CombiGene

Q3

Interim report

January – September 2024

CombiGene

CombiGene's vision is to provide patients affected by severe diseases with the prospect of a better life through gene therapy and other forms of advanced treatments.

Our business has three focus areas: sourcing of new and promising assets, development of these assets to proof of concept under our management and expertise, and outlicensing of the assets to a strategic partner for continued development and commercialization. Revenue is achieved through milestone payments and royalties.

The company is public and listed on the Swedish marketplace Nasdaq First North Growth Market. The company's Certified Adviser is Västra Hamnen Corporate Finance AB.

CombiGene's lead project CG01 has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 823282.

CombiGene's projects COZY01 and CGT2 have received funding from the Eurostars programme, co-financed by the European Union's research and innovation programme Horizon Europe. Projects ID: 4408 and 114714, respectively.

Summary of the report

Events during the period

- CombiGene announces new preclinical research results in the epilepsy project, CG01.
- Västra Hamnen takes over as Certified Adviser on 25 August 2024.
- The rights to the lipodystrophy project, CGT2, have returned to Lipigon on August 5, 2024, and the project has been terminated.

Events after the end of the period

- CombiGene initiates measures to extend the liquidity horizon by sharpening the strategic focus on gene therapy and implementing a cost reduction program.

Financial information

	2024 Jul–Sep	2023 Jul–Sep	2024 Jan–Sep	2023 Jan–Sep
Net sales, TSEK	0	992	326	4,948
Other operating revenues, TSEK	793	173	1,347	588
Profit from financial items, TSEK	-8,959	-8,403	-30,720	-29,305
Earnings per share, SEK	-0.45	-0.42	-1.55	-1.48
Cash and cash equivalents at the end of the period, TSEK	76,685	107,187	76,685	107,187

CombiGene increases the focus on gene therapy

CombiGene has decided to sharpen its strategic focus on developing and commercializing gene therapies in areas of significant unmet medical need. To enable CombiGene to deliver on this strategy under current market conditions, the company has carried out a strategic evaluation and decided to terminate the epilepsy program, CG01, while implementing a cost reduction program to extend the liquidity horizon in the company.

Together with CombiGenes's Board, we have evaluated our strategy and concluded that the focus should be on the development and commercialization of transformative gene therapies in therapy areas where there are deemed to be significant unmet medical needs. In order to achieve this in today's challenging market climate, we need to reprioritize and reduce our costs.

Strategy ahead

Therefore, in line with CombiGenes's overall corporate strategy, all research and development investments going forward will focus on the COZY program, with a strong emphasis on the gene therapy asset, COZY02. The decision is based on an assessment of the entirety of the preclinical data generated as part of the CG01 program (including data from the collaboration with Spark Therapeutics and CombiGenes 's internally generated data) and the COZY program. The decision is also based on the likelihood of technical and commercial success for the respective assets, our IP portfolio and the competitive situation. We have also carried out a comprehensive evaluation of potential strategic partners and possible interactions with them, as well as a broader assessment of the dynamics of the market for advanced therapies.

Although the company has made the strategic decision to terminate the preclinical development of CG01, we will opportunistically seek potential strategic collaborations, but no longer see this project as a high priority in the business.

Cost reductions

In line with the sharpening of the strategic focus, we have also initiated a cost reduction program that will lead to a reduction in the number of employees and external consultants by 45 percent as well as a reduction in investment in core business projects. The liquidity effect of these measures is estimated to amount to approximately SEK 57 million, which means that we ensure that current cash is sufficient until at least the second quarter of 2026.

With existing cash, the company prioritizes gene therapy development

Through these strategic measures, the use of our resources, both financial and competence-wise, is concentrated, which in the long term improves the conditions for increasing CombiGenes's value as efficiently as possible while at the same time contributing to the greatest possible benefit for patients. With full focus on the COZY program, I look forward to an exciting time of progress for the COZY02 project.

Extraordinary General Meeting in December

In order to ensure the strategic direction in dialogue with the shareholders, the Board and the largest owner, Strategic Partners A/S (formerly Orphazyme A/S), have agreed to invite to a Extraordinary General Meeting (EGM) on December 10, 2024. The EGM will be held digitally, which facilitates for smaller shareholders to participate and vote. There will be two

proposals for the owners to decide on, one from the Board and one from the Strategic Partners A/S, see the notice for more information and registration.

Regarding the Board's proposal, I would like to clarify that CombiGene does not currently offer, and does not intend to actively offer, development services. However, the Board wants to leave the door open for future opportunities to generate income in this way, as a complement to traditional investments, as we have a very competent and experienced staff.

Peter Ekolind
CEO

The pain program COZY is progressing

In the pain program COZY, results from several studies have been obtained during the quarter. Overall, the results lay a foundation for further development of the peptide COZY01 and the gene therapy COZY02.

