PROMORE PHARMA

ANNUAL REPORT 2022

PROMORE PHARMA

leading-edge medical innovation

PROMORE PHARMA AB

Promore Pharma AB (publ)
Registration number: 556639-6809

Address: Fogdevreten 2
SE-171 65 Solna, Sweden
Telephone: +46 8 124 548 59
E-mail: info@promorepharma.com
Website: www.promorepharma.com

Contact persons:

Jonas Ekblom, CEO
Telephone: +46 736 777 540
E-mail: jonas.ekblom@promorepharma.com

Erik Magnusson, CFO
Telephone: +46 708 565 245
E-mail: erik.magnusson@promorepharma.com

Certified Adviser
Erik Penser Bank AB

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PROMORE PHARMA'S VISION

TO SOLVE THE GLOBAL MEDICAL PROBLEMS OF SCARRING, ADHESIONS AND CHRONIC WOUNDS.

STRATEGY

Promore Pharma has a small cost-effective organization that mainly works with project coordination, i.e. coordinates the company's extensive projects between strategic partners, clinical service organizations and other service providers, for example in the manufacturing area.

In a future situation, when Promore Pharma's projects are close to the market, the company intends to seek alliances with large fully integrated, multinational companies for go-to-market and commercialization.

The company intends to operationalize and finance the development of the drug candidates for adjacent treatment areas through strategic collaborations. Such strategic collaborations can be implemented with both large and small development companies.

Furthermore, the company's efforts aim to maintain and monitor the patent portfolio that protects the company's main projects.

THIS IS PROMORE PHARMA

Promore Pharma is a biopharmaceutical company that develops peptide-based drug candidates.

The goal is to become a leading company in scarring and wound care by developing drugs in segments lacking prescription drugs, thus representing large unmet medical needs.

Two projects are in the late clinical development phases and have a very strong safety profile because they are based on body substances that are administered locally:

Ropocamptide (LL-37) is being developed to stimulate the healing of chronic wounds and has recently undergone a Phase IIb clinical trial with positive results in patients with hard-to-heal venous leg ulcers.

Ensereptide (PXL01) is being developed to prevent scarring and adhesions associated with surgery, and has recently been evaluated in a Phase IIa study for prevention of skin scarring.

Good opportunities for indication broadening, i.e. to demonstrate value in other (similar) medical conditions.

The share is listed on the Nasdaq First North Growth Market.

ACHIEVEMENTS IN 2022

During 2022, the company has devoted all its resources to further development of the company's two projects, ensereptide and ropocamptide.

The majority of the company's resources have been invested in the ongoing phase II clinical trial of ensereptide, PHSU05. The clinical part of the trial began in February 2022, and the inclusion of patients was completed approximately one month later.

During the summer the last patient visit was carried out, which meant that the clinical part of the study could be completed in accordance with our operating plan.

The work with the histopathological analysis has been carried out during the winter of 2022/2023.

The company reached database lock in this clinical trial during February 2023. The primary endpoint of the study was safety and tolerability. Data from this clinical trial were communicated in April 2023, concluding that while the clinical trial met its primary endpoint, in regards to safety and tolerability, the efficacy-related endpoints did not support the clinical value of ensereptide for prevention of dermal scarring.

Within the ropocamptide project, the company has worked to create a new manufacturing process for an improved dosage form of the product that does not require mixing before each application. During the fall, the company retired several development risks related to a new production process; although a number of development and validation steps remain.

In addition, the company has defended the patent situation for both projects during the year.

CEO STATEMENT

Our ultimate goal is to provide new innovative products that can offer an important medical difference for patients in the field of advanced wound care.

The past year was an important year for Promore Pharma. Our ultimate goal is to provide new innovative products that can offer an important medical difference for patients in the field of advanced wound care. Wounds often result in pain, reduced mobility, reduced quality of life and social stigma. Our vision is to offer improved quality of life for patients who currently lack effective treatment options.

