Interim Report
January – June 2025

Cinclus Pharma Holding AB (publ)

Q2 2025

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Cinclus Pharma

Financial Summary, April – June 2025

- Net sales amounted to TSEK 34,095 (0).
- Operating profit (EBIT) amounted to TSEK -45,906 (-37,329).
- The result for the period was TSEK -48,450 (-40,330) and earnings (loss) per share before and after dilution were SEK -1.04 (-1.41).
- Total cash flow for the period amounted to TSEK 62,610 (632,323).
- Cash and cash equivalents at the end of the period amounted to TSEK 588,959 (684,720).

Financial Summary, January – June 2025

- Net sales amounted to TSEK 34,095 (0).
- Operating profit (EBIT) amounted to TSEK -93,425 (-73,602).
- The result for the period was TSEK -82,122 (-77,225) and earnings (loss) per share before and after dilution were SEK -2.22 (-2.81).
- Total cash flow for the period amounted to TSEK 20,477 (596,501).
- Cash and cash equivalents at the end of the period amounted to TSEK 588,959 (684,720).

589 MSEK
CASH AND CASH EQUIVALENTS

37
CO-WORKERS [1]

85 % R&D
OF OPERATING EXPENSES [2]

[1] Of which 20 employees and 17 in-house consultants.
[2] Excluding transaction costs related to the Zentiva deal.

General information about the report

The information in this report refers to the Group unless otherwise stated. Comparative figures in brackets refer to the corresponding period of the previous year. Comparative figures in brackets for balance sheet items refer to the end of the previous financial year. This report has not been subject to the auditors review.
The report has been prepared in a Swedish and an English version. In the event of any discrepancies between the versions, the Swedish version will take precedence.

Upcoming information events

November 20 2025	Interim report Q2
February 18 2026	Year-end report 2025
April 16 2026	Annual Report 2025

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The webcast will be held on August 20, 2025 at 10:00 via Inderes. Link to the event:
https://cinclus-pharma.events.inderes.com/q2-report-2025
The report is available on the company's website:
https://cinclupharma.com/investors/financial-reports/interim-reports/

Significant events during the period April – June 2025

- In the second half of May, the company announced that it had entered into a strategic alliance and license agreement with Zentiva, k.s., owned by Advent, for the commercialization and manufacturing of linaprazan glurate in Europe. The total transaction value, including upfront payments as well as regulatory and commercial milestone payments, amounts to a maximum of EUR 220 million. Cinclus Pharma is also entitled to tiered double-digit royalties on net sales in Europe, starting in the high-teens and exceeding 20% at the highest tier levels.
- In June, Cinclus Pharma announced that it had been granted a waiver from the requirement to conduct pediatric studies with linaprazan glurate for the treatment of *H. pylori* infection by both the European Medicines Agency (EMA) and the U.S. Food and Drug Administration (FDA).
- In April, a scientific article was published presenting results from Cinclus Pharma's Phase II study. It shows a high rate of healing among patients with severe reflux disease, thereby supporting the continued development of linaprazan glurate as a unique next-generation treatment for acid-related disorders.
- In early May, the company participated in DDW 2025 (Digestive Disease Week) in San Diego. During the meeting, new data were presented confirming the effective acid-blocking properties of linaprazan glurate, along with promising results for the improved tablet formulation developed for Phase III and future launch.
- At the end of May, Cinclus Pharma was one of the sponsors of a gastroenterology conference organized by GIE, Gatherings in Esophagology, held in France. The theme of the conference was gastroesophageal reflux disease, highlighting the growing scientific interest in the medical indication that Cinclus Pharma is focused on.

Significant events after the end of the period

- No significant events have occurred after the end of the period.

In May 2025, Cinclus Pharma was one of the sponsors of a gastroenterology conference organized by GIE.

Strengthened position for future value creation

Our recently announced partnership with Zentiva k.s. for commercialization and manufacturing in Europe is a strong validation of both our product and strategic direction. This collaboration lays the groundwork for a successful launch in Europe, while also providing us with financial position in pursuing our strategy for the US market. We see significant market potential for linaprazan glurate, with its unique properties addressing unmet medical needs for patients suffering from severe forms of acid-related diseases. We are now looking forward to initiate patient recruitment in our first Phase III trial and to present topline results next year.

A strategic partnership in Europe

The most significant event of the quarter was the agreement with Zentiva, covering both commercialization and manufacturing of linaprazan glurate across Europe. The agreement covers all EEA countries, as well as the UK and Switzerland. The total transaction value, including upfront payments as well as regulatory and commercial milestone payments, amounts to a maximum of EUR 220 million. Cinclus Pharma is also eligible to receive tiered double-digit royalties on net sales in Europe, starting in the high-teens and exceeding 20 percent at the highest tier levels, which is at the higher end of what is typically seen in similar deals. The agreement includes an upfront payment of EUR 13 million[1] upon signing, and an additional EUR 5 million milestone is expected in 2026.

That Zentiva, owned by Advent International -one of the world's largest private equity firms, has decided to invest in linaprazan glurate over existing first-generation PCABs following a thorough due diligence process, is a strong endorsement and a clear validation of our strategy and product. With Zentiva's commercial capabilities, we have established an excellent foundation for a successful market entry in Europe and a competitive manufacturing cost for the product.

Significant financial potential in the US market

Our partnership with Zentiva also reinforces our financial position in pursuing our strategy for the US market, where we retain full commercial rights. The US market is estimated to be five to ten times larger than the European market and a potential future licensing agreement following Phase III results could potentially provide full funding until market approval.

Unique properties for treating severe acid-related conditions

First-generation PCABs are gradually replacing traditional proton pump inhibitors (PPIs) in markets where they've been introduced, particularly in Asia and Latin America – with rapid growth now also evident in the US. Cinclus Pharma is developing a next generation PCAB with unique acid-suppression capabilities,

[1] Amount before withholding taxes.

enabling improved healing and symptom control. This addresses a clear unmet medical need in patients with severe forms of gastroesophageal reflux disease (eGERD), a global market estimated to include around 19 million patients, of which approximately 10 million in Europe and the U.S.

In our Phase II study, we demonstrated that 100 percent of patients who had not achieved complete healing after eight weeks of PPI treatment experienced full healing after just four weeks of treatment with the most effective dose of linaprazan glurate. Among patients with moderate to severe disease, 93 percent achieved healing after four weeks. These results clearly show the superior efficacy of linaprazan glurate compared to current standard treatment with PPIs.

First Phase III trial

We are in the end of our preparations to recruit the first patient in the study in which we aim to confirm that our drug candidate is more effective than PPIs in patients with eGERD. The trial will focus on higher healing rates, faster healing times and improved symptom control. It will be conducted across seven European countries and the US, involving approximately 100 clinical sites and more than 500 patients. We expect to share topline results in 2026.

Pediatric study waiver for *H. pylori* treatment

In addition to treating eGERD, linaprazan glurate has, when combined with antibiotics, the potential for treating infections caused by *Helicobacter pylori*, a common stomach bacterium. During the quarter, Cinclus Pharma was granted waivers from pediatric study requirements for *H. pylori* in both Europe and the US.

Currently, *H. pylori* infections are treated using acid-suppressive therapy in combination with two or three antibiotics. Thanks to its unique acid-control properties, linaprazan glurate has the potential to be at least as effective as current standard treatments, while requiring only a single narrow-spectrum antibiotic, which would reduce antibiotic use and the risk of resistance.

The FDA has confirmed that US data exclusivity would be extended from 5 to 10 years for the *H.pylori* indication. Combined with our strong patents extending into the 2040s, this would further strengthen the product's protection.

Cinclus Pharma retains full global commercial rights for *H. pylori* outside of Asia, as this indication is not included in our agreement with Zentiva.

We look forward to sharing further progress with you in the months ahead.

Christer Ahlberg, President and CEO

About the share

Largest shareholders at the end of the period

Shareholding in the company at the end of the period	Number of shares	Share (%)
Trill Impact Ventures	3,721,221	7.9%
Fjärde AP-fonden	3,700,000	7.8%
Movestic Livförsäkring AB	2,339,052	4.9%
Linc AB	2,318,322	4.9%
Peter Unge via company	2,090,015	4.4%
Kjell Andersson via company	1,908,000	4.0%
Futur Pension Försäkringsaktiebolag	1,796,056	3.8%
Nordnet Pensionsförsäkring	1,771,561	3.7%
Mikael Dahlström estate	1,688,613	3.6%
Nylof Holding AB	1,164,575	2.5%
Lennart Hansson via company	1,084,771	2.3%
Eir Ventures I AB	898,750	1.9%
Cinclus Pharma *	854,430	1.8%
Avanza Pension	804,430	1.7%
Postamentet Holding AB	636,512	1.3%
Fifteen largest shareholders	***26,776,308***	***56.5%***
Others	20,615,911	43.5%
Total	***47,392,219***	***100.0%***

* Refers to C shares which give the right to 1/10 vote.

