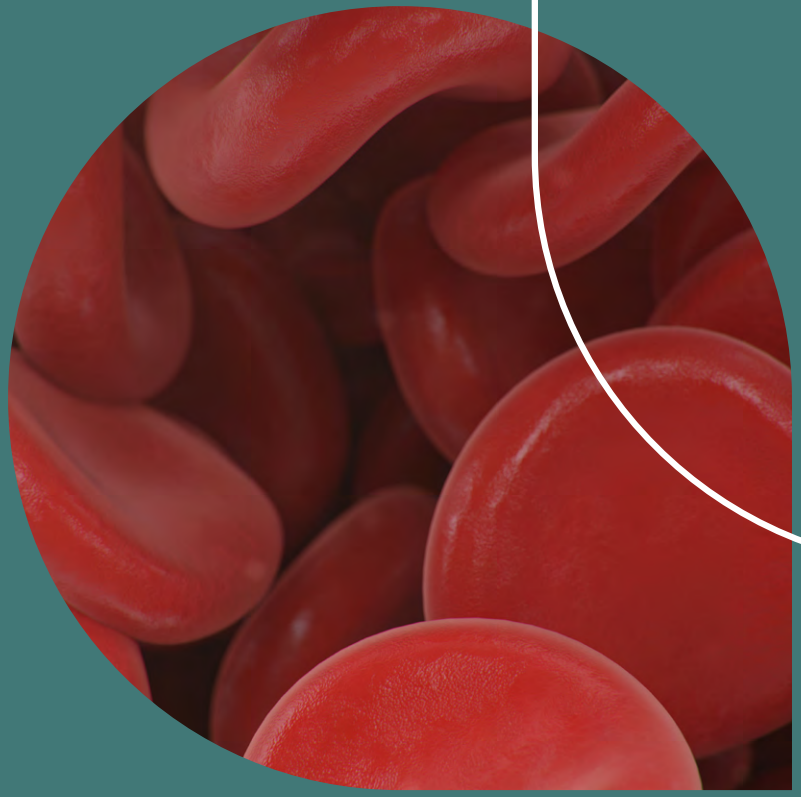
MODUS THERAPEUTICS



MODUS THERAPEUTICS
ANNUAL REPORT 2024

CONTENTS

ABOUT MODUS

Modus is developing sevuparin for patients with severe diseases and high unmet medical needs
Modus Therapeutics is a Swedish biotechnology company developing sevuparin, an innovative drug candidate with the potential to transform the treatment of diseases for which there are currently no effective therapeutic options. Our goal is to establish a new treatment paradigm and improve care for patients with serious and chronic illnesses.

Focus on anemia in chronic kidney disease (CKD)
In 2024, Modus took a decisive step in the development of sevuparin by initiating a Phase IIa clinical study targeting anemia in chronic kidney disease (CKD). The study, approved by Italian authorities in November 2023, aims to evaluate the safety and clinical effects of sevuparin in patients with varying degrees of kidney function impairment. The first part of the study commenced in December, with initial results expected in the first half of 2025.

Anemia in CKD is a major global health issue that adversely affects quality of life and disease progression for millions of patients. Current treatment options are limited, and the need for new therapeutic solutions is significant. Sevuparin's ability to influence key mechanisms in the disease's pathophysiology makes it a promising candidate in this area.

Sevuparin is also being developed for acute inflammatory conditions
Beyond CKD, Modus is also exploring the potential of sevuparin in sepsis and severe malaria—both life-threatening conditions characterized by intense systemic inflammation. Previous research has indicated that sevuparin may exert a protective effect by modulating inflammation in malaria and sepsis. We are now evaluating the possibilities for further development in these areas.

Looking ahead – continued clinical and business development
With an ongoing Phase IIa study in CKD, a strong intellectual property portfolio, and a team with deep scientific expertise, Modus is well-positioned to advance to the next stage of its development. In 2025, we will focus on driving our clinical programs forward while actively exploring business development opportunities to maximize the value of sevuparin.

"Modus' ambition is to create a paradigm shift in the care of diseases, where sevuparin could provide therapeutic benefits."

2024 IN SUMMARY

Milestones Achieved in 2024

Research

- Following regulatory approval in November, Modus Therapeutics initiated a Phase II clinical study with sevuparin in December for the treatment of anemia associated with chronic kidney disease (CKD).
- Modus Therapeutics presented top-line results from its LPS challenge study at Pharmacology 2024.
- A new scientific article on sevuparin was published in *HemaSphere* in December 2024. The article, titled "*Sevuparin strongly reduces hepcidin expression in cells, mice, and healthy human volunteers*", highlights data showing that sevuparin significantly lowers levels of hepcidin—a key hormone in the regulation of iron metabolism.

Patents

The company continued progressing its two 2023 patent applications: one related to anemia and kidney disease, and one based on findings from the LPS challenge study in humans.

Pipeline

The Modus pipeline, which was expanded in 2023 to include three indications—CKD with anemia, severe malaria and sepsis—made significant strides in 2024. This includes the launch of the Phase II study in CKD and anemia, and strong recruitment momentum in the Phase Ib study for severe malaria, culminating in full patient enrollment in early 2025. Preparatory work for a Phase II program in sepsis also continued throughout the year.

Financing

In November 2024, Modus secured bridge financing of up to SEK 5.0 million from its largest shareholder, Karolinska Development AB, with an additional SEK 5.0 million secured in March 2025. This funding has enabled the company to maintain momentum in its research and initiate the newly approved Phase IIa study in CKD.

Other

In September, Modus announced with great sadness the sudden passing of board member Torsten Goesch.

Post-Year-End Developments (2024/2025)

In March 2025, Modus Therapeutics announced the completion of patient enrollment in the Phase I SEVUSMART study in severe malaria. In May 2025, the company will present preclinical data on sevuparin in a chronic kidney disease model at the BioIron 2025 conference.

"With continued momentum in our clinical research—through the initiation of a new Phase II study in CKD and anemia and strong recruitment progress in our Phase Ib collaboration with Imperial College—2024 marked another year of strong advancement for our expanded pipeline. Coupled with a continued focus on understanding sevuparin's key effects on hepcidin regulation, hematopoiesis, and kidney function through our published preclinical research, we enter 2025 with a solid strategic position."

TSEK	2024	2023
Net sales	-	-
Operating profit	-15 838	-16 401
Cash equivalents	4 379	19 060
Cash flow from operating activities	-14 681	-16 684
Equity ratio	44%	88%
Earnings per share*	-0,43	-1,11
Average number of employees	2	2

** Average number of shares*

MODUS STRENGTHENS ITS POSITION THROUGH CLINICAL PROGRESS AND SCIENTIFIC RENEWAL

The year 2024 has been pivotal for Modus Therapeutics, with major progress in clinical and scientific development, key financing milestones, and new research insights shaping the future of patient care. Our commitment to providing innovative treatments where they are most needed—through the development of our drug candidate sevuparin—is stronger than ever. As we look ahead to 2025, we are well-positioned to build on this foundation and continue our important mission to deliver first-in-class solutions for inflammatory and hematological diseases

Clinical Advances and Scientific Developments

One of the year's most significant milestones was the initiation of our Phase IIa clinical trial with sevuparin for the treatment of anemia in chronic kidney disease (CKD). Following regulatory approval from Italian authorities in November, we launched Part 1 of the study in December, focusing on dose determination and safety in patients with varying degrees of kidney function. Initial results are expected in the first half of 2025, laying the groundwork for Part 2 and continued clinical development.

Our research aligns with global trends targeting iron regulation and erythropoiesis in CKD-related anemia. Sevuparin's ability to lower hepcidin levels—a key regulator of iron metabolism—places Modus at the forefront of innovation in this area. This was further validated by our groundbreaking publication in *HemaSphere* (*https://doi.org/10.1002/hem3.70035*), and we aim to share additional research findings at upcoming conferences. For instance, we are proud to announce that our abstract "*The Heparinoid Sevuparin Improves Anemia and Kidney Status in a Mouse Model of Chronic Kidney Disease*" was selected for oral presentation at the 10th BioIron Society Congress, to be held May 25–29 in Montréal, Canada.

In our sepsis program, we continued preparations for a Phase II study based on promising top-line data from our Phase Ib LPS challenge study in 2023. These results were presented at the British Pharmacological Society's Annual Meeting 2024, further underscoring sevuparin's potential to modulate systemic inflammation and improve outcomes in severe infections. As AI-driven diagnostics and personalized medicine reshape

sepsis care, we see a growing opportunity for sevuparin in this rapidly evolving field.

Additionally, our collaboration with *Imperial College London* in severe malaria made substantial progress, culminating in full enrollment of the Phase Ib study at sites in Kenya and Zambia by March 2025. We are grateful for the *SEVUSMART* consortium, led by Professor Kathryn Maitland, and look forward to future results. With rising concerns about the impact of climate change on malaria transmission, this partnership may become a critical part of global health efforts. A report by *Boston Consulting Group and the Malaria Atlas Project*, funded by the *Gates Foundation*, predicts over 550,000 additional malaria deaths by 2050 due to climate change (*https://www.bcg.com/publications/2024/predicting-impact-climate-change-on-malaria*). Modus is committed to being part of the solution.

Competitive Positioning and Market Differentiation

In an increasingly competitive market, Modus is uniquely positioned to address critical gaps in the treatment of CKD anemia, sepsis, and malaria:

- CKD-anemia: Traditional ESA therapies have limitations in both efficacy and safety. Sevuparin's unique hepcidin-lowering mechanism offers an innovative and differentiated approach to improve iron availability and red blood cell production. In a CKD-anemia mouse model, we also observed improved kidney function (data presented at ASH 2023 and accepted for oral presentation at BioIron 2025).
- Sepsis: With growing attention to predictive diagnostics, there is a strategic window for sevuparin to be deployed early in sepsis progression—potentially reducing systemic damage and preserving immune balance.
- Severe malaria: Sevuparin's ability to disrupt parasite-infected red blood cell aggregates and inhibit parasite spread positions it as a promising adjunct to existing malaria therapies, particularly in high-risk groups such as children.

Financial Achievements and Business Development

At the start of 2024, Modus conducted a rights issue to fund the initiation of the CKD-anemia Phase II program. With strong support from our long-term investor, *Karolinska Development*, we also secured bridge financing of SEK 5 million in December 2024, followed by an additional SEK 5 million in March 2025. These funds enable continued patient recruitment and momentum in our research priorities.

"In an increasingly competitive market, Modus is uniquely positioned to address critical gaps in the treatment of CKD-anemia, malaria and sepsis."

We have also been actively engaged in discussions with potential partners and investors, participating in key industry events such as Nordic Life Science Days in October 2024 and BioEurope Spring 2025, to strengthen our network and explore future collaborations.

Outlook for 2025

In 2025, Modus will focus on:

- Completing Part 1 of the Phase IIa study in CKD-anemia and securing funding for Part 2 (proof-of-concept phase).
- Advancing collaborations and scientific communication to further validate sevuparin in chronic and systemic inflammation.
- Building on our severe malaria program and preparing for next steps following completion of Phase Ib.
- Developing the Phase II program in sepsis, including securing financing and strategic partnerships.