The two product candidates that the company has been developing in 2022 are ropocamptide, which is a new treatment of chronic leg ulcers, and ensereptide, which is a pharmaceutical agent for prevention of dermal scarring. The company's product candidates have a strong safety profile with a low probability of producing severe adverse events. This in turn means significantly lower attrition risks compared to other treatment modalities that are in the same development phase. The lower risk also means that we can conduct clinical studies at a lower cost than what is seen in other clinical development initiatives.

Wounds often result in pain, reduced mobility, reduced quality of life and social stigma. Our vision is to offer improved quality of life for patients who currently lack effective treatment options.

We are convinced that ropocamptide represents a gigantic commercial potential in a marketplace where there currently are no prescription pharmaceuticals for VLUs.

During 2022, the majority of the company's resources have been invested in the PHSU05 phase II clinical trial of ensereptide that recently was concluded. The clinical part of the trial was completed in 2022, and work on the histopathological analysis was a large undertaking that was completed in the first quarter of this year.

Recently we communicated data from the PHSU05 clinical trial. The safety and tolerability of the drug candidate was excellent. Nonetheless, the results we achieved, sadly, failed to prove that ensereptide has a significant effect on the prevention of dermal scarring. We concluded that the quality of the study was excellent, without any major deviations. Since we deem the results to be reliable, the board of directors and the management team are currently assessing the future potential of the investigational drug ensereptide.

With opportunities comes responsibilities. Primarily because we raise hope among patients and healthcare providers about improved quality of life, but also since we need to live up to the trust given by our partners, shareholders and employees.

In the past year, the efforts in the ropocamptide program have been aimed at establishing a new manufacturing process for production of a single-component product. Several steps have been successfully taken, more development work remains in order to secure and validate the improved product concept.

Near-time, the management and the board will evaluate the applicable strategic alternatives for the company with the aim of laying out a plan that is optimal based on the situation in which we today find ourselves. While we are convinced that ropocamptide represents a gigantic commercial potential in a marketplace where there currently are no prescription pharmaceuticals for venous leg ulcers, we have to identify a reasonable approach to finance further development efforts.

Thank you for the confidence you have shown in the Company!

Stockholm, 2 May 2023
Jonas Ekblom
President & CEO

ROPOCAMPTIDE:
PROJECT DESCRIPTION

A NEW TREATMENT FOR CHRONIC WOUNDS

Chronic wounds are typically defined as ulcers that do not heal within six weeks. The most common type of chronic ulcers are the venous leg ulcers (VLUs) which are caused by the blood circulation in the legs not working properly. Most people get rid of their leg ulcers but it can sometimes take decades.

Wound healing

Wound healing occurs in four sequential phases: hemostasis, inflammation, proliferation and reconstruction. Ropocamptide has several different mechanisms of action that appear to enhance wound healing in several of these phases.

Dosage form

Ropocamptide is formulated as a viscous hydrogel intended for local (topical) administration. This means that treatment is very safe; the risk of serious adverse events is very limited.

Conducted clinical studies

The company has conducted two clinical trials with ropocamptide. In the first study (LL 37001B), which was a Phase I / II study, 34 patients with venous leg ulcers were treated for one month with ropocamptide or placebo.

In the study, three different doses of ropocamptide were assessed. At the two lower doses, a statistically significant increase in wound healing rate was observed. In contrast, at the highest dose, a number of local adverse reactions occurred, and no significant treatment benefit was observed compared to placebo.

In a subsequent study (HEAL LL-37), the two tolerable and effective doses of ropocamptide defined in the first clinical study, were studied in comparison with placebo.

FACT BOX: ROPOCAMPTIDE

- Ropocamptide is a peptide with the same amino acid sequence as naturally occurring LL-37 (cathelicidin).
- This human peptide is part of a human antimicrobial protein (cathelicidin) and this protein has been shown to be important in the dermal wound healing process.
- LL-37 attracts inflammatory cells, stimulates the formation of new blood vessels in the skin, and accelerates the migration of epithelial cells that are important for wound closure.
- Ropocamptide consists of 37 amino acids and can be manufactured to a high degree of purity by chemical synthesis.

