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Interim report January–March 2025

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

NeuroRestore consists of two symptom-relieving drug candidates where the unique mechanism of action allows multiple indications – Alzheimer's disease, as well as cognitive disorders such as those associated with traumatic brain injury, sleep apnea and Parkinson's disease, as well as treatment for depression.

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

Painless is the company's research platform in the field of pain and contains two projects: ACD440, which is a drug candidate in the clinical development phase for the treatment of neuropathic pain, and TrkA-NAM, which targets severe pain in conditions such as osteoarthritis.

AlzeCure® aims to pursue its own projects through preclinical research and development to an early clinical phase and is continually working on business development to find suitable out-licensing solutions or partnerships with other pharmaceutical companies.

FNCA Sweden AB is the company's Certified Adviser.

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

AlzeCure

Financial information

January–March 2025

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

- Net sales during the period totaled SEK 0 thousand (0).
- Earnings for the period totaled SEK -10,108 thousand (-9,804).
- Earnings per share, basic, totaled SEK -0.11 (-0.16).
- Cash flow from operating activities totaled SEK -10,679 thousand (SEK -10,063).
- Total assets at the end of the period amounted to SEK 24,718 thousand (22,688).
- Cash and cash equivalents at the end of the period totaled SEK 20,819 thousand (19,037).

Significant events

January–March 2025

- The company announces on February 17, 2025, that it has been awarded an EU grant for a Phase II clinical trial of NeuroRestore ACD856 for Alzheimer's disease.
- In February, the company publishes a new scientific article demonstrating the unique mechanism of action behind Alzstatin, which is being developed for Alzheimer's disease.
- On April 9, the company announces that its Annual General Meeting will convene on May 14, 2025.

Significant events after the end of the period

- In early April, the company presents new preclinical data for the lead drug candidate NeuroRestore ACD856 at the international Alzheimer's and Parkinson's Disease (AD/PD) conference in Vienna.

See page 66 of the company's 2024 annual report for a list of definitions.

A word from the CEO

The first quarter of 2025 was yet another active and eventful quarter for AlzeCure Pharma. In February 2025, we received a grant of EUR 2.5 million from the European Innovation Council (EIC), with the possibility of additional funding through the EIC fund. We are very proud and honored to receive this prestigious grant, which is both a significant financial contribution to the company and an acknowledgment of the groundbreaking potential of ACD856. During the quarter, we also published and presented new positive preclinical findings from our clinical Alzheimer's project NeuroRestore ACD856 at the world-leading Alzheimer's and Parkinson's Diseases (AD/PD) conference. We also published new data in our other Alzheimer's project, Alzstatin, which showed a clear plaque-reducing effect, among other findings. With these positive results, we demonstrate that AlzeCure continues to deliver.


Martin Jönsson, CEO

The grant from the European Innovation Council (EIC) Accelerator of EUR 2.5 million is of great importance to AlzeCure, both financially and as a validation of our Alzheimer's project NeuroRestore ACD856. The grant will accelerate our clinical development and bring us closer to the goal of delivering a transformative therapy for Alzheimer's patients. We received the grant for the Phase II clinical study of our drug candidate ACD856 in patients with Alzheimer's disease, which we presented to the EIC. The EIC has also offered potential additional funding through an investment in the company, which we are now exploring.

During the first quarter, we also published and presented additional preclinical data for NeuroRestore ACD856. We have previously shown in preclinical models that ACD856 can improve learning and memory function. The latest findings show that ACD856 also has disease-modifying and anti-inflammatory effects. These new results indicate that with ACD856, we can also target inflammatory processes, which are a key element of disease progression in conditions such as Alzheimer's disease. The study was presented at the AD/PD (Alzheimer's Disease/Parkinson Diseases) conference in April[1)].

During the quarter, NeuroRestore was also highlighted in an article in Nature* as a potential obesity treatment. The rationale is that the neurotrophin BDNF, which NeuroRestore modulates, plays a key role in metabolism, insulin sensitivity and appetite suppression. BDNF signaling also appears to be important for the effect of GLP-1 agonists used for obesity and diabetes treatment, such as Novo Nordisk's semaglutide (Ozempic® & Wegovy®) and Eli Lilly's tirzepatide (Monjaro® & Zepbound®). This could imply positive synergy effects between GLP-1 agonists and NeuroRestore compounds.** AlzeCure already has preclinical data showing that one effect of NeuroRestore ACD856 is to improve insulin sensitivity, among other effects. Sales in the obesity and diabetes sector are enormous and rapidly growing, and we will monitor this area with great interest, particularly regarding preclinical and clinical trials.

Alzstatin, our disease-modifying and preventive treatment in tablet form for Alzheimer's disease, continues to be developed according to plan. The drug candidate in the platform, ACD680, is in preclinical development and is being prepared to enter clinical trials. The results indicate that with ACD680, we potentially have a so-called "Best-in-Class" molecule. Additionally, ACD680 is expected to have a long patent term, until 2045, as well as an additional five years of exclusivity in the US, which is very valuable.

The compounds in Alzstatin are gamma-secretase modulators (GSM), which reduce the production of the harmful protein amyloid-beta-42 that generates plaques in the brain. The biological process is considered a primary cause of Alzheimer's disease. GSM for Alzheimer's has received growing attention over the year as the target mechanism has been validated by the Swiss pharmaceutical company Roche, which is also developing GSM compounds, leading to increased interest in our Alzstatin project from other pharmaceutical companies and investors. Furthermore, interest in GSM as a class of drugs is on the rise, as they not only reduce plaque formation but also potentially enhance the brain's resilience and may even remove existing plaques in the brain. During the quarter, we

published an article on this topic in the journal JPET[2)], where one of the co-authors was Professor Henrik Zetterberg at Sahlgrenska and University College London, with whom we collaborate on our Alzheimer's project. The findings showing that a GSM can reduce the amount of existing plaques are groundbreaking and promising.

In the field of Alzheimer's, the medical need for effective treatments remains significant. Studies show that only 5–8% of Alzheimer's patients seen at memory clinics are regarded as appropriate candidates for prescription of the newly developed antibody therapies.This means that 92–95% of diagnosed Alzheimer's patients are not expected to be treated with the recently approved antibody therapies[3)]. As a result, both NeuroRestore and Alzstatin could become highly attractive treatments in their own right, while also serving as a complement to antibody therapies, thereby addressing a high unmet medical need for patients, their families, and the healthcare system.

Our pain projects in the Painless platform, ACD440 and TrkA-NAM, continue to make good progress. With our TRPV1 antagonist ACD440, which we are primarily developing for topical treatment of peripheral neuropathic pain (nerve injury pain), we have previously obtained positive clinical Phase IIa results in patients with chronic neuropathic pain. We have also conducted a Phase Ib clinical trial in nociceptive pain (tissue damage pain), in which, as in the Phase IIa study, we were also able to reduce the pain by about 50%. The results from these studies have shown that ACD440, which is administered as a gel applied to the skin, demonstrates good suitability for continued clinical development, where we are now preparing for further complementary Phase II studies.

Neuropathic pain is an area with great unmet medical need, especially with respect to finding alternatives to opioids. We believe that ACD440 could significantly improve quality of life for patients suffering from this type of pain. Only one in five patients is satisfied with their current treatment[4)], highlighting the great unmet medical need and associated societal burden. Our aim is for ACD440 to become a key treatment of choice in this area.

Our second pain project, TrkA-NAM, focuses on arthritis of the knee. Over 300 million people suffer from the disease and the patient population is growing due to an aging population and obesity-related problems. TrkA-NAM is being developed to reduce peripheral NGF signaling and thus pain. Because of the selective target mechanism of the molecules, TrkA-NAM is expected to maintain the good analgesic effects but avoid the side effects that NGF antibodies have previously demonstrated. The project is progressing well, and we have generated positive findings in several different preclinical studies, with a number of different molecules. In 2024, we selected a candidate drug for the project, ACD137, for which we applied for a patent. The patent protection is expected to last until 2045, plus five years of additional exclusivity in the US. The compound has powerful analgesic effects in several different preclinical models as well as in both neuropathic and nociceptive pain, indicating a wide range of applications for the compound.

