combined. Data from Europe show similar results and the health and socioeconomic costs are estimated at 3–10 percent of gross domestic product in Europe. Regarding the efficacy of currently available drugs in the field, for example, approximately 80 percent of patients with neuropathic pain do not respond adequately to current treatment. Because of the risk of abuse, overdose and secondary injuries, there is also an effort to avoid opiates for treatment of pain. Consequently, there is currently a high unmet medical need for new, non-opiate treatments in this field.

Percentage change in cause of death 2001–2019, USA



The mortality rate for Alzheimer’s disease has risen sharply, while several other causes of death have fallen.

Alzheimer's disease

Alzheimer's is the most common form of dementia, with around 60–70 percent of all dementia cases stemming from this illness. It is a deadly disease that has a huge impact on sufferers and their relatives alike. Yet despite this, there is currently a lack of preventive and disease-modifying treatments in the global market.

Alzheimer's disease is a neurodegenerative disease, which is a collective term for various conditions in which the nerve cells of the brain gradually deteriorate and eventually die. Nerve cells have very limited regeneration and damage to them therefore becomes clear and crucial for the functionality of the nervous system. Nerve cell death in the brain in connection with Alzheimer's manifests through a variety of symptoms, such as impaired memory, as well as difficulties finding words, expressing oneself and understanding. Difficulties with the concept of time are also common. Eventually, sufferers experience orientation problems in their surroundings, and difficulties reading, writing and counting or managing practical tasks. Some have problems with perception and difficulty in recognizing what they see, and reasoning and planning become

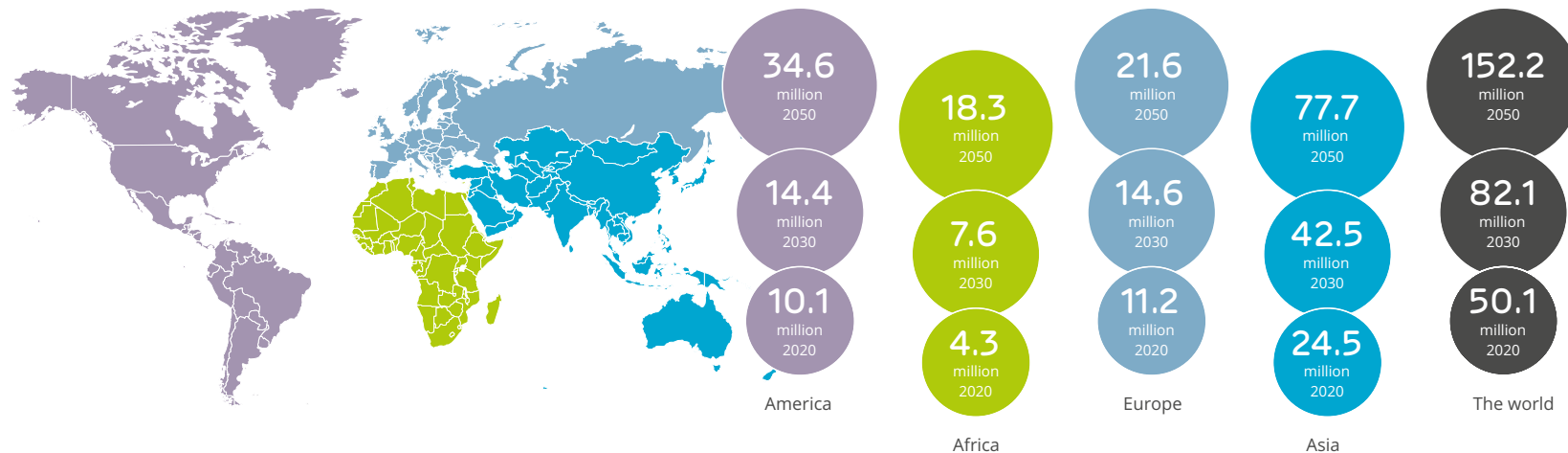
more difficult. With the passage of time, sufferers become more and more dependent on help from relatives and/or care services. Because a characteristic of the disease is its gradual onset, it can be difficult to identify when the problems actually began. Symptoms may also vary from person to person.

Alzheimer's is the most common form of dementia, with around 60–80 percent of all dementia cases stemming from this illness. Even though it is a deadly disease that has a huge impact on both sufferers and their relatives, currently no preventive or disease-modifying treatments are available. The disease starts with amyloid beta (Aβ) protein beginning to clump in the brain, which ultimately form the amyloid plaques so characteristic of the illness. These have a negative impact on nerve cell function and lead, inter-

alia, to reduced levels of important neurotransmitters in the brain. These neurotransmitters, such as acetylcholine and glutamate, are necessary for nerve cells to communicate with each other and for the normal operation of the brain. With time, the ability of nerve cells to survive also deteriorates and they die.