In the most recent study (Phase IIb), ropocamptide showed a significant treatment effect compared to placebo in patients with large venous leg ulcers.

Treatment of diabetic foot ulcers

Published research data indicate that LL-37 could also be relevant for treatment of diabetic foot ulcers. For example, diabetic foot ulcers, like venous leg ulcers, lack naturally occurring LL-37 in the wound surface. Promore Pharma therefore believes that diabetic foot ulcers represent a good opportunity for another indication for LL-37. At present, the company has not planned any clinical trials for this indication.

In the fall of 2018, Promore Pharma started the patient recruitment to HEAL LL-37, a randomized and double-blind clinical Phase IIb trial in patients with venous leg ulcers. The study was conducted at clinics in Sweden and Poland.

The results of HEAL LL-37, in which a total of 144 patients were treated with two different doses of ropocamptide (0.5 mg/ml or 1.6 mg/ml) or placebo, showed that larger leg ulcers (≥10cm2) healed significantly faster with ropocamptide than with placebo. In patients treated with the most effective dose of ropocamptide, which was 0.5 mg/ml, a more than three-fold higher frequency of fully healed wounds was observed. At the aggregate level, with wounds of all the sizes included in the study, no significant differences could be noted between the three treatment groups.

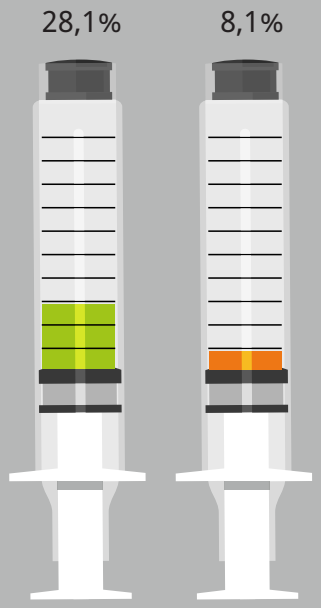
In patients with large wounds (≥10cm2) treated

with 0.5 mg/ml ropocamptide, 28.1% achieved complete wound healing; whereas only 8.1% of patients in the placebo group showed complete healing. This difference was statistically significant ($p < 0.05$) for the most effective dose group, 0.5 mg/ml ropocamptide.

When analyzing the proportion of patients who achieved 70% healing of their wounds, a statistically significant advantage could be demonstrated for both dose groups of ropocamptide compared to placebo. The mean reduction in wound size after discontinuation of treatment was 33.7% for patients treated with placebo, and 56.3% for patients treated with the most effective dose of ropocamptide (0.5 mg/ml). Regarding safety and tolerability, no serious side effects have been noted that can be considered to be related to the experimental drug.

In 2022, the company conducted development work with the aim of creating a more user-friendly product configuration, which does not require mixing at each dosing occasion.

RESULTS OF HEAL LL-37 (PHASE IIB TRIAL)



