



## Year-end report 2020

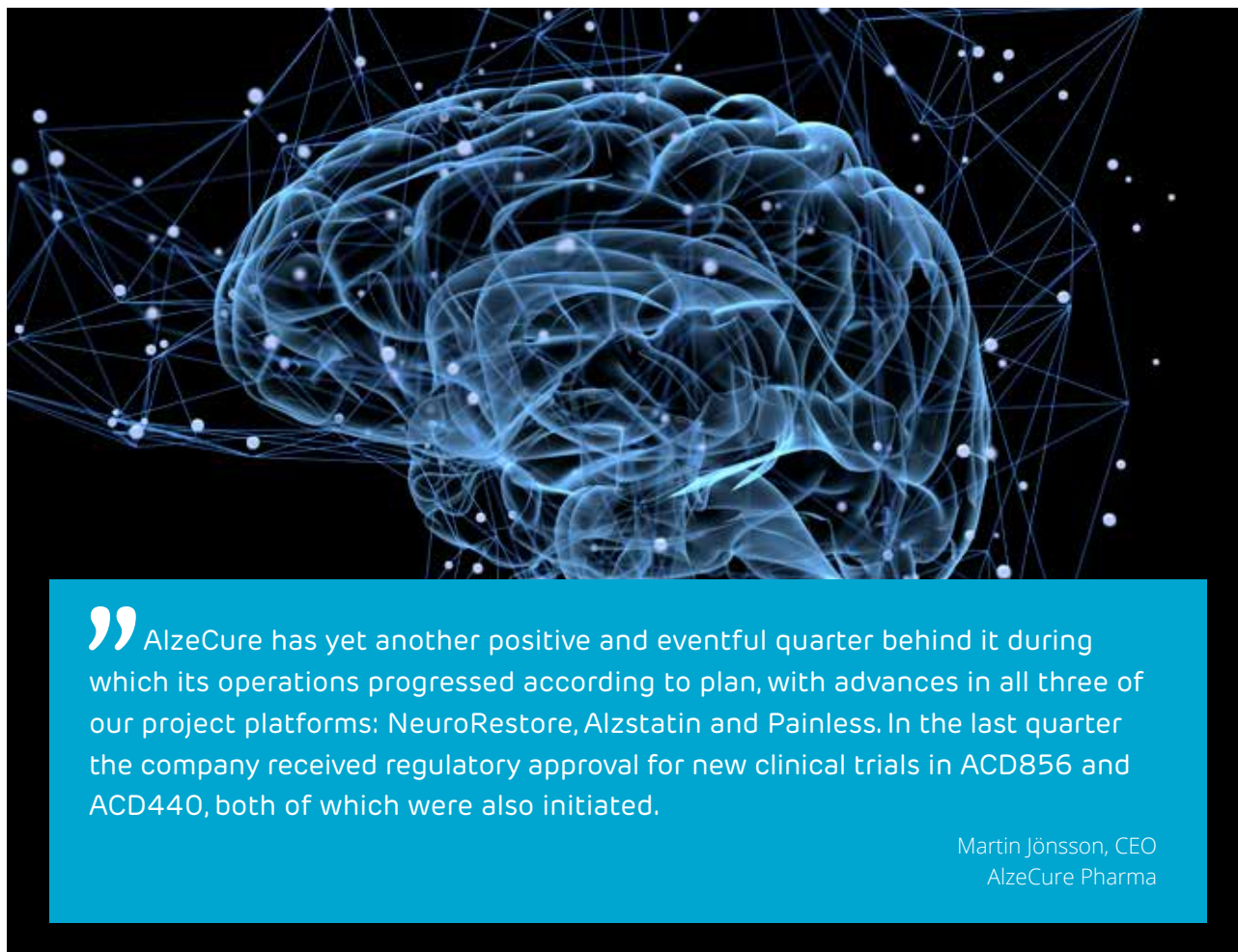
AlzeCure Pharma develops new drug therapies for the treatment of severe diseases and conditions that affect the central nervous system, such as Alzheimer's disease and pain, for which currently available treatment is extremely limited. AlzeCure® aims to pursue its own projects through preclinical research and development to early clinical phase.

---

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

NeuroRestore consists of two symptomatic drug candidates where the unique mechanism of action allows multiple indications, including Alzheimer's disease, as well as cognitive disorders associated with traumatic brain injury, sleep apnea and Parkinson's disease. The Alzstatin platform focuses on developing disease-modifying and preventive drug candidates for early treatment of Alzheimer's disease and comprises two candidates. Painless is the company's research platform in the field of pain and contains two projects: ACD440, which is a drug candidate in the clinical development phase for the treatment of neuropathic pain, and TrkA-NAM, which targets severe pain in conditions such as osteoarthritis. AlzeCure® aims to pursue its own projects through preclinical research and development to early clinical phase, and is continually working on business development to find suitable outlicensing solutions with other pharmaceutical companies.

FNCA Sweden AB, +46(0)8 528 00 399 [info@fnca.se](mailto:info@fnca.se), is the company's Certified Adviser. For more information, please visit [www.alzecurepharma.se](http://www.alzecurepharma.se).



” AlzeCure has yet another positive and eventful quarter behind it during which its operations progressed according to plan, with advances in all three of our project platforms: NeuroRestore, Alzstatin and Painless. In the last quarter the company received regulatory approval for new clinical trials in ACD856 and ACD440, both of which were also initiated.

Martin Jönsson, CEO  
AlzeCure Pharma

## Financial information

### October–December 2020

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

- Net sales during the period totaled SEK 0 thousand (0).
- Loss for the period totaled SEK -17,720 thousand (-15,635).
- Earnings per share, basic, totaled SEK -0.47 (-0.41).
- Total assets at the end of the period amounted to SEK 117,827 thousand (186,755).
- Cash and cash equivalents at the end of the period totaled SEK 112,434 thousand (182,499).