ACD137 has also been shown to have anti-inflammatory effects, which may further strengthen its pain-relieving properties, as well as potentially opening up other possible indications. Results from a preclinical study with ACD137 in an osteoarthritis model recently showed significant pain relief in both movement-induced and evoked pain, as well as a significant anti-inflammatory effect. The analgesic effect of ACD137 was as potent as that of the anti-NGF antibody Tanezumab, which has demonstrated significant and robust pain relief in patients in several clinical trials. ACD137 was also shown to have a protective effect against articular cartilage damage, showing a significant improvement in several structural parameters of cartilage and the knee joint, suggesting a protective effect on knee joint function in an osteoarthritis model. We are now preparing ACD137 for further preclinical safety studies.

We continue to focus on marketing communications and actively participate in various meetings and congresses to present our research to investors and potential partners. In January, we participated in JP Morgan Week – the world's leading business development and partnership event for the pharmaceutical industry. We also took part in SwissNordicBio in Zurich and Bio Europe Spring, which was held in Milan in March. We are encountering continued growing interest from pharmaceutical companies and other stakeholders that may be interested in investing in or in-licensing our development projects, or alternatively in entering into a partnership.

Overall, we continued to make progress in our Alzheimer's and pain projects with new findings and a strengthened patent portfolio. The grant from the EIC for the Phase II study in the Alzheimer's project NeuroRestore ACD856 reinforces the validation of both the project and the company, with the possibility of additional funding. In collaboration with renowned institutions and scientists, both in Sweden and abroad, we published exciting new results in our projects during the quarter that further strengthen the potential and improve our business development opportunities going forward. With a strong start to the year, I look forward to working with my colleagues and our partners to ensure continued success in 2025.

Stockholm, May 2025
Martin Jönsson
CEO of AlzeCure Pharma AB

> The first quarter of 2025 was yet another active and eventful quarter for AlzeCure Pharma. We published and presented findings such as new results for both NeuroRestore ACD856 and Alzstatin. We also presented the company and our projects at several events and congresses, including the world-leading AD/PD conference on Alzheimer's and Parkinson's diseases.
>
> Martin Jönsson, CEO

In February 2025, AlzeCure was awarded a grant of EUR 2.5 million from the European Innovation Council (EIC) for a Phase II study with the Alzheimer's project NeuroRestore ACD856, along with the potential to receive further funding through the EIC fund.

"We are proud and honored to receive this prestigious grant from the European Innovation Council, which recognizes the groundbreaking potential of the NeuroRestore ACD856 Alzheimer's project. This grant will accelerate our clinical development and bring us closer to delivering a transformative therapy for Alzheimer's patients."

Martin Jönsson, CEO

*) Jonsdottir AB, et al. Missense variants in FRS3 affect body mass index in populations of diverse ancestries. Nat Commun. 2025 Mar 25;16(1):2694, https://www.nature.com/articles/s41467-025-57753-2

**) Feetham CH et al. Brainstem BDNF neurons are downstream of GFRAL/GLP1R signalling. Nat Commun. 2024 Dec 30;15(1):10749, https://www.nature.com/articles/s41467-024-54367-y

1) Parrado C, et al, Further investigation on the immunomodulatory and anti-inflammatory effects of NeuroRestore ACD856, a Trk-PAM in clinical development for the treatment of Alzheimer's disease, AD/PD 2025, https://www.alzecurepharma.se/sv/wp-content/uploads/sites/3/2025/04/adpd-2025-e-poster.pdf

2) Nordvall G, et al; γ-Secretase modulation inhibits amyloid plaque formation and growth and stimulates plaque regression in amyloid precursor protein/presenilin-1 mice, JPET, Vol. 394, 2025 https://www.sciencedirect.com/science/article/pii/S0022356525396138

3) Eligibility for Anti-Amyloid Treatment in a Population-Based Study of Cognitive Aging; Rioghna R. Pittock et al; Neurology, 2023;101:e1837-e1849. https://www.neurology.org/doi/10.1212/WNL.0000000000207770

4) Finnerup et al; Pharmacotherapy for neuropathic pain in adults: systematic review, meta-analysis and updated NeuPSIG recommendations. Lancet Neurol. 2015; 14(2): 162–173

Project portfolio

AlzeCure works with several research platforms:
NeuroRestore® and Alzstatin® – with a focus on Alzheimer's disease, where the leading candidate ACD856 is in the clinical development phase.
Painless – focuses on pain treatment and contains two projects: ACD440 in the clinical development phase and TrkA-NAM in preclinical phase.

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

- The NeuroRestore platform is developing a new generation of symptom-relieving drugs for the treatment of illnesses with cognitive disorders, such as Alzheimer's disease. The target mechanism also has other potential indications, including depression and cognitive disorders in Parkinson's disease, traumatic brain injury and sleep disorders. The leading drug candidate in the project, ACD856, is in the clinical development phase.
- Innovative disease-modifying and preventive oral drugs for Alzheimer's disease are under development within the Alzstatin platform. They are intended to enable simple administration of the drug and be more cost-effective. The drug candidate ACD680 in the Alzstatin platform is in the preclinical development phase.
- The Painless platform includes two projects: TrkA-NAM ACD137 and ACD440, which both focus on severe pain conditions.
  - The drug candidate ACD440 was in-licensed in January 2020 and affects a specific biological mechanism; the 2021 Nobel Prize in Physiology or Medicine was awarded for the discovery of this mechanism. The compound is being developed for the treatment of neuropathic pain, a field with great unmet medical need. The project is currently in the clinical development phase.
  - The TrkA-NAM ACD137 project is aimed at treating other severe pain caused by disorders such as osteoarthritis, which today lacks sufficiently effective treatment. The project is currently in the preclinical phase.

AlzeCure's project portfolio

Platform	Candidate	Target	Indication	Research phase	Preclinical phase	Phase I	Phase II	Phase III
NeuroRestore	ACD856	Positive allosteric modulator (PAM) of Trk receptors	Alzheimer's disease Traumatic brain injury, Parkinson's disease, Sleep disorders, Depression					
	ACD857	Positive allosteric modulator (PAM) of Trk receptors	Alzheimer's disease					
Alzstatin	ACD680	Gamma secretase modulator (GSM)	Alzheimer's disease					
Painless	ACD440	TrpV1 antagonist	Neuropathic pain					
	ACD137	Negative Allosteric Modulator (NAM) of TrkA receptors	Osteoarthritis pain					

In progress Completed

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

Project development

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

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

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

Neurology

Within NeuroRestore, a new generation of symptomatic drugs is being developed for the treatment of cognitive dysfunction (memory disorders) in Alzheimer's disease. The NeuroRestore substances are known as Trk-PAMs, which stimulate specific signaling of the neurotrophins NGF (Nerve Growth Factor) and BDNF (Brain-Derived Neurotrophic Factor), which play an important role in normal neuronal function. The company initiated the first clinical trial with the primary drug candidate in NeuroRestore, ACD856, in late 2019. The study was completed on schedule in the second quarter of 2020. The results showed that ACD856 was well-suited for further clinical development, which led to the initiation of subsequent clinical trials, the SAD study, according to plans in the end of 2020. In the third quarter of 2021 the MAD study was also initiated and both of these studies, which are part of the Phase I program for the drug candidate, have had the primary purpose of assessing safety and tolerability in humans. The MAD study, which was concluded according to plan in June 2022, showed that ACD856 has a good safety and tolerability profile in humans. Moreover, the results showed that the compound demonstrated good pharmacokinetic properties with rapid uptake in the body. In addition, ACD856 easily crosses the blood-brain barrier and can be measured in the spinal fluid; these important data support further clinical development work. That same year, the company also reported new EEG results from a planned exploratory analysis in the MAD study, which showed that ACD856 not only reaches the CNS, but also activates neuronal pathways in the brain, of relevance to both cognition and depression.

