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Year-end report January–December 2022

AlzeCure® is a Swedish pharmaceutical company that develops new innovative small molecule drug therapies for the treatment of severe diseases and conditions that affect the central nervous system, such as Alzheimer's disease and pain – indications for which currently available treatment is very limited. The company is listed on Nasdaq First North Premier Growth Market 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 for multiple indications, including Alzheimer's disease, as well as cognitive dysfunction 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 other conditions such as osteoarthritis. AlzeCure® aims to pursue its own projects through preclinical research and development to an early clinical phase and is continually working on business development to find suitable solutions for outlicensing to other pharmaceutical companies.

FNCA Sweden AB is the company's Certified Adviser.

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

AlzeCure

Financial information

October–December 2022

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 -10,948 thousand (-22,619).
- Earnings per share, basic, totaled SEK -0.22 (-0.60).
- Cash flow from operating activities totaled SEK -51,194 thousand (-20,931).
- Total assets at the end of the period amounted to SEK 70,836 thousand (45,647).
- Cash and cash equivalents at the end of the period totaled SEK 25,577 thousand (41,741).

January–December 2022

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 -56,239 thousand (-77,781).
- Earnings per share, basic, totaled SEK -1.18 (-2.06).
- Cash flow from operating activities totaled SEK -99,911 thousand (-70,639).
- Total assets at the end of the period amounted to SEK 70,836 thousand (45,647).
- Cash and cash equivalents at the end of the period totaled SEK 25,577 thousand (41,741).

Significant events

October–December 2022

- The company publishes new data at the ISMND Conference demonstrating that NeuroRestore ACD856 improves mitochondrial function and increases BDNF levels in neurons.
- The company has an abstract accepted by the CTAD Alzheimer conference on positive clinical EEG findings with NeuroRestore ACD856.
- The company publishes new data at the CTAD Alzheimer conference showing the potential disease-modifying and plasticity effects of NeuroRestore ACD856.
- The Board of Directors resolves to carry out a rights issue of SEK 31.7 million, secured to approximately 82.6 percent, with an over-allotment option of up to SEK 15 million, and announces an extraordinary general meeting on November 29, 2022 to approve the resolution.
- New data on Alzstatin, intended for preventive treatment of Alzheimer's shows greatly reduced levels of harmful amyloid beta 42 (Aβ42), which are presented at the CTAD conference.
- The company has a late breaking-abstract on new data for the Alzstatin Alzheimer's project accepted at the AD/PD 2023 Alzheimer's and Parkinson's conference.
- The new share issue was completed on December 20 and raised SEK 42.6 million before issue expenses for the company. In all, 134.3 percent was subscribed with and without exercising subscription rights. Issue expenses totaled SEK 3.0 million.

January – September 2022

- The company received a guiding response from the FDA supporting the continued clinical development program for ACD440, as well as preparations for the upcoming Phase II clinical trial.
- The Board of Directors approved a rights issue, subject to the approval of the Extraordinary General Meeting on March 1, 2022.
- The new share issue was completed on March 22 and raised SEK 48.5 million for the company, before issue expenses. Issue expenses totaled SEK 7.2 million.
- In March, the company received new indicative data from the ongoing clinical phase I MAD study with ACD856 (NeuroRestore) showing that the compound reaches the brain, the target organ for the compound which is being developed as a treatment for Alzheimer's disease.
- A directed set-off issue was carried out in April in connection with ACD440 entering phase II and Acturum Life investing in the company. The set-off issue is the result of a previously agreed milestone payment, which will be settled through 845,070 shares instead of a cash payment.
- In April, the company presented results from the Phase I Single-Ascending-Dose clinical study, which show that ACD856 demonstrates a good safety and tolerability profile in humans, as well as suitable pharmacokinetic properties, which supports further clinical development of the compound. In addition, new preclinical data were also presented, demonstrating a dose-dependent positive effect of the NeuroRestore compound on mitochondrial function, which is particularly interesting since impaired mitochondrial function is common in conditions such as Alzheimer's disease.
- In April, the company also presented new data concerning a new potent small-molecule gamma-secretase modulator (GSM), part of the Alzstatin research platform. The presentation contains preclinical data from studies that show that the substance, AC-0027875, effectively crosses the blood-brain barrier and reaches the target organ, i.e. the brain, in high concentrations – which is essential for a good pharmacological effect. Furthermore, data show that the potent effect of the substance on γ-secretase led to a reduction in the amount of harmful amyloid beta 42 (Aβ42) by more than 50 percent.
- In May, the company received approval to start a Phase II clinical trial with the non-opioid substance ACD440 for the treatment of neuropathic pain.
- In June, the first patient was included in the aforementioned study, the company's Phase II clinical trial in neuropathic pain with the non-opioid ACD440.
- The Phase I clinical trial Multiple Ascending Dose for AlzeCure's Alzheimer's project NeuroRestore ACD856 ended in June. The data show that ACD856, the primary drug candidate in the company's NeuroRestore platform, has good tolerability and safety. Furthermore, the results demonstrate that the substance has suitable pharmacokinetic properties with rapid uptake into the body, as well as relevant and dose-dependent exposure in the CNS.
- In August, the company presented new clinical data concerning NeuroRestore ACD856 at the Alzheimer's Association International Conference (AAIC).
- An overview article on AlzeCure's NeuroRestore platform as a novel Alzheimer's therapy was published in August in Drug Discovery Today.
- The company also had an abstract accepted on potential neuroprotective effects of NeuroRestore ACD856 in August.
- In September, the company announced that a patent was approved for ACD856 in the US.
- On September 16, the company presented new data from the Phase I clinical trial (multiple ascending dose, MAD) in the NeuroRestore project, which show that ACD856 has a pharmacodynamic effect on EEG activity in healthy volunteers. The new EEG results show that ACD856 not only crosses the blood-brain barrier, but also has a demonstrated effect on EEG activity in the brain.
- In September, AlzeCure presented new data on the anti-inflammatory effects of the TrkA-NAM pain project at IASP 2022.

Significant events after the end of the period

- In January, the company chose a drug candidate (DC) and initiated the preclinical development phase with the company's preventive and disease-modifying drug candidate Alzstatin ACD680.
- In January, the last patient was included in the ongoing Phase II clinical trial with the leading non-opioid drug candidate in the Painless platform, ACD440, which is being developed to treat peripheral neuropathic pain.

See page 58 of the company's 2021 annual report for a list of definitions.

A word from the CEO

The fourth quarter was once again extremely active and eventful for AlzeCure, including the presentation of new favorable results for NeuroRestore ACD856 and new promising preclinical data in the Alzstatin Alzheimer's project. During the quarter, we also completed an oversubscribed rights issue that raised approximately SEK 42.5 million before issue expenses, without offering a guarantee commitment, which is a clear sign of strength for the company.