Final Reflections

I would like to extend my deepest gratitude to our highly motivated team, our investors, and our partners. Your support has been vital to our progress. As we move into 2025, we remain steadfast in our commitment to scientific innovation, strategic partnerships, and the development of groundbreaking therapies for patients with high unmet medical needs.

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

John Öhd, CEO, Modus Therapeutics

SEVUPARIN / MULTIMODAL MECHANISM OF ACTION

Sevuparin – a drug candidate with unique properties

Modus Therapeutics is developing innovative treatments for patients suffering from serious diseases where current therapeutic options are limited. With our drug candidate sevuparin, we have the opportunity to target multiple core disease mechanisms simultaneously addressing significant unmet medical needs in chronic kidney disease (CKD) with anemia, severe malaria, and sepsis.

Inspired by the body's own biology

Sevuparin is a refined derivative of naturally occurring heparin molecules, known as heparan sulfates, which evolution has shaped to play essential roles in a range of biological processes—and thus in multiple disease states. Heparan sulfates are found on cell surfaces and within the extracellular matrix, acting as key regulators of inflammation, coagulation, hormonal signaling, cell growth, and immune defense.

Thanks to its structural similarity to these endogenous molecules, sevuparin can interact with and modulate these biological systems. Unlike conventional heparins, which have been used primarily as anticoagulants since the 1930s, sevuparin is engineered to retain the biological functions of native heparan sulfates while significantly reducing its blood-thinning effect. This allows for higher dosing without increased bleeding risk—enabling novel therapeutic applications in serious medical conditions (outlined below).

Focus on CKD with anemia and chronic inflammation

Our primary clinical development focus is the treatment of anemia in chronic kidney disease (CKD), a condition characterized by chronic inflammation and impaired iron metabolism that leads to reduced red blood cell production and diminished quality of life for patients. By targeting hepcidin—a central hormone in iron regulation—sevuparin has shown promising results in preclinical studies, improving both hemoglobin levels and kidney function.

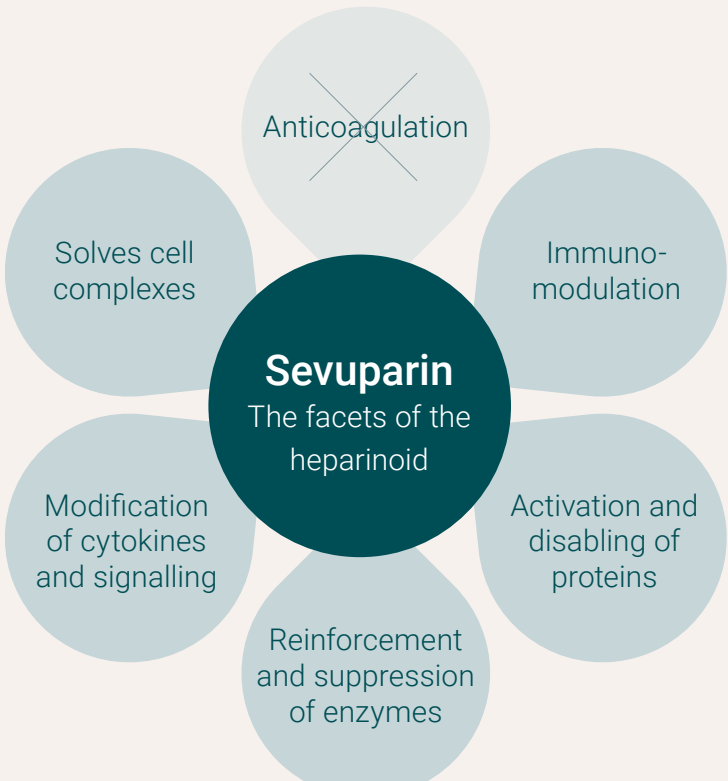
Previous clinical trials have also confirmed a favorable safety profile for sevuparin in humans, providing a strong foundation for continued development in CKD/anemia—a field in urgent need of new and effective therapies.

Potential benefits in severe malaria and sepsis

Beyond CKD/anemia, sevuparin shows considerable promise in severe malaria and sepsis—two life-threatening conditions in which uncontrolled inflammation and vascular endothelial damage are key drivers of disease progression. By protecting the endothelium and neutralizing harmful inflammatory mediators, sevuparin may help reduce disease burden and improve survival in these critical illnesses.

With its unique biological profile—rooted in the body's own defense mechanisms—sevuparin stands out as an innovative drug candidate with the potential to transform the treatment landscape for multiple serious diseases. Modus Therapeutics is well positioned to advance this development and create both medical and commercial value.

Sevuparin's multimodal mechanism of action



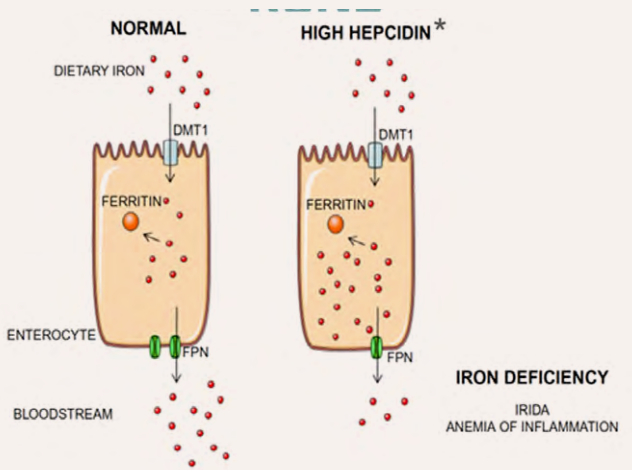
INDICATIONS /
ANEMIA IN CHRONIC INFLAMMATION/KIDNEY DISEASE

Anemia in Chronic Inflammation/ Kidney Disease (CKD)

Anemia is defined as a deficiency of red blood cells or low levels of hemoglobin—the protein in red cells responsible for oxygen transport. The most common form of anemia is iron deficiency anemia, as iron is an essential component of hemoglobin. While this form of anemia is often managed effectively with iron supplementation, a significant subset of diseases involves more complex mechanisms where conventional treatments are inadequate.

In chronic inflammatory conditions, the body's ability to absorb and utilize iron can be severely impaired. This is largely due to dysregulation of hepcidin, a key hormone that normally protects the body from iron overload. Elevated hepcidin levels prevent the absorption of dietary iron and the release of stored iron from body tissues, leading to a paradoxical iron deficiency—even when sufficient iron is present in the diet and body reserves. Anemias driven by elevated hepcidin are often resistant to standard therapies like iron supplementation and erythropoiesis-stimulating agents (ESAs) such as erythropoietin (EPO).

A large and distinct patient population affected by this is individuals with chronic kidney disease (CKD), one of the most prevalent chronic conditions globally, affecting around 10% of the population in stages 3–5. Studies have shown that anemia significantly worsens the clinical outlook in CKD, increasing morbidity and mortality and reducing quality of life. Consequently, extensive resources are devoted to anemia management in CKD, primarily via EPO therapy. However, responsiveness to EPO diminishes with disease progression and rising hepcidin levels. Currently, there are no approved therapies that specifically target hepcidin to reverse this form of treatment-resistant anemia. There is therefore a pronounced need for new treatment options when standard therapies fail.



Facts

- Hepcidin is the central regulator of iron availability in the body.
- It blocks iron mobilization from body stores, resulting in functional iron deficiency.
- Elevated hepcidin levels are frequently associated with anemia in chronic inflammatory diseases like CKD.
- Resistance to and failure of standard anemia treatments are often attributed to increased hepcidin.
- Currently, there are no approved therapies specifically targeting hepcidin.
- Anemia in chronic disease, including CKD, represents a significant unmet medical need.

Support for Sevuparin in Anemia Associated with Kidney Disease

A collaboration established in 2018 with the University of Brescia led to new preclinical and clinical data highlighting the potential of sevuparin in the treatment of specific forms of anemia. These findings formed the basis of a patent application submitted by Modus in December 2022. In December 2024, a publication in *HemaSphere* revealed data showing that sevuparin reduces hepcidin levels, a hormone believed to contribute significantly to the anemia associated with CKD and other chronic inflammatory conditions. High hepcidin levels are also linked to resistance to standard anemia treatments in non-responsive patients.

The study demonstrated that sevuparin suppressed hepcidin expression through a specific signaling mechanism in cell cultures, mice, and healthy human volunteers.

In December 2023, further findings from this collaboration were shared through abstracts at the American Society of Hematology Meeting and Exposition (ASH) and are scheduled for presentation at *BioIron 2025*. These results include studies in a validated mouse model of CKD with anemia—mice that, like human patients, develop moderate to severe anemia as kidney disease progresses. This model allows for the testing of new treatments to evaluate their impact on disease progression.

Results showed that sevuparin effectively reduced hepcidin levels, alleviated anemia, and preserved kidney function—measured by creatinine levels and histological analysis of tissue fibrosis. Additionally, the effect of sevuparin was tested in combination with EPO, where it significantly enhanced and maintained the positive impact on anemia, even when EPO dosage was substantially reduced to simulate treatment resistance.

Together, these findings on hepcidin, CKD, and anemia provide a strong rationale for further clinical development of sevuparin in this indication. Based on these data, Modus initiated its Phase IIa study in patients with anemia and CKD in December 2025.

Facts

Sevuparin strongly suppresses hepcidin in cell lines, mice, and healthy volunteers.

A quantitative PK/PD model was developed to guide dosing in clinical studies.

In a mouse model of CKD, sevuparin countered anemia, kidney dysfunction, and fibrosis—both alone and in combination with erythropoietin (data presented at ASH 2023 and upcoming at BioIron 2025).

Hepcidin inhibition in humans peaks between 6–24 hours, supporting once-daily dosing.

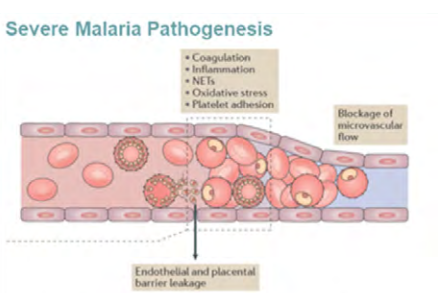
Sevuparin produces these effects at safe and tolerable dose levels, supporting its potential use in chronic inflammation-related anemia such as in CKD.

INDICATIONS / SEVERE MALARIA

Overview of Severe Malaria

Infection with malaria parasites can lead to a wide range of symptoms—from asymptomatic or very mild cases to severe illness and even death. Malaria is therefore clinically classified as either uncomplicated or severe. All symptoms associated with malaria are caused by the presence of parasites in the bloodstream. As the parasite develops inside red blood cells, it releases various waste products, both known and unknown, that trigger inflammatory responses and cause symptoms.

Uncomplicated malaria typically involves episodic symptoms resembling the flu, which may resolve on their own. However, under certain conditions, infected red blood cells can adhere to the walls of blood vessels in clusters—a process known as sequestration—which is believed to be a key driver of severe malaria.



