ASCELIA PHARMA
Advancing Orphan Oncology

Q4 and Full Year Report 2024

January – December 2024

Completion of Full Study Report Reinforces Successful Outcomes of SPARKLE Phase 3 Study

KEY EVENTS IN Q4 2024

- Orviglance SPARKLE study primary results accepted as cutting-edge oral presentation at RSNA 2024
- Proposal for election of Marianne Kock as new member of the Board of Directors
- Notice of and bulletin from Extraordinary General Meeting on 30 October
- Orviglance SPARKLE data to be presented as late breaking abstract at Kidney Week 2024
- Completion of Full Study Report reinforces the successful outcomes of SPARKLE
- Two abstracts with SPARKLE data accepted for presentation at SAR congress 2025
- Patent granted in China for second generation Orviglance

KEY EVENTS AFTER THE PERIOD

- Three scientific abstracts with SPARKLE Phase 3 data accepted for presentation at the ESGAR congress 2025
- Notice of Extraordinary General Meeting on 25 February 2025 to vote on an employee stock option proposal

"With the completion of the Full Study Report, we are pleased to pass yet another milestone on our path to obtaining regulatory approval and entering into commercialization partnerships for Orviglance."

KEY RATIOS GROUP

	Q4 (Oct-Dec)		FY (Jan-Dec)	
	2024	2023	**2024**	2023
OPERATING RESULT (SEKm)	**-21.9**	-11.1	**-67.8**	-110.9
EARNINGS PER SHARE (SEK)	**-0.29**	-0.31	**-1.48**	-3.24
CASH FLOW FROM OPERATIONS (SEKm)	**-18.8**	-15.9	**-62.8**	-126.8
LIQUID ASSETS (SEKm)	**75.3**	21.9	**75.3**	21.9

CEO STATEMENT

In 2024, we have met several major milestones with the successful results from our Orviglance pivotal Phase 3 study, SPARKLE. The positive headline results and subsequent Full Study Report mark the completion of clinical development for Orviglance. The results showed that Orviglance significantly improved visualization of focal liver lesions, successfully meeting the primary endpoint with statistical significance for all three readers (<0.001). The results of the secondary endpoint analysis further reinforce the successful study outcomes and support the NDA process and potential clinical value of Orviglance.

It's encouraging to see how the medical community has welcomed Orviglance with the acceptance of SPARKLE Phase 3 data for presentation in four oral presentations and three abstracts at key scientific conferences thus far.

We are in a strong position to deliver on our key priorities ahead; to submit the New Drug Application (NDA) for Orviglance to the US Food and Drug Administration (FDA) expected mid-2025 and to continue advancing the dialogue with potential partners to commercialize Orviglance and make it available to patients in need of a high-quality liver imaging option without gadolinium related safety risks.

With the fully subscribed SEK 105 million Rights Issue financing in Q3 2024, our cash runway extends until late 2025; well beyond the NDA submission for Orviglance. Our runway can furthermore be significantly extended with financing from warrants and partnering.

Positive Orviglance Phase 3 results. As announced in May 2024, the pivotal Phase 3 study for Orviglance, SPARKLE successfully met the primary endpoint and demonstrated that the company's magnetic resonance imaging (MRI) contrast agent, Orviglance significantly improved visualization of focal liver lesions compared to unenhanced MRI. The positive results had both an acceptable level of variability and high statistical significance (P values <0.001) for all three readers.

Early November, we announced the planned completion of the Full Study Report. It includes the previously announced strong results of primary endpoints. In addition, the results of secondary endpoints further reinforce the successful study outcomes and support the NDA process.

Common adverse events in this vulnerable patient population were in line with previous studies with Orviglance, such as mild- to moderate nausea. No serious adverse drug reactions were observed.

Completion of Orviglance clinical development. With the positive **results** and Full Study Report for SPARKLE, clinical development of Orviglance has been successfully completed with consistent positive efficacy and safety data from nine clinical studies with a total of 286 patients and healthy volunteers. 85 patients with known or suspected focal liver lesions and severely impaired kidney function were included in the global multi-center Phase 3 SPARKLE study.

The strong results reinforce our confidence in the market potential and path to market for Orviglance. We are now focusing on bringing Orviglance through the regulatory submission and approval process. We expect to submit the NDA file to the FDA by mid-2025 to obtain regulatory approval.

In parallel, we continue to advance the dialogues with potential commercialization partners to make Orviglance available to patients who need high-quality liver imaging without the safety risks associated with gadolinium.

”We are pleased to see the strong interest in Orviglance within the scientific community with the continued acceptance of our SPARKLE Phase 3 data for presentation at major conferences”.

Recognition in the scientific community. We are pleased to see the successful acceptances of SPARKLE data for presentation at major scientific conferences. Early October, we announced the acceptance of primary results from SPARKLE as an oral presentation in Cutting-Edge Research at the annual conference of the Radiological Society of North America (RSNA); the world's largest radiology conference. Later in October, we announced the acceptance of an abstract on SPARKLE data as part of the Late-Breaking Science Posters session at American Society of Nephrology Kidney Week Congress.

Other key conferences have subsequently also welcomed the presentation of SPARKLE data, such as the Society of Abdominal Radiology (SAR) and the European Society of Gastrointestinal and Abdominal Radiology (ESGAR).

In total four oral presentations and three abstract presentations have been accepted at major conferences thus far, underscoreing the interest in the medical and scientific community for an alternative to gadolinium-based contrast agents for patients with reduced kidney function.

Strategy to commercialize with partners. Orviglance addresses a well-defined unmet medical need representing an annual global addressable market of USD 800 million, with 100,000 procedures in the target patient population in the US alone.

Our commercialization strategy is to launch Orviglance with commercialization partners. This approach enables us to leverage established commercialization capabilities with a low investment requirement for launch. A focused, ambitious launch plan, built on advanced market insights, is in place. Our current focus is to create value by progressing the dialogue with potential partners and by ensuring that Orviglance is ready for our partner's launch when approved.

Strengthened financial position. In September, we completed a fully subscribed Rights Issue of ordinary shares and warrants, reaching SEK 105 million before costs. With this financing in place we have strengthened our ability to obtain an attractive agreement with commercialization partners and ensured the capacity for completing the NDA submission by mid-2025.

With the fully subscribed Rights Issue and the remaining loan and convertibles issued to Fenja, the company has a cash runway to late 2025, well beyond the NDA submission. This cash runway excludes the repayment of the remaining SEK 27.5 million loans to Fenja, but can be extended significantly with financing from partnering and warrants. The proceeds from the issued TO 1 series warrants alone can provide up to SEK 70 million.

Opportunities ahead in 2025 and beyond. With positive headline results from SPARKLE and the successful Rights Issue financing, we are excited to advance Orviglance to the registration phase and make it available for patients together with a partner.

We are on an exiting journey with opportunities for growing Ascelia Pharma in 2025 and beyond.

Magnus Corfitzen
CEO

ADVANCING ORPHAN ONCOLOGY

OUR VALUES

FOCUS
We are devoted to improving the lives of patients and creating values for our stakeholders.

COURAGE
We work tirelessly and follow our convictions even when it means changing status quo.