Share information

	Quarter 2		Quarter 1-2		Year
Share data	2025	2024	2025	2024	2024
Net income, TSEK	−48,450	−40,330	−82,122	−77,225	−168,031
Cash flow for the period, TSEK	62,610	632,323	20,477	596,501	476,833
Number of shares at the beginning of the period	46,537,789	26,227,040	26,227,040	26,227,040	26,227,040
Number of shares at the end of the period	46,537,789	46,537,789	46,537,789	46,537,789	46,537,789
Average number of shares	46,537,789	28,682,185	37,048,341	27,454,613	37,048,341
Number of warrants at the beginning of the period*	1,051,897	1,634,960	1,634,960	1,634,960	1,634,960
Number of warrants at the end of the period*	769,737	941,897	1,051,897	941,897	1,051,897
Average number of warrants*	942,168	1,646,272	1,391,238	1,640,616	1,391,238
Share capital at the end of the period, TSEK	920	903	920	903	920
Equity at the end of the period, TSEK	471,432	637,844	471,432	637,844	555,330
Earnings per share before dilution, SEK	−1.04	−1.41	−2.22	−2.81	−4.54
Earnings per share after dilution, SEK	−1.04	−1.41	−2.22	−2.81	−4.54
Equity per share, SEK	10.13	13.71	10.13	13.71	11.93
Cash flow for the period per share, SEK	1.35	22.05	0.55	21.73	12.87

* Number of warrants is recalculated so that all programs must meet the 1:1 conversion condition

Cinclus Pharma's share (CINPHA) has been listed on Nasdaq Stockholm since June 20, 2024.

The opening price April 1 2025 was SEK 11.50 per share. The closing price on the last trading day in June was SEK 15,88 per share.

The average volume-weighted share price during the second quarter was SEK 15,11 per share. The average volume-weighted share price during the period January to June was SEK 15,68 per share.

The market capitalization on the last trading day in June was 753 MSEK.

The company had 47 392 219 outstanding shares at the end of the period of which 46 537 789 are ordinary shares and 854 430 are C shares which give the right to 1/10 vote of an ordinary share. The C shares is held by Cinclus Pharma Holding (publ).

At the end of the second quarter, the company had approximately 4,500 shareholders.

Trading	Nasdaq Stockholm
Ticker	CINPHA
ISIN	SE0020388577
LEI-code	549300TJBPSNZ3DO6B42
Share price at 2025-06-30	15,88 SEK
Market cap. 2025-06-30	753 MSEK

Description of operations

Cinclus Pharma develops a new drug for patients with severe reflux disease

Cinclus Pharma is developing the drug candidate linaprazan glurate for the treatment of erosive gastroesophageal reflux disease (eGERD), a more severe form of heartburn that causes erosions in the esophagus, with a significant negative impact on quality of life and, if left untreated, may eventually lead to cancer. The compound represents a new class of drugs, Potassium Competitive Acid Blocker (PCAB), which has the potential to replace the current standard treatment with proton pump inhibitors (PPIs), such as Losec and Nexium.

A first generation of PCABs has already been registered and successfully launched in countries such as Japan and the United States, generating strong sales. Linaprazan glurate is the next-generation PCAB with the potential to provide stronger and more sustained acid suppression throughout the day – something that is critical for treating the most severely ill eGERD patients.

The drug is a further development of linaprazan, which was originally developed by AstraZeneca. When Cinclus Pharma was founded in 2014, the company acquired the development and global rights to linaprazan glurate. Several members of the current management team previously worked at AstraZeneca, including on the development and commercialization of Losec and Nexium as well as linaprazan.

Cinclus Pharma has already completed several Phase I clinical trials and a Phase II clinical trial with positive results, and is now preparing for the Phase III program – the final step before potential regulatory approval. The product represents significant market potential, with expected sales exceeding USD 1 billion per year, classifying it as a blockbuster drug.

The company is headquartered in Stockholm, Sweden, with subsidiaries in Sweden and Switzerland. The company's share has been listed on Nasdaq Stockholm since June 2024 under the ticker CINPHA..

Cinclus Pharma in brief

PCAB

Next generation

Excellent acid control with next generation PCAB.

> 3 000

Exposure

More than 3,000 people have been exposed to linaprazan glurate or linaprazan in clinical trials.

Market

Through partnerships, we have obtained marketing authorization in China and out-licensed the European rights for linaprazan glurate.

Component team

Competent team with experience in the development and commercialization of drugs for gastric acid-related diseases.

19 million

Primary target group

19 million people worldwide with severe eGERD could be helped by linaprazan glurate.

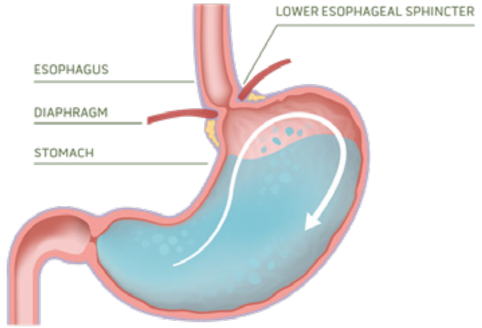
Pediatric study plan

Approval of pediatric study plan from FDA and EMA.

Gastroesophageal Reflux Disease

Target population: 10 million patients in Europe and the US

Cinclus Pharma focuses on the treatment of gastroesophageal reflux disease (GERD), also referred to as esophagitis. GERD is a condition in which stomach acid flows back into the esophagus due to a weakened lower esophageal sphincter (LES), causing heartburn, acid reflux, and erosions of the esophageal lining.

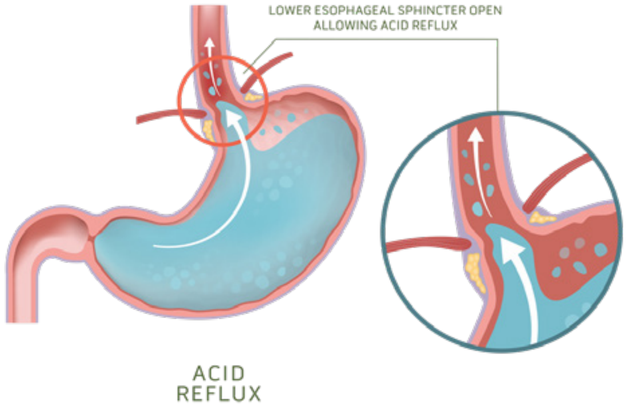


The disease is divided into two main types:

» MIlder symptoms, without visible erosions

» Severe symptoms, where acid exposure leads to mucosal damage

Approximately 130 million adults in the US and Europe suffer from some form of GERD. The most common treatment is proton pump inhibitors (PPIs), but their effect is often insufficient – particularly in patients with more severe symptoms and erosive disease.



Studies show that:

» More than 50 % of patients with severe symptoms are not healed after 8 weeks of PPI treatment

» Nearly half of all patients experience nocturnal symptoms, leading to impaired quality of life

In total, an estimated 19 million patients worldwide seek care for more severe forms of GERD, with approximately 10 million located in Europe and the US[1]. These patients constitute Cinclus Pharma's primary target population.

[1] Source: Apex Market Report 2022-2023

Regulatory and commercial strategy

Significant medical need for improved treatment of acid related diseases

Cinclus Pharma's market research confirms a significant unmet medical need for better treatment options for acid-related reflux diseases. This is supported by the success of the first PCAB drug, vonoprazan, launched in Japan under the brand name Takecab and in the US as Voquezna. Vonoprazan has become the market leader in Japan, with annual sales peaking at close to USD 1 billion[1]. The product has also been launched in South Korea, parts of Asia and South America.

Linaprazan glurate has the potential to deliver faster and more effective acid suppression throughout the day than vonoprazan, other PCABs and traditional proton pump inhibitors. The ambition is for linaprazan glurate to become best-in-class and contribute to a paradigm shift in the treatment of acid-related gastrointestinal diseases.

The next step is to conduct the first study in the Phase III program to document the product's efficacy and safety. The aim is to establish a strong market position for linaprazan glurate, supported by commercial partnerships and an competent internal development organization.

The primary objective is to obtain marketing authorization for the treatment of patients with severe forms of GERD. In the longer term, the company also plans to pursue an additional indication for the treatment of *H. pylori* infection, a common bacterial infection of the stomach.

