Promore Pharma AB (publ)

Interim report January - June 2017

April to June

- Net sales amounted to MSEK 0 (0).
- The operating profit for the period was 8.5 (0.7) MSEK
- Net profit was 10.5 (0.5) MSEK, corresponding to earnings per share of SEK 0.69 (0.04)
- Cash flow from operating activities amounted to 10.7 (-5.6) MSEK
- Cash and cash equivalents amounted to 14.7 (10.9) MSEK

January to June

- Net sales amounted to MSEK 0 (0).
- The operating profit for the period was 5.3 (-2.2) MSEK
- Net profit was 7.2 (-2.5) MSEK, corresponding to earnings per share of SEK 0.53 (-0.19)
- Cash flow from operating activities amounted to 7.9 (-5.6) MSEK

Significant events during the period January - March

- A collaboration agreement was signed with the American biotech company Cellastra Inc. regarding the clinical development of PXL01 in North America
- The company formally changed name from Lipopeptide to Promore Pharma
- A resolution was made to perform a bonus issue and make the company public
- Share split 15:1 implemented
- Marianne Dicander Alexandersson was elected as a new board member
- Jonas Ekblom was employed as CEO. He was previously a consultant for the company.
- Submission of a clinical trial application in India for a PXL01 clinical phase III trial
- Submission of a patent application in the US for the PXL01 product composition
- Milestone payments received from PharmaResearch Products Ltd
- Subscription of shares using warrants was made
- Share issue in connection with the listing on Nasdaq First North in June raised 76 MSEK before deduction of transaction costs

Significant events after the end of the reporting period

- Trading in Promore Pharmas shares and warrants (TO1) was initiated on Nasdaq First North on 6 July 2017

" Now when additional funding has been received, it feels incredibly uplifting to take the next step in the development of our drug candidates. It is with great confidence that we look forward to the activities in coming quarters."

Jonas Ekblom, CEO Promore Pharma

Financial overview for the Company

	1 April - 30 June		1 January - 30 June	
Amounts in SEK	2017	2016	2017	2016
Net sales	-	-	-	-
Operating loss	8 527 254	729 818	5 289 305	-2 157 034
Profit/Loss for the period	10 529 613	535 153	7 230 272	-2 538 427
Earnings per share, before/after dilution, SEK [1]	0,69	0,04	0,53	-0,19
Cash flow from operating activities	10 749 721	-5 599 153	7 947 048	-5 599 153
Cash and cash equivalents at the end of the period	14 700 392	10 887 348	14 700 392	10 887 348

1) Adjusted for share split 15:1

Promore Pharma in brief:
Promore Pharma is a biopharmaceutical company specialized in the development of therapeutic peptides for the bioactive wound care market. The company's aim is to develop two first-in-category products for indications where very few efficacious prescription pharmaceuticals are available, thus, addressing high unmet medical needs. Promore Pharma has two projects, PXL01 and LL-37, in late stage clinical phase. PXL01, that will be used for prevention of post-surgical adhesions and scars, is being prepared for clinical phase III-studies in patients undergoing tendon repair surgery in the hand and LL-37 that is prepared for a clinical phase IIb study in patients with venous leg ulcers. The product candidates can also be deployed for other indications, such as preventing dermal scarring and treatment of diabetic foot ulcers. The company is listed on Nasdaq First North with Redeye AB as Certified Adviser.

CEO statement

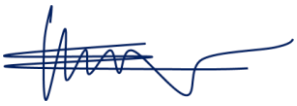
This is the company's first interim report after listing on Nasdaq First North on July 6th. I would therefore like to welcome old and new shareholders in Promore Pharma to this new era in the company's history. Through our IPO, we achieved two very important goals; (i) to secure funding to carry out the company's most significant projects, and (ii) to broaden the company's shareholder base. We are confident that hard and focused work will generate success in our research and development activities and that we will be able to develop drugs in therapeutic areas that today lack effective pharmacological therapies. Our company is unique in that we have two projects in a late clinical development phase where several important developmental risks have already been eliminated.