In patients with large wounds (≥10cm2) treated with 0.5 mg/ml ropocamptide, 28.1% achieved complete wound healing; whereas only 8.1% of patients in the placebo group showed complete healing.
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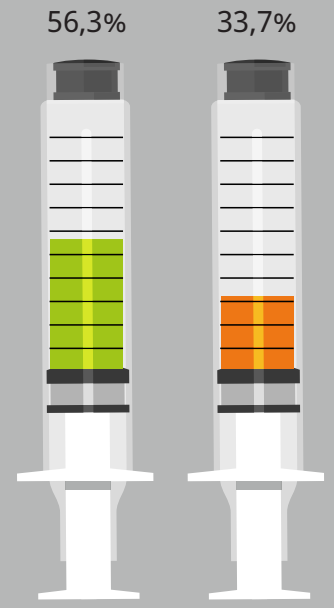
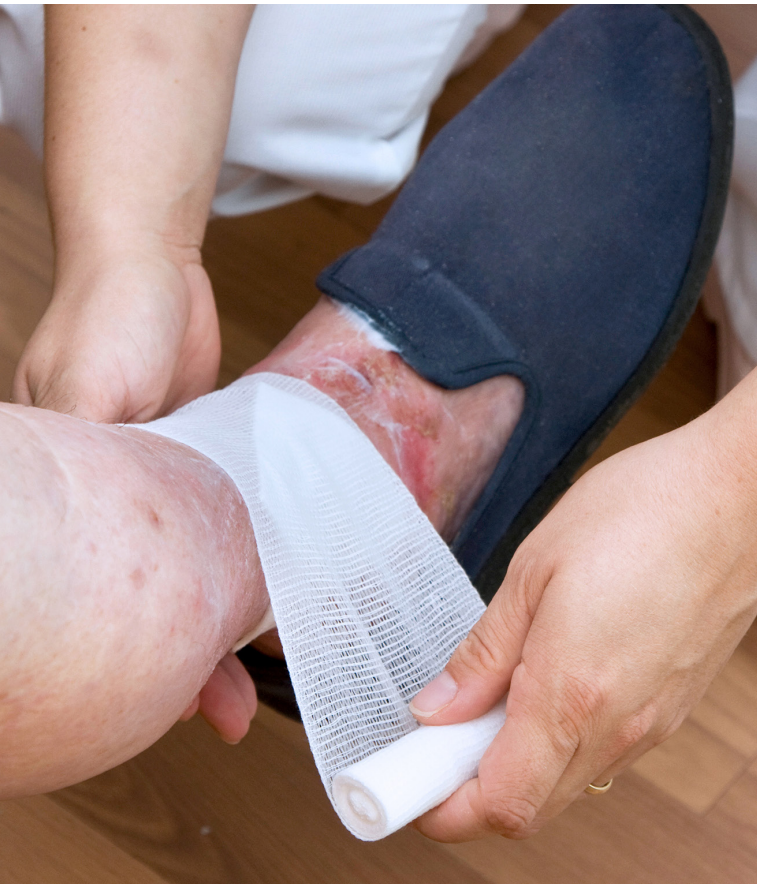


ROPOCAMPTIDE:
MARKET



THE MARKET FOR HARD-TO-HEAL WOUNDS

The global market for wound care products is estimated at approximately USD 20 billion in annual turnover. There are currently no prescription drugs for the treatment of venous leg ulcers, which are the most common type of chronic ulcer. The market is dominated by medical technology products that often lack documentation from extensive, controlled clinical trials.

It is estimated that about 15 million people in traditional pharmaceutical markets suffer from chronic hard-to-heal leg wounds.

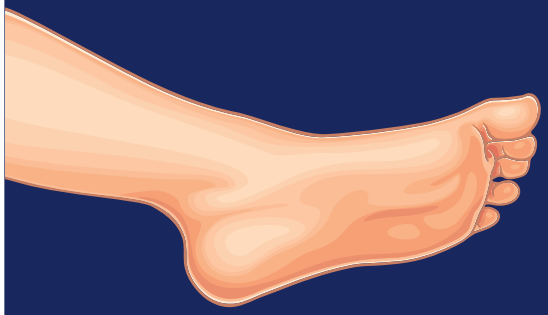
Venous leg ulcers (VLUs) make up the largest group and account for about 40 percent of all chronic ulcers. The most common cause of VLUs is venous insufficiency, which means that blood circulation in the legs does not function adequately; often because the valves in the veins do not work satisfactorily. The legs become swollen and ulcerate easier because the skin becomes brittle. As blood circulation is impaired, the wounds also become more hard-to-heal. The risk of getting VLUs increases with increasing age and obesity.