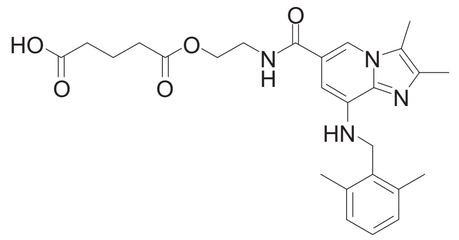
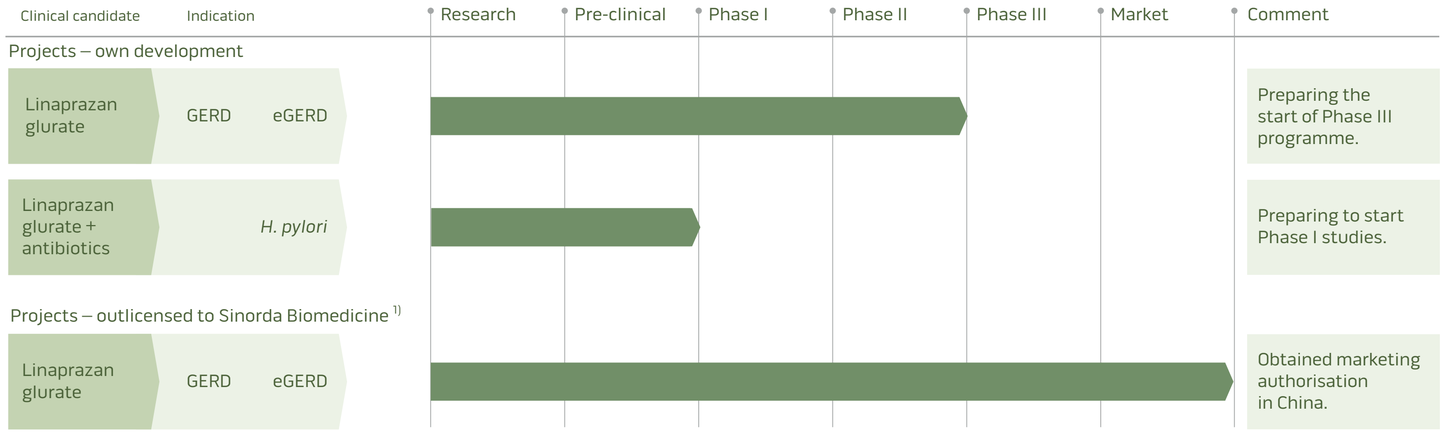


Image of linaprazan glurate constituents of the molecule

[1] Source: IMS Health market data

Product development



1) For the Chineese market.

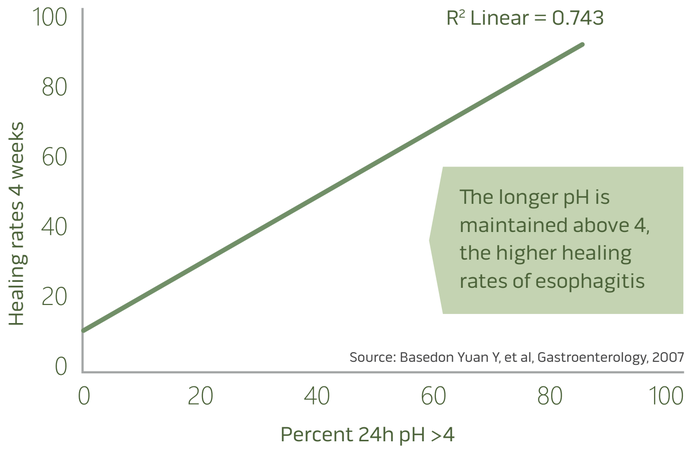
Strong results and low development risk ahead of Phase III studies

Linaprazan glurate has demonstrated strong dose-dependent acid control in several early Phase I studies. Thanks to these results, and the use of a well-established biomarker that provides a strong indication of future clinical outcomes, the development risk is considered lower compared to many other drug candidates at the same stage.

In the company's Phase II study, a healing rate of 93 % for severe erosive esophagitis was achieved in the most effective dose group. This is a very strong result and indicates that the product has the potential to deliver high healing rates also in the upcoming Phase III studies.

The biomarker used shows a clear correlation between intragastric pH and healing of esophageal ulcers. Provided that the ulcers are caused by gastric acid, healing conditions improve when the pH value in the stomach is maintained above 4 over a 24 hour period. In one of the company's Phase I studies, linaprazan glurate was shown to maintain a pH above 4 for 96 % of the day at the intended dose for the upcoming Phase III study. This represents a unique level of acid control and makes the product particularly promising for patients with severe GERD.

24 h acid control is linearly correlated to healing. Mean percentage of time the intragastric pH>4 predicts healing rate.



Clinical Development

Cinclus Pharma has completed a successful Phase II study in Europe and the US involving 248 patients suffering from various forms of reflux disease. The primary objective of the study was to support dose selection for the upcoming Phase III trial. The results showed that the drug is both effective and safe.

Several Phase I studies have also been conducted. The latest study, using the company's new tablet formulation, was presented at the UEGW scientific congress in October 2024 and at DDW in May 2025.

The active substance in linaprazan glurate, linaprazan, has previously been evaluated in 23 Phase I and two Phase II studies with approximately 2,600 patients. In total, linaprazan and linaprazan glurate have been studied in over 3,000 individuals in clinical trials, providing a strong basis for the upcoming Phase III studies.

Following an End-of-Phase II meeting with the FDA in the fourth quarter of 2023, Cinclus Pharma was able to proceed with Phase III study program.

In parallel, the company is planning Phase I and Phase III studies for a new indication: *H. pylori* infection. Both programs are being discussed continuously with regulatory authorities and medical experts.

Preclinical development and CMC

Cinclus Pharma has completed and is finalizing several preclinical studies. In the area of Chemistry, Manufacturing and Controls (CMC), the company has developed a new tablet formulation with improved absorption in the body and lower manufacturing costs compared to the previous version. Through a robust CMC process, the company has paved the way for the tablet to be available for the Phase III trial and for commercial use following launch.

Patent

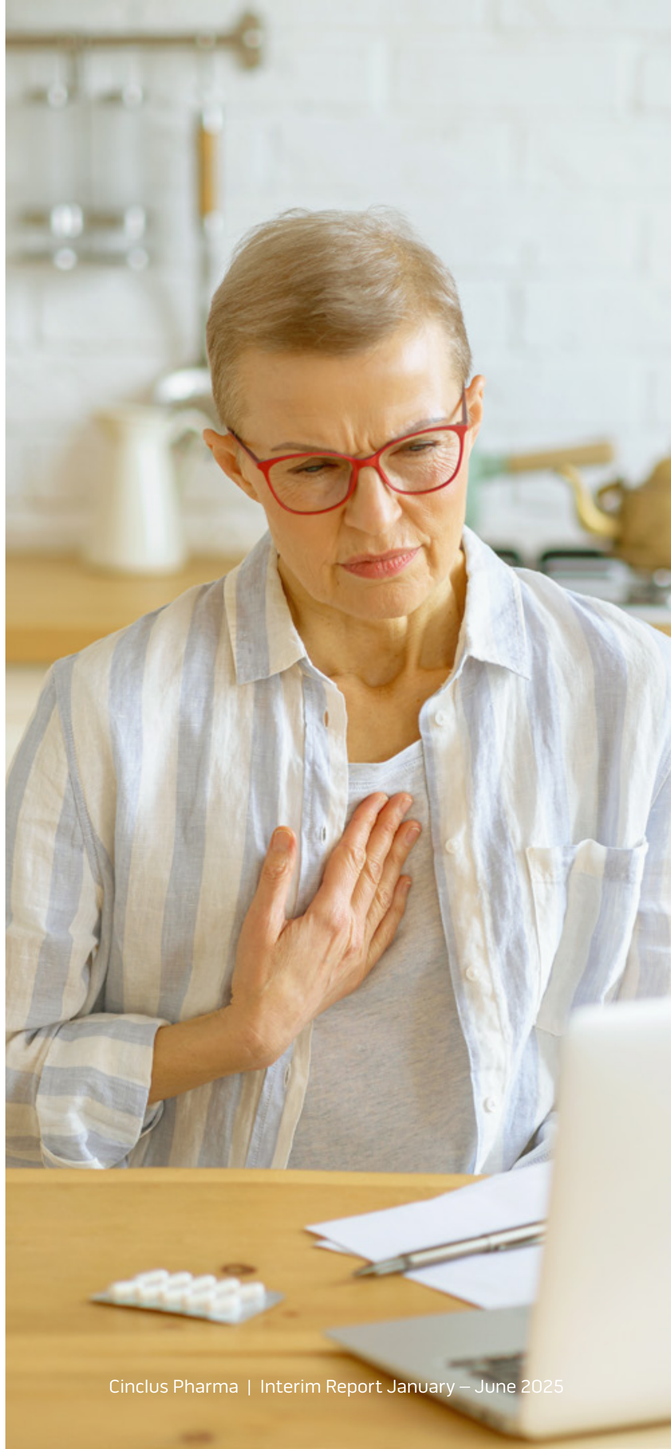
Linaprazan glurate is protected by strong patents. The company has previously received approval for a polymorph patent in the US valid until 2042 and a formulation patent in Europe valid until 2040. In 2024, the company also obtained additional national approvals for the formulation patent in several countries beyond Europe. In addition, multiple new patent applications have been filed, which are expected to be granted in the coming years.