At the end of November, we presented positive new Phase I clinical trial data for our leading drug candidate ACD856 at the world-leading CTAD Alzheimer's conference in San Francisco. ACD856 is part of AlzeCure's NeuroRestore platform, which includes a new generation of symptomatic drug candidates for diseases where cognitive ability is impaired, such as Alzheimer's. The results showed that ACD856, in addition to having good safety and tolerability, also significantly affects neuronal pathways and regions in the brain that are central to the intended areas of indication for the compound, including depression. This was demonstrated through quantitative EEG data generated in the clinical trial. We also presented new data indicating that NeuroRestore also has a potential neuroprotective, disease-modifying, long-acting and plasticity effect, which is extremely promising for the continued development within the platform.

At the CTAD conference we also presented new favorable preclinical data within Alzstatin, AlzeCure's platform aimed at developing preventive and disease-modifying treatments for Alzheimer's disease. The results that were presented stem from a new molecule, AC--0027875, which is expected to be advantageous from a patent perspective. The data show that the compound can reduce harmful amyloid-beta-42 levels by 50 to 60 percent, which is extremely promising for an Alzheimer's treatment.

It is particularly gratifying that we were able to present new NeuroRestore and Alzstatin data at a time when we are seeing strong growing interest in the Alzheimer's project in response to the new positive results, which have received considerable attention, from the Phase III study with the antibody lecanemab. The results with lecanemab, which is being developed by Eisai, Biogen and Bioarctic, are extremely important for the entire field of Alzheimer's research and validate the amyloid hypothesis, on which AlzeCure's Alzstatin research platform is also based. Even if the lecanemab data appear to be promising, it indicates that there will be a need for alternative and complementary therapies, such as Alzstatin and NeuroRestore.

Development in AlzeCure's pain platform Painless, with the ACD440 and TrkA-NAM projects, is continuing according to plan. ACD440 is a TRPV1 antagonist for topical use aimed at treating peripheral neuropathic pain based on discoveries that garnered the Nobel Prize in Physiology or Medicine in 2021. The groundbreaking discovery of TRPV1 and its link to pain signaling is of great significance and we have used it in our ACD440 clinical development program, which includes a currently ongoing Phase II trial in patients with peripheral neuropathic pain. The conclusion of the study is planned for the first half of 2023 and we expect to present the study results by summer at the latest. Our second pain project, TrkA-NAM, which focuses on arthritis of the knee, also continues to make good progress. Even though the project is in the early stages, it has drawn the attention of several external parties with whom we have regular contact.

Martin Jönsson, CEO

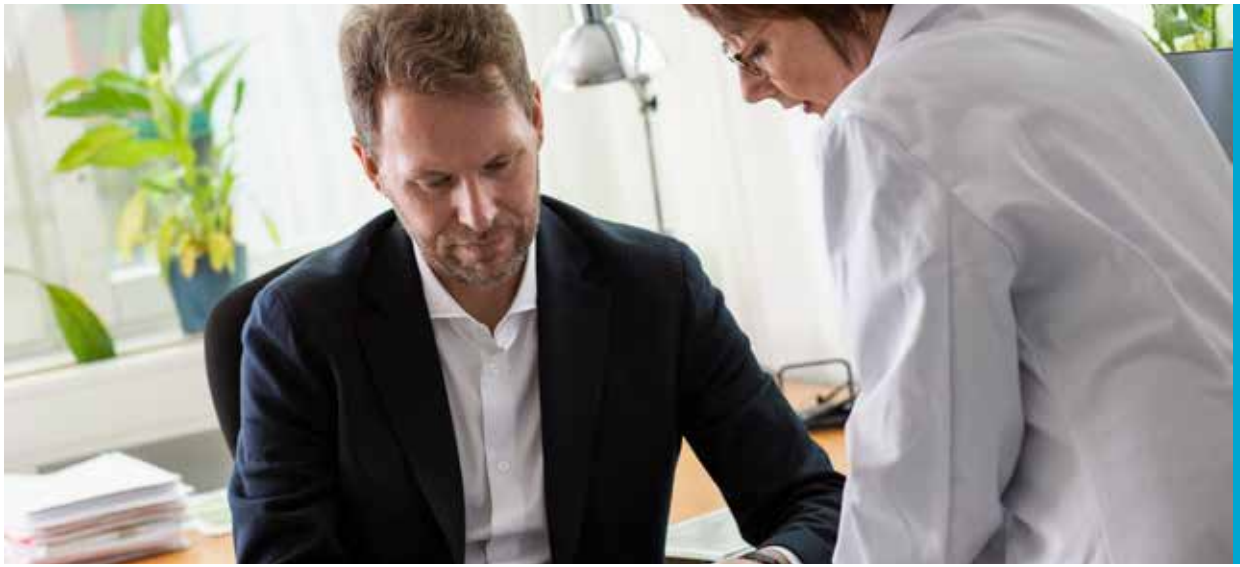
As part of the effort to leverage the company's strong performance in recent years and enable accelerated development of our drug candidates, we carried out a rights issue with an oversubscription option during the fourth quarter. A decision strongly supported by our principal owners and the company's management was taken to not offer any guarantee commitment. The highly successful issue, which was oversubscribed by over 134 percent, raised about SEK 42.5 million before issue expenses – an indication of strength demonstrating strong confidence in AlzeCure and our research. This is seen as reassuring given the current financial climate of high inflation, rising interest rates and a generally troubled world. The capital injection, combined with the strong support from current and new shareholders, will enable us to continue to create significant value in our research portfolio and intensify the business development efforts in the company. For example, in 2023 we aim to achieve out-licensing and/or collaboration on at least one of our drug candidates, complete the Phase IIa clinical trial with ACD440, take TrkA-NAM in to the next development phase on the path toward a clinical drug candidate, drive Alzstatin ACD680 further in the preclinical development phase, and continue developing a clinical trial plan for ACD856 with the aim of submitting a pre-IND application to the FDA.

We continue to have a strong focus on marketing communications and actively participate in various meetings and conferences to present AlzeCure and our research to investors and potential partners. For example, during the fourth quarter we participated in the scientific conferences Bioscience 2022 and CTAD 2022, and in January 2023 we participated in JP Morgan days in San Francisco. We are encountering growing interest from both private and institutional investors, as well as from pharmaceutical companies and other stakeholders that may be interested in investing in or in-licensing our development projects, or alternatively in entering into a partnership.

With a successful 2022 behind us during which we reached the significant milestone of becoming a Phase II company, along with growing interest in both our research and the Alzheimer's field as a whole, I look forward to continuing to develop AlzeCure together with our talented and ambitious employees and partners.

Stockholm, February 2023

Martin Jönsson



"The fourth quarter was once again extremely active and eventful for AlzeCure, including presentations of favorable results for NeuroRestore ACD856 and new promising preclinical data in the Alzstatin Alzheimer's project. During the quarter, we also completed an oversubscribed rights issue that raised approximately SEK 42.5 million before issue expenses, without offering a guarantee commitment, which is a clear sign of strength for the company.