### January–December 2020

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

- Net sales during the period totaled SEK 0 thousand (0).
- Loss for the period totaled SEK -71,366 thousand (-50,858).
- Earnings per share, basic, totaled SEK -1.89 (-1.35).
- Total assets at the end of the period amounted to SEK 117,827 thousand (186,755).
- Cash and cash equivalents at the end of the period totaled SEK 112,434 thousand (182,499).

## Significant events

---

### January–September 2020

- In January, the company in-licensed a new project, ACD440, which focuses on neuropathic pain and is in clinical development phase.
- Martin Jönsson was appointed to serve as the new Chief Executive Officer in January 2020. Martin has worked in the global pharmaceutical industry for more than 20 years, with extensive experience from various executive positions at both Ferring Pharmaceutical and Roche.
- Johan Sandin took over the position of Chief Scientific Officer in January, which enabled him to dedicate all of his time to research and development.
- An van Es Johansson joined the management group in March as Head of Development & Chief Medical Officer and thereby stepped down from the Board of Directors. This arrangement further strengthens the company in a period when it is developing and preparing to increase the number of clinical trials, in line with previously announced plans.
- In April the company presented a “late-breaking abstract” at the Advances in Alzheimer’s and Parkinson’s Therapies (AAT-AD/PD) conference. Dr. Pontus Forsell, Head of Discovery, and lead author of the study, gave an oral presentation entitled “ACD856 a positive modulator of neurotrophin signaling reverses scopolamine- or age-induced cognitive deficits.” The study shows that treatment with ACD856 results in potent memory enhancement in preclinical studies.
- In June the company presented favorable data from the first clinical trial with ACD856, which showed that ACD856 has a good pharmacokinetic profile with a significantly shorter half-life in humans than its predecessor, ACD855, and that the candidate is suitable for further clinical development as oral treatment of conditions such as Alzheimer’s disease.
- In the third quarter the company was represented and active in various scientific contexts, including scientific symposiums focused on Alzheimer’s disease arranged with Professor Bengt Winblad at Karolinska Institutet, as well as professor Henrik Zetterberg, active at University College London in the UK and the University of Gothenburg.

### October–December

- The company presented two abstracts at the conference Clinical Trials in Alzheimer’s Disease (CTAD) held November 4–7, one concerning the NeuroRestore platform and the other one concerning the Alzstatin platform.
- In November the company received approval from the regulatory authorities in Sweden to initiate a phase I clinical trial with the drug candidate ACD856.
- In December the company received approval to initiate a phase Ib clinical trial with ACD440 in neuropathic pain.
- Favorable preclinical efficacy data for the pain project TrkA-NAM were obtained in December in an in vivo study.
- The company progressed into preclinical development phase with the drug candidate ACD857 in December.

### Significant events after the end of the period

Märta Segerdahl, MD, PhD, Associate professor, is appointed Chief Medical Officer (CMO) in April 2021.

# A word from the CEO

AlzeCure has yet another positive and eventful quarter behind it. Our business continues to make good progress, according to plan, with advances in all three project platforms: NeuroRestore, Alzstatin and Painless. In the last quarter we received regulatory approval for two new clinical trials in the ACD856 and ACD440 projects, which we have also initiated. In addition, we received and announced favorable preclinical results for our innovative pain project TrkA-NAM, and the NeuroRestore project ACD857 progressed into the next phase of development. Throughout 2020, AlzeCure progressed all projects to the plan and set out milestones. We look forward to 2021 with confidence and will continue to deliver results in our important and promising projects.

ACD856, is part of the innovative NeuroRestore platform with a primary focus on symptomatic treatment of Alzheimer's. In Q2, we completed our first clinical trial for the compound, which demonstrated positive results and supported the continued development plans for ACD856. In Q3 we prepared for the upcoming clinical trial for the compound and submitted the application to the authorities, in line with the plan. At the end of the fourth quarter, the study was approved by the authorities and was immediately initiated. In the ongoing clinical trial for ACD856 we are studying safety and tolerability, where we expect to obtain the initial results during the summer of 2021.

Our other drug candidate in the NeuroRestore platform, ACD857, is in preclinical development phase. We also plan to use this compound for an indication related to cognitive dysfunction, such as Alzheimer's disease. In the fourth quarter, ACD857 progressed into the next development phase, known as the preclinical development phase, which focuses on studying the safety and tolerability of the compound.

In 2020, we held a scientific symposium on Alzheimer's disease, with a focus on symptomatic treatment. There is a high unmet medical need for new treatments in this field, and the drug candidates in the NeuroRestore platform are intended to be used in this particular way – they will be able to improve the memory and cognitive ability of the patient. This symposium, at which Professor Bengt Winblad from Karolinska Institutet in Stockholm was one of the presenters, had several hundred listeners. The large audience shows the strong interest in our development programs and in AlzeCure as a research and development company. In conjunction with the event, Professor Bengt Winblad emphasized the

great need for new symptomatic drugs for the treatment of Alzheimer's disease, as well as for other patient groups with cognitive disorders, which our development projects also focus on and try to solve. The symposium can be viewed on our website and on the AlzeCure YouTube channel. At the

symposium we also presented the positive preclinical results that we published in the spring, together with Bengt Winblad and Professor Maria Eriksdotter at Karolinska Institutet, concerning ACD856, which showed potent cognitive and memory-enhancing properties.

We see great potential in the NeuroRestore platform with several potential indications for our drug candidates and thus also more conceivable paths forward for continued development. This broadens AlzeCure's future opportunities and provides additional value for our shareholders.