Wahlgren, Goel, Akhuri *Nature Rev Micro*, 2017

Severe malaria primarily affects children under the age of five (other high-risk groups include pregnant women, travelers, and immunocompromised individuals such as those with HIV/AIDS). It emerges when the infection rapidly escalates, leading to serious organ failure, significant hematologic and metabolic disruption. In addition to severe anemia, many of its manifestations resemble those seen in sepsis or septic shock, including respiratory failure, circulatory collapse, altered coagulation with clotting and bleeding, kidney failure, and changes in mental status that can progress to coma.

As in sepsis, severe malaria is a medical emergency with a high mortality rate (10–20%) and must be treated urgently and aggressively. However, the condition progresses so rapidly that antimalarial medications may not act quickly enough to prevent complications or death. There is currently no treatment available that can act swiftly enough during the acute phase of disease progression.

Support for Sevuparin as an Adjunctive Treatment in Severe Malaria

In the 1960s and 1970s, researchers discovered that standard heparin could offer therapeutic benefits in severe malaria. Crucially, these effects were found to be independent of heparin's anticoagulant properties. However, use of heparin

Facts

- A Phase Ib study of sevuparin in severe malaria is currently ongoing albeit in its final stage since recruitment was recently completed.
- Sevuparin is the only drug in development as an adjunctive treatment for severe malaria.
- Severe malaria is caused by sequestration of infected blood cells in vessels of vital organs, leading to systemic inflammation and rapid organ failure.
- Preclinical and clinical data show that sevuparin disrupts parasite sequestration and prevents reinfection of new host cells.
- Existing antimalarial drugs have delayed onset of action—deaths often occur within the first 24 hours.
- Sevuparin demonstrates antimalarial activity within the first hour, offering a unique opportunity to intervene in the acute care setting.

in this context was discontinued due to the elevated risk of bleeding complications. Today, conventional heparins are not recommended in severe malaria.

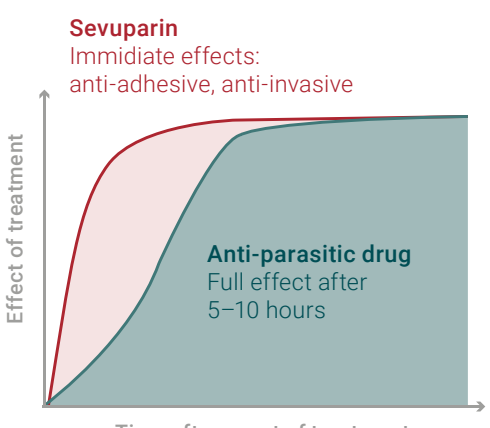
Sevuparin was developed specifically to retain the beneficial properties of heparin—while eliminating the anticoagulant effect. Promising effects have already been observed in proof-of-mechanism studies in patients, with no bleeding risk, and preclinical research confirms that sevuparin affects the malaria parasite similarly to heparin.

Sevuparin acts by counteracting sequestration of infected cells and by preventing new infections by free parasites circulating in the blood. Additionally, in an era of growing drug resistance to existing antimalarial treatments, sevuparin offers another major advantage: its mechanism of action is not affected by this form of resistance.

Modus is conducting a promising clinical development program in collaboration with Imperial College London, aimed at evaluating sevuparin as an adjunctive therapy for patients with severe malaria. As with sepsis, there are no targeted treatments available for severe malaria, and Modus seeks to explore the benefits of using sevuparin as an early-response therapy in the intensive care setting.

Imperial College London is leading the first Phase Ib clinical study at its facility in Kilifi, Kenya, as well as at a clinic in Zambia. In March 2025, the company announced that patient recruitment for this Phase Ib study was completed.

According to WHO estimates, there were 247 million cases of malaria globally in 2021, with 619,000 deaths—80% of which occurred in children. Africa accounts for 95% of all malaria cases and the majority of related deaths, underscoring the urgent need for new treatment solutions in this region.



INDICATIONS / SEPSIS

Facts

- Estimated 50 million cases of sepsis globally each year, with approximately 11 million resulting in death.
- In the U.S. alone, there are around 2 million cases annually; in Sweden, sepsis surpasses the top four cancer types in prevalence.
- Septic shock, the most severe form of sepsis, carries a mortality rate of around 30%.
- No approved therapies specifically indicated for sepsis.
- One of the most expensive conditions to treat in hospital care.

Overview of Sepsis

Previously known as "blood poisoning," sepsis is a common, severe, and acute medical condition with high morbidity and mortality. Sepsis and its most critical form, septic shock, occur when a bacterial infection triggers an exaggerated immune response, resulting in intense systemic inflammation. This leads to the release of harmful substances into the bloodstream by activated white blood cells. These substances can damage the inner lining of blood vessels, eventually causing plasma leakage into surrounding tissues.

This cascade of events increases the risk of organ dysfunction, and if left untreated, may lead to acute organ failure and severe tissue damage. Common symptoms develop rapidly as a result of the overwhelming inflammatory response: respiratory failure, circulatory collapse, altered coagulation with both clotting and bleeding, kidney failure, and reduced mental status that may progress to unconsciousness.

Currently, there is no approved drug specifically designed to treat patients with sepsis or septic shock. Although most patients receive antibiotics targeting the underlying infection, treatment relies on general supportive care typically provided in intensive care units—such as fluid resuscitation, vasopressors, oxygen therapy, corticosteroids, and mechanical ventilation. The lack of specific and effective therapies contributes to the high healthcare burden associated with sepsis, making it one of the most expensive conditions to treat in global healthcare systems.

There is therefore considerable value in developing drugs that directly target the underlying pathophysiology of sepsis—offering the potential to reduce mortality, improve patient outcomes, and decrease healthcare costs. Sevuparin has the potential to be such a treatment.

Sevuparin and Sepsis

Preclinical studies suggest that sevuparin can mitigate the damaging effects of systemic inflammation by binding to and neutralizing harmful mediators released by white blood cells, while also modulating their behavior during sepsis and septic shock. It has also demonstrated robust vascular protective effects—especially in lung tissue in mice, where it countered fluid accumulation (edema).

Sevuparin may therefore disrupt the molecular cascade that leads to compromised vascular integrity, plasma leakage, and ultimately organ failure.

In 2023, Modus reported data from a Phase Ib lipopolysaccharide (LPS) challenge study, designed to evaluate sevuparin's effects under conditions of induced systemic inflammation similar to sepsis. Positive results showed that sevuparin produced effects consistent with preclinical findings, including a statistically significant, dose-dependent increase in certain white blood cell populations—cells that typically decrease during systemic inflammation. It also showed a dose-dependent inhibition of the increase in respiratory rate induced by LPS exposure.

These findings demonstrate sevuparin's clinically relevant immunomodulatory activity in settings of systemic inflammation. In a separate part of the Phase Ib study, sevuparin was also shown to be safe and well-tolerated when administered alongside the standard anticoagulant therapy enoxaparin, which is commonly used in critically ill patients, including those with sepsis.

The positive results from this placebo-controlled Phase Ib study will form the foundation for the design of an upcoming Phase IIa clinical trial in patients with sepsis.

MARKET OVERVIEW

With sevuparin, Modus is targeting three challenging indications—each with significant standalone potential.

Anemia in Chronic Kidney Disease (CKD)

One of the most serious complications of CKD is anemia, affecting approximately 25% of patients in stages 3–5—equivalent to over 4.5 million individuals in the U.S. alone. Anemia in CKD worsens disease progression and is linked to poor prognosis, higher rates of hospitalization, and increased mortality. Current treatments primarily rely on erythropoiesis-stimulating agents (ESA/EPO) and iron supplementation. However, a significant unmet need remains—particularly for patients who do not respond to treatment or where anemia is driven by alternative mechanisms.

Sevuparin is a novel, low-anticoagulant heparinoid with anti-inflammatory and hepcidin-lowering properties. Preclinical and clinical data show that sevuparin strongly downregulates hepcidin expression—a key regulator of iron metabolism—through the BMP/SMAD signaling cascade. In a CKD mouse model, sevuparin improved both hemoglobin levels and kidney function, while reducing serum hepcidin and markers of kidney injury and fibrosis. These data suggest that sevuparin may offer dual benefits in treating anemia and preserving kidney function in CKD.

The market potential is substantial. Modus, together with external analytics firm XPLICO, has identified an addressable market for sevuparin in CKD-associated anemia (stage 3–5) projected to include over 10 million patients across the seven major pharmaceutical markets (7MM) by 2038—representing a potential multi-billion-dollar opportunity. This is reflected in previous deals in the field, such as Akebia Therapeutics' partnership with Otsuka Holdings, and the market valuation of companies like Disc Medicine (NASDAQ: IRON), which stood at approximately USD 1.8 billion as of April 2025.

Severe Malaria

Severe malaria is a rapidly progressing, life-threatening condition caused by Plasmodium falciparum and closely resembles sepsis in its clinical presentation—featuring systemic inflammation, vascular injury, and multi-organ dysfunction. It primarily affects children under the age of five and is associated with a mortality rate of 10–20%, even with treatment. While intravenous artemisinin-based drugs are the standard of care, there are currently no approved adjunctive therapies targeting the underlying mechanisms responsible for the early, severe symptoms.

The global situation is further exacerbated by rising drug resistance, particularly in Africa and Southeast Asia, the spread of novel urban-adapted mosquito vectors, and climate-related

Anemia/CKD

1.4 million
deaths globally per year.

10 million
patients addressable market 2038.

Sepsis

11 million
deaths globally per year.

4 million
patients addressable market 2038.

Severe malaria

619 thousand
deaths globally per year.

80%
of deaths are children.

changes that increase the incidence and severity of malaria outbreaks.

Sevuparin has the potential to become a first-in-class adjunctive therapy by targeting the host's inflammatory response and microvascular dysfunction—key drivers in the pathogenesis of severe malaria. Its mechanism of action is independent of parasite resistance, making it particularly relevant in today's evolving therapeutic landscape.

Malaria remains one of the world's deadliest infectious diseases. According to WHO, there were 247 million malaria cases globally in 2021, resulting in 619,000 deaths—80% of which occurred in children under five. Africa accounts for 95% of malaria-related deaths, highlighting the urgent need for new treatment options.

There is growing international commitment to tackling malaria. For example, UNICEF and GAVI have entered into a procurement agreement with GSK for 18 million doses of the first malaria vaccine (RTS,S), valued at up to USD 170 million—demonstrating global willingness to invest in effective solutions. The market for malaria treatments is projected to grow beyond USD 3 billion by 2035, according to current market analyses.

Beyond the global disease burden, malaria drug development also benefits from regulatory incentives in high-income countries. In the U.S., malaria is classified as a rare disease (fewer than 2,000 cases annually—primarily among travelers), making sevuparin eligible for Orphan Drug Designation by the FDA. This would grant seven years of market exclusivity, reduced regulatory fees, and enhanced support. Examples of approved orphan therapies include intravenous artemisinin derivatives, now marketed as orphan drugs in both the U.S. and EU.

Malaria treatments may also qualify for the FDA's Priority Review Voucher (PRV) program, which awards a transferable voucher for accelerated review of another drug upon approval. PRVs have recently been sold for over USD 100 million, underscoring their considerable commercial value.

With its innovative mechanism of action, robust safety profile, and potential to combine clinical efficacy with commercial appeal, sevuparin is well-positioned to become an important future asset in the global fight against severe malaria—from both a public health and investment standpoint.