Pharmacology and safety profile COZY01

A preliminary study has been conducted to confirm the tolerance of COZY01 in animals. The results show that the substance is well tolerated in the body, but that there is a slight risk of irritation at the injection site with repeated administration of high doses. A dose-response study has been initiated in a preclinical pain model to determine the minimum effective dose and to investigate whether the margin of safety when administered in an animal model can be further increased.

A biomarker study is underway at Zyneyro with the aim of identifying protein markers that change in tissue and plasma upon inhibition of the target protein PICK1. Such biomarkers would be of great importance for the first safety studies in humans. We are also working on developing an analysis method that can show how COZY01 interacts with the natural protein PICK1 in tissue samples. Further modifications are needed before tests on human ganglion and spinal cord tissues can be conducted.

Production of the COZY01 substance for the toxicological studies has been postponed due to the investigations carried out to address the minimal effective dose, a preliminary safety margin in animals and the risk of local reactions during subcutaneous administration.

In parallel with these activities, a program is underway to develop alternative substances in the event that undesirable or insufficient properties emerge during the continued development of the current drug candidate. The first results have identified peptides with maintained high binding to PICK1, increased stability and reduced risk of local reactions. Work continues to develop some additional alternative substances for characterization regarding pharmacokinetics, efficacy in animals and preliminary safety profile based on in vitro tests.

Formulation development of COZY01

As part of the Eurostars project, a feasibility study with extended release formulations has been carried out. Prototype formulations with extended release in vitro have been identified and selected for an investigation of how the release occurs when administered to animals.

Vector design and optimization in COZY02 continues

The development of the gene therapy treatment, COZY02, is advancing but we are still in an early phase towards an eligible drug candidate. It is important to carry out vector design and optimization carefully and this requires a systematic and methodical approach. By focusing on these aspects, we can ensure that we develop a gene therapy vector that is not only effective but also safe for patients.

Within the COZY02 project, CombiGene, together with the Royal Institute of Technology (KTH), has received a grant from Vinnova of SEK 1 million. This project will address several critical points in manufacturing, such as the use of antibiotics, and aim to produce a safer product. The project is entitled "A more sustainable and safer AAV gene therapy manufacturing process with synthetic DNA to be evaluated".

› About 20–25 percent of the world's adult population suffers from some form of chronic pain ‹

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The pain program COZY – a unique opportunity for a breakthrough in pain treatment

The pain program COZY is being developed together with the Danish company Zyneyro with the goal of developing an effective treatment for severe chronic pain, a common and often difficult-to-treat condition. The program consists of two projects – a peptide treatment (COZY01) and a gene therapy treatment (COZY02), which expresses the active part of the peptide from COZY01, with potential lifelong effect. Both treatments are based on a new biological mechanism of action that is expected to be without many of the debilitating side effects that current treatments often give rise to.

Pain a major global problem

About 20-25 percent of the world's adult population suffers from some form of chronic pain and between six and eight percent of the population suffers from severe chronic pain. Conventional treatment consists mainly of anti-inflammatory drugs, antidepressants, anticonvulsant drugs and opioids (a group of substances with a morphine-like mechanism of action). [1]

The problem with these treatments is that they are not specifically developed to treat chronic pain. The pain relief that is achieved therefore often has a number of debilitating side effects such as substance abuse problems, depression, anxiety, fatigue, reduced physical and mental ability. In the United States, an estimated 700,000 people have died due to opioid abuse in the past 20 years.

1 Prevalence of Chronic Pain and High-Impact Chronic Pain Among Adults — United States, 2016; CDC; Morbidity and Mortality Weekly Report Weekly / Vol. 67 / No. 36 September 14, 2018