As a complement to patent protection, the company is also working on regulatory data exclusivity, providing strong protection against generic competition during its validity period. In Europe, data exclusivity will extend up to 10–11 years from the date of approval of linaprazan glurate. In the US, five years of regulatory data exclusivity will apply from the date of approval. The FDA has also granted an additional five-year extension in the event that approval is obtained for *H. pylori* as the first indication.

Partnership

In the second quarter of 2025, Cinclus Pharma entered into a strategic partnership and license agreement with Zentiva, owned by Advent, a leading European pharmaceutical company. The agreement covers manufacturing and commercialization of linaprazan glurate in Europe and includes the entire EEA, including the UK and Switzerland. The agreement is valued at up to EUR 220 million, along with significant royalty revenues of approximately 20 percent of net sales.

Cinclus Pharma previously entered into a license agreement with Jiangsu Sinorda Biomedicine Co. Ltd (Sinorda) for the development and commercialization of linaprazan glurate in China and other selected regions in Asia. Sinorda applied for registration of linaprazan glurate in China in the first quarter of 2023, and the drug was approved by the Chinese Medicines Agency in December 2024. The launch is expected to take place in 2026 once pricing has been approved by Chinese authorities.



Financial summary, January – June 2025

	Quarter 2		Quarter 1-2		Year
Financial summary for the group	2025	2024	2025	2024	2024
Net sales, TSEK	34,095	–	34,095	–	4,580
Operating profit (EBIT), TSEK	−45,906	−37,329	−93,425	−73,602	−169,639
Net income, TSEK	−48,450	−40,330	−82,122	−77,225	−168,031
Operating expenses, TSEK	−80,945	−37,502	−127,194	−73,591	−173,511
R&D expenses vs. operating expenses [1], %	86%	56%	85%	70%	79%
Cash flow from operating activities, TSEK	63,941	−21,911	22,148	−57,406	−178,367
Cash and cash equivalents at the end of the period, TSEK	588,959	684,720	588,959	684,720	566,716
Quick ratio, %	775%	1493%	775%	1493%	1320%
Equity, TSEK	471,432	637,844	471,432	637,844	555,330
Equity ratio, %	76%	92%	76%	92%	92%
Average number of employees during the period	18	12	13	12	13
Average number of shares, before dilution	46,537,789	28,682,185	37,048,341	27,454,613	37,048,341
Average number of shares, diluted	46,561,439	28,682,185	37,060,299	27,454,613	37,060,299
Number of shares at the end of the period, before dilution	46,537,789	46,537,789	46,537,789	46,537,789	46,537,789
Number of shares at the end of the period, diluted	46,561,439	46,537,789	46,561,439	46,537,789	46,561,439
Earnings per share, before dilution [2], SEK	−1.04	−1.41	−2.22	−2.81	−4.54
Earnings per share, diluted 2), SEK	−1.04	−1.41	−2.22	−2.81	−4.54

[1] Transaction costs are exluded from operating expenses.
[2] The period's earnings per share before and after dilution are defined in IFRS. Other key figures in the above table are alternative key figures and thus not defined in IFRS, see further section for definitions and reconciliation of key figures and alternative key figures later in this report.

Net sales

Net sales amounted to TSEK 34,095 (0) during the quarter and to TSEK 34,095 (0) for the period January-June. The revenue consists of licensing revenue from the partnership with Zentiva for commercialization of linaprazan glurante in Europe.

Operating expenses

Research and development expenses

Research and development (R&D) expenses during the quarter amounted to TSEK -53,739 (-20,814), which correspond to an increas of TSEK 32,925 or 158 %. For the interim period the R&D expenses amounted to TSEK -92,176 (-51,316), corresponding to an increase of TSEK 40 859 or 80 %. The majority of research and development costs related to preparations for the Phase III study, while the corresponding period last year consisted of costs for completing the Phase II clinical study and costs for Phase I studies. Research and development personnel have been increased, which also affected the cost increase.

Administrative expenses

The administrative expenses amounted to TSEK -27,206 (-16, 687) for the quarter, which correspond to an increase of TSEK 10,518 or 63 %. For the interim period the administrative expenses amounted to TSEK -35,018 (-22,275), an increase of TSEK 12,743 or 57 %. The increased expenses are largely due to transaction costs from the partnership with Zentiva.

Other operating income and expenseses

Other operating income and expenses amounted to net TSEK 944 (173) during the quarter, corresponding to a change of TSEK 771. For the interim perid other operating income and expense amounted to net TSEK -326 (-11), a change of TSEK 315. Other operating income and expenses consist of realized and unrealized exchange rate effects on operating receivables and liabilities.

Operating income (EBIT)

The Group's operating income for the quarter amounted to TSEK -45,906 (-37,329), corresponding to a change of TSEK -8,577. For the interim period the operating income amounted to TSEK -93,425 (-73,602), corresponding to a change of TSEK -19,823.

Financial items

Financial income and expenses (net finacial income/expense) amounted to TSEK -2,424 (-2,762) during the quarter, which was TSEK 337 better than previous year. For the interim period the financial income and expenses amounted to TSEK 11,496 (-3,167), which was TSEK 14,663 better than previous year. The positive net financial income for the interim period is due to the strong exchange rate development of the Swedish krona and interest income on bank funds.

Income tax

The Group recognized a tax expense of TSEK -120 (-239) during the quarter. For the interim period the tax expense amounted to TSEK -193 (-456). The tax consist of Swiss federal and cantonal tax.

Net income

The Group reported net income after tax of TSEK -48,450 (-40,330) for the quarter. This corresponded to a change of TSEK -8,120. For the interim period, net income after tax amounted to TSEK -82,122 (-77,225), a change of TSEK -4 897.

Equity and indebtedness

Equity in the Group as of June 30, 2025 amounted to TSEK 471,432 compared to TSEK 555,330 at the end of year 2024, a decrease of TSEK 83,898.

Non-current liabilities at the end of the peroid amounted to TSEK 70,581 (190) and consist mainly of other non-current contractual liabilities, attributed to the out-licensing of the commercial rights to Zentiva

Current liabilities in the Group at the end of the period amounted to TSEK 80,172 (45,493), an increase of TSEK 34,679. The increase is mainly attributed to other current contractual liabilities amounted to TSEK 29,800 (0) which was added during the quarter due to the out-licensing of commercial rights to Zentiva. Furthermore, current liabilities consisted of trade payables of TSEK 10,491 (18,928), lease liabilities of TSEK 113 (109), tax liabilities of TSEK 6,989 (7,449), other liabilities of TSEK 2,730 (2,107) and accrued expenses of 30,049 (16,899). The increase of accrued expenses concern manufacturing of study materials and CRO expenses for the clinical phase III trial, which had not yet been invoiced at the end of the quarter.

Liquid funds and cash flow

Cash and cash equivalents at the end of the period amounted to TSEK 588,959 (566,716), an increase of TSEK 22,242 compared to the end of 2024. During the period, the company received an advance payment of approximately MSEK 143 before transaction costs and tax from Zentiva for the commercial rights to the European market.

Cash flow from operating activities before change in working capital was TSEK -42,378 (-36,222) for the quarter and TSEK -88,455 (-71,585) for the interim period.

Cash flow from operating activities including change in working capital amounted to TSEK 63,941 (-21,911) for the quarter and TSEK 22,148 (-57,406) for the interim period.

Cash flow from investing activities amounted to TSEKl -295 (0) for the quarter and TSEK -295 (0) för for the interim period attributed to deposit for rent premises.

Cash flow from financing activities amounted to TSEK -1,036 (-654,233) for the quarter and TSEK -1,376 (653,907) consisting of amortization o lease liabilities.

The total cash flow for the quarter amounted to TSEK 62,610 (632,323) and for the interim period TSEK 20,477 (596,501).

Financing

Following the IPO on June 20, 2024 and the new share issue that was carried out including the partnership with Zentiva which was communicated in May 2025, the Company estimates as of June 30, 2025 that the current working capital is sufficient to the read out of the first Phase III program, which is expected during 2026. The Company will continue to work on the financing strategy, which includes evaluating partners, lenders or other financing opportunities in order to accelerate the Phase III eGERD program.

Parent company

Cinclus Pharma Holding AB (publ), reg.no. 559136–8765, is the parent company of the Group. The business consists of work with pre-clinical and clinical development, marketing, administrative and corporate management functions. The parent company has two wholly owned subsidiaries, one in Switzerland and one in Sweden, which together form the Group.

The total revenues of the parent company amounted to TSEK 40,892 (291) for the quarter and TSEK 40,936 (390) for the interim period. Operating income for the quarter amounted to TSEK -45,436 (-37,121) and TSEK -91,708 (-73,418) for the interim period.

Net financial income/expense for the quarter amounted to TSEK -3,232 (-3,703) and for the interim period TSEK 9,495 (-5,332). The positive net financial income for the interim period is due to interest income on bank funds and the development of the swedish krona.

Net income for the quarter amounted to TSEK -48,669 (-40,823) and TSEK -82,213 (-78,750) for the interim period.