The reasons that some individuals develop the disease while others do not are as yet unknown, but it is clear that accumulations of Aβ amyloid in the brain play a central part in Alzheimer's. The most common risk factors for developing Alzheimer's are old age and genetic proclivity. The disease may appear early, between the ages of 40 and 65 for the hereditary form, but is most common after 65. The course of disease begins many years before the brain suffers from widespread nerve cell death and the patient shows clinical symptoms. A person diagnosed with Alzheimer's disease lives for an average of four to eight years after being diagnosed.

Geographic distribution and expected growth of prevalence of dementia.



Today, growing sums are being invested in medical research in Alzheimer's due to the extensive human suffering, and the costs to healthcare and society are considerable. Total global costs for dementia-related illnesses are estimated to exceed USD 1 trillion, which is expected to triple by 2050. The lack of effective symptomatic treatments and efficacious treatments that slow or prevent the course (disease-modifying) of the disease represent an urgent medical need. The few approved drugs sold in today's global market have only a limited symptom-relieving effect and entail problematic side effects. Thus there is a very urgent medical need for new symptomatic and disease-modifying treatments. A disease-modifying therapy for Alzheimer's is considered capable of generating more than USD 15 billion in annual sales.

In June 2021, the FDA approved a new Alzheimer's drug in the US, Aduhelm™ (aducanumab), for which one year of treatment costs about USD 28,000. Subsequently, three additional antibody drugs for the treatment of Alzheimer's disease received "Breakthrough Therapy Designation" from the FDA. This status provides access to FDA's other "fast track" processes. Applications for approval of two of these drugs were also submitted to the FDA. Taken together, this trend reveals an accessible regulatory pathway for drugs within the field, thereby leading to growing interest in research into new drugs for Alzheimer's disease.

Symptoms

Usually, the first signs of Alzheimer's are impaired memory, difficulties in finding words, expressing oneself and understanding. Difficulties with the concept of time are also common. Eventually, sufferers experience orientation problems in their surroundings, and difficulties reading, writing and counting or managing practical tasks. Some have problems with perception and difficulty in recognizing what they see, and reasoning and planning become more difficult. With the passage of time, sufferers become more and more dependent on help from relatives and/or care services. Because a characteristic of the disease is its gradual onset, it can be difficult to identify when the problems actually began. Symptoms may also vary from person to person.

Prevalence

As previously mentioned, Alzheimer's is the most common form of dementia, and worldwide over 50 million people were estimated to be living with dementia-related diseases in 2020, a figure that is expected to rise to 82 and 152 million sufferers by the years 2030 and 2050 respectively. Geographical distribution and the anticipated increase in dementia is shown in the figure above.

It is estimated that around 150,000 people in Sweden are living with dementia diseases, a figure that is expected to double by 2050. Every year, around 25,000 people are affected, resulting in major care and healthcare costs for society. The direct costs in Sweden are greater than those caused by cancer and cardiovascular diseases.

Treatment

On the global market there are currently two different classes of approved symptomatic drugs for the treatment of Alzheimer's disease to improve cognition and memory function.

- Cholinesterase inhibitors: The drug allows the neurotransmitter acetylcholine to work longer in the brain and thus boost nerve cell communications. The drug primarily provides symptom relief, rather than slowing the course of disease.
- NMDA inhibitors: The drug affects glutamate signaling, which plays an important part in nerve cell communications.

However, the effect of the above treatment methods is usually limited and associated with side effects. The most common side effects are gastrointestinal symptoms, including nausea, diarrhea and stomach pain. Other common side effects are problems associated with the heart, high blood pressure, dizziness and headache. The need for new drugs with better symptom-relieving effect and fewer side effects is thus urgent.

AlzeCure's NeuroRestore® and Alzstatin® platforms act in a completely different manner in their treatment of the disease than the drug classes described above. NeuroRestore seeks to improve communication between nerve cells by strengthening the signaling of neurotrophins such as BDNF and NGF, so that memory function is improved in the patient while also avoiding difficult side effects. Alzstatin is aimed at preventing or delaying the very occurrence of the illness by reducing production of toxic amyloid in the brain and thereby preventing the formation of amyloid aggregates such as oligomers and plaque in the brain.



Every 5 seconds
someone in the
world is diagnosed
with Alzheimer's.