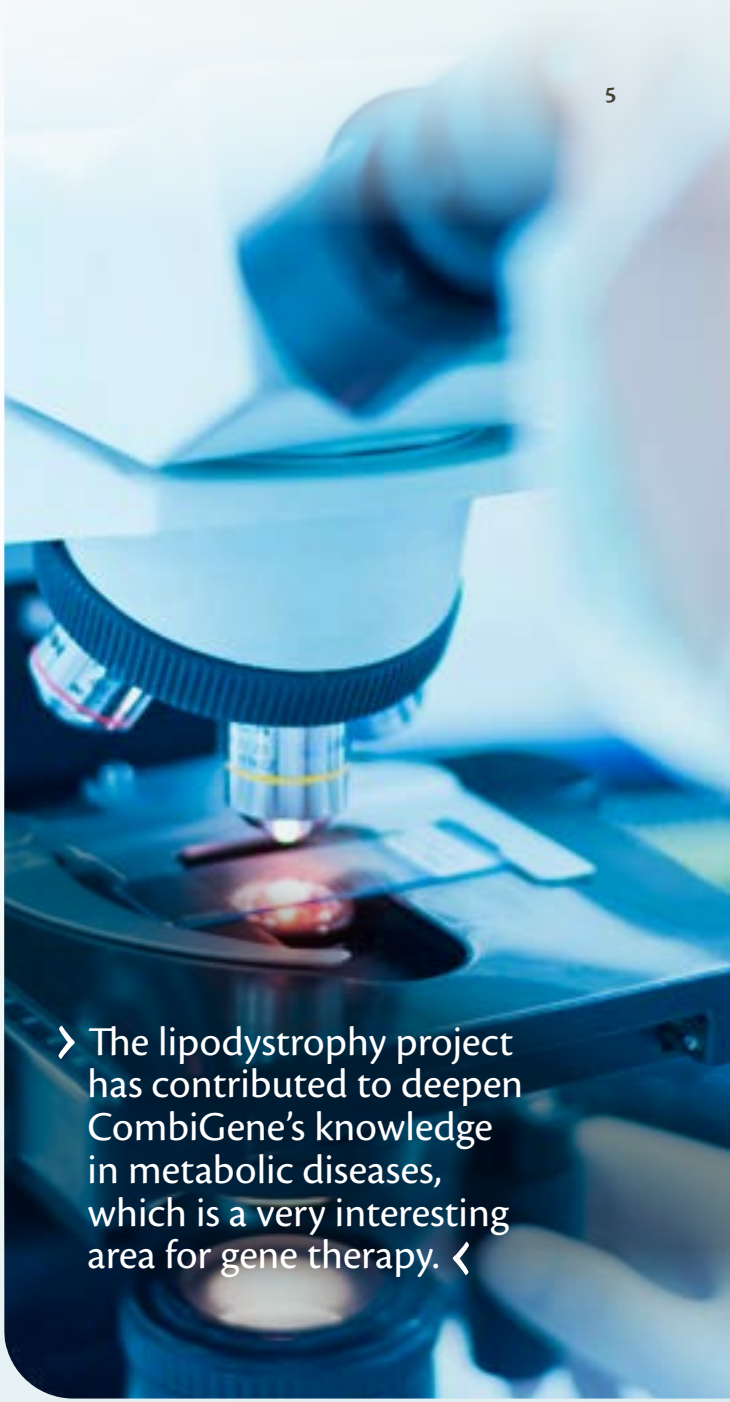
The peptide-based pain project COZY01 has received funding from the Eurostars-3 programme, co-financed by the European Union's research and innovation programme Horizon Europe. Project ID: 4408.

Final report of the lipodystrophy project approved by Eurostars

In February, CombiGene terminated the in-licensing and collaboration agreement with Lipigon regarding the CGT2 lipodystrophy project, and the rights reverted to them in August 2024.

The project, which was funded by Eurostars, has now been terminated after CombiGene and the University Medical Center Hamburg-Eppendorf had the final report approved. The next step is to try to publish the preclinical results in scientific articles.

The lipodystrophy project has contributed to deepening CombiGene's knowledge in metabolic diseases, a very interesting area for gene therapy. The project has also strengthened the company's network of leading academic players.



CombiGene's projekt CGT2 has received funding from the Eurostars programme. Projekt-ID: 114714.

New preclinical research results in CG01

At the end of September, CombiGene gained access to the results of the latest preclinical studies in the epilepsy project.

The results come from a backup program initiated by the company's former partner Spark Therapeutics. In the backup program, a vector other than AAV1, used in CG01, was tested and the results showed antiepileptic effects, although a significant increase in body weight was noted. In addition, a preclinical administration study, performed with a commercially available catheter system, demonstrated that the vector provided adequate coverage of the hippocampus, the part of the brain intended to be treated. However, the current vector is not covered by CombiGene's existing patent families for CG01.

In the CG01 project, CombiGene has been conducting research and development for a long time to develop a new gene therapeutic treatment for drug-resistant epilepsy. The drug candidate involves a construct of two genes, NPY and NPY receptor Y2, which are inserted into an AAV1 vector. The future drug is intended to be administered into the brain on a single occasion to offer a long-lasting or even lifelong effect.

The company has received a so-called "Intention to Grant Letter" for the latest patent application in Japan and the EU. However, there were typos in the document from the European Patent Office (EPO). We are now awaiting a correction and will then decide on which countries are eligible for the national application fee.

After a period of collaboration with Spark Therapeutics, CombiGene today, through a license agreement signed after the termination of the collaboration, has regained all rights to the project. However, as a result of a strategic decision, CombiGene will end the development of CG01.

The epilepsy project CG01

CG01 is a unique gene therapy candidate that targets a large patient population to meet an unmet need in epilepsy treatment, where approximately one-third of patients do not become seizure-free despite adequate drug treatment. Epilepsy is a major global medical problem, with approximately 47,000 drug-resistant patients with focal epilepsy estimated to be added each year in the US, EU, UK, Japan and China. CG01 is in the preclinical phase.

READ MORE

CombiGene's lead project CG01 has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 823282.

Strategy and business development

CombiGene develops groundbreaking gene therapies with the ambition to offer patients affected by severe life-changing diseases opportunities for a better life. We source research assets from industry or academia and develop them through the preclinical phase up to preclinical/clinical proof-of-concept and then out-license them to a larger pharmaceutical company for continued clinical development and commercialization.