In February 2025, AlzeCure received a grant of EUR 2.5 million from the European Innovation Council (EIC), with the possibility of additional funding through the EIC fund, for the company's planned Phase IIa clinical trial with NeuroRestore ACD856 in Alzheimer's patients. Furthermore, higher doses of ACD856 will also be evaluated in humans, as the good safety profile allows for higher dosing.

The other drug candidate in the NeuroRestore platform, ACD857, is in the research phase and also has the primary indication of cognitive dysfunction/Alzheimer's disease.

New preclinical data within the NeuroRestore platform have shown potential disease-modifying properties in this class of compounds. The findings show that both neurotrophins, NGF and BDNF, play important roles in retaining normal function and development in nerve cells, as well as in protecting them from damage, known as neuroprotective effects. Nerve cell death clearly correlates with functional impairment in Alzheimer's patients and no drugs with these protective effects are currently available on the market.The preclinical studies show that treatment with ACD856 results in increased survival for the nerve cells. Over the past two years, the studies have been complemented by additional data concerning the neuro-protective, regenerative and long-term effects of ACD856. The results indicate, among other things, that the substance can protect nerve cells against toxic Aβ42, the protein

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

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

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

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

Henrik Zetterberg, professor at Sahlgrenska University and collaboration partner in AlzeCure's Alzstatin GSM project.

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

responsible for amyloid plaque formation in the brains of Alzheimer's patients. Moreover, data show that ACD856 increases the quantity of a specific protein that plays a key role in communication between nerve cells, which is severely affected in the disease. These important data, which highlight the potential of NeuroRestore as both a memory-improving and disease-modifying treatment, have been presented in publications and at a number of scientific conferences over the past few years. Something that further strengthens the validation of the NeuroRestore platform is Eisai's Phase I clinical drug candidate E2511, which they are developing as a disease-modifying treatment for neurodegenerative diseases such as Alzheimer's. The compound has a similar target mechanism as ACD856, but the latter has a broader effect profile than E2511 and, in addition to potentially disease-modifying effects, also exhibits memory-enhancing and antidepressant effects, which the company sees as a clear differentiation.

In March 2024, the company presented new preclinical data on ACD856 demonstrating that the substance serves as a "biased" positive allosteric modulator (PAM), i.e. that the substance potentiates certain signaling pathways but not others, which means that the substance can have potent effects while maintaining a good safety profile. The results show that ACD856 can stimulate nerve cell growth, which is important for communication between nerve cells. In addition, the substance improves memory and learning ability in preclinical models. However, pain signaling is not affected, indicating a selective stimulation of specific signaling pathways.

In April 2024, the company reported that ACD856 also demonstrates anti-inflammatory properties both centrally in the brain and peripherally in the body with relief of clinical inflammatory symptoms in preclinical models and a reduction in several inflammatory markers. These new data indicate an opportunity to treat diseases with features such as neuroinflammation, such as Alzheimer's disease, and that ACD856 may have a disease-modifying effect through its anti-inflammatory properties. A review article related to the preclinical findings with ACD856 was published in July 2024[1]. The company also presented new positive data on new anti-inflammatory and immunoregulatory effects of ACD856 at the major international Alzheimer's conference CTAD in late October 2024. In early April 2025, additional data will be presented at the Alzheimer's and Parkinson's Diseases (AD/PD) conference in Vienna, supporting the anti-inflammatory effects of ACD856.

There is also strong scientific support for this target mechanism in depression. NeuroRestore compounds, such as ACD856, have demonstrated effects in preclinical models for depression, with data published in 2023[2] and that were further supported by data in recently released articles in the prestigious journals Cell[3], Nature[4] and Science[5]. These studies show that several different classes of antidepressants appear to mediate their effects via BDNF/TrkB, further strengthening the link between BDNF and depression. AlzeCure has demonstrated in preclinical models that NeuroRestore compounds possess antidepressant effects and that they also induce the release of neurotransmitters in the brain that are associated with depression.

In May 2023, AlzeCure reported that the European Patent Office had granted a patent for NeuroRestore, including ACD856. This patent has been validated in 33 territories across Europe, including Germany, France, the UK, Spain, Italy and Sweden. This achievement is yet another important step for ACD856, in light of the previously granted US patent for this substance. During the first quarter of 2024, patents were also granted for ACD856 in additional territories, including China, India, South Africa and Mexico, which is a key step in the effort to establish a comprehensive global patent portfolio for the NeuroRestore program. The new preclinical data on the anti-inflammatory properties of ACD856 also led to the submission of a new patent application in April 2024 for the drug candidate.

AlzeCure's disease-modifying research platform for Alzheimer's disease, Alzstatin, focuses specifically on reducing the production of toxic amyloid beta (Aβ42) in the brain. The substances in Alzstatin are known as gamma-secretase modulators (GSMs). Aβ plays a key pathological role in Alzheimer's disease and begins to accumulate in the brain years before clear symptoms develop.

The target mechanism in Alzstatin, gamma-secretase modulators (GSMs), is confirmed by previously reported study results, which we believe validate the amyloid hypothesis and thus Alzstatin's focus. At the CTAD conference in 2023, Roche also presented Phase I clinical data for its GSM, and was able to demonstrate PoM in humans as well as a good safety profile for this class of compounds. They have now entered Phase II studies in 2024, which will further validate this target mechanism and help to chart a regulatory pathway forward for this class of compounds. Compared with the antibody therapies now coming to market, the small molecule compounds in the Alzstatin platform have several key differentiating features, including their ability to be designed to easily cross the blood-brain barrier and be produced more cost-effectively.

The drug candidate in the Alzstatin platform, ACD680, is in the preclinical phase and comes from a newly developed series of molecules that are expected to be advantageous from a patent perspective. New positive preclinical data on ACD680 were presented at the ADPD Alzheimer's and Parkinson's conference in 2023, in which the compound showed reductions of toxic Aβ42 by over 50% and good pharmacokinetic properties in vivo. In February 2025, the company published new preclinical data on the mechanism of action behind Alzstatin in collaboration with world-leading researchers at institutions including Washington University, Karolinska Institutet, and Sahlgrenska University. The results showed that Alzstatin compounds can halt growth and reduce the amount of amyloid plaques in the brain in animal models, among other findings.

News in Q1

- The company announces on February 17, 2025, that it has been awarded an EU grant for a Phase II clinical trial of NeuroRestore ACD856 for Alzheimer's disease.
- In February, the company publishes a new scientific article demonstrating the unique mechanism of action behind Alzstatin, which is being developed for Alzheimer's disease.

1) Forsell P, et al., Pharmaceuticals. 2024; 17(8):997.
2) Madjid N. et al., Psychopharmacol. 2023 Aug;240(8):1789-1804.
3) Casarotto PC. et al., Cell. 2021 Mar 4;184(5):1299-1313.
4) Moliner R. et al., Nat Neurosci. 2023 Jun;26(6):1032-1041.
5) https://www.science.org/content/article/psychedelic-inspired-drugs-could-relieve-depression-without-causing-hallucinations

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

Pain

The Painless platform contains two projects aimed at developing new treatments for pain. Both projects involve non-opioids, which is important to emphasize, because of the inherent risk associated with opioids for abuse, overdose and secondary injuries – which has led to avoidance of opioids as first-line treatment for pain. Despite this treatment problem they are still frequently used, for which reason the need for new treatments that do not involve opioids is great.