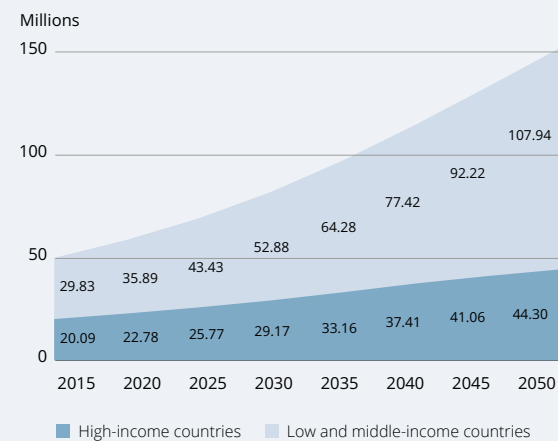


” The socioeconomic costs of Alzheimer’s disease are currently very high. At the individual level, the problems the disease causes for patients and their families are of course the most important. Currently there is no effective medication for the disease, and subsequently there is a high unmet medical need for both new symptomatic and disease-modifying drugs within this important area.

Professor Bengt Winblad, Karolinska Institutet

The figure below shows the expected growth in the number of cases of dementia between 2015 and 2050. The largest increase in number of cases of dementia and Alzheimer’s is expected to occur in low and medium income countries (LMIC), since these countries are expected to demonstrate a higher relative improvement in quality of life than high-income countries (HIC), which leads to an increased life expectancy. The need for novel therapies continues to be very high since there are currently no satisfactory treatment options for such patients.

The number of individuals with dementia in low and middle-income countries compared with high-income countries



Other diseases with cognitive dysfunction

There are several other diseases in which cognitive functions such as memory function and learning are affected; in addition to the classic neurodegenerative diseases such as Alzheimer’s and Parkinson’s disease, other indications include sleep disorders and traumatic brain injury. The cognitive dysfunction in these indications could be addressed by drug candidates from the NeuroRestore platform.

Sleep apnea

More than 900 million people worldwide suffer from sleep apnea, the majority of whom are undiagnosed. A Swedish population study shows that 50 percent of women between the ages of 20 and 70 have mild sleep apnea and that 6 percent suffer from sleep apnea that is severe enough to require treatment. The condition occurs in particular with overweight and high blood pressure. As the population gradually becomes more overweight, the incidence of sleep apnea is also expected to increase. There is also a hereditary component associated with the condition. One consequence of suffering from sleep apnea is that the patient suffers from extreme fatigue, since the body reflexively wakes up when breathing stops. The body also suffers oxygen insufficiency since breathing is absent for long periods and the body does not get a chance to recover. This fatigue also leads to impaired cognitive ability. The patients’ symptoms are somewhat similar to Alzheimer’s, since memory function, learning and other cognitive abilities are negatively impacted by sleep apnea.

Traumatic brain injury (TBI)

Traumatic brain injury (TBI) is caused by external trauma where the nerve cells in the brain are immediately damaged. TBI is a major global health and socioeconomic problem and is a common cause of death, especially among young adults, and can cause lifelong injuries among those who survive. Every year about 10 million people suffer from TBI worldwide. In North America, TBI affects about 1.7 million individuals annually, with total medical costs of more than SEK 600 billion. The global market for treatment of TBI is expected to grow from SEK 970 billion in 2017 to SEK 1,350 billion in 2024. The two most common causes of TBI are traffic accidents and falls. The majority of other causes of cases of TBI are violence or work or sports-related. The increase in TBI is due in part to the increased use of vehicles in low and middle-income countries.

TBI has been shown to increase the risk of developing dementia-related diseases, such as Alzheimer’s disease and other neurodegenerative diseases, such as Parkinson’s disease. Studies show that a person who sustains a TBI is at an approximately 24 percent increased risk of suffering from dementia.

The symptoms of TBI may be both physical and mental, and vary depending on the severity of the injury. Common symptoms include memory loss, headache, fatigue, sleep difficulties, concentration difficulties and mood swings. Depression during or after TBI is common. Within one year, half of all people with TBI suffer from depression, and within seven years, two thirds are affected.

Parkinson’s disease

Parkinson’s disease is a chronic and progressive neurodegenerative disease. The diagnosis is based on the patient having a combination of motor symptoms, such as tremors, mobility impairment, muscle stiffness, and balance and walking difficulties. The symptoms occur mainly as a result of a gradual loss of dopamine-containing nerve cells in the brain. In addition to the motor problems, impairment of cognitive functions such as memory and attention are also common.

Common cognitive problems include difficulties with:

- Attention and concentration.
- Planning such as organizing an eventful day.
- Following complicated conversations and the ability to solve complex problems.
- Being able to quickly formulate thoughts.
- Remembering events or special details, but where clues often guide the memory back.

Dementia associated with Parkinson’s disease is not an uncommon type of dementia, accounting for about 1.5–3 percent of all dementia cases.