With the transfer of patents and IP rights to the parent company from the swiss subsidiary as of January 1, 2022, the parent company recognizes an intangible asset of TSEK 320,463 (320,463).

Cash and cash equivalents at the end of the period amounted to TSEK 582,027 compared to TSEK 559,632 at the end of previous year. An increase of TSEK 22,395.

Total Equity in the parent company as of June 30, 2025 amounted to TSEK 715,093 compared to TSEK 795,718 at the end of 2024, corresponding to a decrease of 80,625. Share capital amounted to TSEK 920 (920). The company had on the balance sheet day, June 30, 46,537,789 ordinary shares and 854,430 C-shares.

Current liabilities in the parent company amounted to TSEK 204,337 (204,977) a decrease of TSEK 641.

Other information

Personnel

At the end of the quarter, the number of employees was 20, compared to 13 in the same period previous year. The average number of employees during the quarter was 19, compared to 12 employees in the same period last year. All employees are employed by the parent company. In addition, at the end of the period, the company had 17 consultants attached to the company

Risks

As the company is dependent on additional financing to continue the development of linaprazan glurate in the long term, the refinancing risk is described below. For other risks, reference is made to the description of the Group's significant financial and business risks in the Directors' Report and Note 19 in the Annual report for 2024

Refinancing risk

Refinancing risk refers to the risk that cash and cash equivalents are not available and that financing can only be obtained partially or not at all, or at an increased cost. The Group is currently financed with equity, and the refinancing risk has been significantly reduced in view of the new share issue that took place in connection with the listing of the company's share on Nasdaq Stockholm on June 20, 2024 and the out-licensing of the European commercial rights to Zentiva. In the longer term, the Group is in need of more extensive financing to be able to conduct and implement a second Phase III study and registration of the eGERD indication. Additional funding is also required should the Group choose to conduct study programs and registration of other indications such as *Helicobacter Pylori*. The Group cannot therefore exclude being exposed to e. g. risks related to external loan financing in the future.

Consolidated income statement in summary

(TSEK)	Note	Quarter 2 2025	Quarter 2 2024	Quarter 1-2 2025	Quarter 1-2 2024	Year 2024
Revenues						
Net sales	4	34,095	–	34,095	–	4,580
Operating expenses						
Administrative expenses		−27,206	−16,687	−35,018	−22,275	−36,854
Research and development expenses		−53,739	−20,814	−92,176	−51,316	−136,657
Other operating income and expenses		944	173	−326	−11	−707
Operating income		**−45,906**	**−37,329**	**−93,425**	**−73,602**	**−169,639**
Net financial income/expense		−2,424	−2,762	11,496	−3,167	2,359
Income before tax		**−48,330**	**−40,091**	**−81,929**	**−76,769**	**−167,281**
Income tax	5	−120	−239	−193	−456	−750
Net income for the period attibutable to parent company shareholders		**−48,450**	**−40,330**	**−82,122**	**−77,225**	**−168,031**
Earnings per share, calculated on earnings attributable to the parent company ordinary shareholders (SEK):						
Before dilution		−1.04	−1.41	−2.22	−2.81	−4.54
Diluted		−1.04	−1.41	−2.22	−2.81	−4.54

Consolidated statement of comprehensive income in summary

(TSEK)	Note	Quarter 2 2025	Quarter 2 2024	Quarter 1-2 2025	Quarter 1-2 2024	Year 2024
Net income for the period		**−48,450**	**−40,330**	**−82,122**	**−77,225**	**−168,031**
Other comprehensive income						
Items that can later be reclassified to the income statement:						
Translation differences from operations abroad		7,463	−135	-3,364	-2,582	2,664
Other comprehensive income, net after tax		**7,463**	**−135**	**−3,364**	**−2,582**	**2,664**
Comprehensive income for the period		**−40,987**	**−40,465**	**−85,486**	**−79,807**	**−165,367**
Comprehensive income for the period as a whole attributable to the parent company shareholders		**−40,987**	**−40,465**	**−85,486**	**−79,807**	**−165,367**

Consolidated statement of financial position in summary

(TSEK)	Note	30/06/2025	30/06/2024	31/12/2024
ASSETS				
Property, plant and equipment				
Inventories		33	58	44
Right-of-use assets		359	878	500
Financial assets				
Other non-current assets		296	1	1
Total fixed assets		**688**	**937**	**546**
Other receivables		2,031	3,332	1,942
Prepaid expenses and accrued income		30,507	1,848	31,808
Cash and cash equivalents		588,959	684,720	566,716
Total current assets		**621,497**	**689,899**	**600,467**
TOTAL ASSETS		**622,185**	**690,836**	**601,013**

(TSEK)	Note	30/06/2025	30/06/2024	31/12/2024
EQUITY ALD LIABILITIES				
Equity				
Share capital		920	903	920
Other contributed capital		1,297,740	1,296,372	1,297,740
Translation difference		25,302	23,421	28,667
Retained earnings including profit for the period		−852,531	−682,853	−771,997
Equity attributable to the parent company shareholders		**471,432**	**637,844**	**555,330**
Non-current liabilities				
Lease liabilities, long-term		132	–	190
Non-current tax liabilities	5	–	6,769	–
Other non-current contract liabilities	6	70,448	-	–
Total non-current liabilities		**70,581**	**6,769**	**190**
Current liabilities				
Trade payables		10,491	6,797	18,928
Lease liabilities, short-term		113	540	109
Current tax liabilities	5	6,989	7,466	7,449
Other liabilities		2,730	2,319	2,107
Other contract liabilities	6	29,800	–	–
Accrued expenses		30,049	29,100	16,899
Total current liabilities		**80,172**	**46,223**	**45,493**
Total liabilities		**150,753**	**52,992**	**45,683**
TOTAL EQUITY AND LIABILITIES		**622,185**	**690,836**	**601,013**

Consolidated statement of changes in equity in summary

	Equity attributable to parent company's shareholders				
(TSEK)	Share capital	Other equity	Translation difference	Retained earnings including profit for the year	Total
Opening balance January 1, 2025	**920**	**1,297,740**	**28,667**	**–771,997**	**555,330**
Profit for the period	–	–	–	–82,122	–82,122
Other comprehensive income for the period	–	–	–3,364	–	–3,364
Comprehensive income for the period	**–**	**–**	**–3,364**	**–82,122**	**–85,486**
Transactions with the Group's owners					
New issue of shares	–	–	–	–	–
Issue expenses	–	–	–	–	–
Offset issue	–	–	–	–	–
Share-related remuneration, staff vested value	–	–	–	1,588	1,588
Total transactions with the Group's owners	**–**	**–**	**–**	**1,588**	**1,588**
Closing balance June 30, 2025	**920**	**1,297,740**	**25,302**	**–852,531**	**471,432**

	Equity attributable to parent company's shareholders				
(TSEK)	Share capital	Other equity	Translation difference	Retained earnings including profit for the year	Total
Opening balance January 1, 2024	509	503,524	26,004	–606,837	–76,801
Profit for the period	–	–	–	–77,225	–77,225
Other comprehensive income for the period	–	–	–2,582	–	–2,582
Comprehensive income for the period	**–**	**–**	**–2,582**	**–77,225**	**–79,807**
Transactions with the Group's owners					
New issue of shares	330	714,670	–	–	715,000
Issue expenses	–	–59,809	–	–	–59,809
Offset issue	64	137,988	–	–	138,051
Share-related remuneration, staff vested value	–	–	–	1,209	1,209
Total transactions with the Group's owners	**394**	**792,848**	**–**	**1,209**	**794,451**
Closing balance June 30, 2024	**903**	**1,296,373**	**23,422**	**–682,853**	**637,844**

Consolidated statment of cash flow in summary

(TSEK)	Note	Quarter 1 2025	Quarter 1 2024	Quarter 1-2 2025	Quarter 1-2 2024	Year 2024
Operating activities						
Operating income		−45,906	−37,329	−93,425	−73,602	−169,639
Adjustments for items not included in the cash flow						
Depreciations		366	346	814	692	1,338
Exchange rate differences		3	0	12	0	−251
Share-based remuneration		794	600	1,588	1,209	2,870
Interest received		2,699	170	3,158	231	11,271
Interest paid		−52	−9	−107	−113	−349
Taxes paid		−282	–	−497	–	−7,437
Cash flow from operating activities before change in working capital		**−42,378**	**−36,222**	**−88,455**	**−71,585**	**−162,195**
Cash flow from change in working capital						
Increase(-)/Decrease (+) of operating receivables		−500	786	5,144	2,424	−27,512
Increase(+)/Decrease (-) of account payables		−3,899	−4,861	−8,437	−9,650	2,480
Increase (+) /Decrease (-) of contract liabilities		100,248	–	100,248	–	–
Increase(+)/Decrease (-) of other operating liabilities		10,470	18,387	13,648	21,405	8,860
Cash flow from operating activities		**63,941**	**−21,911**	**22,148**	**−57,406**	**−178,367**
Investing activities						
Deposit for rental premises		−295	–	−295	–	–
Cash flow from investing activities		−295	–	−295	–	–
Financing activities						
New share issue		–	715,000	–	715,000	715,000
Issue expenses		–	−59,809	–	−59,809	−58,424
Loan from shareholders		–	–	–	–	–
Amortisation of lease liabilities		−1,036	−958	−1,376	−1,284	−1,376
Cash flow from financing activities		**−1,036**	**654,233**	**−1,376**	**653,907**	**655,200**
Cash flow for the period		**62,610**	**632,323**	**20,477**	**596,501**	**476,833**
Cash and cash equivalents at the beginning of the period		**523,899**	**52,468**	**566,716**	**87,972**	**87,972**
Exchange rate differences in cash and cash equivalents		2,449	−71	1,765	247	1,911
Cash and cash equivalents at the end of the period		**588,959**	**684,720**	**588,959**	**684,720**	**566,716**