Martin Jönsson, CEO

Project portfolio

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

There are several small-molecule drug candidates in the various platforms: two in NeuroRestore and two in Alzstatin. There are also two projects in the Painless platform. A diversified drug portfolio paves the way for other indications, such as cognitive dysfunction associated with Alzheimer's, traumatic brain injury, sleep disturbances 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 cognitive dysfunction in Parkinson's disease, traumatic brain injury and sleep disorders. The leading drug candidate in the project, ACD856, is in clinical development phase.
- Innovative disease-modifying and preventive oral drugs for Alzheimer's disease are under development within the Alzstatin platform. They are intended to enable simple administration of the drug and be more cost-effective. The two Alzstatin projects are in the preclinical and research phases, respectively.
- The Painless platform includes two projects: TrkA-NAM and ACD440, which both focus on severe pain conditions.
  - The drug candidate ACD440 was in-licensed in January 2020 and affects a specific biological mechanism, the discovery of which was awarded the 2021 Nobel Prize in Physiology and Medicine.

    The compound is being developed for the treatment of neuropathic pain, a field with great unmet medical need. The project is currently in the clinical development phase.
  - The TrkA-NAM project is aimed at treating other severe pain caused by disorders such as osteoarthritis, which today lacks sufficiently effective treatment. The project is currently in the research phase.

AlzeCure's project portfolio[1]

Platform	Candidate	Indication	Research phase	Preclinical phase	Phase I	Phase II	Phase III
NeuroRestore	ACD856	Alzheimer's disease Sleep disorders Traumatic brain injury Parkinson's disease					
	ACD857	Alzheimer's disease					
Alzstatin	ACD679	Alzheimer's disease					
	ACD680	Alzheimer's disease					
Painless	ACD440	Neuropathic pain					
	TrkA-NAM	Arthritic pain & other severe pain conditions					

In progress Completed

Status as of December 31, 2022
1) For definitions of the phases, please see the AlzeCure Pharma website, www.alzecurepharma.com

Project development

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

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

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

Neurology

Within NeuroRestore, a new generation of symptomatic drugs is being developed for the treatment of cognitive dysfunction (memory disorders) in Alzheimer's disease. The company initiated the first clinical trial with the primary drug candidate in NeuroRestore, ACD856, in late 2019. The study was completed on schedule in the second quarter of 2020. The results showed that ACD856 was well-suited for further clinical development, which led to the initiation of subsequent clinical trials, the SAD-study, according to plans in the end of 2020. In the third quarter of 2021 the MAD study was also initiated and both of these studies, which are part of the phase I program for the drug candidate, have had the primary purpose of assessing safety and tolerability in humans. The MAD study, which was concluded according to plan in June 2022, showed that ACD856 has a good safety and tolerability profile in humans. Moreover, the results showed that the compound demonstrated good pharmacokinetic properties with rapid uptake in the body. In addition, ACD856 easily crosses the blood-brain barrier and can be measured in the spinal fluid; these important data support further clinical development work. Moreover, in September 2022 the company reported new EEG results from a planned exploratory analysis in the MAD study, which showed that ACD856 not only reaches the CNS, but also activates neural pathways in the brain, of relevance to both cognition and depression. ACD857 is in the research phase and also has the primary indication of cognitive dysfunction/Alzheimer's disease. New preclinical data within the NeuroRestore platform presented in January 2022 also show positive effects on mitochondrial function, which is disrupted in neurodegenerative diseases such as Alzheimer's. In the summer and fall of 2022, the studies were complemented by additional data concerning the neuroprotective, regenerative and long-term effects of ACD856. Moreover, data show that ACD856 increases the quantity of a specific protein that plays a key role in communication between nerve cells, which is severely affected in the disease. These important data, which further strengthen the potential of NeuroRestore as a disease-modifying treatment, have been presented at a number of scientific conferences during the year – most recently at the major international CTAD Alzheimer's conference in late November 2022.

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

The target mechanism in Alzstatin is confirmed by previously reported study results, which we believe validate the amyloid hypothesis and thus Alzstatin's focus. The small-molecule compounds in the Alzstatin platform simultaneously demonstrate several key properties that distinguish them from antibody treatments; for example, they can be taken as tablets, they easily cross the blood-

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

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

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

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

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

brain barrier and they can be produced more cost-effectively.

The leading drug candidate within Alzstatin, ACD679, is in preclinical phase and alongside this work, the development of an additional drug candidate (ACD680) is in progress to ensure that the company has the best compound for clinical studies. New positive preclinical Alzstatin data from a newly developed series of molecules, which are expected to be advantageous from a patent perspective, indicate reductions in toxic Aβ42 by more than 50% – data which were also presented at the CTAD Altzheimer's conference in late November 2022.

Pain

The Painless platform contains two projects aimed at developing new treatments for pain. Both projects involve non-opiates, which is important to emphasize, because of the inherent risk associated with opiates for abuse, overdose and secondary injuries – which has led to avoidance of opiates as first-line treatment for pain. Despite this treatment problem they are still frequently used, for which reason the need for new non-opiate treatments is great.

In January 2020, a drug candidate in the 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 2021 Nobel Prize in Physiology or Medicine was awarded for the discovery of and insights into TRPV1, the biological system that serves as the basis for ACD440 and is central to temperature regulation and pain. The compound that is being developed as a gel for topical treatment has previously undergone clinical trials, but at that time as oral treatment. As planned, AlzeCure initiated a Phase Ib clinical trial of the drug candidate in late 2020, which was completed in April 2021 and showed positive proof-of-mechanism results, i.e. an analgesic effect in humans. The efficacy of ACD440 was clearly significant compared with placebo. The compound was also well tolerated as a topical gel on the skin, indicating good suitability for further clinical development as topical treatment for neuropathic pain conditions. During the first quarter of 2022, the FDA provided feedback regarding the material and documentation submitted for a pre-IND meeting. The response was informative and in June 2022, the company initiated a Phase II trial with ACD440 in patients with peripheral neuropathic pain. This double-blind, placebo-controlled, randomized cross-over study aims to evaluate the efficacy, safety and pharmacokinetics of the company's leading drug candidate in pain. The study results are expected in mid-2023.

TrkA-NAM builds on the knowledge amassed and assets developed in the NeuroRestore platform, but with the purpose of developing new compounds that focus on providing pain relief in several conditions associated with severe pain. The goal of the project is to develop a small molecule "TrkA-negative allosteric modulator" that can reduce movement-induced and spontaneous pain in patients with painful osteoarthritis. The compounds in the platform block NGF-mediated signaling via TrkA receptors, a biological mechanism with strong genetic, preclinical and clinical validation with respect to its role in pain. The company received the first positive preclinical efficacy data during the latter part of 2020 and is actively working on the development of a drug candidate for preclinical safety studies. In September 2022, AlzeCure presented results for a new compound, AC-0027838, which has been identified as a potent and selective negative modulator of NGF/TrkA signaling in cell-based analyses, at the IASP international pain conference. The results showed a potent analgesic effect in a nociceptive pain model. The data also show that the compound has a powerful anti-inflammatory effect, which can potentiate the analgesic effects in clinical contexts. Analysis of the inflamed tissue also demonstrated significant effects on CGRP, a relevant biomarker for inflammation and pain.