Pain

Pain, both acute and chronic, afflicts millions of people around the world. Pain can be categorized in different ways, but one of the most common is nociceptive versus neuropathic pain.

Nociceptive pain is the result of activity in signaling pathways caused by tissue damage. Nociceptive pain is usually acute and develops in response to a specific situation, such as postsurgical pain and pain associated with sports injuries. It tends to disappear when the affected body part heals. An example of chronic nociceptive pain that lasts for more than 3–6 months is pain from arthritis.

The body contains specialized nerve cells, which in turn have sensors known as nociceptors that can injure the body, such as extreme heat or cold, pressure, crushing and chemicals. These warning signals are then transmitted along the nervous system to the brain. This happens very quickly in real time, such as quickly pulling away hands after touching a hot oven, or not putting weight on an injured ankle.

Neuropathic pain is pain resulting from dysfunction in or direct damage to the nervous system. Neuropathic pain is almost always chronic. Chronic pain is a disabling disease that affects every aspect of the patient's life, which includes the ability of the individual to work and engage in social and leisure activities. Neuropathic pain affects a total of approximately 7–8 percent of the adult population, which means about 600 million people worldwide. People with certain diseases, such as diabetes and HIV, suffer from neuropathic pain to a greater extent; about 25 and 35 percent of patients with these conditions, respectively, experience neuropathic pain.

Peripheral neuropathic pain results from various types of damage to the nerve fibers, such as toxic, traumatic, metabolic, infection-related, or compressional injuries. Common symptoms are painful tingling or itching that can be described as a stabbing or burning pain, including a sensation of getting an electric shock. Patients may also experience allodynia (pain caused by a stimulus that usually does not cause pain) or hyperalgesia (increased pain from a stimulus that normally provokes pain). Examples of conditions associated with neuropathic pain are painful peripheral neuropathy caused by conditions such as diabetes, painful postherpetic neuralgia (shingles), neuropathic pain induced by chemotherapy and/or direct injury to the nerve.

Arthritis (“wear and tear arthritis”) can affect all joints of the body, but most common are the knees, hips, back and shoulders. It was previously believed that this pain was due entirely to local inflammation. It is now known that other mechanisms are involved, and that the pain is primarily nociceptive in nature. Arthritis pain also affects most aspects of the patient's life; in addition to the severe pain itself, it limits mobility and the ability to work, while also making it difficult to engage in leisure activities and a social life. Physical exercise can only help to a limited extent, while existing drug treatments have only a small effect on the pain and should not be given to patients with conditions such as cardiovascular or lung disease. Therefore there is a great need for new effective drugs for the treatment of arthritis pain.

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Prevalence

An estimated 50 million adults in the US suffer from chronic pain that requires treatment. More Americans currently suffer from pain than diabetes, heart disease and cancer combined. The data from Europe show similar results and health and socioeconomic costs are estimated at 3–10 percent of gross domestic product in Europe.

The neuropathic pain market is characterized by high unmet medical need in all indications and in all major markets, where only 20–30 percent of patients respond to existing treatments. The patient population is expected to continue to grow, due to factors such as an aging population, an increased incidence of type 2 diabetes, and a growing number of cancer survivors who were previously treated with chemotherapy. The global market for neuropathic pain was valued at about USD 11 billion in 2020 and is expected to grow to USD 25 billion by 2027.

Woman suffering from postherpetic neuralgia after developing shingles:

“When I was diagnosed, and if someone had told me then, that – this is what you'll have to live with – then I'd have done something really crazy. This has really destroyed a large part of my life. I can tolerate a lot of pain, I've had breast cancer surgery, received chemotherapy and never complained, but this is horrendous. I've just received a new treatment, but I don't think it helps at all.” Britt.

600 million

Neuropathic pain affects a total of approximately 7–8 percent of the adult population, which means about 600 million people worldwide.

USD 25 billion

The global market for neuropathic pain was valued at about USD 11 billion in 2020 and is expected to grow to USD 25 billion by 2027.

Treatment

There is currently a major medical need for several different severe pain conditions. For example, about 70–80 percent of patients with neuropathic pain do not experience adequate pain relief with existing treatments. Because of the risk of abuse, overdose and secondary injuries, nowadays doctors avoid prescribing opiates as first-line treatment for pain. Despite this treatment problem they are still frequently used, for which reason the need for new non-opiate treatments is great.