Our innovative Alzstatin project platform aims to develop preventive and disease-

modifying treatments for Alzheimer's by reducing production of harmful amyloid-beta (Aβ) and thereby preventing accumulation of pathological amyloid in the brain. Medical need in this area continues to be enormous since there are no drugs today that can prevent or slow the progression of Alzheimer's. The disease is estimated to cost society SEK 10,000 billion worldwide every year – a cost that is expected to triple over the next 30 years, as life expectancy increases. This demonstrates the tremendous and growing need for effective new medications, as well as the potential for the new Alzstatin program, which has compounds in preclinical studies that have shown that they can reduce the quantity of harmful amyloid-beta by 50 %. The Alzstatin project ACD679 is undergoing preclinical toxicological studies, at the same



Martin Jönsson, CEO

*Cont'd next page*

time that research continues in the ACD680 follow-up project. This parallel development initiative will ensure that we can choose the best possible Alzstatin compound for future clinical trials.

To showcase the work we do in the Alzstatin area, we arranged a specific scientific symposium during the fall in collaboration with Professor Henrik Zetterberg, active at University College London in the UK, as well as at the University of Gothenburg. Henrik Zetterberg, whom we at AlzeCure have worked with over the years, is one of the world leaders in this field of research, with a focus on biomarkers; his sponsors include the Bill & Melinda Gates Foundation. The symposium, which primarily focused on the target group of institutions and people with extensive knowledge in the field of Alzheimer's, also attracted interest among other pharmaceutical companies. The lectures, which have been viewed by several hundred people and received very positive feedback, can be found on our website and on the AlzeCure YouTube channel. Professor Zetterberg remains positive to the amyloid hypothesis on which the Alzstatin project is based and believes that the new results from antibody therapies strengthen the validity of the hypothesis. This also increases interest in projects like the Alzstatin project.

We also see continued promising progress in our pain platform Painless, which consists of two projects, ACD440 and TrkA-NAM. ACD440 is a VR1 antagonist in the clinical development phase, aimed at treating neuropathic pain. In the fall we submitted an application for a phase Ib clinical trial that was approved in December and which we immediately initiated. The study will provide us with tolerability and safety data, as well as early signals of effect. We expect to receive the study results during the summer of 2021. Global sales for medications with the indication of neuropathic pain are currently worth over SEK 70 billion each year. It is assessed that half of the estimated 25–30 million patients with neuropathic pain do not achieve adequate pain relief, indicating the unmet medical need and potential that remains in the field.

TrkA-NAM is an extremely interesting pain project that focuses on discovering drugs to treat severe pain in conditions such as osteoarthritis, which currently affects an estimated 250 million patients, for whom healthcare providers would like new treatment options as an alternative to existing treatment (such as opioids, i.e., addictive narcotic drugs). The project is based on a biological mechanism with strong pre-clinical and clinical validation. As a result of these efforts and

in combination with our advanced progress related to the development of potent and selective compounds, interest among potential partners is strong. In 2020 we received favorable efficacy data from the first preclinical pain studies in the project. We are currently actively working on choosing a CD for the project, which we expect to do during the second half of 2021.

Over the past year we continued to have a strong focus on our marketing communication efforts by participating at many different events. At several meetings we presented along with leading researchers with whom we collaborate.

We are actively working on promoting the company to both private and institutional investors, as well as other pharmaceutical and research companies that may be interested in investing in or in-licensing our development projects, or alternatively in entering into a partnership. These efforts accelerated during the second half of the year. Interest in AlzeCure increased in 2020 and we received many new shareholders who chose to invest in the company – twice as many as in the previous year.

Regarding the ongoing COVID-19 situation, we have

taken measures to protect our employees and we are working closely with our suppliers and partners to minimize the impact of the circumstances on the company's operations. The organization and the employees successfully adapted to the situation during 2020, ensuring that the business is able to deliver according to plan. Regarding organizational development, during the year we also strengthened our development department by hiring key expertise. This addition is a natural consequence since we have more projects in clinical development phase. The new hire strengthens our internal expertise, as well as facilitating faster and more cost-effective development.

I am pleased to report that AlzeCure continues to make good progress together with our dedicated and motivated employees. We have several promising projects under development, all within fields with great unmet medical need. The performance we achieved during the year strengthens our conviction that we will be able to deliver as stated in our communicated objectives once again in 2021.

Huddinge, February 2021  
*Martin Jönsson*

” I am pleased to report that AlzeCure continues to make good progress and that we are delivering according to plan. The future looks exciting with several promising projects under development, all within fields with great unmet medical need.



# AlzeCure's project portfolio


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

The different research platforms have several drug candidates: two candidates in NeuroRestore and two candidates in Alzstatin, as well as two projects in the Painless platform. A diversified portfolio of drug candidates paves the way for several different indications, such as cognitive disorders associated with Alzheimer's, traumatic brain injury, sleep apnea and Parkinson's disease, as well as for severe pain in conditions such as neuropathy and osteoarthritis.

- The NeuroRestore platform is developing a new generation of symptomatic drugs for the treatment of cognitive disorders, such as Alzheimer's disease. The target mechanism also has other potential indications, including depression and Parkinson's disease.
- Innovative disease-modifying and preventive drugs for Alzheimer's disease are under development within the Alzstatin platform.
- The Painless platform includes two projects, TrkA-NAM and ACD440, which both focus on severe pain conditions.
  - The TrkA-NAM project is aimed at treating severe pain caused by disorders such as osteoarthritis, which today lacks sufficiently effective treatment. The project is currently in research phase.
  - The clinical drug candidate ACD440 was in-licensed in January 2020 and is being developed as a local treatment of neuropathic pain, a field with great unmet medical need. The project is currently in clinical development phase.