Sepsis

Sepsis is a life-threatening condition caused by the body's extreme response to an infection, resulting in injury to its own tissues and organs. According to the World Health Organization (WHO), sepsis was linked to an estimated 11 million deaths globally in 2017—about 20% of all global deaths that year. In the U.S., approximately 2 million cases occur annually, and in Sweden, sepsis accounts for more cases than the four most common cancer types combined.

Septic shock, the most severe form of sepsis, is among the leading causes of death in intensive care units worldwide, with an estimated mortality rate of 30%. Despite its severity, there are currently no approved therapies specifically indicated for sepsis or septic shock. Treatment typically focuses on addressing the underlying infection with antibiotics and stabilizing the patient through intensive care interventions. The lack of targeted therapies has kept sepsis among the most resource-intensive conditions in healthcare—with estimated annual costs of USD 22 billion in the U.S. alone, a USD 5 billion increase since 2012.

Sepsis is classified as a high-priority condition (vital indication), enabling potential future treatments to command premium pricing. Modus and XPLICO have identified the target market for sevuparin in sepsis as patients with septic shock—approximately 700,000 individuals across the seven major pharmaceutical markets (7MM). This group represents a potential annual sales opportunity of around USD 6 billion by 2038. An even broader market potential exists in the general sepsis population, which is approximately five times larger.

CLINICAL PROGRAM / MODUS PIPELINE

- **Maximizing the potential of sevuparin in acute and advanced care.**
- **Enhancing risk diversification through flexible product and business development strategies.**

Successful Early Research Supporting the Further Development of Sevuparin

Sevuparin has undergone preclinical toxicology testing, with results supporting dosing for up to 14 days in clinical trials. Preclinical *in vivo* efficacy studies in mice have shown favorable effects in various disease models, including malaria. Additional experimental studies have been conducted in mouse models and *in vitro* using human cells to explore the potential in kidney disease, anemia, malaria and sepsis.

A Phase I clinical trial in healthy volunteers demonstrated that sevuparin is safe and well tolerated with both single and multiple intravenous administrations within clinically relevant dose ranges. Two patient studies (Phase Ib and II) further confirmed that sevuparin inhibits the malaria parasite's ability to bind to red blood cells and the vascular endothelium. In a larger Phase II study investigating treatment of acute sickle cell disease, sevuparin showed a favorable safety profile, although no difference in clinical outcomes was observed compared to placebo.

Anemia and Chronic Kidney Disease (CKD)

Together with the University of Brescia, Modus is evaluating sevuparin's potential as a treatment for conditions characterized by elevated levels of the iron-regulating hormone hepcidin—such as anemia related to chronic inflammation and kidney disease, as well as certain other chronic inflammatory disorders.

Compelling data published in *HemaSphere* in December 2024 demonstrated the potential of sevuparin to treat anemia in chronic conditions such as CKD. The dataset highlights sevuparin's ability to reduce hepcidin levels and inhibit key signaling pathways that block the body's access to iron—essential for physiological processes such as hemoglobin and red blood cell formation.

These robust results from preclinical cell and animal models, along with clinical observations in volunteers, demonstrate sevuparin's capability to lower hepcidin levels at clinically safe doses and offer clear evidence of its potential to modulate hepcidin's pathological effects. Additional data presented at the American Society of Hematology (ASH) Annual Meeting in December 2023 from a CKD mouse model showed that sevuparin, alone or in combination with erythropoietin (the standard treatment), had a positive effect on both anemia and kidney function.

These findings establish sevuparin as a promising candidate for treating high-hepcidin-related anemia and contributed to Modus initiating a Phase IIa clinical program in patients with anemia and CKD. The first study was launched in December 2024.

Indication	Development	Preclinical	Phase Ia	Phase Ib	Phase IIa	Phase IIb	Phase III
Sepsis	Modus	Sepsis/septic shock			Planning Phase IIa 2026		
CKD/Anemia	Modus	CKD/Anemi			Ongoing Phase IIa 2025		
Malaria	Collaboration*	Severe malaria			Recruitment completed March 2025		

CKD: *Chronic Kidney Disease. * In collaboration with Imperial College London and financed by grant from Wellcome.*

Severe Malaria

Another promising clinical development program with sevuparin is being conducted in collaboration with Imperial College London for the treatment of patients with severe malaria. As with sepsis, there is currently no specific treatment available for severe malaria. Through this collaboration, Modus aims to evaluate the benefits of sevuparin as an early-response therapy in intensive care settings.

The first clinical study is being carried out at Imperial College's facility in Kilifi, Kenya, and at a

site in Zambia. The Phase Ib SEVUSMART study, which reached full enrollment in March 2025, is assessing dosing, tolerability, and safety in combination with standard-of-care treatment in up to 20 pediatric patients aged 3 months to 12 years. The study explores the potential of sevuparin as an adjunctive therapy in children affected by severe malaria, a condition that involves a type of systemic inflammation similar to sepsis.

SEVUSMART is a collaborative initiative between Modus, Imperial College London (sponsor), and Wellcome (funder). Modus is currently working with its partners to evaluate the next steps for Phase II development of sevuparin in severe malaria.

Sepsis

In 2023, Modus reported positive data from its Phase Ib lipopolysaccharide (LPS) challenge study evaluating sevuparin for the treatment of sepsis and other conditions involving systemic inflammation.

In this study, healthy volunteers received LPS to induce a transient endotoxemic and systemic inflammatory response, along with one of three dose levels of sevuparin or placebo for a 6-hour period. Follow-up was conducted 24 hours post-treatment. The LPS model is well established for investigating endotoxemia and sepsis-like inflammation by inducing a range of measurable symptoms.

All three sevuparin dose levels were found to be safe and well tolerated during the study period, confirming a favorable safety profile for the drug candidate in induced inflammatory settings. Moreover, sevuparin treatment resulted in a statistically significant and dose-dependent increase in specific white blood cell populations and a dose-dependent inhibition of LPS-induced respiratory rate increase. These findings indicate clinically relevant and immunomodulatory effects of sevuparin in systemic inflammation.

During 2025 further conceptual work will be undertaken for a future Phase IIa trial.

Conclusion

Collectively, data from these studies provide strong motivation for Modus to continue clinical development of sevuparin in key indications: sepsis/septic shock, chronic kidney disease with anemia, other chronic inflammatory conditions, and severe malaria.

BUSINESS MODEL & COLLABORATIONS

Business model
Given that sevuparin has the potential to be the first and only treatment specifically targeting the conditions Modus is pursuing, the company expects significant market interest in sevuparin following favorable clinical trial outcomes.

Modus' business model is to independently advance the development of sevuparin through Phase IIa proof-of-concept trials—both in anemia associated with chronic kidney disease and in sepsis. The company also aims to continue progress in severe malaria through advantageous collaborative frameworks.

Based on data from these studies, Modus intends to either initiate a sale of the company or license out sevuparin, with the ultimate goal of establishing the drug on the market. Should market interest not be sufficiently strong based on the Phase IIa data, a potential acquisition or licensing agreement may be revisited at a later stage—such as toward the end of Phase IIb trials. At that point, a larger commercial partner would be able to drive Phase III development in a manner best aligned with their operational and strategic capabilities. According to the current development plan, a market launch and New Drug Application (NDA) could be feasible by 2030.

In general, market authorization requires two large Phase III studies with more than 1,000 patients over an extended time frame. However, treatments that address areas of high unmet need may qualify for regulatory flexibilities. A number of FDA and EMA programs may be applicable to sevuparin, should future clinical trials prove successful. For instance, Modus could be granted Accelerated Approval based on positive Phase IIb or early Phase III results, particularly if improvement in sepsis or severe malaria symptoms can be demonstrated. Such approval would allow earlier market entry for sevuparin while confirmatory Phase III trials are ongoing.

There is also the potential to receive Breakthrough Therapy Designation, which could facilitate the clinical development and regulatory review process, including acceptance of alternative clinical endpoints.

Timeline in traditional drug development

In non-endemic markets such as the US and EU, malaria/severe malaria may be classified as an orphan disease due to its relative rarity, primarily affecting returning travelers from endemic regions. Orphan Drug Designation can provide market exclusivity, regulatory support, and access to a Priority Review Voucher (PRV), enabling faster regulatory review and carrying significant commercial value.

A final scenario could involve Modus continuing development through the completion of Phase III trials, after which a licensing or acquisition strategy would again be pursued. Modus is also prepared to bring sevuparin to market independently, potentially through a network of geographically defined commercial partnerships with local sales partners.

Collaborations
Modus has an ongoing research collaboration with Professor Maura Poli and her team at the University of Brescia, which has been instrumental in establishing the therapeutic focus on anemia and kidney disease within Modus' pipeline.

An additional collaboration was initiated in 2021 with Imperial College London to investigate sevuparin's potential as an adjunctive treatment in severe malaria. Under this collaboration, Modus supplies sevuparin for the various phases of clinical trials in patients with severe malaria. The program is funded by research grants awarded to the study sponsor, Imperial College London, by Wellcome.

Accelerated approval
Granted by both the EMA and FDA to enable faster approval of a drug compared to the standard lengthy regulatory process. The FDA will re-evaluate the application and provide a decision within 60 days of submission. Typically granted for indications with high unmet medical needs.

Breakthrough Therapy
A designation that can expedite the development and review of drugs intended for serious medical conditions, where early clinical evidence indicates a substantial improvement over existing treatments or achievement of one or more clinically meaningful endpoints (endpoint = study objective or goal).

Orphan Drug Designation (ODD)
Granted by FDA and EMA for treatments targeting rare diseases, offering benefits such as market exclusivity and regulatory support, including fee waivers. In the US, an approved ODD may also qualify for a PRV, offering commercial and strategic advantages.

KEY REASONS TO INVEST

Team
With an experienced team, Modus is well-positioned to target indications with significant unmet medical needs.

Diversification
A clinical portfolio spanning anemia/chronic kidney disease (Phase IIa), severe malaria (Phase Ia), and sepsis (Phase II–ready).

Phase II–Ready
A comprehensive preparatory program and established safety data reduce the need for extensive ramp-up going forward.

Research
Groundbreaking data supports the treatment of kidney disease and anemia in the ongoing Phase II study. A unique development as an adjunctive therapy for severe malaria, with Phase Ib recruitment completed in March 2025. Positive final data from the Phase Ib LPS challenge study supports continued development in sepsis.

Potential
Commercial potential in multi-billion dollar markets with several opportunities. For severe malaria, there is also the possibility of Orphan Drug Designation in markets such as the US and EU, which could lead to market exclusivity, regulatory support, and access to a Priority Review Voucher (PRV)—an incentive with significant economic value.

IP
Ongoing expansion of the patent portfolio in parallel with project advancement as well as the potential for orphan designation exclusivity in the severe malaria indication.

SHARE PRICE DEVELOPMENT IN 2024

Modus Therapeutics has been listed on Nasdaq First North Growth Market in Stockholm since July 22, 2021. At the end of 2024, the total number of Modus shares amounted to 35,938,899, and the number of shareholders was 948.