Comments on the report

Financial overview

SEK thousand	July-Sept. 2022	July-Sept. 2021	Jan.-Sept. 2022	Jan.-Sept. 2021	Jan.-Dec. 2021
Net sales	0	0	0	0	0
Operating profit/loss	-11,172	-16,542	-45,412	-55,277	-77,926
Earnings for the period and comprehensive income	-11,097	-16,507	-45,291	-55,162	-77,781
Earnings per share, basic (SEK)	-0.22	-0.44	-0.97	-1.46	-2.06
Research expenses as a percentage of operating expenses (%)	79.9	85.3	83.4	84.4	85.0
Cash flow from operating activities	-14,504	-15,243	-48,717	-49,708	-70,639
Total assets	40,486	68,299	40,486	68,299	45,647
Cash and cash equivalents	37,169	62,672	37,169	62,672	41,741
Debt/equity ratio (%)	78.6	81.4	78.6	81.4	72.2
Average number of shares, basic	50,733,365	37,765,715	46,683,667	37,765,715	37,765,715
Average number of employees	13	11	13	11	11

See the definitions below.

Revenue and profit/loss

The company had no net sales during the period, which is in line with its plan and with earlier periods. Other operating income largely relates to currency gains this quarter, just as for full-year 2021. Government aid for increased sick pay totaling SEK 11 thousand (0) was received during the first quarter, which is also the figure for the period January to September.

Earnings for the third quarter of 2022 totaled SEK -11,172 thousand (-16,542). The operating loss for the period January to September was SEK -45,412 thousand (-55,277). The company continued to conduct its research activities at an intensive pace during the third quarter, with steady progress. Research expenses accounted for 79.9 percent (85.3) of operating expenses in the third quarter of 2022. In total for the period January to September 2022, research expenses accounted for 83.4 percent (84.4) of operating expenses. More information about research at AlzeCure can be found in the "Project Portfolio" and "Project Development" sections of this report.

Administrative expenses this quarter were on a par with such expenses during the same period the previous year. For the period

January to September, administrative expenses decreased by 12 percent, compared with the same period the previous year. The company plans to continue to focus on communication and business development and to expand internationally. Operating profit/loss is in line with the company's plan for 2022.

The company had 13 (12) employees on the closing date. The Covid-19 pandemic is still ongoing, even though restrictions have been lifted and much has returned to normal. However, the company continues to take the necessary measures to limit any negative impact on the company's operations. The company's business has not been affected to any great extent by the pandemic thus far.

Earnings per share, basic, totaled SEK -0.22 (-0.44) for the third quarter, and SEK -0.97 (-1.46) for the period January to September 2022.

Financial position

At the end of the period, equity was SEK 31,828 thousand (55,593) and the debt/equity ratio was 78.6 percent (81.4). During the first quarter of the year, a rights issue was completed that raised SEK 48.5 million for the company before issue expenses. Issue

expenses totaled SEK 7.2 million. A total of 12,122,580 shares were issued and share capital increased by SEK 303 thousand. Moreover, in a set-off issue in the second quarter a total of 845,070 shares were issued and share capital increased by SEK 21 thousand. The issue amount was SEK 3 million and issue expenses were SEK 113 thousand.

Cash and cash equivalents at the end of the period totaled SEK 37,169 thousand (62,672).

In 2019 the company launched an incentive program with warrants aimed at the Board of Directors. A total of 110,000 warrants were issued. The subscription period for these warrants expired on June 30, 2022 and no shares were subscribed for in this program.

In 2020, the company launched an incentive program, this time with warrants aimed at the company's Chief Executive Officer. A total of 300,000 warrants were issued. For more details regarding the warrant programs, please see "Share-related compensation programs" in the report.

As of the closing date of September 30, a total of 300,000 warrants were issued, resulting in a dilution effect of 0.6 percent on the closing date.

Cash flow and investments

Cash flow from operating activities including changes in working capital for the third quarter of 2022 totaled SEK -14,504 thousand (-15,243). For the period January to September 2022, the corresponding cash flow totaled SEK -48,717 thousand (-49,708).

Cash flow from investing activities totaled SEK 0 thousand (-0) during the third quarter. The corresponding figure for the period January to September 2022 was SEK 0 thousand (-54). The company has mainly invested in laboratory equipment.

Cash flow from financing activities totaled SEK 0 thousand (0) for the third quarter of 2022. For the period January to September, cash flow from financing activities totaled SEK 44,145 thousand (0). Cash flow includes the rights issue that was completed in March and raised SEK 48,490 thousand before issue expenses, which totaled SEK 7,231 thousand, as well as a set-off issue in April of SEK 2,999 thousand before issue expenses, which totaled SEK 113 thousand.

Accounting policies and valuation principles

General information and compliance with IAS 34

The company's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, with consideration for the exceptions and additions to IFRS stated in RFR 2. AlzeCure Pharma AB (publ) is domiciled in Stockholm.

No expenses during the period have been deemed to meet the requirement for capitalization according to IAS38. The company's research has not yet advanced far enough for capitalization.