## AlzeCure's pipeline<sup>1</sup>

| Platform     | Candidate  | Indication   | Research phase | Preclinical phase | Phase I | Phase II | Phase III |
|--------------|------------|--|----------------|-------------------|---------|----------|-----------|
| NeuroRestore | ACD856     | Alzheimer's disease/<br>Sleep disorders/<br>Traumatic brain injury |                |                   |         |          |           |
|              | ACD857     | Alzheimer's disease  |                |                   |         |          |           |
| Alzstatin    | ACD679     | Alzheimer's disease  |                |                   |         |          |           |
|              | ACD680     | Alzheimer's disease  |                |                   |         |          |           |
| Painless     | VR1/ACD440 | Neuropathic pain   |                |                   |         |          |           |
|              | TrkA-NAM   | Osteoarthritic pain  |                |                   |         |          |           |

 In progress  Completed

1) For definitions of the phases, please see the AlzeCure Pharma website, [www.alzecurepharma.se](http://www.alzecurepharma.se)

# Project development

AlzeCure® works with research and development of innovative and effective new drugs for diseases that affect the nervous system and the brain, with a focus on Alzheimer's disease and pain. The need for new treatments for these severe illnesses is great; for example, disease-modifying therapy for Alzheimer's is expected to be able to generate more than USD 10 billion in annual sales.

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

- Within NeuroRestore, a new generation of symptomatic drugs is being developed for the treatment of cognitive dysfunction (memory disorders) in Alzheimer's disease.
- Within Alzstatin, disease-modifying and preventive drugs for early treatment of Alzheimer's patients are being developed.
- TrkA-NAM is a project in research phase aimed at developing a new treatment for severe pain in conditions such as osteoarthritis.
- ACD440 is a drug candidate in clinical development phase aimed at treating neuropathic pain and was in-licensed in January 2020.

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

NeuroRestore includes two drug candidates, where ACD856 is the lead candidate for cognitive dysfunction/Alzheimer's. The substance has demonstrated potent effect on both memory and learning functions in several preclinical models.

The company initiated the first clinical trial with ACD856 according to plan in late 2019. The study was completed on schedule in the second quarter of 2020, with results showing that ACD856 was well-suited for further clinical development.



Continued clinical trials could then be initiated in late 2020, according to plan. These studies, which are part of the phase I program for the drug candidate, have the primary purpose of assessing safety and tolerability in humans.

ACD857 is in research phase and has the primary indication of cognitive dysfunction/Alzheimer's disease.

At the end of the year the drug candidate progressed into the next drug development phase, which aims to assess the preclinical safety profile before clinical trials can begin.

AlzeCure's disease-modifying research platform for Alzheimer's disease, Alzstatin, focuses on reducing the production of toxic amyloid beta ( $A\beta$ ) in the brain.  $A\beta$  plays a key pathological role in Alzheimer's disease and begins to accumulate in the brain years before clear symptoms develop.

The target mechanism in Alzstatin is confirmed by previously reported study results, which we believe validate the amyloid hypothesis and thus Alzstatin's focus.

The leading drug candidate in the Alzstatin platform, ACD679, is currently undergoing the important safety pharmacological and toxicological studies necessary before clinical trials may begin. Alongside this work, the development

of an additional drug candidate is in progress (ACD680) to ensure that the company has the best compound for clinical studies.

AlzeCure's Painless platform contains two projects aimed at new treatments for pain. TrkA-NAM builds on the knowledge amassed and assets developed in the NeuroRestore platform. The project, which is aimed at severe pain in conditions such as osteoarthritis, is currently in research phase and the company received the first preclinical efficacy data in 2020, according to plan.

In January 2020, a drug candidate in clinical development phase aimed at treating neuropathic pain, ACD440, was in-licensed. This project is an important strategic in-licensing that strengthens the company's current clinical portfolio. The ACD440 project has its origins in Big Pharma and is based on strong scientific grounds.

The compound that is being developed as a topical gel for local treatment has previously undergone clinical trials, but at that time as an oral treatment. AlzeCure was able to initiate a phase Ib clinical trial with the drug candidate at the end of 2020 aimed at studying tolerability and early efficacy signals.





## Comments on the report

### Financial Overview

| SEK thousand  | Oct-Dec<br>2020 | Oct-Dec<br>2019 | Jan-Dec<br>2020 | Jan-Dec<br>2019 |
|---|-----------------|-----------------|-----------------|-----------------|
| Net sales   | 0               | 0               | 0               | 0               |
| Operating profit/loss                                       | -17,767         | -15,685         | -71,579         | -50,908         |
| Earnings for the period and comprehensive income            | -17,720         | -15,635         | -71,366         | -50,858         |
| Earnings per share, basic (SEK)                             | -0.47           | -0.41           | -1.89           | -1.35           |
| Research expenses as a percentage of operating expenses (%) | 85.7            | 86.7            | 86.3            | 87.7            |
| Total assets  | 117,827         | 186,755         | 117,827         | 186,755         |
| Cash and cash equivalents                                   | 112,434         | 182,499         | 112,434         | 182,499         |
| Debt/equity ratio (%)                                       | 94.0            | 97.5            | 94.0            | 97.5            |
| Average number of shares, basic                             | 37,765,715      | 37,765,715      | 37,765,715      | 37,765,715      |
| Average number of employees                                 | 8               | 8               | 8               | 4               |

See the definitions below.

### Revenue and profit/loss

The company had no net sales during the period. Other operating income largely relates to currency gains this quarter as well. Government aid received for increased sick pay costs totals SEK 81 thousand for the period January to December and is recognized as other income.