Share Capital and Shareholders

As of year-end 2024, Modus' share capital amounted to SEK 2,156,334, distributed across 35,938,899 shares. All shares carry equal voting rights and entitlements to dividends. The company is primarily owned by Karolinska Development AB (66.1%), KDev Investment AB (7.7%), Hans Wigzell (5.8%), and John Öhd (4.8%).

Dividend Policy

Given Modus' financial position and negative results, the Board of Directors does not intend to propose any dividend until the company is able to generate sustainable profits and a positive cash flow.

Share price development in 2024

Largest shareholders on December 31, 2024

Owner	No. of shares	Share capital %
Karolinska Development AB	23,761,390	66.1%
KDev Investments AB	2,752,516	7.7%
Hans Wigzell	2,076,283	5.8%
Öhd, John	1,730,591	4.8%
Bladh, Anders	608,000	1.7%
Nordnet Pensionsförsäkring AB	283,310	0.8%
Aktiebolaget Wigzellproduktion	280,162	0.8%
Kinson Donnelly, Ellen	195,073	0.5%
Aldor, Lars Erik	145,457	0.4%
Lindqvist, Per	145,000	0.4%
Kronvall, Fredrik	145,000	0.4%
Försäkringsbolaget Avanza Pension	131,487	0.3%
Others	3,684,630	10.3%
Total	35,938,899	100%

Financial Calendar

Q1 Interim Report 2025	May 14, 2025
Annual General Meeting 2025	May 20, 2025
Q2 Interim Report 2025	August 27, 2025
Q3 Interim Report 2025	November 26, 2025
Year-End Report 2025	February 25, 2026

Certified Advisor

The company's Certified Adviser is Svensk Kapitalmarknadsgranskning AB.

Contact information:
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Phone: +46 11 32 30 732
E-mail: ca@skmg.se

LEADERSHIP TEAM & BOARD

John Öhd, M.D., PhD

CEO since 2020 and previously CMO since 2018.

Born: 1971

Education and experience: MD, PhD. John Öhd has extensive experience in drug development and has previously worked in several different indication areas, including CNS, cancer and blood diseases. His previous qualifications include leadership positions within the research organizations of AstraZeneca and Shire and as Chief Medical Officer at the biotechnology company Medivir.

Other current roles: Board Member at Umecrine Cognition AB, SVF Vaccines AB and Boost Pharma.

Holdings: 1 730 591 shares.

Cleas Lindblad

CFO since 2021.

Born: 1967

Education and experience: Master of Sciences in Chemical and administrative sciences from university of Karlstad. Claes Lindblad has over 25 years of broad experience from leading positions in life science. He has previously been CFO of the Medtech company OssDsign, where he led the company's financial and administrative functions and played a key role in the company's listing on Nasdaq First North Growth Market 2019. Before that, he has held several senior positions, including Country manager for the global and market leading Medtec company ConvaTec, and in the role of Sales director for the OTC and generic portfolio at Nycomed / Takeda.

Holdings: 24 327 shares.

Viktor Drvota, M.D, PhD

Chairman since 2016.

Born: 1965

Education and experience: MD, PhD, Assoc Prof in Cardiology at Karolinska Institute. Viktor Drvota has over 18 years' experience from venture capital in life sciences. He was responsible for life science at SEB Venture Capital 2002–2016 and has many years of experience of board duties in biotech and medtech companies.

Other current roles: CEO of Karolinska Development AB. Chairman of the board at Modus Therapeutics AB, Modus Therapeutics Holding AB, Umecrine Cognition AB and KDev Investments AB. Board member at UC Research AB, Dilafor AB and Dilafor Incentive AB. Deputy board member at Promimic AB and Svenska Vaccinfabriken Produktion AB.

Holdings: 0.

Independent in relation to the Company and company management but dependent in relation to the Company's major shareholders.

Johan Dighed

Board Member since September 2024.

Born: 1973

Education and experience: Master of Laws from Lund University. Johan Dighed has over 20 years' experience in financial and business law including positions as Head of Legal with the German bank SEB AG and legal counsel with SEB AB. Prior to joining the financial sector he worked with the international law firm Baker & McKenzie and in the Swedish Judiciary.

Other current roles: Deputy CEO and general counsel at Karolinska Development AB. Board assignments in KDev Investments AB, KDev Invest Consulting AB, KCIF Fund Management, AnaCardio AB, AnaCardio R&D AB, AnaCardio Holding AB, KD Incentive AB, Modus Therapetuics AB and Promimic AB (publ).

Holdings: 0.

Independent in relation to the Company and company management but dependent in relation to the Company's major shareholders.

Ellen K. Donnelly, PhD

Board Member since 2020.

Born: 1974

Education and experience: PhD in Neuroscience from the Yale School of Medicine. Ellen Donnelly has extensive experience from leadership positions within Life Science, including as former CEO of Modus and senior positions within Pfizer and Combinato Rx. She was previously CEO of Epigenetics Division and Juvenescence and management consultant for MEDACorp / Leerink and Swann Strategic Advisors.

Other current roles: CEO Abliva AB. Board member of Alzecure Pharma AB.

Holdings: 195 073 shares.

Independent in relation to the Company, the Company management and the Company's major shareholders.

MANAGEMENT REPORT

The Board of Directors and Chief Executive Officer of Modus Therapeutics Holding AB (556851–9523) hereby submit the Annual Report and Consolidated Financial Statements for the financial year 2024. Unless otherwise specified, all amounts are reported in thousands of SEK.

Management Report

Modus Therapeutics is a Swedish biotechnology company headquartered in Stockholm, developing its proprietary polysaccharide, sevuparin, as a therapeutic option for several high-need conditions including anemia associated with chronic inflammation such as kidney disease, and diseases involving severe systemic inflammation such as sepsis, endotoxemia, and severe malaria.

There is a significant need for new and effective treatments for these conditions. Modus aims to enable a paradigm shift in how these diseases are treated, with sevuparin potentially offering novel therapeutic opportunities. The company has been listed on Nasdaq First North Growth Market since 22 July 2021, and its Certified Advisor is Svensk Kapitalmarknadsgranskning AB. Sevuparin is an innovative, patented clinical-stage polysaccharide drug with a multimodal mechanism of action, including immunomodulatory, anti-adhesive, and anti-aggregating properties. Sevuparin is a heparinoid with significantly weakened anticoagulant activity, allowing for substantially higher dosing compared to standard heparin without the risk of bleeding side effects. It is currently being developed in two formulations—one for intravenous use and one subcutaneous formulation suitable for outpatient or home-based administration. More information is available at *www.modustx.com*.

Ownership Structure

At the end of Q4 2024, Modus Therapeutics Holding AB (publ) had 948 shareholders, with the three largest shareholders holding 79.56% of capital and votes. The total number of shares amounted to 35,938,899. As of December 31, 2024, the largest shareholders were Karolinska Development AB (66.1%), KDev Investment AB (7.7%), and Hans Wigzell (5.8%).

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Annual General Meeting 2024 – May 17, 2024

At the AGM, the income statement and balance sheet, consolidated income statement and consolidated balance sheet were adopted. The allocation of earnings and discharge from liability for the Board and CEO were approved. The AGM further resolved:

- That no dividend would be paid.
- That the Board would consist of three members without deputies.
- To re-elect Board members Viktor Drovta, Ellen Donnelly, and Torsten Goesch, and to re-elect Viktor Drovta as Chairman of the Board.
- To re-appoint Ernst & Young AB as auditor.
- To adopt the nomination committee principles as proposed.
- To amend the Articles of Association regarding share capital and number of shares, with new limits set at a minimum of SEK 1,440,000 and a maximum of SEK 5,760,000 in share capital, and a minimum of 24,000,000 and a maximum of 96,000,000 shares.
- To authorize the Board to, until the next AGM, resolve on issues of new shares, convertibles and/or warrants, on one or more occasions, with or without preferential rights for shareholders.
- To authorize the Board to, until the next AGM, enter into exit bonus agreements with senior executives and other key personnel to retain talent and offer reasonable incentives for continued development of the company.

Passing of Board Member Torsten Goesch

On September 5, 2024, Modus announced the sudden passing of Board member Torsten Goesch. Torsten was a valued and respected member of the Board and contributed significantly to the company's development. The Nomination Committee began the process of appointing a successor.

Extraordinary General Meeting – September 27, 2024

At the EGM, Johan Dighed was elected as a new Board member for the term until the end of the 2025 AGM. Johan Dighed holds a law degree from Lund University and currently serves as Deputy CEO and Chief Legal Officer at Karolinska Development AB.

Modus Therapeutics receives a recruitment update for the Malaria study

On November 15, 2024, Modus received a recruitment update from its collaboration involving the study in patients with severe malaria. Following the activation of a second clinical site in Zambia, the first two patient cohorts have been successfully enrolled, enabling escalation to the next dose level. In total, 10 patients have now been dosed with sevuparin in the study, which is led by Imperial College London and funded by a grant from Wellcome.

Modus Therapeutics receives approval to initiate a Phase IIa clinical trial for chronic kidney disease (CKD)

On November 18, 2024, Modus announced that it has received approval from the relevant authorities in Italy for its planned Phase IIa clinical trial of sevuparin. As previously communicated, the

study is designed in two parts. Part 1 aims to establish dosage levels and assess the safety of sevuparin through single-dose administration in 25–30 patients with varying degrees of renal impairment. This part also includes a small reference group of healthy volunteers and provides an opportunity to study the early effect on hepcidin in a relevant patient population.

Part 2 constitutes the so-called "proof of concept" phase and will evaluate the effects of repeated sevuparin treatment—using the dosage levels established in Part 1—on endpoints relevant to anemia, hepcidin levels, kidney function, and biomarkers in patients with more advanced chronic kidney disease and anemia. Part 2 is expected to recruit 25–30 patients, bringing the total enrollment to 50–60 patients. The approval aligns with Modus' target to initiate Part 1 of the study during the first half of 2025.

Modus Therapeutics secures access to bridge financing from Karolinska Development

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 AB. This financing enables Modus to maintain momentum in its research and initiate the recently approved Phase IIa study for chronic kidney disease (CKD).

Article on sevuparin published in *HemaSphere*

On December 5, 2024, Modus announced that a scientific article on its drug candidate, sevuparin, has been published in the esteemed medical journal *HemaSphere*. The article, titled "*Sevuparin strongly reduces hepcidin expression in cells, mice, and healthy human volunteers*", presents findings showing that sevuparin significantly reduces levels of hepcidin – a key hormone regulating the body's iron metabolism.

The study includes data from laboratory research, animal models, and clinical trials involving healthy volunteers. The results demonstrate that sevuparin can reduce elevated hepcidin levels, which are associated with conditions such as anemia in chronic kidney disease and other inflammatory disorders. These findings strengthen the rationale for continued development of sevuparin with the aim of addressing significant unmet medical needs in this area.

Key findings from the study:

- A significant reduction in hepcidin levels, up to 72%, in healthy volunteers at the highest dose.
- Strong inhibitory effects on hepcidin levels observed in preclinical models, providing a scientific and mechanistic foundation for further development.
- The study also confirmed sevuparin's favorable safety profile.