Significant accounting policies and valuation principles

This interim report has been prepared in compliance with the accounting policies and valuation principles applied in the company's most recent annual report.

Significant estimates and assumptions

When preparing interim reports, the Board and the CEO must, in accordance with the applicable accounting policies and valuation policies, make certain estimates, assessments and assumptions that affect the recognition and valuation of assets, provisions, liabilities, income and expenses. The outcome may deviate from these

estimates and assessments and will very rarely amount to the same sum as the estimated outcome.

The estimates and assessments made in the interim report, including the assessment of the main causes of uncertainty, are the same as those applied in the most recent Annual Report.

Key ratios and definitions

Earnings per share: net sales for the period divided by the average number of shares during the period.

Debt/equity ratio: equity, and where applicable untaxed reserves (less deferred tax), in relation to total assets.

Research expenses as a percentage of total operating expenses: research expenses divided by operating expenses, which include research expenses, administrative expenses and other operating expenses. Research expenses include the company's direct expenses relating to research activities such as expenditures for personnel, material and external services.

Significant risks and uncertainties

The company develops drug candidates and activities will always involve regulatory, market and financial risks. Financing risk is deemed to have increased as a result of the current financial

climate and geopolitical turmoil. Financing risk refers to the ability to finance projects to the point of commercialization. The company manages this by the timely preparation of new share issues. See also the "Continued operation" section below. Otherwise, no significant changes regarding those risks and uncertainty factors took place during the period compared with those presented in the most recent annual report.

The Covid-19 pandemic is still ongoing, even though restrictions have been lifted and most activities have returned to normal. Nevertheless, the company continues to take the necessary measures to protect its employees and limit any negative impact on the company's operations.

The geopolitical situation in the world is extremely uncertain, and it is difficult to say how it may affect the company's development. The company currently has no transactions or activities associated with Russia.

The general economy, both domestically and internationally, will be a challenge for all companies going forward. It is extremely likely that high inflation will lead to increased costs. The company is very cost conscious and continues to focus on prioritizing activities.

Related party transactions

During the second quarter of 2022, a consulting agreement was signed, on arm's-length terms, with the company R Linder Consulting, which is owned by board member Ragnar Linder. The agreement covers consulting services related to business development. During the period from the signing of the agreement to September 30, 2022, the fee for consulting services totaled SEK 90,000.

Continued operation

The company's available funds and equity as of September 30, 2022, do not cover the liquidity needed to conduct the identified possible activities for the next 12 months. In light of this situation, the Board of Directors have decided to perform a preferential rights issue of SEK 31.7 million, guaranteed to 82.6 percent, with a possible over-allotment of SEK 15 million. The Rights Issue is subject to an approval at an Extraordinary General Meeting on November 29, 2022.

The board's assessment is that the rights issue, if fully subscribed, is sufficient to finance the company's operations for the next twelve months.

Reconciliation of alternative performance measures

SEK thousand	July-Sept. 2022	July-Sept. 2021	Jan.-Sept. 2022	Jan-Sept. 2021	Jan.-Dec. 2021
<i>Research expenses as a percentage of total operating expenses:</i>					
Research expenses	-8,934	-14,174	-37,984	-47,041	-66,715
Administrative expenses	-2,191	-2,370	-7,334	-8,372	-11,265
Other operating expenses	-51	-78	-212	-355	-500
Total operating expenses	-11,176	-16,622	-45,530	-55,768	-78,480
Research expenses as a percentage of total operating expenses:	79.9%	85.3%	83.4%	84.4%	85.0%
<i>Debt/equity ratio (%) Sept. 30, 2022:</i>					
Total equity at end of period	31,828	55,593	31,828	55,593	32,974
Total assets at end of period	40,486	68,299	40,486	68,299	45,647
Debt/equity ratio (%):	78.6%	81.4%	78.6%	81.4%	72.2%

The share, share capital & ownership structure

The share

The share has traded on Nasdaq First North Premier Growth Market under the name ALZCUR since November 28, 2018. On September 30, 2022, the number of shares in the company totaled 50,733,365.

As a result of a new share issue in March 2022, the number of shares increased by 12,122,580 to a total of 49,888,295 shares.

A set-off issue in April caused the number of shares to increase by 845,070 to a total of 50,733,365 shares.

