Annual Report 2024

AlzeCure

INTRODUCTION
AlzeCure Pharma in brief 3
History 4
The year in brief 5
A word from the CEO 6–7

THE BUSINESS
AlzeCure's development & the path forward .. 8
Mission, Vision & Strategy 9
Business model 9
Market trends affecting AlzeCure 10–11
Alzheimer's disease 12–16
Pain 17–18
Research & Development 19–21
Scientific advisors 22
Project portfolio 23
NeuroRestore 24–26
Alzstatin 27–28
AlzeCure's differentiation in Alzheimer's..... 29
Painless 30–31
Shareholders & Share trend 32
Employees 33

REPORT OF THE BOARD OF DIRECTORS
& FINANCIAL STATEMENTS
Report of the Board of Directors 34–41
Multi-year overview 42
Corporate governance report 43–47
Board of Directors and auditor 48–49
Senior executives 50–51
Financial reports 52
Income statement and
other comprehensive income 53
Balance sheet 54
Statement of change in equity 55
Cash flow statement 56
Notes 57–62
Signatures 63
Audit report 64–65

OTHER
Glossary 66
Shareholder information 67
2024 Annual General Meeting 67

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 an early clinical phase.

AlzeCure's three platforms

1

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

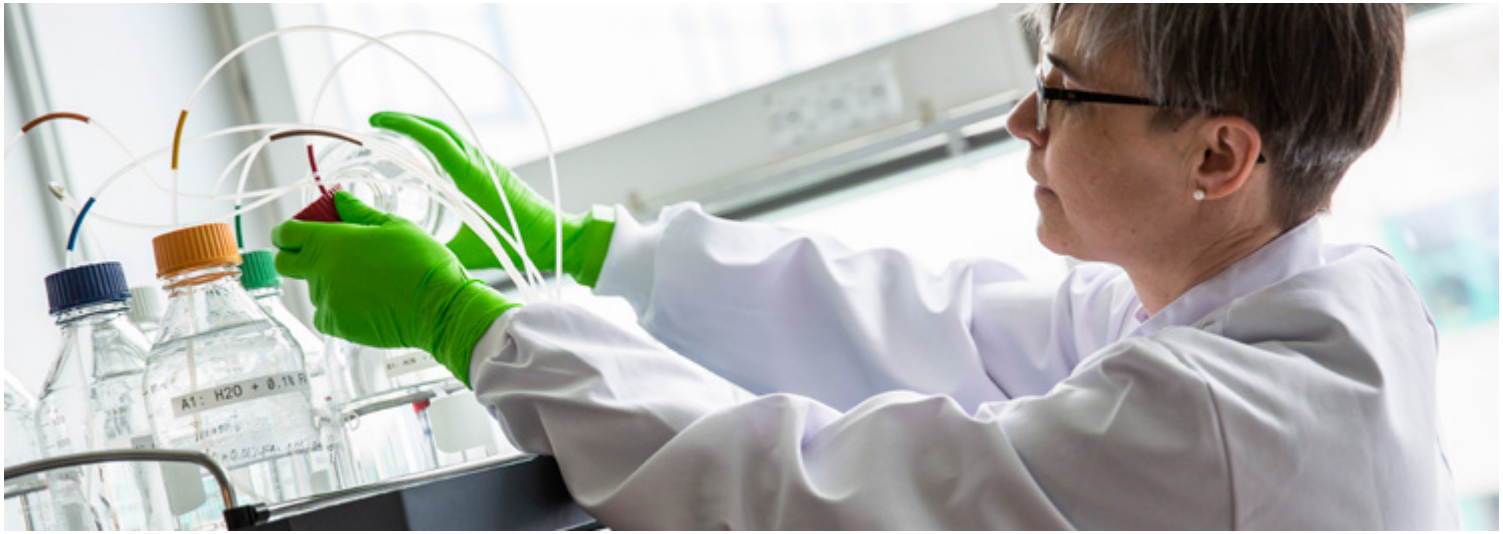
2

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.

AlzeCure Pharma in brief



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 symptom-relieving drug candidates where the unique mechanism of action allows multiple indications – 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.

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.

Strengths & Competitive advantages

AlzeCure considers itself to have a number of strengths and competitive advantages that increase the likelihood of success:

- An organization with extensive experience from industrial drug development in the field.
- A clear basis in the genetically linked signaling pathways and biological systems of the indications, which supports the selected target mechanisms.
- The drugs are based on orally available small molecules, which makes cost-effective long-term treatment possible.
- Drug development is driven by validated biomarkers and preclinical methods with good transfer to humans.
- An innovative, differentiated portfolio comprising both disease-modifying and symptom-relieving drug candidates for Alzheimer's and pain.
- Several indications and multiple candidates, which lead to risk diversification, not *"a one trick pony."*
- Strong safety profile in the drug candidates' mechanisms of action.

FNCA Sweden AB is the company's Certified Adviser. For more information, please visit www.alzecurepharma.com.

History

2012

- The AlzeCure Foundation is formed in the fall in a collaborative effort between a group of prominent former AstraZeneca researchers, Alzheimerfonden and Professor Bengt Winblad at Karolinska Institutet.
- The purpose of the organization is to develop new drugs and diagnostics for Alzheimer's and related diseases.
- A team of senior specialists in complementary fields of pharmaceutical research forms the scientific group that is the core of AlzeCure's operations.

2013-2017

- NeuroRestore is the first project when the Foundation initiates research and development at Novum, Karolinska Institutet in Huddinge, which becomes the natural hub for the operation.
- The project portfolio is developed and expanded in part through grants and funding from international grant programs such as the Alzheimer Drug Discovery Foundation and national funding sources such as Vinnova, Swedish Brainpower, Swelife, and Alzheimerfonden.
- AlzeCure Pharma is founded in 2016 because its main drug candidates are considered to have great commercial potential.

2018

- The company is listed on Nasdaq First North Premier Growth Market in November.
- The necessary regulatory approvals to begin phase I studies for ACD855 are granted and the company begins dosing the first subjects in December.

2019

- The company initiates a new drug project in the field of pain, TrkA-NAM.
- The company chooses to refocus ACD855 from cognitive dysfunction to ocular indications and ACD856 becomes the primary drug candidate for cognitive dysfunction instead.
- The company obtains the necessary regulatory approvals to initiate the first clinical trials for the drug candidate ACD856 within the NeuroRestore platform. The company initiates the study shortly thereafter.

2020

- The company in-licenses a new project, ACD440, which focuses on neuropathic pain and is in the clinical development phase.
- The company presents favorable data from the first clinical trial with ACD856, which showed that it 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.
- The company receives approval from the regulatory authorities in Sweden to initiate a Phase I clinical trial with the drug candidate ACD856.
- The company receives approval to initiate a Phase Ib clinical trial with ACD440 in neuropathic pain.
- Favorable preclinical efficacy data for the pain project TrkA-NAM are obtained in an in vivo efficacy study.
- The company initiates the preclinical development phase with the drug candidate ACD857.

2021

- Positive and significant efficacy data are obtained from the company's Phase Ib clinical trial with the drug candidate ACD440 for neuropathic pain. The drug candidate was also well tolerated as a topical treatment.
- The company receives approval from the Swedish Medical Products Agency to be able to give even higher doses of ACD856 in the Phase I clinical trial (single ascending dose, SAD).
- The company receives approval from the regulatory authorities in Sweden to initiate the next Phase I clinical trial (multiple ascending dose, MAD) for the drug candidate ACD856, with a focus on Alzheimer's disease.

2022

- The company raises SEK 48.5 million before issue expenses in a new share issue.
- A directed set-off issue is carried out in April in connection with ACD440 entering Phase II and Acturum Life investing in the company.
- 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.
- The company also presented new data concerning a new potent small molecule gamma-secretase modulator (GSM), part of the Alzstatin research platform. Preclinical data from studies 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 gamma-secretase led to a reduction in the amount of harmful amyloid beta 42 (Aβ42) by more than 50 percent.
- The first patient is included in a Phase II clinical trial with the non-opioid substance ACD440 for the treatment of neuropathic pain.
- The Phase I clinical trial Multiple Ascending Dose for AlzeCure's Alzheimer's project NeuroRestore ACD856 ends. The data show that ACD856 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.
- The company announces that a patent is approved for ACD856 in the US.
- The company publishes new data at the International Society for Molecular Neurodegeneration (ISMND) neurology conference demonstrating that NeuroRestore ACD856 improves mitochondrial function and increases BDNF levels in neurons.
- A rights issue is completed on December 20. The issue was oversubscribed with or without the support of subscription rights to a total of 134.3% and the Board of Directors decided to issue additional shares in light of the strong interest. The issue raises SEK 42.6 million for the company before issue expenses.

2023

- In January, the company selects a candidate drug (CD) and initiates the preclinical development phase with the company's preventive and disease-modifying drug candidate Alzstatin ACD680.
- The company announces that a European patent has been granted for the NeuroRestore ACD856 Alzheimer's project in May.
- The company announces positive proof-of-mechanism (POM) data from the Phase IIa clinical trial in neuropathic pain with the non-opioid ACD440.
- In July, the company publishes a new scientific article presenting preclinical results demonstrating the antidepressant effects of NeuroRestore ACD856.
- In July, the company publishes new disease-modifying data regarding NeuroRestore ACD856 for the treatment of Alzheimer's and cognitive disorders.
- In August, the company publishes favorable clinical results from the Phase I clinical trial with NeuroRestore ACD856 for the treatment of Alzheimer's.
- In September, the company presents positive Phase II clinical data on ACD440 for neuropathic pain at the 2023 European Pain Federation (EFIC) conference.
- The company reports in early October that Japan has granted a patent for NeuroRestore ACD856.
- In October, the company also publishes a new article about the target mechanism behind Alzstatin, which is being developed for the treatment of Alzheimer's disease.

2024

- See the year in brief on page 5.

The year in brief

Significant events 2024

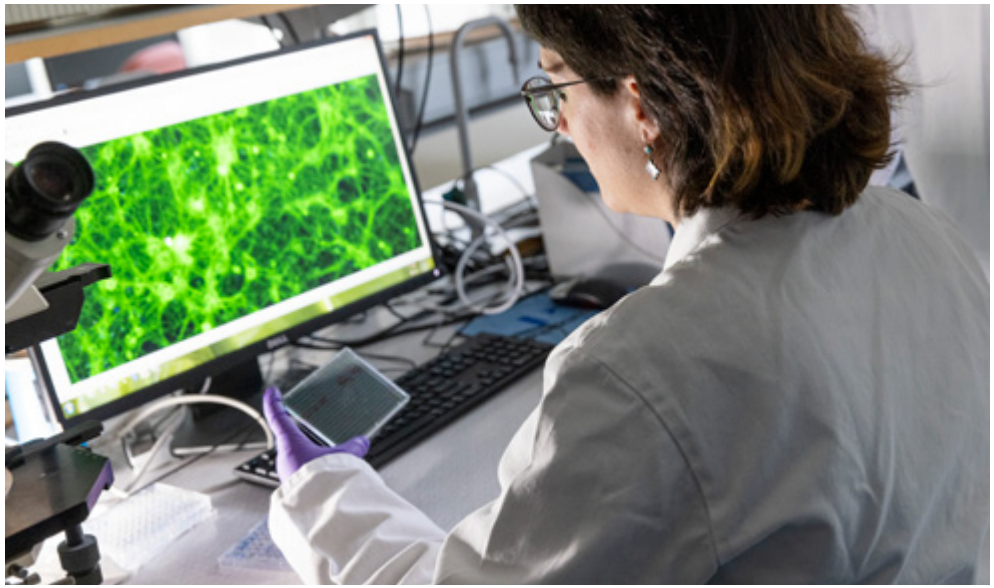
- On January 29, the company selects a drug candidate and enter the next phase of development with TrkA-NAM ACD137 for the treatment of osteoarthritis and other severe pain conditions.
- On February 29, the company announces that the patent offices in China, India, South Africa, Israel, Hong Kong and Mexico have granted patents covering the company's clinical drug candidate ACD856, which is being developed for Alzheimer's and other cognitive impairment disorders.
- On March 26, the company's Board of Directors resolves on a new issue of shares of approximately SEK 52.8 million with preferential rights for existing shareholders. The rights issue is subject to approval by the Extraordinary General Meeting on April 25, 2024. The issue is guaranteed to approximately 63 percent through subscription commitments and guarantee commitments from existing owners and members of the company's management and Board of Directors, among others. To enable further capital injections, the Board of Directors may also exercise an overallotment option of up to approximately SEK 15.0 million.
- On March 26, the company announces that an Extraordinary General Meeting will convene on April 25, 2024.
- On April 10, the company announces that its Annual General Meeting will convene on May 14, 2024.
- On April 10, the company announces that Dr. Jan Lundberg, former head of research at Eli Lilly and AstraZeneca, is investing in AlzeCure and proposes that he be elected to serve on the company's Board of Directors.
- In April, the company receives new preclinical data for NeuroRestore in inflammation, with relevance to Alzheimer's disease, and submits a new patent application for NeuroRestore ACD856.
- Jan Lundberg is elected to serve on the Board of Directors at the Annual General Meeting on May 14.
- On May 20, the company announces the final outcome of the rights issue with preferential rights for shareholders (the "Rights Issue") that ended on May 17, 2024. The issue raises approximately SEK 39.2 million for AlzeCure before issue expenses.
- In June, the company publishes a scientific article on the clinical Phase Ib results for ACD440 supporting the continued development of the lead drug candidate in the Painless platform in the European Journal of Pain.
- On June 14, the company's Board of Directors resolves on a directed share issue of 965,727 shares to Formue Nord Markedsneutral A/S ("Formue Nord"), which has chosen to receive its agreed compensation as guarantor in shares.
- In July, the company carries out a directed share issue as a follow-up to a previously given subscription commitment and raises SEK 3.7 million.
- In July, the company publishes a new scientific article related to NeuroRestore ACD856 for the treatment of Alzheimer's and cognitive disorders.
- In August, the company presents new preclinical data for the lead drug candidate ACD137 (TrkA-NAM) at the international pain conference IASP in Amsterdam.
- On October 28, the company presents new positive data in the TrkA-NAM pain project for osteoarthritis.
- On October 30, the company presents new anti-inflammatory data concerning NeuroRestore ACD856 at the Clinical Trials on Alzheimer's Disease conference (CTAD).

Significant events after the end of the financial year

- The company announced on February 17, 2025, that it has been awarded an EU grant of EUR 2.5 million for a Phase II clinical trial of NeuroRestore ACD856 for the treatment of Alzheimer's disease.

Multi-year overview

SEK thousand	2024	2023	2022	2021	2020
Net sales	0	0	0	0	0
Operating profit/loss	-36,144	-38,262	-56,442	-77,926	-71,579
Earnings for the year and comprehensive income	-35,234	-37,167	-56,239	-77,781	-71,366
Earnings per share, basic (SEK)	-0.46	-0.60	-1.18	-2.06	-1.89
Research expenses as a percentage of operating expenses (%)	68.2	72.1	81.6	85.0	86.3
Cash flow from operating activities	-35,123	3,057	-99,911	-70,639	-69,508
Total assets	34,435	32,001	70,836	45,647	117,827
Cash and cash equivalents	31,498	29,100	25,577	41,741	112,434
Debt/equity ratio (%)	76	74.3	85.4	72.2	94.0
Average number of shares, basic	77,151,550	62,087,012	47,696,091	37,765,715	37,765,715
Average number of employees	11	11	13	11	8



A word from the CEO

2024 was yet another active and successful year for AlzeCure Pharma. The year began with new preclinical data in our clinical Alzheimer's program showing that NeuroRestore ACD856 has neuroprotective and disease-modifying effects. We have subsequently initiated preparatory work for Phase II clinical studies with the compound. In our second Alzheimer's project, Alzstatin, we decided to proceed with our latest molecule, ACD680, which is now being prepared for clinical trials. In the pain project targeting knee osteoarthritis, TrkA-NAM ACD137, we selected a candidate drug at the beginning of the year and presented preclinical data showing that ACD137 has at least as good analgesic effects as the antibody Tanezumab, and also potentially protective effects. To finance the continued development of our drug candidates and strengthen the company's financial position, we conducted a new share issue during the year, which raised SEK 45 million (before expenses). The Board of Directors was also strengthened with Dr. Jan Lundberg, former Global Head of Research and Development at Eli Lilly. In 2024, we applied for grants from the EU, and in early 2025, we achieved this milestone when we were awarded a grant of EUR 2.5 million under the Accelerator-program, with the potential for additional financing through the EIC Fund. We are very proud and honored to receive this prestigious grant, which will accelerate our clinical development and bring us closer to the goal of delivering a transformative therapy for Alzheimer's patients.

In the last quarter of 2024, we presented further preclinical data for our drug candidate NeuroRestore ACD856, which we are preparing for Phase II clinical studies in patients with Alzheimer's disease. Preclinical studies show that ACD856 can improve learning and memory function. The latest findings show that ACD856 also has disease-modifying and neuroprotective effects, which are of significant value in treating Alzheimer's and other neurodegenerative diseases. These results indicate that with ACD856, we can also target inflammatory processes, which are a key element of disease progression in conditions such as Alzheimer's disease. The study was presented at the world-leading Alzheimer's conference CTAD (Clinical Trials in Alzheimer's Disease) conference in October[1)] and has led us to deepen our research collaboration with scientists at Karolinska Institutet.

Alzstatin, our disease-modifying and preventive treatment in tablet form for Alzheimer's disease, continues to be developed according to plan. The drug candidates in the platform, ACD680 and ACD679, are in preclinical development and are being prepared to enter clinical trials. Following a thorough evaluation of the generated data, including potency and safety findings, we have decided to proceed with ACD680 for further studies as an initial step. The collective results indicate that ACD680 has the potential to be a "Best-in-Class" molecule. Moreover, ACD680 is expected to have a longer patent term, until 2045, as well as an additional five years of exclusivity in the US, which is highly valuable.

The compounds in the Alzstatin program are "gamma-secretase modulators" (GSMs), which reduce production of the harmful amyloid-beta-42 protein that generates plaques in the brain. The biological process is considered a primary cause of Alzheimer's disease. Gamma-secretase modulators for the treatment of Alzheimer's have received growing attention during the year as the target mechanism has been validated by the Swiss pharmaceutical company Roche, which is also developing GSMs. Roche has presented positive Phase I clinical data for its GSM RG6289, demonstrating both good safety and tolerability, as well as proof-of-mechanism in humans. They have now initiated a Phase II clinical trial, which has resulted in growing interest in our Alzstatin project from both other pharmaceutical companies and investors. Furthermore, interest in GSMs as a class of drugs is on the rise, as they not only reduce plaque formation but also potentially enhance the brain's resilience against the toxic effects of amyloid-beta-42.

Martin Jönsson, CEO

In the field of Alzheimer's, the medical need for effective methods remains significantly high. Studies show that only 5 to 8 percent[2] of Alzheimer's patients attending memory clinics are suitable candidates for the newly developed antibody drugs, which means that as many as 92 to 95 percent of diagnosed Alzheimer's patients are not expected to receive the recently approved antibody treatments.[2] Taken together, this shows that both NeuroRestore and Alzstatin could become highly attractive treatments in their own right, as well as complementary to antibody therapy, thereby addressing a high unmet medical need for patients, their families, and the healthcare system.

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

Neuropathic pain is an area with great unmet medical need, especially with respect to finding alternatives to opioids, and we believe that ACD440 could significantly improve quality of life for patients suffering from this type of pain. Only one of five patients is satisfied with their current treatment. [3] During the last quarter, we organized a seminar on neuropathic pain and ACD440 together with pain expert Dr. Rolf Karlström at Uppsala University and Uppsala University Hospital. The seminar is available on our website and YouTube channel.[4]

Our second pain project, TrkA-NAM, focuses on arthritis of the knee. Over 300 million people suffer from the disease, and the patient population is growing due to an aging population and obesity-related problems. The project continues to make good progress, and we conducted additional preclinical studies with favorable results during the year. Earlier this year, we selected a candidate drug for the project, ACD137, which we then advanced to safety and toxicology studies. The compound has powerful analgesic effects in several different preclinical models, indicating a wide range of uses for the compound. ACD137 has also been shown to have anti-inflammatory effects, which may further strengthen its pain-relieving properties, as well as potentially opening up other possible indications. In 2024 we also presented new data for ACD137 that demonstrated good efficacy in both neuropathic and nociceptive pain, which in turn indicates the broad potential of the project.

Interest in TrkA-NAM has risen as Asahi Kasei initiated a Phase IIb study with its candidate drug AK-1830, with the same target mechanism. TrkA-NAM is being developed to reduce peripheral NGF signaling and thus pain. Because of the selective target mechanism of the molecules, TrkA-NAM is expected to maintain the good analgesic effects but without the side effects that NGF antibodies have previously demonstrated. This is validated by new preclinical data with ACD137 in an osteoarthritis model that we reported on in the fourth quarter. The results showed significant pain relief in both movement-induced and evoked pain, as well as a significant anti-inflammatory effect. The analgesic effect of ACD137 was as potent as that of the anti-NGF antibody tanezumab, which has demonstrated significant and robust pain relief in patients in several clinical trials. ACD137 was also shown to have a protective effect against articular cartilage damage, showing a significant improvement in several structural parameters of cartilage and the knee joint, suggesting a protective effect on knee joint function in an osteoarthritis model.

We continue to focus on marketing communications and actively participate in various meetings and congresses to present our research to investors and potential partners. In November, we participated in events such as BioEurope, Europe's largest business development and partnership conference in the pharmaceutical industry. We continue to encounter growing interest from pharmaceutical companies and other stakeholders that may be interested in investing in or in-licensing our development projects, or alternatively in entering into a partnership.

Overall, we continued to make progress in all projects during 2024, with exciting new results that strengthen our position for the future. In collaboration with renowned institutions and scientists, both in Sweden and abroad, we produced exciting new results in our projects during the year that further strengthen the potential and improve our business development opportunities going forward. Backed by these positive results, and with research expenses and findings on track, I look forward to continuing to develop AlzeCure together with our partners and colleagues in 2025.

Stockholm, April 2025
Martin Jönsson

> "2024 was yet another active and successful year for AlzeCure Pharma. We published and presented findings such as new results for both NeuroRestore ACD856 and TrkA-NAM ACD137. The company also presented at several events, including the world-leading Alzheimer's conference CTAD. We continued to make good progress in all our projects.
>
> Martin Jönsson, CEO

In February 2025, AlzeCure was awarded a grant of EUR 2.5 million from the European Innovation Council (EIC) Accelerator under the Horizon Europe program. Additionally, the company has the potential to receive further financing through the EIC Fund, subject to further due diligence and conditions being met.

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

Martin Jönsson

1) Preclinical evidence for anti-inflammatory and immunomodulatory effects of NeuroRestore ACD856, a Trk-PAM in clinical development for the treatment of Alzheimer's disease, Parrado-Fernández, C., CTAD poster, October 2024. https://www.alzecurepharma.se/en/wp-content/uploads/sites/2/2024/10/lp025-ctad-2024-acd856-poster.pdf
2) Eligibility for Anti-Amyloid Treatment in a Population-Based Study of Cognitive Aging; Rioghna R. Pittock et al; Neurology, 2023;101:e1837-e1849. https://pmc.ncbi.nlm.nih.gov/articles/PMC10663008/
3) Finnerup et al; Pharmacotherapy for neuropathic pain in adults: systematic review, meta-analysis and updated NeuPSIG recommendations. Lancet Neurol. 2015; 14(2): 162–173
4) Seminar on neuropathic pain and ACD440 together with pain specialist Rolf Karlström, M.D., PhD and Assoc. Professor at Uppsala University: https://www.alzecurepharma.se/en/presentations-and-interviews/

AlzeCure's development & the path forward

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 an early clinical phase.

AlzeCure's two innovative small molecule platforms in neurology, NeuroRestore® and Alzstatin®, as well as our latest pain projects, TrkA-NAM and ACD440, are all making good progress in their development. The company has the explicit goal of developing new therapies for Alzheimer's disease and pain – severe disorders affecting the nervous system and for which there is currently no effective treatment. In Alzheimer's we are working on therapies aimed at both symptomatic relief and prevention, where our two unique project platforms focus on two key findings related to the disease: the accumulation of amyloid in the brain and the disruption of normal nerve cell function that leads to the symptoms of the disease. In the field of pain we focus on both nociceptive and neuropathic pain.

AlzeCure has two of the company's drug candidates in clinical trials. A diversified portfolio of drug candidates that act on central signaling pathways in the brain also opens up for other indications such as cognitive dysfunctions in traumatic brain injury, sleep disturbances and Parkinson's disease.