Now when additional funding has been received, it feels incredibly uplifting to take the next step in the development of our drug candidates. Our intense activity level has manifested itself in significant progress in the planning of the Phase III clinical trial that will be required to obtain future market approval for PXL01 in the EU for the prevention of post-surgical adhesions associated with tendon repair surgery. The work has progressed in close collaboration with our strategic partners; PharmaResearch Products Ltd in South Korea and Technomark Life Sciences LLC. The first patient is expected to be enrolled in the first half of 2018. During the first six months of the year, the work on preparation for the next clinical trial of LL-37 has also continued according to plan and we intend to start the enrolment of patients to this Phase IIb clinical trial during 2018. Before the end of this year, we intend to select a CRO (Clinical Research Organization) for the operationalization of our Phase IIb trial for the treatment of venous leg ulcers.

We have also submitted an international patent application in collaboration with Cellastra Inc.

The new issue we conducted in connection with the public listing in June mean we have the monetary resources that we need in order to drive our development projects forward with our strategic partners. It is with great confidence that we look forward to the activities in coming quarters'. We are currently in important stages of our development programs and we hope that our strategic investments will result in progress that will allow us to gradually approach the market for our product candidates. The expectations are high and this fact is l reflected in our desire and ambition to deliver successful results of high quality that will increase the value of the company.

Solna, 30 August 2017



Jonas Ekblom
President and CEO

Overview of activities

Promore Pharma is a biopharmaceutical company that develops peptide-based product candidates aimed for the bioactive wound market. The company was founded in 2002 and has two therapeutic peptides, PXL01 and LL-37, in late stage clinical development. PXL01 is aimed for prevention of post-surgical adhesions and scars and is being prepared for clinical phase III-studies on patients undergoing tendon repair surgery in the hand. LL-37 is prepared for a clinical phase IIb study on patients with venous leg ulcers. Additionally, the company is also planning for a clinical phase IIa study on patients with diabetic foot ulcers.

Promore Pharma's product candidates are based on peptides, possessing multiple biological functions and properties. These molecules are derived from sequences of human innate defence system. They are aimed for local application and have a strong safety profile since they are quickly degraded in the blood stream and are therefore unlikely to contribute to severe systemic adverse events. The results from prior clinical studies are very promising for both PXL01 and LL-37 when it comes to tolerability and safety as well as efficiency. The product candidates are protected by several international patent families offering protection until 2030 and longer. The patents provide protection in several dimensions, such as therapeutic use, formulation and dosage ranges.

Promore Pharma's product candidate represent first-in-category therapeutics for several patient groups, segments where patients experience pain, reduced mobility, and lowered quality-of-life. If Promore Pharma's product candidates in clinical development receive market authorization and are established as treatment for chronic wounds and for preventing adhesions and scars, it would mean shorter treatment times for patients and lower costs for society.

The global wound care market is estimated to grow from USD 17 billion in 2016 to USD 20.4 billion in 2021, meaning a CAGR of 3.6%[1]. Within the global wound care market, Promore Pharma is active within the segment bioactive wound care, the segment with the highest growth, which is expected to grow 14% per year until 2020 and reach USD 7.3 billion[2].

PXL01 is derived from a human anti-bacterial protein (lactoferrin), which is part of the innate immune system. This protein and its fragments have several modes of action. The development of PXL01 is initially aiming at preventing postsurgical adhesions after tendon repair surgery. In a phase-II clinical study that has been completed by the company in several EU countries, it has been demonstrated that PXL01 is efficacious and safe. Promore Pharma is preparing for a fully financed clinical phase III study in EU and India. A parallel clinical phase III study is planned in the USA, to form the basis for market authorization in North America. The first indication that the company is focusing on is preventing post-surgical adhesions after tendon repair surgery; additionally, it is anticipated that there are good opportunities for future indication broadening, such a preventing dermal scars and adhesions after total knee arthroplasty.