In January 2020, a drug candidate in the clinical development phase aimed at treating neuropathic pain, ACD440 (TRPV1 antagonist), was in-licensed. This project is an important strategic in-licensing that strengthens the company's current clinical portfolio. The ACD440 project has its origins in Big Pharma and is based on strong scientific grounds. The 2021 Nobel Prize in Physiology or Medicine was awarded for the discovery of and insights into TRPV1, the biological system that serves as the basis for ACD440 and is central to temperature regulation and pain. The compound that is being developed as a gel for topical treatment has previously undergone clinical trials, but at that time as oral treatment. As planned, AlzeCure initiated a Phase Ib clinical trial of the drug candidate in late 2020, which was completed in April 2021 and showed positive proof-of-mechanism (POM) results, i.e. an analgesic effect in humans. The efficacy of ACD440 was clearly significant compared with placebo. The compound was also well tolerated as a topical gel on the skin, indicating good suitability for further clinical development as topical treatment for neuropathic pain conditions. Data from this study were published by the company in a scientific article in June 2024 in the European Journal of Pain. During the first quarter of 2022, the FDA provided feedback regarding the material and documentation submitted for a pre-IND meeting. The response was informative and in June 2022, the company initiated a Phase II trial with ACD440 in patients with peripheral neuropathic pain. This exploratory double-blind, placebo-controlled, randomized cross-over study aimed to evaluate the efficacy, safety and pharmacokinetics of the company's leading drug candidate in pain. AlzeCure reported positive top-line results from the study in May 2023, while the more detailed results from the study were presented at the international pain conference, EFIC, in September 2023. The patients, who were treated for 7+7 days in a cross-over design, ranged in age from 50–85 years and suffered from chronic neuropathic pain. Most of them were concurrently receiving alternative pain management therapies. Data from the study showed that ACD440 could demonstrate positive POM results in patients with chronic peripheral neuropathic pain; in other words, the drug candidate had an effect on the intended target mechanism. A clear and significant analgesic effect was observed in pain induced by cold and heat. This pain was reduced by about 50%, a significant and clinically relevant reduction. Temperature hypersensitivity is very common in the area of the skin where patients experience their neuropathic pain and is a major problem in daily life for these individuals. These positive POM results from this Phase II clinical trial were in line with previously reported Phase I results. Moreover, it was observed that ACD440, which is a topical gel that is applied to the skin in the painful area, was well tolerated and both the compound and the administration method demonstrate good suitability for further clinical development.

TrkA-NAM builds on the knowledge amassed and assets developed in the NeuroRestore platform, but with the purpose of developing new compounds that focus on providing pain relief in several conditions associated with severe pain. The goal of the project is to develop a small molecule "TrkA-negative allosteric modulator" that can reduce movement-induced and spontaneous pain in patients with painful osteoarthritis. The compounds in the platform block NGF-mediated signaling via TrkA receptors, a biological mechanism with strong genetic, preclinical and clinical validation with respect to its role in pain. In September 2022, AlzeCure presented results for a new compound, AC-0027838, which has been identified as a potent and selective negative modulator of NGF/TrkA signaling in cell-based analyses, at the IASP international pain conference. The results showed a potent analgesic effect in a nociceptive pain model. The data also show that the compound has a powerful anti-inflammatory effect, which can potentiate the analgesic effects in clinical contexts. Analysis of the inflamed tissue also demonstrated significant effects on CGRP, a relevant biomarker for inflammation and pain. The project selected a candidate drug, ACD137, in January 2024, and it is currently in the preclinical phase. In April 2024 the company reported that it had obtained new data in several different preclinical pain models showing clear and significant analgesic effects of ACD137, which were presented at the IASP World Congress on Pain in August 2024.

In October 2024, the company reported new preclinical data related to ACD137 in an osteoarthritis model. The results show significant pain relief in both movement-induced and evoked pain, as well as a significant anti-inflammatory effect. The analgesic effect of ACD137 is as potent as that of the anti-NGF antibody Tanezumab, which has demonstrated significant and robust pain relief in patients in several clinical trials. ACD137 was also shown to have a protective effect against articular cartilage damage, showing a significant improvement in several structural parameters of cartilage and the knee joint, suggesting a protective effect on knee joint function in an osteoarthritis model.

Nobel Prize

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

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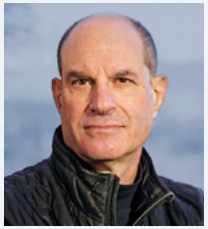


> "About 70-80 percent of patients with neuropathic pain do not adequately respond to current first-line treatment, and AlzeCure is developing its new intended treatment specifically for individuals in this group.

Market trends affecting AlzeCure

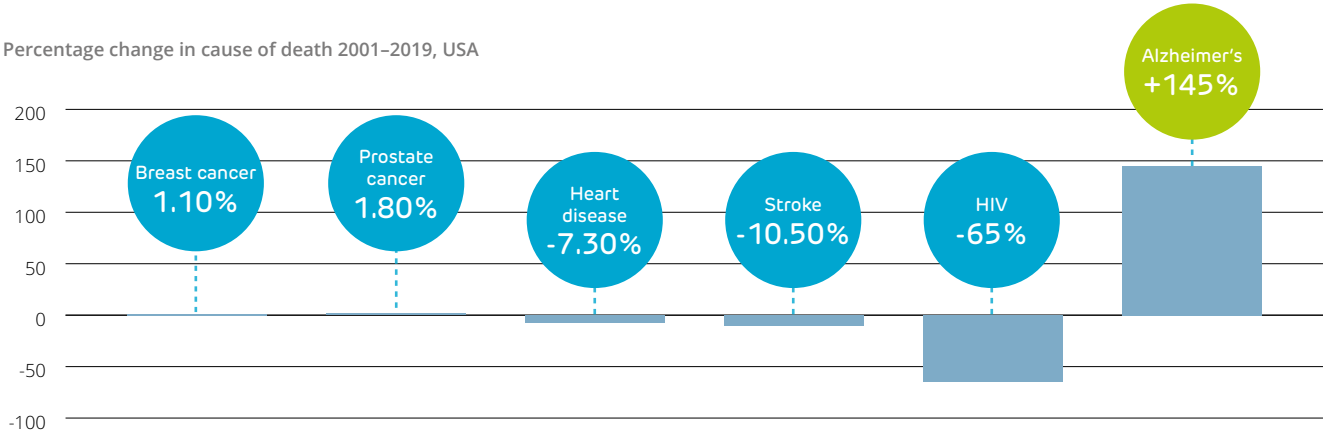
Increased social costs for Alzheimer's and other neurodegenerative diseases
Costs associated with Alzheimer's and other neurodegenerative diseases are sharply rising and account for a substantial burden on the public healthcare system. The global cost to society for dementia is estimated at more than USD 1.3 trillion and is expected to almost triple over the next 30 years.These burgeoning costs increase the need for disease-modifying and/or preventive treatments appreciably.

Increased need for treatment due to an aging population
Old age is the greatest risk factor in dementia-related illnesses such as Alzheimer's, but also for pain problems. Life expectancy is increasing globally as a result of higher living standards and improved health care.

New treatment for Alzheimer's disease targeting amyloid plaques receives FDA approval
An antibody therapy (Aduhelm™) targeting amyloid pathology received approval in the US in June 2021 as the first disease-modifying treatment for Alzheimer's disease through the FDA's Accelerated Approval process. The approval is based on a "surrogate endpoint", in this case the reduction of beta-amyloid in the brain. Two other antibody therapies targeting amyloid pathology were also granted "Breakthrough Therapy Designation" status, giving them access to the FDA's other fast track processes, which could lead to a significantly faster pathway to market for drugs in this important area.

Amyloid-based therapeutics show positive effects on cognitive function in Alzheimer's patients and receive full market approval
Leqembi (lecanemab), one of the above-mentioned antibody therapies targeting amyloid pathology, was reported in September 2022 in a pivotal Phase III study to have achieved its efficacy milestones, with significant positive effects on functional and cognitive function, as well as a reduction in the quantity of amyloid plaque in the brain. These Phase III results, which support the amyloid hypothesis, have served as the basis for the full market approval received from the FDA on July 6, 2023. Furthermore, yet another of the above-mentioned antibody therapies, Donanemab, received full marketing authorization in the US in July 2024, further validating the amyloid hypothesis. As a result, there is growing interest in research into other new drugs for the treatment of Alzheimer's disease, such as drugs that attack symptoms in other ways (NeuroRestore), as well as those (such as Alzstatin) that attack amyloid formation early in the course of disease, and that can be administered as tablets – unlike antibody treatment, which is administered intravenously. Drugs like NeuroRestore and Alzstatin can also potentially be given in combination with existing therapy.

Percentage change in cause of death 2001–2019, USA



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

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

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

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

Alzheimer's disease

Alzheimer's is the most common form of dementia, with around 60–80 percent of all dementia cases stemming from this illness. It is a deadly disease that has a huge impact on sufferers and their relatives alike. Yet despite this, there is currently a lack of preventive and disease-modifying treatments in the global market.