Gene therapy has amazing medical possibilities

There are a large number of diseases that today either require life-long medical treatment or that completely lack effective therapies. It is above all these diseases that are the focus of development since gene therapy has the unique possibility to be able to replace defective/missing genes or change the expression of existing genes. This means that gene therapy can in some cases cure a disease instead of merely relieving symptoms and that you can achieve a long-lasting effect from a single or a few treatments. Around 500 clinical studies are currently being conducted within, among other things, the central nervous system, infectious diseases and metabolic diseases.

The commercial possibilities of gene therapy

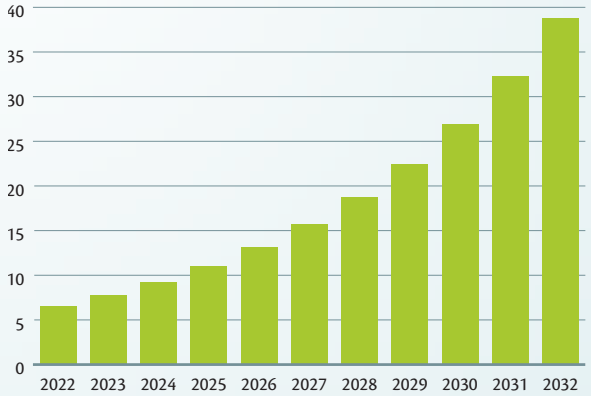
Gene therapy is not only an interesting field of research. With one gene therapy approved in the second quarter of 2024, there are currently roughly twenty approved therapies in the EU and in the USA. The US pharmaceutical authority FDA has previously announced that it expects to approve 10-20 new cell and gene therapies annually from 2025 onwards. According to Precedence Research, the global gene therapy market is expected to grow to $26.9 billion by 2030.

Increased focus on gene therapy

In the fall of 2024, CombiGene decided to sharpen its strategic focus on developing and commercializing gene therapies in areas of significant unmet medical need. In line with this decision, all research and development investments going forward will be focused on the COZY program, with a strong emphasis on the gene therapy part, COZY02.

Business development for the remaining period in 2024 and during 2025 will focus on finding new interesting early research collaborations in gene therapy to identify potential in-licensing projects.

Expected gene therapy sales 2022–2032, MUSD



Source: Precedence Research

The CombiGene share

CombiGene is a public company and is listed on Nasdaq First North Growth market. The share capital of the Company shall amount to no less than SEK 990,000 and no more than SEK 3,960,000 divided into no less than 19,800,000 shares and no more than 79,200,000 shares. CombiGene has one class of share. Each share carries equal rights to CombiGene's assets and profits and is entitled to one vote at the Annual General Meeting (AGM). The CombiGene share register is maintained electronically by Euroclear. The share trades under the name CombiGene, the ticker is COMBI, and the ISIN-Code is SE0016101935.

The share

The number of shares at the end of the period amounts to 19,801,197. The average number of shares for the period is 19,801,197. The quota value is SEK 0.05. All shares are of the same type and have the same voting rights.

LTI 2022

The AGM 2022 resolved, in accordance with the board of directors' proposal, on the implementation of a performance-based incentive program, named LTI 2022, directed issue of 900,000 warrants, transfer of the warrants to participants in LTI 2022 and transfer of warrants to cover costs for LTI 2022 and authorization to enter into swap agreement. A more detailed description of LTI 2022 can be found in the notice convening the Annual General Meeting 2022.

Largest shareholders as of September 30, 2024

	Total holdings	Holding %
Orphazyme AS	1,986,610	10.03%
Nordqvist, Ivar	1,889,325	9.54%
Avanza Pension	1,282,728	6.48%
M&L Industriförvaltning AB	650,000	3.28%
Thoren Tillväxt AB	494,894	2.50%
Nordnet Pensionsförsäkring AB	447,374	2.26%
Ferstad, Arne	302,000	1.53%
Olsson, Per Magnus	262,491	1.33%
Thomassen Skaar, Christian	262,178	1.32%
Molse, Oliver	260,000	1.31%
Other shareholders	11,963,597	60.42%
Total number of shares	**19,801,197**	

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CombiGene share register is maintained electronically by Euroclear.

Share name: CombiGene
Ticker symbol: COMBI
ISIN-Code: SE0016101935

Financial information, continued

Income and earnings

Net sales consist of milestone payments and compensation from license and cooperation agreements. For January-September 2024, the net sales consist of compensation from Spark regarding costs during the preclinical development of CG01. Due to the nature of the business, there may be large fluctuations between revenues for different periods when revenue from milestone payments is recognized at the time when the performance obligations are met. The Group has total net sales of TSEK 326 (4,948) during the period January-September. The decrease is explained by the termination of the cooperation agreement with Spark. Other operating revenues amount to TSEK 1,347 (588) of which TSEK 1,111 (0) refers to the revenue part of the grant received from Eurostars regarding COZY01 and TSEK 200 (518) refers to the revenue part of the grant received regarding CGT2. Other operating revenues also consist of realized and unrealized foreign exchange gains. Operating profit for the period amounted to TSEK -30,722 (-29,302). The main costs during the period have been related to research & development, fees for consultants and personnel costs, as well as an initial payment of DKK 5 million, corresponding to SEK 7,5 million, to Zyneyro. In connection with the reverting of the rights for the CGT2 project to Lipigon Pharmaceuticals AB in August, the assets related to the project were written down to 0, an effect on earnings of SEK -2,040 thousand.