50 million

In the US alone, an estimated 50 million adults live with chronic or severe pain, and more people suffer from pain than diabetes, heart disease and cancer combined.

Nobel Prize

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

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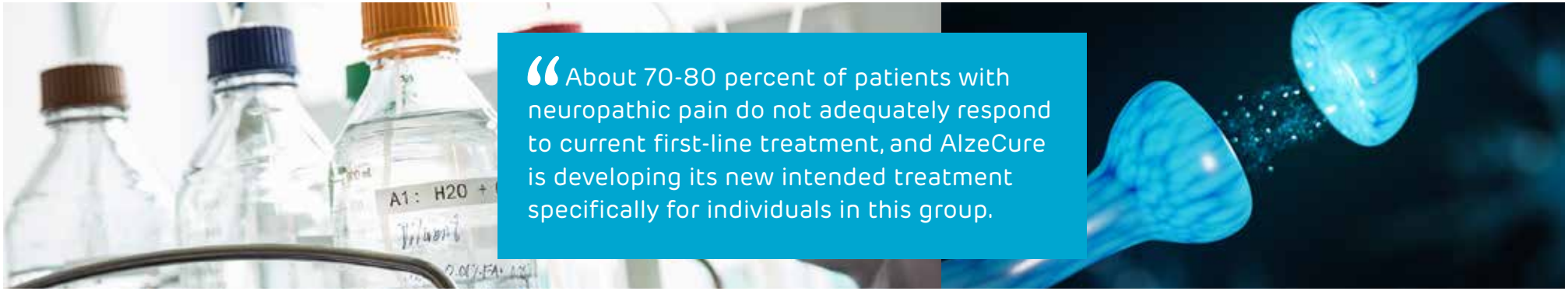


> "About 70-80 percent of patients with neuropathic pain do not adequately respond to current first-line treatment, and AlzeCure is developing its new intended treatment specifically for individuals in this group.

Market trends affecting AlzeCure®

Increased social costs for Alzheimer's and other neurodegenerative diseases.
Costs associated with Alzheimer's and other neurodegenerative diseases are sharply rising and account for a substantial burden on the public healthcare system. The global cost to society for dementia is estimated at more than USD 1 trillion and is expected to triple over the next 30 years. These burgeoning costs increase the need for disease-modifying and/or preventive treatments appreciably.

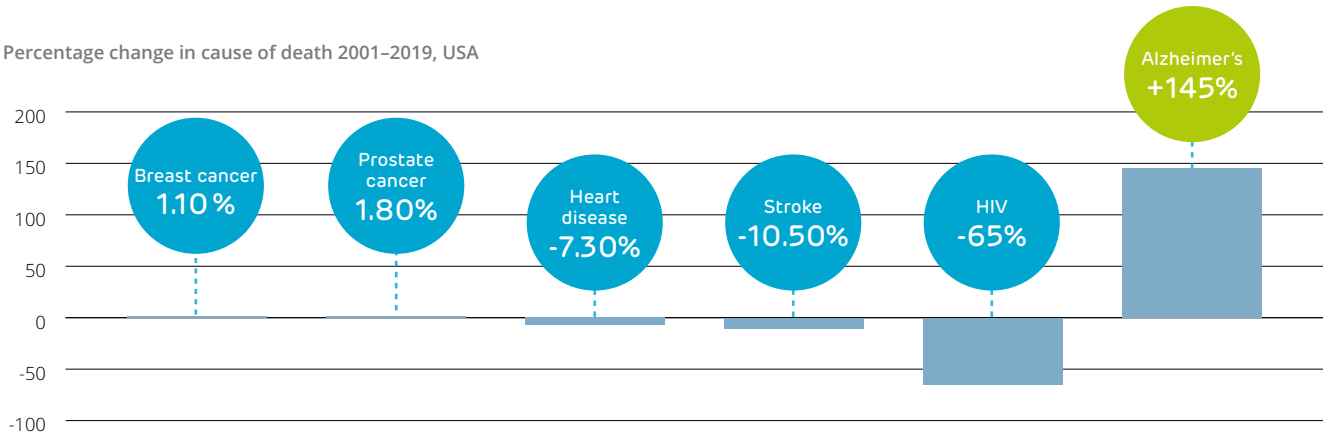
Increased need for treatment due to an aging population.
Old age is the greatest risk factor in dementia-related illnesses such as Alzheimer's, but also for pain problems. Life expectancy is anticipated to rise globally as a result of improving living standards and improved health care.

New treatment for Alzheimer's disease targeting amyloid plaques receives FDA approval
An antibody therapy (Aduhelm) targeting amyloid pathology received approval in the US in June 2021 as the first disease-modifying treatment for Alzheimer's disease through the FDA's Accelerated Approval process. The approval is based on a "surrogate endpoint," in this case the reduction of beta-amyloid in the brain.

Three other antibody therapies targeting amyloid pathology have also been granted "Breakthrough Therapy Designation" status, giving them access to the FDA's other fast track processes, which could lead to a significantly faster pathway to market for drugs in this important area.

Amyloid-targeted therapeutics show positive effects on cognitive function in Alzheimer's patients
Lecanemab, one of the above-mentioned antibody therapies targeting amyloid pathology and which recently completed a pivotal phase III study, was reported in September 2022 to have achieved its efficacy milestones, with significantly reduced functional and cognitive decline, as well as a reduction in the quantity of amyloid plaque in the brain. The results, which support the amyloid hypothesis, could serve as the basis for possible market approval in 2023. Taken together, there is growing interest in research into new drugs in the field of Alzheimer's disease, such as drugs that attack symptoms in other ways (NeuroRestore), as well as those (such as Alzstatin) that attack amyloid formation early in the course of disease, and that can be administered as tablets – unlike antibody treatment, which is administered intravenously. Drugs such as NeuroRestore and Alzstatin can also potentially be given in combination with existing therapy.