INTEGRITY
We build powerful relationship with mutual respect and adhere to the high ethical standards of our industry.

OUR VISION

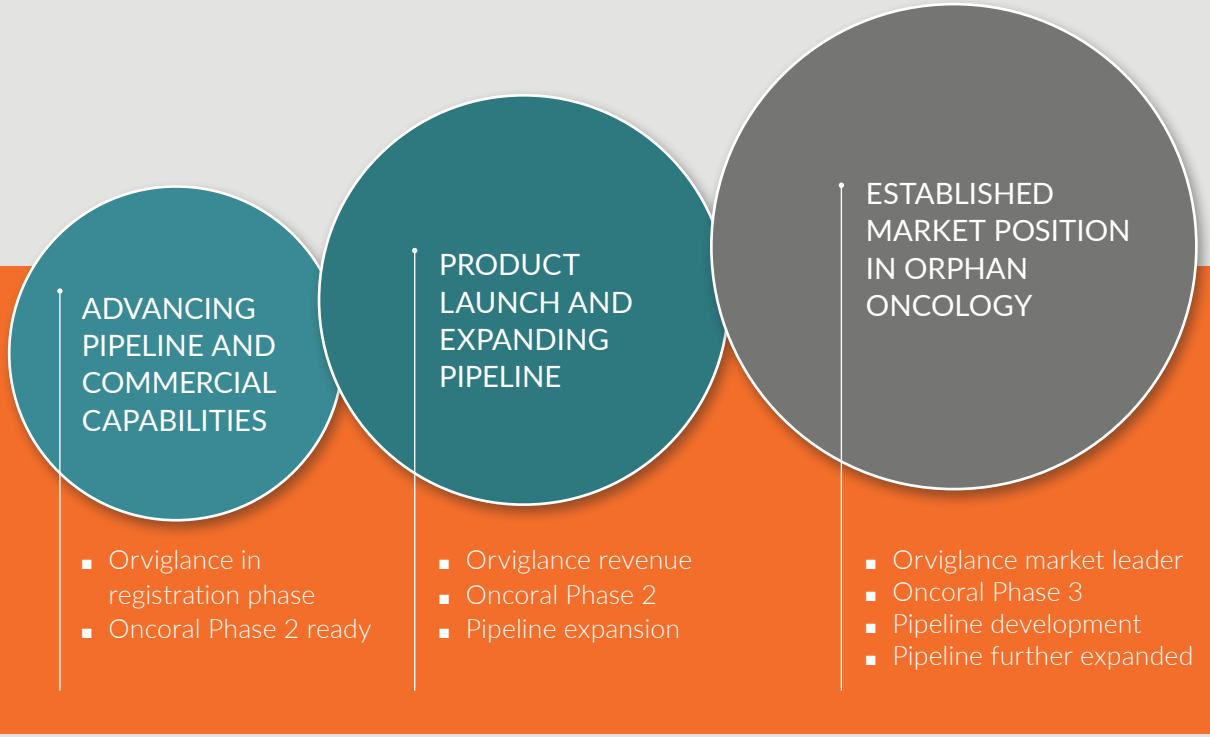
To be a leader in identifying, developing and commercializing novel drugs that address unmet needs of people with rare cancer conditions.

OUR BASE

Our headquarter is in Malmö, Sweden, and our US base is in New Jersey.

The shares in the company are listed on NASDAQ Stockholm (ticker: ACE).

Building Ascelia Pharma and building value



OUR PIPELINE

ORVIGLANCE
Diagnostic drug for liver MRI in registration phase

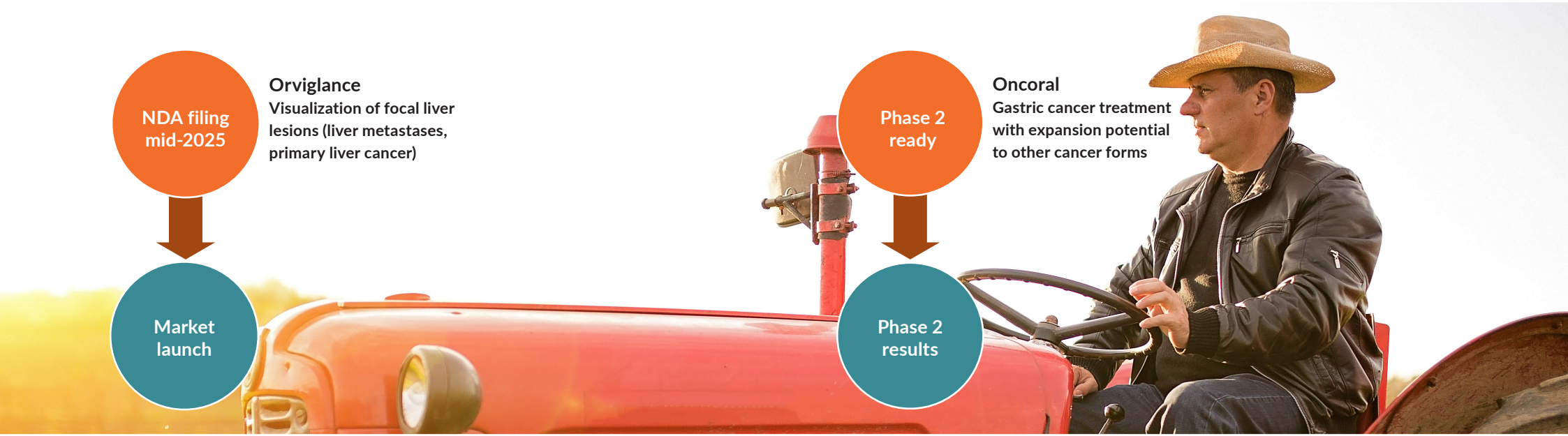
Orviglance is our first-in-class non-gadolinium diagnostic drug (contrast agent) to be used for magnetic resonance imaging (MRI) of the liver. Orviglance is developed to improve the visualization of focal liver lesions (liver metastases and primary liver cancer) in patients with impaired kidney function at risk of severe side-effects from the gadolinium contrast agents currently on the market.

- First-in-class manganese-based diagnostic drug with FDA Orphan Drug Designation
- USD 800 million global annual addressable market
- Clinical development completed, incl. pivotal Phase 3, with consistent positive efficacy and safety data from nine clinical studies with 286 patients and healthy volunteers

ONCORAL
Daily tablet chemotherapy ready for Phase 2

Oncoral is our novel oral irinotecan chemotherapy tablet developed initially for the treatment of gastric cancer. The potential anti-tumor effect of irinotecan is well established.

- Oral daily dosing of irinotecan chemotherapy
- Potential for better efficacy and safety by frequent low dosing
- Ready for Phase 2 in gastric cancer; potential to expand into other cancers



ORVIGLANCE ADDRESSES UNMET NEED FOR LIVER MRI IN PATIENTS WITH KIDNEY IMPAIRMENT

Orviglance aims to be the standard of care liver MRI contrast agent for patients also suffering from severe kidney impairment. These patients are at risk of severe side-effects from using gadolinium-based contrast agents.