Modus Therapeutics initiates Phase II study with Sevuparin for the treatment of chronic kidney disease with anemia

On December 9, 2024, Modus announced that the first dose has been administered in its Phase II clinical study evaluating the drug candidate sevuparin for the treatment of chronic kidney disease (CKD) with anemia. The study is being conducted at the Centro Ricerche Cliniche di Verona in Italy.

This milestone is partly based on promising preclinical and clinical data recently published in the scientific journal HemaSphere. The article, which highlights sevuparin's ability to strongly reduce hepcidin—a key regulator of iron metabolism and an important factor in the development of CKD-related anemia—reinforces the scientific rationale for the study.

Study design and objectives

This Phase IIa study consists of two parts:

Part 1: Evaluates safety and determines dosing levels of sevuparin through single-dose administration in patients with varying degrees of renal impairment, as well as in a smaller reference group of healthy volunteers.

Part 2: Focuses on the effect of repeated dosing and clinical outcomes, including hemoglobin levels, kidney function, hepcidin levels, and other biomarkers in patients with advanced CKD and anemia.
The study is expected to enroll a total of 50–60 patients, with Part 1 anticipated to conclude during the first half of 2025.

Scientific background

Research has shown that elevated hepcidin levels contribute to impaired iron availability in CKD and other chronic inflammatory conditions, exacerbating anemia. In the HemaSphere article, sevuparin demonstrated a significant reduction in hepcidin levels in both preclinical models and healthy volunteers, with up to a 72% decrease at the highest dose. Furthermore, in a preclinical disease model for CKD with anemia presented by Modus at the ASH 2023 conference, sevuparin was shown to reduce hepcidin, alleviate anemia symptoms, and improve renal function in mice with CKD. These findings, combined with sevuparin's favorable safety profile, support its potential to offer an innovative treatment solution for patients with limited existing options.

Modus Therapeutics presents data from LPS study at Pharmacology 2024

On December 10, 2024, Modus announced that data from its Phase 1b LPS study will be presented as a poster at the British Pharmacological Society Annual Meeting (Pharmacology 2024), taking place in Harrogate, UK, from December 10–12. The study, whose findings have been reported throughout 2023, investigates the effects of sevuparin on local and systemic inflammation induced by the bacterial toxin lipopolysaccharide (LPS).

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

Key findings from the study (as previously reported) include:

- Sevuparin was well tolerated at all dose levels, with no clinically relevant adverse effects.
- In systemic LPS exposure, sevuparin significantly increased circulating levels of basophils, neutrophils, and lymphocytes at the highest dose level.
- A near-significant effect on respiratory rate was observed.
- No significant differences were noted compared to placebo for other systemic and local endpoints.

Modus Therapeutics continues to explore sevuparin's role in areas of high unmet medical need and looks forward to sharing further updates on its clinical development.

Expanding Presence and Partnerships

Modus has been active across various industry forums throughout the year, reflecting the growing interest in our portfolio. During the year, Modus participated in Swiss Nordic Bio in Zurich, the Pharma Partnering Summit in Basel, Nordic Life Science Days (NLS) in Malmö, the LSX Nordic Conference in Copenhagen, and BioEurope in Stockholm.

Throughout the year, Modus has consistently presented its development progress and explored potential partnerships. The increased interest we are experiencing highlights the value of our expanded portfolio and strengthens our position within the industry.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

Modus Therapeutics receives a recruitment update from the Phase 1b collaboration study in severe malaria

On February 18, 2025, Modus received a recruitment update from its collaboration involving the study in patients with severe malaria. At that time, a total of 18 out of the expected 20 patients had been treated with sevuparin in the study, which is led by Imperial College and funded by Wellcome.

Modus Therapeutics announces completed patient enrollment in the Phase I SEVUSMART study in severe malaria

On March 11, 2025, Modus announced that the Phase I clinical study SEVUSMART, evaluating the safety and tolerability of sevuparin in children with severe malaria, has now completed patient recruitment. The study is conducted in collaboration with Imperial College London and is funded by Wellcome.

The SEVUSMART study aims to assess the safety of escalating doses of sevuparin in up to 20 children aged 3 months to 12 years diagnosed with severe malaria at research centers in Kenya and Zambia. By establishing the optimal dosage of sevuparin in combination with standard care, the study is designed to pave the way for further clinical development.

Sevuparin, Modus' proprietary drug candidate, has previously shown promising effects against the malaria parasite in both patients with uncomplicated malaria and in ex vivo studies (Leitgeb et al. 2017, Saiwaew et al. 2017). By targeting key mechanisms in the pathophysiology of the disease, sevuparin has the potential to reduce the severity of malaria and improve patient outcomes. Severe malaria remains a major global health challenge, particularly for young children in malaria-endemic regions. The results from SEVUSMART will provide important insights for future clinical research on sevuparin as an adjunctive treatment for this serious disease.

Modus Therapeutics secures bridge financing from Karolinska Development

On March 31, 2025, Modus announced that it has secured access to bridge financing of up to SEK 5.0 million from its largest shareholder, Karolinska Development AB. The financing enables Modus to maintain strong operational momentum in the ongoing Phase IIa study for the treatment of anemia in chronic kidney disease (CKD), with current focus on completing Part 1 of the study and laying the groundwork for Part 2. In parallel, the company continues to actively evaluate various options for long-term financing.

Modus Therapeutics to present preclinical data supporting sevuparin's effects in chronic kidney disease at BioIron 2025

On April 1, 2025, Modus announced that preclinical data on its drug candidate sevuparin will be presented at the 10th Congress of the BioIron Society, taking place May 25–29 in Montréal, Canada.

The oral presentation, titled "*The Heparinoid Sevuparin Improves Anemia and Kidney Status in a Mouse Model of Chronic Kidney Disease*," will be delivered on May 27 by Dr. Michela Asperti, senior researcher in Professor Maura Poli's research group at the University of Brescia. The study demonstrates that sevuparin improves both hemoglobin levels and kidney status in a well-established animal model of chronic kidney disease (CKD).

The results show that treatment with sevuparin alone improves hemoglobin levels and suppresses expression of hepcidin—the key hormone regulating iron metabolism. When sevuparin was combined with erythropoietin (EPO), the standard treatment for anemia in kidney disease, the hemoglobin response was both enhanced and prolonged for up to six weeks. Furthermore, the treatment also showed additional benefits on kidney status, with reduced creatinine levels and decreased tissue fibrosis.

Modus Therapeutics opens second site in ongoing Phase IIa study in CKD-related anemia

On April 2, 2025, Modus announced that a second clinical site has now been opened in its ongoing Phase IIa study of sevuparin for the treatment of anemia in chronic kidney disease (CKD). The new site is located at the Unità di Nefrologia e Dialisi, Istituti Clinici Scientifici Maugeri S.p.A., in Pavia, Italy. The study's first site, Centro Ricerche Cliniche di Verona/Policlinico G.B. Rossi, was opened in Verona at the study's launch in December 2024.

The study aims to evaluate the safety, tolerability, and preliminary efficacy signals of sevuparin in both non-dialysis and dialysis-dependent CKD patients with anemia. The activation of an additional study center is a key step toward supporting continued efficient patient recruitment and keeping the trial aligned with its projected timelines.

Expected Future Development and Significant Risks and Uncertainties

Drug development is associated with high levels of risk, with a historically estimated probability of 11.9% for a drug to reach the market. Phase II studies in particular have a lower success rate, with an estimated success probability of 30.7% (BIO, June 2016). Contributing factors to this level of risk include variables beyond the company's control, such as insufficient efficacy, safety concerns, regulatory changes, access to manufacturing materials, and competition from other players.

On November 19 and March 31 respectively, Modus announced that it had secured access to bridge financing totaling up to SEK 10 million (5+5 million) from its largest shareholder, Karolinska Development AB. This financing enables continued progress in the ongoing Phase IIa study in chronic kidney disease (CKD) with anemia, with a focus on completing Part 1 and laying the foundation for Part 2.

Modus operates in a global environment where external factors increasingly affect the conditions for capital acquisition. Geopolitical events such as Russia's invasion of Ukraine, rising trade barriers, inflation, interest rate hikes, and a generally weakened investment climate in the capital markets create uncertainty for research-intensive companies in the life science sector. These factors may impact Modus' ability to secure necessary funding in a timely manner and on favorable terms. Additionally, unforeseen delays in clinical development may lead to increased pressure on the company's refinancing needs.

The Board closely monitors global developments and works proactively to minimize the impact of external crises. Modus continuously explores financing opportunities to execute the clinical development plan for sevuparin. However, there are no guarantees that capital can be raised on favorable terms—or at all.

Modus is dependent on securing additional funding to complete the full clinical development plan for its drug candidate sevuparin. The Board and management are therefore actively working to secure further financing. The annual report has been prepared on the assumption of continued operations over the next twelve months. This is based on the company's current access to bridge financing and the Board's assessment that there is a reasonable basis to secure further funding if required. However, there is a risk that the necessary capital may not be raised in time or on acceptable terms, which could impact the company's continued operations. The Board of Directors and the CEO believe that, given the clinical development progress and the substantial unmet medical need in the company's target indications, Modus has a solid foundation to attract future financing. Nevertheless, if additional funding cannot be secured in a timely manner, there is significant uncertainty regarding the Group's ability to continue its operations.

Financial overview (TSEK)

Group Company	2024	2023	2022	2021	2020
Net sales	-	-	-	-	-
Profit/Loss after financial items	-15 545	-17 897	-18 320	-20 691	-6 020
Balance sheet total	4 884	20 041	11 271	21 191	7 491
Quick asset ratio, %[1)]	44	88,2	Neg	74,3	93,4
Average number of employees	2	2	2	2	1

Parent Company	2024	2023	2022	2021	2020
Net sales	740	740	740	505	609
Profit/Loss after financial items	-6 528	-8 763	-6 646	-6 525	63 115
Balance sheet total	72 733	89 194	79 824	89 871	77 314
Quick asset ratio, %[1)]	78,6	80,9	61,6	82,0	98,5
Average number of employees	2	2	2	2	1

Definitions

1) Equity in relation to balance sheet total.

Proposed distribution of earnings

Share premium reserve	332 772 771
Accumulated loss	-262 790 814
Net loss for the year	-14 968 341
SEK	**55 013 616**

The Board of Directors proposes that the accumulated	
loss be carried forward as retained earnings	55 013 616
SEK	**55 013 616**

Regarding the company's results and financial position in other respects, please refer to income statements, balance sheets and accompanying, supplementary disclosures set out below.