Cash flow and financial position

Cash flow for the period January-September amounts to TSEK -23,799 (-23,673). Cash and cash equivalents at the end of the period amount to TSEK 76,685 (107,187). The equity ratio is 94.0 % (95.8).

Liquidity and financing

The EU's Eurostars program, which is aimed at small and medium-sized enterprises wishing to collaborate on research and development projects, has allocated development grants to the CGT2 project. The total grant for CombiGene amounts to SEK 5 million, and in August, CombiGene received the final payment of SEK 200,000. The Eurostars programme has also awarded the COZY01 project development grants.

The total grant for CombiGene amounts to SEK 5 million, of which SEK 1.9 million has so far been paid out. The board and company management continuously evaluate alternatives to ensure the company's financing in the short and medium term.

Incentive programs and warrants

The 2022 Annual General Meeting resolved on a performance-based incentive program (LTI 2022). The duration of the program is approximately three years and will be offered to certain employees and consultants, or newly hired persons, in the company. A maximum of 617,220 Performance Share Rights may be allocated to the participants, corresponding to approximately 3 percent of the out-standing shares and votes in the Company, as well as 282,780 warrants that can be issued to hedge the Company's cost under the Program, which corresponds to approximately 1.4 percent of the outstanding shares and votes in the Company. In accordance with the Board's proposal, the AGM resolved a directed issue of 900,000 warrants with the right to subscribe for new shares in the company for the implementation of LTI 2022.

Employees

The number of employees in the Group at the end of the period was 9 (11), of whom 5 (6) are women.

Financial information

Events after the end of the period

The Company has conducted a strategic evaluation and prioritization of its assets and decided to terminate the CG01 epilepsy program, while implementing a cost reduction program to extend the liquidity horizon.
These measures are expected to result in net savings of approximately SEK 57,400 thousand through Q2 2026. As a consequence of this strategic change, the Board has also decided to return and terminate the license for epilepsy products for dogs and cats issued to the wholly owned subsidiary Panion Animal Health AB. At the same time, the value of the item "shares in subsidiaries" in the parent company is written down by SEK -14,100 thousand. The item "shares in subsidiaries" amounts to SEK 1,200 thousand after the write-down. The write-down has no effect on the Group. In the Group, the goodwill value for CG01 is written down with an effect on earning of SEK -10,900 thousand. Goodwill amounts to SEK 0 thousand after the write-down. The write-downs do not have any cash flow impact.

Risks and uncertainties

A drug development company of CombiGene's type is characterized by a high operational and financial risk. The Company is dependent on current and future licensing, collaboration, and other agreements with experienced partners for the development and successful commercialization of existing and future drug candidates. Other factors that may negatively affect the likelihood of commercial success include, among other things, the risk that CombiGene's gene therapies are not deemed safe or not effective, and the risk that the business may not receive the necessary funding. It is likely that if CombiGene fails to raise sufficient capital on favorable terms, it may lead to the company having to accept more expensive financing solutions, carry out issues with significant discounts and large dilutions, or be forced to limit its development or even cease its operations. If additional capital is not available when needed, or if it is insufficient to complete the business plan, CombiGene may have to carry out restructuring of the business, revise its business plan, or in the worst case, liquidation or bankruptcy.

Principles for preparation of the interim report

CombiGene prepares its financial reports in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3) Annual Accounts and Consolidated Accounts. The same accounting principles have been applied in this interim report as were applied in the most recent annual report.

Review by auditors

This report has not been subject to review by the Company's auditors.

Future reporting dates

Year-end report 2024, 14 February 2025.

For further information, please contact:

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Group income statement in summary