USD 800 million global annual addressable market

The target group for Orviglance is patients who need liver imaging and have severely impaired kidney function. This patient group is at risk of serious, and potentially fatal, side effects from using the currently available gadolinium based contrast agents. These contrast agents, carry black box warnings for patients with severely reduced kidney function.

The completed clinical studies show that Orviglance improves the diagnostic performance of MRI and offers a significantly better alternative than unenhanced MRI (i.e., MRI without contrast agent). Consequently, Orviglance fills a significant unmet medical need to improve the diagnosis, and subsequently, the treatment of liver metastases and primary liver cancer for these patients.

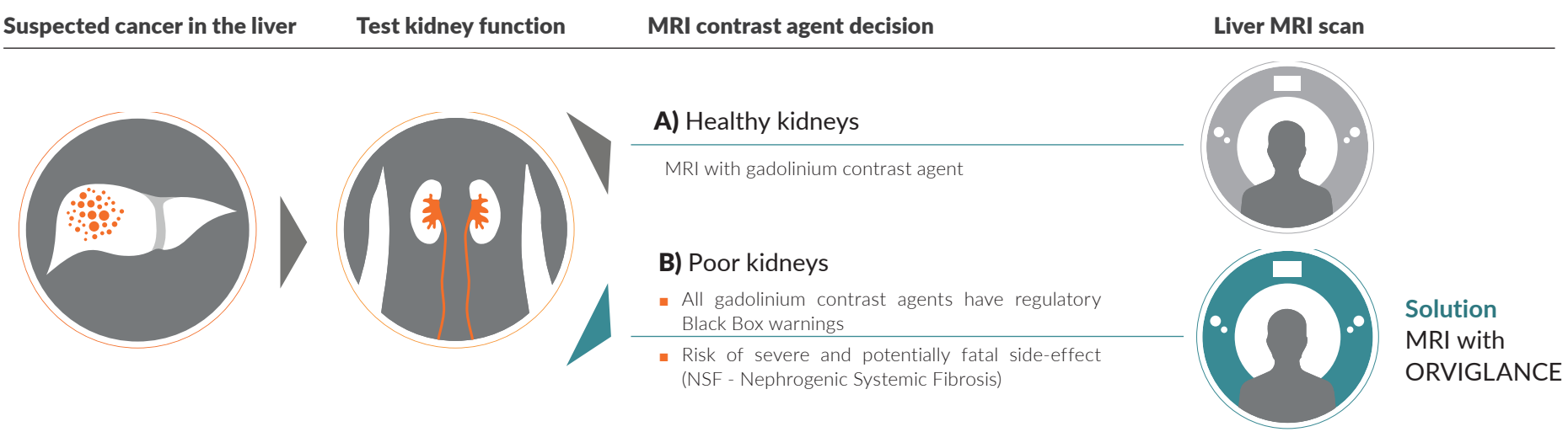
The immediate addressable market for Orviglance is estimated at USD 800 million yearly and Orviglance is expected to be the only gadolinium-free product on the market for this patient segment.

Orphan Drug Designation

Orviglance has received Orphan Drug Designation from the FDA. One major advantage of orphan drug status is, among other things, that orphan drugs can obtain longer market exclusivity after regulatory approval.

Early detection of liver metastases is key

Orviglance is a contrast agent used in MRIs to improve the detection and visualization of focal liver lesions (liver metastases and primary tumors). The liver is the second most common organ for metastasis after the lymph nodes. Detecting liver metastases at an early stage is crucial for determining the right treatment method and for the patient's chances of survival. Studies show that the five-year survival rate can increase from 6 percent to 46 percent if liver metastases can be removed surgically. An accurate MR scan using contrast agents is therefore critical to evaluate the possibilityfor surgical resection, but also for monitoring of treatment effect and surveillance for recurrence of the disease.



ORVIGLANCE CLINICAL DEVELOPMENT COMPLETED

Orphan liver MRI contrast agent in registration phase

How Orviglance works

Orviglance is an orally administrated contrast agent developed for use with MRI of the liver. It is based on the chemical element manganese, which is a natural trace element in the body. Orviglance also contains L-alanine and vitamin D3 to enhance the function of manganese as a contrast agent. After having been absorbed from the small intestine, the manganese is transported to the liver where it is taken up by and retained in the normal liver cells. The high manganese uptake causes the normal liver tissue to appear bright on MR images. Metastases and tumor cells do not take up manganese to the same extent as normal liver tissue and therefore appear dark on MR images. Liver metastases are easier to identify due to this contrast effect by Orviglance.

Successful clinical development

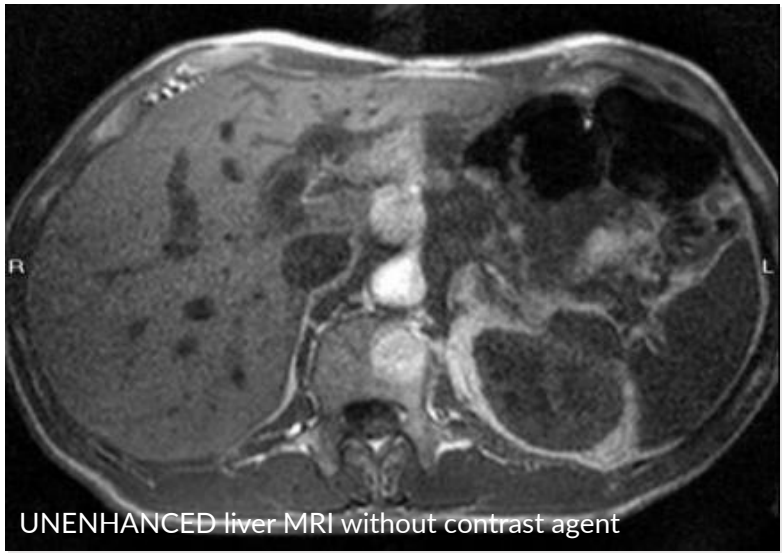
Clinical development of Orviglance has been completed with consistent positive efficacy and safety data from nine studies with 286 patients and healthy volunteers.

The pivotal Phase 3 study for Orviglance, SPARKLE successfully met the primary endpoint and demonstrated that Orviglance significantly improved visualization of focal liver lesions compared to unenhanced MRI. The positive results were strong and conclusive and had both an acceptable level of variability and high statistical significance (P values <0.001) for all three readers.

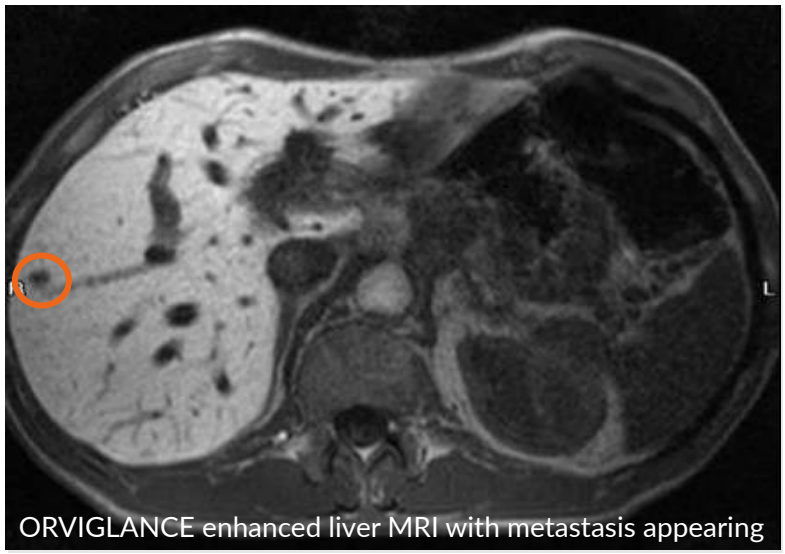
Common adverse events in this vulnerable patient population were in line with previous studies with Orviglance, such as mild- to moderate nausea. No serious adverse drug reactions were observed.