The operating loss in the fourth quarter was SEK -17,767 thousand (-15,685). The operating loss for the period January to December was SEK -71,579 thousand (-50,908). The company's research operations have continued to evolve, for which reason research expenses also increased, all according to plan. In the last quarter the company dedicated considerable effort to its patent portfolio. More information about research at AlzeCure can be found in the Project Portfolio section of this report.

Administrative costs were somewhat higher this quarter compared with the previous year. The company continued to focus on communication and business development during the year, for which reason these costs increased overall in 2020. The company had nine employees on the closing date.

The COVID-19 pandemic is still underway and the company takes ongoing necessary measures to protect its employees and limit any negative impact on the company's operations. The company's business has not been affected to any great extent by the pandemic, but like the rest of society, the company recognizes that the risks increase the longer the pandemic continues. The company has received relief through reduced social security contributions, as well as reimbursement of sick pay costs.

Earnings per share (basic) amounted to SEK -0.47 (-0.41) for the fourth quarter of 2020, and SEK -1.89 (-1.35) for the period January to December 2020.

*Cont'd next page*

## Financial position

At the end of the period, equity was SEK 110,755 thousand (182,007) and the debt/equity ratio was 94.0% (97.5).

Cash and cash equivalents at the end of the period totaled SEK 112,434 thousand (182,499).

In 2019 the company launched an incentive program with warrants aimed at the Board of Directors. A total of 110,000 warrants were issued. For more details, please see "Share-related compensation programs" in the report.

In the second quarter of 2020 the company launched an incentive program, this time with warrants aimed at the company's Chief Executive Officer. A total of 300,000 warrants were issued. For more details, please see "Share-related compensation programs" in the report.

As of the closing date a total of 410,000 warrants were issued, resulting in a dilution effect of 1%.

## Cash flow and investments

Cash flow from operating activities including changes in working capital for the fourth quarter of 2020 totaled SEK -20,375 thousand (-13,993). For the period January to December, the corresponding cash flow totaled SEK -69,508 thousand (-50,285).

Cash flow from investing activities totaled SEK -167 thousand (-350) in the fourth quarter, mainly attributable to investments in laboratory equipment. For the period January to December, cash flow from investing activities totaled SEK -671 thousand (-1,461).

For the fourth quarter of 2020, cash flow from investing activities totaled SEK 0 thousand (0); the total for the period January to December is SEK 114 thousand (-304). The figure during the corresponding period last year is attributable to late submission of transaction expenses related to the new share issue in conjunction with the company's listing in 2018.



The company's research operations have continued to evolve, for which reason research expenses also increased, all according to plan.

## Accounting policies and valuation principles

### General information and compliance with IAS 34

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. AlzeCure Pharma AB (publ) is domiciled in Stockholm. Because the company is not a group, it applies IFRS with the adjustments required under RFR2 Accounting for legal entities.

### Significant accounting policies and valuation principles

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

### Significant estimates and assumptions

When preparing interim reports, the Board and the CEO must, in accordance with the applicable accounting policies and valuation policies, make certain estimates, assessments and assumptions that affect the recognition and valuation of assets, provisions, liabilities, income and expenses. The outcome may deviate from these estimates and assessments and will very rarely amount to the same sum as the estimated outcome.

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

## Key ratios and definitions

**Earnings per share:** net sales for the period divided by the average number of shares during the period.

**Debt/equity ratio:** equity, and where applicable untaxed reserves (less deferred tax), in relation to total assets.

**Research expenses as a percentage of total operating expenses:** Research expenses divided by operating expenses, which include research expenses, administrative expenses and other operating expenses. Research expenses include the company's direct expenses relating to research activities such as expenditures for personnel, material and external services.

## Significant risks and uncertainties

The company develops drug candidates and activities will always involve regulatory, market and financial risks. No significant changes regarding those risks and uncertainty factors took place during the period compared with those presented in the most recent annual report.

The COVID-19 pandemic is still underway and the company has taken the necessary measures to protect its employees and limit any negative impact on the company's operations. The company is carefully monitoring the situation and complying with the recommendations and restrictions of the Public Health Agency of Sweden. Additional measures will be taken as needed. The duration of the pandemic increases the risk that operations will be affected, but the company hopes and believes that the vaccines that have been developed will reduce the risk.

## Reconciliation Alternative Key Ratios

| SEK thousand  | Oct-Dec<br>2020 | Oct-Dec<br>2019 | Jan-Dec<br>2020 | Jan-Dec<br>2019 |
|---|-----------------|-----------------|-----------------|-----------------|
| <i>Research expenses as a percentage of total operating expenses:</i> |                 |                 |                 |                 |
| Research expenses   | -15,315         | -13,637         | -62,356         | -44,789         |
| Administration expenses   | -2,498          | -2,054          | -9,375          | -6,035          |
| Other operating expenses  | -65             | -31             | -508            | -259            |
| <b>Total operating costs</b>  | <b>-17,878</b>  | <b>-15,722</b>  | <b>-72,239</b>  | <b>-51,083</b>  |
| <b>Research expenses as a percentage of total operating expenses:</b> | <b>85.7%</b>    | <b>86.7%</b>    | <b>86.3%</b>    | <b>87.7%</b>    |
| <i>Debt/equity ratio (%):</i>   |                 |                 |                 |                 |
| Total equity at the end of the period                                 | 110,755         | 182,007         | 110,755         | 182,007         |
| Total assets at the end of the period                                 | 117,827         | 186,755         | 117,827         | 186,755         |
| <b>Debt/equity ratio (%):</b>   | <b>94.0%</b>    | <b>97.5%</b>    | <b>94.0%</b>    | <b>97.5%</b>    |

## The share, share capital & ownership structure

### The share

The share has traded on Nasdaq First North Premier Growth Market under the name ALZCUR since November 28, 2018. On December 31, 2020, the number of shares in the company totaled 37,765,715.