LL-37 is based on a human antimicrobial peptide, which stimulates several processes in wound healing. LL-37 showed good efficacy in a clinical phase IIa study that was completed by the company. The product candidate can be combined with standard treatment and applied by nurses or potentially directly the patient. The development of LL-37 is initially focused on venous leg ulcers and at a later stage diabetic foot ulcers. LL-37 is being prepared for a clinical phase IIb study on patients with venous leg ulcers in Europe in collaboration with PharmaResearch Products Ltd., that is Promore Pharma's partner. A smaller investigator sponsored trial is envisioned for LL-37 in diabetic foot ulcers.

The company's aim is to develop two first-in-category pharmaceuticals with uses in broad applications in bioactive wound care, specifically in indications with very few efficacious prescription pharmaceuticals addressing high unmet medical need. Promore Pharma is a small and cost-effective company without its own laboratories or research facilities, using a network of high-quality contract research organizations and contract manufacturing organizations. The company has experienced advisors in all critical aspects of the strategic planning process, including product development, regulatory affairs, design and execution of clinical trials.

Promore Pharma's overall strategy is to take the product candidates through clinical development to market authorization or to a point when a license agreement, alternatively a commercial deal with a larger pharmaceutical company with global presence can be realized. Such transactions may include out-partnering/licensing, strategic partnerships, joint ventures or asset sales.

[1] Markets and Markets "Wound care market – Global forecast to 2021"

[2] Technavio "Global bioactive wound care market 2016-2020"

Significant events during the report period 1 January – 30 June 2017

Name changed to Promore Pharma

The company formally changed its name from Lipopeptide AB to Promore Pharma AB. The name change was registered in January 2017, but the name Promore Pharma was used as an affiliated name since the third quarter 2016.

Co-development agreement Cellastra Inc

The company signed a co-development agreement with Cellastra Inc. on 17 March 2017. Through this agreement, the companies agreed to collaborate on the late stage development of PXL01 for prevention of post-surgical adhesions after hand surgery in North America. Cellastra intends to conduct a phase III clinical trial that along with the phase III clinical trial conducted by the company in Europe will constitute the basis for a future application for marketing authorization in North America.

Bonus issue and change of company category

As a measure to prepare the company for an IPO, it was resolved by the Annual General Meeting, held on 25 April 2017, that the company shall perform a bonus issue and at the same time make Promore Pharma a public company.

Share split implemented

At the Annual General Meeting, held on 25 April, it was resolved to implement a share split 1:15, meaning that the number of shares in the company increased from 904,283 to 13,564,245 shares. The quota value per share is 0.04 SEK after the split and the bonus issue mentioned above. The share split resulted in a change of outstanding warrants to 5,319,375.

Jonas Ekblom employed as Chief Executive Officer

Jonas Ekblom was formally employed as Chief Executive Officer per 1 May 2017. Jonas Ekblom has served in the management of the Company and its predecessor entities since 2010 and has contributed on a consultancy basis since 2015. Prior to that Dr. Ekblom served as CEO of Pergamum AB (predecessor to Promore Pharma AB).

Marianne Dicander Alexandersson elected as board director

Marianne Dicander Alexandersson was elected as a board director at the Annual General Meeting on 25 April. She has previously served as CEO of Kronans Droghandel, Sjätte AP-fonden, GHP AB, and as deputy CEO of Apoteket AB. Presently, she is serving on the board of directors in a number of companies, including Enzymatica AB, Recipharm AB, and Addera Care, as well as a member of the advisory board of the Dental and Pharmaceutical Benefits Agency in Sweden. She has also been a board director of Mölnlycke Health Care AB.

Submission of a clinical trial application for PXL01 in India

In May, Promore Pharma submitted a clinical trial application to the Drugs Controller General in India, seeking approval to conduct a phase III clinical trial on patients undergoing flexor tendon repair surgery. The study shall be part of a randomized, double-blind clinical trial that will be executed in several countries with the aim of enrolling up to 600 patients. The company intends to submit clinical trial applications in several EU countries during 2017 under the same clinical study protocol.

Patent application in the US for PXL01 product

Promore Pharma has in May together with Cellastra Inc. filed a patent application in the US regarding the composition of the PXL01 product. The company already has several international patent families, approved in a number of countries. The new application will, if approved, contribute to offering a broader and prolonged patent protection for PXL01 products within the indication tendon repair surgery.