Advanced to registration phase

Submission of the NDA file to the FDA is expected by mid-2025. Key required steps during the NDA preparations include the completed Full Clinical Study Report and conclusions from an FDA pre-submission meeting by Q1 2025.



UNENHANCED liver MRI without contrast agent



ORVIGLANCE enhanced liver MRI with metastasis appearing

Source: Patient with colorectal cancer. (Study CMC-P002)

PHASE 3 SUCCESSFULLY COMPLETED

Phase 3 primary endpoint met

The pivotal Phase 3 study, SPARKLE, successfully met the primary endpoint and demonstrated that Orviglance significantly improved the visualization of focal liver lesions compared to MRI without contrast, unenhanced MRI. The results for all three readers were highly statistically significant (P values <0.001).

Common adverse events in this vulnerable patient population were in line with previous studies with Orviglance, such as mild- to moderate nausea. No serious adverse drug reactions were observed.

Designed to support regulatory approval

The pivotal Phase 3 study (SPARKLE) is a global multicentre study, which was completed with 85 enrolled patients with suspected or known focal liver lesions and severely impaired kidney function.

The evaluation of the primary endpoint was carried out by three blinded, independent radiologists (readers), in accordance with regulatory guidance to the industry. The readers assessed the changes in visualization of liver lesions with and without Orviglance, as well as other secondary efficacy endpoints.

Following an unacceptably high intra-reader variability in the first image scoring by readers mid-2023, a new evaluation of the images with new readers was successfully completed with the announced positive headline results and acceptable variability in May 2024, in line with the planned timeline.

The full Phase 3 program was designed in accordance with industry standards, regulatory guidance for imaging agent development and based on discussions with regulatory agencies. The program aims to to support a regulatory filing and approval for use of Orviglance for liver imaging in patients where the use of gadolinium may be medically inadvisable.

Orviglance clinical Phase 3 study

NUMBER OF PATIENTS	**Global study with 85 patients**
PRIMARY ENDPOINT	**Lesion visualization scoring using scales from 1 ('poor') to 4 ('excellent') for all lesions for each patient** ■ Border delineation (BD, border sharpness of lesions) ■ Lesion contrast (LC, conspicuity compared to liver background)
COMPARATOR	**Unenhanced MRI + Orviglance MRI vs. Unenhanced MRI**
EVALUATION	**Centralized evaluation by 3 radiologists (blinded readers)**
RANDOMIZATION	**None – each patient their own control**
FOLLOW-UP	**Less than a week**

Strong positive Phase 3 results

- For unenhanced images, the median BD and LC scores rangedfrom 2.1 to 3.0 across readers
- For Orviglance-enhanced images, the median BD and LC scores increased to 3.0 and 4.0 across readers
- Increases were statistically significant (p<0.001) for all three readers

The results of secondary endpoints generally support the superiority of Orviglance compared to unenhanced MRI, e.g. with at least one additional lesion detected in 40-52% of patients with Orviglance across readers.

No analysis favours unenhanced MRI, including in patient sub-group analysis.

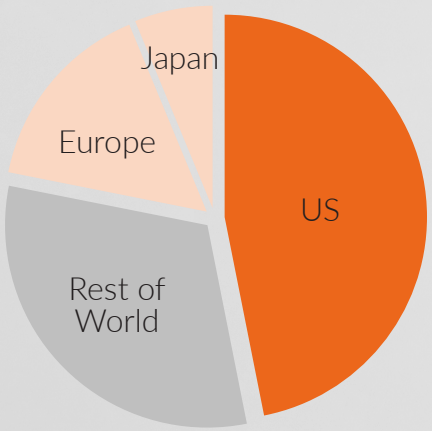
Orviglance superiority vs. unenhanced was demonstrated regardless of whether unenhanced was compared to images with Orviglance combined with unenhanced or images with Orviglance alone.

ANNUAL ADDRESSABLE MARKET OF USD 800 MILLION

Clear and attractive addressable market

Orviglance addresses a well-defined unmet medical need representing an attractive commercial potential with an annual global addressable market of USD 800 million. This estimate is based on:

- Patients with primary liver cancer or liver metastases and severe kidney impairment (~4 percent)
- Actual imaging procedures (real-world data)[1]
- Payer and expert input (+75 stakeholders)[2]



Unique opportunity to address an unmet need

Orviglance addresses an attractive market opportunity by offering contrast enhanced liver imaging for cancer patients with poor kidney function

- not associated with gadolinium safety risks for patients with poor kidney function
- addressing the increasing demand for alternatives to toxic gadolinium

90 percent of health care professionals are concerned by safety issues related to gadolinium contrast agents including NSF. In fact, according to market research, 16 percent of healthcare providers have experienced gadolinium-induced NSF[3].

In the US alone real-world data shows that 100,000 abdominal imaging procedures are performed every year in 50,000 patients that fall under the black-box warning for gadolinium contrast agents, which is about 4 percent of the cancer patient population undergoing abdominal imaging.

Partnering strategy

The go-to-market strategy for Orviglance is to launch with commercialization partners. This approach enables Ascelia Pharma to leverage established commercialization capabilities and maintain a low investment requirement for launch.

The focus of Ascelia Pharma is to create value by ensuring launch readiness and collaboration with a partner by preparing for optimal adoption by key stakeholders at launch.

UNIQUE OPPORTUNITY

Give people with cancer in the liver and poor kidney function ACCESS TO SAFE AND EFFECTIVE IMAGING to live healthier and longer lives

CLEAR AMBITION

Be the STANDARD OF CARE liver imaging choice for cancer patients with poor kidney function

FOCUSED, AMBITIOUS STRATEGY

Ensure OPTIMAL LABEL, timely SUPPLY and launch READINESS
Drive EARLY ADOPTION AND PREFERENCE by decision makers with focused efforts and a strong value proposition

"Our commercialization strategy is to launch through partners, supporting our ambition to secure the optimal balance between future revenues and investment required. Our focus in 2024 is therefore to continue the ongoing dialogue with potential partners and to ensure that Orviglance is ready for launch when approved", says Julie Waras Brogren, Deputy CEO

1) Ascelia Pharma market research on real-world volumes with DRG (2020)
2) Market access research and analyses with Charles River Associates (2020), Triangle (2022) and Trinity (2022), incl. 75 stakeholder and expert interactions. Final pricing and access strategy subject to Phase 3 data and payer evidence
3) Ascelia Pharma market research with Two Labs including 254 US HCPs (2022).