Percentage change in cause of death 2001–2019, USA



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

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

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

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

Alzheimer's disease

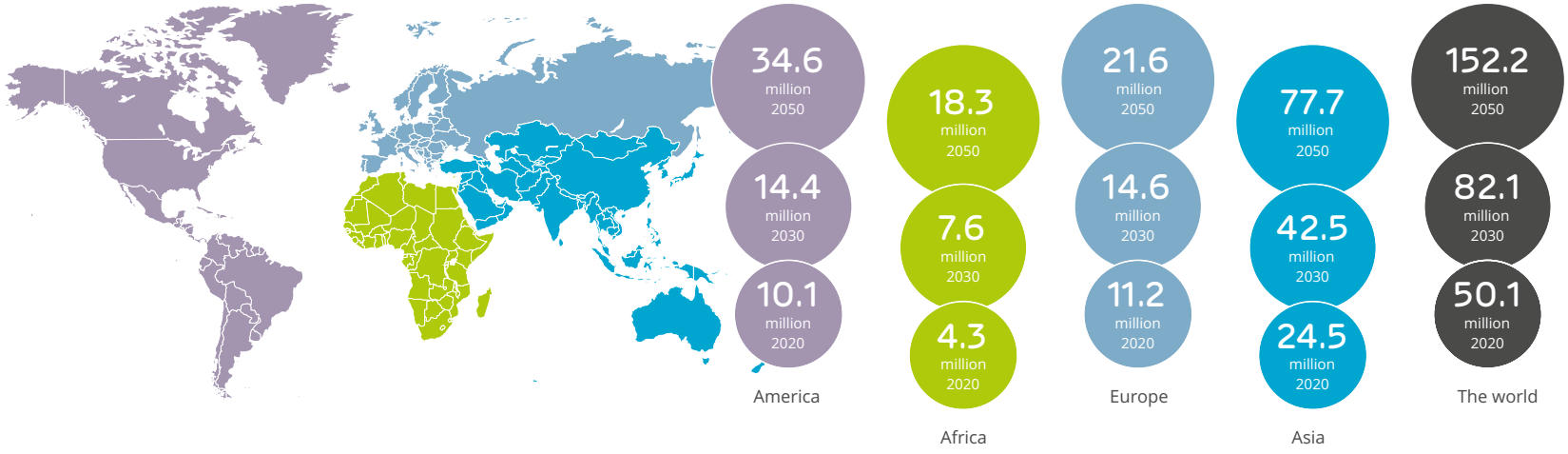
Alzheimer's is the most common form of dementia, with around 60–70 percent of all dementia cases stemming from this illness. It is a deadly disease that has a huge impact on sufferers and their relatives alike. Yet despite this, there is currently a lack of preventive and disease-modifying treatments in the global market.

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

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

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

Geographic distribution and expected growth of prevalence of dementia.



Today, growing sums are being invested in medical research in Alzheimer's due to the extensive human suffering, and the costs to healthcare and society are considerable. Total global costs for dementia-related illnesses are estimated to exceed USD 1 trillion, which is expected to triple by 2050. The lack of effective symptomatic treatments and efficacious treatments that slow or prevent the course (disease-modifying) of the disease represent an urgent medical need. The few approved drugs sold in today's global market have only a limited symptom-relieving effect and entail problematic side effects. Thus there is a very urgent medical need for new symptomatic and disease-modifying treatments. A disease-modifying therapy for Alzheimer's is considered capable of generating more than USD 15 billion in annual sales.

In June 2021, the FDA approved a new Alzheimer's drug in the US, Aduhelm™ (aducanumab), for which one year of treatment costs about USD 28,000. Subsequently, three additional antibody drugs for the treatment of Alzheimer's disease received "Breakthrough Therapy Designation" from the FDA. This status provides access to FDA's other "fast track" processes. Applications for approval of two of these drugs were also submitted to the FDA. Taken together, this trend reveals an accessible regulatory pathway for drugs within the field, thereby leading to growing interest in research into new drugs for Alzheimer's disease.

Symptoms

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

Prevalence

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

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

Treatment

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

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

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

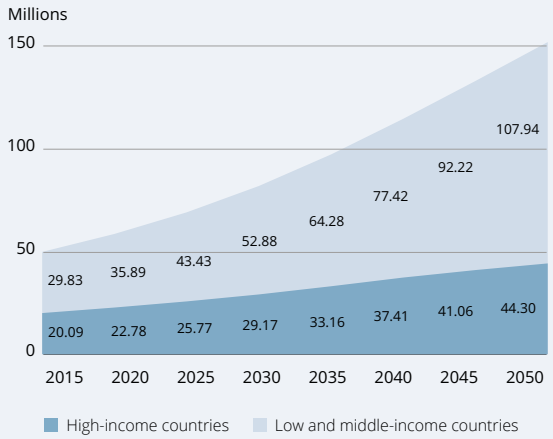
AlzeCure's NeuroRestore® and Alzstatin® platforms act in a completely different manner in their treatment of the disease than the drug classes described above. NeuroRestore seeks to improve communication between nerve cells by strengthening the signaling of neurotrophins such as BDNF and NGF, so that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

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

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

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

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



Other diseases with cognitive dysfunction

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

Sleep apnea

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

Traumatic brain injury (TBI)

Traumatic brain injury (TBI) is caused by external trauma where the nerve cells in the brain are immediately damaged. TBI is a major global health and socioeconomic problem and is a common cause of death, especially among young adults, and can cause lifelong injuries among those who survive. Every year about 10 million people suffer from TBI worldwide. In North America, TBI affects about 1.7 million individuals annually, with total medical costs of more than SEK 600 billion. The global market for treatment of TBI is expected to grow from SEK 970 billion in 2017 to SEK 1,350 billion in 2024. The two most common causes of TBI are traffic accidents and falls. The majority of other causes of cases of TBI are violence or work or sports-related. The increase in TBI is due in part to the increased use of vehicles in low and middle-income countries.

TBI has been shown to increase the risk of developing dementia-related diseases, such as Alzheimer’s disease and other neurodegenerative diseases, such as Parkinson’s disease. Studies show that a person who sustains a TBI is at an approximately 24 percent increased risk of suffering from dementia.

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

Parkinson’s disease

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

Common cognitive problems include difficulties with:

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

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

Pain

Pain, both acute and chronic, afflicts millions of people around the world. Pain can be categorized in different ways, but one of the most common is nociceptive versus neuropathic pain.

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

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

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

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

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

Prevalence

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

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

Woman suffering from postherpetic neuralgia after developing shingles:

"When I was diagnosed, and if someone had told me then, that — this is what you'll have to live with — then I'd have done something really crazy. This has really destroyed a large part of my life. I can tolerate a lot of pain, I've had breast cancer surgery, received chemotherapy and never complained, but this is horrendous. I've just received a new treatment, but I don't think it helps at all. " *Britt.*

600 million

Neuropathic pain affects a total of approximately 7–8 percent of the adult population, which means about 600 million people worldwide.

USD 25 billion

The global market for neuropathic pain was valued at about USD 11 billion in 2020 and is expected to grow to USD 25 billion by 2027.