VLUs can often be painful, bleeding, oozing, foul-smelling and restrict the mobility of patients. In severe cases, the patient may even become bedridden or need to amputate a foot or lower leg.

The treatment of chronic wounds requires extensive resources from healthcare system and thus causes large costs because patients need care regularly two to three times a week. Estimates show that the healthcare costs for treating a single VLU amount to over USD 10,000. In the United States alone, the aggregate healthcare costs for patients with hard-to-heal wounds are estimated to exceed USD

FACTORS THAT DRIVE MARKET GROWTH

- Increasing subsidy for effective products, new products that offer longer wound-free episodes
- Aging population, leads to increased prevalence
- Increasing prevalence of underlying chronic disease; obesity, diabetes and cardiovascular disease
- Increased consumption of wound care products in growing middle-income countries; China, Southeast Asia and Latin America



As blood circulation is impaired, the wounds also become more hard-to-heal. The risk of getting venous leg ulcers increases with increasing age and obesity.

25 billion annually. In Scandinavia, chronic wounds are estimated to account for two to four percent of the total social cost of healthcare.

Standard treatment today consists primarily of compression treatment and dressings that are intended to keep the wound moist, to stimulate healing.

The global wound care market

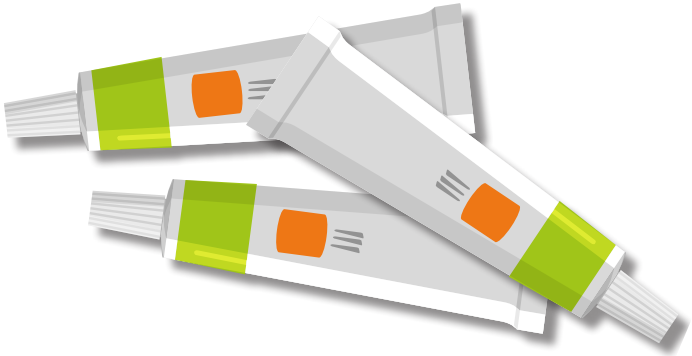
The market today is dominated by medical devices, although there are also drugs approved for the treatment of diabetic foot ulcers, such as Regranex. Regranex is sold for approximately USD 560-1,000 per pack (15 g), which is equivalent to a quantity of product to treat a median wound in one month. This corresponds to between USD 1,680 and USD 3,000 for a normal twelve-week treatment cycle.

Competition

According to Clinicaltrials.gov, there are about <100 studies registered since the database was established regarding the evaluation of drug-like products for VLUs, of which twelve are for pharmaceutical product candidates. For diabetic foot ulcers, the figure is about 300 studies. The majority of these studies, for both VLUs and diabetic foot ulcers, have been completed since long. It can be compared with studies in Type II diabetes which is over 3,000, and lung cancer with over 2,000 studies.

There are a number of projects that are currently undergoing Phase II studies in this treatment area. It is difficult to determine to what extent other projects at the same development phase can be compared with LL-37. Peptides based on recombinant growth factors such as PDGF, FGF or EGF have traditionally been associated with some risk of being carcinogenic, which is not perceived as a significant risk for LL-37. Moreover, it is generally perceived that products that do not impair the current wound care practice are preferable. Ropocamptide can be applied in conjunction with regular dressing changes.

In summary, this means that the LL-37 project is strongly positioned in competition with other pharmaceutical products that are undergoing development for the treatment of hard-to-heal leg ulcers.



ENSEREPTIDE:
PROJECT DESCRIPTION

TO PREVENT SURGICAL SCARS

Scars on the skin and other tissues represent one of the most common and costly complications of invasive surgery.

Scarring

The underlying cause of scarring is similar in different clinical contexts such as scarring of the skin or adverse permanent adhesions of tissues that should normally be separated. It is a well-known fact that increased inflammation and fibrin formation after surgery are two key mechanisms that strongly contribute to scarring. Ensereptide is a unique molecule, as the peptide affects both of these key mechanisms.