POTENTIAL BENEFITS OF DAILY DOSING

Oncoral is a novel daily irinotecan chemotherapy in development. Irinotecan chemotherapy has an established potent anti-tumor effect. Oncoral is a daily irinotecan tablet with the potential to offer better efficacy with improved safety following the daily dosing at home compared to intravenous high-dose infusions at the hospital.

Proven anti-cancer effect

The active substance in Oncoral is irinotecan, which has an established and proven effect in killing cancer cells. Irinotecan is a so-called antineoplastic agent that after metabolic activation inhibits the enzyme topoisomerase 1, thereby inducing cancer cell death via the prevention of their DNA replication. Irinotecan is converted by carboxylesterases, primarily in the liver, to the active metabolite SN-38 which is 100–1,000 more potent than irinotecan in killing tumor cells.

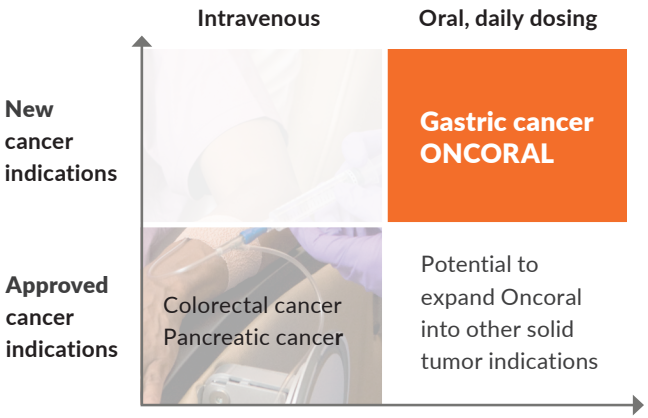
Potential to be the first oral version of irinotecan

Oncoral is a new patented oral tablet formulation of irinotecan, which enables a reliable release and efficient absorption of irinotecan from the gastro intestinal tract after oral administration. With oral administration, irinotecan can be given with low daily doses. This is very different from the current standard of giving a high intravenous doses every third week.

All-oral chemo combination

Oncoral has the potential to be combined with other chemotherapies and targeted cancer drugs and enable an all oral combination chemotherapy option with improved clinical outcomes.

ONCORAL – a novel formulation of irinotecan



TODAY – Intravenous bolus infusions

Infrequent high-dose IV irinotecan

- Gastrointestinal and hematological side effects
- Dose limiting toxicity: 30 percent severe or life-threatening (grade 3 or 4)

TOMORROW – Oncoral oral daily dosing

Potential – Frequent low-dose irinotecan

- Improved efficacy driven by pharmacokinetic profile
- Improved tolerability due to lower peak exposure with less severe side effects and manageable toxicity with flexible dosing

PHASE 2 STUDY DESIGN AND COLLABORATION

Phase 2 study design

PATIENTS	■ Around 100 patients ■ Metastatic gastric cancer
COMPARATOR	Oncoral + Lonsurf vs. Lonsurf
ENDPOINTS	**Primary:** Progression Free Survival **Secondary:** Response rate, Pharmacokinetics, Safety and Overall Survival data in a follow up analysis
STUDY PERIOD	2 - 2½ years, study start pending

Clinical collaboration with Taiho Oncology

- Clinical Phase 2 collaboration with Taiho Oncology Inc. (part of Otsuka Group)
- Taiho Oncology Inc. will supply Lonsurf and provide scientific expertise
- The collaboration may be extended for further development
- Ascelia Pharma retains full development and commercialization rights

TAIHO ONCOLOGY

LONSURF® is approved for treatment of metastatic gastric cancer and metastatic colorectal cancer

FINANCIAL OVERVIEW Q4 (OCT-DEC 2024)

EARNINGS AND PROFITABILITY

Net sales and other operating income

The Group's net sales in Q4 (Oct-Dec 2024) amounted to SEK 0 (SEK 0). Ascelia Pharma does not expect to recognize revenue before products have been launched on the market. Other operating income totalled SEK 83 thousand (SEK 357 thousand). The income refers to exchange rate gains.

Research and development costs (R&D)

R&D costs for the Group in Q4 2024, amounted to SEK 18.3 million (SEK 6.5 million). The cost increase compared to the same quarter last year is related to ramp-up of NDA submission preparations.

Administration costs

Administration costs for the Group in Q4 2024, amounted to SEK 3.7 million (SEK 5.5 million). The decrease in costs primarily reflects a reduction in recognized costs for employee incentive programs.

Commercial preparation costs

During Q4 2024, the costs related to commercial preparations amounted to SEK 0 (SEK 0.9 million).

Operating results (EBIT)

The operating result in Q4 2024, amounted to SEK -21.9 million (SEK -11.1 million). The increased loss reflects the higher level of NDA preparations.

Financial key ratios for the Group	Q4 (Oct-Dec)	
	2024	2023
Operating result (SEK 000')	-21,929	-11,054
Net result (SEK 000')	-28,332	-10,599
Earnings per share (SEK)	-0.29	-0.31
Weighted avg. number of shares	96,091,733	33,742,916
R&D costs/operating costs (%)	83%	57%
Cash flow used in operating activities (SEK 000')	-18,785	-15,928
Equity (SEK 000')	78,944	74,328
Liquid assets incl. marketable securities (SEK 000')	75,256	21,855

Net Profit/Loss for the period

The Group's net loss in Q4 amounted to SEK -28.3 million (SEK -10.6 million). During Q4 2024, net financial costs of SEK -6.4 million was recognized. A loss of -5.6 millions was recognized due to the change of value in TO1 warrants which has no cash impact. The net loss corresponds to a loss per share, before and after dilution, of SEK -0.29 (SEK -0.31).

CASH FLOW

Cash flow from operating activities before changes in working capital in Q4 2024, amounted to SEK -21.3 million (SEK -7.2 million). Changes in working capital for the quarter totalled a positive impact of SEK 2.5 million (outflow of SEK -8.7 million). The changes in working capital reflect an increase in other liabilities and accounts payable. Cash flow from investing activities in Q4 amounted to SEK 0 (SEK 0). Cash flow from financing activities amounted to an outflow of SEK -2.0 million (outflow of SEK -0.2 million), which mainly reflects costs related to new share issuance.

FINANCIAL POSITION

On the closing date, equity amounted to SEK 78.9 million, compared with SEK 74.3 million per 31 December 2023. The increase since 31 December 2023 reflects the issuance of shares. With the net proceeds from the issuance, liquid assets amounted to SEK 75.3 million on the closing date, compared to SEK 21.9 million per 31 December 2023.

The Rights Issue comprised a maximum of 20,773,992 units whereof each unit consists of three (3) ordinary shares and one (1) warrant series TO 1. The new ordinary shares (62,321,976) and warrants series TO 1 (20,773,992) was admitted to trading on Nasdaq Stockholm in September.

Upon exercise of issued warrants series TO 1, Ascelia Pharma might receive additional proceeds of approximately SEK 21 – 70 million in April 2025, before issuance costs.