Milestone payments from PharmaResearch Products Ltd.

In May, the company received two milestone payments from PharmaResearch Products Ltd. for the co-operation of the development of PXL01 totalling 1.5 MEUR. The payments were received following the approval of the clinical study protocol and the selection of suppliers for the Investigational Medical Product for the clinical Phase III study.

Subscription of shares using warrants

The main shareholders Rosetta Capital IV S.a.r.L., Midroc New Technology AB and PharmaResearch Products Ltd. subscribed for shares in May using warrants. The number of shares increased by 3,409,065 and the total number of shares increased to 16,973,910.

New share issue raised 76 MSEK before deduction of transaction costs

The company conducted a share issue in June in anticipation of the listing on Nasdaq First. Through the share issue, the Company received approximately 76 MSEK before deduction of transaction costs which amounted to approximately 11 MSEK. The total number of shares after the share issue amount to 20,235,090 and the company received approximately 800 new shareholders. In addition, there are 6,523,560 warrants outstanding, also listed on Nasdaq First North and other warrants, which entitle to subscription of 1,910,310 shares. These warrants are held by PharmaResearch Products Ltd., Technomark Group USA LLC and Kentron Biotechnology Pvt. Ltd., all partners to the Company for the development of PXL01, and correspond to a dilution 8.6%.

Significant events after the reporting period

Listing on Nasdaq First North

Trading in the Promore Pharma shares and warrants (TO1) commenced on Nasdaq First North on 6 July 2017. The share is traded under the ticker PROMO with ISIN code SE009947740 and the warrant is traded under the ticker PROMO TO1 with ISIN code SE0009997158.

Financial information

Net sales and result second quarter 2017

Promore Pharma is an innovation company and its product candidates are still undergoing clinical development. Consequently, the company has no revenues from products sales during the reporting period. The net profit for the period was 10.5 MSEK (0.5 MSEK), which was explained by milestone payments from PharmaResearch Products Ltd of 1.5 MEUR. Company costs were lower in the second quarter 2017 compared to the second quarter of 2016 due to several milestone payments to the company's partner Technomark Group USA LLC for preparatory work for the clinical Phase III study regarding PXL01 in EU and Asia.

Net sales and result first six months 2017

Promore Pharma is an innovation company and its product candidates are still undergoing clinical development. Consequently, the company has no revenues from products sales during the reporting period. Other operating income amounted the first six months 2017 to 14.9 MSEK (9.2 MSEK). Other operating income are mainly milestone payments from PharmaResearch Products Ltd. During the first six months 2017 they amounted to 1.5 MEUR (1 MEUR).

The company's costs for raw materials and consumables are mainly related to development costs, such as costs for patents and consultans working with the development of the company's candidate drugs. During the first six months 2017 these costs decreased to 2.9 MSEK (9.1 MSEK) since several milestone payments were made to the company's partner Technomark Group USA LLC for preparatory work for the clinical Phase III study regarding PXL01 in EU and Asia

Other external costs increased the first six months 2017 to 5.2 MSEK (1.4 MSEK), mainly due to increased costs for the company's IPO.

Personnel expenses increased the first six months 2017 to 0.9 MSEK (0.2 MSEK) due to the employment of the company CEO from 1 May 2017.

Net profit for the first six months amounted to 7.2 MSEK (-2.5) MSEK, corresponding to earnings per share SEK 0.53 (-0.19).

Liquidity and financing

The cash flow from operating activities during the first six months amounted to 7.9 MSEK (-5.6 MSEK). The main difference is attributed to an improved result in 2017 and an increase in short-term debt. The cash-flow from investments during the period amounted to 0.2 MSEK (-0.5 MSEK). The change was mainly a consequence of a divestiture of shares in Herantis Pharma Oyj during 2017.

The cash flow from financing activities was 0 MSEK (14.7 MSEK) during the period. The net proceeds from the new share issue in June 2017 was not paid by 30 June 2017.

The company's cash and cash equivalents amounted to 14.7 MSEK per 30 June 2017, as compared to 10.9 MSEK per 30 June 2016.