Scarring on the skin can have both physical and psychological consequences, from reduced mobility and function to emotional trauma. Despite an extensive medical need and a clear demand, there are currently no pharmaceutical products on the market to prevent scarring on the skin.

Conducted clinical studies

Promore Pharma has previously conducted a Phase I clinical study of ensereptide; a study that included 15 healthy volunteers at a center in Sweden.

The treatment was well-tolerated, without any clinically significant adverse side effects related to ensereptide during physical evaluation or laboratory results. The systemic exposure of ensereptide was very low in all dose groups, indicating that a very small proportion of the drug (non-quantifiable amount) reaches the bloodstream.

Ensereptide has also undergone a randomized, double-blind, Phase IIb study in 138 patients with flexor injury in the hand. In the study, a single dose of either ensereptide mixed with highly viscous hyaluronic acid or placebo was applied in conjunction with the tendon repair procedure.

The differences between ensereptide and placebo were monitored for 12 months in terms of effica-

cy and safety. At all times after surgery, the mobility of the injured finger improved for patients in the PXL01 group compared to the placebo group.

Scarring on the skin

Scar formation on the skin is the natural consequence of large or deep wounds in adult mammals.

There is a spectrum of scar formation, with scarless regeneration on one end, "normal" scar formation in the center, and pathological scar formation, including hypertrophic and keloid scarring, on the other end. Keloid and hypertrophic scarring contribute to much of the morbidity of scarring after surgery.

Hypertrophic scar can be defined as a scar forming after injury that is larger or more raised than usual, or that results in contracture. A hypertrophic scar is more likely to occur after infection of the wound, closure of the wound with excessive tension, or with position of the wound in areas of skin with high natural tension, for example on shoulders, neck, and chest. There are also important genetic differences in the propensity to form large scars; some ethnic groups in Africa and Asia are at higher risk of developing hypertrophic scars or keloids.

Keloid scars, on the contrary, represent an abnormally exuberant scarring response that extends beyond the borders of the original injury. Keloids cause symptoms of pruritus and hypersensitivity and tend to recur after excision, as opposed to hypertrophic scars that may not recur if the scar if revised appropriately. While hypertrophic scars often flatten over several years, keloid scars typically do not regress.

A mature cutaneous scar consists of a large amount of collagen, the majority consisting of type I collagen and the rest of collagen type III. Collagen in scar tissue is arranged in fiber bundles parallel to the skin surface, while the collagen in normal skin is arranged in a nonparallel "basket-weave" orientation. In Promore Pharma's clinical trial PHSU05, the impact of ensereptide treatment on the histology of scar formation was analyzed, by assessment of tissue slides from punch biopsies collected from scars treated with ensereptide or placebo.

FACT BOX: ENSEREPTIDE

- Ensereptide is a peptide fragment of the endogeneous human protein lactoferrin.
- The peptide is 25 amino acids long and is produced by chemical synthesis.
- Ensereptide is anti-inflammatory and pro-fibrinolytic.
- The product is a viscous hydrogel that is administered locally with a syringe without a needle.

PHSU05
A RECENT CLINICAL TRIAL

PHSU05 is a Phase II pilot study that was aimed at evaluating local tolerance, the application process for ensereptide and the preliminary effect of the study drug to prevent scarring after experimentally induced full-thickness wounds in healthy volunteers.

The primary study objective was to assess local tolerance and systemic safety of ensereptide. The trial also included several secondary endpoints aimed at assessing the ensereptide application process as well as efficacy using rating scales such as the Vancouver Scar Scale and the Patient and Observer Scar Assessment Scale (POSAS) at 2 and 12 weeks after administration of a trial drug or placebo.