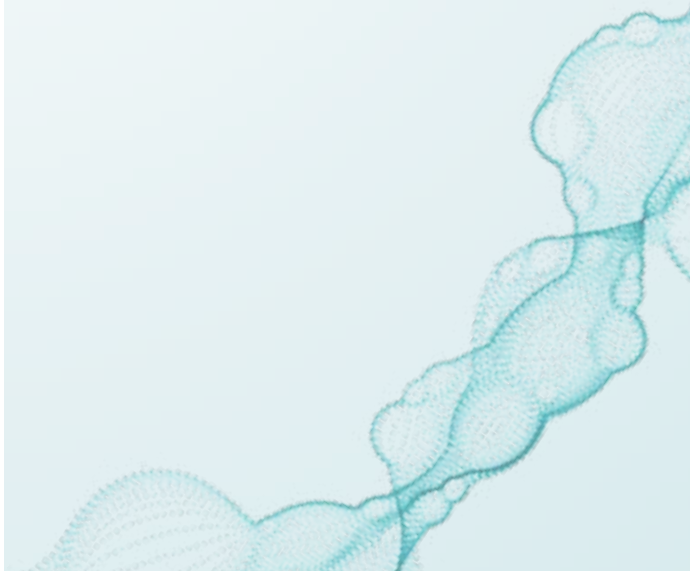
Figures in TSEK	2024 Jul–Sep	2023 Jul–Sep	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Operating income					
Net sales	0	992	326	4,948	5,544
Other operating revenues	793	173	1,347	588	1,464
Operating expenses					
Other external expenses	-3,321	-5,985	-17,698	-22,527	-26,835
Personnel expenses	-3,129	-2,804	-10,911	-10,364	-14,868
Other operating expenses	-2,635	-127	-1,732	0	-1,281
Profit/loss before depreciation	**-8,292**	**-7,750**	**-28,668**	**-27,356**	**-35,976**
Depreciation	-668	-649	-2,053	-1,946	-2,624
Profit/loss after depreciation	**-8,960**	**-8,399**	**-30,722**	**-29,302**	**-38,600**
Net financial income/expense	1	-4	1	-4	2,935
Income after net financial items	**-8,959**	**-8,403**	**-30,720**	**-29,305**	**-35,665**
Tax	0	0	0	0	0
Net profit/loss for the period	**-8,959**	**-8,403**	**-30,720**	**-29,305**	**-35,665**
Attributable to					
Parent company shareholders	-8,959	-8,403	-30,720	-29,305	-35,665
Earnings per share before dilution	-0.45	-0.42	-1.55	-1.48	-1.80
Earnings per share after dilution	-0.45	-0.42	-1.55	-1.48	-1.80
Average number of shares before dilution	19,801,197	19,801,197	19,801,197	19,801,197	19,801,197
Average number of shares after dilution	19,801,197	19,801,197	19,801,197	19,801,197	19,801,197
Total outstanding shares	*19,801,197*	*19,801,197*	*19,801,197*	*19,801,197*	*19,801,197*

Group balance sheet in summary

Figures in TSEK	2024 30 Sep	2023 30 Sep	2023 31 Dec
ASSETS			
Fixed assets			
Intangible assets	12,554	17,167	16,518
Tangible fixed assets	719	0	851
Financial fixed assets	86	5	5
Total fixed assets	**13,359**	**17,171**	**17,373**
Current assets			
Accounts receivable	0	183	0
Other receivables	1,140	3,706	1,799
Cash and cash equivalents	76,685	107,187	101,440
Total current assets	**77,824**	**111,076**	**103,239**
TOTAL ASSETS	**91,184**	**128,248**	**120,612**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	990	990	990
Other capital contribution	224,124	224,124	224,124
Other shareholders' equity	-108,657	-72,992	-72,992
Profit/loss for the period	-30,720	-29,305	-35,665
Equity attributable to parent company shareholders	**85,736**	**122,817**	**116,457**
Total equity	**85,736**	**122,817**	**116,457**
LIABILITIES			
Current liabilities	5,447	5,431	4,156
Total liabilities	**5,447**	**5,431**	**4,156**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**91,184**	**128,248**	**120,612**

Summary report of changes in the Group's shareholders' equity

Figures in TSEK	Share capital	Other capital contribution	Accumulated profit/loss	Total shareholders' equity
Balance brought forward	**990**	**224,124**	**-108,657**	**116,457**
Net profit/loss for the period			-30,720	-30,720
Amount as per the end of the reporting period	**990**	**224,124**	**-139,378**	**85,736**



Group cash flow statement in summary

Figures in TSEK	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Cash flow from operating activities	-23,718	-23,559	-30,557
Cash flow from investing activites	-81	-114	-994
Cash flow from financing activities	0	0	0
Cash flow for the period	**-23,799**	**-23,673**	**-31,551**
Liquid assets at the beginning of the reporting period	101,440	131,777	131,777
Exchange rate difference cash and cash equivalents	-956	-917	1,213
Liquid assets at the end of the reporting period	**76,685**	**107,187**	**101,440**

Group financial key ratios

	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Earnings per share before dilution, SEK	-1.55	-1.48	-1.80
Earnings per share after dilution, SEK	-1.55	-1.48	-1.80
Shareholders' equity per share, SEK	4.33	6.20	5.88
Equity ratio, %	94.03	95.77	96.55
Average number of shares before dilution	19,801,197	19,801,197	19,801,197
Average number of shares after dilution	19,801,197	19,801,197	19,801,197
Total outstanding shares	*19,801,197*	*19,801,197*	*19,801,197*