Kassaflödet från finansieringsverksamheten uppgick under perioden till 0 MSEK (14,7 MSEK). Likviden för den under juni 2017

Auxiliary information

Number of shares

On 30 June 2017, the number of shares amounted to 20,235,090 (13 564 245) after the share issue in connection with the listing on Nasdaq First North. The offering was subscribed for to approximately 41 MSEK including subscription undertakings. Additionally, 46% of the offering was subscribed for in accordance with underwriting commitments equivalent to approximately 35 MSEK. This means that 3,261,780 shares and 6,523,560 warrants were issued. The main owners Rosetta Capital IV S.a.r.L., Midroc New Technology AB and PharmaResearch Products Ltd. invested an aggregate of approximately 26 MSEK in the offering and owns over 87 percent of shares after the transaction. There are additional outstanding warrants, which entitle to subscription of 1,910,310 shares. These warrants are held by PharmaResearch Products Ltd., Technomark Group USA LLC and Kentron Biotechnology Pvt. Ltd., all partners to the Company for the development of PXL01, and correspond to a dilution 8.6%.

Holding of shares in Herantis Pharma Oyj

The company holds shares in the Finnish biotech company Herantis Pharma Oyj. This is a consequence of a passive historic holding in the Finnish company Biocis Oy since the formation of Pergamum AB in 2010. Biocis has since then undergone a number of corporate mergers and ownership restructurings which has resulted in a holding of shares in Herantis Pharma Oyj, a company that executed an IPO in 2015. Promore Pharma's holding of shares in Herantis Pharma Oyj amounted to 57,262 per 30 June 2017. The board of directors of the Company has decided that this holding shall be divested in a step-wise fashion.

Personnel

Promore Pharma has a small and cost-effective organization that primarily is focused on business development, project coordination as well as management of intellectual property and core development documentation. All personnel except the CEO operate on a consultancy basis. Per 30 June 2017, the company had one employee.

Transactions with related parties

Aside from the transactions outlined in the section below, the company has not been part of any transactions involving related parties during the report period. All transactions have been carried out at market conditions.

Financial calendar

Interim report January – September 2017	21 November 2017
Year-end report 2017	6 February 2017

Review by auditor

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

Stockholm 30 August 2017

Göran Pettersson

Chairman

Göran Linder

Torsten Goesch

Satyendra Kumar

Marianne Dicander Alexandersson

Consolidated income statement

Amounts in SEK	1 April - 30 June 2017	1 April - 30 June 2016	1 January - 30 June 2017	1 January - 30 June 2016
Operating income				
Net sales	-	-	-	-
Other operating income	14 927 379	9 244 733	14 939 829	9 249 135
Operating expenses				
Commodities and supplies	-1 703 670	-7 330 128	-2 907 440	-9 076 821
Other external expenses	-3 615 747	-633 978	-5 185 374	-1 365 746
Personnel costs	-768 317	-135 611	-892 229	-240 578
Depreciation and impairments on fixed assets	-304 286	-304 286	-608 572	-608 572
Other operating expenses	-8 105	-110 912	-56 909	-114 452
Operating loss (EBIT)	**8 527 254**	**729 818**	**5 289 305**	**-2 157 034**
Financial items				
Net financial items	2 002 359	-194 665	1 940 967	-381 393
Profit/loss after finanical items	**10 529 613**	**535 153**	**7 230 272**	**-2 538 427**
Profit/oss before tax	**10 529 613**	**535 153**	**7 230 272**	**-2 538 427**
Tax	-	-	-	-
Profit/Loss for the period	**10 529 613**	**535 153**	**7 230 272**	**-2 538 427**