Important milestones for 2025

In 2025, AlzeCure intends to work to meet the following milestones in order to achieve its vision to become a leading neuroscientific research and development company that provides great value to patients, relatives and society:

- Continue safety and toxicology studies and prepare the Alzheimer's project Alzstatin, which focuses on a preventive treatment, for Phase I clinical studies.
- Initiate preparatory clinical studies for an upcoming Phase IIa trial with patients diagnosed with early Alzheimer's for NeuroRestore ACD856, aimed at enhancing memory and learning.
- Continue safety and toxicology studies for TrkA-NAM ACD137, for the treatment of knee osteoarthritis, and prepare for Phase I clinical trial.

Important milestones for 2025

1

Continue safety and toxicology studies and prepare the Alzheimer's project Alzstatin, which focuses on a preventive treatment, for Phase I clinical studies.

2

Initiate preparatory clinical studies for an upcoming Phase IIa trial with patients diagnosed with early Alzheimer's for NeuroRestore ACD856, aimed at enhancing memory and learning.

3

Continue safety and toxicology studies for TrkA-NAM ACD137, for the treatment of knee osteoarthritis, and prepare for Phase I clinical trial.

Patents

A strong patent portfolio is crucial for successful commercialization of our projects.

AlzeCure Pharma has an active patent strategy and has established a broad portfolio of patents and patent applications for the projects. This includes six different patent families. AlzeCure Pharma has nine approved substance patents in different territories, while three applications have reached the stage where the application has been submitted to all of the current major pharmaceutical markets, including the US, EU, Japan and China, as well as territories that are potential major pharmaceutical markets in the future.

Regarding the patent for the topical formulation ACD440, the company expects protection until 2041.

The patent application covering ACD856 is approved in the US and pending approval in additional territories. If they are granted, the resulting patents could provide protection until February 2039 and possibly even longer in areas where extensions are available. Two more priority applications were submitted in 2022.

With respect to the patents for Alzstatin and TrkA-NAM, the expected patent term extends to 2045, with the potential for an additional five years of market exclusivity in the US for each program. This provides protection in the US until 2050.

The company believes that there is good potential to achieve global protection for its drug candidates. AlzeCure believes that by having several applications in this field, flexibility increases with respect to future partnerships.

AlzeCure plans to expand the patent portfolio within the key areas with additional applications in 2025.

Mission, Vision & Strategy

Mission

We are resolved in our commitment to provide hope and relief to patients and their families by developing innovative, groundbreaking drugs in the fields of Alzheimer's disease, pain and other severe diseases.

Vision

Our vision is to become a leading neuroscientific research and development company that creates great value for patients and society.

Strategy

AlzeCure Pharma's strategy is to develop a broad portfolio of symptom-relieving, disease-modifying and preventive drugs for Alzheimer's, pain and other serious illnesses through work based on the following four guidelines:

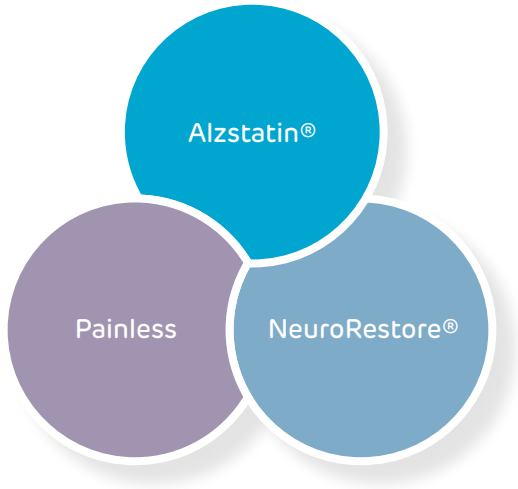
- The right patient: Focusing on genetically, clinically and pathologically defined diseases to increase the ability of clinical effect.
- The right mechanism: The treatment acts on genetically associated signaling pathways in Alzheimer's disease and other indications.
- The right clinical testing: The clinical studies are based on validated biomarkers and preclinical methods with good transfer to humans.
- The right treatment: Small molecule drugs that penetrate the blood brain barrier (BBB) and which are designed for safe, efficacious long-term treatment.

Business model

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 developing several parallel drug candidates based on three research platforms: NeuroRestore®, Alzstatin® and Painless.

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.

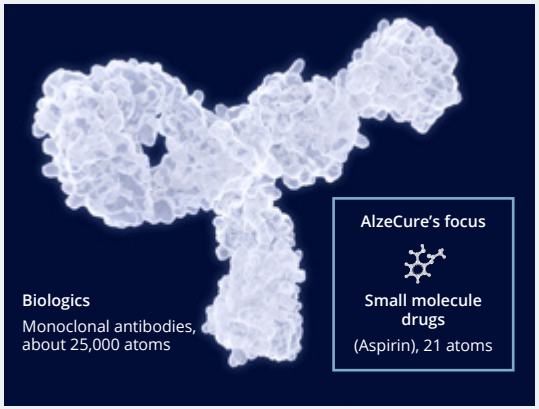
AlzeCure continually evaluates possibilities for future collaboration agreements and commercial licensing agreements with leading pharmaceutical companies that can contribute R&D, manufacturing, commercialization and geographical reach to enhance the value of the company's drug platforms and drug candidates.



Drugs based on small molecules

AlzeCure's drug candidates are based on small molecules, which offer several advantages over biologics:

- Small molecules can be designed to provide better permeability across the blood-brain barrier than biologics, and are therefore well suited for treatment of diseases of the brain.
- Small molecules can be given as oral treatment, in tablet form, which is both convenient and cost-effectively advantageous for the patient compared with invasive intravenous injections, which must often be administered by care providers.
- Small molecules are less expensive to produce than biologics, which could potentially provide price-related advantages, for example with respect to long-term treatment of chronic diseases.



Illustrative comparison between biological and small molecule drugs.

Market trends affecting AlzeCure®

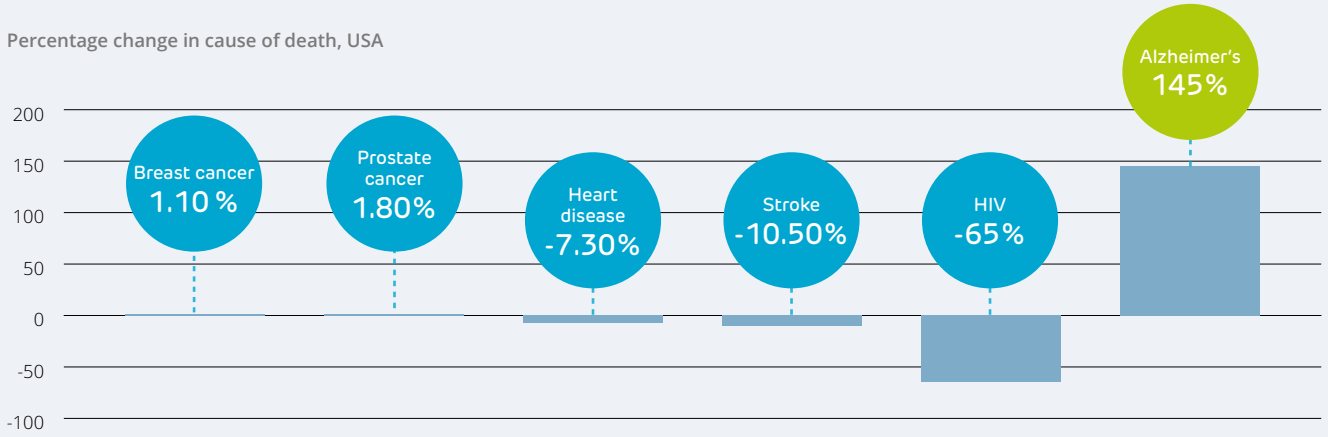
Increased social costs for Alzheimer's and other neurodegenerative diseases
Costs associated with Alzheimer's and other neurodegenerative diseases are sharply rising and account for a substantial burden on the public healthcare system. The global cost to society for dementia is estimated at more than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

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

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

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

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.



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

x3

The number of people worldwide with dementia is expected to triple from the current 50 million to 150 million in 2050.*

* Reference: Alzheimer's Association, The global impact of dementia – World Alzheimer Report 2015.

> ”Diagnostics and biomarkers within the field of Alzheimer’s is an active field 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

Biomarkers

AlzeCure is working closely with leading researchers in the field of biomarkers, such as Professor Henrik Zetterberg, who is considered to be a world authority in the field. Using measurable markers, often biological molecules such as proteins, changes can be detected in the disease scenario, but the effects of treatment can also be assessed. Hlin Kvartsberg, who earned her PhD in a joint doctoral program supported by both AlzeCure and Sahlgrenska Academy at the University of Gothenburg, was awarded a prize in 2020 for her thesis on new biomarkers in the disease. The company intends to use these advances in diagnostics and thereby ensure that the right patients in the right phase of disease are included in the clinical trials. Including the right patient population will increase the likelihood of success.

Development of diagnostics and biomarkers in Alzheimer’s disease

Significant progress has been made in this field through intensive work, including recent findings that a combination of blood-based biomarkers and simple cognitive tests have very high sensitivity for detection of Alzheimer’s disease at an earlier stage. Currently, Alzheimer’s disease is mainly diagnosed through clinical examination, including a lumbar puncture combined with tests of cognitive ability and brain imaging (PET). PET diagnostics is a nuclear medicine imaging method used to identify differences between healthy brains and brains in patients with Alzheimer’s. There is a great need to be able to correctly diagnose Alzheimer’s in order to include a correct 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 non-opioid-based 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, heart disease 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 opioids for treatment of pain. Consequently, there is currently a high unmet medical need for new, non-opioid treatments in this field.

In the US, and even globally, opioid abuse is widespread, with over 2.5 million Americans estimated to be addicted to opioids, which is a significant reason for a sharp increase in the use of heroin and the even more potent fentanyl, both of which have similar effects to the opioids used for medicinal purposes. Heroin and fentanyl abuse have become so widespread that overdoses are now the leading cause of death for Americans under 50. In the fall of 2017, the US declared the opioid epidemic a national emergency, but the death toll has continued to rise sharply, especially in the wake of the COVID-19 pandemic.

Alzheimer's disease

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

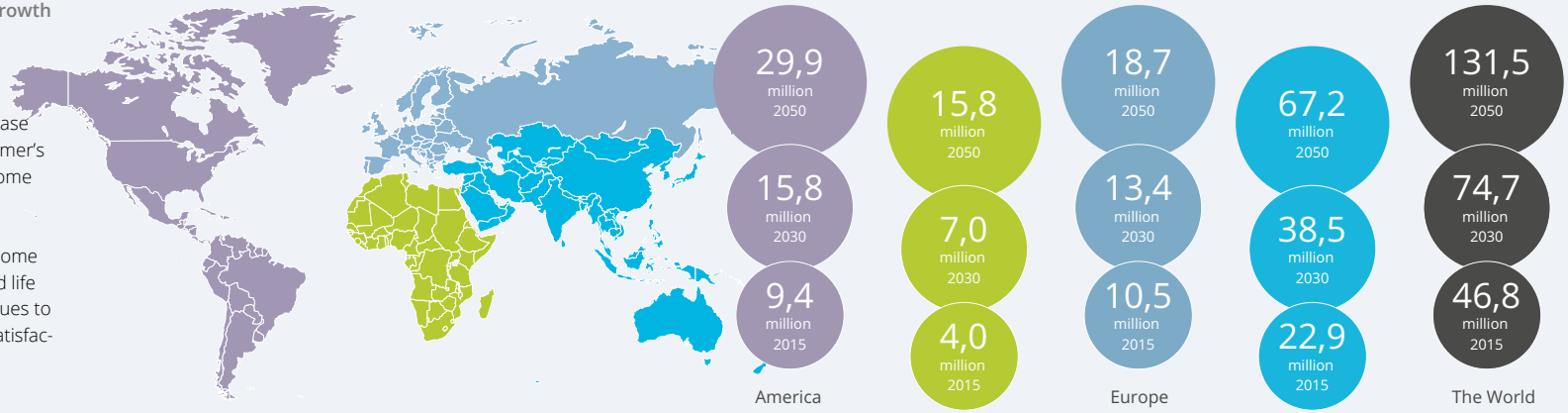
Alzheimer's disease is a neurodegenerative disease, which is a collective term for various conditions in which the nerve cells of the brain gradually deteriorate and eventually die. Nerve cells have very limited regeneration and damage to them therefore becomes clear and crucial for the functionality 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 effective disease-modifying treatments are available. The disease starts with amyloid beta (Aβ) protein beginning to clump in the brain, which ultimately form the amyloid plaques so characteristic of the illness. These have a negative impact on nerve cell function and lead, inter alia, to reduced levels of important neurotransmitters in the brain. These neurotransmitters, such as acetylcholine and glutamate, are necessary for nerve cells to communicate with each other and for the normal operation of the brain. With time, the ability of nerve cells to survive also deteriorates and they die.

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

Geographic distribution and expected growth of prevalence of dementia

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



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

Today, growing sums are being invested in medical research in Alzheimer's due to the extensive human suffering, and the costs to healthcare and society are considerable. Total global costs for dementia-related illnesses were estimated at around USD 1.3 trillion, which is expected to triple by 2050. The lack of effective symptom-relieving treatments and efficacious treatments that slow or prevent the course (disease-modifying) of the disease have led to an urgent medical need. The few approved drugs sold in today's 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). Subsequently, three additional antibody drugs for the treatment of Alzheimer's disease received "Breakthrough Therapy Designation" from the FDA. This status provides access to FDA's other "fast track" processes. Applications for approval of two of these drugs were also submitted to the FDA. One of these, the antibody drug Leqembi (lecanemab), received full approval from the US Food and Drug Administration (FDA) in 2023, after receiving conditional approval in January 2023. One year of treatment costs about USD 26,500. Lecanemab is now also approved for sale in other countries including Japan, the United Kingdom and China. Another antibody drug, Donanemab, received full market approval in the US in July 2024. This approval demonstrates an accessible regulatory pathway for drugs within the field and has led to growing interest in research into new drugs for Alzheimer's disease. The results of the studies with these new Alzheimer's drugs have also validated the amyloid hypothesis – that Aβ plays a central role in the development of the disease in Alzheimer's patients.

Symptoms

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

Prevalence

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 to the right.

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 symptom-relieving 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.

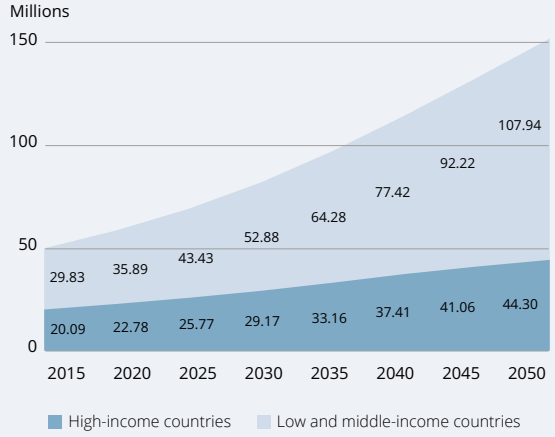
However, the effect of the above treatment methods is usually limited and associated with side effects. The most common side effects of both cholinesterase inhibitors and NMDA inhibitors are gastrointestinal symptoms, including nausea, diarrhea and stomach pain. Other common side effects are problems 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. In addition to these drugs, several amyloid beta antibody treatments have been approved: Aduhelm™ (aducanumab), Leqembi (lecanemab) and Kisunla (donanemab), see above.

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

> "The socioeconomic costs of Alzheimer's disease are currently very high. At the individual level, of course, the problems the disease causes for patients and their families are most important. Currently there is no effective preventive medication for the disease.There is also still a high unmet medical need for both new symptom-relieving 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 middle-income countries (LMIC), since these countries are expected to demonstrate a higher relative improvement in quality of life than high-income countries (HIC), which leads to an increased life expectancy. The need for treatment continues to be very high since there are currently no satisfactory treatment options for such patients.

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



*Reference: Alzheimer's Association

50 %

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 so severe that they require treatment.

10 million

Every year about 10 million people suffer from TBI worldwide. The global market for treatment of TBI is expected to grow from SEK 970 billion in 2017 to SEK 1,350 billion in 2024.

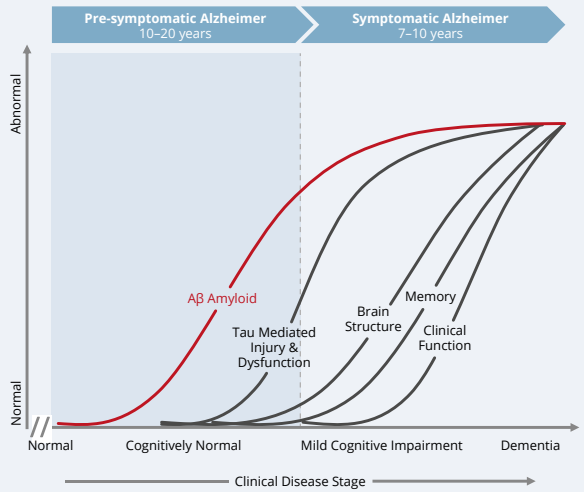


Illustration of the course of the disease, dividing it into an early presymptomatic phase and a later symptomatic phase.

is improved in the patient while also avoiding difficult side effects. Alzstatin is aimed at preventing or delaying the very occurrence of the illness by reducing production of toxic amyloid in the brain and thereby preventing the formation of amyloid aggregates such as oligomers and plaque in the brain.

Other diseases with cognitive dysfunction

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

Sleep apnea

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

Traumatic brain injury (TBI)

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

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

Parkinson's disease

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

Common cognitive problems include difficulties with:

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

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

"We develop drugs to help treat one of the few common disorders that currently lack effective treatment."
50 million
As previously mentioned, Alzheimer's is the most common form of dementia, and worldwide around 50 million people is estimated to be living with dementia-related diseases, a figure that is expected to rise to 82 and 152 million sufferers by the years 2030 and 2050 respectively.
150,000
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 are estimated to be higher than those caused by cancer and cardiovascular diseases.

About Alzheimerfonden

Alzheimerfonden (the Swedish Alzheimerfonden) is the only fundraising organization in Sweden that focuses solely on grants for research on Alzheimer's disease and other dementia diagnoses. Annual research grants from Alzheimerfonden are crucial for conducting research projects in this field in Sweden. Major research advances have been made in recent times, but more resources are needed to succeed in finding a drug to cure or to slow the progress of the disease. Alzheimerfonden does not receive any government grants; its activities are funded entirely by donations from private individuals and businesses. Swedish Alzheimer's research is cutting-edge and many Swedish researchers are world leaders at the forefront of the field. A substantial increase in funding is therefore crucial so that projects can be conducted more optimally and make faster progress.

Alzheimerfonden also engages in extensive public outreach initiatives through seminars, articles, participation in discussions, etc. The organization also supports relatives in various ways, such as in the case of young relatives with parents who suffer from cognitive impairment. Alzheimerfonden provides annual grants to healthcare workers who want to pursue postgraduate programs in the fields of cognitive impairment care and dementia care for nurses and doctors, as well as for occupational and physical therapists, since we believe that such care should be provided by well-educated staff.

Alzheimerfonden will continue to pursue efforts to be a leading organization in the field of Alzheimer's and our aim is to contribute to pioneering new initiatives in research and care. The formation of AlzeCure is one such initiative.

Please support Alzheimerfonden in its activities with a donation via www.alzheimerfonden.se

Ambassador for Alzheimer's – a new mission

Nina Gunke is a beloved actress who many people recognize from popular Swedish television shows. Now Nina has a completely different job on her plate: she is an ambassador for the Swedish Alzheimer's Foundation.

In 2020, Nina was diagnosed with Alzheimer's disease and plummeted into an anxious darkness when she received the news.

"I told my family that I don't want to talk about this. I was ashamed and didn't want anyone to know. I was afraid that people would make comments or think I was weird when I couldn't find the right words. But after six months of anxiety, I told myself that I couldn't go on like this." Nina decided to go public with her diagnosis of Alzheimer's disease. In an interview on the Swedish morning TV show Nyhetsmorgon, she opened up and talked about the difficult time. She never imagined that she would receive so many kind reactions.

"Going public with it was the best thing I ever did. I feel so free and open and it feels great to be able to talk about it. Many people have contacted me and told me that they've felt the same way, which encourages me to keep talking about it." When Nina was asked to become an ambassador for the Alzheimer's Foundation, she felt it was an important mission that could help others. By raising awareness and encouraging people to talk about the disease, Nina wants to reduce the stigma surrounding it.

"I was thrilled when they asked me to take on the job. By talking about what it's like to live with the disease and opening up about it, I hope that more people will have the courage to do the same.

Having the diagnosis myself, I know exactly what it means. At first, I thought only really old people got this disease. But it can happen to anyone. Many people are in the prime of their lives, just like me." There are other things going on in Nina's life right now. On Alzheimer's Day, September 21, 2022, she released her autobiography "Before I forget." The book has garnered considerable interest and has sold many copies.

"I was called by the publisher who wanted to write a book with me. I was hesitant at first but then decided to do it for a good cause. The book is partly about my life, but it also focuses a lot on Alzheimer's and how the disease has affected me and my family. Part of the proceeds from the book sales will go towards the Alzheimer's Foundation's important work to enable more research advances."

Today, Nina Gunke is no longer ashamed of forgetting things or standing in the shop and forgetting the PIN code for her debit card. "If there is something I don't know when I go shopping, for example, I just ask for help. I can say 'Excuse me, I have Alzheimer's – can you please help me?', and people do just that. It's that simple. It's really nice. I used to be afraid that people waiting in line behind me would think I was an idiot for not knowing the PIN code, which made me even more stressed."

What has your husband Samuel meant for you during this time?
"He has meant a great deal to me. He's been so incredibly patient with me. When I don't know things, he's been amazing," she says, and Samuel backs up what she says.

"That's just how it is, when someone gets sick, you have to help each other. That's life – I could be diagnosed with cancer tomorrow, you never know. This just becomes a daily routine, we plan things differently than before, but it works out just fine. We've also moved from Lidingö to the city and that was necessary for Nina, said Samuel.

Photo: Lotte Fernvall

Pain

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

> One in five people in the population suffers from chronic pain that requires treatment. Living with pain is incredibly stressful for the patient, both physically and mentally. One of three patients seek medical care because of pain. The available treatments are not sufficiently effective and are often associated with addiction problems. There is great potential for a new drug here, especially with a favorable side effect profile and without risk of addiction.
>
> Dr. Märta Segerdahl, CMO

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

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

Nociceptive pain is the result of activity in signaling pathways caused by tissue damage. Nociceptive pain is usually acute and develops in response to a specific situation, such as postsurgical pain and pain associated with sports injuries. It tends to disappear when the affected body part heals. 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, pinching and chemicals. These warning signals are then transmitted along the nervous system to the brain. This happens very quickly in real time, such as quickly pulling away hands after touching a hot oven, or not putting weight on an injured ankle.

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

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

> Epidemiological studies have shown that one in five adults suffers from chronic pain. In many cases, pharmacological treatment is an option, but current medications only help in approximately half of the cases and many have to discontinue treatment due to side effects. The opioid group of medications also carries a high risk of dependence. The development of opioid-free precision medicine alternatives in pain is an important way forward. A topical treatment, such as ACD440, has the potential to become a safe and effective treatment for the many individuals suffering from heat-induced pain. The mechanism of action for a TrkA-NAM is promising as a treatment for osteoarthritis pain and other inflammatory pain conditions.
>
> Rolf Karlsten, Associate Professor, Uppsala University

600 million

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

conditions associated with neuropathic pain are painful peripheral neuropathy caused by conditions such as diabetes, painful posth-erpetic neuralgia (shingles), neuropathic pain induced by chemo-therapy 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 cardio-vascular 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.

Treatment

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

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

Research & Development

AlzeCure® works with research and development of innovative and effective novel small molecule 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 15 billion in annual sales.

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

- Within NeuroRestore, a new generation of symptom-relieving 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 preclinical phase aimed at developing a new treatment for severe pain in conditions such as osteoarthritis.
- ACD440 is a drug candidate in the 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.

Neurology

Within NeuroRestore, a new generation of symptomatic drugs is being developed for the treatment of cognitive dysfunction (memory disorders) in Alzheimer's disease. The NeuroRestore substances are known as Trk-PAMs, which stimulate specific signaling of the neurotrophins NGF (Nerve Growth Factor) and BDNF (Brain-Derived Neurotrophic Factor), which play an important role in normal neuronal function. The company initiated the first clinical trial with the primary drug candidate in NeuroRestore, ACD856, in late 2019. The study was completed on schedule in the second quarter of 2020. The results showed that ACD856 was well-suited for further clinical development, for which reason continued clinical trials could be initiated at the end of 2020. The results of the "SAD" study (Single Ascending Dose) were reported in 2021 and showed that the compound was well tolerated in humans. In the third quarter of 2021 the MAD study (Multiple Ascending Dose) was also initiated and both of these studies, which are part of the Phase I program for the drug candidate, had the primary purpose of assessing safety and tolerability in humans. The MAD study, which

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.

70%–80%

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.