Owners as of September 30, 2022

The ten largest owners as of September 30, 2022	Number of shares	Share capital and votes
BWG Invest Sàrl	6,080,628	12.0%
FV Group AB	2,800,000	5.5%
Sjuenda Holding AB	2,800,000	5.5%
SEB-Stiftelsen	1,960,000	3.9%
AlzeCure Discovery AB	1,710,000	3.4%
Avanza Pension	1,614,320	3.2%
Nordnet Pensionsförsäkring AB	1,589,467	3.1%
Futur Pension	1,496,177	2.9%
Thomas Pollare	1,234,627	2.4%
Stein Grimsvik	1,156,777	2.3%
10 largest owners	22,441,996	44.2%
Other	28,291,369	55.8%
TOTAL	50,733,365	100%

Share-related compensation programs

In 2019 the company launched an incentive program with warrants aimed at some members of the Board of Directors. A total of 110,000 warrants were issued: 35,000 warrants went to Thomas Pollare and 25,000 warrants each went to An van Es Johansson, Ragnar Linder and Pirkko Sulila Tamsen.

The warrants, which were issued at the market price as of May 22, 2019, entitled the holder to subscribe for shares during the period June 15–30, 2022. The warrants were not exercised.

In 2020 the company also launched an incentive program, this time with warrants aimed at the Chief Executive Officer. A total of 300,000 warrants were issued.

The warrants, which were issued at the market price based on an external valuation as of May 20, 2020, entitle the holder to subscribe for shares during the period June 15, 2023 – July 5, 2023. The issue price for newly subscribed shares totaled 150 percent of the volume-weighted average closing price for the company's shares on the Nasdaq First North Premier Growth Market during the 10 trading days preceding the Annual General Meeting on Wednesday, May 20, 2020.

The total dilutive effect of the incentive programs is 0.6 percent on the closing date.

Financial calendar

Interim report Q4, October–December 2022	February 24, 2023
Annual Report 2022	April 6, 2023
Interim report Q1, January–March 2023	May 5, 2023
Annual General Meeting	May 17, 2023
Interim report Q2, April–June 2023	August 25, 2023
Interim report Q3, July–September 2023	November 10, 2023

Nomination Committee

AlzeCure Pharma's nomination committee for the 2023 Annual General Meeting was appointed in accordance with the principles adopted by the Annual General Meeting on May 22, 2019 and consists of: William Gunnarsson, appointed by BWG Invest Sàrl, Rolf Karlsson, appointed by FV Group AB, Peter Thelin, appointed by Sjuenda Holding AB and Thomas Pollare (Chairman of the Board).

The Board's assurance

The Board of Directors and the CEO hereby certify that this interim report provides a true and fair view of the company's operations, position and results and describes significant risks and uncertainties facing the company.

Huddinge, November 10, 2022

Thomas Pollare
Chairman of the Board

Eva Lilienberg
Board member

Ragnar Linder
Board member

Ellen Donnelly
Board member

Martin Jönsson
Chief Executive Officer

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

For more information, please see www.alzecurepharma.com or contact:
Martin Jönsson, CEO, info@alzecurepharma.com

FNCA is the company's Certified Adviser.
FNCA Sweden AB, info@fnca.se.

Review report of condensed interim financial information (Interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act (1995:1554)

To the Board of Directors of AlzeCure Pharma AB (publ), corporate ID number 559094–8302.

Introduction

We have reviewed the summary interim financial information (interim report) for AlzeCure Pharma AB (publ.) as of September 30, 2022, and the nine-month period that ended as at this date. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting issues, and conducting an analytical review and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing (ISA) and other generally accepted auditing standards. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. The conclusion based on a review therefore does not provide the same assurance as a conclusion expressed based on an audit.

Conclusion

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

Stockholm November 10, 2022
Grant Thornton Sweden AB

Camilla Nilsson
Authorized auditor

Income statement and other comprehensive income

SEK thousand	July-Sept. 2022	July-Sept. 2021	Jan.-Sept. 2022	Jan.-Sept. 2021	Jan.-Dec. 2021
Net sales	0	0	0	0	0
Operating expenses					
Research expenses	-8,934	-14,174	-37,984	-47,041	-66,715
Administrative expenses	-2,191	-2,370	-7,334	-8,372	-11,265
Other operating expenses	4	80	118	491	554
Other operating expenses	-51	-78	-212	-355	-500
Operating profit/loss	-11,172	-16,542	-45,412	-55,277	-77,926
Profit/loss from financial items					
Interest income and similar profit/loss items	75	35	125	116	146
Interest expenses and similar profit/loss items	0	0	-4	-1	-1
Loss after financial items	-11,097	-16,507	-45,291	-55,162	-77,781
Earnings for the period and comprehensive income	-11,097	-16,507	-45,291	-55,162	-77,781
Earnings for the period per share, basic (SEK)	-0.22	-0.44	-0.97	-1.46	-2.06
Earnings for the period per share, diluted (SEK)	-0.22	-0.44	-0.97	-1.46	-2.06
Average number of shares, basic	50,733,365	37,765,715	46,683,667	37,765,715	37,765,715
Average number of shares, diluted	51,033,365	38,175,715	47,057,000	38,175,715	38,175,715