Consolidated balance sheet

Amounts in SEK	30 June 2017	30 June 2016	31 December 2016
ASSETS			
Subscribed but unpaid capital	73 056 297		
FIXED ASSETS			
Intangible fixed assets	3 651 425	4 868 568	4 259 997
Tangible fixed assets	32 667		
Financial fixed assets	3 906 124	824 030	1 859 162
Total fixed assets	**7 590 216**	**5 692 598**	**6 119 159**
CURRENT ASSETS			
Short term receivables	1 252 703	401 530	521 242
Cash at bank and in hand	14 700 392	10 887 348	6 491 244
Total current assets	**15 953 095**	**11 288 878**	**7 012 486**
TOTAL ASSETS	**96 599 608**	**16 981 476**	**13 131 645**
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital	809 404	54 257	54 257
Reserve fund	380 349	380 349	380 349
Unrestricted equity			
Non-restricted reserves	72 981 516	10 415 294	11 044 701
Loss for the period	7 230 272	-2 538 427	-8 025 652
Total equity	**81 401 541**	**8 311 473**	**3 453 655**
LONG-TERM LIABILITIES			
Other liabilities to credit institutions	714 038	500 000	714 038
Other liabilities	417 942	6 704 724	7 177 025
Total long-term liabilities	**1 131 980**	**7 204 724**	**7 891 063**
CURRENT LIABILITIES			
Accounts payable	1 523 362	1 289 294	946 370
Other current liabilities	12 542 725	175 985	840 557
Total current liabilities	**14 066 087**	**1 465 279**	**1 786 927**
TOTAL EQUITY AND LIABILITIES	**96 599 608**	**16 981 476**	**13 131 645**

Consolidated cash flow analysis

Amounts in SEK	1 April - 30 June 2017	1 April - 30 June 2016	1 January - 30 June 2017	1 January - 30 June 2016
OPERATING ACTIVITIES				
Operating loss	8 527 254	-2 157 034	5 289 305	-2 157 034
Depreciation	304 286	608 572	608 572	608 572
Interest received	2	420	3	420
Interest paid	-5808	-7863	-5 813	-7863
Tax paid	0	0	0	0
Cash flow from operating activities before changes in working capital	**8 825 734**	**-1 555 905**	**5 892 067**	**-1 555 905**
Increase/decrease other current receivables	-793 338	206 561	-731 461	206 561
Increase/decrease other current liabilities	2 717 325	-4 249 809	2 786 442	-4 249 809
Cash flow from operating activities	**10 749 721**	**-5 599 153**	**7 947 048**	**-5 599 153**
Cash flow from investing activities	136 514	-566 325	262 100	-566 325
Cash flow from financing activities	0	14 749 600	0	14 749 600
Cash flow for the period	**10 886 235**	**8 584 122**	**8 209 148**	**8 584 122**
Cash and cash equivalents at the beginning of the period	**3 814 157**	**2 303 226**	**6 491 244**	**2 303 226**
Cash and cash equivalents at the end of the period	**14 700 392**	**10 887 348**	**14 700 392**	**10 887 348**

Changes in equity for the group

EQUITY

	Share capital	Other paid-in capital	Other equity
Amount at the beginning of the period (1 April 2017)	**54 257**	0	**100 056**
Bonus issue	488 313		0
New share issue	266 834		69 962 468
Profit for the period			10 529 613
Amount at the end of the period (30 June 2017)	**809 404**		**80 592 137**

	Share capital	Other paid-in capital	Other equity
Amount at the beginning of the period (1 January 2017)	**54 257**	0	**3 399 397**
Bonus issue	488 313		
New share issue	266 834		69 962 468
Profit for the period			7 230 272
Amount at the end of the period (30 June 2017)	**809 404**		**80 592 137**

Conditional shareholders contribution of SEK 26 500 000 (26 500 000).

EQUITY

	Share capital	Other paid-in capital	Other equity
Opening balance (1 April 2016)	**51 530**	0	**7 592 332**
Offset issue	2 727		0
Result from merger with Dermagen AB			129 731
Profit for the period			535 153
Closing balance (30 June 2016)	**54 257**		**8 257 216**

	Share capital	Other paid-in capital	Other equity
Opening balance (1 January 2016)	**51 530**	0	**10 665 586**
Offset issue	2 727		
Result from merger with Dermagen AB	0		129 731
Profit for the period			-2 538 101
Closing balance (30 June 2016)	**54 257**		**8 257 216**

Conditional shareholders contribution of SEK 26 500 000 (26 500 000).

For additional information, please contact

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This information is information that Promore Pharma AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 15:45 CET on 30 August 2017