Treatment

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

Comments on the report

Financial overview

SEK thousand	Oct.–Dec. 2022	Oct.–Dec. 2021	Jan.–Dec. 2022	Jan.–Dec. 2021
Net sales	0	0	0	0
Operating profit/loss	-11,030	-22,649	-56,442	-77,926
Earnings for the period and comprehensive income	-10,948	-22,619	-56,239	-77,781
Earnings per share, basic (SEK)	-0,22	-0.60	-1.18	-2.06
Research expenses as a percentage of operating expenses (%)	74.2	86.6	81.6	85.0
Cash flow from operating activities	-51,194	-20,931	-99,911	-70,639
Total assets	70,836	45,647	70,836	45,647
Cash and cash equivalents	25,577	41,741	25,577	41,741
Debt/equity ratio (%)	85.4	72.2	85.4	72.2
Average number of shares, basic	50,733,365	37,765,715	47,696,091	37,765,715
Average number of employees	13	12	13	11

See the definitions below.

Revenue and profit/loss

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

The operating loss for the fourth quarter of 2022 totaled SEK -11,030 thousand (-22,649). The operating loss for the period January to December was SEK -56,442 thousand (-77,926). In 2021 the company had more capital-intensive research projects. The company continued to conduct its research activities during the fourth quarter, with steady development. Research expenses accounted for 74.2 percent (86.6) of operating expenses in the fourth quarter of 2022. In total for the period January to December 2022, research expenses accounted for 81.6 percent (85.0) of operating expenses. More information about research at AlzeCure can be found in the "Project Portfolio" and "Project Development" sections of this report.

Administrative expenses this quarter were on a par with such expenses during the same period the previous year. For the period January to December, administrative expenses decreased by 10 percent, compared with the same period the previous year. The company plans to continue to focus on communication and business development, including internationally. Operating profit/loss is in line with the plan the company had for 2022.

The company had 13 (12) employees on the closing date. The Covid-19 pandemic is still ongoing, even though restrictions have been lifted and much has returned to normal. However, the company continues to take the necessary measures to limit any negative impact on the company's operations. The company's business has not been affected to any great extent by the pandemic thus far.

Earnings per share, basic, totaled SEK -0.22 (-0.60) for the fourth quarter, and SEK -1.18 (-2.06) for the period January to December 2022.

Financial position

At the end of the period, equity was SEK 60,482 thousand (32,974) and the debt/equity ratio was 85.4 percent (72.2). During the first quarter of the year, a rights issue was completed that raised SEK 48.5 million for the company before issue expenses. Issue expenses totaled SEK 7.2 million. A total of 12,122,580 shares were issued and share capital increased by SEK 303 thousand. Moreover, in a set-off issue in the second quarter a total of 845,070 shares were issued and share capital increased by SEK 21 thousand. The issue amount was SEK 3 million and issue expenses were SEK 113 thousand. During the fourth quarter an additional rights issue was carried out to raise SEK 31.7 million with a possible overallotment of SEK 15 million. The issue was 134.3% subscribed and raised a total of SEK 42.6 million before issue expenses; a total of 11,353,647 shares were issued. Issue expenses total SEK 3.0 million.

Cash and cash equivalents at the end of the period totaled SEK 25,577 thousand (41,741). The issue proceeds from the most recent issuance were received in January 2023.

In 2019 the company launched an incentive program with warrants aimed at the Board of Directors. A total of 110,000 warrants were issued. The subscription period for these warrants expired on June 30, 2022 and no shares were subscribed for in this program.

In 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 regarding the warrant programs, please see "Share-related compensation programs" in the report.

As of the closing date of December 31, a total of 300,000 warrants were issued. This gives a dilution effect of 0.6 percent on the closing date.

Cash flow and investments

Cash flow from operating activities including changes in working capital for the fourth quarter of 2022 totaled SEK -51,194 thousand (-20,931). For the period January to December 2022, the corresponding cash flow totaled SEK -99,911 thousand (-70,639), mainly attributable to the receivable in the financial statements relating to the issue proceeds, which was not settled until January 2023.

Cash flow from investing activities totaled SEK 0 thousand (-0) during the fourth quarter. The corresponding figure for the period January to December 2022 was SEK 0 thousand (-54). The company has mainly invested in laboratory equipment.

Cash flow from financing activities totaled SEK 39,602 thousand (0) for the fourth quarter of 2022. For the period January to December, cash flow from financing activities totaled SEK 83,747 thousand (0). Cash flow includes the rights issue that was completed in March and raised SEK 48,490 thousand before issue expenses, which totaled SEK 7,231 thousand, a set-off issue in April of SEK 2,999 thousand before issue expenses, which totaled SEK 113 thousand, and an issue during the last quarter of the year that raised SEK 42,576 thousand before issue expenses, which as of the closing date were SEK 2,974 thousand.

Accounting policies and valuation principles

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

No expenses during the period have been deemed to meet the requirement for capitalization according to IAS38. The company's research has not yet advanced far enough for capitalization.

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

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

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

Key ratios and definitions

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

Significant risks and uncertainties

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

The Covid-19 pandemic is still ongoing, even though restrictions have been lifted and most activities have returned to normal. Nevertheless, the company continues to take the necessary measures to protect its employees and limit any negative impact on the company's operations.

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

The general economy, both domestically and internationally, will be a challenge for all companies going forward. It is extremely likely that high inflation will lead to increased costs. The company is very cost conscious and continues to focus on prioritizing activities.

Related party transactions

During the second quarter of 2022, a consulting agreement was signed, on arm's-length terms, with the company R Linder Consulting, which is owned by board member Ragnar Linder. The agreement covers consulting services related to business development. During the period from the signing of the agreement to December 31, 2022, the fee for consulting services totaled SEK 143 thousand.

Continued operation

The company's available funds and equity as of December 31, 2022 cover, taking into account the incoming payment of issue proceeds in January 2023, the liquidity needed to conduct the identified possible activities for the next 12 months. The most recent issue was 134% oversubscribed and the support from our current shareholders feels reassuring.

Reconciliation of alternative performance measures

SEK thousand	Oct.–Dec. 2022	Oct.–Dec. 2021	Jan.–Dec. 2022	Jan.–Dec. 2021
Research expenses as a percentage of total operating expenses:				
Research expenses	-8,199	-19,674	-46,183	-66,715
Administrative expenses	-2,834	-2,893	-10,168	-11,265
Other operating expenses	-18	-145	-230	-500
Total operating expenses	**-11,051**	**-22,712**	**-56,581**	**-78,480**
Research expenses as a percentage of total operating expenses:	**74.2%**	**86.6%**	**81.6%**	**85.0%**
Debt/equity ratio (%) Dec. 31, 2022:				
Total equity at end of period	60,482	32,974	60,482	32,974
Total assets at end of period	70,836	45,647	70,836	45,647
Debt/equity ratio (%):	**85.4%**	**72.2%**	**85.4%**	**72.2%**

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. As a result of a new share issue in March 2022, the number of shares increased by 12,122,580 to a total of 49,888,295 shares. A set-off issue in April caused the number of shares to increase by 845,070 to a total of 50,733,365 shares. As a result of a new share issue in December 2022, the number of shares increased by 11,353,647 shares. The number of shares in the company as of December 31, 2022 totaled 62,087,012. Shares issued in December were registered in January 2023.