FINANCIAL OVERVIEW FY (JAN–DEC 2024)

EARNINGS AND PROFITABILITY

Net sales and other operating income

The Group's net sales during 2024 (Jan-Dec) amounted to SEK 0 (SEK 0). Ascelia Pharma does not expect to recognize revenue before products have been launched on the market. Other operating income totalled SEK 0.5 million (SEK 1.6 million). The income refers to exchange rate gains.

Research and development costs (R&D)

R&D costs for the Group during 2024 amounted to SEK 50.8 million (SEK 81.3 million). The cost decrease of SEK 30.5 million reflects the completion of SPARKLE patient recruitment activities and the reduced organization.

Administration costs

Administration costs for the Group in 2024 amounted to SEK 18.0 million (SEK 19.8 million). The cost decrease is mainly related to costs for employees.

Commercial preparation costs

During 2024, a positive result of SEK 0.7 million (SEK 10.4 million cost) was recognized. The positive effect is related to cost savings for employees as well as the reduced activity related to commercial preparations.

Operating results (EBIT)

The full year 2024 show an operating result of SEK -67.8 million (SEK -110.9 million). The decreased loss mainly reflects the implemented cost-cutting initiatives to complete the Phase 3 data read-out.

Net Profit/Loss for the period

The Group's net loss in 2024 amounted to SEK -80.0 million (SEK -109.3 million). A net financial loss of SEK -12.4 million was recognized, which reflects interest and arrangement fee expenses related to loans as well as a loss of -5.8 millions related to a change of value in TO1 warrants which has no cash impact. The net loss corresponds to a loss per share, before and after dilution, of SEK -1.48 (SEK -3.24).

FINANCIAL POSITION AND CASH FLOW

Cash flow from operating activities before changes in working capital in 2024 amounted to SEK -66.4 million (SEK -105.0 million). The decreased outflow reflects the lower level of activities following the completion of clinical development for Orviglance. Cash flow from investing activities amounted to SEK 0 (inflow of SEK 47 thousand). Cash flow from financing activities totalled an inflow of SEK 115.2 million (outflow of SEK -0.9 million). The inflow during the period is attributable to loans received and the net cash from the completed Rights Issue.

On the closing date, equity amounted to SEK 78.9 million, compared with SEK 74.3 million per 31 December 2023. The increase since 31 December 2023 reflects the issuance of shares. With the net proceeds from the issuance, liquid assets amounted to SEK 75.3 million on the closing date, compared to SEK 21.9 million per 31 December 2023.

The Rights Issue launched on 10 July 2024 was completed with a fully subscribed SEK 105 million. No guarantee commitments were executed.

The financing announced on 4 February 2024 consisted of a loan and convertible financing of SEK 35 million. As part of the Rights Issue, a SEK 7.5 million partial repayment of the outstanding amount under the convertibles issued to Fenja Capital II A/S (Fenja) was carried out. The Company has also issued new convertibles to Fenja for a total nominal amount of SEK 7.5 million by offsetting the corresponding amount outstanding under the convertibles issued in February 2024.

The Rights Issue was carried out to secure the resources required to finalize the Orviglance NDA and to secure partnerships for the market launch of Orviglance. With the fully subscribed Rights Issue and the remaining loan and convertibles issued to Fenja, the company has a cash runway to late 2025, well beyond the NDA submission. This cash runway excludes the repayment of the remaining SEK 27.5 million loans to Fenja, but can be extended significantly with financing from partnering and warrants. The proceeds from the issued TO 1 series warrants can provide up to SEK 70 million.

Financial key ratios for the Group	Full Year (January-December)	
	2024	2023
Operating result (SEK 000')	-67,766	-110,914
Net result (SEK 000')	-80,029	-109,288
Earnings per share (SEK)	-1.48	-3.24
Weighted avg. number of shares	54,001,187	33,719,779
R&D costs/operating costs (%)	74%	72%
Cash flow used in operating activities (SEK 000')	-62,844	-126,792
Equity (SEK 000')	78,944	74,328
Liquid assets incl. marketable securities (SEK 000')	75,256	21,855

OTHER INFORMATION

Incentive programs

Ascelia Pharma has three outstanding share saving programs. For the share-saving programs, employees are entitled to receive matching and performance shares according to the terms of the program.

The Group recognizes share-based remuneration, which personnel may receive. A personnel cost is recognized, together with a corresponding increase in equity, distributed over the vesting period. Social security costs are revalued at fair value. Further information about the incentive programs can be found in the Annual Report 2023 on pages 67-69.

In case all outstanding incentive programs per 31 December 2024 are exercised in full, a total of 2.5 million common shares will be issued (including hedge for future payment of social security charges). This corresponds to an aggregate maximum dilution of approximately 2.6 percent of Ascelia Pharma's share capital after full dilution (calculated on the number of common shares that will be added upon full exercise of all incentive programs).

Warrants TO 1

The warrants are valued at fair value based on the necessary variables using a Monte Carlo simulation. A first valuation was made after the Rights Issue in September, which yielded a value of SEK 12.4 million. This value is recognized as a liability on the balance sheet. A new fair value is calculated at each quarterly period. On December 31, 2024, the value of the warrants was SEK 18.2 million, which generates a financial cost of SEK 5.8 million in 2024. The cost has no cash impact.

Information about risks and uncertainties for the Group and the parent company

Ascelia Pharma continuously needs to secure financing to ensure continued development and growth. Market dynamics and financing needs create uncertainties regarding ongoing and future operations. To strengthen the balance sheet and ensure continued operations, the Company carried out a Rights Issue in September 2024 that was fully subscribed.

From an operational perspective, the Company is exposed to a number of risks and uncertainties which impact, or could impact, it's business, operations, financial position, and results. The risks and uncertainties considered to have the highest impact on results are within clinical drug development, regulatory conditions, commercialization and licensing, intellectual property rights and other forms of protection, financing conditions, macroeconomic conditions including impact from pandemics, geopolitical effects, inflation and foreign exchange exposure.

The Group's overall strategy for risk management is to limit undesirable impact on its result and financial position, to the extent it is possible. The Group's risks and uncertainties are described in more detail in the Annual Report 2023 on pages 35–37.

Significant events after the end of the reporting period

Ascelia Pharma announced the acceptance of three scientific abstracts with SPARKLE Phase 3 data for presentation at the ESGAR 2025 congress.

Ascelia Pharma sent out a notice for an Extraordinary General Meeting on February 25 to vote on a proposal to introduce an employee stock option program.

Annual General Meeting (AGM) 2025

The AGM of Ascelia Pharma AB (publ) will be held on 7 May, 2025. Shareholders wishing to have a matter discussed at the AGM should send their suggestion by e-mail to:
jwb@ascelia.com or by mail to:
ASCELIA PHARMA AB
Hyllie Boulevard 34; SE-215 32 Malmö

Auditor's review

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

Dividend

In accordance with Ascelia Pharma's dividend policy, no dividend is proposed and available financial resources is reinvested in the business to finance the company's long-term strategy. The Board of Directors' intention is not to propose a dividend to shareholders before the company is able to generate a longterm sustainable profitability and a long-term sustainable positive cash flow.

This interim report has been prepared in both Swedish and English versions. In the event of any differences between the translations and the Swedish original, the Swedish version shall prevail.