" Neurotrophins such as NGF and BDNF play a key role in the normal function of the brain and new therapies focused on these biological systems can offer exciting new opportunities for treatment of neurodegenerative diseases such as Alzheimer's disease. Our preclinical studies in the field demonstrate potent efficacy in several relevant models, which supports continued development in the field.

Professor Maria Eriksdotter, Karolinska Institutet

was concluded in 2022, showed that ACD856 has a good safety and tolerability profile in humans. 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 neuronal pathways in the brain, of relevance to both cognition and depression.

ACD857 is in the preclinical phase and also has the primary indication of cognitive dysfunction/Alzheimer's disease. The drug candidate is in a development phase aimed at assessing the preclinical safety profile before clinical trials can begin.

New preclinical data within the NeuroRestore platform have also shown potential disease-modifying properties in this class of compounds. The findings show that both neurotrophins, NGF and BDNF, play important roles in retaining normal function and development in nerve cells, as well as in protecting them from damage, known as neuroprotective effects. Nerve cell death clearly correlates with functional impairment in Alzheimer's patients and no drugs with these protective effects are currently available on the market. The preclinical studies indicate that treatment with the compound ACD856 results in increased survival for the nerve cells. Over the past two years, the studies have been complemented by additional data concerning the neuroprotective, regenerative, anti-inflammatory 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 highlight the potential of NeuroRestore as both a memory-improving and disease-modifying treatment, have been presented at a number of scientific conferences over the past two years.

AlzeCure's disease-modifying research platform for Alzheimer's disease, Alzstatin, focuses on reducing the production of toxic amyloid beta (Aβ) 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 easily cross the blood-brain barrier, they can be produced more cost-effectively and they can be taken orally since the goal is to develop a tablet preparation that would be easily administered within the healthcare system.

The leading drug candidate in Alzstatin, ACD680, is currently in the preclinical phase and comes from a newly developed series of molecules that are expected to be advantageous from a patent perspective. New positive preclinical data on ACD680 were presented at the ADPD Alzheimer's and Parkinson's congress in late March 2023, in which the compound showed reductions of toxic Aβ42 by over 50 percent and good pharmacokinetic properties in vivo.

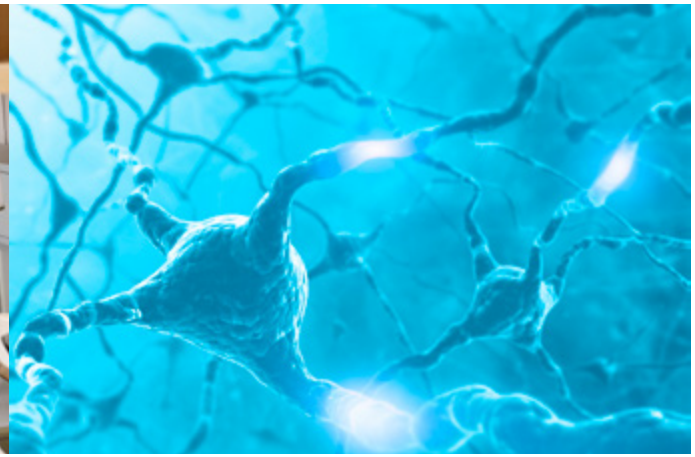
3 **The company is simultaneously developing three drug candidates based on the two research platforms NeuroRestore® and Alzstatin®.**

2 **The company is developing two projects within the "Painless" pain platform – TrkA-NAM and ACD440.**

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.

Copyrights to BBVA Foundation Frontiers of Knowledge Awards



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. 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 data, 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 provided important information for the planning and structuring of the continued clinical development program, and in 2022, the company initiated a Phase II trial with ACD440 in patients with peripheral neuropathic pain. This study aimed to evaluate the efficacy, safety and pharmacokinetics of the company's leading drug candidate in pain. AlzeCure reported top-line results from the study in May 2023, while the more detailed results from the study were presented at the international pain conference, EFIC, in September 2023. Data from the study showed that ACD440 could demonstrate positive proof-of-mechanism (PoM) results in patients with chronic peripheral neuropathic pain; in other words, the drug candidate had an effect on the intended target mechanism. A clear and significant analgesic effect was observed in pain induced by cold and heat. These positive POM results from this Phase II clinical trial were in line with previously reported Phase I results. Moreover, it was observed that ACD440 was well tolerated as a topical gel on the skin, demonstrating good suitability for further clinical development.

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

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

Scientific advisors

AlzeCure cooperates with leading researchers and key opinion leaders in the field to ensure that we gain access to the latest advice and findings and optimally design our preclinical and clinical studies. These collaborations have also resulted in publications and a doctoral thesis that was awarded a prize for best PhD thesis at Sahlgrenska Academy.

Professor Bengt Winblad

Karolinska Institutet, Stockholm, Sweden

Professor at Karolinska Institutet in Stockholm and one of the world's most cited researchers in neurodegenerative diseases. In 2016, Professor Winblad was the recipient of the Life-Time Achievement Award from the US-based Alzheimer's Association for his invaluable contributions to Alzheimer's research. Professor Winblad is also the recipient of the Swedish Brain Foundation's Jubilee Award.

Professor Peter Snyder

University of Rhode Island, USA

Vice President of Research and Economic Development and Professor of Biomedical Sciences at the University of Rhode Island, Kingston, RI. Professor Snyder has extensive experience with leading positions in the field of Neuroscience, including at Pfizer, where he led the development of new compounds for the treatment of schizophrenia and Alzheimer's disease. He is also Senior Associate Editor for Alzheimer's & Dementia: The Journal of the Alzheimer's Association.

Dr. Rolf Karlsten

University Hospital, Uppsala, Sweden

MD, specialist in anesthesiology and pain management. PhD in pain research. Previously worked as head of Medical Science with a main focus on pain projects in major pharmaceutical companies. Currently head of the Interdisciplinary Pain Center at Uppsala University Hospital, which covers all types of acute and chronic pain conditions.

Professor Henrik Zetterberg

University of Gothenburg and University College London, UK

Professor of neurochemistry, Chief physician at Sahlgrenska University Hospital and Professor at University College London (UCL). Professor Zetterberg is also chair of the Swedish Alzheimer's Foundation Scientific Council and is a leading global authority in the field of biomarkers related to neurodegenerative diseases.

Associate Professor John Harrison

Alzheimer Center, VUmc, Amsterdam, Netherlands

Associate Professor at Alzheimer Center VU Medical Center in Amsterdam and visiting professor at the Institute of Psychiatry, Psychology & Neuroscience at King's College London. Dr. Harrison has more than 20 years of experience in successfully integrating cognitive testing into drug development programs. He has worked with more than 40 drug development organizations in recent years, including 8 of the current Fortune top 10 pharmaceutical companies.

Professor Sven Ove Ögren

Karolinska Institutet, Stockholm, Sweden

Professor at Karolinska Institutet, Sweden. Recognized scientist in the field of Neuropsychology with extensive experience in drug development – project leader for two drug products developed from concept to market in the CNS area. More than 400 publications in the fields of neuropsychiatry and cognition.

Project portfolio

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

There are several drug candidates in the various platforms: two candidates in NeuroRestore and one in Alzstatin, as well as two projects that remain in the Painless platform.

A diversified portfolio of drug candidates paves the way for other 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 symptom-relieving drugs for the treatment of illnesses with cognitive disorders, such as Alzheimer's disease. The target mechanism also has other potential indications, including depression and cognitive disorders in Parkinson's disease, traumatic brain injury and sleep disorders.
- Innovative small molecule disease-modifying and preventive 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 than biological drugs.
- The Painless platform includes two projects: TrkA-NAM and ACD440, which both focus on severe pain.
  - The drug candidate ACD440 was in-licensed in January 2020 and affects a specific biological mechanism; the 2021 Nobel Prize in Physiology or Medicine was awarded for the discovery of this mechanism. The compound is being developed for the treatment of neuropathic pain, a field with great unmet medical need. The project is currently in the clinical development phase.
  - The TrkA-NAM ACD137 project is aimed at treating severe pain caused by disorders such as osteoarthritis, which today lacks sufficiently effective treatment. The project is currently in the preclinical phase.

AlzeCure's project portfolio

Platform	Candidate	Target	Indication	Research phase	Pre-clinical phase	Phase I	Phase II	Phase III
NeuroRestore	ACD856	Positive allosteric modulator (PAM) of Trk-receptors	Alzheimer's Disease, TBI - Traumatic brain injuries, Parkinson's disease, Sleep disorders, Depression					
NeuroRestore	ACD857	Positive allosteric modulator (PAM) of Trk-receptors	Alzheimer's Disease					
Alzstatin	ACD680	Gamma secretase modulator (GSM)	Alzheimer's Disease					
Painless	ACD440	TrpV1 antagonist	Neuropathic Pain					
Painless	ACD137	Negative allosteric modulator (NAM) of TrkA-receptors	Osteoarthritic Pain & other severe pain conditions					

Phase completed Phase ongoing

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

NeuroRestore®

In Alzheimer's disease, the nerve cells cease functioning as they should, which leads to a deterioration of memory and learning. AlzeCure has identified drug-like compounds that stimulate neurotrophic signaling pathways, thereby strengthening nerve cell function and improving memory.

Platform	Candidate	Mechanism of action	Indication	Research phase	Pre-clinical phase	Phase I	Phase II	Phase III
NeuroRestore	ACD856	Positive allosteric modulator (PAM) of Trk receptors	Alzheimer's disease Traumatic brain injury, Parkinson's disease, Sleep disorders, Depression					
	ACD857	Positive allosteric modulator (PAM) of Trk receptors	Alzheimer's disease					

NeuroRestore is a platform of symptom-relieving drug candidates for diseases where cognitive ability is impaired, such as Alzheimer's.

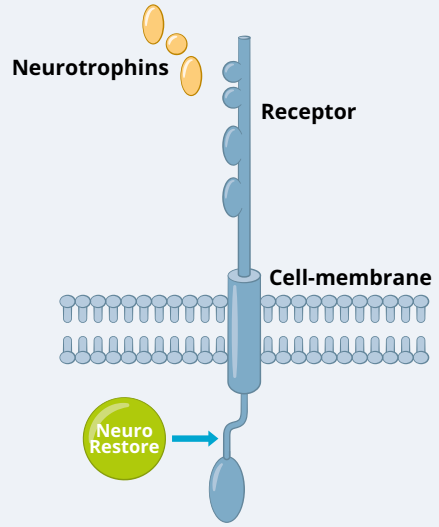
NeuroRestore stimulates several important signal pathways in the brain, which among other things leads to improved cognition. In preclinical studies with NeuroRestore, we have been able to demonstrate that our drug compounds not only boost communication between nerve cells but also improve cognitive ability.

The drug candidates in NeuroRestore stimulate signaling of neurotrophins, the most well-known of which is Nerve Growth Factor (NGF) and Brain Derived Neurotrophic Factor (BDNF). These neurotrophins are important for maintaining nerve cell function and communication, which are impaired with cognitive disorders. BDNF plays an important role for nerve cell function and communication in the areas of the brain that are essential for our cognitive ability, such as the hippocampus, located in the temporal lobe. In addition, special "cholinergic neurons" in the basal forebrain depend on NGF to maintain their biological function, but also to survive. Loss of cholinergic neurons in the basal forebrain, as well as dysfunction of normal neuron function and communication in the hippocampus, are early signs of Alzheimer's and correlate with cognitive impairment. The drug candidates in the NeuroRestore platform strengthen the signaling of these two important neurotrophins, which results in improved memory and learning – something that AlzeCure has been able to demonstrate in several different preclinical models.

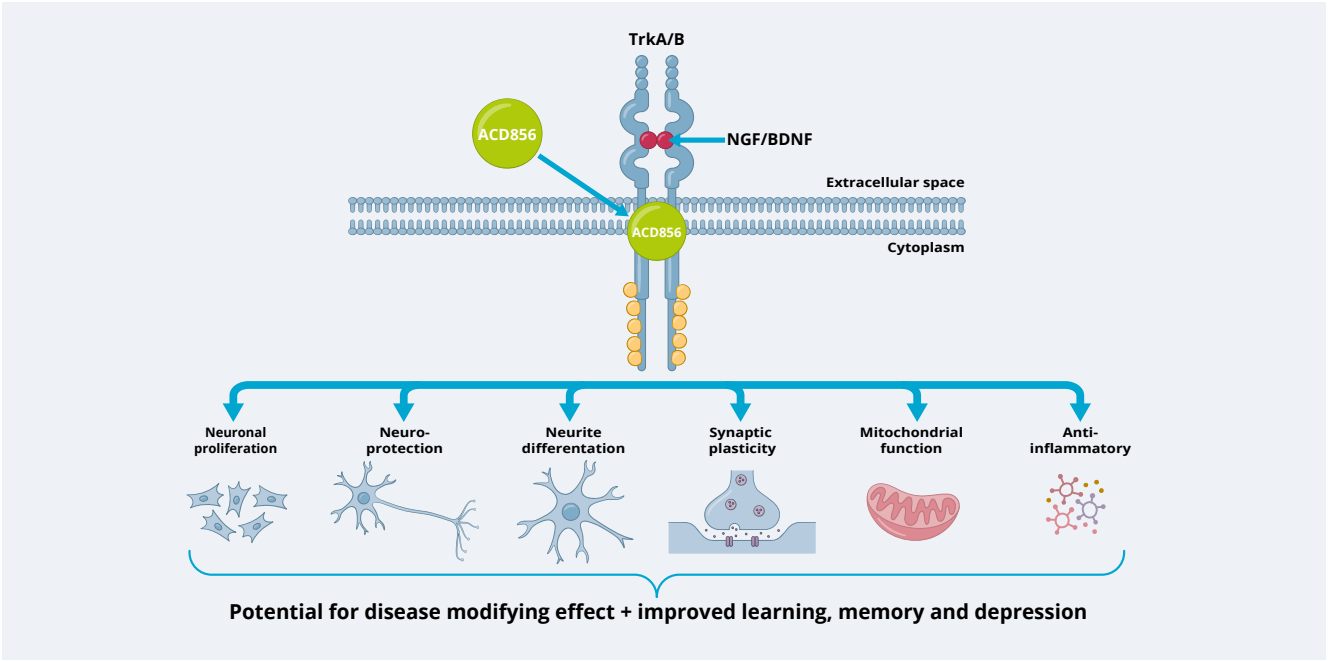
The levels of NGF and BDNF are disrupted in many diseases and signaling is reduced. This reduced function impairs both communication between the contact surfaces at nerve ends and the function in neurons, which gives rise to cognitive impairment. NGF and BDNF also have neuroprotective and neuroregenerative properties, which means that they protect and support neurons under harmful conditions. Consequently, compounds in NeuroRestore could also potentially have disease-modifying effects.

There is also genetic support for this target mechanism – a genetic variation of BDNF in humans, leading to a reduction in BDNF secretion, is involved in cognitive impairment related to both neurodegenerative processes seen in Alzheimer's and Parkinson's disease, but also in other cognitive indications such as traumatic brain injury and sleep disorders. AlzeCure also considers there to be a potential for adding further indications based on the specific target mechanism. There is also strong scientific support for this target mechanism in depression.

In the preclinical trials, ACD856, the leading drug candidate in the NeuroRestore platform, has been able to demonstrate that



Neurotrophins such as BDNF and NGF bind to Trk receptors on the cell surface and mediate important effects such as strengthening communication between neurons and protecting against injury. NeuroRestore strengthens the dysfunctional signaling that exists in this system in diseases such as Alzheimer's.



it can strengthen signaling in the intended pathway and improve cognitive ability. Among other things, the compound has been able to show that it can reverse age-induced memory impairment and strengthen the effect of existing drugs (acetylcholinesterase inhibitors), which AlzeCure views as a competitive advantage. New preclinical data within the NeuroRestore platform have also shown potential disease-modifying properties in this class of compounds. The findings show that both neurotrophins, NGF and BDNF, play important roles in retaining normal function and development in nerve cells, as well as in protecting them from damage, known as neuroprotective effects. Nerve cell death clearly correlates with functional impairment in Alzheimer's patients and no drugs with these protective effects are currently available on the market. The preclinical studies appear to indicate that treatment with ACD856 results in increased survival for the nerve cells. Over the past two years, the studies have been complemented by additional data concerning the neuroprotective, regenerative and long-term effects of ACD856. The results indicate, among other things, that the substance can protect nerve cells against toxic Aβ42, the protein responsible for amyloid plaque formation in the brains of Alzheimer's patients. Moreover, data show that ACD856 increases the quantity of a specific protein that plays a key role in communication between nerve cells, which is severely affected in the disease. These important data, which highlight the potential of NeuroRestore as both a memory-improving and disease-modifying treatment, have been presented at a number of scientific conferences over the past two years, including at the major international Altzheimer's conference CTAD at the end of October 2023. At the conference Eisai also presented the results of its Phase I clinical drug candidate E2511, which they are developing as a disease-modifying treatment for neurodegenerative diseases such as Alzheimer's. The compound has a mechanism of action similar to that of ACD856, which strengthens the validation of the NeuroRestore platform. However, ACD856 has a broader effect profile than E2511 and, in addition to potentially disease-modifying effects, also exhibits memory-enhancing and antidepressant effects, which the company sees as a clear differentiation. In March 2024, the company presented new preclinical data on ACD856 demonstrating that the substance serves as a "biased" positive allosteric modulator (PAM), i.e. that the substance potentiates certain signaling pathways but not others, which means that the substance can have potent effects while maintaining a good safety profile. The results show that ACD856 can stimulate nerve cell growth, which is important for communication between nerve cells. In addition, the substance improves memory and learning ability in preclinical models. However, pain signaling is not affected, indicating a selective stimulation of specific signaling pathways. In April 2024, the company reported that ACD856 also demonstrates anti-inflammatory properties both centrally in the brain and peripherally in the body with relief of clinical inflammatory symptoms in preclinical models and a reduction in several inflammatory markers. These new data indicate an opportunity to treat diseases with features such as neuroinflammation, such as Alzheimer's disease, and that ACD856 may have a disease-modifying effect

AlzeCure's primary drug candidates within NeuroRestore – ACD856 and ACD857 – act as BDNF/NGF signaling enhancers. The biological mechanism that the compounds affect enable their use in several different diseases in which the same signal pathway is disrupted. These indications include:

- **Cognitive impairments linked to:**
  - **Alzheimer's disease**
  - **Parkinson's disease**
  - **TBI and other head injuries**
  - **Sleep disorders**
  - **Complications from major surgery**
- **Depression**

through its anti-inflammatory properties. A review article related to the preclinical findings with ACD856 was published in July 2024[1]. The company also presented new positive data on new anti-inflammatory and immunoregulatory effects of ACD856 at the major international Alzheimer's conference CTAD in late October 2024.

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

AlzeCure started the first clinical trial with ACD856 in December 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. Further clinical trials were then initiated at the end of 2020, also according to plan. The results of this single-dose study for ACD856, the "SAD" study, showed that the compound was well tolerated in humans. In 2021 a multiple-dose study (MAD study) was also initiated and both of 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. 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 in high and relevant concentrations; these important data support further clinical development work. Over 37 percent of the free, active substance crossed the blood-brain barrier, which can be compared with biologics such as antibodies, where only 0.1–0.2 percent cross. In September 2022, AlzeCure reported that the study also showed that ACD856 activates neuronal pathways in the brain, which could potentially have a positive effect on cognition. Thus the company has completed these Phase I clinical trials for ACD856 and is now ready for Phase II studies in patients.

In February 2025, the company was also awarded a grant of EUR 2.5 million from the European Innovation Council (EIC) Accelerator under the Horizon Europe program for phase II.

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

ACD857 is in the preclinical phase and also has the primary indication of cognitive dysfunction/Alzheimer's disease. One aim of this development phase is to assess the preclinical safety profile before clinical trials can begin.

1) Forsell P, et al., Pharmaceuticals. 2024; 17(8):997.

Alzstatin®

Our disease-modifying research platform, Alzstatin, consisting of both disease-modifying and preventive drug candidates, focuses on reducing the production of toxic amyloid beta (Aβ) in the brain. Aβ plays a key pathogenic role in Alzheimer's and begins to accumulate in the brain years before clear symptoms develop.

Platform	Candidate	Mechanism of action	Indication	Research phase	Pre-clinical phase	Phase I	Phase II	Phase III
Alzstatin	ACD680	Gamma-secretase modulator (GSM)	Alzheimer's disease					

> "The new positive clinical data published in 2022–2024 support the amyloid hypothesis and thus the mechanism of action for Alzstatin. The development of new and more sensitive biomarkers and diagnostics in the field also offers new opportunities for earlier intervention in the disease. Johan Sandin, CSO

Amyloid-beta

The brain consists of about 100 billion nerve cells (neurons) that are interconnected in an intricate network and are vital for brain function and survival. Autopsies of the brains of Alzheimer's patients show abundant amounts of amyloid (Aβ) plaques, the accumulation of which is assessed to have a major impact on the course of disease. Aβ plaques consist of an accumulation of Aβ peptides, which are formed and secreted by nerve cells in the brain. Aβ is a family consisting of 30–43 building blocks (Aβ30 – Aβ43); of these building blocks, Aβ42 is the main component in Aβ plaque. Aβ42 is particularly "sticky" and has a strong tendency to form clumps. This process is complex and the Aβ peptide accumulates in smaller aggregates, oligomers and protofibrils, which then form the building blocks of fibrils that form Aβ plaques. In Alzheimer's disease, the nerve cells are surrounded by these Aβ aggregates, which affects the communication ability and function of the nerve cells, which in turn leads to them withering and eventually dying. Exactly how Aβ causes nerve cells to die at the molecular level is not yet known. Much of the data suggest that the ill health of the nerve cells leads to accumulations of another protein, tau, inside the cells and that taken together, this leads to the death of the cells. A clear hereditary connection can be seen in about 1 percent of all Alzheimer's cases. The heredity component involves specific mutations in any of three specific genes, all of which are directly involved in Aβ peptide production. The common denominator among all these mutations is that they affect the Aβ peptide itself, or its production (relatively more Aβ42), in a way that accelerates build-up of Aβ plaques, thereby demonstrating the central role that Aβ plays in Alzheimer's, while making this peptide and the amyloid process the most validated disease process in Alzheimer's today.

Major advances in research during the 2000s have made it possible to follow the amyloid process in living individuals over time. A large number of such studies have shown that Aβ plaques begin to accumulate up to 20 years before symptoms appear and that it more or less reaches its peak and decreases in further growth once the symptoms of the disease begin to become apparent. When clinical symptoms occur, the structure of the brain has begun to change because of diseased nerve cells that have contracted and nerve cells that have died. The brain has literally begun to decrease in size. Several previous clinical trials with Aβ-targeted drugs in patients with relatively advanced Alzheimer's have failed. Given the new knowledge about how early Aβ builds up and is stored in the brain, it is likely that these candidates were tested too late in the disease, during a phase when Aβ had already played most of its pathogenic role. New clinical studies in the field, in which Aβ-targeted drugs have been administered earlier in the course of disease, have been able to demonstrate clinical efficacy in patients, thereby strengthening the validity of this target mechanism.

It is clear that Aβ-amyloidosis is a causative agent of hereditary familial Alzheimer's disease, as described above. More and more comparative studies, where the Aβ process in sporadic Alzheimer's has been compared with familial Alzheimer's, show a similar structure of Aβ in sporadic disease, though it usually occurs later in life. These research data strongly suggest that Aβ accumulation also plays a crucial pathological role in sporadic Alzheimer's, which accounts for about 99 percent of cases in Alzheimer's disease.

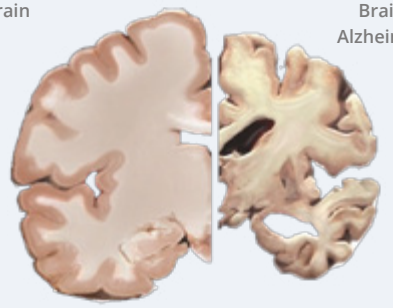


Illustration showing the difference in brain volume from a cross-section of the brain of a healthy individual and an Alzheimer's patient.

The drug candidates in the Alzstatin platform are "gamma-secretase modulators" (GSM) and affect the function of the enzyme gamma-secretase. Gamma-secretase acts like a pair of scissors and snips Aβ42 out from a longer protein known as APP. The sticky Aβ42 peptide forms clumps of so-called oligomers and fibrils that ultimately form the amyloid plaques in the brain so characteristic of Alzheimer's disease. Mutations in gamma-secretase that lead to a relative increase in Aβ42 peptide is the cause of hereditary Alzheimer's disease. This demonstrates the role of Aβ42 in the progression of the disease and is, together with mutations in the Aβ-peptide itself, the strongest known genetic link to Alzheimer's disease.

The compounds in the Alzstatin platform affect enzyme function so that it instead snips out shorter forms of the Aβ peptide, Aβ37 and Aβ38, which in addition to their not being sticky and not forming aggregates, may also have a restrictive effect on the formation of Aβ42 aggregates. This means the drug candidates in the Alzstatin platform have two separate but synergistic effects that together contribute to a stronger anti-amyloidogenic – and thus more potent – disease-modifying effect.