Parent company income statement in summary

		Quarter 2		Quarter 1-2		Year
(TSEK)	Note	2025	2024	2025	2024	2024
Revenues	4					
Net sales		40,892	291	40,936	390	1,376
Operating expenses						
Administrative expenses		−33,098	−17,421	−40,831	−23,780	−38,301
Research and development expenses		−54,367	−20,164	−92,126	−50,017	−135,313
Other operating income and expenses		1,136	173	314	−11	−737
Operating income		**−45,436**	**−37,121**	**−91,708**	**−73,418**	**−172,975**
Net financial income/expense		−3,232	−3,703	9,495	−5,332	−1,318
Income after financial items		**−48,669**	**−40,823**	**−82,213**	**−78,750**	**−174,292**
Group contribution		–	–	–	–	4,292
Income before tax		**−48,669**	**−40,823**	**−82,213**	**−78,750**	**−170,000**
Corporate tax		–	–	–	–	–
Net income for the period		**−48,669**	**−40,823**	**−82,213**	**−78,750**	**−170,000**

In the parent company, there are no items that are reported as other comprehensive income, which is why the total comprehensive income for the period corresponds to the period's result.

Parent company balance sheet in summary

(TSEK)	Note	2025-06-30	2024-06-30	2024-12-31
ASSETS				
Intangible assets				
Concessions, patents, licenses, etc.		320,463	320,463	320,463
Property, plant and equipment				
Inventories		33	58	44
Financial assets				
Shares in group companies		88,543	88,543	88,543
Other non-current assets		295	–	–
Total fixed assets		**409,333**	**409,064**	**409,050**
Current assets				
Receivables in group companies		–	–	3,585
Prepaid expenses and accrued income		1,988	3,328	1,932
Other current receivables		26,330	2,090	26,496
Cash and cash equivalents		582,027	679,202	559,632
Total current assets		**610,345**	**684,621**	**591,645**
TOTAL ASSETS		**1,019,678**	**1,093,684**	**1,000,695**

(TSEK)	Note	2025-06-30	2024-06-30	2024-12-31
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		920	903	920
Non restricted equity				
Share premium fund		1,297,509	1,296,141	1,297,509
Retained earnings		−501,122	−334,372	−332,710
Profit or loss for the period		−82,213	−78,750	−170,000
Equity attributable to the parent company's shareholders		**715,093**	**883,922**	**795,718**
Non-current liabilities				
Other non-current contract liabilities	6	70,448	–	–
Total non-current liabilities		**70,448**	**–**	**–**
Current liabilites				
Trade payables		10,453	6,525	18,924
Liabilities to group companies		166,708	170,260	167,730
Other liabilities		2,730	2,231	2,107
Other contract liabilities	6	29,800	–	–
Accrued expenses		24,445	30,746	16,216
Total current liabilities		**234,136**	**209,763**	**204,977**
Total liabilities		**304,585**	**209,763**	**204,977**
TOTAL EQUITY AND LIABILITIES		**1,019,678**	**1,093,684**	**1,000,695**

Notes to the financial information

Note 1 General inforamtion

Cinclus Pharma Holding AB (publ), (hereafter Cinclus Pharma) corporate registration number 559136–8765 is a limited company registrered in Sweden with its registered office in Stockholm. The address of the head office is Kungsbron 1, 111 22 Stockholm, Sweden. The company is listed on Nasdaq Stockholm since June 20, 2024 and the object of the company's operations is to develop and commercialize pharmaceuticals. Cinclus Pharma Holding AB (publ) is the parent company in the Group Cinclus Pharma, which consists of the parent company and its two subsidiaries (hereafter the Group). Unless otherwise specifically stated, all amounts are reported in thousands of kronor (TSEK). All amounts are, unless otherwise stated, rounded to the nearest thousand. Figures in parentheses refer to the comparison period.

For the Group's financial assets and liabilities, their reported value is deemed to be a reasonable estimate of the fair value as they essentially refer to short-term receivables and liabilities, whereby the discounting effect is immaterial.

Note 2 Accounting principles

The most important accounting principles applied when these consolidated accounts have been prepared are stated below. These principles have been applied consistently for all periods presented, unless otherwise stated. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act (1995:1554), RFR 1 Supplementary accounting rules for groups, and the International Financial Reporting Standards (IFRS) and interpretations from IFRS Interpretations Committee (IFRS IC) as established by the European Union. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The parent company interim report has been prepared in accordance with the Annual Accounts Act and Swedish Corporate Reporting Board recommendation RFR 2.

Applied accounting principles and explanations for these can be found and are consistent with those described in the 2024 annual report for the Group. The revenue principles have been extended to also include the out-licensing of the commercial rights for the European market to Zentiva.

Where revenue arises from the licensing of the Group's own intellectual property, the licences are rights to use intellectual property which do not change during the period of the licence. Revenue from licenses is recognised at the point the licence is granted. Where the Group provides development services, revenue in respect of this performance obligation is recognised over the duration of those services. Revenue is recognised based on the value to the customer of the services transferred to date using an output method of milestones reached.

In cases where the transaction has two or more performance obligations, e.g. both a license and development services, the transaction price is allocated to performance obligations on the basis of the standalone selling price of each performance obligation. However, where there is a licence of intellectual property, it is not always possible to establish a reliable estimate of the standalone selling price of the licence. In these situations, the residual approach is used to determine the consideration attributable to the licence.

Payments from out-licences and development services may take the form of upfront fees, milestones and royalties. Sales- or usage-based royalties received in exchange for licenses of intellectual property are not included in the transaction price until the customer makes the relevant sales or usage, regardless of whether or not the Group has predictive experience with similar arrangements. Other variable considerations, such as milestone payments are recognised when it is highly probable there will not be a significant reversal of cumulative income. If there is significant uncertainty over whether it is highly probable that there would not be a significant reversal of revenue in respect of specific milestones, the Group does not consider that the threshold for recognition is met until that specific milestone is met.

Judgements and estimates

To prepare reports in accordance with IFRS requires the use of some important estimates for accounting purposes. Furthermore, management is required to make certain judgments when applying the Group's accounting principles. The areas that include a high degree of assessment that are complex or such areas where assumptions and estimates are of significant importance for the consolidated accounts, have been reported in the Group's annual report for 2024.

Going concern principle

This interim report has been prepared with the assumption that the company has the ability to continue as a going concern for the next 12 months in line with the going concern principle. See further sections on financing, risks and risk management and note 3.

Note 3 Risks and risk management

Cinclus Pharma's operations, results and position are affected by a number of risk factors that are described in detail in the company's prospectus prepared in connection with the listing of the company's share on Nasdaq Stockholm on June 20, 2024 but also in the annual report for 2024.

The risks and associated risk management considered in the preparation of this interim report apply to all periods and are consistent with what is presented in the risk factors section in the annual report for 2024. With the new share issue in connection with the listing of the company's shares on Nasdaq Stockholm and the partnership with Zentiva, the refinancing risk has been reduced.

Refinancing risk refers to the risk that liquid funds are not available, and that financing can only be obtained partially or not at all, alternatively at an increased cost. The Group is currently financed with equity. In the longer term, the Group is in need of more extensive financing. Partly to be able to conduct a second eGERD Phase III study with subsequent registration of the indication eGERD, but also when initiating new study programs for other indications such as *Helicobacter Pylori*. It can not therefore be ruled out that the Group will be exposed to risks related to for example external loan financing.

Note 4 Net sales

Net sales are partly based on the license agreement with Zentiva k.s, an European pharmaceutical company, regarding the commercial rights of linaprazan glurate in Europe. The agreement with Zentiva includes an upfront payment, regulatory and commercial milestone payments, sales milestones and royalties on Zentiva's future product sales revenue of linaprazan glurate. For the quarter and interim period, the revenue relates to parts of the upfront payment Cinclus received upon signing of the agreement with Zentiva. The upfront payment has been allocated over the estimated period of time that the Phase III program runs.