Malmö, 7 February 2025
Ascelia Pharma AB (publ)

Magnus Corfitzen
CEO

Consolidated Income Statement

	Q4 (Oct-Dec)		Full Year (Jan-Dec)	
*SEK in thousands (unless otherwise stated)**	2024	2023	2024	2023
Net sales	–	–	–	–
Gross profit/loss	**–**	**–**	**–**	**–**
Administrative costs	-3,682	-5,472	-17,995	-19,774
Research and development costs	-18,328	-6,482	-50,798	-81,266
Commercial preparation costs	–	905	669	-10,438
Other operating income	83	357	459	1,587
Other operating costs	-1	-361	-100	-1,023
Operating result	**-21,929**	**-11,054**	**-67,766**	**-110,914**
Finance income	423	1,060	1,584	3,725
Finance costs	-6,865	-716	-13,942	-2,418
Net financial items	**-6,442**	**344**	**-12,358**	**1,307**
Loss before tax	**-28,371**	**-10,709**	**-80,124**	**-109,607**
Tax	39	110	94	319
Loss for the period	**-28,332**	**-10,599**	**-80,029**	**-109,288**
Attributable to:				
Owners of the Parent Company	-28,332	-10,599	-80,029	-109,288
Non-controlling interest	–	–	–	–
Earnings per share				
Before and after dilution (SEK)	-0.29	-0.31	-1.48	-3.24

Consolidated Statement of Comprehensive Income

	Q4 (Oct-Dec)		Full Year (Jan-Dec)	
*SEK in thousands (unless otherwise stated)**	2024	2023	2024	2023
Profit/loss for the period	**-28,332**	**-10,599**	**-80,029**	**-109,288**
Other comprehensive income				
Currency translation of subsidiaries**	323	-451	303	-301
Other comprehensive income for the period	**323**	**-451**	**303**	**-301**
Total comprehensive income for the period	**-28,009**	**-11,050**	**-79,726**	**-109,589**

* Some figures are rounded, so amounts might not always appear to match when added up.

** Will be classified to profit and loss when specific conditions are met

Consolidated Balance Sheet

*SEK in thousands**	31 Dec 2024	31 Dec 2023
ASSETS		
Non-current assets		
Intangible assets	57,078	57,074
Tangible assets - Equipment	15	89
Right-of-use assets	109	973
Total non-current assets	**57,202**	**58,135**
Current assets		
Advance payments to suppliers	1,755	3,433
Current receivables		
Income tax receivables	632	1,981
Other receivables	5,054	480
Prepaid expenses and accrued income	1,022	1,188
Cash and bank balances	75,256	21,855
Total current assets	**83,718**	**28,937**
Total assets	**140,920**	**87,072**
EQUITY		
Share capital	97,193	34,871
Other paid-in capital	721,750	678,747
Reserve of exchange differences on translation	974	671
Loss brought forward (incl. net profit/loss for the period)	-740,973	-639,962
Equity attributable to Parent Company shareholders	**78,944**	**74,328**
Total equity	**78,944**	**74,328**
LIABILITIES		
Long-term liabilities		
Long-term interest bearing liabilities	–	–
Lease liabilities	–	176
Total long-term liabilities	**–**	**176**
Current liabilities		
Accounts payable	4,733	1,525
Tax payable	–	–
Other liabilities	19,113	1,640
Interest bearing liabilities	25,225	–
Current lease liabilities	172	884
Accrued expenses and deferred income	12,733	8,519
Total current liabilities	**61,976**	**12,568**
Total liabilities	**61,976**	**12,744**
Total equity and liabilities	**140,920**	**87,072**

* Some figures are rounded, so amounts might not always appear to match when added up.

Consolidated Statements of Changes in Equity

	Full Year (Jan-Dec)	
*SEK in thousands**	**2024**	**2023**
Equity at start of the period	**74,328**	**180,859**
Comprehensive income		
Profit/loss for the period	-80,029	-109,288
Other comprehensive income	303	-301
Total comprehensive income	**-79,726**	**-109,589**
Transactions with shareholders		
New issue of common shares	105,324	–
Warrants	-12,385	–
New issue of C-shares	–	–
Common shares: Conversion from C-shares	-26	-89
C-shares: Resolution of C-shares	26	89
Issuance expenses	-15,207	-30
Call option premium in relation to loan facility	2,165	–
Share based remuneration to employees	4,446	3,088
Total transactions with shareholders	**84,343**	**3,058**
Equity at end of the period	**78,944**	**74,328**

* Some figures are rounded, so amounts might not always appear to match when added up.

Consolidated Cash Flow Statement

	Q4 (Oct-Dec)		Full Year (Jan-Dec)	
*SEK in thousands**	**2024**	**2023**	**2024**	**2023**
Operating activities				
Operating result	-21,929	-11,054	-67,766	-110,914
Expensed share based remuneration	51	800	4,340	2,931
Adjustment for items not included in cash flow	119	320	49	664
Interest received	735	882	773	1,314
Interest paid	-1,366	-29	-5,224	-121
Income tax paid/received	1,100	1,850	1,453	1,172
Cash flow from operating activities before changes in working capital	**-21,290**	**-7,230**	**-66,374**	**-104,954**
Cash flow from changes in working capital				
Increase (-)/Decrease (+) of advance payments	1,500	-394	1,678	1,926
Increase (-)/Decrease (+) of operating receivables	-2,867	517	-4,988	1,620
Increase (+)/Decrease (-) of accounts payable	2,136	-3,091	3,206	-14,351
Increase (+)/Decrease (-) of other liabilities	1,736	-5,729	3,634	-11,033
Change in working capital	2,505	-8,698	3,530	-21,838
Cash flow used in operating activities	**-18,785**	**-15,928**	**-62,844**	**-126,792**
Investing activities				
Investment in equipment	–	–	–	–
Divestment of right-of-use assets	–	–	–	47
Cash flow from investing activities	**–**	**–**	**–**	**47**
Financing activities				
New share issue	–	–	105,324	–
Transaction costs for issuance	-756	-15	-15,207	-30
Conversion from C-shares	-26	-35	-26	-89
Resolution of C-shares	26	35	26	89
Convertible bond issue	–	–	733	–
New loans	-990	–	32,725	–
Amortisation of loan	–	–	-7,500	–
Amortisation of lease liabilities	-230	-206	-887	-906
Cash flow from financing activities	**-1,975**	**-221**	**115,187**	**-936**
Cash flow for the period	-20,760	-16,149	52,343	-127,682
Cash and cash equivalents at start of period	95,718	38,992	21,855	149,555
Exchange rate differences in cash and cash equivalents	298	-988	1,058	-18
Cash and cash equivalents at end of period	**75,256**	**21,855**	**75,256**	**21,855**

* Some figures are rounded, so amounts might not always appear to match when added up.