Balance sheet

SEK thousand	Sept. 30, 2022	Sept. 30, 2021	Dec. 31, 2021
ASSETS			
Non-current assets			
<i>Intangible fixed assets</i>			
Project rights	17	17	17
Total intangible fixed assets	17	17	17
<i>Tangible fixed assets</i>			
Equipment, tools and installations	988	1,567	1,422
Total tangible fixed assets	988	1,567	1,422
<i>Financial fixed assets</i>	7	7	7
Total non-current assets	1,012	1,591	1,446
Current assets			
<i>Current receivables</i>			
Other current receivables	1,333	1,708	1,539
Prepaid expenses and accrued income	972	2,328	921
Total current receivables	2,305	4,036	2,460
Cash and bank balances	37,169	62,672	41,741
Total current assets	39,474	66,708	44,201
TOTAL ASSETS	40,486	68,299	45,647

SEK thousand	Sept. 30, 2022	Sept. 30, 2021	Dec. 31, 2021
EQUITY AND LIABILITIES			
<i>Restricted equity</i>			
Share capital	1,268	944	944
Total restricted equity	1,268	944	944
<i>Unrestricted equity</i>			
Share premium reserve	322,663	278,842	278,842
Accumulated profit/loss	-246,812	-169,031	-169,031
Profit/loss for the period	-45,291	-55,162	-77,781
Total unrestricted equity	30,560	54,649	32,030
Total equity	31,828	55,593	32,974
Current liabilities			
Trade payables	3,117	7,722	5,971
Other current liabilities	339	322	319
Accrued expenses and deferred income	5,202	4,662	6,383
Total current liabilities	8,658	12,706	12,673
Total liabilities	8,658	12,706	12,673
TOTAL EQUITY AND LIABILITIES	40,486	68,299	45,647

Statement of change in equity

SEK thousand	Share capital	Share premi- um reserve	Accumulated profit/loss	Profit/loss for the year	Total equity
Opening balance January 1, 2021	944	278,842	-97,665	-71,366	110,755
Appropriation of earnings			-71,366	71,366	0
Earnings for the year and comprehensive income				-77,781	-77,781
Closing balance December 31, 2021	944	278,842	-169,031	-77,781	32,974

Opening balance January 1, 2022	944	278,842	-169,031	-77,781	32,974
Appropriation of earnings			-77,781	77,781	0
Rights issue	303	48,187			48,490
Issue expenses		-7,231			-7,231
Set-off issue	21	2,978			2,999
Issue expenses		-113			-113
Earnings for the period and comprehensive income				-45,291	-45,291
Closing balance September 30, 2022	1,268	322,663	-246,812	-45,291	31,828

Statement of Cash Flows

SEK thousand	July-Sept. 2022	July-Sept. 2021	Jan.-Sept. 2022	Jan.-Sept. 2021	Jan.-Dec. 2021
Operating activities					
Operating loss before financial items	-11,172	-16,542	-45,412	-55,277	-77,926
<i>Adjustment for items not included in cash flow, etc.</i>					
Depreciation and amortization	145	146	434	431	576
Interest received	75	35	125	116	146
Interest paid	0	0	-4	-1	-1
Cash flow from operating activities before changes in working capital	-10,952	-16,361	-44,857	-54,731	-77,205
Statement of change in working capital					
Change in trade receivables	0	80	0	8	8
Change in current receivables	168	-1,738	155	-619	957
Change in trade payables	-1,346	1,857	-2,854	3,756	2,005
Change in current operating liabilities	-2,374	919	-1,161	1,878	3,596
Net cash flow from operating activities	-14,504	-15,243	-48,717	-49,708	-70,639
Investing activities					
Acquisition of tangible fixed assets	0	0	0	-54	-54
Cash flow from investing activities	0	0	0	-54	-54
Financing activities					
Issues (net)	0	0	44,145	0	0
Cash flow from financing activities	0	0	44,145	0	0
Cash flow for the year	-14,504	-15,243	-4,572	-49,762	-70,693
Cash and cash equivalents at beginning of period	51,673	77,915	41,741	112,434	112,434
Cash and cash equivalents at end of period	37,169	62,672	37,169	62,672	41,741



Contact details

AlzeCure Pharma AB (publ)
Corporate ID no. 559094-8302, domiciled in Stockholm, Sweden.
Address: Hälsovägen 7, SE 141 57 Huddinge.

Certified Advisor: FNCA Sweden AB

For more information, please visit
www.alzecurepharma.com