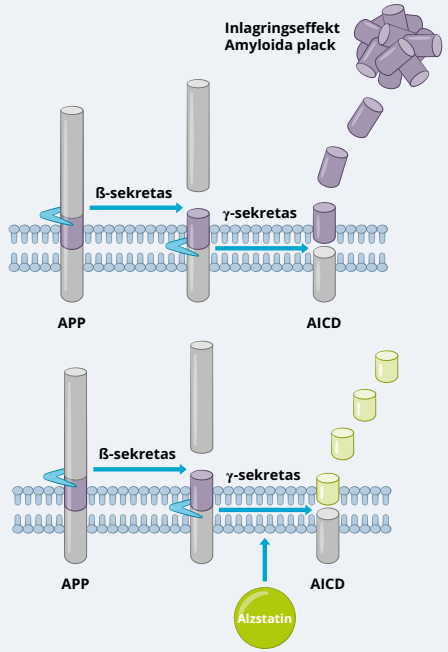
The company has shown in preclinical tests that the modulation of gamma-secretase leads to a reduction of up to 50 percent in the production of Alzheimer's-related Aβ42 without affecting other signaling important for cells. The project is further confirmed by positive findings made in the recently published clinical patient studies with several antibody treatments, which the company believes validates the amyloid hypothesis as a treatable and clinically relevant pathological mechanism.

In addition, at the CTAD 2023 Alzheimer's conference Roche published Phase I clinical data for its GSM in which it was able to demonstrate that the compound and mechanism were safe in humans at the doses tested and that a GSM could reduce Aβ42 levels in line with the preclinical studies, which further validated the target mechanism. Roche has now entered phase II studies in 2024 and is helping to chart a regulatory pathway forward for this class of compounds.

Major advances have also been made in the field of diagnostics with new blood-based tests, providing a cost-effective means of screening high-risk populations and thus identifying the right patients in the presymptomatic phase of the disease for upcoming clinical studies and future treatments.

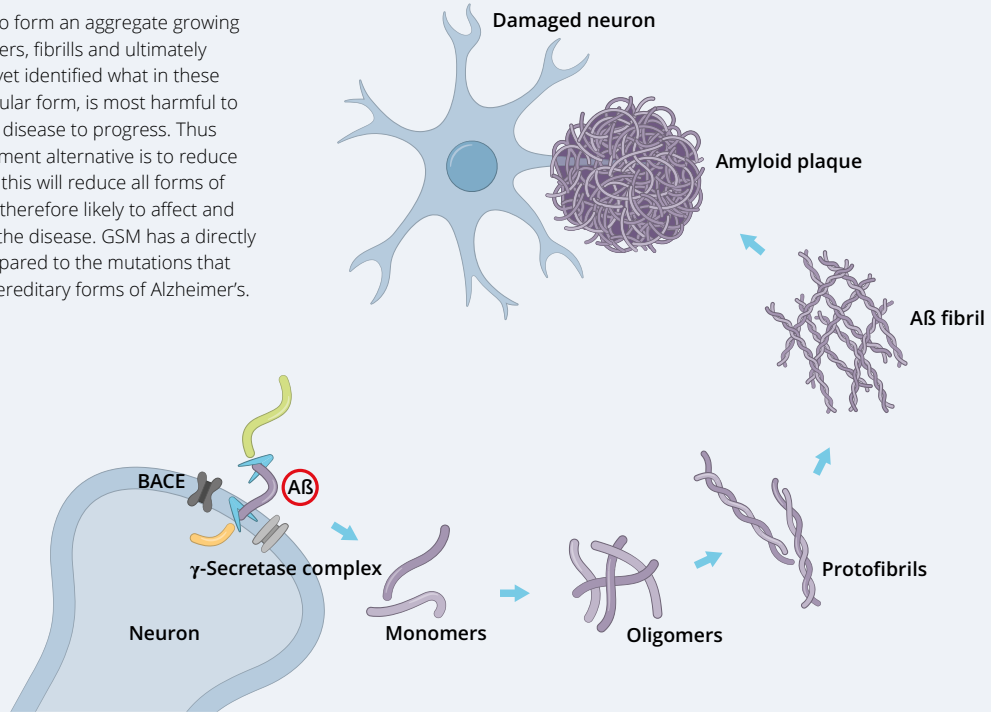
The drug candidate in the Alzstatin platform, ACD680, is in the preclinical phase and comes from a newly developed series of molecules that are expected to be advantageous from a patent perspective. New positive preclinical data on ACD680 were presented at the ADPD Alzheimer's and Parkinson's congress in late March 2023, in which the compound showed reductions of toxic Aβ42 by over 50 percent and good pharmacokinetic properties in vivo.

AlzeCure also sees benefits arising from a drug based on small molecules, which enables oral administration (tablets), low production costs and good penetration of the blood-brain barrier.



Alzstatin® modulerar gamma-sekretasenzymet och gör att kortare fragment bildas som motverkar inlagringseffekten.

Aβ42 slowly accumulates to form an aggregate growing from monomers to oligomers, fibrills and ultimately plaque. Research has not yet identified what in these processes, or which molecular form, is most harmful to nerve cells and causes the disease to progress. Thus we consider the best treatment alternative is to reduce the production of Aβ42 as this will reduce all forms of amyloid aggregates and is therefore likely to affect and hinder the progression of the disease. GSM has a directly opposite effect on Aβ compared to the mutations that cause the disease in the hereditary forms of Alzheimer's.



AlzeCure's differentiation in Alzheimer's

AlzeCure is working broadly within the field of Alzheimer's with a focus on two key findings in the disease: the characteristic accumulation of amyloid in the brain of those affected and the dysfunction of nerve cells and their communication that leads to the classic cognitive disorders of the disease.

Alzstatin consists of disease-modifying and preventive drugs targeting the early phase of the disease, with a focus on early blocking of production of toxic amyloid.

NeuroRestore consists of memory-enhancing/symptom-relieving drugs for later stages of the disease, with a focus on supporting nerve cell function and communication and thereby improving cognitive function/memory. Both platforms focus on two different signaling pathways, both of which have a genetic link to Alzheimer's disease. AlzeCure assesses that the company thereby develops drug candidates that meet the needs of patients in both the early, presymptomatic phase and the later, symptomatic phase of the disease. The treatments that AlzeCure develops can also potentially be combined with the approved compounds currently available on the market to achieve the best possible effect in the individual patient.

All AlzeCure candidates are small molecule drugs, which the company believes offer an array of advantages over biologics (antibodies), which are being developed in this field:

- Small-molecule drugs can be designed to be taken in tablet form, which offers major advantages for both patient convenience and from a cost perspective. Medicines in tablet form also have a considerable shelf life, allowing healthcare providers to purchase large quantities for long-term treatment.
- The production cost of small molecules is also lower than other alternatives, such as antibodies.
- Furthermore, small molecules can be optimized to penetrate the blood-brain barrier ("BBB"), which is essential for achieving high efficacy in the brain. The BBB acts as a filter that surrounds the brain and protects it from foreign substances, such as bacteria, crossing from the bloodstream into the brain and causing damage. Biological drugs such as antibodies have a low penetration rate of the BBB, which means that a relatively high injected dose is required to achieve the desired concentration in the brain.

The foundation of AlzeCure's disease-modifying Alzstatin drug platform, like the leading antibody treatments in late clinical development, is based on the amyloid hypothesis. The difference is that Alzstatin reduces the production of the actual building block of amyloid plaques in the brain, Aβ42. This blocks the early formation of all types of amyloid aggregates, such as oligomers, fibrils and plaques.

The gamma-secretase modulators in Alzstatin change how the gamma-secretase enzyme cleaves the amyloid-beta protein, so that instead of forming the sticky and toxic Aβ42, shorter fragments are formed that do not clump together, but actually seem to prevent the clumping of the Aβ42. Furthermore, we have been able to demonstrate in preclinical experiments that gamma-secretase modulators can reduce the accumulation of amyloid plaques in the brain.

In other words, there are potentially three ways in which Alzstatin reduces the toxic effects of amyloid.

The company's NeuroRestore platform is based on a completely different mechanism: strengthening "neurotrophins" such as NGF and BDNF, which are essential for nerve cell function and have a strong genetic link to the disease. BDNF, like NGF, belongs to a group of growth hormones, neurotrophins, that regulate the development and function of nerve cells. BDNF and NGF play a key role in cognitive ability in both humans and animals, regulating how neurons communicate via synaptic connections. Loss of synapses or impaired synaptic function is one of the key pathological findings in Alzheimer's disease, and several studies have demonstrated that loss of synapses correlates with cognitive change in patients with the disease.

Comparison between different treatment options

	AlzeCures focus for Alzstatin Platform	
	Alzstatin	Aβ mAb
Oral therapy	✓	✗
Reduces production of toxic Aβ42	✓	✗
Mechanism selective for Aβ	✓	✓
Non-enzyme inhibiting	✓	✓
Reduces previously formed plaques	✓	✓
Increases production of shorter anti-amyloidogenic Aβ peptides	✓	✗
The mechanism is suitable as a "statin" for Alzheimer's disease	✓	✗

The table shows an internal comparison made by the company between Alzstatin, a small molecule gamma-secretase modulator (GSM), and amyloid antibody therapies. The comparison is based on the company's research and accepted biological mechanisms in terms of molecular structure and size.

Painless

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

Platform	Candidate	Mechanism of action	Indication	Research phase	Pre-clinical phase	Phase I	Phase II	Phase III
Painless	**ACD440**	TrpV1 antagonist	Neuropathic pain					
	ACD137	negative allosteric modulator (NAM) of TrkA receptors	Osteoarthritis pain					

ACD440

ACD440 is a TRPV1 antagonist that is in the clinical development phase, and the company's aim is to develop a new topical local treatment for neuropathic pain. The drug candidate, which was an important strategic in-licensing carried out in January 2020, fits well into the company's existing pipeline and strengthens the clinical portfolio.

The 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 has previously undergone Phase I clinical trials, in which both good tolerability and early positive signals of efficacy were observed. The mechanism of action of the project is via TRPV1 receptors, which have a key role in pain signaling, and ACD440 has been shown in preclinical trials to have an effect on both nociceptive and neuropathic pain. The compound has previously undergone extensive preclinical safety studies and since the compound is being developed for local use, systemic exposure can be kept very low, while the concentration of the compound locally can be kept high for maximum analgesic effect.

Nociceptors are stimulated by heat, acid and strong food, which can lead to feelings of pain. Despite the differences in these stimuli, a single target protein expressed in these pain-sensing nerve cells responds to them all. The molecular target is the TRPV1 receptor, which is expressed in sensory neurons and is upregulated in the skin of individuals with certain types of neuropathic pain. Consequently, there is strong scientific support for local treatment with this type of target mechanism. Neuropathic pain is associated with impaired quality of life and current treatments rarely provide adequate pain relief. In all, an estimated 7–8 percent of the adult population worldwide suffers from pain with neuropathic elements, corresponding to about 80 million individuals in the US, Europe and Japan alone. Over half of these patients do not respond to current first-line treatment and it is specifically toward this group of individuals that AlzeCure is aiming its new intended treatment.

AlzeCure initiated a Phase Ib clinical trial of the drug candidate in late 2020, which was presented in April 2021 and showed positive proof-of-mechanism data, i.e. an analgesic effect in humans. The efficacy of ACD440 was clearly significant compared with placebo. It 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 provided important information for the planning and structuring of the continued clinical development program, and in June 2022, the company initiated a Phase II trial with ACD440 in patients with peripheral neuropathic pain. This study aimed to evaluate the efficacy, safety and pharmacokinetics of the company's leading drug candidate in pain. AlzeCure reported top-line results from the study in 2023, and detailed results from the study were presented at the international pain conference, EFIC, in September 2023. The patients, who were treated for 7+7 days in a cross-over design, ranged in age from 50-85 years and suffered from chronic neuropathic pain. Most of them were concurrently receiving alternative pain management therapies. Data from the study showed that ACD440 could demonstrate positive proof-of-mechanism (PoM) results in patients with chronic peripheral neuropathic pain; in other words, the drug candidate had an effect on the intended target mechanism. A clear and significant analgesic effect was observed in pain induced by cold and heat. This pain was reduced by about 50 percent, a significant and clinically relevant reduction. Temperature hypersensitivity is very common in the area of the skin where patients experience their neuropathic pain and is a major problem in daily life for these individuals. These positive POM results from this Phase II clinical trial were in line with previously reported Phase I results. Moreover, it was observed that ACD440 was well tolerated as a topical gel on the skin, demonstrating good suitability for further clinical development.

TrkA-NAM

The TrkA-NAM project, which is in the preclinical phase, is aimed at treatment of pain and has strong preclinical and clinical validation.

For the TrkA-NAM drug project, we have leveraged our knowledge concerning the underlying biology for the NeuroRestore platform in order to develop new compounds that focus on providing pain relief in 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 global osteoarthritis market is expected to reach USD 11.0 billion by 2025, from USD 7.3 billion in 2020. Growth in this market is driven by factors such as the increasing occurrence of osteoarthritis, the growing aging population, and an increase in the number of sports injuries.

Over 300 million people worldwide suffer from painful and activity-limiting osteoarthritis of the hip or knee. Many patients experience insufficient pain relief or side effects with current treatment, which today usually consist of NSAIDs or opioids, and there is a great need for more effective and better tolerated drugs in this field. In addition, there is a risk of abuse and development of tolerance even with short-term use of opioids.

Over the past decade, a number of anti-NGF antibodies have been developed and used in several clinical trials to treat painful osteoarthritis. The first positive study was with Tanezumab, which showed a potent analgesic effect in osteoarthritis of the knee in a Phase II clinical trial, which has been followed by several Phase III clinical trials for various pain indications. However, a small number of patients who received anti-NGF antibodies developed side effects, which has put the brakes on further development of these drugs.

A small-molecule drug with a mechanism that generates the same favorable effects as anti-NGF-antibodies, but without the side effects observed for them, would have great market potential. A selective TrkA-negative allosteric modulator meets these criteria.

As previously mentioned, the target mechanism has been strongly validated by both preclinical and clinical data, and AlzeCure's unique compounds differentiate themselves with their selective effect on relevant signaling pathways to achieve optimal pain relief without inducing side effects. In addition, the TrkA-NAM compounds are small molecules, which facilitates administration for patients (tablets) while contributing to more cost-effective treatment. Moreover, the product is non-opioid, an important consideration with respect to gaining future regulatory approval from authorities, including the FDA.

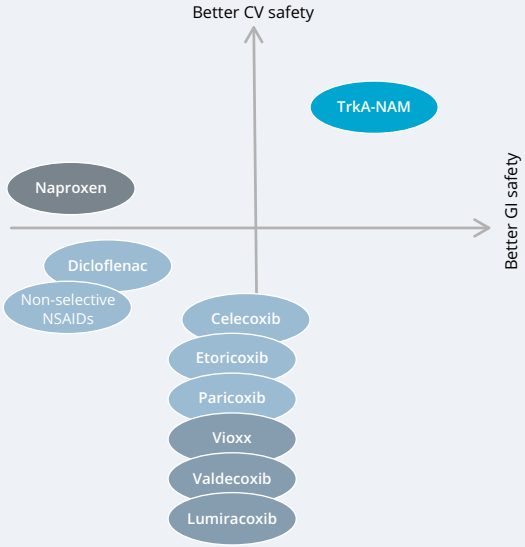
AlzeCure currently has a promising series of chemical compounds in research phase. In September 2022, the company reported new positive preclinical efficacy data in a pain model with one of the newly developed compounds. Furthermore, it was reported that anti-inflammatory properties have also been observed with this class of compounds, which the company considers to be a strength for further development. Analysis of the inflamed tissue also demonstrated significant effects on CGRP, a relevant biomarker for inflammation and pain. The project selected a candidate drug, ACD137, in January 2024, and it is currently in the preclinical phase.

In April the company reported that it had obtained new data in several different preclinical pain models showing clear and significant analgesic effects of ACD137, which were presented at the IASP World Congress on Pain in August 2024.

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

The team at AlzeCure has many years of research experience in the fields of neurology and pain. This project is an excellent example of leveraging synergies between the projects and maximizing shareholder value.

Positioning of TrkA-NAM



Shareholders & Share trend

The share

The share has traded on Nasdaq First North Premier Growth Market under the name ALZCUR since November 28, 2018. The number of shares in the company as of December 31, 2024, totaled 88,295,200. A rights issue carried out in the second quarter of 2024 caused the number of shares to increase by 23,042,461 to a total of 85,129,473 shares. Share capital increased from SEK 1,552,175.30 to SEK 2,128,236.825. In the second quarter, a directed share issue was carried out to Formue Nord Markeds-neutral A/S, which guaranteed part of AlzeCure's rights issue that ended on May 17, 2024, and wished to receive their agreed compensation for serving as guarantors in the form of shares. As a result, the number of shares increased by 965,727 to a total of 86,095,200 shares. Share capital increased from SEK 2,128,236.825 to SEK 2,152,380. In July, an additional directed share issue was carried out as a follow-up to a previous subscription commitment and the number of shares in the company then increased by 2,200,000 to a total of 88,295,200 shares. Share capital increased from SEK 2,152,380 to SEK 2,207,380.

Share-related compensation programs

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

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

Owners as of December 31, 2024

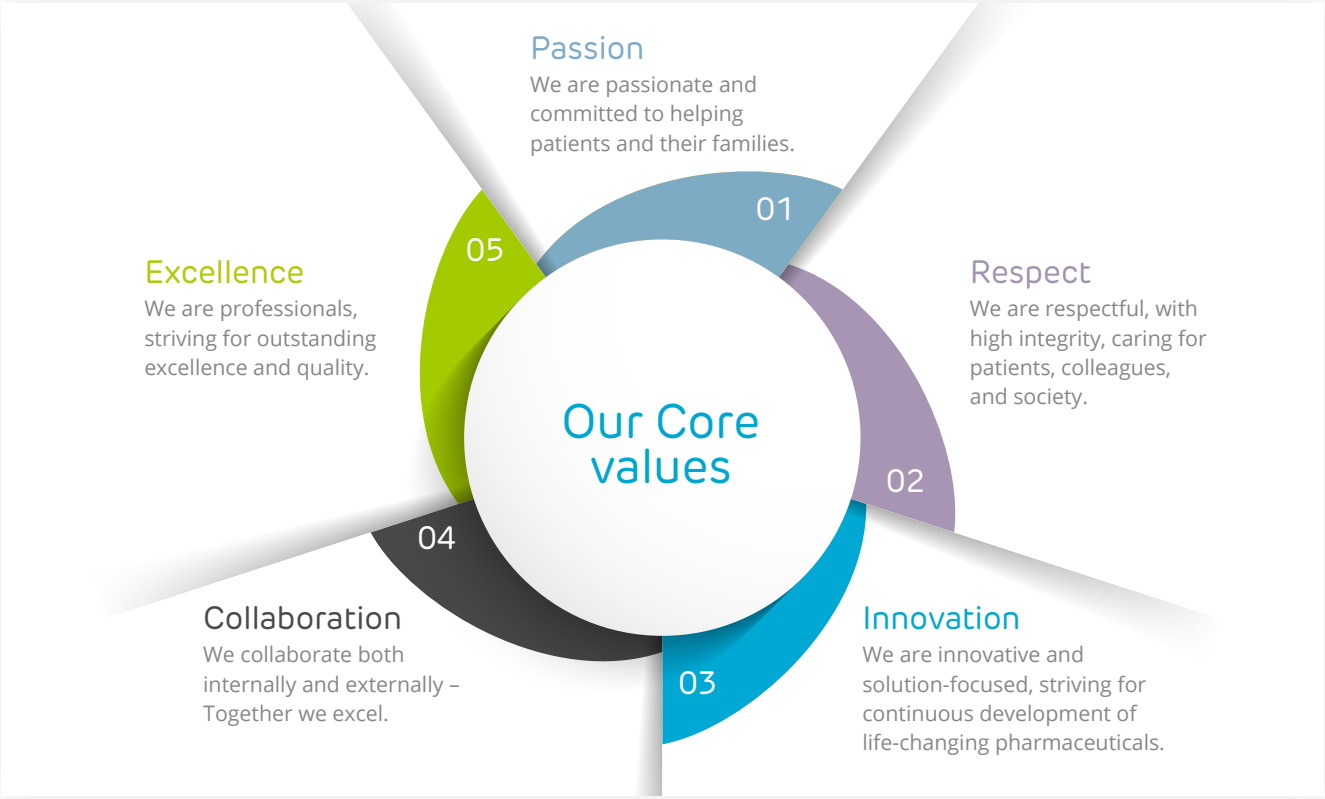
The ten largest owners as of December 31, 2024	Number of shares	Share capital and votes
BWG Invest Sàrl	13,120,942	14.9%
Sjuenda Holding AB	6,912,752	7.8%
FV Group AB	6,600,000	7.5%
SEB-Stiftelsen	3,429,999	3.9%
Avanza Pension	2,989,581	3.4%
Nordnet Pensionsförsäkring AB	2,947,427	3.3%
Thomas Pollare	2,272,126	2.6%
Futur	2,060,496	2.3%
AlzeCure Discovery AB	1,710,000	1.9%
Acturum Life AB	1,478,872	1.7%
10 largest owners	**43,522,195**	**49.3%**
Other	44,773,006	50.7%
TOTAL	**88,295,200**	**100%**

Employees

These core values are important for all work within the company. We conduct regular Team Days where the common denominator is how we can improve what we do and what we focus on to improve the lives of patients and their families.

AlzeCure's organization, comprising members of the research, development and management groups, possesses more than 100 years of joint experience from global pharmaceutical companies. Parts of the company's current management group was formerly part of AstraZeneca's neurology and pain research unit where they were involved at the center of research and development of both symptom-relieving and disease-modifying drugs for the treatment of Alzheimer's disease.

During the year, AlzeCure continued to develop the organization in order to be equipped for the future. The organization is still relatively small, but the company is also working with a large and talented network of consultants who are dedicated to AlzeCure.



As of the closing date, the company has eleven employees, most of whom work in research and development. Research is conducted in the company's own laboratories located at Novum at Karolinska Institutet in Huddinge. The employees include 64% (64%) women and 36% (36%) men.

The company is committed to offering competitive salaries and benefits and applies an individualized salary compensation model, adapted to the local labor market. AlzeCure strives to foster a welcoming, engaging, and secure workplace marked by transparency and inclusivity, ensuring that every employee has a voice in shaping their work experience. Ensuring a safe, secure, and healthy physical and psychosocial work environment is paramount for the company. Through active monitoring and evaluation of these work environments, the company encourages collective contributions to overall innovation and project advancement. We continued to conduct employee surveys in 2024 with a focus on the psychosocial work environment, well-being and satisfaction, aimed at actively incorporating employee feedback into our practices. The results indicate a high level of engagement among employees, and no complaints regarding discrimination were received in 2024 either. The company's Health and Safety Policy was updated and procedures were developed. The effort to ensure an attractive workplace with good health and a positive work environment will remain a priority and continue into 2025.

The organization is a major asset for the company and together possesses long and extensive experience and expertise within the field. The ability to design additional projects and make progress has been demonstrated many times. Moreover, this is done with passionate drive, with a focus on innovation and collaboration. The commitment and willingness of employees to contribute to our vision is AlzeCure's greatest asset.

Report of the Board of Directors & financial reports

CONTENTS

Report of the Board of Directors 34–41
Multi-year overview 42
Corporate governance report 43–47
Board of Directors and auditor 48–49
Senior executives 50–51
Financial reports 52
Income statement and other comprehensive income 53
Balance sheet 54
Statement of change in equity 55
Cash flow statement 56
Notes 57–62
Signatures 63
Audit report 64–65

OTHER

Glossary 66
Shareholder information 67
2025 Annual General Meeting 67

Report of the Board of Directors

The Board of Directors and the Chief Executive Officer of AlzeCure Pharma AB (publ), corp. ID no. 559094–8302, hereby present the annual report for the financial year 2024.

The annual report has been prepared in Swedish crowns (SEK) and rounded to the nearest thousand unless otherwise indicated. Figures within parentheses refer to the corresponding period for the previous financial year.

The business

Information about the business

AlzeCure Pharma AB (publ), hereinafter as AlzeCure®, was founded on November 22, 2016 and is domiciled in Stockholm.

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 symptom-relieving drug candidates where the unique mechanism of action allows multiple indications – Alzheimer's disease, as well as cognitive disorders associated with traumatic brain injury, sleep apnea and Parkinson's disease, as well as depression. The Alzstatin platform focuses on developing disease-modifying and preventive drug candidates for early treatment of Alzheimer's disease. Painless is the company's research platform in the field of pain and contains two projects: ACD440, which is a drug candidate in the clinical development phase for the treatment of neuropathic pain, and TrkA-NAM, which targets severe pain in other conditions such as osteoarthritis.