Parent Company – Income Statement

	Q4 (Oct-Dec)		Full Year (Jan-Dec)	
*SEK in thousands**	**2024**	**2023**	**2024**	**2023**
Net sales	55	59	214	351
Gross profit/loss	**55**	**59**	**214**	**351**
Administrative costs	-3,640	-5,454	-17,825	-19,494
Research and development costs	-18,260	-6,011	-50,571	-80,244
Commercial preparation costs	0	907	669	-10,448
Other operating income	0	9	10	856
Other operating costs	-2	14	-32	-187
Operating result	**-21,847**	**-10,476**	**-67,536**	**-109,167**
Finance income	4,141	1,935	5,178	6,140
Finance costs	-7,317	-405	-14,136	-1,576
Result from other long-term receivables	-1,907	273	663	-935
Net financial costs	**-5,083**	**1,803**	**-8,295**	**3,628**
Loss before tax	-26,930	-8,674	-75,831	-105,538
Group contribution	–	-25	–	-25
Tax	–	–	–	–
Loss for the period	**-26,930**	**-8,699**	**-75,831**	**-105,563**

Parent Company – Statement of Comprehensive Income

	Q4 (Oct-Dec)		Full Year (Jan-Dec)	
SEK in thousands*	**2024**	**2023**	**2024**	**2023**
Loss for the period	**-26,930**	**-8,699**	**-75,831**	**-105,563**
Other comprehensive income	–	–	–	–
Other comprehensive income for the period	**–**	**–**	**–**	**–**
Total comprehensive income for the period	**-26,930**	**-8,699**	**-75,831**	**-105,563**

* Some figures are rounded, so amounts might not always appear to match when added up.

Parent Company – Balance Sheet

*SEK in thousands**	31 Dec 2024	31 Dec 2023
ASSETS		
Non-current assets		
Tangible assets		
Equipment	15	89
Financial assets		
Shares in affiliated companies	58,068	58,068
Other long-term receivables from group companies	39,255	35,874
Total non-current assets	**97,338**	**94,032**
Current assets		
Advance payments to suppliers	1,755	3,433
Current receivables		
Receivables from group companies	2,560	15,114
Income tax receivables	534	1,668
Other receivables	5,011	453
Prepaid expenses and accrued income	1,004	1,129
Cash and bank balances	74,440	8,199
Total current assets	**85,303**	**29,996**
Total assets	**182,641**	**124,027**
EQUITY		
Restricted equity		
Share capital	97,193	34,871
Non-restricted equity		
Other paid-in capital	721,750	678,747
Loss brought forward	-622,123	-495,578
Loss for the period	-75,831	-105,563
Total equity	**120,989**	**112,477**
LIABILITIES		
Long-term liabilities		
Long-term interest bearing liabilities	–	–
Total long-term liabilities	**–**	**–**
Current liabilities		
Accounts payable	4,632	1,489
Other liabilities	19,113	1,640
Interest bearing liabilities	25,225	–
Accrued expenses and deferred income	12,683	8,422
Total current liabilities	**61,652**	**11,551**
Total equity and liabilities	**182,641**	**124,027**

* Some figures are rounded, so amounts might not always appear to match when added up.

Notes

General information

This interim report for the Group has been prepared according to IAS 34 Interim Financial Reporting and applicable rules in the Swedish Annual Accounts Act (ÅRL). The interim report for the parent company has been prepared according to the Swedish Annual Accounts Act chapter 9, Interim Reporting. The fair value of the debt component of a convertible bond is calculated using a discount rate which is based on the market rate for a debt with the same terms without the conversion right to shares. The amount is reported as debt at amortized cost until the debt is converted or matures. The conversion right is initially reported as the difference between the fair value of the entire compound financial instrument and the fair value of the debt component. The value of the conversion right is reported in equity. For the Group and the parent company, the same accounting principles and basis for calculations have been applied as in the recent Annual Report.

Fair value of financial instruments

The recognized value for other receivables, cash and cash equivalents, trade payables and other liabilities constitutes a reasonable approximation of fair value. Interest bearing liabilities are recognized at amortized cost which is considered an approximation of the fair value.

Purchases from related parties

No significant transactions with related parties have occurred during the period.

Use of non-international financial reporting standards (IFRS) performance measures

Reference is made in this interim report to alternative performance measures that are not defined according to IFRS. Ascelia Pharma considers these performance measures to be an important complement since they enable a better evaluation of the company´s economic trends. The company believes that these alternative performance measures give a better understanding of the company´s financial development and that such key performance measures contain additional information to the investors to those performance measures already defined by IFRS. Furthermore, the key performance measures are widely used by the management in order to assess the financial development of the company. These financial key performance measures should not be viewed in isolation or be considered to substitute the key performance measures prepared by IFRS.

Furthermore, such key performance measures should not be compared to other key performance measures with similar names used by other companies. This is due to the fact that the above-mentioned key performance measures are not always defined identically by other companies. These alternative performance measures are described below.

Important estimations and judgements

Valuation of intangible assets

The recognized research and development project in progress is subject for management's impairment test. The most critical assumption, subject to evaluation by management, is whether the recognized intangible asset will generate future economic benefits that at a minimum correspond to the intangible asset's carrying amount. Management's assessment is that the expected future cash flows will be sufficient to cover the intangible asset's carrying amount and accordingly no impairment loss has been recognized.

Capitalization of development expenses

In 2024, the criteria for classifying R&D costs as an asset according to IAS 38 has not been met (capitalization of development expenses is normally done in connection with final regulatory approval). Hence, all R&D costs related to the development of the product candidates have been expensed.

Share-based incentive programs

Employee option programs

Ascelia Pharma has in total implemented three employee option programs with individual terms and conditions of which none are active. The parameter, which have the largest impact on the value of the options, is the publicly traded share price. In November 2023 the third optionprogram was implemented which exired in December 2024. No options were exercised.

The total recognized costs for the option programs including social security charges in 2024 were SEK 2.6 million.

Share saving programs

Ascelia Pharma has implemented six long-term incentive programs for employees in the form of performance-based share saving programs of which three are active. The parameter, which have the largest impact on the value of the programs, is the publicly traded share price.

The total recognized costs for the share saving programs including social security charges in 2024 were SEK 1.7 million.

Notes

Definitions of alternative performance measures

Alternative performance measures	Definition	Aim
Operating results (TSEK)	Profit before financial items and tax.	The performance measure shows the company´s operational performance.
Research and development costs/Operating costs (%)	The research and development expenses in relation to total operating costs (consisting of the sum of administrative expenses, R&D, costs for commercial preparations and other operating expenses).	The performance measure is useful in order to understand how much of the operating costs that are related to research- and development expenses.

Reconciliation table for alternative performance measures for the Group

	Q4 (Oct-Dec)		Full Year (Jan-Dec)	
*SEK in thousands**	**2024**	**2023**	**2024**	**2023**
R&D costs	-18,328	-6,482	-50,798	-81,266
Administration costs	-3,682	-5,472	-17,995	-19,774
Commercial preparation costs	–	905	669	-10,438
Other operating costs	-1	-361	-100	-1,023
Total operating costs	**-22,012**	**-11,410**	**-68,225**	**-112,501**
R&D costs/Operating costs (%)	**83%**	**57%**	**74%**	**72%**

Financial calendar

Annual General Meeting 2025:	7 May 2025
Interim report Q1 2025 (Jan-Mar):	16 May 2025
Half-year report 2025 (Jan-Jun):	21 August 2025
Interim report 9M 2025 (Jan-Sep):	5 November 2025
Full-year report 2025 (Jan-Dec):	5 February 2026

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