Parent Company income statement in summary

Figures in TSEK	2024 Jul–Sep	2023 Jul–Sep	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Operating income					
Net sales	0	992	326	4,948	5,544
Other operating revenues	793	173	1,347	594	1,464
Operating expenses					
Other external expenses	-3,311	-5,967	-17,668	-22,492	-26,782
Personnel expenses	-3,129	-2,804	-10,911	-10,364	-14,868
Other operating expenses	-2,635	-136	-1,722	0	-1,280
Profit/loss before depreciation	**-8,282**	**-7,741**	**-28,629**	**-27,315**	**-35,922**
Depreciation	-94	-75	-332	-225	-329
Profit/loss after depreciation	**-8,376**	**-7,816**	**-28,961**	**-27,540**	**-36,252**
Net financial income/expense	-573	-578	-1,721	-1,725	639
Income after net financial items	**-8,949**	**-8,393**	**-30,681**	**-29,265**	**-35,613**
Tax	0	0	0	0	0
Net profit/loss for the period	**-8,949**	**-8,393**	**-30,681**	**-29,265**	**-35,613**

Parent Company balance sheet in summary

Figures in TSEK	2024 30 Sep	2023 30 Sep	2023 31 Dec
ASSETS			
Fixed assets			
Intangible assets	1,654	3,971	3,896
Tangible fixed assets	719	0	851
Financial assets	15,268	17,482	16,908
Total fixed assets	**17,641**	**21,453**	**21,655**
Current assets			
Accounts receivable	0	183	0
Other receivables	1,380	3,907	2,006
Cash and cash equivalents	76,486	106,983	101,235
Total current assets	**77,866**	**111,074**	**103,241**
TOTAL ASSETS	**95,507**	**132,527**	**124,896**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted equity			
Share capital	990	990	990
Statutory reserve	4	4	4
Reserve for development expenses	508	868	868
Non-restricted equity			
Share premium reserve	165,826	165,826	165,826
Accumulated loss including profit/loss for the period	-77,222	-40,554	-46,902
Total shareholders' equity	**90,104**	**127,133**	**120,786**
LIABILITIES			
Current liabilities	5,402	5,393	4,111
Total liabilities	**5,402**	**5,393**	**4,111**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**95,507**	**132,527**	**124,896**

Summary report of changes in the Parent Company's shareholders' equit

Figures in TSEK	Share capital	Other capital contribution	Reserve for development expenses	Share premium reserve	Accumulated profit/loss	Total shareholders' equity
Balance brought forward	**990**	**4**	**868**	**165,826**	**-46,902**	**120,786**
Reserve for development expenses			-361		361	0
Net profit/loss for the period					-30,681	-30,681
Amount as per the end of the reporting period	**990**	**4**	**508**	**165,826**	**-77,222**	**90,104**

Parent Company cash flow statement in summary

Figures in TSEK	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Cash flow from operating activities	-23,713	-23,569	-30,568
Cash flow from investing activites	-81	-114	-994
Cash flow from financing activities	0	0	0
Cash flow for the period	**-23,794**	**-23,683**	**-31,561**
Liquid assets at the beginning of the reporting period	101,235	131,583	131,583
Exchange rate difference cash and cash equivalents	-956	-917	1,213
Liquid assets at the end of the reporting period	**76,486**	**106,983**	**101,235**

Share capital development

Year	Event	Total share capital (SEK)	Change (SEK)	Total shares	Change shares	Quotient (SEK)
1990	Company registration	50,000	50,000	500	500	100.00
1997	Bonus issue	100,000	50,000	1,000	500	100.00
2010	New share issue	102,600	2,600	1,026	26	100.00
2013	New share issue	143,600	41,000	1,436	410	100.00
2014	Bonus issue	574,400	430,800	5,744	4,308	100.00
2014	New share issue	604,400	30,000	6,044	300	100.00
2014	Split 1 000:1	604,400	0	6,044,000	6,037,956	0.10
2014	New share issue	884,400	280,000	8,844,000	2,800,000	0.10
2015	New share issue	1,134,400	250,000	11,344,000	2,500,000	0.10
2015	New share issue	1,138,197	3,797	11,381,970	37,970	0.10
2016	New share issue	1,180,159	41,962	11,801,590	419,620	0.10
2017	New share issue	1,652,223	472,064	16,522,230	4,720,637	0.10
2018	New share issue	1,719,783	67,560	17,197,836	675,596	0.10
2018	New share issue	5,159,348	3,439,565	51,593,476	34,395,650	0.10
2019	New share issue	6,372,384	1,213,036	63,723,836	12,130,360	0.10
2019	New share issue	6,373,090	706	63,730,896	7,060	0.10
2019	New share issue	6,505,365	132,275	65,053,647	1,322,751	0.10
2020	New share issue	11,762,201	5,256,836	117,622,007	52,568,360	0.10
2020	New share issue	12,562,201	800,000	125,622,007	8,000,000	0.10
2020	New share issue	14,721,013	2,158,813	147,210,132	21,588,125	0.10
2020	New share issue	17,666,081	2,945,068	176,660,811	29,450,679	0.10
2020	New share issue	17,822,218	156,137	178,222,176	1,561,365	0.10
2020	New share issue	20,768,890	2,946,672	207,688,899	29,466,723	0.10
2020	New share issue	22,927,702	2,158,813	229,277,024	21,588,125	0.10
2021	New share issue	39,602,395	16,674,693	396,023,950	166,746,926	0.10
2021	Reverse share split (1:20)	39,602,395	0	19,801,197	-376,222,753	2.00
2021	Reduction of share capital	990,060	-38,612,335	19,801,197	0	0.05
At the end of the period		**990,060**		**19,801,197**		**0.05**

Declaration by the Board of Directors and the CEO

The Board of Directors and the Chief Executive Officer certify that the interim report provides a true and fair view of the company's business, financial position, performance and describes material risks and uncertainties, to which the company is exposed.