AlzeCure carries out its research in its own laboratories located at Novum at Karolinska Institutet in Huddinge.

Development of the business

AlzeCure is a drug development company with drug candidates up to Phase II that aims to take its own projects through preclinical research and development into early clinical phase. In parallel with this development, the company is working on business development in order to achieve out-licensing of and/or collaboration on its drug candidates, which would help to strengthen its long-term financing and development opportunities for the entire project portfolio. With its broad portfolio of assets and values, the company can work in multiple indication areas that provide scientific support for the biological target mechanisms, thereby enabling it to spread the risks, while maximizing medical benefit and thus also shareholder value.

Research and 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.[1)]

The company is simultaneously developing three drug candidates based on the two research platforms NeuroRestore and Alzstatin, along with two projects within the Painless platform – TrkA-NAM and ACD440. A diversified drug portfolio paves the way for other indications, such as cognitive disorders 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 symptom-relieving drugs for the treatment of illnesses with cognitive disorders, such as Alzheimer's disease. The target mechanism also has other potential indications, including depression and cognitive disorders in Parkinson's disease, traumatic brain injury and sleep disorders.
- 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 drug candidate ACD440 was in-licensed in January 2020 and affects a specific biological mechanism; the 2021 Nobel Prize in Physiology or Medicine was awarded for the discovery of this mechanism. The compound is being developed for the treatment of neuropathic pain, a field with great unmet medical need. The project is currently in the clinical development phase.
  - The TrkA-NAM project is aimed at treating other severe pain caused by disorders such as osteoarthritis, which today lacks sufficiently effective treatment. The project is currently in the preclinical phase.

With its broad portfolio of projects, the company maximizes shareholder value by working in multiple indication areas where there is scientific support for the biological target mechanisms.

Within the NeuroRestore platform, a new generation of symptom-relieving drugs is being developed for the treatment of cognitive dysfunction (memory disorders) in Alzheimer's disease. NeuroRestore had significant research successes, with positive clinical trial results for the candidate ACD856, which in addition to good safety and tolerability from the Phase I studies, also showed an effect on brain activity via EEG. The results show, along with earlier reported data, that the substance crosses the blood-brain barrier in high and relevant concentrations and that it also reaches and activates relevant neuronal pathways in the brain, with potential to have positive effects on cognition. Based on the successful results from the Phase I clinical trials, as well as the obtained preclinical results showing a potentially protective and disease-modifying effect, work is now underway on the continued clinical development plan and upcoming Phase II studies in patients. The potential disease-modifying effect arises because the neurotrophins NGF and BDNF play important roles in retaining normal function and development in nerve cells, as well as protecting them from damage, known as neuroprotective effects. Nerve cell death clearly correlates with functional impairment in Alzheimer's patients and no drugs with these protective effects are currently available on the market.

1) Fierce Pharma, Despite controversy, Biogen's Aduhelm is already generating enthusiasm among doctors: survey, 2021

Over the past two years, the studies have been complemented by additional data concerning the neuroprotective, regenerative and long-term effects of ACD856. The results indicate, among other things, that the substance can protect nerve cells against toxic Aβ42, the protein responsible for amyloid plaque formation in the brains of Alzheimer's patients. Moreover, data show that ACD856 increases the quantity of a specific protein that plays a key role in communication between nerve cells, which is severely affected in the disease. These data have been presented in publications and at a number of scientific conferences over the past two years, including at the major international Alzheimer's conference CTAD at the end of October 2023. At the conference Eisai also presented the results of its Phase I clinical drug candidate E2511, which they are developing as a disease-modifying treatment for neurodegenerative diseases such as Alzheimer's. The compound has a similar target mechanism as ACD856, which strengthens the validation of the NeuroRestore platform. However, ACD856 has a broader effect profile than E2511 and, in addition to potentially disease-modifying effects, also exhibits memory-enhancing and antidepressant effects, which the company sees as a clear differentiation.

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

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

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

The second candidate in the platform, ACD857, is in the preclinical phase and also has the primary indication of cognitive dysfunction/Alzheimer's disease.

The Alzstatin research platform aims to serve as a preventive and disease-modifying treatment of early Alzheimer's disease. AlzeCure is developing candidate drugs with the aim of entering at an earlier phase of disease compared with antibody therapies. The treatment focuses on targeting production of the building blocks (proteins) that ultimatelyform the amyloid plaques thought to contribute to the development of Alzheimer's disease. The compounds in the Alzstatin platform affect an enzyme, gamma-secretase, so that it instead snips out shorter forms of the Aβ peptide, Aβ37 and Aβ38, which, in addition to not being sticky and forming plaques, may also have a restrictive effect on the formation of Aβ42 aggregates. In addition, these compounds also appear to reduce the amount of amyloid plaques. This means the drug candidates in the Alzstatin platform have several separate but synergistic effects that together contribute to a stronger anti-amyloidogenic – and thus more potent – disease-modifying effect. The treatment is therefore particularly suitable as a preventive treatment but could also potentially be used in combination with antibody therapy for later stages of Alzheimer's disease. Compared with the antibody therapies now coming to market, the small-molecule compounds in the Alzstatin platform have several key characteristics that distinguish them, including the ability to be taken in tablet form, easily cross the blood-brain barrier and be produced more cost-effectively.

The target mechanism in Alzstatin, gamma-secretase modulators (GSMs), is also confirmed by previously reported study results, which we believe validate the amyloid hypothesis and thus Alzstatin's focus. At the CTAD conference in October 2023, Roche also presented Phase I clinical data for its GSM, and was able to demonstrate proof-of-mechanism (PoM) in humans as well as a good safety profile for this class of compounds. They have now entered Phase II studies in 2024, which will further validate this target mechanism and help to chart a regulatory pathway forward for this class of compounds.

The leading drug candidate, ACD680, within Alzstatin, is in the preclinical phase. The drug candidate comes from a newly developed series of molecules that are expected to be advantageous from a patent perspective. New positive preclinical data on ACD680 were presented at the ADPD Alzheimer's and Parkinson's congress in 2023, in which the compound showed reductions of toxic Aβ42 by over 50% and good pharmacokinetic properties in vivo.

The need for these types of treatments is great, and disease-modifying therapy for Alzheimer's is expected to be able to generate more than USD 15 billion in annual sales.

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

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. AlzeCure initiated a Phase Ib clinical trial of the drug candidate that was completed in April 2021 and showed positive PoM results, i.e. an analgesic effect in humans. The efficacy of ACD440 was clearly significant compared with placebo. The compound was also well tolerated as a topical gel on the skin, indicating good suitability for further clinical development as topical treatment for neuropathic pain conditions. During the first quarter of 2022, the FDA provided feedback regarding the material and documentation submitted for a pre-IND meeting. The response was informative and in June 2022, the company initiated a Phase II trial with ACD440 in patients with peripheral neuropathic pain. This exploratory double-blind, placebo-controlled, randomized cross-over study aimed to evaluate the efficacy, safety and pharmacokinetics of the company's leading drug candidate in pain. AlzeCure reported positive top-line results from the study in May 2023, while the more detailed results from the study were presented at the international pain conference, EFIC, in September 2023. Data from the study showed that

1) Forsell P, et al., Pharmaceuticals. 2024; 17(8):997.

ACD440 could demonstrate positive POM results in patients with chronic peripheral neuropathic pain; in other words, the drug candidate had an effect on the intended target mechanism. A clear and significant analgesic effect was observed in pain induced by cold and heat. This pain was reduced by about 50%, a significant and clinically relevant reduction. Temperature hypersensitivity is very common in the area of the skin where patients experience their neuropathic pain and is a major problem in daily life for these individuals. These positive POM results from the Phase II clinical trial were in line with previously reported Phase I results. Moreover, it was observed that ACD440, administered as a topical gel applied to the skin in the painful area, was well tolerated, and both the compound and the administration method demonstrate good suitability for further clinical development.

TrkA-NAM builds on the knowledge amassed and assets developed in the NeuroRestore platform, but with the purpose of developing new compounds that focus on providing pain relief in several conditions associated with severe pain. The goal of the project is to develop a small molecule "TrkA-negative allosteric modulator" that can reduce movement-induced and spontaneous pain, such as 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 in the latter part of 2020 and 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. In early 2024, a candidate drug, ACD137, was selected, and the project thus entered the preclinical development phase. In April the company reported that it had obtained new data in several different preclinical pain models showing clear and significant analgesic effects of ACD137, which were presented at the IASP World Congress on Pain in August 2024.

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

Significant events during the year

- On January 29, the company selects a drug candidate and enters the next phase of development with TrkA-NAM ACD137 for the treatment of osteoarthritis and other severe pain conditions.
- On February 29, the company announces that the patent offices in China, India, South Africa, Israel, Hong Kong and Mexico have granted patents covering the company's clinical drug candidate ACD856, which is being developed for Alzheimer's and other cognitive impairment disorders.
- On March 26, the company's Board of Directors resolves on a new issue of shares of approximately SEK 52.8 million with preferential rights for existing shareholders. The rights issue is subject to approval by the Extraordinary General Meeting on April 25, 2024. The issue is guaranteed to approximately 63 percent through subscription commitments and guarantee commitments from existing owners and members of the company's management and Board of Directors, among others. To enable further capital injections, the Board of Directors may also exercise an overallotment option of up to approximately SEK 15.0 million.
- On March 26, the company announces that an Extraordinary General Meeting will convene on April 25, 2024.
- On April 10, the company announces that its Annual General Meeting will convene on May 14, 2024.
- On April 10, the company announces that Dr. Jan Lundberg, former head of research at Eli Lilly and AstraZeneca, is investing in AlzeCure and proposes that he be elected to serve on the company's Board of Directors.
- In April, the company receives new preclinical data for NeuroRestore in inflammation, with relevance to Alzheimer's disease, and submits a new patent application for NeuroRestore ACD856.
- Jan Lundberg is elected to serve on the Board of Directors at the Annual General Meeting on May 14.
- On May 20, the company announces the final outcome of the rights issue with preferential rights for shareholders (the "Rights Issue") that ended on May 17, 2024. The issue raises approximately SEK 39.2 million for AlzeCure before issue expenses.
- In June, the company publishes a scientific article on the clinical Phase Ib results for ACD440 supporting the continued development of the lead drug candidate in the Painless platform in the European Journal of Pain.
- On June 14, the company's Board of Directors resolves on a directed share issue of 965,727 shares to Formue Nord Markedsneutral A/S ("Formue Nord"), which has chosen to receive its agreed compensation as guarantor in shares.
- In July, the company carries out a directed share issue as a follow-up to a previously given subscription commitment and raises SEK 3.7 million.
- In July, the company publishes a new scientific article related to NeuroRestore ACD856 for the treatment of Alzheimer's and cognitive disorders.
- In August, the company presents new preclinical data for the lead drug candidate ACD137 (TrkA-NAM) at the international pain conference IASP in Amsterdam.
- On October 28, the company presents new positive data in the TrkA-NAM pain project for osteoarthritis.
- On October 30, the company presents new anti-inflammatory data concerning NeuroRestore ACD856 at the Clinical Trials on Alzheimer's Disease conference (CTAD).

Significant events after the end of the financial year

- The company announced on February 17, 2025, that it has been awarded an EU grant of EUR 2.5 million for a Phase II clinical trial of NeuroRestore ACD856 for Alzheimer's disease.

Revenue and profit/loss

During 2024, net sales totaled SEK 0 thousand (0), and the company is not expected to generate any revenues before its products have progressed further in their development phases.

The operating loss for the year totaled SEK -36,144 thousand (-38,262). The company's research activities have developed steadily. Total research expenses for the period January to

December 2024 accounted for 68.2 percent (72.1) of operating expenses, which is in line with the plan. Since AlzeCure has no expenses that meet all criteria for capitalization, all research and development costs have been expensed. The company also focused on its patent portfolio in 2024.

Administrative expenses for the year were slightly higher than in 2023 as the company continued to focus on communication and business development, including internationally. Operating profit/loss is in line with the company's plan for 2024.

AlzeCure's earnings for the financial year totaled SEK -35,234 thousand (-37,167). Earnings per share totaled SEK -0.46 (-0.60).

Liquidity and financial position

At the end of the year, equity was SEK 26,185 thousand (23,774) and the debt/equity ratio was 76.0 percent (74.3).

Cash and cash equivalents at the end of the period totaled SEK 31,498 thousand (29,100).

The company carried out a rights issue in May 2024 that raised SEK 39.2 million before issue expenses, along with a directed share issue in June, that time to Formue Nord Markedsneutral A/S which chose to receive its agreed compensation as guarantor in shares. The directed share issue totaled SEK 1.6 million. An additional directed share issue was carried out in July as a follow-up to a previous subscription commitment and the company then received SEK 3.7 million before issue expenses.

The company's available funds and equity as of December 31, 2024 are not deemed to be sufficient to cover the liquidity needed to conduct the identified possible activities for the next 12 months. Financing risk continues to be high as a result of the current financial climate and geopolitical turmoil. The Board of Directors continuously reviews the company's long-term financing to ensure its continued progress. As the company is in discussions with several actors about possible licensing and/or cooperation deals, the board makes the assessment that it is valuable to strengthen the cash position in order to have better negotiation space, and in the meantime enable continued development of the company's research portfolio to increase the value and attractiveness of the assets. Consequently, the Board of Directors and the Chief Executive Officer hold the opinion that AlzeCure's financial position needs to be strengthened in order to advance the key projects and thereby generate great shareholder value. The board may therefore decide to propose that a rights issue be carried out. Moreover, existing projects could also be reprioritized to ensure the business moving forward.

Because the operation is currently in a precommercial stage with no sales revenues, the board has resolved to propose to the AGM that no dividend be paid to shareholders in 2025.

Cash flow and investments

Cash flow from operating activities including changes in working capital for the year totaled SEK -35,123 thousand (3,057). The previous year's positive figure is mainly attributable to the receivable that arose in the 2022 accounts relating to the issue proceeds, which were not settled until January 2023.

Cash flow from investing activities totaled SEK -124 thousand (7). Historically, the company has mainly invested in laboratory equipment, and this year is no exception.

Cash flow from financing activities totaled SEK 37,645 thousand (459). This item represents the proceeds from the rights issues carried out in May and the directed share issues carried out in June and July. The rights issue raised a total of SEK 39,172 thousand for the company, with SEK 32,410 thousand after issue expenses. The directed share issue in June to one of the guarantors of the rights issue raised an additional SEK 1,642 thousand for the company, less issue expenses of SEK 11 thousand. The directed share issue in July raised SEK 3,740 thousand before issue expenses, which totaled SEK 136 thousand. This results in a net capital injection of SEK 37.6 million. The positive figure from the previous year is mainly due to a credited issue expense, attributable to the issuance in the fourth quarter of 2022, as well as the issue of a new incentive program aimed at the CEO.

Employees

During the year, AlzeCure continued to develop the organization in order to be equipped for the future. The organization is still relatively small, but the company is also working with a large and talented network of consultants who are dedicated to AlzeCure. The company had eleven (eleven) employees on the closing date. Research is conducted in the company's own laboratories located at Novum at Karolinska Institutet in Huddinge. The employees include 64% (64%) women and 36% (36%) men.

The company is committed to offering competitive salaries and benefits and applies an individualized salary compensation model, adapted to the local labor market. AlzeCure strives to foster a welcoming, engaging, and secure workplace marked by transparency and inclusivity, ensuring that every employee has a voice in shaping their work experience.

Share-related remuneration

The company has an incentive program for a total of 500,000 warrants issued at market value on the closing date. Other than these warrant programs, the company has not established any share-based incentive programs or other outstanding securities that can be translated into equity, warrants or other share-related financial instruments. For more information, see the heading "Incentive program" below.

Guidelines for remunerations to senior executives

The Annual General Meeting on May 14, 2024 resolved to adopt guidelines for remuneration to the CEO and other senior executives. AlzeCure Pharma shall offer a total compensation package at market levels that enables skilled senior executives to be recruited and retained. Remuneration to the CEO and other senior executives may consist of basic salary, variable remuneration, other benefits and pension. The basic salary forms the basis of the total remuneration and shall be proportionate to the executive's responsibilities and authority. The variable remuneration must not exceed an amount equal to six months' salary for the executive concerned. The variable remuneration is based on performance in relation to individually defined qualitative and quantitative measures, and also on the performance of the company relative to targets set by the Board of Directors. Pensionable pay consists only of basic salary.

The notice period shall be at least three months if employment is terminated on the initiative of the senior executive and between three and twelve months if terminated by the company. No severance pay is due on termination of employment. Any share and share-related programs shall be decided by the general meeting. Allocations will be made in accordance with the resolutions passed by the general meeting. Other than as follows from employment contracts as described above, the senior executives are not entitled to any benefits after their employment/duties have ended.

The CEO's remuneration shall be set and approved by the Board of Directors. Remuneration to other senior executives shall be set by the CEO, who shall present a proposal to the Board of Directors for approval. The Board of Directors shall be entitled to deviate from the above guidelines for remuneration of senior executives if there is particular reason to do so.

Compensation to the CEO consists of a fixed monthly salary; see also note 6. All pension commitments must be based on defined contributions.

Agreements under market terms between the company and representatives from the Board and management group are in place. See also note 6.

Nomination Committee

AlzeCure Pharma's nomination committee for the 2025 Annual General Meeting was appointed in accordance with the principles adopted by the Annual General Meeting on May 22, 2019 and consists of:

- William Gunnarsson, appointed by BWG Invest Sàrl
- Rolf Karlsson, appointed by FV Group AB
- Peter Thelin, appointed by Sjuenda Holding AB
- Thomas Pollare (Chairman of the Board)

Prior to the 2025 Annual General Meeting, the nomination committee shall prepare resolutions on election and remuneration issues and, where appropriate, procedural issues for the next nomination committee.

The environment, sustainability and social responsibility

AlzeCure is actively engaged in reducing any negative environmental impact and to develop as a sustainable and responsible company. Conducting high-quality, responsible research to develop innovative solutions for health challenges like Alzheimer's significantly helps free up resources for society, thereby contributing to a sustainable global future. Neurodegenerative diseases are among the deadliest and most costly to society. By helping patients attain healthier lives, society can free up valuable resources, enabling more individuals to live longer and healthier lives together.

AlzeCure is committed to actively promoting economic and social sustainability at all levels of the organization by continuously improving and developing the company's processes, quality systems, IT security, and work environment, while also implementing measures to mitigate the environmental impact of its operations. In 2024, the business was analyzed once again. This resulted in initiatives such as the implementation of additional waste sorting systems in the office and the introduction of cloth towels to reduce paper usage and transportation. In addition, the quality system was updated.

As the company does not have any product sales it has no environmental impact in this regard; its focus instead is to exercise responsibility in its purchases of goods and services and its use of energy and transportation. It is also important for the company to work with suppliers and partners who share the same values.

AlzeCure's operations are characterized by responsibility, transparency, and respect for the equal value of all individuals. The company complies with environmental and occupational health legislation and maintains internal policies that include guidelines for these regulations, recognizing that it is paramount to provide a safe, secure, and healthy physical and psychosocial work environment. Through active monitoring and evaluation of these work environments, the company encourages collective contributions to overall innovation and project advancement. Furthermore, the company holds all necessary permits required to conduct its operations.

The company's business model leverages partnerships that allow partners to fund more expensive studies in later phases, ensuring project advancement while generating financial resources that can be reinvested in new research and development initiatives.

Work of the Board of Directors

The company's Board comprises five members including the Chairman, who were elected at the general meeting to serve until the end of the 2025 AGM. In 2024 the Board met 13 times. The Board is responsible for matters such as setting objectives and strategies, ensuring the adoption of procedures and systems for evaluating objectives, the ongoing evaluation of the company's financial performance and position, and evaluating its operational management.

The Board follows written rules of procedure that are revised and adopted at the statutory annual board meeting. The rules of procedure govern such things as Board practice, the Board's functions and the distribution of work between the Board and the CEO, and where appropriate between the Board and various committees.

The share and ownership structure

The share has traded on Nasdaq First North Premier Growth Market under the name ALZCUR since November 28, 2018. The number of shares in the company as of December 31, 2024, totaled 88,295,200.

All shares are ordinary shares and have equal rights to the company's profit, and each share entitles the holder to one vote at the AGM. At the AGM, each shareholder is entitled to vote the full number of shares, owned or represented, without limitation to the number of votes. BWG Invest Sàrl is the only shareholder that has a proportion of shares and votes larger than 10 percent. Their holding was 14.9 percent as of December 31, 2024.

Incentive program

The company provided an incentive program with warrants aimed at the Chief Executive Officer in 2023. A total of 500,000 warrants were issued. The warrants, which were issued at the market price based on an external valuation as of May 17, 2023, entitle the holder to subscribe for shares during the period July 1, 2026 – August 1, 2026. The issue price for newly subscribed shares totaled 150 percent of the volume-weighted average closing price for the company's shares on the Nasdaq First North Premier Growth Market during the 10 trading days preceding the Annual General Meeting on Wednesday, May 17, 2023, which gave a cash price of SEK 6.70 per share. The incentive program also presumes that the Chief Executive Officer is active in the company. For more information, please see the minutes from the AGM of May 17, 2023.

The total dilutive effect is 0 % as of the closing date.

Owners as of December 31, 2024

The ten largest owners as of December 31, 2024	Number of shares	Share capital and votes
BWG Invest Sàrl	13,120,942	14.9%
Sjuenda Holding AB	6,912,752	7.8%
FV Group AB	6,600,000	7.5%
SEB-Stiftelsen	3,429,999	3.9%
Avanza Pension	2,989,581	3.4%
Nordnet Pensionsförsäkring AB	2,947,427	3.3%
Thomas Pollare	2,272,126	2.6%
Futur	2,060,496	2.3%
AlzeCure Discovery AB	1,710,000	1.9%
Acturum Life AB	1,478,872	1.7%
10 largest owners	**43,522,195**	**49.3%**
Other	44,773,006	50.7%
TOTAL	**88,295,200**	**100%**

Activities and prospects

2024 was yet another eventful year for AlzeCure, which further developed and expanded its three research platforms and its portfolio. This enables better opportunities for proceeding all the way to patients and the market, as well as the potential for more indications in addition to Alzheimer's, such as cognitive disorders related to Traumatic Brain Injury (TBIs), Parkinson's and sleep apnea, as well as pain. The company has two drug candidates in clinical development phase, ACD440 and ACD856.

ACD440 is a drug candidate in the clinical development phase aimed at treating neuropathic pain and is based on a strong scientific foundation. The company reported positive data with ACD440 in a Phase II study in patients with chronic neuropathic pain in 2023. Neuropathic pain is often associated with greatly impaired quality of life and current treatments rarely provide adequate pain relief. A high proportion of primary care physician visits are due to pain-related conditions. A Swedish survey found that nearly 30% of patients seen by primary care physicians had a pain-related condition, and about half of these cases involved some form of chronic pain[1]. A WHO study involving 15 primary care centers in various regions of the world found that 22% of patients experienced persistent pain[2]. An estimated 25% to 30% of individuals with chronic pain face significant difficulties in areas such as employment, sick leave, healthcare utilization, perceived care needs and daily life. The societal cost of back pain alone in the Netherlands was estimated at 1.7% of gross domestic product (GDP)[3], with similar findings reported in other countries. According to a report by the Swedish Agency on Health Technology Assessment and assessment of Social Services, the total economic cost of severe chronic pain was estimated at SEK 85 billion in 2003[4].

ACD856, the leading clinical drug candidate in the NeuroRestore platform, stimulates several key signaling systems and neurotransmitters in the brain, including brain-derived neurotrophic factor (BDNF) and nerve growth factor (NGF), which may lead to improved cognition. Previous preclinical studies have shown that AlzeCure's drug candidates in the platform enhance communication between nerve cells and improve cognitive ability, including learning and memory functions. New preclinical data produced and published during 2023-2024 also show that NeuroRestore compounds have protective and stimulating effects on nerve cells, which could indicate potential disease-modifying effects in neurodegenerative diseases such as Alzheimer's disease. Today, growing sums are being invested in medical research in Alzheimer's due to the extensive human suffering and considerable costs to healthcare and society. Total global costs for dementia-related illnesses are estimated to exceed USD 1.3 trillion, which is expected to nearly triple by 2050[5]. The lack of effective symptom-relieving treatments and efficacious treatments that slow or prevent the course (disease-modifying) of the disease have led to an urgent medical need. The few approved drugs sold in today's global market have only a limited symptom-relieving effect and entail problematic side effects. Thus there is a very urgent medical need for new symptomatic and disease-modifying treatments. A disease-modifying therapy for Alzheimer's is considered capable of generating more than USD 15 billion in annual sales.