FINANCIAL STATEMENTS

Consolidated income statement

TSEK	Note	2024	2023
Net sales		-	-
Research and development costs	3	-9 067	-8 482
Administration costs	3	-6 727	-7 831
Other operating income		-	-
Other operating expenses		-44	-87
Operating profit/loss		**-15 838**	**-16 401**
Other interest received and similar items		293	3
Interest expenses and similar profit/loss items		-	-1 499
Total results from financial investments		**293**	**-1 496**
Profit/loss after financial items		**-15 545**	**-17 897**
Income tax		-	-
Profit/loss for the period		**-15 545**	**-17 897**
Profit/loss attributable to			
Parent Company shareholders		-15 545	-17 897
Earnings per share before and after dilution (SEK)		-0,43	-1,01
Average number of shares, thousands		35 939	17 745

Consolidated balance sheet

TSEK	Note	2024-12-31	2023-12-31
Assets			
Accounts payable			
Financial assets	5		
Other long-term receivables		52	50
Total financial assets		**52**	**50**
Current assets			
Accounts payable			
Current tax claim		-	314
Other receivables		189	357
Prepaid expenses and accrued income	7	264	260
Total accounts payable		**453**	**931**
Cash and bank		4 379	19 060
Total current assets		**4 832**	**19 991**
Total assets		**4 884**	**20 041**

TSEK	Note	2024-12-31	2023-12-31
Equity and liabilities			
Share capital		2 156	2 156
Additional paid-in capital		332 899	332 899
Retained earnings including net loss for the year		-332 919	-317 373
Total equity attributed to equity holders of the Parent Company		**2 137**	**17 682**
Total equity		**2 137**	**17 682**
Current liabilities			
Accounts payable – trade		1 555	1 312
Other liabilities		229	521
Accrued expenses and deferred income	8	963	527
Total current liabilities		**2 747**	**2 359**
Total equity and liabilities		**4 884**	**20 041**

Group account changes in the equity

TSEK	Share capital	Additional paid-in capital	Received earnings incl. net loss for the year	Equity to main shareholder	Total equity
Equity at 2023-01-01	**966**	**295 926**	**-299 477**	**-2 585**	**-2 585**
Profit/loss for the year	-	-	-17 896	-17 896	-17 896
Transaction with the shareholders:					
New share issue	1 190	38 487	-	39 677	39 677
Cost attributed to new share issue	-	-1 515	-	-1 515	-1 515
Profit/loss for the year	-	-	-17 896	-17 896	-17 896
Equity at 2023-12-31	**2 156**	**332 898**	**-317 373**	**17 681**	**17 681**
Equity at 2024-01-01	**2 156**	**332 899**	**-317 373**	**17 681**	**17681**
Profit/loss for the year			**-15 545**	**-15 545**	**-15 545**
Equity at 2024-12-31	**2 156**	**332 899**	**-332 918**	**2 137**	**2 137**

The equity is assignable to the shareholders of the parent company.

Share capital and share classes
The share capital consists of 35 938 899 ordinary shares.

Consolidated cash flow statement

TSEK	Note	2024	2023
Operating activities			
Operating profit/loss		-15 838	-16 401
Interest received		292	3
Interest paid		-	-
Cash flow from operating activities before changes in working capital		**-15 546**	**-16 398**
Increase (-) Decrease (+) in current receivables		477	-133
Increase (+) Decrease (-) in current liabilities		388	-153
Cash flow from operating activities		**-14 681**	**-16 684**
Acquisition of financial assets		-	-
Cash flow from investment activities		**-**	**-**
New issue of shares		-	19 365
Cost attributed to new share issue		-	-1 045
Convertible loans*		-	7 000
Cash flow from financing activities		**-**	**25 320**
Cash flow from the period		**-14 681**	**8 636**
Cash and equivalents at the beginning of the year		19 060	10 424
Cash and cash equivalents at year-end		**4 379**	**19 060**

** The loan has been offset during year as part of the completed offset issue.*

Parent company income statement

TSEK	Note	2024	2023
Parent company income statement		740	740
		740	**740**
Research and development costs	3	-1 450	-1 419
Administration costs	3	-6 110	-6 588
Other operating expenses		-1	-
Total operating expenses		**-7 561**	**-8 007**
Operating profit/loss		**-6 821**	**-7 267**
Results from financial investments			
Other interest income and similar profit items		293	2
Interest expenses and similar profit/loss items		-	-1 499
Total results from financial investments		**293**	**-1 496**
Profit/loss after financial investments		**-6 528**	**-8 763**
Year-end appropriations	4	-8 440	-6 424
Income tax expense		-	-
Net profit/loss for the year		**-14 968**	**-15 187**

Parent company balance sheet

TSEK	Note	2024-12-01	2023-12-31
Assets			
Fixed assets			
Financial assets	5		
Participation in Group companies		70 000	70 000
Other long-term assets		52	50
Total financial assets		**70 052**	**70 050**
Current assets			
Short-term receivables			
Current tax claim		-	283
Other receivables		11	242
Prepaid expenses and accrued income	7	151	238
Total short-term receivables		**162**	**763**
Cash and bank		2 519	18 381
Total current assets		**2 681**	**19 144**
Total assets		**72 733**	**89 194**

TSEK	Note	2024-12-31	2023-12-31
Equity and liabilities			
Share capital		2 156	2 156
Total restricted equity		**2 156**	**2 156**
Non-restricted equity:			
Share premium reserve		332 733	332 773
Retained earnings		-262 791	-247 604
Profit/loss for the year		-14 968	-15 187
Total non-restricted equity		**57 170**	**69 982**
Total equity		**57 170**	**72 138**
Current liabilities			
Accounts payable		144	845
Liabilities to Group companies		14 366	15 201
Other liabilities		229	521
Accrued expenses and deferred income	8	823	488
Total current liabilities		**15 563**	**17 055**
Total equity and liabilities		**72 733**	**89 194**

Parent company changes in equity

TSEK	Share capital	Premium share	Retained earnings	Profit/loss for the year	Total equity
Equity at 2023-01-01	**966**	**295 800**	**-223 057**	**-24 546**	**49 163**
Disposition of previous years' result	-	-	-24 546	24 546	-
Transactions with shareholders:					
New issue of shares	1 190	38 487	-	-	39 677
Cost attributable to new share issue	-	-1 515	-	-	-1 515
Profit/loss of the year	-	-	-	-15 187	-15 187
Equity at 2023-12-31	**2 156**	**332 772**	**-247 603**	**-15 187**	**72 138**
Equity at 2024-01-01	**2 156**	**332 772**	**-247 603**	**-15 187**	**72 138**
Disposition of previous years' result	-	-	-15 187	15 187	-
Profit/loss of the year	-	-	-	-14 968	-14 968
Equity at 2024-12-31	**2 156**	**332 772**	**-262 791**	**-14 968**	**57 170**

Parent company cash flow statements

TSEK	Note	2024	2023
Operating activities			
Operating profit/loss		- 6821	-7 267
Interest paid		292	2
Cash flow from operating activities before changes in working capital		**-6 529**	**-7 265**
Cash flow from changes in working capital			
Increase (-) Decrease (+) in current receivables		600	-125
Increase (+) Decrease (-) in current liabilities		-1 492	-2 306
Cash flow from operating liabilities		**-7 421**	**-9 696**
Investment activities			
Made Group contribution		-8 440	-6 424
Cash flow from investment activities		**-8 440**	**-6 424**
Financing activities			
New issue of shares		-	19 365
Cost attributable to new share issue		-	-1 045
Convertible loans*		-	7 000
Cash flow from financing activities		**-**	**25 320**
Cash flow for the year		**-15 681**	**9 200**
Cash and cash equivalents at the beginning of the year		18 381	9 181
Cash and cash equivalents at year-end		**2 519**	**18 381**

** The loan has been offset during year as part of the completed offset issue.*

NOTES

General information
This consolidated report includes the parent company Modus Therapeutics Holding AB (publ), company registration number 556851-9523 and the subsidiary Modus Therapeutics AB, company registration number 556669-2199. The parent company is a limited company with its registered office in Stockholm. The address of the head office is Olof Palmes gata IV, 111 22 Stockholm. The group's main activity is the development of pharmaceuticals.

Major owners of Modus Therapeutics Holding AB (publ) are Karolinska Development AB (66.12%), company registration number 556707-5048, located in Solna.

Note 1. Accounting principles and valuation principles

Modus Therapeutics Holding ABs 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 accounts and consolidated accounts (K3).

Accounting currency
The company's accounting currency is Swedish kronor (SEK thousand).

At each balance sheet date, monetary items denominated in foreign currencies are translated at the exchange rate on the balance sheet date. Exchange rate differences are reported in operating profit or as a financial item based on the underlying business event, in the period in which they arise.

Consolidated financial statements
The consolidated financial statements include subsidiaries in which Modus Therapeutics Holding AB holds the majority of the votes at the Annual General Meeting and companies in which, by agreement, have a controlling influence are classified as subsidiaries and consolidated in the consolidated financial statements. The subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The consolidated financial statements have been prepared in accordance with the acquisition method. The time of acquisition is the time when the controlling influence is obtained. Identifiable assets and liabilities are initially valued at fair values at the time of acquisition. The minority's share of the acquired net assets is valued at fair value. Goodwill consists of the difference between the acquired identifiable net assets at the time of acquisition and the acquisition value, including the value of the minority interest, and is initially valued at acquisition value.

Intercompany balances between group companies are eliminated in their entirety.

Revenue recognition
Revenue is reported at the fair value of the compensation received or will be received, less VAT, discounts, returns and similar deductions.

Leasing
Leasing agreements where the lessor essentially retains all risks and rewards of ownership are classified as operational agreements. Leasing fees are expensed on a straight-line basis in the income statement during the leasing period. In the Group, there are only leasing agreements that are classified as operational agreements.

Remuneration to employees
Remuneration to employees in the form of salaries, bonuses, paid holidays, paid sick leave, etc. and pensions are recorded as costs in accordance with earnings. Pension costs and other post-employment benefits, these are classified as defined-contribution or defined-benefit pension plans. In the Group, there are only defined contribution pension plans. There are no other long-term benefits for employees.

Income tax
The tax cost consists of the sum of current tax and deferred tax.

Current tax
Current tax is calculated on the taxable profit for the period. Taxable profit differs from the reported profit in the income statement as it has been adjusted for non-taxable income and non-deductible expenses and for income and expenses that are taxable or deductible in other periods. Current tax liability is calculated according to the tax rates that apply on the balance sheet date.

Deferred tax
Deferred tax is reported on temporary differences between the carrying amount of assets and liabilities in the financial statements and the tax value used in calculating taxable income. Deferred tax liabilities are reported for in principle all taxable temporary differences, and deferred tax assets are reported in principle for all deductible temporary differences to the extent that it is probable that the amounts can be utilized against future taxable surpluses.

Intangible assets
Acquisition through separate acquisitions
Intangible assets acquired separately are reported at acquisition value less accumulated depreciation and any accumulated write-downs. Depreciation takes place on a straight-line basis over the asset's estimated useful life, which is estimated at 5 years. Estimated useful lives and depreciation methods are reassessed if there is an indication that these have changed compared with the estimate at the previous balance sheet date. The effect of any changes in estimates and assessments is reported in the future. Depreciation begins after the acquisition date or when the asset can be used.

Expenditure on development activities
Development expenses are capitalized when they meet the criteria according to K3 chap. 18. In other respects, development expenses are expensed as normal operating expenses. The most important criteria for activation are that the product of the development work has a demonstrable future earnings or cost savings and that there are technical and financial conditions for completing the development work. The development work for Modus Therapeutics AB does not meet all the criteria for activation, thus no expenses have been capitalized. After the first reporting occasion, internally generated intangible fixed assets are reported at acquisition value after deductions for accumulated depreciation and any accumulated write-downs. Depreciation begins in connection with the asset being capitalized and amortized on a straight-line basis over an estimated useful life of 5 years. An intangible fixed asset is removed from the balance sheet upon disposal or disposal or when no future economic benefits are expected from the use or disposal / disposal of the asset. The gain or loss that arises when an intangible fixed asset is removed from the balance sheet is the difference between what may be received, after deduction of direct sales costs, and the asset's carrying amount. This is reported in the income statement as other operating income or other operating expenses.