The interim report has not been reviewed by the company's auditors.

Stockholm, November 8, 2024

Jonas Ekblom
Chairman

Malin Almgren
Board member

Gunilla Lundmark
Board member

Per Lundin
Board member

Marcus Isaksson
Board member

Peter Nilsson
Board member

Peter Ekolind
CEO


Jonas Ekblom


Malin Almgren


Gunilla Lundmark


Per Lundin


Marcus Isaksson


Peter Nilsson


Peter Ekolind

Glossary

AAV Adeno-associated virus.

AMPA receptor A transmembrane receptor subtype for glutamate that acts as an ion channel and mediates fast synaptic signal transmission in the central nervous system (CNS). AMPA receptors are also present in peripheral nerves and may play a role in pain signaling.

C-kinase A family of protein kinase enzymes that are involved in controlling the function of other proteins through the phosphorylation of hydroxyl groups of serine and threonine amino acid residues on these proteins, or a member of this family.

CDMO Contract development and manufacturing organization is a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing.

Chronic pain Pain that has lasted longer than three to six months. In some cases, the chronic pain may disappear at a later stage. Thus, chronic pain is not necessarily permanent.

Clinical development Comprises three phases, see clinical phase I, II, III below.

Clinical phase I Phase I refers to the first instance of testing of a candidate drug on humans. Phase I trials are often conducted with a small group of healthy volunteer trial subjects to determine the safety and dosage of an as yet non-approved treatment method.

Clinical phase II Phase II trials refer to a pharmaceutical product under development that is administered to a small group of patients to study the safety, dosage and efficacy.

Clinical phase III Phase III studies include a sufficient number of patients to meet regulatory prerequisites for approval. The aim is to determine the statistical significance with respect to the effect of a new candidate drug, without major side effects and under carefully controlled real-world conditions. The new drug is sometimes compared with an established treatment, such as an approved drug.

Clinical study Research studies that explore whether a new, as yet non-approved, drug, medical strategy, treatment, or device is safe and effective for humans.

CRO Contract Research Organization is a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis.

Eurostars A funding instrument that supports innovative SMEs (Small and Medium-sized Enterprises), and project partners (large companies, universities, research organizations and other types of organizations) by funding international collaborative R&D and innovation projects.

Gene therapy A medical field which focuses on the genetic modification of cells to produce a therapeutic effect or the treatment of disease by repairing or reconstructing defective genetic material.

GMP Good Manufacturing Practice is a system for ensuring that pharmaceutical products are consistently produced and controlled according to quality standards. Permits for GMP are granted by the Food and Drug Administration in the country in question and the process is characterized by extremely rigid and high demands on quality in all respects.

In vitro A term used in biomedical science to describe a biological process made to occur in a laboratory vessel or other controlled experimental environment, for example cultivated cells, rather than within a living organism.

In vivo A term used in biomedical science to describe an experimental biological process, and observations thereof, made to occur within a living organism.

Lipodystrophy A rare disease characterized by altered fat distribution on the body. In the absence of normal body fat, various organs, primarily the liver, begin to accumulate fat, leading on to serious metabolic complications, including extreme insulin resistance, hypertriglyceridemia (elevated values of blood fat triglyceride) and liver steatosis (fatty liver).

Neuropathic pain Nerve pain can occur after diseases and injuries of the somatosensory nervous system and spread within a neuroanatomical innervation area. The term neuropathic pain is usually associated with pain that persists after healing of the initial insult.

Neuronal tissue is the type of tissue that consists of nerve cells, also called neurons, and their supporting cells. This tissue is mainly found in the brain, spinal cord and nervous system.

PCT Patent Cooperation Treaty, an international patent law treaty, concluded in 1970. It provides a unified procedure for filing patent applications to protect inventions in each of its contracting states. Peptide Short chains of amino acids linked by peptide bonds.

PICK1 A protein that interacts with C-kinase 1.

Plasmid Small, extrachromosomal DNA molecule within a cell that is physically separated from chromosomal DNA.

Preclinical study In vitro and in vivo studies carried out before the clinical development (see above) with the objective to make sure that the new therapy is safe and has the intended effect.

Proof-of-concept Documented evidence that a potential product or method has the intended effect.

Viral vector Viral vectors are tools that are used to deliver genetic material to cells. Examples of viral vectors are lentivirus, adeno-associated virus (AAV), retro virus and adenovirus. AAV vectors are non-hazardous viruses that can infect human cells without causing disease and can be used to deliver genetic material into human cells.

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