Net sales are also based on the agreement between Cinclus Pharma and its Chinese partner Sinorda Biomedicine. The income refers to royalties on license revenues that Sinorda Biomedicine has received from out-licensing to its partner in China, SPH Sine, a subsidiary of Shanghai Pharmaceuticals.

Note 5 Income tax

As of 1 January 2022, an agreement was entered into between Cinclus Pharma Holding AB (publ) and the wholly owned subsidiary Cinclus Pharma AG, entailing that IP rights were transferred to the parent company. As a result of this transfer, a capital gain has arisen in the subsidiary, during the first quarter 2022, and thus a tax expense and a tax liability. The settlement that has been reached with the Swiss tax authority means that the tax liability may be paid in three equal parts, in 2023, 2024 and 2025. As of the balance date of June 30, this liability amounted to a total of TSEK 6,989 (7,449), after the two payments was made in December 2023 and 2024. The liability runs with an interest that is determined annually by the Swiss tax authority. The liability can be paid off in part or in full at any time. This tax liability is a fixed liability. A deferred tax asset has not been accounted for in the parent company as it is not considered to be a balance sheet item since there is still uncertainty about future taxable profits.

Note 6 Contract liabilities

On 21 May 2025, Cinclus Pharma Holding AB (publ) and Zentiva k.s. entered into a license agreement. The agreement includes, among other things, that Cinclus shall grant a license for linaprazan glurate to Zentiva and that Cinclus shall complete two clinical studies. In connection with the signing of the agreement, Cinclus received an upfront payment from Zentiva of MEUR 13. In accordance with IFRS15, a portion of this upfront payment has been recognized as revenue as of 30 June 2025. The remaining portion is recognized as revenue over the estimated time of the clinical studies and is reported in the balance sheet as a current and non-current contract liability. As of 30 June 2025, long-term contract liabilities amount to TSEK 70,448 and short-term contract liabilities amount to TSEK 29,800.

Note 7 Incentive programs

The summary table below shows the current programs as of the balance sheet date:

Option programs

Program	Opening balance Jan 2025	Allocated options	Expired options	Closing balance Jun 2025	Terms	Corresponding number of shares	Exercise price/ option (SEK) *
Warrants 2022/2025 series 1	3,500	–	–3,500	–	1:80	–	85.00
Warrants 2022/2025 series 2	27	–	–27	–	1:80	–	85.00
Warrants 2022/2025 series 3	900	–	–	900	1:80	72,000	94.65
QESO 2022	4,450	–	–	4,450	1:80	356,000	47.33
QESO 2024	51,737	–	–	51,737	1:1	51,737	47.33
ESOP 2024/2027 series 1	290,000	–	–	290,000	1:1	290,000	54.60
Total						**769,737**	

* The exercise prise is recalculated in accordance with the split of the company's shares, which was resolved upon the extraordinary general meeting on 29 May 2023.

QESO = Qualified Employee Stock Options
ESOP = Emloyee Stock Option Program

Performance share program

		Employees per category and series		Investment in number of shares per category			Max. share rights at the end of the vesting period per category		
Category	Series	Max no. of employees	Actual no. of employees	Max. per employee	Max. total	Actual total	Per employee	Total	Vesting period
CEO (1 person)	1	1	1	11600	11600	11600	104400	104400	2407-2708
Executve management (maximum 3 persons)	1	3	1	5375	16125	5375	26875	26875	2407-2708
R&D-management (maximum 7 persons)	1	7	5	3325	23275	12465	16625	83125	2407-2708
Employees level 2 (maximum 2 persons)	1	2	–	1775	3550	–	8875	–	2407-2708
Employees level 1 (maximum 8 persons)	1	8	3	1025	8200	3075	5125	15375	2407-2708
Total series 1		**21**	**10**		**62,750**	**32,515**		**229,775**	
Employees level 2 (maximum 2 persons)	2	2	2	1775	3550	3550	1775	17750	2412-2712
Total series 2		**2**	**2**		**3,550**	**3,550**		**17,750**	
TOTAL series 1 and 2		**23**	**12**		**66,300**	**36,065**		**247,525**	

At an extraordinary general meeting on June 3, 2024, two new long-term incentive programs were adopted (one employee stock option program, PO 2024/2027 series 1, and a performance share program). New articles of associations were also adopted at the extraordinary general meeting, pursuant to which the company may issue class C shares in order to secure delivery of shares to the participants in the programs and to secure payment of future social security contributions. No class C shares have been issued yet. The performance share program for employees and the employee stock option program for the CEO and a scientific advisor have been granted and started to be expensed in quarter three, 2024, see adjacent tables.

The performance share program runs for just over three years and participants must retain their employment and invested shares throughout the vesting period in order to receive an allocation of new shares. The number of shares allocated depends on the share price performance and the employment status at the end of the vesting period. As regards the development of the share price, a comparison is made at the end of the vesting period between the initial share price, i.e. the IPO price of SEK 42 per share, and the price at the end of the vesting period. A range between 20% and 60% in share price development results in linearly different allocations of shares. However, a maximum of 360,150 shares can be allocated to participants in the program.

The performance share program generates personnel costs, in accordance with IFRS2 and is initially estimated at approximately SEK 6.8 million and social costs estimated at SEK 6.2 million according to certain assumptions, see also the company's listing prospectus from June 2024.

The new employee stock option program, PO 2024/2027 series 1, also generates personnel costs in accordance with IFRS2 of approximately SEK 1.5 million and social costs of SEK 1.4 million.

The dilution for all incentive programs in the company, at maximum allocation, including C shares, is 1.9%.

Note 8 Related party transactions

Transactions with related parties take place on market terms. The table below shows purchases in the Group's parent company and subsidiaries.

For further information about transactions with related parties, see annual report 2024.

(TSEK)	Quarter 2		Quarter 1-2		Year
Supplier / Related to	2025	2024	2025	2024	2024
PetoMaj Invest AB Peter Unge, Board member	296	590	584	1,230	1,941
PCW Consultants AB Peter Wallich, Chief Commercial Officer	172	231	267	461	737
Iaru AB [1] Torbjörn Koivisto, Board member	–	76	–	76	76
Brera Life Sciences Consultancy Ltd [2] Andrew Thompson, former Business Development manager	–	–	–	304	304
WBC Europe GmbH [3] Jesper Wiklund, Corporate & business development director	–	–	768	–	1,568
Arexela AB, [4] Margit Mahlapuu, Executive R&D director	475	–	950	–	625
Felicia Ahlberg [5] Project manager event	–	–	13	–	16

1) Cost for Iaru AB refers to quarter 1, 2024
2) Brera Life Science was related to the company until the end of quarter 1, 2024
3) Related party from quarter 3, 2024
4) Related party from quarter 4, 2024
5) Employee since September 2024. Related party to Christer Ahlberg, CEO,

Note 9 Number of shares and share capital

Date	Transaction	Change no. of ordinary shares	Total no. of ordinary shares	Total no. of C-shares	Change share capital	Total share capital	Nominal value
01/01/2024	Opening balance 2024	-	26,227,040	-	-	509,153	0.019
19/06/2024	New share issue ordinary shares	17,023,810	43,250,850	-	330,488	839,641	0.019
19/06/2024	Conversion of bridge loan	3,286,939	46,537,789	-	63,810	903,451	0.019
03/12/2024	New share issue C-shares	-	-	854,430	16,587	920,039	0.019
30/06/2025	Closing balance	-	46,537,789	854,430	-	920,039	0.019

* C shares give the right to 1/10 vote.

Definitions of key figures and definitions and reconciliation of alternative performance measures

In the report, the company presents key figures in accordance with the IFRS regulations. The company also presents socalled alternative key figures, i.e. measures that are not defined according to IFRS. The alternative key figures found in the report are, among other things, costs related to researchand development as a percentage of total operating costs, equity ratio % and quick ratio %. The company considers the former to be an important complement because it enables a better evaluation of the company's financial trends. This financial performance measure should not be viewed in isolation or considered to replace the performance indicators that have been prepared in accordance with IFRS.

Furthermore, the alternative performance measure the company has defined should not be compared with other performance measures with a similar name used by other companies. This because the above-mentioned performancemeasure is not always defined similarly and other companies may calculate it differently than Cinclus Pharma,see adjacent table for further definitions and reconciliation of KPIs and alternative KPIs.