Impairment of non-financial fixed assets
When there is an indication that the value of an asset has decreased, an impairment test is performed. If the asset has a recoverable amount that is lower than the carrying amount, it is written down to the recoverable amount. When assessing impairment, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units). For assets, other than goodwill, that have previously been written down, an examination is made on each balance sheet date as to whether reversal should be made.

Impairment losses and reversals of impairments within the business are reported in the income statement.

Financial instruments
Financial instruments are reported in accordance with the rules in Chapter 3, Chapter 11, which means that valuation is based on acquisition value.

Financial instruments reported in the balance sheet include securities, accounts receivable and other receivables, short-term investments, accounts payable and loan liabilities. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred virtually all risks and benefits associated with ownership.

Financial liabilities are removed from the balance sheet when the obligations have been settled or otherwise ceased.

Impairment testing of financial fixed assets
At each balance sheet date, Modus Therapeutics Holding assesses whether there is any indication of impairment in any of the financial fixed assets. Impairment occurs if the decline in value is deemed to be permanent. Impairment is reported in the income statement item Profit from other securities and receivables that are fixed assets. The need for impairment is tested individually for shares and participations and other individual financial fixed assets that are significant.

Cash and bank balances
Cash and bank include cash and available balances with banks and other credit institutions as well as other short-term liquid investments that can easily be converted into cash and are subject to an insignificant risk of value fluctuations. To be classified as cash and cash equivalents, the term may not exceed three months from the time of acquisition.

Equity
Ordinary shares, other contributed capital and retained earnings are classified as equity. Financial instruments that are judged to meet the criteria for classification as equity are reported as equity even if the financial instrument is legally designed as a liability.

Warrants
The Group has only issued warrants that have been transferred at fair value. Premiums received for issued options to acquire shares in companies are reported as a supplement to equity, based on the option premium, at the date when the option was transferred to the counterparty.

Cash flow analysis
The cash flow analysis shows the company's changes in the company's cash and cash equivalents during the financial year. The cash flow analysis has been prepared according to the indirect method. The reported cash flow only includes transactions that resulted in inflows and outflows.

The parent company's accounting and valuation principles
The same accounting and valuation principles are applied in the Parent Company as in the Group, except for the cases listed below.

Shares in subsidiaries
Shares and participations in subsidiaries are reported at acquisition value after deductions for any write-downs. The acquisition value includes the purchase price paid for the shares. Any capital injections are added to the acquisition value when they are provided. Both received and paid group contributions are reported as appropriations in accordance with the alternative principal, as income or cost. Dividends from subsidiaries are reported as income when the right to receive dividends is deemed secure and can be calculated in a reliable manner.

Note 2. Significant Estimates and Judgements

Certain key accounting estimates and judgments made in the application of the Group's accounting policies are described below:

Going Concern Assumption

The business remains subject to uncertainty and is dependent on securing the necessary resources to carry out the planned clinical development. This requires assessments regarding the feasibility of successfully developing the drug candidate and the potential to generate future economic benefits.

The Board of Directors and the Chief Executive Officer assess that the company's ongoing development projects have the potential to be completed and commercialized, but that additional capital contributions from external investors will be necessary to achieve this. However, there are no guarantees that the required capital can be raised on favorable terms, or at all.

Given the company's financial position, access to bridge financing, and the progress of its projects, the Board considers that there are good prospects for attracting additional funding. The annual report has therefore been prepared based on the going concern assumption for the next twelve months.

Note 3. Employee salaries and benefits

	Group		Parent company	
Average number of employees	**2024**	**2023**	**2024**	**2023**
Male	2	2	2	2
Female	-	-	-	-
Total	**2**	**2**	**2**	**2**
Gender distribution of senior executives				
Board members:				
Female	1	1	1	1
Male	2	2	2	2
CEO and senior executives:				
Female	-	-	-	-
Male	2	2	2	2
Salaries, other benefits and social contribution				
Board, CEO and business management	3 065	2 779	3 065	2 779
Total	**3 065**	**2 779**	**3 065**	**2 779**
Social contribution	810	771	810	771
Pension cost to board and CEO	811	825	811	825
Total salaries, social contributions and pension costs	**4 685**	**4 375**	**4 685**	**4 375**

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. Year-end appropriations

	Parent company	
TSEK	**2024**	**2023**
Group contribution paid	-8 440	-6 424
Total	**-8 440**	**-6 424**

Note 5. Financial assets

Participation in Group companies

	Parent company	
TSEK	**2024**	**2023**
Cost of acquisition at opening balance	233 156	233 156
Shareholders contribution paid	-	-
Total accumulated cost of acquisition	**233 156**	**233 156**
Impairment at opening balance	-163 156	-163 156
Reversal of impairment	-	-
Impairment at closing year	**-163 156**	**-163 156**
Net book value	**70 000**	**70 000**

				Carrying amount
Subsidary / Corp. reg. no / Domicile	**Equity %**	**Shares of votes %**	**Number of shares**	**2024**
Modus Therapeutics AB	100%	100%	100 000	70 000
556669-2199, Stockholm				
				70 000

Other long-term receivables

	Group		Parent company	
TSEK	**2024**	**2023**	**2024**	**2023**
Opening balance	50	50	50	50
Outgoing accumulated acquisition	50	50	50	50
Net book value	**50**	**50**	**50**	**50**

Long-term receivables refer to provided deposits.

Note 6. Transactions with related parties

	Group		Parent company	
Total	**2024**	**2023**	**2024**	**2023**
Sales to Group companies	-	-	740	740

For remuneration to senior executives and the Board, see Note 3.

Note 7. Accrued expenses and deferred income

	Group		Parent company	
TSEK	**2024**	**2023**	**2024**	**2023**
Prepaid rent	9	7	-	-
Prepaid insurance cost	152	71	80	71
Other prepaid cost	103	182	71	167
Total	**264**	**260**	**151**	**238**

Note 8. Prepaid expenses and accrued income

	Group		Parent company	
TSEK	**2024**	**2023**	**2024**	**2023**
Accrued personnel cost	486	318	486	318
Other items	476	209	337	170
Total	**963**	**527**	**823**	**488**

Note 9. Significant Events After the End of the Financial Year

Following the end of the financial year, Modus Therapeutics has reported the following significant events:

- **Completion of Patient Recruitment in the SEVUSMART Study:** On March 11, 2025, the company announced that patient recruitment in the ongoing Phase I SEVUSMART study in severe malaria had been completed. The study, conducted in collaboration with Imperial College London and funded by Wellcome, aims to determine the safety and dosing of sevuparin in children with severe malaria.
- **Bridge Financing Secured:** On March 31, 2025, Modus announced that it had secured bridge financing of up to SEK 5.0 million from its largest shareholder, Karolinska Development AB. The funding supports continued progress in the ongoing Phase IIa study in anemia associated with chronic kidney disease (CKD).
- **New Preclinical Data at BioIron 2025:** On April 1, 2025, the company announced that new preclinical data demonstrating how sevuparin improves hemoglobin levels and kidney function in a CKD model will be presented at the BioIron Congress in May 2025.
- **Expansion of Ongoing CKD Study:** On April 2, 2025, Modus opened a second clinical site in its Phase IIa study for the treatment of anemia in CKD. The new site, located in Pavia, Italy, aims to accelerate patient recruitment in the study.

CERTIFICATION

This report has been prepared in both Swedish and English. In the event of discrepancies between the versions, the Swedish version applies.
Stockholm 14/4 2025

Viktor Drvota,
Chairman of the board

Johan Dighed,
Board member

John Öhd,
CEO

Ellen K. Donnelly,
Board member

Our audit report was given on 14/4 2025
Ernst & Young AB

Linn Haslum Lindgren,
Authorized auditor

AUDITOR'S REPORT

To the general meeting of the shareholders of Modus Therapeutics Holding AB, corporate identity number 556851-9523.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Modus Therapeutics Holding AB for the year 2024-01-01 – 2024-12-31. The annual accounts and consolidated accounts of the company are included on pages 22–40 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Significant uncertainties regarding the assumption of going concern

We would like to draw attention to the information provided in the management report, which states that the Group's going concern assumption depend on contributions from the owners in the form of a new share issue.

Should funds not be received to the extent expected by the Board of Directors, this could pose a significant risk to the company's ability to going concern assumption. Our statement has not been modified in this regard.

Other Information than the annual accounts and consolidated accounts

This document also contains information other than the annual report and consolidated accounts found on pages 1–21. The Board of Directors and the Managing Director are responsible for the other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Modus Therapeutics Holding AB for the year 2024-01-01 – 2024-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and

handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

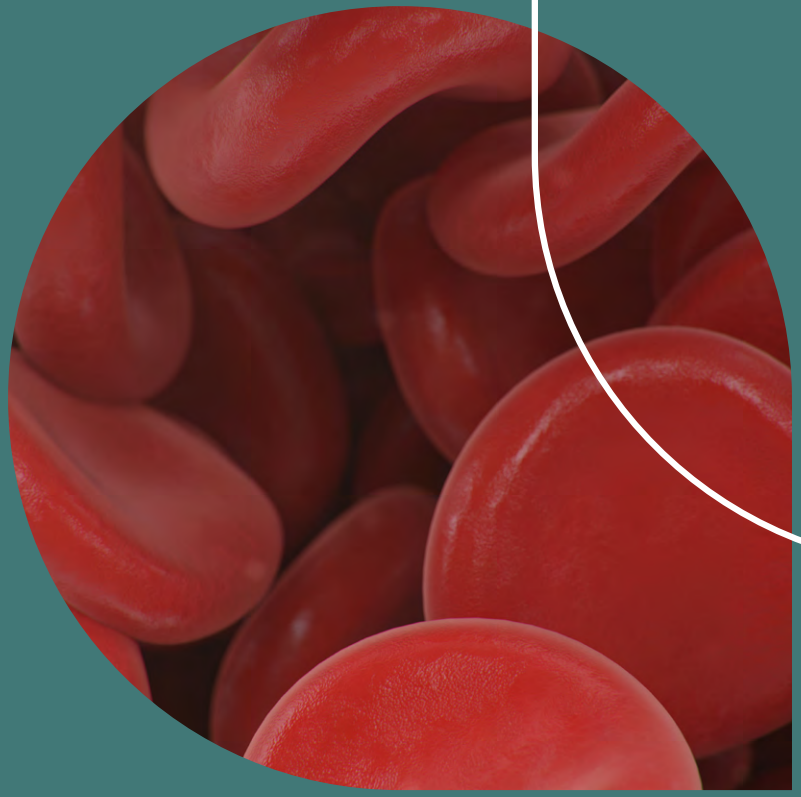
Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm, 14/04 2025, as stated in our digital signature

Ernst & Young AB

Linn Haslum Lindgren
Authorized Public Accountant



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