AlzeCure intends to continue its activities and holds the opinion that the company's projects have great market potential. The company has no revenues and is dependent on external financing to safeguard continued operation until the projects begin to generate revenues. The company aims to take its own projects through preclinical research and development to the early clinical phase. AlzeCure is constantly working on business development in order to achieve out-licensing of and/or collaboration on its drug candidates, which would help to strengthen its long-term financing and development opportunities for the entire project portfolio. With its broad portfolio of assets and values, the company can work in multiple indication areas that provide scientific support for the biological target mechanisms, thereby enabling it to spread the risks, while maximizing medical benefit and thus also shareholder value.

Risks and uncertainties

Risks and uncertainties are inherent in all business operations and must be effectively managed by the organization. By actively working with various risk scenarios, risks can be continuously identified and prevented. A risk is defined as a greater or lesser likelihood that a harmful event may occur, which could impact the ability to achieve established goals. The focus is on identifying and preventing risks, as well as developing action plans that allow for the mitigation of potential damage should an undesirable event occur.

Business and operational risks

In addition to financial risks, commercial risks are primarily linked to research and development efforts. Drug development in general is risky and capital-intensive.

Risks associated with the research and development necessary for a drug candidate to obtain regulatory approval as a medication are numerous and include product development delays, expenses exceeding expectations, or the drug candidates failing to achieve the desired effect. As the company's drug development is still in the early stages, it cannot be ruled out that participants in the clinical trials, or individuals who come into contact with the drug candidates in other ways, may experience serious side effects. The consequences of such potential side effects could delay or halt further product development and limit or undermine the commercial value of the products.

The pharmaceutical industry is characterized by global competition, rapid technological development and extensive investment requirements. There are competitors with substantial financial resources, and there is a risk that they may develop drugs that could adversely affect the company's competitive position. However, recent developments in Alzheimer's disease strengthen and validate our research hypotheses and may help pave the way for the continued development of the drug candidates in relation to both regulatory authorities and potential licensees. The company also has a number of projects, which reduces risk.

When a drug is approved, there is still a risk that national or international sales fail to meet expectations and the product does not become commercially successful. A drug's market acceptance and sales are dependent on a number of factors including product characteristics, clinical documentation and outcomes, competing products, distribution channels, availability, price, subsidies/reimbursements, and sales and marketing initiatives. These circumstances can have a negative effect on AlzeCure's future operations, financial position and profitability.

1) Hasselström J, et al. Prevalence of pain in general practice. Eur J Pain 2002; 6:375–385.
2) Gureje O, et al. Persistent pain and well-being: A World Health Organization study in primary care. JAMA 1998; 280: 147–151
3) van Tulder MW, et al. A cost-of-illness study of back pain in the Netherlands. Pain 1995; 62: 233–240
4) SBU report 2006. Methods of treating chronic pain. A systematic review. Stockholm: Swedish Agency on Health Technology Assessment and assessment of Social Services (SBU). SBU report no. 177/1+2. ISBN 91-85413-08-9. www.sbu.se
5) Wimo A, Seeher K, Cataldi R, Cyhlarova E, Dielemann JL, Frisell O, Guerchet M, Jönsson L, Malaha AK, Nichols E, Pedroza P, Prince M, Knapp M, Dua T. The worldwide costs of dementia in 2019. Alzheimers Dement. 2023 Jul;19(7):2865–2873.

Business model and agreements
The company's future earnings depend on whether it advances the drug candidates through clinical development via internal programs and studies, or successfully enters into commercial agreements for the out-licensing of one or more of its drug candidates. The company has a stated strategy and vision to enter into out-licensing and/or collaboration agreements with larger pharmaceutical companies. There is a risk that AlzeCure may fail in both developing the drug candidates internally and securing agreements with larger pharmaceutical companies, or that such agreements may not be reached on terms as favorable as the company desires. The company's ability to enter into successful agreements depends on its financial strength, effective development efforts, the quality of its research, the robustness of its intellectual property rights, and its overall reputation as a credible and attractive business and collaboration partner. Potential partners may require additional studies to be conducted on AlzeCure's products before entering into agreements, which could lead to delays and incur additional costs for the company.

If AlzeCure successfully enters into a significant licensing or collaboration agreement, it can be reasonably expected that a substantial portion of the potential revenues from such an agreement will come from milestone payments — one-time payments from partners that are made if and when specific goals are achieved. Since the majority of compensation under commercial agreements is typically tied to later clinical phases and various commercial milestones and royalty payments, there is a risk that AlzeCure may not ultimately receive the majority of the potential value from such an agreement if the specified milestones are not met.

Patents, intellectual property, and regulatory decisions
AlzeCure's success largely depends on its ability to obtain and maintain protection for the intellectual property rights associated with its products. The conditions for patenting inventions in the pharmaceutical and biotech fields are generally challenging to assess and involve complex legal and scientific considerations. There is no guarantee that the company will be able to obtain and maintain patents for its products or technologies. Even if patents are granted, they may be subject to opposition, invalidation, or circumvention, which can limit the company's ability to prevent competitors from marketing similar products and reduce the duration of patent protection for its products or technologies. AlzeCure is also impacted by regulatory decisions, such as the necessary permits to conduct clinical trials.

Internal and external regulatory risks
It is crucial to comply with applicable laws and regulations, as well as to conduct operations in accordance with good business ethics. Violations or negligence in these areas could harm AlzeCure's reputation and result in sanctions and fines. To mitigate this risk, the company has established and implemented several policies that are integrated into its operations. Processes that strengthen internal control and an updated quality system have also been established to ensure clear processes and documentation for compliance with business-specific regulations. The company's actions concerning ethics, morality, safety and integrity are essential to how it conducts its operations.

Employee risks
The future development of the company largely depends on the knowledge, experience, and commitment of key individuals. The company relies on its ability to attract and retain qualified employees with relevant education and experience in drug development and regulatory affairs. This is essential for facilitating high-quality research and development, thereby creating an attractive future project portfolio. The company therefore aims to provide an attractive workplace where a positive working environment and employee well-being are fundamental.

Climate and environmental risks
The company works to identify environmental risks within its operations and value chain in areas considered material or of great importance. The company applies the precautionary principle in managing all environmental risks and actively pursues circular thinking regarding resource utilization.

The company aims to be a responsible business partner and employer and is actively addressing sustainability issues. AlzeCure strives to identify environmental risks within its operations and value chain in areas considered to be of great importance. Environmental risks related to the handling of chemicals and biological materials as well as hazardous are continuously monitored and evaluated. Operations are conducted in compliance with the applicable permits obtained from the relevant authorities.

IT and information security risks as well as the risk of data breaches
Intrusions into the company's IT security could lead to unauthorized access to critical data and/or the loss of sensitive information, potentially exposing business secrets and/or personal data to unauthorized parties. The risks are managed continuously through regular reviews of IT security, clear rules and procedures for information sharing and perimeter security measures, as well as controls and training.

External events beyond the company's control
An uncontrollable event is one that impacts the world at large and against which the company may find it challenging to protect itself. Examples of such events that may impact AlzeCure's operations include geopolitical unrest, war, pandemics, natural disasters and widespread terrorism.

The current geopolitical situation is highly uncertain, making it challenging to anticipate its potential impact on the company's long-term development. The company currently has no dealings related to Russia.

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

Given the current interest rate environment and external factors, there is a risk that less capital may be available for investment in development companies. Nevertheless, the company maintains strong relationships with its main shareholders, who have demonstrated great loyalty to the organization.

Financial risks and procedures for asset management
See note 14 for comments on the financial risks.

Multi-year overview

SEK thousand	2024	2023	2022	2021	2020
	Jan. 1, 2024 -Dec. 31, 2024	Jan. 1, 2023 -Dec. 31, 2023	Jan. 1, 2022 –Dec. 31, 2022	Jan. 1, 2021 –Dec. 31, 2021	Jan. 1, 2020 –Dec. 31, 2020
Net sales	0	0	0	0	0
Operating profit/loss	-36,144	-38,262	-56,442	-77,926	-71,579
Earnings for the year and comprehensive income	-35,234	-37,167	-56,239	-77,781	-71,366
Earnings per share, basic (SEK)	-0.46	-0.60	-1.18	-2.06	-1.89
Research expenses as a percentage of operating expenses (%)	68.2	72.1	81.6	85.0	86.3
Cash flow from operating activities	-35,123	3,057	-99,911	-70,639	-69,508
Total assets	34,435	32,001	70,836	45,647	117,827
Cash and cash equivalents	31,498	29,100	25,577	41,741	112,434
Debt/equity ratio (%)	76	74.3	85.4	72.2	94.0
Average number of shares, basic	77,151,550	62,087,012	47,696,091	37,765,715	37,765,715
Average number of employees	11	11	13	11	8

For definitions of key performance indicators, see note 19.

Proposed disposition of the company's earnings

The following earnings are at the disposal of the Annual General Meeting:

SEK thousand	
Accumulated profit/loss	-340,218
Share premium reserve	399,430
Profit/loss for the year	-35,234
	23,978

The Board of Directors and Chief Executive Officer propose that earnings be distributed as follows:

SEK thousand	
to be carried forward	23,978
	23,978

Dividend policy

AlzeCure is currently in an expansive growth phase where any capital surpluses in the operation are invested in the operation and/or acquisitions. To date, the company has not allocated any dividends to its shareholders since the formation of the company. AlzeCure has not adopted a dividend policy.

The company's earnings and position in general are shown in the income statement and balance sheet, as well as the cash flow statement with notes.

Corporate governance report

Overview

AlzeCure Pharma AB (AlzeCure®) is a Swedish public limited liability company governed by Swedish law, primarily the Swedish Companies Act (2005:551), the Swedish Annual Accounts Act (1995:1554) and internal rules and regulations. Because the company's shares are traded on Nasdaq First North Premier Growth Market, the company also complies with Nasdaq First North's regulatory framework, the Swedish Corporate Governance Code (the Code) and pronouncements by the Swedish Securities Council concerning best practices on the Swedish stock market.

As a rule, the Code is not applicable to companies whose shares are admitted to trading on a so-called multilateral trading facility (such as Nasdaq First North Growth Market); however, since July 1, 2018 the Code applies to companies whose shares are admitted to trading in the Premier segment at Nasdaq First North Growth Market. While the Code specifies a higher standard of good corporate governance than the minimum requirements of the Swedish Companies Act, companies are not obliged to comply with all of the rules in the Code as it provides leeway to deviate from the rules on the condition that all such deviations and the chosen alternative solutions are described and that the reason for the deviations are explained in the corporate governance report under the so-called comply-or-explain principle.

Shareholders

AlzeCure's share is listed on Nasdaq First North Premier Growth Market. Share capital as of December 31, 2024 amounted to SEK 2,707 thousand distributed over 88,295,200 shares, each with a quota value of SEK 0.025. BWG Invest Sàrl was the largest individual shareholder as of December 31, 2024 and represented 14.9 percent of the shares. They were also the only shareholder who, as of the closing date, had a shareholding in the company that represented at least one tenth of votes for all shares in the company.

All shares are ordinary shares and have equal rights to the company's profit, and each share entitles the holder to one vote at the AGM. At the AGM, each shareholder is entitled to vote the full number of shares, owned or represented, without limitation to the number of votes.

Annual General Meeting (AGM)

Shareholders exercise their voting rights at the AGM. The general meeting is AlzeCure's highest decision-making body. The AGM is held annually within six months after the end of each financial year.

Shareholders exercise their right to decide on the company's affairs at the AGM. Shareholders exercise their voting rights on key issues such as the approval of income statements and balance sheets, the appropriation of the company's profit or loss, the discharge from liability of Board members and the CEO, the election of Board members and auditors, and compensation to the Board and auditors.

Extraordinary shareholders' meetings may be convened in addition to the AGM. In accordance with AlzeCure's articles of incorporation, notice convening the AGM is announced through the Official Swedish Gazette (Post- och Inrikes Tidningar) and by making the notice available on the company's website. At the same time, an advertisement informing that notice has been given must be placed in the Swedish business daily, Dagens Industri. According to the company's articles of incorporation, the AGM must be held in Stockholm, Sweden.

Right to attend the AGM

Shareholders who are registered directly in the shares ledger kept by Euroclear Sweden AB six working days before the AGM and who have notified the company of their intention to participate in the AGM not later than the date specified in the notice to attend the AGM, have the right to participate in the AGM and to vote the number of shares they hold. Shareholders whose shares are registered in the name of a nominee or trustee must register their shares with Euroclear in their own name for the right to participate in the AGM. Such registration may be temporary. Shareholders may participate in the AGM in person or by proxy, but by no more than two persons. Shareholders are usually able to register for the AGM in a number of different ways, described in more detail in the notice to attend.

Initiatives from shareholders

Shareholders who wish to have a matter addressed at the AGM are required to submit a request in writing to the Board. Usually, the request must be received by the Board no later than seven weeks before the AGM.

2024 Annual General Meeting

AlzeCure's Annual General Meeting was held on May 14, 2024. In addition to the customary agenda items, the AGM resolved the following:

- to re-elect Board members Thomas Pollare, Ragnar Linder, Janet Hoogstraate and Eva Lilienberg to serve until the end of the next AGM, and to elect Jan Lundberg as a new Board member;
- to reelect Thomas Pollare as Chairman of the Board until the end of the next AGM;
- to reelect registered auditors Grant Thornton Sweden AB as the company auditor;
- that a fee be paid in the amount of SEK 250,000 to the Chairman of the Board and SEK 125,000 to each of the other Board members who are not employees of the company;
- that the auditors fee be paid against approved invoice;
- to approve the Board's remuneration report in accordance with Chapter 8. Section 53 a of the Swedish Companies Act;
- to adopt new guidelines for remuneration of senior executives;
- to amend the company's articles of incorporation to enable the company to hold digital general meetings and
- to authorize the Board, until the next Annual General Meeting, to resolve on one or more occasions before the next Annual General Meeting, with or without deviation from shareholders' preferential rights, on the new issue of shares, warrants and/or convertibles that involves the issue, subscription to or conversion to a number of shares corresponding to a maximum dilution of 20 percent of the total number of shares in the company at the time of the Board's decision, at any time, to utilize the authorization. The new issues can be carried out with or without a provision regarding contribution in kind, set-off or other provisions referred to in Chapter 13, Section 5, first paragraph 6, Chapter 14, Section 5, first paragraph 6 and Chapter 15, Section 5, first paragraph 4, of the Swedish Companies Act. The purpose of the authorization is to increase the company's financial flexibility and the Board of Directors' scope of action.

2025 Annual General Meeting

The Annual General Meeting will be held on May 14 in Stockholm. Notice convening the AGM will be announced through the Official Swedish Gazette (Post- och Inrikes Tidningar) and by making the notice available on the company's website. At the same time, an advertisement informing that notice has been given will be placed in the Swedish business daily, Dagens Industri.

Shareholders who are registered in the share register maintained by Euroclear Sweden AB as of May 6, 2025, and who notify the company in accordance with the instructions in the notice of the Annual General Meeting, have the right to participate in the meeting. Shareholders who wish to have an issue addressed at the AGM must submit a written request to the Board well in advance of the AGM. The Board may be contacted by letter at: Board of Directors, AlzeCure Pharma AB, Hälsovägen 7, 141 57 Huddinge, or by e-mail to: info@alzecurepharma.com

Nomination Committee

The 2019 AGM resolved to establish a nomination committee tasked with preparing resolutions prior to AGMs on matters concerning elections and fees and, where appropriate, procedural matters for the next nomination committee, and to establish instructions for said committee's work. The nomination committee must comprise the three largest shareholders as of September 30 in terms of votes, and who wish to participate in the nomination committee's work. The task of the Nomination Committee is to ensure that the members of AlzeCure's Board of Directors collectively have the relevant knowledge and experience to contribute to the company's satisfactory development over time.

Instructions concerning the work and composition of the nomination committee

The Chairman of the Board must contact the company's three largest shareholders in terms of votes according to a transcript of Euroclear Sweden AB's shares ledger on September 30, and allow each to appoint a representative, who together with the Chairman of the Board, will constitute the nomination committee. Should any of them not exercise the right to appoint a member, the right to appoint such a member will be transferred to the next biggest shareholder in terms of votes who does not already have the right to appoint a member to the nomination committee. This procedure must continue until the nomination committee comprises three members excluding the Chairman of the Board. Unless otherwise agreed, the member representing the biggest shareholder in terms of votes must be appointed chairman of the nomination committee. The Chairman of the Board may not be chairman of the nomination committee.

The Chairman of the Board must convene the nomination committee's first meeting and also, as part of the nomination committee's work, present to it the conditions regarding the work of the Board and the requirement for special skills etc. that may be of importance for the nomination committee's work.

The names of nomination committee members must be published as soon as the nomination committee is appointed, but no later than six months before the next AGM. The nomination committee's term of office runs from the date when its composition is made public until such time as a new nomination committee is appointed.

If any change in the company's ownership structure takes place after September 30 but before the nomination committee's complete motions have been made public, and if a shareholder, who following this change has become one of the company's three biggest shareholders in terms of votes, expresses a wish to the nominating committee chairman to become a member of said committee, the shareholder has the right to appoint an additional member to the nomination committee. Furthermore, the nomination committee may resolve that a member, who in terms of votes has become significantly smaller than the third biggest company shareholder in terms of votes, must resign from the nomination committee if this is deemed appropriate.

If a member of the nomination committee resigns during the term of office or if said member is prevented from fulfilling the assignment, the nomination committee must urge the shareholder who appointed the member to appoint a new member within a reasonable time. Should any shareholder not exercise the right to appoint a new member, the right to appoint such a member will be transferred to the next biggest shareholder in terms of votes who has not already appointed, or who has declined the right to appoint, a member to the nomination committee. Changes to the composition of the nomination committee must be made public as soon as they take place.

The nomination committee must put forth proposals on the matters listed below for presentation to the AGM for resolution:

- proposed Chairman of the meeting,
- proposed Board of Directors,
- proposed Chairman of the Board,
- proposal for board fees and their distribution between the Chairman and other members of the Board,
- proposals for fees to members of the remuneration and audit committees (where applicable),
- proposed auditors and
- proposed fees to auditors and to the extent considered necessary, proposals for amendments in current nomination committee regulations.

No fee shall be paid to the members of the nomination committee. These instructions are applicable until the AGM resolves otherwise.

Nomination committee for the 2025 Annual General Meeting

The company's nomination committee for the 2025 Annual General Meeting consists of:

- William Gunnarsson, appointed by BWG Invest Sàrl
- Rolf Karlsson, appointed by FV Group AB
- Peter Thelin, appointed by Sjuenda Holding AB
- Thomas Pollare (Chairman of the Board)

Guidelines for remunerations to senior executives

The 2024 Annual General Meeting resolved to adopt the following guidelines, which shall apply until the AGM in 2028, for the remuneration of persons discharging managerial responsibility:

The guidelines shall promote the company's business strategy and long-term interests and sustainability. AlzeCure shall have the remuneration levels and employment conditions required to ensure the company's access to executives with the necessary competence and capacity to reach set goals at costs adapted to the company and taking into account the competence of the individual executive. Remuneration for senior executives shall consist of a fixed, and for certain senior executives, variable salary, other benefits and pension. These components must create a well-balanced remuneration that reflects individual competence, responsibility and performance, both in the short and long term, as well as the company's overall results. The variable remuneration must not exceed an amount equal to six months' salary for the executive concerned. The variable remuneration is based on performance in relation to individually defined qualitative and quantitative measures, and also on the performance of the company relative to targets set by the Board of Directors. The performance criteria set must be established and documented annually.

Pensionable pay consists only of basic salary. The pension terms must be market-based in relation to what generally applies to corresponding executives in the market. The pension must be based on defined contribution pension solutions or be covered by the general pension plan, either through the ITP plan or through individual occupational pension insurance within the framework of the ITP. Pensionable pay consists only of basic salary.

The notice period shall be at least three months if employment is terminated on the initiative of the senior executive and between three and twelve months if terminated by the company. No severance pay is due on termination of employment. Any share and share-related programs shall be decided by the general meeting. Allocations will be made in accordance with the resolutions passed by the general meeting. Other than as follows from employment contracts as described above, the senior executives are not entitled to any benefits after their employment/duties have ended.

The CEO's remuneration shall be set and approved by the Board of Directors. Remuneration to other senior executives shall be set by the Chief Executive Officer. The Board shall follow up and evaluate the application of the guidelines and current compensation structures and compensation levels in the company. The Board of Directors shall be entitled to deviate from the above guidelines for remuneration of senior executives if there is particular reason to do so.

The guidelines apply to employment contracts entered into after the adoption of this resolution on guidelines, as well as in cases where changes are made to existing terms after this resolution. The guidelines do not entail any significant changes compared to those that applied up until the 2024 AGM.

Board of Directors

The responsibilities of AlzeCure Pharma's Board are governed by the Swedish Companies Act and the articles of incorporation. According to the Swedish Companies Act, the Board of Directors is responsible for administration and organization, which means it is responsible for such things as establishing objectives and strategies, ensuring that procedures and systems for evaluating objectives are in place; the ongoing evaluation of the company's financial performance and position, and evaluating its operational management. The Board is also responsible for ensuring that the annual accounts and, where appropriate, consolidated financial statements and interim reports are prepared in a timely manner. The Board also appoints the CEO.

Board members are elected annually at the AGM for the period up until the end of the next AGM. According to the company's articles of incorporation, the Board must comprise no fewer than three and no more than ten members without alternates.

Chairman of the Board

The Chairman of the Board is elected by the Board or where appropriate by the AGM; the Chairman bears particular responsibility for the management of the work of the Board and ensuring that such work is well organized. The Chairman of the Board is also responsible for ensuring the Board evaluates its work annually and that the Board is provided with information sufficient to enable its work to be performed effectively.

The Chairman of the Board is also responsible for ensuring that the Board is provided with satisfactory documentation in support of its work, and for contacts with shareholders on ownership matters and for conveying the views of the owners to the Board.

Board procedures

In addition to the provisions of the Swedish Companies Act, the Board follows written rules of procedure that are revised annually and adopted by the Board at the statutory annual board meeting held following the AGM in which elections to the Board have taken place. The rules of procedure govern e.g. the allocation of assignments and responsibilities between the board, the Chairman of the Board and the CEO and it specifies the procedure for the CEO's financial reporting.

At the first Board meeting, the Board also sets forth and adopts instructions for the CEO. The Board's work is evaluated on an ongoing basis.

The Board meets according to an annual schedule laid down in advance. In addition to these meetings, further meetings may be arranged to address issues that cannot be referred to a scheduled meeting. In addition to Board meetings, the Chairman of the Board and the CEO maintain a dialog concerning the management of the company.

Board committees

Based on its size and composition, the Board has decided that the duties and assignments of a remuneration committee and audit committee are best performed by the Board as a whole, and has accordingly decided not to appoint any special committees.

Compensation to Board members

Compensation to the company's board members is resolved by the shareholders' meeting. The AGM of May 14, 2024 resolved that until the next AGM, a fee be paid in the amount of SEK 250,000 to the Chairman of the Board and SEK 125,000 to the other board members who are not employees of the company.

BOARD OF DIRECTORS

Name	Assignment	Attendance at Board meetings	Elected	Holdings, shares[1)]	Holdings, warrants	Independent in relation to the company and company management	Independent major owners
Thomas Pollare	Chairman	13/13	2017	2,272,126	-	No	Yes
Ragnar Linder	Board member	13/13	2017	74,546	-	Yes	Yes
Ellen Donnelly[2)]	Board member	5/5	2018	–	–	Yes	Yes
Eva Lilienberg	Board member	13/13	2021	84,500	–	Yes	Yes
Janet Hoogstraate	Board member	13/13	2023	37,500	-	Yes	Yes
Jan Lundberg[3)]	Board member	8/8	2024	600,000	-	Yes	Yes

1) Refers to own holding and that of physical related parties and legal persons.
2) Resigned at their own request at the Annual General Meeting on May 14, 2024.
3) Elected at the Annual General Meeting on May 14, 2024.

Composition of the Board

The company's Board comprises five members including the Chairman, who were elected at the general meeting to serve until the end of the 2025 AGM. All members were elected by the AGM held May 14, 2024. The Board met 13 times in 2024. The attendance of individual members at meetings is shown in the table below. All of the meetings during the year followed approved agendas that were provided, together with documentation for each agenda item, to Board members prior to Board meetings. The CEO participates in Board meetings but has no vote. Each scheduled Board meeting includes a review of the current business situation, the company's economic performance and financial position and the outlook for the rest of the year. The minutes recorded at these meetings are decision-making minutes. See pages 48–49 for a description of the members of the Board of Directors.

The CEO and other senior executives

The CEO is appointed by, and is subordinate to, the Board of Directors and bears primary responsibility for the company's day-to-day administration and its daily operations. The CEO must comply with the Board of Directors' guidelines and instructions. The distribution of assignments between the Board of Directors and the CEO is set forth in the Board's rules of procedure and the CEO's instructions. The CEO is also responsible for preparing reports and compiling information from management prior to Board meetings and presents materials at Board meetings.