### Owners as of December 31, 2020

| The ten largest owners as of December 31, 2020 | Number of shares  | Share capital and votes |
|--|-------------------|-------------------------|
| BFCM P/C BFCM Sweden Retail FT                 | 4,395,265         | 11.6%                   |
| FV Group AB                                    | 2,000,000         | 5.3%                    |
| Nordnet Pensionsförsäkring AB                  | 1,796,102         | 4.8%                    |
| AlzeCure Discovery AB                          | 1,710,000         | 4.5%                    |
| Sjuenda Holding AB                             | 1,578,600         | 4.2%                    |
| SEB-Stiftelsen                                 | 1,400,000         | 3.7%                    |
| Futur Pension                                  | 1,038,500         | 2.7%                    |
| Pontus Forsell                                 | 853,643           | 2.3%                    |
| BNP Paribas Sec Serv Luxembourg                | 850,000           | 2.3%                    |
| Johan Sandin                                   | 850,000           | 2.3%                    |
| <b>10 largest owners</b>                       | <b>16,472,110</b> | <b>43.6%</b>            |
| Other  | 21,293,605        | 56.4%                   |
| <b>TOTAL</b>                                   | <b>37,765,715</b> | <b>100%</b>             |

### Nomination Committee

AlzeCure Pharma's nomination committee for the 2021 Annual General Meeting was appointed in accordance with the principles adopted by the Annual General Meeting on May 20, 2020 and consists of:

**William Gunnarsson**, appointed by BFCM P/C BFCM Sweden Retail FT,  
**Bo Rydinger**, appointed by FV Group AB,  
**Liselotte Jansson**, appointed by AlzeCure Discovery AB and  
**Thomas Pollare** (Chairman of the Board)

### Share-related compensation programs

In 2019 the company launched an incentive program with warrants aimed at some members of the Board of Directors. A total of 110,000 warrants were issued: 35,000 warrants went to Thomas Pollare and 25,000 warrants each went to An van Es Johansson, Ragnar Linder and Pirkko Sulila Tamsen.

The warrants, which were issued at the market price as of May 22, 2019, entitle the holder to subscribe for shares during the period June 15–30, 2022. The issue price for newly subscribed shares totaled 150 percent of the volume-weighted average closing price for the company's shares on the Nasdaq First North Premier Growth Market during the 10 trading days preceding the Annual General Meeting on May 22, 2019. In 2020 the company also launched an incentive program, this time with warrants aimed at the Chief Executive Officer. A total of 300,000 warrants were issued.

The warrants, which were issued at the market price based on an external valuation as of May 20, 2020, entitle the holder to subscribe for shares during the period June 15, 2023 – July 5, 2023. The issue price for newly subscribed shares totaled 150 percent of the volume-weighted average closing price for the company's shares on the Nasdaq First North Premier Growth Market during the 10 trading days preceding the Annual General Meeting on May 20, 2020.

The total dilution effect of the two incentive programs is 1%.

### Financial calendar

|  |                   |
|--|-------------------|
| Annual Report 2020                                 | April 6, 2021     |
| Interim report for the period January – March 2021 | May 5, 2021       |
| 2021 Annual General Meeting                        | May 17, 2021      |
| Interim report for the period April–June 2021      | August 25, 2021   |
| Interim report for the period July–September 2021  | November 10, 2021 |



## The Board's assurance

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

Huddinge, Wednesday, February 26, 2020

Thomas Pollare  
*Chairman of the Board*

Pirkko Sulila Tamsen  
*Board member*

Ragnar Linder  
*Board member*

Ellen Donnelly  
*Board member*

Martin Jönsson  
*Chief Executive Officer*

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

For more information, please see [www.alzecurepharma.se](http://www.alzecurepharma.se) or contact:  
Martin Jönsson, CEO  
[info@alzecurepharma.com](mailto:info@alzecurepharma.com)

FNCA is the company's Certified Adviser.  
FNCA Sweden AB, +46 (0)8 528 00 399, [info@fnca.se](mailto:info@fnca.se).

## Income statement and other comprehensive income

| SEK thousand  | Oct-Dec<br>2020 | Oct-Dec<br>2019 | Jan-Dec<br>2020 | Jan-Dec<br>2019 |
|---|-----------------|-----------------|-----------------|-----------------|
| Net sales   | 0               | 0               | 0               | 0               |
| <b>Operating expenses</b>                                     |                 |                 |                 |                 |
| Research expenses   | -15,315         | -13,637         | -62,356         | -44,789         |
| Administration expenses                                       | -2,498          | -2,054          | -9,375          | -6,035          |
| Other operating income  | 111             | 37              | 660             | 175             |
| Other operating expenses                                      | -65             | -31             | -508            | -259            |
| <b>Operating profit/loss</b>                                  | <b>-17,767</b>  | <b>-15,685</b>  | <b>-71,579</b>  | <b>-50,908</b>  |
| <b>Profit/loss from financial items</b>                       |                 |                 |                 |                 |
| Interest income and similar items                             | 47              | 61              | 214             | 199             |
| Interest expenses and similar items                           | 0               | -11             | -1              | -149            |
| <b>Profit/loss after financial items</b>                      | <b>-17,720</b>  | <b>-15,635</b>  | <b>-71,366</b>  | <b>-50,858</b>  |
| <b>Earnings for the period and other comprehensive income</b> | <b>-17,720</b>  | <b>-15,635</b>  | <b>-71,366</b>  | <b>-50,858</b>  |
| Earnings per share basic, SEK                                 | -0.47           | -0.41           | -1.89           | -1.35           |
| Earnings per share diluted, SEK                               | -0.47           | -0.41           | -1.89           | -1.35           |
| Average number of shares basic                                | 37,765,715      | 37,765,715      | 37,765,715      | 37,765,715      |
| Average number of shares diluted                              | 38,175,715      | 37,875,715      | 38,050,715      | 37,802,382      |