Reconciliation of alternative performance measures

	Quarter 2		Quarter 1-2		Year
	2025	2024	2025	2024	2024
Administrative expenses, TSEK	−27,206	−16,687	−35,018	−22,275	−36,854
Research and development expenses, TSEK	−53,739	−20,814	−92,176	−51,316	−136,657
Operating expenses, TSEK	−80,945	−37,502	−127,194	−73,591	−173,511
Research and development expenses / Operating expenses [1], %	**86%**	**56%**	**85%**	**70%**	**79%**
Cash flow for the period, TSEK	62,610	632,323	20,477	596,501	476,833
Average number of ordinary shares	46,537,789	28,682,185	37,048,341	27,454,613	37,048,341
Cash flow for the period per ordinary share, SEK	**1.35**	**22.05**	**0.55**	**21.73**	**12.87**
	30/06/2025	30/06/2024	30/06/2025	30/06/2024	31/12/2024
Equity, TSEK	471,432	637,844	471,432	637,844	555,330
Total assets, TSEK	622,185	690,836	622,185	690,836	601,013
Equity ratio %	**76%**	**92%**	**76%**	**92%**	**92%**
Other receivables, TSEK	2,031	3,332	2,031	3,332	1,942
Prepaid expenses and accrued income, TSEK	30,507	1,848	30,507	1,848	31,808
Cash and cash equivalents, TSEK	588,959	684,720	588,959	684,720	566,716
Total current receivables, TSEK	**621,497**	**689,899**	**621,497**	**689,899**	**600,467**
Loan from shareholders, TSEK	–	–	0	–	–
Derivates, TSEK	–	–	0	–	–
Trade payables, TSEK	10,491	6,797	10,491	6,797	18,928
Leasing liabilities, TSEK	113	540	113	540	109
Current tax liabilities, TSEK	6,989	7,466	6,989	7,466	7,449
Other liabilities, TSEK	2,730	2,319	2,730	2,319	2,107
Accrued expenses and deferred income, TSEK	30,049	29,100	30,049	29,100	16,899
Total current liabilites, TSEK	**50,373**	**46,223**	**50,373**	**46,223**	**45,493**
Quick ratio %	**1234%**	**1493%**	**1234%**	**1493%**	**1320%**
Equity, TSEK	471,432	637,844	471,432	637,844	555,330
Number of ordinary shares at the end of the period	46,537,789	46,537,789	46,537,789	46,537,789	46,537,789
Equity per ordinary share, SEK	**10.13**	**13.71**	**10.13**	**13.71**	**11.93**

1) Transaction costs are exluded from operating expenses.

Definitions of key figures and alternative key figures

Key figures according to IFRS	Definitions
Earnings per share for the period before and after dilution	Profit for the period divided by the average number of shares during the period before and after dilution. Earnings per share after dilution is calculated by adjusting the weighted average number of ordinary shares outstanding for an estimated conversion of all potential ordinary shares giving rise to a dilutive effect, which is in accordance with IAS 33 Earnings per share.

Alternative key figures	Definitions	Reasons for using the key figures
Gross profit	Net sales reduced by direct costs of goods sold.	The ratio helps the reader understand the profitability before indirect costs.
Operating profit (EBIT)	Profit before financial items and tax. The information is taken from the Statement of income.	The key figure helps the reader understand the profitability of the operating business.
Operating profit before depreciation and amortization (EBITDA) *	Profit before depreciation, financial items and tax. The information is taken from the Statement of income.	The key figure helps the reader understand the group's results from its operating activities net of the effect of depreciation.
Operating expenses	The sum of research and development expenses and administration expenses for the period. The information is taken from the Statement of income.	The key figure helps the reader understand the costs of the operational business.
Research and development expenses / Operating expenses %	Research and development expenses, divided by operating expenses, which consists of research and development expenses and administrative expenses.	The key figure helps the reader understand the proportion of costs attributable to the group's core operations, research and development.
Cash flow from current operations	The cash flow from current operations contains changes in short-term receivables and liabilities as well as the year's profit adjusted for depreciation and other items not affecting cash flow. The information is taken from Consolidated statement of cash flow.	The ratio helps the reader understand the cash flow from operating activities.
Cash and cash equivalents at the end of the period	Cash and cash equivalents at the end of each period. The information is taken from the report on Consolidated statement of financial position.	The key figure helps the reader understand how much cash and cash equivalents the business has at the end of the period. The reader can then also get an idea and analyze how long the cash and cash equivalents will last based on current operations.
Equity at the end of the period	Equity at the end of each period. The information is taken from the report Conslidated statement on financial position.	The key figure helps the reader understand how much equity the business has at the end of the period and helps the reader analyze how equity can develop based on current operations.
Equity ratio, % *	The equity ratio at the end of each period is calculated by dividing total equity attributable to the parent company's shareholders by total assets.	The equity ratio measures the proportion of the total assets that is financed by the shareholders.
Quick ration, % *	Current assets in relation to current liabilities.	The key figure shows the group's short-term ability to pay.

Certification by the board of directors and the CEO

The board of directors certifies that this interim report gives a true and fair view of the group's operations, financial position and results. For a description of the risks faced by the Cinclus Pharma Group, which are deemed to be unchanged, please refer to the Group's latest annual report.

Stockholm August 20 2025

WENCHE ROLFSEN
Board member

PETER UNGE
Board member

TORBJÖRN KOIVISTO
Board member

ANDERS ÖHBERG
Board member

HELENA LEVANDER
Board member

NINA RAWAL
Board member

LENNART HANSSON
Chairman of the Board

CHRISTER AHLBERG
CEO and President

Glossary

Carcinogenicity studies – Tests to assess whether a chemicalor physical agent increases the risk of cancer.

Clinical phase I – The first time a new substance is given to a human being. Phase I studies are often conducted with a small number of healthy volunteers to assess the safety and dosage of a yet-to-be-approved treatment.

CMC – stands for Chemistry Manufacturing and Control, and refers to the process of producing and manufacturing medicines.

CRO - stands for Contract Research Organization, and is the company that, together with pharmaceutical and medtech companies, carries out the clinical studies needed to get their products approved by the authorities.

Eradicate - to remove, eradicate, for example, the bacterium *Helicobacter pylori* in peptic ulcer disease.

Esophagitis – is damage to the oesophagus or esophageal catarrh caused by the backward flow of stomach acid into the oesophagus.

FDA – is the US Food and Drug Administration

GERD and eGERD – GERD stands for Gastroesophageal reflux disease and is the collective name for all acid-related esophageal disease. GERD is characterized by symptoms, with or without tissue damage, that result from repeated or prolonged exposure of the lining of the esophagus to acidic or non-acidic contents from the stomach. If tissue damage is present, the individual is said to have esophagitis or erosive GERD (eGERD).

International Non-proprietary Name (INN) – is a generic name used to facilitate the identification of drug substances or active ingredients of medicines.

IPO – IPO stands for Initial Public Offering, i.e. stock exchange listing.

KOL – KOL stands for Key Opinion Leader. A KOL is an expert with proven experience and expertise in a particular field of work. In healthcare, these experts can be doctors, hospital managers, health system directors, researchers, members of patient groups and others.

LA scale – The Los Angeles scale (LA scale) is an accepted way to describe the endoscopic presence of reflux esophagitis and determine its severity. The scale is divided into grades A-D, with D being the most severe grade of reflux esophagitis.

Linaprazan glurate (formerly X842) – A prodrug of linaprazan of the potassium-competitive acid blocker (PCAB) class. Linaprazan has been evaluated in 23 Phase I and two Phase II studies in a total of approximately 2,500 patients. The favorable safety and pharmacokinetic properties of linaprazan glurate have been documented in a phase I study. Linaprazan glurate provides superior gastric acid control compared to current medication.

'Off label' prescribing – The term "off label" is defined as the use of a medicine that deviates from the approved summary of product characteristics, such as use for an unapproved indication, with a different dose or with a different route of administration.

PCAB
PCAB stands for Potassium-Competitive Acid Blocker and is a new class of drugs called acid secretion inhibitors.

Pharmaceutical dossier – Evidence and documentation that forms the basis for the application for drug approval.

Phase II clinical trial – Phase II refers to the first time a medicine under development is administered to patients to study the safety, dosage and efficacy of a yet-to-be-approved treatment regimen.

Phase III clinical trials – Phase III trials involve many patients and often last for a longer period; they are intended to investigate the effects and side effects of the medicine under routine yet carefully controlled conditions

PPI – stands for Proton Pump Inhibitor and is a group of drugs whose main action is a marked and long-lasting reduction in the production of stomach acid. This type of drug has been the most potent acid secretion inhibitors available for a very long time and is still available today. The first product, omeprazole, was launched in 1988 under the brand name Losec. Proton pump inhibitors are among the best-selling medicines in the world.

Preclinical phase – In the preclinical phase, various types of tests and experiments are carried out in a lab environment. These tests take place before a drug project enters the clinical phase.

'Prodrug' – A 'prodrug' is an inactive drug in the form in which it is taken. Once the prodrug has entered the body, it is converted into the active form. The conversion takes place by changing some part of the chemical structure of the medicine.

Proof of Concept (concept validation) – This concept is also known as 'PoC'. It refers to a prototype or study that covers all key features. The aim is simply to prove that the concept works.

QIDP – The granting of a product as a qualified device for the treatment of infectious diseases. The grant is decided by the US Food and Drug Administration (FDA), giving 5 years of data exclusivity. QIDP stands for Qualified Infectious Disease Product.

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