Share-related compensation programs

In 2020 the company provided an incentive program 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 Wednesday, May 20, 2020.

The total dilutive effect of the incentive programs is 0.6 percent on the closing date.

Financial calendar

Annual Report 2022	April 6, 2023
Interim report Q1, January–March 2023	May 5, 2023
Annual General Meeting	May 17, 2023
Interim report Q2, April–June 2023	August 25, 2023
Interim report Q3, July–September 2023	November 10, 2023

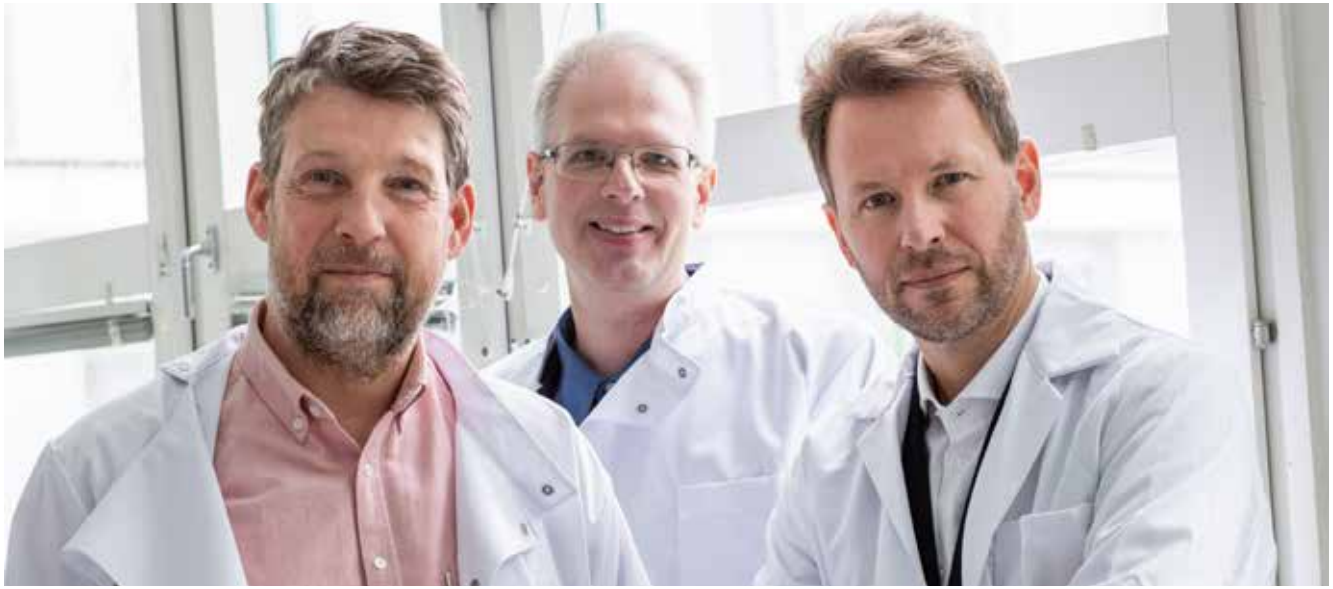
Nomination Committee

AlzeCure Pharma's nomination committee for the 2023 Annual General Meeting was appointed in accordance with the principles adopted by the Annual General Meeting on May 22, 2019 and consists of: William Gunnarsson, appointed by BWG Invest Sàrl, Rolf Karlsson, appointed by FV Group AB, Peter Thelin, appointed by Sjuenda Holding AB and Thomas Pollare (Chairman of the Board).

Owners as of December 31, 2022

10 largest owners as of December 31, 2022*	Number of shares	Share capital and votes
BWG Invest Sàrl	6,080,628	12.0%
FV Group AB	2,800,000	5.5%
Sjuenda Holding AB	2,800,000	5.5%
SEB-Stiftelsen	1,960,000	3.9%
Nordnet Pensionsförsäkring AB	1,836,589	3.6%
Avanza Pension	1,789,828	3.5%
AlzeCure Discovery AB	1,710,000	3.4%
Futur Pension	1,496,177	2.9%
Thomas Pollare	1,234,627	2.4%
Pontus Forsell	894,143	1.8%
10 largest owners	**22,601,992**	**44.6%**
Other	28,131,373	55.4%
TOTAL	**50,733,365**	**100%**

* Before registration of completed issue in December 2022.



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, February 24, 2023

Thomas Pollare
Chairman of the Board

Eva Lilienberg
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.com or contact:
Martin Jönsson, CEO, info@alzecurepharma.com

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

Income statement and other comprehensive income

SEK thousand	Oct.–Dec. 2022	Oct.–Dec. 2021	Jan.–Dec. 2022	Jan.–Dec. 2021
Net sales	0	0	0	0
Operating expenses				
Research expenses	-8,199	-19,674	-46,183	-66,715
Administrative expenses	-2,834	-2,893	-10,168	-11,265
Other operating income	21	63	139	554
Other operating expenses	-18	-145	-230	-500
Operating profit/loss	**-11,030**	**-22,649**	**-56,442**	**-77,926**
Profit/loss from financial items				
Interest income and similar profit/loss items	82	30	207	146
Interest expenses and similar profit/loss items	0	0	-4	-1
Loss after financial items	**-10,948**	**-22,619**	**-56,239**	**-77,781**
Earnings for the period and comprehensive income	**-10,948**	**-22,619**	**-56,239**	**-77,781**
Earnings for the period per share, basic (SEK)	-0.22	-0.60	-1.18	-2.06
Earnings for the period per share, diluted (SEK)	-0.22	-0.60	-1.18	-2.06
Average number of shares, basic	50,733,365	37,765,715	47,696,091	37,765,715
Average number of shares, diluted	51,033,365	38,175,715	48,051,091	38,175,715

Balance sheet

SEK thousand	Dec. 31, 2022	Dec. 31, 2021
ASSETS		
Capital subscribed but not yet paid in	42,455	-
Non-current assets		
Intangible fixed assets		
Project rights	17	17
Total intangible fixed assets	**17**	**17**
Tangible fixed assets		
Equipment, tools and installations	852	1,422
Total tangible fixed assets	**852**	**1,422**
Financial fixed assets	7	7
Total non-current assets	**876**	**1,446**
Current assets		
Current receivables		
Other current receivables	1,377	1,539
Prepaid expenses and accrued income	551	921
Total current receivables	**1,928**	**2,460**
Cash and bank balances	25,577	41,741
Total current assets	**27,505**	**44,201**
TOTAL ASSETS	**70,836**	**45,647**