According to the instructions for financial reporting, the CEO is responsible for such in AlzeCure and must therefore ensure that the Board of Directors is provided with sufficient information to enable it to evaluate AlzeCure's financial position on an ongoing basis.

The CEO must keep the Board of Directors continuously informed of developments in the company's operations, sales trends, earnings and financial position, the liquidity and credit situation, important business events and other circumstances that the Board is aware of that cannot be regarded as insignificant for the company's shareholders (such as material disputes and the termination of agreements essential to the company and other significant circumstances affecting operations).

Company management, headed by the CEO of the company, consists of people in charge of key business areas at AlzeCure. The CEO and other senior executives are presented in greater detail on pages 50–51.

Remuneration and employment terms for the CEO and other senior executives

The Board decides on compensation to the CEO, and the CEO decides on conditions for other senior executives and employees.

Compensation to senior executives who are employees can consist of a basic salary, pension and other benefits. Periods of notice and compensation in the event of termination are individual and governed by the applicable employment contract. Compensation to the CEO consists of a fixed monthly salary, as well as a variable potential compensation beginning in 2021. The notice period is six months for the CEO and 12 months if terminated by the company. Under his employment contract, the CEO has the right to compensation from the company amounting to the difference between the CEO's salary at the time the contract is terminated and any new salary the CEO receives during a period of 12 months from the time the contract is terminated. However, this compensation may not amount to more than 60 percent of the monthly salary the CEO received from the company. AlzeCure's employment agreements include provisions under which all intellectual property rights developed by an employee as part of his or her employment will accrue to AlzeCure. The company's employment agreements contain restrictions on competition.

Other than as described above, no senior executive has the right to compensation after termination of employment.

For more information about remuneration to the CEO and senior executives, see note 6. New guidelines for remuneration to senior executives were adopted by the Annual General Meeting on May 14, 2024, which are valid until the AGM in 2028. No significant changes were made.

Share-related compensation programs

The company provided an incentive program with warrants aimed at the Chief Executive Officer in 2023. A total of 500,000 warrants were issued. The warrants, which were issued at the market price based on an external valuation as of May 17, 2023, entitle the

holder to subscribe for shares during the period July 1, 2026 – August 1, 2026. The issue price for newly subscribed shares totaled 150 percent of the volume-weighted average closing price for the company's shares on the Nasdaq First North Premier Growth Market during the 10 trading days preceding the Annual General Meeting on Wednesday, May 17, 2023, which gave a cash price of SEK 6.70 per share. The incentive program also presumes that the Chief Executive Officer is active in the company. For more information, please see the minutes from the AGM of May 17, 2023.

The total dilutive effect is 0 % as of the closing date.

Audit

The company's statutory auditor is appointed by the AGM. The auditor must examine the company's annual report, its accounting records and the administration of the Board of Directors and the Chief Executive Officer. Following the end of each financial year, the auditor must submit an auditor's report to the AGM. According to the company's articles of incorporation, it must have one or two auditors and no more than one alternate auditor.

Grant Thornton Sweden AB (Box 7623, SE 103 94 Stockholm, Sweden) has been the company's auditor since 2017, with Camilla Nilsson as auditor-in-charge since 2019. Camilla Nilsson is an Authorized Public Accountant and a member of FAR, the Swedish Institute of Authorized Public Accountants.

Resolutions concerning compensation to auditors are passed by the general meeting. The AGM of May 14, 2024 resolved that the auditor's fee be paid against approved invoice. For more information about remuneration to auditors, see note 5.

Internal controls

The company has decided not to set up any special function for internal control; instead this task is carried out by the Board of Directors as a whole. Each year, the Board evaluates the need to establish a special internal audit department.

The Board of Directors bears overall responsibility for internal control as well as ensuring that the company's financial reporting, management and operations are monitored and controlled in a satisfactory manner. Provisions in the Swedish Companies Act and the Swedish Annual Accounts Act require the inclusion of information about the most important features in AlzeCure's system for internal control and risk management in the company's Corporate Governance Report. In order to maintain good internal control, the Board has established a number of policy documents such as the Board's rules of procedure, the CEO instruction, instructions for financial reporting, and an information and communications policy. AlzeCure's CEO is ultimately responsible for ensuring that the monitoring of the work on the company's internal control is conducted in accordance with the format decided by the Board of Directors. The overall purpose of internal control is to reasonably ensure that the company's operational strategies, objectives, and defined risks are monitored and that the owners' investment is protected.

Internal control includes control of the company's organization, procedures and actions. The aim is also to ensure reliable and accurate financial reporting; that the company's financial reporting is performed in compliance with the law and applicable accounting standards and that other requirements are met. Management and the Board of Directors continuously analyze the company's risk situation to make the most accurate assessments and estimates possible in the financial reporting.

The internal control system also seeks to monitor compliance with the company's guidelines, principles and instructions. Furthermore, the protection of the company's assets and the appropriate and cost-effective use of the company's resources are also monitored. Internal control is also carried out by monitoring by means of the implemented information and business management systems, and by analyzing risks. A review of financial statements and reporting paths takes place at every Board meeting.

See pages 48–51 for more information about the composition of the Board of Directors and the management group.

Board of Directors and auditor

According to the company's articles of incorporation, the Board must comprise no fewer than three and no more than ten members with no alternates. The Board currently comprises five members with no alternates. The Board members were elected to serve until the end of the 2025 AGM.

THOMAS POLLARE

Born: 1953

Chairman of the Board and Board member since 2017.

Education/experience: Thomas Pollare holds an M.D. from Karolinska Institutet and a PhD from Uppsala university. He was previously a partner in the Venture Capital company 3i. He has held VP positions at both Pharmacia Corp and Schering-Plough Inc. He has been responsible for the market approval of several pharmaceutical products in various therapeutic areas and which generated billions in annual sales. Thomas has international experience of board work in major corporations, startup companies, public companies and private equity investments.

Current assignments: Chairman of the Board and CEO of Oncolution AB. Chairman of the Boards of AlzeCure Discovery AB and Stiftelsen AlzeCure. Member of the boards of Psilox AB and Premalux AB.

Completed assignments (past five years): Chairman of the boards of A3P Biomedical AB, BioWorks Technologies AB, AC Intressenter AB, and Sinfonia Biotherapeutics AB. Member of the boards of Pharmaceuticals Sales & Development Sweden AB and SSI Diagnostica A/S.

Holdings: 2,272,126 shares.

Dependent in relation to the company and company management, but independent in relation to the company's largest shareholders.

RAGNAR LINDER

Born: 1953

Board member since 2017.

Education/experience: Ragnar Linder has a Master of Science degree in Chemical Engineering from KTH Royal Institute of Technology. Ragnar is a co-founder of Pygargus, a research company in the field of real-world evidence, which was bought by IMS Health (currently IQVIA) in 2013 and in which Ragnar has held senior positions ever since. He has also held several senior positions in Amgen Nordic (CEO), Aventis, HMR and Hoechst. Ragnar has also been a member of the boards of several biotech, pharmaceutical and CRO companies. Today, Ragnar is an independent consultant.

Current assignments: Member of the board of Pharmacolog i Uppsala AB, Tegnér Biotech Consulting AB and 3 D Trace AB. Chairman of IK Sirius Bandy and Club Manager.

Completed assignments (past five years): Member of the board of R. Linder Holding AB.

Holdings: 74,546 shares.

Independent in relation to the company, company management, and the company's major shareholders.

EVA LILIENBERG

Born: 1956

Board member since 2021.

Education/experience: Eva Lilienberg holds an M.Sc. in pharmaceutical sciences. Eva has broad international regulatory and commercial experience. She also has solid experience of drug development from various senior management positions at Merck, Sharp & Dohme (MSD), with a focus on New Products/Regulatory Affairs, and has led international teams with the aim of optimizing development programs to ensure that pharmaceutical products are approved, reimbursed and commercially viable. Eva has worked actively with regulatory bodies such as the FDA and the EMA. She has also held various positions at international pharmaceutical companies such as AstraZeneca and HMR (now Sanofi) and has worked as a consultant at several small and medium-sized pharmaceutical companies. Eva has been certified as a Board member by Styrelseakademien.

Current assignments: Consultant and CEO of Kapitel Tre AB.

Completed assignments (past five years): Service Area lead/Principal Consultant for drug development project at NDA Regulatory Services AB. Board member of the Regulatory Affairs section of the Swedish Society of Pharmaceutical Sciences.

Holdings: 84,500 shares.

Independent in relation to the company, company management, and the company's major shareholders.

JANET HOOGSTRAATE

Born: 1967

Board member since 2023.

Education/experience: Dr. Janet Hoogstraate has many years of experience in life science, with leading roles at companies such as Astra Zeneca. She has a PhD in Biopharmaceutical Sciences from the University of Leiden in the Netherlands and an eMBA from Hult International Business School. Janet has a strong interest and knowledge in neuroscience research and has held positions such as chairwoman of the board of the Stockholm Brain Institute. Janet is currently the CEO of NorthX Biologics AB.

Current assignments: CEO, NorthX Biologics AB. Board member and CEO of Hoogstraate Consulting AB. Member of the boards of Mireca Medicines GmbH, Apotek Produktion and Laboratorier AB. Member of the Advisory Board for the Dutch Chamber of Commerce in Sweden. Member of the Portfolio Management Board for ENABLE2.

Completed assignments (past five years): CEO of Valneva Sweden AB.

Holdings: 37,500 shares.

Independent in relation to the company, company management, and the company's major shareholders.

JAN LUNDBERG

Born: 1953

Board member since May 14, 2024.

Education/experience: Professor Jan Lundberg has more than 25 years of experience from leading positions in global pharmaceutical companies, including as global head of research at Astra and then AstraZeneca (1996–2009) and global head of research and development at Eli Lilly (2010–2018). He has led the development of more than 200 drug candidates, with 30 approved products in several therapeutic areas, including Alzheimer's and pain. Before joining Astra, Dr. Lundberg was professor of pharmacology at Karolinska Institutet, where he also received his PhD. He has also studied medicine at the University of Gothenburg for four years. His research has resulted in over 500 published articles in peer-reviewed scientific journals. Dr. Lundberg is also an honorary doctorate at the Faculty of Pharmacology at Uppsala University and has received both the Fernström and Jahre prizes. Over the years, he has also been active in several international regulatory committees.

Current assignments: Member of the boards of Metabolom, Imaging analysis group and Anocca. Member of the Scientific Advisory Board of Rehnman & Partners Asset Management AB.

Completed assignments (past five years): Member of the boards of Betagenon, Ardelyx and Ferring Pharmaceuticals.

Holdings: 600,000 shares.

Independent in relation to the company, company management, and the company's major shareholders.

AUDITOR

The company's statutory auditor is appointed by the AGM. According to the company's articles of incorporation, it must have one or two auditors and no more than one alternate auditor.

Grant Thornton Sweden AB (Box 7623, SE 103 94 Stockholm, Sweden) has been the company's auditor since 2017, with Camilla Nilsson as auditor-in-charge since 2019. Camilla Nilsson, born 1973, is an Authorized Public Accountant and a member of FAR, the Swedish Institute of Authorised Public Accountants.

Senior executives

The management group includes the following people:

MARTIN JÖNSSON

Born: 1968

CEO since January 8, 2020.

Education/experience: Martin Jönsson holds an M.Sc. in business from the University of Lund, and has also studied at the University of Freiburg, Germany and the University of Ottawa, Canada. Martin Jönsson has more than 25 years of experience in the global pharmaceutical industry and has held several senior positions, with experience in business development, marketing, sales, alliance management and medical affairs. Previous employers include Roche and Ferring Pharmaceuticals. Martin has worked internationally, including several years in the US.

Current assignments: None.

Completed assignments (past five years): Senior positions in a variety of fields at Ferring Pharmaceuticals, including business area manager for several therapeutic areas.

Holdings: 714,199 shares and 500,000 warrants

JOHAN SANDIN

Born: 1970

CEO 2017–2019, CSO from January 8, 2020.

Education/experience: Johan Sandin holds a PhD in Neuropharmacology from Karolinska Institutet and has substantial academic and industrial experience (>20 years). He has previously worked at AstraZeneca, where he held scientific, project and executive positions in charge of in vitro biology, in vivo pharmacology and biochemical biomarkers within the CNS field.

Current assignments: Member of the board and CEO at Sandin Pharma Consulting AB. CEO of AlzeCure Discovery AB.

Completed assignments (past five years): Member of the board and deputy CEO at ArgusEye AB. Member of the board of AC Intressenter AB.

Holdings: 881,834 shares.

Name	Position	Employed/ worked for AlzeCure	Holdings, shares[1)]
Martin Jönsson	Chief Executive Officer	2020	714,199
Johan Sandin	Chief Scientific Officer	2017	881,834
Birgitta Lundvik	CFO	2017	183,750
Pontus Forsell	Head of Discovery & Research	2017	951,977
Märta Segerdahl	Head of Development	2021	111,249

1) Refers to own holding and that of physical related parties and legal persons.

BIRGITTA LUNDVIK

Born: 1967

CFO since 2017.

Education/experience: Birgitta Lundvik holds an M.Sc. in business from Uppsala University and an eMBA in finance from the Stockholm School of Economics, Sweden. Birgitta Lundvik has more than 25 years of experience from software development, life science and real estate companies. She has been involved in several M&A projects and has broad experience of venture capital companies.

Current assignments: Chairman of the Board of HERAccount AB. Member of the board and CEO of Enable – Finance & Business Development in Sweden AB. Board member of Brf Arken. Alternate member of the board of Helander & Lundvik Ekonomikonsulter AB and Balanced Competence Uppsala Redovisningsbyrå AB.

Completed assignments (past five years): Deputy chairman of Swedsoft. Chair of the board of LobSor Pharmaceuticals AB.

Holdings: 183,750 shares.

PONTUS FORSELL

Born: 1967

Head of Discovery & Research, engaged as a consultant since 2017, employed since 2019.

Education/experience: Pontus Forsell holds a PhD in Medical Biochemistry & Biophysics from Karolinska Institutet, Sweden. Pontus Forsell has more than 20 years of experience from several biotech and pharmaceutical companies, such as Biolipox, Orexo, Merck and AstraZeneca, in project and management positions. He is an expert in early phase drug development within the disease areas neurology, analgesia and inflammation, as well as respiratory diseases.

Current assignments: Member of the board and CEO of Research, Education & Training AB (RETAB).

Completed assignments (past five years): None.

Holdings: 951,977 shares.

MÄRTA SEGERDAHL

Born: 1956

Head of Development since 2021.

Education/experience: Märta Segerdahl holds an MD, a PhD, and is an associate professor; she trained at Karolinska Institutet. Märta has board certification in anesthesia, intensive care and pain medicine. Märta has substantial international, academic and industrial experience in the field of CNS and pain. Following 25 years in clinical medicine, she joined AstraZeneca in 2006, and since then has worked within the global pharmaceutical industry at Grünenthal, Lundbeck and Asarina Pharma, where she has held senior positions in translational medicine, external collaborations and clinical development within the field of CNS.

Current assignments: Member of the board and CEO at MS Medical Consulting AB. Board member and Vice President of Christian Storck Management AB.

Completed assignments (past five years): Senior positions at Lundbeck A/S, Asarina Pharma A/S.

Holdings: 111,249 shares.

Financial Reports

Income statement and other comprehensive income

SEK thousand	Note	2024	2023
Net sales		0	0
Operating expenses	6, 7, 8		
Research expenses		-24,981	-27,707
Administrative expenses	5	-11,473	-10,598
Other operating income	4	463	147
Other operating expenses		-153	-104
Operating profit/loss		**-36,144**	**-38,262**
Profit/loss from financial items			
Interest income and similar profit/loss items		929	1,102
Interest expenses and similar profit/loss items		-19	-7
Loss after financial items		**-35,234**	**-37,167**
Earnings for the year and comprehensive income	9	**-35,234**	**-37,167**
Earnings for the period per share, basic, SEK		-0.46	-0.60
Earnings for the period per share, diluted, SEK		-0.46	-0.60
Average number of shares, basic		77,151,550	62,087,012
Average number of shares, diluted		77,151,550	62,087,012

Balance sheet

SEK thousand	Note	Dec. 31, 2024	Dec. 31, 2023
ASSETS			
Non-current assets			
Intangible fixed assets			
Project rights	10	17	17
Total intangible fixed assets		**17**	**17**
Tangible fixed assets			
Equipment, tools and installations	11	207	376
Total tangible fixed assets		**207**	**376**
Total non-current assets		**224**	**393**
Current assets			
Current receivables			
Trade receivables		35	0
Other current receivables		1,735	1,469
Prepaid expenses and accrued income		943	1,039
Total current receivables		**2,713**	**2,508**
Cash and bank balances	13	**31,498**	**29,100**
Total current assets		**34,211**	**31,608**
TOTAL ASSETS		**34,435**	**32,001**

SEK thousand	Note	Dec. 31, 2024	Dec. 31, 2023
EQUITY AND LIABILITIES			
Restricted equity	12		
Share capital		2,207	1,552
Total restricted equity		**2,207**	**1,552**
Unrestricted equity	12		
Share premium reserve		399,430	362,440
Accumulated profit/loss		-340,218	-303,051
Profit/loss for the year		-35,234	-37,167
Total unrestricted equity		**23,978**	**22,222**
Total equity		**26,185**	**23,774**
Current liabilities			
Trade payables		2,685	2,687
Other current liabilities		314	592
Accrued expenses and deferred income	15	5,251	4,948
Total current liabilities		**8,250**	**8,227**
Total liabilities		**8,250**	**8,227**
TOTAL EQUITY AND LIABILITIES		**34,435**	**32,001**

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, 2023	**1,552**	**361,981**	**-246,812**	**-56,239**	**60,482**
Appropriation of earnings			-56,239	56,239	0
Rights issue					0
Issue expenses		39			39
Warrants 2023/2026		420			450
Earnings for the year and comprehensive income				-37,167	-37,167
Closing balance December 31, 2023	**1,552**	**362,440**	**-303,051**	**-37,167**	**23,774**
Opening balance January 1, 2024	**1,552**	**362,440**	**-303,051**	**-37,167**	**23,774**
Appropriation of earnings			-37,167	37,167	0
Rights issue	576	38,596			39,172
Issue expenses		-6,762			-6,762
Directed share issue	24	1,618			1,642
Issue expenses		-11			-11
Directed share issue	55	3,685			3,740
Issue expenses		-136			-136
Earnings for the year and comprehensive income				-35,234	-35,234
Closing balance December 31, 2024	**2,207**	**399,430**	**-340,218**	**-35,234**	**26,185**

Cash flow statement

SEK thousand	Note	2024	2023
Operating activities			
Operating loss before financial items		-36,144	-38,262
Adjustment for items not included in cash flow, etc.			
Depreciation and amortization		293	476
Interest received		929	1,102
Interest paid		-19	-7
Cash flow from operating activities before changes in working capital		-34,941	-36,691
Statement of change in working capital			
Change in trade receivables		-35	0
Change in current receivables	16	-170	41,875
Change in trade payables		-2	-2,158
Change in current operating liabilities		25	31
Net cash flow from operating activities		**-35,123**	**3,057**
Investing activities			
Acquisition of tangible fixed assets		-124	0
Repayment of financial fixed assets		0	7
Cash flow from investing activities		-124	**7**
Financing activities			
Issues		44,554	420
Issue expenses		-6,909	39
Cash flow from financing activities		**37,645**	**459**
Cash flow for the year		**2,398**	**3,523**
Cash and cash equivalents at beginning of year		29,100	25,577
Cash and cash equivalents, Dec. 31		**31,498**	**29,100**

Notes

NOTE 1 General information

General information

This annual report concerns the Swedish company AlzeCure Pharma AB (publ), corporate ID number 559094-8302. The company is registered and domiciled in Stockholm, Sweden. The company was formed on November 22, 2016 and its shares have been listed on the Nasdaq First North Premier Growth Market since November 28, 2018. The company's address is Hälsovägen 7, SE 141 57 Huddinge.

The nature of the business

AlzeCure Pharma AB (publ), hereinafter as AlzeCure®, was founded on November 22, 2016 and is domiciled in Stockholm.

AlzeCure is a Swedish pharmaceutical company engaged in innovative small molecular drug research with a primary focus on Alzheimer's disease and pain. The company is listed on Nasdaq First North Premier Growth Market and is developing three drug candidates based on the two research platforms, NeuroRestore® and Alzstatin®. The company also has two projects in the field of pain, TrkA-NAM and ACD440. The ADC440 project was acquired in January 2020. AlzeCure carries out research in laboratories located at Novum at Karolinska Institutet in Huddinge.

FNCA Sweden AB is the company's Certified Adviser. For more information, please visit www.alzecurepharma.com.

NOTE 2 Accounting policies and valuation principles

General Information, compliance with IFRS and the going concern principal

This annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU) with the restrictions arising from the Swedish Annual Accounts Act and RFR 2 Accounting for legal entities. AlzeCure Pharma does not constitute a group.

AlzeCure has only one line of business and only operates in Sweden. The chief operating decision maker is the Chief Executive Officer. The company is not anticipated to have any direct revenues until its products are launched on the market or licensed for external production. Consequently, segment reporting is not yet relevant.

The annual accounts have been drawn up under the proviso that the company conducts its business according to the going concern principle.

The introduction of IFRS 18, which replaces IAS 1 on January 1, 2027, will result in changes to the presentation and disclosures in the financial statements. As of the approval date of these financial statements, the company has not early adopted any standards, amendments, or interpretations issued by the IASB that are not yet effective.

The annual report for AlzeCure Pharma AB (publ) for the financial year ending on December 31, 2024 has been approved by the Board of Directors and Chief Executive Officer and will be presented to the Annual General Meeting on May 14, 2025 for adoption.

The annual report was prepared using the accruals concept and based on cost. Monetary amounts are expressed in Swedish crowns (SEK), which is the company's accounting currency, and rounded to the nearest thousand unless otherwise indicated.

Non-current assets and non-current liabilities consist in all material respects of amounts that are expected to be recovered or settled more than twelve months
from the closing date. Current assets and current liabilities consist in all material respects of amounts that are expected to be recovered or settled within twelve months of the closing date.

Currency translation

Foreign currency transactions are translated into the accounting currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities in foreign currency are translated to the accounting currency at the exchange rate prevailing on the closing date.

Exchange rate differences that arise from translations are reported under profit/loss for the year. Exchange-rate gains and losses on operating receivables and liabilities are reported under operating profit/loss while exchange-rate gains and exchange-rate losses on financial receivables and liabilities are reported as financial items.

Revenue

Because the company conducts operations that to date have only included pharmaceutical research, it has not yet entered into any agreements with customers and thus does not report any revenues. Future licensing and collaboration agreements may involve milestone payments, royalties on future sales and compensation from collaboration agreements regarding cost coverage for internal research. This revenue will be recognized in accordance with IFRS 15 Revenue from Contracts with Customers. IFRS 15 requires that the contract with the customer is analyzed and serves as the starting point for revenue recognition. An assessment is made of which performance obligations are identified and whether they are distinct. If they are distinct, they are recognized as separate performance obligations and revenue is recognized when it is earned.

The transaction price is determined based on what the company expects to receive from each contract in exchange for the transfer of the agreed goods or services. Revenue is recognized either at a point in time or over time when (or if) the company satisfies its performance obligations by transferring the promised goods and services to the customer. A contract liability is recognized when consideration is received for unsatisfied performance obligations and is recorded as a deferred revenue on the balance sheet.

Other income – Reporting public subsidies

Public subsidies are reported at fair value. Subsidies received intended for covering costs are reported under Other operating income during the period in which the costs eligible for subsidy arise.

Operating expenses

Operating expenses are reported under profit/loss when the service is used or when the event has occurred.

Research expenditures are reported as expenses under Research expenses as they arise. Thus the item Research expenses includes expenditures for research aimed at obtaining new scientific or technical knowledge. Since AlzeCure has no expenses that meet all criteria for capitalization, all research and development costs have been expensed. Development costs that have been expensed cannot be recognized as an asset in subsequent periods. Costs are tracked by project, and it is only when the projects reach a clinical phase III that they may be eligible for capitalization. See the section regarding the project portfolio in the annual report for more information.

Leases

A lease agreement under IFRS 16 is a contract in which a lessor provides a lessee the right to use an asset for a specified period in exchange for payment or a series of payments.

The lessee shall recognize the lease agreement at the commencement date as a right-of-use asset and a liability on the balance sheet at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The values shall be determined at the commencement date of the lease agreement. The discount rate used to calculate the present value of the minimum lease payments shall be based on the implicit rate in the lease agreement if it is practicable to determine this. If it is not practicable to determine the implicit rate, the lessee's incremental borrowing rate shall be used. Initial direct costs incurred by the lessee shall be added to the asset value of the leased property.

note 2 cont.

Subsequent minimum lease payments shall be allocated by the lessee between interest and repayment of the liability. The interest for each period during the lease term shall be calculated using a fixed interest rate, with the interest expense consisting of the fixed interest rate multiplied by the remaining liability, and the remainder of the minimum lease payment representing the principal repayment.