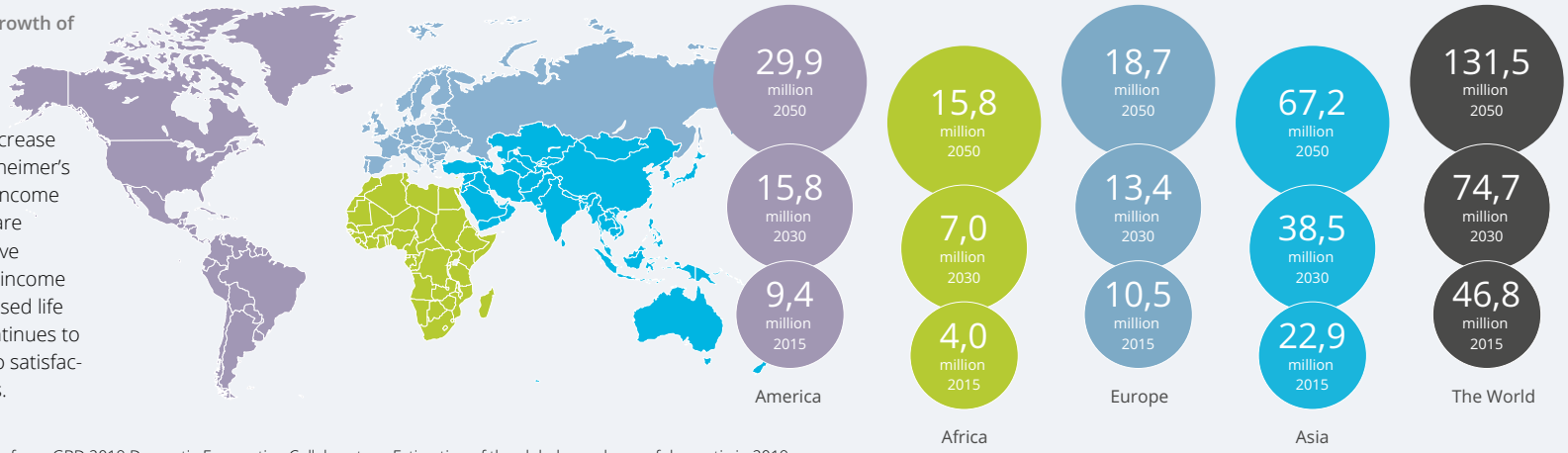
Alzheimer's disease is a neurodegenerative disease, which is a collective term for various conditions in which the nerve cells of the brain gradually deteriorate and eventually die. Nerve cells have very limited regeneration and damage to them therefore becomes clear and crucial for the functionality of the nervous system. Nerve cell death in the brain in connection with Alzheimer's manifests through a variety of symptoms, such as impaired memory, as well as difficulties finding words, expressing oneself and understanding. Difficulties with the concept of time are also common. Eventually, sufferers experience orientation problems in their surroundings, and difficulties reading, writing and counting or managing practical tasks. Some have problems with perception and difficulty in recognizing what they see, and reasoning and planning become more difficult. With the passage of time, sufferers become more and more dependent on help from relatives and/or care services. Because a characteristic of the disease is its gradual onset, it can be difficult to identify when the problems actually began. Symptoms may also vary from person to person.

Alzheimer's is the most common form of dementia, with around 60–80 percent of all dementia cases stemming from this illness. Even though it is a deadly disease that has a huge impact on both sufferers and their relatives, currently no preventive or disease-modifying treatments are available. The disease starts with amyloid beta (Aβ) protein beginning to clump in the brain, which ultimately form the amyloid plaques so characteristic of the illness. These have a negative impact on nerve cell function and lead, inter alia, to reduced levels of important neurotransmitters in the brain. These neurotransmitters, such as acetylcholine and glutamate, are necessary for nerve cells to communicate with each other and for the normal operation of the brain. With time, the ability of nerve cells to survive also deteriorates and they die.

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

Geographic distribution and expected growth of prevalence of dementia

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



* Updated with figures based on estimated growth from: GBD 2019 Dementia Forecasting Collaborators. Estimation of the global prevalence of dementia in 2019 and forecasted prevalence in 2050: an analysis for the Global Burden of Disease Study 2019. Lancet Public Health. 2022 Jan 6:S2468-2667(21)00249-8.

Today, growing sums are being invested in medical research in Alzheimer's due to the extensive human suffering and considerable costs to healthcare and society. Total global costs for dementia-related illnesses are estimated to exceed USD 1.3 trillion, which is expected to nearly triple by 2050. The lack of effective symptom-relieving treatments and efficacious treatments that slow or prevent the course (disease-modifying) of the disease have led to an urgent medical need. The few approved drugs sold in today's global market have only a limited symptom-relieving effect and entail problematic side effects. Thus there is a very urgent medical need for new symptomatic and disease-modifying treatments. A disease-modifying therapy for Alzheimer's is considered capable of generating more than USD 15 billion in annual sales.

In June 2021, the FDA approved a new Alzheimer's drug in the US, Aduhelm™ (aducanumab), for which one year of treatment costs about USD 28,000. Subsequently, three additional antibody drugs for the treatment of Alzheimer's disease received "Breakthrough Therapy Designation" from the FDA. This status provides access to FDA's other "fast track" processes. Applications for approval of two of these drugs were also submitted to the FDA. One of these, the antibody drug Leqembi (lecanemab), received full approval from the US Food and Drug Administration (FDA) in July 2023, after receiving conditional approval in January 2023. One year of treatment costs about USD 26,500. Another antibody drug, Donanemab, received full market approval in the US in July 2024. This approval demonstrates an accessible regulatory pathway for drugs within the field and has led to growing interest in research into new drugs for Alzheimer's disease. The results of the studies with these new Alzheimer's drugs have also validated the amyloid hypothesis – that Aβ plays a central role in the development of the disease in Alzheimer's patients.

Symptoms

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

Prevalence

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

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

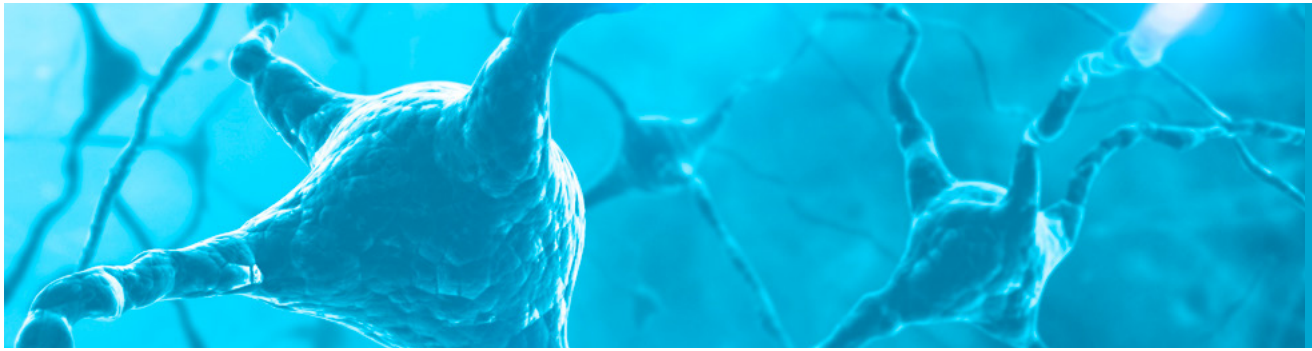
Treatment

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

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

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

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



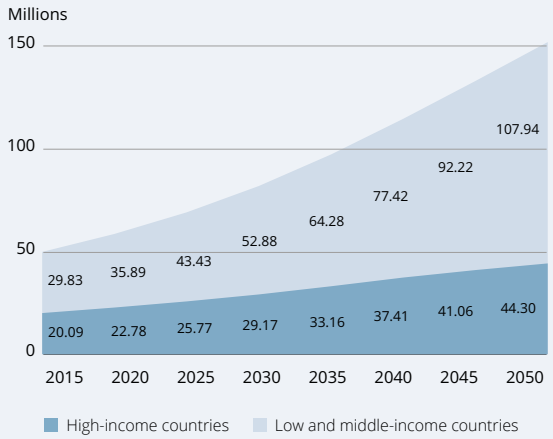
"I am so grateful that AlzeCure is running a project on gamma-secretase modulators (GSMs). There is so much genetic and biochemical data to support this approach, which could be a true primary prevention drug for Alzheimer's.