SEK thousand	Dec. 31, 2022	Dec. 31, 2021
EQUITY AND LIABILITIES		
Restricted equity		
Share capital	1,268	944
Share capital not registered	284	-
Total restricted equity	**1,552**	**944**
Unrestricted equity		
Share premium reserve	361,981	278,842
Accumulated profit/loss	-246,812	-169,031
Profit/loss for the period	-56,239	-77,781
Total unrestricted equity	**58,930**	**32,030**
Total equity	**60,482**	**32,974**
Current liabilities		
Trade payables	4,845	5,971
Other current liabilities	333	319
Accrued expenses and deferred income	5,176	6,383
Total current liabilities	**10,354**	**12,673**
Total liabilities	**10,354**	**12,673**
TOTAL EQUITY AND LIABILITIES	**70,836**	**45,647**

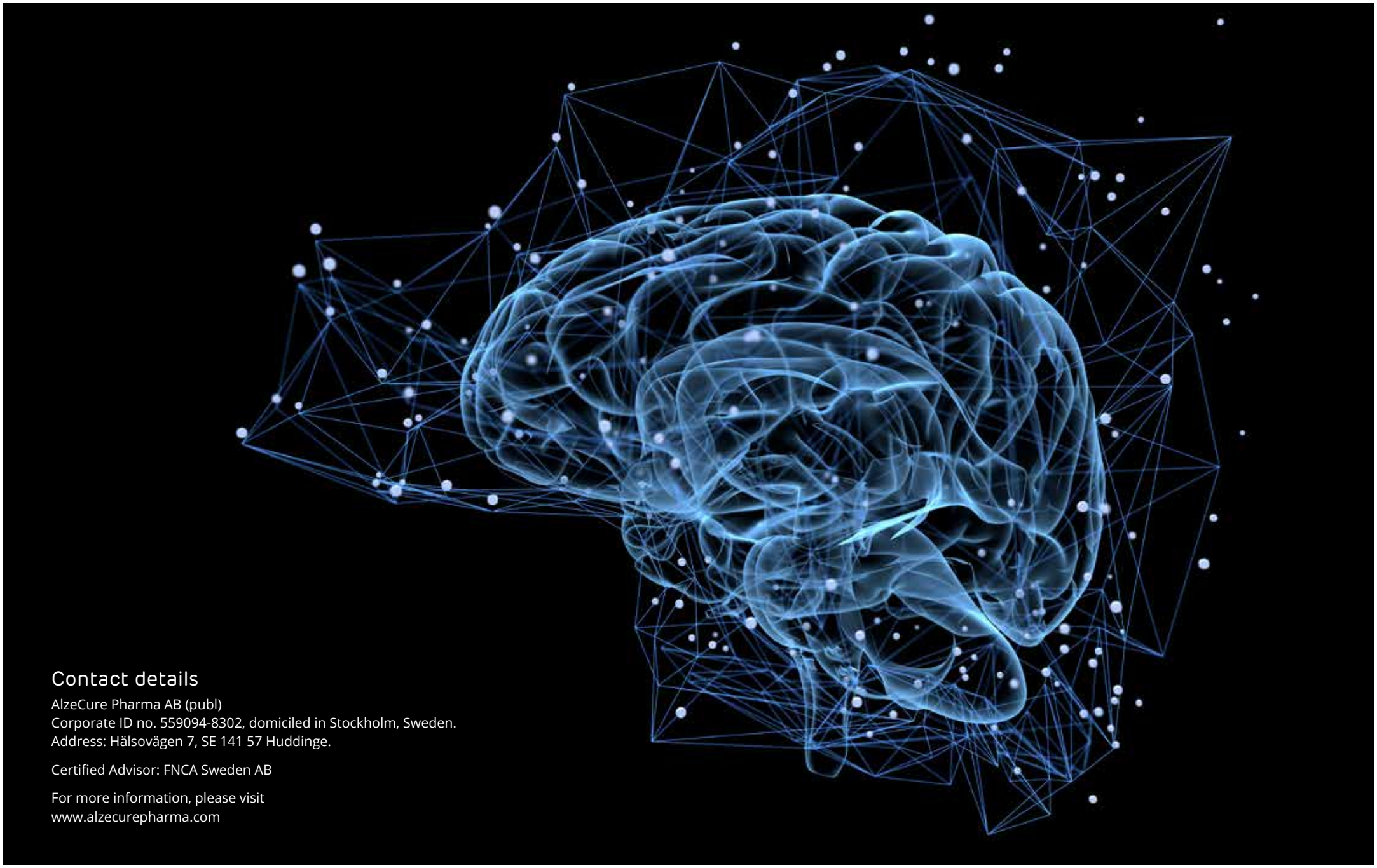
Statement of change in equity

SEK thousand	Share capital	Share premium reserve	Accumulated profit/loss	Profit/loss for the year	Total equity
Opening balance January 1, 2021	**944**	**278,842**	**-97,665**	**-71,366**	**110,755**
Appropriation of earnings			-71,366	71,366	0
Earnings for the year and comprehensive income				-77,781	-77,781
Closing balance December 31, 2021	**944**	**278,842**	**-169,031**	**-77,781**	**32,974**
Opening balance January 1, 2022	**944**	**278,842**	**-169,031**	**-77,781**	**32,974**
Appropriation of earnings			-77,781	77,781	0
Rights issue	303	48,187			48,490
Issue expenses		-7,231			-7,231
Set-off issue	21	2,978			2,999
Issue expenses		-113			-113
New share issue[1]	284	42,292			42,576
Issue expenses		-2,974			-2,974
Earnings for the period and comprehensive income				-56,239	-56,239
Closing balance December 31, 2022	**1,552**	**361,981**	**-246,812**	**-56,239**	**60,482**

1) Share capital under registration

Cash flow statement

SEK thousand	Oct.–Dec. 2022	Oct.–Dec. 2021	Jan.–Dec. 2022	Jan.–Dec. 2021
Operating activities				
Operating loss before financial items	-11,030	-22,649	-56,442	-77,926
Adjustment for items not included in cash flow, etc.				
Depreciation and amortization	136	145	570	576
Interest received	82	30	207	146
Interest paid	0	0	-4	-1
Cash flow from operating activities before changes in working capital	-10,812	-22,474	-55,669	-77,205
Statement of change in working capital				
Change in trade receivables	0	0	0	8
Change in current receivables	-42,078	1,576	-41,923	957
Change in trade payables	1,728	-1,751	-1,126	2,005
Change in current operating liabilities	-32	1,718	-1,193	3,596
Net cash flow from operating activities	**-51,194**	**-20,931**	**-99,911**	**-70,639**
Investing activities				
Acquisition of tangible fixed assets	0	0	0	-54
Cash flow from investing activities	**0**	**0**	**0**	**-54**
Financing activities				
Issues (net)	39,602	0	83,747	0
Cash flow from financing activities	**39,602**	**0**	**83,747**	**0**
Cash flow for the year	**-11,592**	**-20,931**	**-16,164**	**-70,693**
Cash and cash equivalents at beginning of period	37,169	62,672	41,741	112,434
Cash and cash equivalents at end of period	**25,577**	**41,741**	**25,577**	**41,741**



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