## Balance sheet

| SEK thousand                         | 12/31/2020        | 12/31/2019        |
|--------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                        |                   |                   |
| <b>Non-current assets</b>            |                   |                   |
| <i>Intangible fixed assets</i>       |                   |                   |
| Project rights                       | 17                | 17                |
| <b>Total intangible fixed assets</b> | <b>17</b>         | <b>17</b>         |
| <i>Tangible fixed assets</i>         |                   |                   |
| Equipments, tools and installations  | 1,944             | 1,768             |
| <b>Total tangible fixed assets</b>   | <b>1,944</b>      | <b>1,768</b>      |
| <i>Financial fixed assets</i>        | 7                 | 7                 |
| <b>Total non-current assets</b>      | <b>1,968</b>      | <b>1,792</b>      |
| <b>Current assets</b>                |                   |                   |
| <i>Current receivables</i>           |                   |                   |
| Advance payment to vendor            | 703               | 0                 |
| Trade receivables                    | 8                 | 16                |
| Other current receivables            | 2,349             | 1,918             |
| Prepaid expenses and accrued income  | 365               | 530               |
| <b>Total current receivables</b>     | <b>3,425</b>      | <b>2,464</b>      |
| <i>Cash and bank balances</i>        | 112,434           | 182,499           |
| <b>Total current assets</b>          | <b>115,859</b>    | <b>184,963</b>    |
| <b>TOTAL ASSETS</b>                  | <b>117,827</b>    | <b>186,755</b>    |
| <b>SEK thousand</b>                  | <b>12/31/2020</b> | <b>12/31/2019</b> |
| <b>EQUITY AND LIABILITIES</b>        |                   |                   |
| <b>Equity</b>                        |                   |                   |
| Share capital                        | 944               | 944               |
| Share premium reserve                | 278,842           | 278,728           |
| Accumulated profit/loss              | -97,665           | -46,807           |
| Profit/loss for the period           | -71,366           | -50,858           |
| <b>Total equity</b>                  | <b>110,755</b>    | <b>182,007</b>    |
| <b>Current liabilities</b>           |                   |                   |
| Trade payables                       | 3,966             | 2,997             |
| Other current liabilities            | 199               | 251               |
| Accrued expenses and deferred income | 2,907             | 1,500             |
| <b>Total current liabilities</b>     | <b>7,072</b>      | <b>4,748</b>      |
| <b>Total liabilities</b>             | <b>7,072</b>      | <b>4,748</b>      |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>117,827</b>    | <b>186,755</b>    |