Henrik Zetterberg, professor at Sahlgrenska University and partner in AlzeCure's Alzstatin GSM project.

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

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

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



Source: World Alzheimer Report 2015, Alzheimer's Disease International.

Other diseases with cognitive dysfunction

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

Sleep apnea

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

Traumatic brain injury (TBI)

Traumatic brain injury (TBI) is caused by external trauma where the nerve cells in the brain are immediately damaged. TBI is a major global health and socioeconomic problem and is a common cause of death, especially among young adults, and can cause lifelong injuries among those who survive. Every year about 10 million people are diagnosed with TBI worldwide. In North America, TBI affects about 1.7 million individuals annually, with total medical costs of more than SEK 600 billion. The global market for treatment of TBI is expected to grow from SEK 970 billion in 2017 to SEK 1,350 billion in 2024. The two most common causes of TBI are traffic accidents and falls. The majority of other causes of cases of TBI are violence or work or sports-related. The increase in TBI is due in part to the increased use of vehicles in low and middle-income countries. TBI has been shown to increase the risk of developing dementia-related diseases, such as Alzheimer's disease and other neurodegenerative diseases, such as Parkinson's disease. Studies show that a person who sustains a TBI is at an approximately 24 percent increased risk of suffering from dementia.

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

Parkinson's disease

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

Common cognitive problems include difficulties with:

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

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

Pain

Pain, both acute and chronic, afflicts millions of people around the world.
A high proportion of primary care physician visits are due to pain-related conditions.

A Swedish survey found that nearly 30% of patients seen by primary care physicians had a pain-related condition, and about half of these cases involved some form of chronic pain[1]. A WHO study involving 15 primary care centers in various regions of the world found that 22% of patients experienced persistent pain[2]. An estimated 25% to 30% of individuals with chronic pain face significant difficulties in areas such as employment, sick leave, healthcare utilization, perceived care needs and daily life. The societal cost of back pain alone in the Netherlands was estimated at 1.7% of gross domestic product (GDP)[3], with similar findings reported in other countries. According to a report by the Swedish Agency on Health Technology Assessment and assessment of Social Services, the total economic cost of severe chronic pain was estimated at SEK 85 billion in 2003[4].

Pain can be categorized in different ways, but one of the most common is nociceptive versus neuropathic pain.

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

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

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

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

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

Prevalence

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

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

Treatment

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

1) Hasselström J, et al. Prevalence of pain in general practice. Eur J Pain 2002; 6:375–385.
2) Gureje O, et al. Persistent pain and well-being: A World Health Organization study in primary care. JAMA 1998; 280: 147–151
3) van Tulder MW, et al. A cost-of-illness study of back pain in the Netherlands. Pain 1995; 62: 233–240
4) SBU report 2006. Methods of treating chronic pain. A systematic review. Stockholm: Swedish Agency on Health Technology Assessment and assessment of Social Services (SBU). SBU report no. 177/1+2. ISBN 91-85413-08-9. www.sbu.se.

Comments on the report

Financial overview

SEK thousand	Jan.–Mar. 2025	Jan.–Mar. 2024	Jan.–Dec. 2024
Net sales	0	0	0
Operating profit/loss	-10,238	-9,998	-36,144
Earnings for the period and comprehensive income	-10,108	-9,804	-35,234
Earnings per share, basic (SEK)	-0.11	-0.16	-0.46
Research expenses as a percentage of operating expenses (%)	65.2	70.1	68.2
Cash flow from operating activities	-10,679	-10,063	-35,123
Total assets	24,718	22,688	34,435
Cash and cash equivalents	20,819	19,037	31,498
Debt/equity ratio (%)	65.0	61.6	76.0
Average number of shares, basic	88,295,200	62,087,012	77,151,550
Average number of employees	11	11	11

See the definitions below.

Revenue and profit/loss

The company had no net sales during the period, which is in line with earlier periods and according to plan.

The operating loss during the first quarter of 2025 was SEK -10,238 thousand (-9,998). The operating loss for full-year 2024 totaled SEK -36,144 thousand (-38,262). The company continued to conduct research in the first quarter of 2025, with steady progress according to plan. Research expenses accounted for 65.2 percent (70.1) of operating expenses during the first quarter. More information about research at AlzeCure can be found in the "Project Portfolio" and "Project Development" sections of this report.

Administrative expenses rose slightly this quarter compared with the same period last year, driven by the company's continued investment in communications and business development – both in Sweden and internationally. Increased interest has also led to more travel. Operating profit/loss is in line with the plan the company had for 2025.

Other operating income for Q1 2025 totaled SEK 191 thousand (5), consisting of exchange rate gains and certain invoiced consulting services.

Other operating expenses mainly consist of exchange rate losses and totaled SEK -51 thousand (-56) for the first quarter.

The company had 11 (11) employees on the closing date.

Earnings per share, basic, totaled SEK -0.11 (-0.16) for the first quarter, and SEK -0.46 (-0.60) for full-year 2024.

Financial position

At the end of the period, equity was SEK 16,077 thousand (13,970) and the debt/equity ratio was 65.0 percent (61.6). Cash and cash equivalents at the end of the period totaled SEK 20,819 thousand (19,037).

The company's available funds and equity as of March 31, 2025 are not deemed to be sufficient to cover the liquidity needed to conduct the identified possible activities for the next 12 months. Financing risk continues to be high as a result of the current financial climate and geopolitical turmoil. The Board of Directors continuously reviews the company's long-term financing to ensure its continued progress. Possible financing opportunities are identified.

At the Annual General Meeting on May 17, 2023, the company launched another incentive program with 500,000 warrants aimed at the company's Chief Executive Officer. For more details, please see "Share-related compensation programs" in the report.

As of the closing date of March 31, 2025, a total of 500,000 warrants were issued. This gives a dilution effect of 0 percent on the closing date.

Cash flow and investments

Cash flow from operating activities including changes in working capital for the first quarter of 2025 totaled SEK -10,679 thousand (-10,063).

Cash flow from investing activities totaled SEK 0 thousand (0) during the first quarter. Historically, the company has mainly invested in laboratory equipment, and this year is no exception.

Cash flow from financing activities also totaled SEK 0 thousand (0) for the first quarter of 2025.

Accounting policies and valuation principles

General information and compliance with IAS 34

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

No expenses during the period have been deemed to meet the requirement for capitalization according to IAS 38. The company's research has not yet advanced far enough for capitalization.

Significant accounting policies and valuation principles

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

Significant estimates and assumptions

When preparing interim reports, the Board and the CEO must, in accordance with the applicable accounting policies and valuation

policies, make certain estimates, assessments and assumptions that affect the recognition and valuation of assets, provisions, liabilities, income and expenses. The outcome may deviate from these estimates and assessments and will very rarely amount to the same sum as the estimated outcome.

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

Key ratios and definitions

Earnings per share: net sales for the period divided by the average number of shares during the period.
Debt/equity ratio: equity, and where applicable untaxed reserves (less deferred tax), in relation to total assets.
Research expenses as a percentage of total operating expenses: research expenses divided by operating expenses, which include research expenses, administrative expenses and other operating expenses. Research expenses include the company's direct expenses relating to research activities such as expenditures for personnel, material and external services.

Significant risks and uncertainties

The company develops drug candidates and activities will always involve regulatory, market and financial risks. Financing risk is deemed to have increased as a result of the current financial climate and geopolitical turmoil. Financing risk refers to the ability to finance projects to the point of commercialization. The company manages this through timely preparations for raising capital. See also the "Going concern" section below. Otherwise, no significant changes regarding those risks and uncertainty factors took place during the period compared with those presented in the most recent annual report.