A lease agreement gives rise to both depreciation for depreciable right-of-use assets and financing costs for the lessee during each reporting period. The depreciation principle for depreciable right-of-use assets shall align with the depreciation principle applied to depreciable assets owned by the company, and the depreciation shall be calculated in accordance with IAS 16 (Property, Plant and Equipment) and IAS 38 (Intangible Assets). If it cannot be reasonably assured that the lessee will obtain ownership of the right-of-use asset at the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term or the economic life.

RFR 2 states that the rules in IFRS 16 do not need to be applied by legal entities. The lessee then recognizes the costs on a straight-line basis over the lease term.

Pensions

The company's pension commitments only include defined contribution plans. A defined contribution pension plan is one where the company pays fixed premiums to a separate juridical entity. The company has no legal or constructive obligation to pay further contributions if the juridical entity lacks sufficient assets to pay all the employee benefits associated with the employees' service during the current or prior periods. Thus the company has no additional risk.

Income tax

Income tax consists of current tax and deferred tax. Income tax is reported in the income statement except when the underlying transaction is reported in equity, in which case the associated tax effect is reported under equity.

Current tax is tax that must be paid or received in respect of the current year by applying the tax rates that were enacted, or announced, as of the closing date. Adjustments of current tax attributable to prior periods are also reported under current tax.

As yet, the company does not meet requirements for capitalizing deferred tax assets on tax losses.

Non-current assets

The carrying amount of an intangible asset or tangible fixed assets is removed from the balance sheet when the asset is retired or disposed of or when no future economic benefits are anticipated from the use or retirement/disposal of the asset. Gains and losses that arise from the disposal or retirement of an asset consist of the difference between the sales price and the asset's carrying amount less deductions for direct selling expenses. Profit and loss are reported as other operating income/expense.

Intangible fixed assets

Intangible fixed assets consist of project rights in respect of NeuroRestore and are reported at cost as the project is not yet concluded. Cost includes expenditures directly attributable to the acquisition of the asset.

Intangible fixed assets that have a limited useful life are depreciated systematically over the asset's estimated useful life. Useful life is tested at every balance sheet date and adjusted as necessary. Depreciation commences upon completion. When the depreciable amounts of the assets are determined, the asset's residual value is taken into account where applicable.

Development expenditures are capitalized when they meet the criteria under IAS 38, i.e. when research proceeds to development and the total work is estimated to reach significant amounts. Otherwise, development expenditures are expensed as normal operating expenses.

The most important criteria for capitalization are that the development's end product has demonstrable future earnings, cost-saving or cash flow potential and that there are technological and financial conditions for completing development work once started. The company's research has not advanced far enough to be capitalized. The company currently only has acquired intangible assets. Work before Phase III is in principle not considered capitalizable.

Tangible fixed assets

Tangible fixed assets are reported at cost after deductions for accumulated depreciations and any impairments. Cost includes the purchase price and expenditures directly attributable to an asset in order to bring it to the position and condition necessary for use in accordance with the purpose of the acquisition.

Tangible fixed assets that have a limited useful life are depreciated systematically over the asset's estimated useful life. Useful life is tested at every balance sheet date and adjusted as necessary. The estimated useful life of the company's tangible fixed assets is five years. Depreciation commences upon completion. When the depreciable amounts of the assets are determined, the asset's residual value is taken into account where applicable.

Impairment charges

Assets are considered for impairment whenever events or changes in circumstances indicate that the asset's carrying amount may not be recoverable. An impairment loss is reported in the amount by which the asset's carrying amount exceeds its recoverable value. The recoverable value is the asset's fair value less selling expenses or its value in use, whichever is the higher. When calculating value in use, the estimated future cash flows are discounted to present value at a discount rate before tax that reflects current market assessments of the time value of money and the risks associated with the asset.

When assessing the need to recognize impairment, assets are grouped at the lowest levels at which there are in all material respects independent cash-flows (cash generating units). Assets previously impaired are tested on the closing date to see if a reversal is necessary.

Financial instruments

Reporting and valuation at initial recognition

A financial instrument is any form of contract that gives rise to a financial asset or a financial liability. Financial assets in the balance sheet refer to trade receivables, other receivables, and cash and cash equivalents. Financial liabilities refer to trade payables, lease liabilities and contractual accrued expenses. Financial assets and liabilities are reported when the company becomes party to an agreement in respect of the financial instrument's agreed conditions. The carrying amount is a reasonable approximation of fair value.

Financial assets are removed from the statement of financial position/balance sheet when the contractual rights in respect of the financial asset expire, or when the financial asset and all significant risks and benefits are transferred. A financial liability is removed from the statement of financial position or balance sheet when it is extinguished, that is, when it is discharged, cancelled or ceases to exist.

Financial assets and liabilities are offset and reported at a net amount in the balance sheet only when there is a legal right to offset the reported amounts and an intention to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Classification and valuation of financial assets upon initial recognition

Trade receivables that do not include a significant financing component are initially measured at fair value adjusted for transaction expenses (where appropriate).

In 2024, which is included in the financial report, the company only reports financial assets that are categorized as measured at amortized cost. This is consistent with the measurement in 2023.

The classification is determined by:

- the company's business model for the administration of the financial asset, and
- theproperties of the contractual cash flows from the financial asset.

Financial assets are measured at amortized cost if the assets meet the following criteria and are not recognized at fair value through profit or loss:

- they are held within the framework of a business model whose objective is to hold the financial assets and collect the contractual cash flows, and
- the contractual conditions for the financial assets give rise to cash flows that are only payments for the capital amount and interest on the outstanding principal.

All revenues and expenses in respect of the financial assets reported in the income statement are classified as interest income or interest expenses.

Subsequent valuation

Financial assets measured at amortized cost

Following initial recognition, financial assets are measured at amortized cost by using the effective interest method. Discounting is omitted if the effect is insignificant. The company's cash and cash equivalents, trade receivables and most other receivables belong to this category of financial instruments.

Classification and measurement of liabilities

The company's financial liabilities include trade payables and other liabilities. Financial liabilities are initially measured at fair value adjusted for transaction expenses. Following initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents only include bank balances.

Contingent liabilities

A contingent liability is reported when there is a possible obligation that arises from past events and whose existence is confirmed only by the occurrence of one or more uncertain future events or when there is an obligation that is not reported as a liability or provision because it is not likely that an outflow of resources will be required.

Equity, reserves and dividends

Equity in the company consists of the following items:

- Share capital representing the nominal value of issued and registered shares.
- Share premium reserve including equity premiums obtained on rights issues. Any transaction expenses associated with the rights issue are deducted from the share premium reserve taking into account any income tax effects.
- Profit or loss brought forward, i.e. all retained earnings or losses for the current and prior periods.

Transactions with the company's owners, such as shareholder contributions and dividends, are reported separately in equity.

Cash flow statement

The cash flow statement was prepared according to the indirect method. The reported cash flow includes only those transactions that entail receipts or payments. The company classifies available bank deposits as cash and cash equivalents.

NOTE 3 Significant estimations and uncertainties in assessments

Significant estimates

Preparing the financial statements in accordance with IFRS taking into account relief rules in RFR2, requires company management and the Board of Directors to make estimations, assessments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual outcomes may deviate from these estimations.

Uncertainties in assessments

The estimations and assumptions are evaluated on an ongoing basis. Changes in estimations are reported in the period in which the change is made if the change only affects that period, or in the period in which the change is made and future periods if the change affects both the current and future periods.

The demarcation between research expenses and development expenses constitutes a source of uncertainties in estimations and entails a significant risk of substantial adjustment to the value of an asset or liability during the coming financial year. Apportioning research and development phases in new development projects, and determining whether or not the requirements for capitalizing development expenses have been met, requires estimations.

An important part of this assessment is when the company transitions from a research phase to a development phase as this is when the issue of boundary demarcation becomes relevant. Because the company's operation as yet focuses solely on research, there is currently no need for such an estimation.

Another source of uncertainty lies in estimating the extent to which deferred tax assets can be reported based on an estimation of the likelihood of the company's future taxable revenues against which the deferred tax asset can be exercised. Accordingly, the company has not reported any deferred tax assets.

NOTE 4 Other operating income

	Jan. 1, 2024 –Dec. 31, 2024	Jan. 1, 2023 –Dec. 31, 2023
Exchange rate gains	32	82
Government assistance, etc., received	300	0
Other operating income	131	65
Total	**463**	**147**

NOTE 5 Remuneration to auditors

	Jan. 1, 2024 –Dec. 31, 2024	Jan. 1, 2023 –Dec. 31, 2023
Grant Thornton Sweden AB		
Audit assignment	214	191
Audit activities in addition to the audit assignment	45	64
Total	**259**	**255**

NOTE 6 Salaries, other remuneration and social security expenses

	Jan. 1, 2024 –Dec. 31, 2024	Jan. 1, 2023 –Dec. 31, 2023
Average number of employees		
Women	7	7
Men	4	4
Total	**11**	**11**
Salaries, remuneration, social security contributions and pension expenses		
Salaries and remuneration to the Board of Directors and the Chief Executive Officer	3,254	2,738
Salaries and remuneration to other employees	7,657	7,922
Total	**10,911**	**10,660**
Pension expenses for the Board of Directors and the Chief Executive Officer	504	580
Pension expenses for other employees	1,593	1,781
Statutory and contractual social security contributions	2,618	2,484
Total	**4,715**	**4,845**

note 6 cont.

Board members and senior executives

	Jan. 1, 2024 –Dec. 31, 2024	Jan. 1, 2023 –Dec. 31, 2023
Number of Board members on closing date		
Women	2	3
Men	3	2
Total	**5**	**5**
Number of CEOs and other senior executives		
Women	2	2
Men	3	3
Total	**5**	**5**

Information regarding compensation to the Board and senior executives, 2024

Name	Assignment	Basic salary/ fee	Pension expense	Total
Thomas Pollare	Chairman of the Board	250	-	250
Eva Lilienberg	Board member	125	-	125
Ragnar Linder	Board member	125	-	125
Ellen Donnelly[1)]	Board member	52	-	52
Jan Lundberg[2)]	Board member	79		79
Janet Hoogstraate	Board member	125		125
Martin Jönsson	CEO	2,214	504	2,718
Other senior executives		5,932	964	6,896
Total		**8,902**	**1,468**	**10,370**

1) Member of the Board of Directors until May 14, 2024.
2) Member of the Board of Directors beginning on May 14, 2024.

Information regarding compensation to the Board and senior executives, 2023

Name	Assignment	Basic salary/fee	Pension expense	Total
Thomas Pollare	Chairman of the Board	229	-	229
Eva Lilienberg	Board member	115	-	115
Ragnar Linder	Board member	115	-	115
Ellen Donnelly	Board member	115	-	115
Janet Hoogstraate[1)]	Board member	73		73
Martin Jönsson	CEO	1,895	580	2,475
Other senior executives		5,948	1,037	6,985
Total		**8,490**	**1,617**	**10,107**

1) Member of the Board of Directors beginning on May 17, 2023.

Related party transactions

"Related parties" refers to all members of the Board and senior executives and their family members. The guiding principles for what constitutes related party transactions are set forth in IAS 24.

The Chairman and Board members are paid a fee in accordance with the AGM's resolution. The AGM of May 14, 2024 resolved that the Chairman of the Board would receive a fee in the amount of SEK 250,000 and that other Board members who are not employees of the company, will receive a fee in the amount of SEK 125,000 each. Board members are not entitled to any benefits after they have left the Board. During the second quarter of 2022, a consulting agreement was signed, on arm's-length terms, with the company Tegnér Biotech Consulting AB, which is owned by Board member Ragnar Linder. The agreement covers consulting services related to business development. The fee for consulting services in 2024 totaled SEK 21 thousand (77).

Compensation to senior executives who are employees can consist of a basic salary, pension and other benefits. Periods of notice and compensation in the event of termination are individual and governed by the applicable employment contract. The notice period is six months for the CEO and 12 months if terminated by the company. Under his employment contract, the CEO has the right to compensation from the company amounting to the difference between the CEO's salary at the time the contract is terminated and any new salary the CEO receives during a period of 12 months from the time the contract is terminated. However, this compensation may not amount to more than 60 percent of the monthly salary the CEO received from the company. In 2023 an incentive program was provided with warrants aimed at the Chief Executive Officer. AlzeCure's employment agreements include provisions under which all intellectual property rights developed by an employee as part of his or her employment will accrue to AlzeCure. The company's employment agreements contain restrictions on competition.

Other than as described above, no senior executive has the right to compensation after termination of employment. In 2024, the company was not party to related party transactions that are singly or jointly of material importance for the company other than those described above.

NOTE 7 Expenses classified by type

	Jan. 1, 2024 –Dec. 31, 2024	Jan. 1, 2023 –Dec. 31, 2023
Personnel costs	-15,794	-15,650
Consultancy costs	-10,704	-11,510
Laboratory materials etc.	-1,644	-2,441
Patent expenses	-3,097	-3,849
Depreciation and amortization	-293	-476
Software	-1,118	-968
Other	-3,957	-3,514
Total	**-36,607**	**-38,409**

NOTE 8 Leases

The Company has entered into a lease agreement regarding the premises at Medicinaren 19 in Huddinge. The lease agreement was assumed on January 1, 2024, and runs until May 31, 2026.

	Jan. 1, 2024 –Dec. 31, 2024	Jan. 1, 2023 –Dec. 31, 2023
Lease expenses recognized for the year	-1,325	-
Future lease payments:		
Within one year	-1,341	-
Later than one year but within five years	-559	-

NOTE 9 Tax on profit/loss for the year

	Jan. 1, 2024 –Dec. 31, 2024	Jan. 1, 2023 –Dec. 31, 2023
Current tax	–	–
Deferred tax	–	–
Total	**–**	**–**
Reconciliation of effective tax		
Theoretical tax:		
Loss before tax	-35,234	-37,167
Tax according to the applicable tax rate (20.6%)	7,258	7,656
Tax effect of:		
Non-deductible expenses	-13	-7
Other deductible expenses	1,423	-
Deferred tax assets unrecognized	8,668	7,663

Tax losses amount to SEK 422,888 thousand. However, it is uncertain how large a part will remain after future changes in ownership and those already made. There is no question of there being a need to report any deferred tax assets for these items, as the company will most likely continue making losses in the coming year. Other deductible expenses relate to issue expenses.

NOTE 10 Project rights

	Dec. 31, 2024	Dec. 31, 2023
Opening cost	17	17
Cost for the year	–	–
Closing accumulated cost	17	17
Closing residual value according to plan	**17**	**17**

NOTE 11 Equipment, tools, fixtures and fittings

	Dec. 31, 2024	Dec. 31, 2023
Opening cost	2,895	2,895
Cost for the year	124	0
Closing accumulated cost	3,019	2,895
Opening depreciation	-2,519	-2,043
Depreciation for the year	-293	-476
Closing accumulated depreciation	-2,812	-2,519
Closing residual value according to plan	**207**	**376**

All depreciation is included in the item Research expenses.

NOTE 12 Equity

Number of shares	Dec. 31, 2024	Dec. 31, 2023
At the beginning of the period	62,087,012	62,087,012
Rights issues	26,208,188	0
At the end of the period	**88,295,200**	**62,087,012**

At the end of the year the company has 88,295,200 shares, with a quota value of SEK 0.025.

In 2023, the company provided an incentive program with warrants aimed at the Chief Executive Officer. A total of 500,000 warrants were issued. The warrants, which were issued at the market price based on an external valuation as of May 17, 2023, entitle the holder to subscribe for shares during the period July 1, 2026 – August 1, 2026. The issue price for newly subscribed shares totaled 150 percent of the volume-weighted average closing price for the company's shares on the Nasdaq First North Premier Growth Market during the 10 trading days preceding the Annual General Meeting on Wednesday, May 17, 2023, which gave a cash price of SEK 6.70 per share. The incentive program also presumes that the Chief Executive Officer is active in the company. For more information, please see the minutes from the AGM of May 17, 2023.

The total dilutive effect is 0 % as of the closing date.

NOTE 13 Pledged assets and contingent liabilities

There are no pledged assets other than a blocked bank account in the amount of SEK 50 thousand (50) for warranties, and the Board has not identified any contingent liabilities.

NOTE 14 Financial risk management and the company's asset management procedures

The company's activities expose it to various financial risks such as market risk (including currency risk in cash flow), credit risk and liquidity risk.

Market risk consists mainly of currency risks. The company collaborates with international parties and has some exposure to fluctuations in different currencies, in particular GBP, USD and EUR. Currency risk arises through future business transactions and the carrying amount of assets and liabilities. The company's net exposure in foreign currencies is limited because of the current scope of its operations.

The credit risk for cash and cash equivalents is considered to be negligible as the counterparties for the company's bank balances are reputable banks with high credit ratings from external evaluators. Moreover, the company does not have any external debt financing.

Financing risk refers to the ability to finance projects to the point of commercialization. Financing risk is deemed to have increased in light of the current financial climate, the economy and geopolitical unrest, as well as the company's creditworthiness and market position. Given the current interest rate environment and external factors, there is also a risk that less capital may be available for investment in development companies. Nevertheless, the company maintains strong relationships with its main shareholders, who have demonstrated great loyalty to the organization.

Consequently, on March 26, 2024, the Board of Directors resolved on a new issue of shares of approximately SEK 52.8 million with preferential rights for existing shareholders. The rights issue was subject to approval by the Extraordinary General Meeting on April 25, 2024. The issue was guaranteed to approximately 63 percent through subscription commitments and guarantee commitments from existing owners and members of the company's management and Board of Directors, among others. The rights issue raised a total of SEK 39,172 thousand for the company, with SEK 32,410 thousand after issue expenses. A directed share issue was also carried out in June, which was conducted to one of the guarantors in the rights issue, raising an additional SEK 1,642 thousand, less issue expenses of SEK 11,000, for the company. A directed share issue was also carried out in July, as a follow-up to the previously made subscription commitment, raising SEK 3,740 thousand before issue expenses amounting to SEK 136,000. This resulted in a net capital injection of SEK 37.6 million. The Board of Directors remains focused on the company's continued financing and may therefore propose that a rights issue be carried out. Considering the above, the board believes that operations for the next 12 months are secured.

Liquidity risk is the risk that the company cannot meet its obligations. The company manages this risk by continuously monitoring cash flow to reduce liquidity risk and ensure solvency.

The goal of capital management is to ensure the continuity of operations and activities, enabling the company to generate returns for shareholders and provide benefits to other stakeholders. An optimal capital structure helps to maintain low capital costs. To maintain or adjust the capital structure, the company may issue new shares or, alternatively, distribute dividends.

NOTE 15 Accrued expenses and deferred income

	Dec. 31, 2024	Dec. 31, 2023
Accrued vacation pay	3,191	2,101
Accrued social security expenses, payroll tax	1,255	1,918
Accrued expenses, external services	805	929
Total	**5,251**	**4,948**

NOTE 16 Change in other current receivables

The positive change in current receivables in 2023 is attributable to subscribed but not yet paid-in capital from the completed new issue of shares in December 2022, with payment occurring in 2023.

NOTE 17 Significant events after the end of the financial year

- The company announced on February 17, 2025, that it has been awarded an EU grant for a Phase II clinical trial of NeuroRestore ACD856 for Alzheimer's disease.

No significant events leading to adjustments have occurred between the closing date and the date of approval of this report.

NOTE 18 Approval of the annual report

The company's annual report for the financial year Jan. 1, 2024 to Dec. 31, 2024 was approved by the Board of Directors and the Chief Executive Officer on April 3, 2025.

NOTE 19 Definitions KPI

Key performance indicator definitions

Net sales Revenues from the sale of goods and services in the main operation during the current period.

Debt/equity ratio Equity and 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 such as expenditures for personnel, material and external services.

Reconciliation of alternative performance measures

SEK thousand	Jan. 1, 2024 –Dec. 31, 2024	Jan. 1, 2023 –Dec. 31, 2023
Research expenses as a percentage of total operating expenses		
Research expenses	-24,981	-27,707
Administrative expenses	-11,473	-10,598
Other operating expenses	-153	-104
Total operating expenses	**-36,607**	**-38,409**
Research expenses as a percentage of total operating expenses (%):	**68.2**	**72.1**
Debt/equity ratio (%):		
Total equity at end of period	**26,185**	**23,774**
Total assets at end of period	**34,435**	**32,001**
Debt/equity ratio (%):	**76.0**	**74.3**

Signatures

Stockholm, April 3, 2025

Thomas Pollare
Chairman of the Board

Eva Lilienberg
Board member

Ragnar Linder
Board member

Jan Lundberg
Board member

Janet Hoogstraate
Board member

Martin Jönsson
Chief Executive Officer

Our auditor's report was submitted on April 3, 2025
Grant Thornton Sweden AB

Camilla Nilsson
Authorized auditor

Audit Report

N.B. The English text is a translation of the official version in Swedish. In the event of any conflict between the Swedish and English version, the Swedish shall prevail.

To the general meeting of the shareholders of AlzeCure Pharma AB
Corporate identity number 559094–8302

Report on the annual accounts

Opinions
We have audited the annual accounts of AlzeCure Pharma AB for the year 2024 except for the corporate governance statement on pages 43–51. The annual accounts of the company are included on pages 34–63 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of AlzeCure Pharma AB as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions
We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of AlzeCure Pharma AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts
This document also contains other information than the annual accounts and is found on pages 1–33 and 66–67. The renumeration report for the financial year 2024, which will be submitted after the date of this auditor's report, also constitutes of other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts

or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of AlzeCure Pharma AB for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of AlzeCure Pharma AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 43–51 has been prepared in accordance with the Annual Accounts Act. Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 26 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts are in accordance with the Annual Accounts Act.

Stockholm, according to the date indicated by the electronic signature.
Grant Thornton Sweden AB

Camilla Nilsson
Authorised Public Accountant

Definitions

Term	Definition
AlzeCure, AlzeCure Pharma or the company	AlzeCure Pharma AB
Amyloid-beta	A peptide that is the main component in the plaque found in the brains of Alzheimer's patients
Antibody	Protein used by the body's immune system to detect and render harmless foreign substances
BDNF	Brain Derived Neurotrophic Factor
Biomarker	Measurable indicator of a biological state
BBB, blood-brain barrier	Connected capillary pathways in the brain that protect brain tissue
CNS	Central nervous system
Fibrils	Small, thread-like structures that occur in and around cells. About one nanometer thick and made up of proteins or polysaccharides.
GBP	Pounds Sterling
GSM	Gamma-secretase modulator
In vitro	Biological process, outside organisms, in test tubes or cell cultures
In vivo	Biological process occurring in animals or humans
ISMND	International Society for Molecular Neurodegeneration
Clinical studies/trials	Drug testing performed in humans

Term	Definition
Cognition	The brain's ability to receive, store and process, as well as to produce information
Drug candidate	A drug under development that has not yet received market approval
Monomers	The monomer is the initial molecule in polymerization, where monomers combine to form long molecule chains called polymers.
NAM	Negative Allosteric Modulator
NGF	Nerve Growth Factor
NSAID	Non-steroidal anti-inflammatory drugs
Oligomers/protofibrils	Molecular chain of several monomers
Peptide	Molecule comprising amino acids
Plasticity effect	Adaptive effect
Preclinical studies	Studies carried out in a lab environment (not in humans)
SEK	Swedish crowns
TBI	Traumatic brain injury
TrkA	Tropomyosin receptor kinase A
USD	US dollar

Shareholder information

Financial calendar 2025	**Date**
Interim report Q1, January–March 2025	May 5, 2025
Annual General Meeting	May 14, 2025
Interim report Q2, April–June 2025	August 26, 2025
Interim report Q3, July–September 2025	November 11, 2025

All financial reports are available on the AlzeCure website, www.alzecurepharma.com

For additional information about AlzeCure, please contact:
AlzeCure Pharma AB (publ)
Corporate ID no. 559094-8302, domiciled in Stockholm, Sweden.
Address: Hälsovägen 7, SE 141 57 Huddinge.
info@alzecurepharma.com

FNCA is the company's Certified Adviser.

2025 Annual General Meeting

The Annual General Meeting will be held at 4:00 p.m. on May 14, 2025 in the premises of Advokatfirman Synch at Birger Jarlsgatan 6, Stockholm.

To have the right to participate at the General Meeting shareholders must:
- be recorded as a shareholder in the share register maintained by Euroclear Sweden AB as of May 6, 2025,
- notify the company of their intention to attend the AGM no later than May 8.

Notice to participate shall be made in writing to the address:
AlzeCure Pharma AB, Hälsovägen 7, SE 141 57 Huddinge,
or by e-mail to: birgitta.lundvik@alzecurepharma.com

For complete information about the 2025 Annual General Meeting, please see the notice, which will be posted on the AlzeCure website www.alzecurepharma.com

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, info@fnca.se

For more information, please visit
www.alzecurepharma.com

AlzeCure