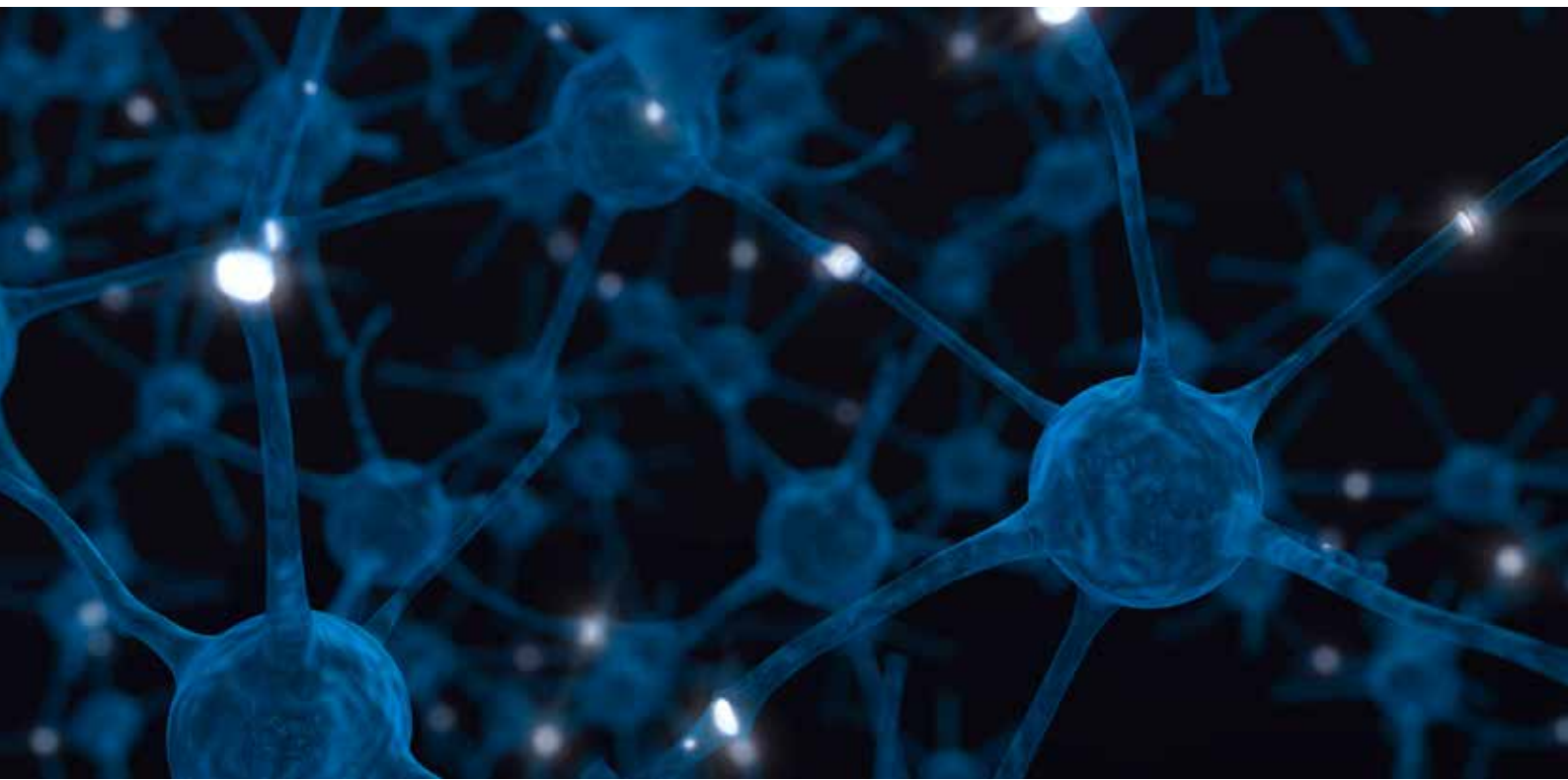
## Change in equity

| SEK thousand   | Share Capital | Share premium reserve | Accumulated profit/loss | Profit/loss for the year | Total equity   |
|--|---------------|-----------------------|-------------------------|--------------------------|----------------|
| <b>Opening balance 1/1/2019</b>                      | <b>944</b>    | <b>279,032</b>        | <b>-10,822</b>          | <b>-35,985</b>           | <b>233,169</b> |
| Appropriation of earnings                            |               |                       | -35,985                 | 35,985                   | 0              |
| Transaction costs, new shares issue for listing 2018 |               | -381                  |                         |                          | -381           |
| Warrants program                                     |               | 77                    |                         |                          | 77             |
| Earnings for the period and comprehensive income     |               |                       |                         | -50,858                  | -50,858        |
| <b>Closing balance 31/12/2019</b>                    | <b>944</b>    | <b>278,728</b>        | <b>-46,807</b>          | <b>-50,858</b>           | <b>182,007</b> |
| <b>Opening balance 1/1/2020</b>                      | <b>944</b>    | <b>278,728</b>        | <b>-46,807</b>          | <b>-50,858</b>           | <b>182,007</b> |
| Appropriation of earnings                            |               |                       | -50,858                 | 50,858                   | 0              |
| Warrants program                                     |               | 114                   |                         |                          | 114            |
| Earnings for the period and comprehensive income     |               |                       |                         | -71,366                  | -71,366        |
| <b>Closing balance 12/31/2020</b>                    | <b>944</b>    | <b>278,842</b>        | <b>-97,665</b>          | <b>-71,366</b>           | <b>110,755</b> |



## Cash flow statement

| SEK thousand  | Oct-Dec<br>2020 | Oct-Dec<br>2019 | Jan-Dec<br>2020 | Jan-Dec<br>2019 |
|---|-----------------|-----------------|-----------------|-----------------|
| <b>Operating activities</b>   |                 |                 |                 |                 |
| Operating loss before financial items                                 | -17,767         | -15,685         | -71,579         | -50,908         |
| Adjustment for items not included in cash flow:                       |                 |                 |                 |                 |
| Depreciations & amortizations   | 136             | 103             | 495             | 290             |
| Interest received   | 47              | 61              | 214             | 199             |
| Interest paid   | 0               | -11             | -1              | -149            |
| Cash flow from operating activities before changes in working capital | -17,584         | -15,532         | -70,871         | -50,568         |
| <b>Changes in working capital</b>                                     |                 |                 |                 |                 |
| Change in trade receivables   | 72              | -8              | 8               | -8              |
| Change in other current receivables                                   | -76             | 753             | -969            | 156             |
| Change in trade payables  | -3,846          | 290             | 969             | -649            |
| Change in other current operating liabilities                         | 1,059           | 504             | 1,355           | 784             |
| <b>Net cash flows from operating activities</b>                       | <b>-20,375</b>  | <b>-13,993</b>  | <b>-69,508</b>  | <b>-50,285</b>  |
| <b>Investing activities</b>   |                 |                 |                 |                 |
| Acquisition of tangible fixed assets                                  | -167            | -350            | -671            | -1,461          |
| <b>Cash flow from investing activities</b>                            | <b>-167</b>     | <b>-350</b>     | <b>-671</b>     | <b>-1,461</b>   |
| <b>Financing operations</b>   |                 |                 |                 |                 |
| New share issue, incl transaction expenses                            | 0               | 0               | 0               | -381            |
| Warrant program   | 0               | 0               | 114             | 77              |
| <b>Cash flow from financing activities</b>                            | <b>0</b>        | <b>0</b>        | <b>114</b>      | <b>-304</b>     |
| <b>Cash flow for the year</b>   | <b>-20,542</b>  | <b>-14,343</b>  | <b>-70,065</b>  | <b>-52,050</b>  |
| Cash and cash equivalents at beginning of the period                  | 132,976         | 196,842         | 182,499         | 234,549         |
| <b>Cash and cash equivalents at end of period</b>                     | <b>112,434</b>  | <b>182,499</b>  | <b>112,434</b>  | <b>182,499</b>  |



### Contact details

AlzeCure Pharma AB (publ)  
Corporate ID no. 559094-8302, domiciled in Stockholm, Sweden.

Address: Hälsovägen 7, SE 141 57 Huddinge.

Certified Advisor: FNCA Sweden AB, Tel: +46(0)8 528 00 399, [info@fnca.se](mailto:info@fnca.se)

For more information, please visit  
[www.alzecurepharma.se](http://www.alzecurepharma.se)