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

The general economy, both domestically and internationally, will continue to be a challenge for all companies going forward. The company is very cost conscious and continues to focus on prioritizing activities.

Related party transactions

During the second quarter of 2022, a consulting agreement was signed, on arm's-length terms, with the company Tegnér Biotech Consulting AB, which is owned by Board member Ragnar Linder. The agreement covers consulting services related to business development. During the period January to March 2025, the fee for consulting services totaled SEK 0 thousand (9).

Going concern

The company's available funds and equity as of March 31, 2025 are not deemed to be sufficient to cover the liquidity needed to conduct the identified possible activities for the next 12 months. Financing risk continues to be high as a result of the current financial climate and geopolitical turmoil. The Board of Directors continuously reviews the company's long-term financing to ensure its continued progress. As the company is in discussions with several actors about possible licensing and/or cooperation deals, the board makes the assessment that it is valuable to strengthen the cash position in order to have better negotiation space, and in the meantime enable continued development of the company's research portfolio to increase the value and attractiveness of the assets. Consequently, the Board of Directors and the Chief Executive Officer hold the opinion that AlzeCure's financial position needs to be strengthened in order to advance the key projects and thereby generate great shareholder value. A number of financing solutions are identified.

Reconciliation of alternative performance measures

SEK thousand	Jan.–Mar. 2025	Jan.–Mar. 2024	Jan.–Dec. 2024
Research expenses as a percentage of total operating expenses:			
Research expenses	-6,799	-7,012	-24,981
Administrative expenses	-3,579	-2,935	-11,473
Other operating expenses	-51	-56	-153
Total operating expenses	**-10,429**	**-10,003**	**-36,607**
Research expenses as a percentage of total operating expenses:	**65.2%**	**70.1%**	**68.2%**
Debt/equity ratio (%) March 31, 2025:			
Total equity at end of period	16,077	13,970	26,185
Total assets at end of period	24,718	22,688	34,435
Debt/equity ratio (%):	**65.0%**	**61.6%**	**76.0%**

The share, share capital & ownership structure

The share

The share has traded on Nasdaq First North Premier Growth Market under the name ALZCUR since November 28, 2018. Share capital amounts to SEK 2,207,380 and the total number of shares is 88,295,200.

Share-related compensation programs

In 2023, the company provided an incentive program with warrants aimed at the Chief Executive Officer. A total of 500,000 warrants were issued. The warrants, which were issued at the market price based on an external valuation as of May 17, 2023, entitle the holder to subscribe for shares during the period July 1, 2026 – August 1, 2026. The issue price for newly subscribed shares totaled 150 percent of the volume-weighted average closing price for the company's shares on the Nasdaq First North Premier Growth Market during the 10 trading days preceding the Annual General Meeting on Wednesday, May 17, 2023. For more information, see the minutes from the Annual General Meeting.

The total dilutive effect of the incentive program is 0 percent on the closing date.

Financial calendar

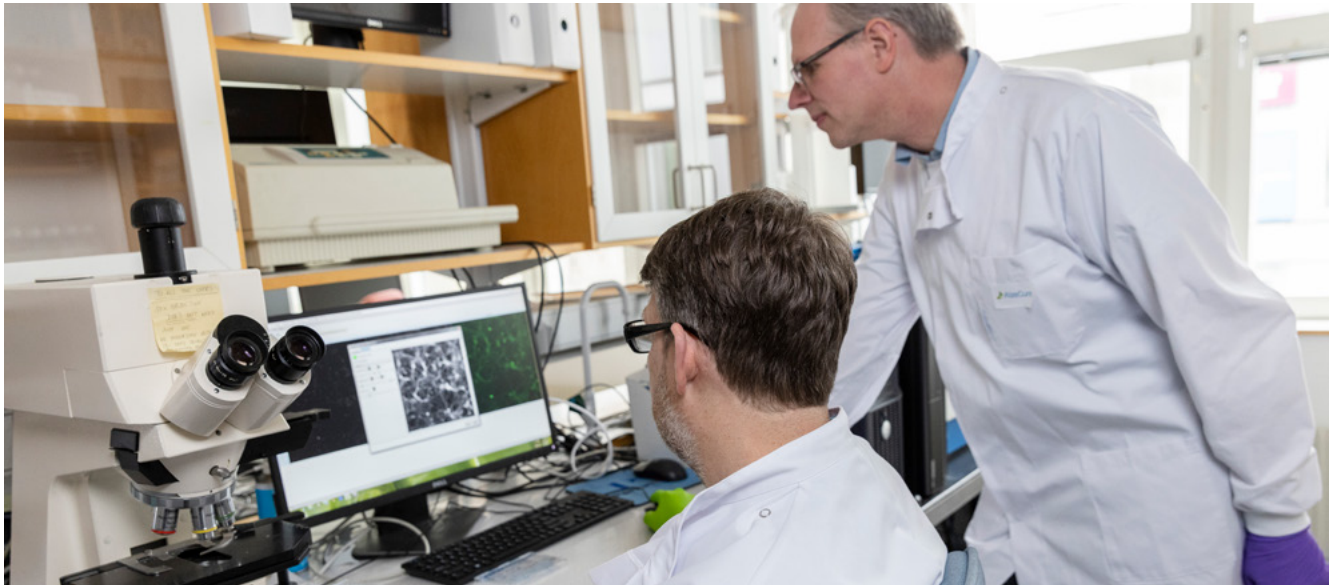
Annual General Meeting	May 14, 2025
Interim report Q2, April–June 2025	August 26, 2025
Interim report Q3, July–September 2025	November 11, 2025

Nomination Committee

AlzeCure Pharma's nomination committee for the 2025 Annual General Meeting was appointed in accordance with the principles adopted by the Annual General Meeting on May 22, 2019 and consists of: William Gunnarsson, appointed by BWG Invest Sàrl, Rolf Karlsson, appointed by FV Group AB, Peter Thelin, appointed by Sjuenda Holding AB and Thomas Pollare (Chairman of the Board).

Owners as of March 31, 2025

The 10 largest owners as of March 31, 2025	Number of shares	Share capital and votes
BWG Invest Sàrl	13,120,942	14.9%
Sjuenda Holding AB	6,999,900	7.9%
FV Group AB	6,600,000	7.5%
SEB-Stiftelsen	3,429,999	3.9%
Avanza Pension	2,699,391	3.1%
Nordnet Pensionsförsäkring AB	2,536,382	2.9%
Thomas Pollare	2,272,126	2.6%
Futur	2,060,496	2.3%
AlzeCure Discovery AB	1,710,000	1.9%
Acturum Life AB	1,478,872	1.7%
10 largest owners	**42,908,108**	**48.6%**
Other	*45,387,093*	*51.4%*
TOTAL	**88,295,200**	**100%**



The Board's assurance

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

Huddinge, Monday, May 05, 2025

Thomas Pollare
Chairman of the Board

Eva Lilienberg
Board member

Ragnar Linder
Board member

Jan Lundberg
Board member

Janet Hoogstraate
Board member

Martin Jönsson
Chief Executive Officer

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

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

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

Income statement and other comprehensive income

SEK thousand	Jan.–Mar. 2025	Jan.–Mar. 2024	Jan.–Dec. 2024
Net sales	0	0	0
Operating expenses			
Research expenses	-6,799	-7,012	-24,981
Administrative expenses	-3,579	-2,935	-11,473
Other operating income	191	5	463
Other operating expenses	-51	-56	-153
Operating profit/loss	**-10,238**	**-9,998**	**-36,144**
Profit/loss from financial items			
Interest income and similar profit/loss items	130	195	929
Interest expenses and similar profit/loss items	0	-1	-19
Loss after financial items	**-10,108**	**-9,804**	**-35,234**
Earnings for the period and comprehensive income	**-10,108**	**-9,804**	**-35,234**
Earnings for the period per share, basic, SEK	-0.11	-0.16	-0.46
Earnings for the period per share, diluted, SEK	-0.11	-0.16	-0.46
Average number of shares, basic	88,295,200	62,087,012	77,151,550
Average number of shares, diluted	88,295,200	62,087,012	77,151,550

Balance sheet

SEK thousand	March 31, 2025	March 31, 2024	December 31, 2024
ASSETS			
Non-current assets			
Intangible fixed assets			
Project rights	17	17	17
Total intangible fixed assets	**17**	**17**	**17**
Tangible fixed assets			
Equipment, tools and installations	164	267	207
Total tangible fixed assets	**164**	**267**	**207**
Total non-current assets	**181**	**284**	**224**
Current assets			
Current receivables			
Trade receivables	43	0	35
Other current receivables	2,142	1,498	1,735
Prepaid expenses and accrued income	1,533	1,869	943
Total current receivables	**3,718**	**3,367**	**2,713**
Cash and bank balances	**20,819**	**19,037**	**31,498**
Total current assets	**24,537**	**22,404**	**34,211**
TOTAL ASSETS	**24,718**	**22,688**	**34,435**

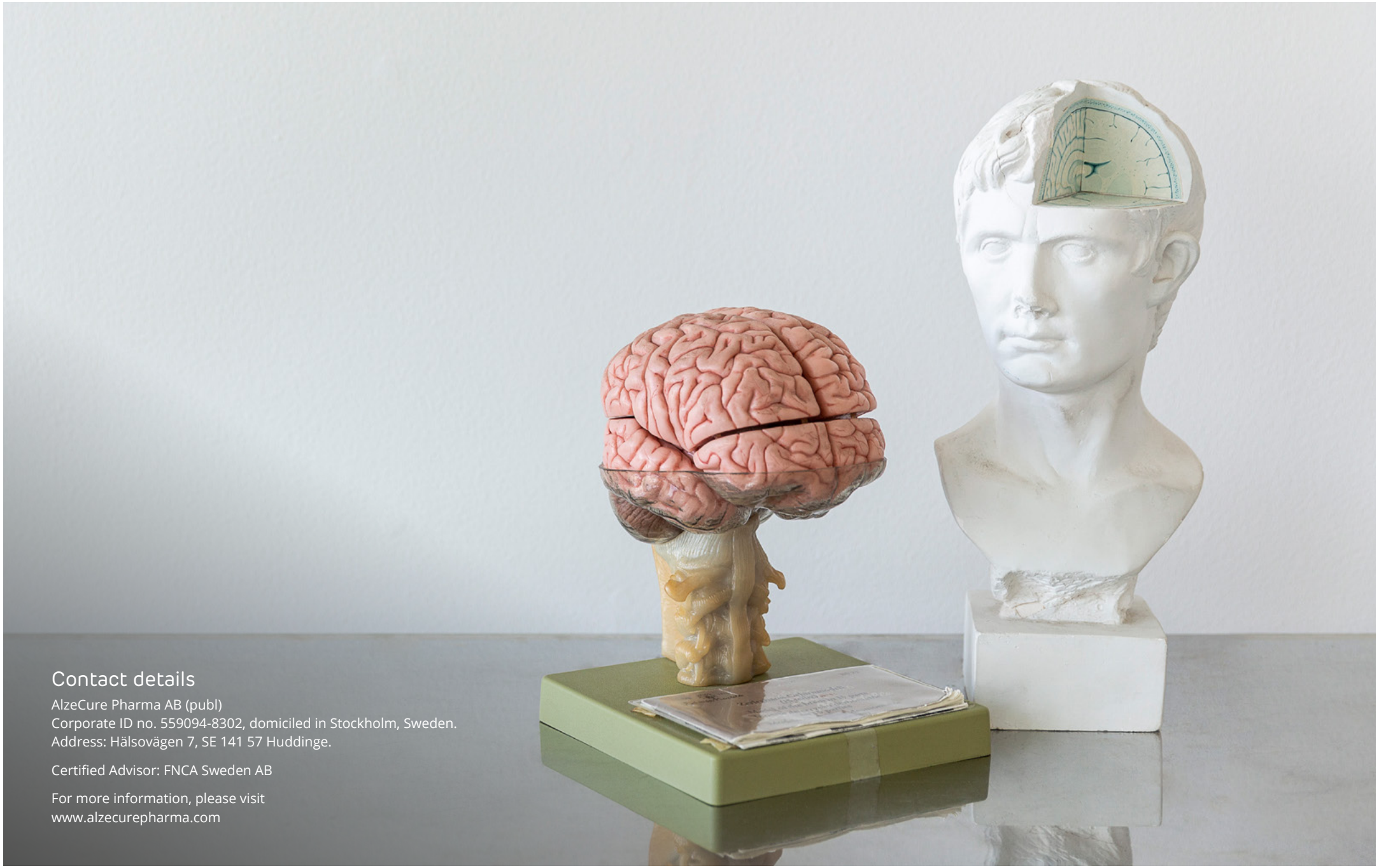
SEK thousand	March 31, 2025	March 31, 2024	December 31, 2024
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	2,207	1,552	2,207
Total restricted equity	**2,207**	**1,552**	**2,207**
Unrestricted equity			
Share premium reserve	399,430	362,440	399,430
Accumulated profit/loss	-375,452	-340,218	-340,218
Profit/loss for the period	-10,108	-9,804	-35,234
Total unrestricted equity	**13,870**	**12,418**	**23,978**
Total equity	**16,077**	**13,970**	**26,185**
Current liabilities			
Trade payables	2,121	3,254	2,685
Other current liabilities	324	552	314
Accrued expenses and deferred income	6,196	4,912	5,251
Total current liabilities	**8,641**	**8,718**	**8,250**
Total liabilities	**8,641**	**8,718**	**8,250**
TOTAL EQUITY AND LIABILITIES	**24,718**	**22,688**	**34,435**

Statement of change in equity

SEK thousand	Share capital	Share premium reserve	Accumulated profit/loss	Profit/loss for the year	Total equity
Opening balance January 1, 2024	**1,552**	**362,440**	**-303,051**	**-37,167**	**23,774**
Appropriation of earnings			-37,167	37,167	0
Rights issue	576	38,596			39,172
Issue expenses		-6,762			-6,762
Directed share issue	24	1,618			1,642
Issue expenses		-11			-11
Directed share issue	55	3,685			3,740
Issue expenses		-136			-136
Earnings for the year and comprehensive income				-35,234	-35,234
Closing balance December 31, 2024	**2,207**	**399,430**	**-340,218**	**-35,234**	**26,185**
Opening balance January 1, 2025	**2,207**	**399,430**	**-340,218**	**-35,234**	**26,185**
Appropriation of earnings			-35,234	35,234	0
Earnings for the period and comprehensive income				-10,108	-10,108
Closing balance March 31, 2025	**2,207**	**399,430**	**-375,452**	**-10,108**	**16,077**

Cash flow statement

SEK thousand	Jan.–Mar. 2025	Jan.–Mar. 2024	Jan.–Dec. 2024
Operating activities			
Operating loss before financial items	-10,238	-9,998	-36,144
Adjustment for items not included in cash flow, etc.			
Depreciation and amortization	43	109	293
Interest received	130	195	929
Interest paid	0	-1	-19
Cash flow from operating activities before changes in working capital	**-10,065**	**-9,695**	**-34,941**
Statement of change in working capital			
Change in trade receivables	-8	0	-35
Change in current receivables	-997	-859	-170
Change in trade payables	-564	567	-2
Change in current operating liabilities	955	-76	25
Net cash flow from operating activities	**-10,679**	**-10,063**	**-35,123**
Investing activities			
Acquisition of tangible fixed assets	0	0	-124
Cash flow from investing activities	**0**	**0**	**-124**
Financing activities			
Issues	0	0	44,554
Issue expenses	0	0	-6,909
Cash flow from financing activities	**0**	**0**	**37,645**
Cash flow for the period	**-10,679**	**-10,063**	**2,398**
Cash and cash equivalents at beginning of period	31,498	29,100	29,100
Cash and cash equivalents at end of period	**20,819**	**19,037**	**31,498**



Contact details

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Certified Advisor: FNCA Sweden AB

For more information, please visit
www.alzecurepharma.com

AlzeCure