In addition, and more importantly, a histological evaluation was performed on skin biopsies collected from all wounds 12 weeks after application of the study drug. In the study 24 healthy subjects are recruited, both men and women aged 18 to 40 years. Each subject received 6 experimental wounds (3 per upper arm). These wounds were randomized to receive either ensereptide or placebo treatment. This means that each patient could serve as a control for themselves.

In addition to safety assessment, wound photography and scar assessments, biopsies were taken from each wound. The principal investigator of this clinical trial was Dr. Fredrik Huss, Chief Physician and Associate Professor at the Department of Surgical Sciences, Plastic Surgery Akademiska Sjukhuset, Uppsala.

The patient enrollment in the study started in February 2022. The last patient visit was completed in June 2022, and final study results were communicated in April 2023.

RESULTS FROM PHSU05

On 21 April 2023, the company reported on the outcome of PHSU05. In terms of study conduct, it was concluded that the overall trial quality was excellent. No major deviations from the clinical study protocol were reported and no subjects were lost to follow-up, showing a high level of protocol compliance.

There were no differences observed in between wounds treated with ensereptide versus placebo in terms of safety or tolerability. In total 66 adverse events were reported, and 61 of these were categorized as mild, and 5 as moderate.

In terms of the frequency of local reactions, pain, pruritus (itching) and delayed wound healing, there were no distinguishable differences between the treatment groups (see **Table A**). Notably, some of the study subjects reported a slower healing rate than expected (6 wounds in total in 3 subjects were not fully re-epithelized at the 12 week follow-up

visit). These wounds that were not fully healed at the last visit, representing <5% of all analyzed wounds, were excluded from the efficacy analysis. Together, the safety and tolerability of the product were good.

While the primary endpoint of the study (safety and tolerability) was met, no evidence of efficacy could be concluded for ensereptide.

The secondary endpoints of the study involved analyses utilizing two clinical scar rating scales; the *Vancouver Scar Scale* (see **Fact Box**) and the *Patient and Observer Assessment Scale* (POSAS). Comparison of the active and placebo group using these scoring scales did not demonstrate any notable difference between wounds treated with ensereptide and placebo (see **Figure B**, and **Table C**).

The study protocol included a number of exploratory endpoints. Thin tissue sections of biopsies collected from the study subjects on the 12 week follow-up visit were examined in regards to a number of markers for dermal scarring using histopathological scoring and immunofluorescence analysis with specific antibodies. The microscopic analyses did not provide any evidence that treatment with ensereptide may have a medically relevant value regarding reducing the indicators of dermal scarring after surgical incisions.

Given the negative outcome, and the fact that the clinical trial results are deemed reliable, the company's management and board of directors are currently assessing the future opportunities for the drug candidate.

FACT BOX: VANCOUVER SCAR SCALE

- The Vancouver Scar Scale (VSS) was the first validated scar scale to be widely used in clinical scar assessment. Implemented already in 1990, it remains the most frequently used scale till date.
- The VSS evaluates four indicators: vascularity, pigmentation, pliability, and height of the scar, resulting in a score ranging from 0-14.
- The VSS sets a precedent for systematic scar assessment by collecting subjective assessments and using a semiquantitative approach.
- VSS does not include an assessment of subjective symptoms, such as pain, itching, functional sequelae, or the psychological sequelae of scars.

FACT BOX: POSAS
PATIENT AND OBSERVER SCAR ASSESSMENT SCALE

- POSAS was developed in 2004, and the tool provides both the observer's (physician's) and the patient's insights, i.e. the scale consists of the two separate parts: a rating by the patient and a rating by the observer.
- Both sub-scales contain six items punctuated numerically from 1 to 10, and can each yield a maximum score of 60.
- The patients, who are blinded from the observer's scores, rate their own scars in regard to pain, itchiness, color, stiffness, thickness, and irregularity.
- The observer's scale consists of six parameters: vascularity, pigmentation, thickness, relief, pliability, and surface area.
- The patient and the observer rate their scars on the same day.

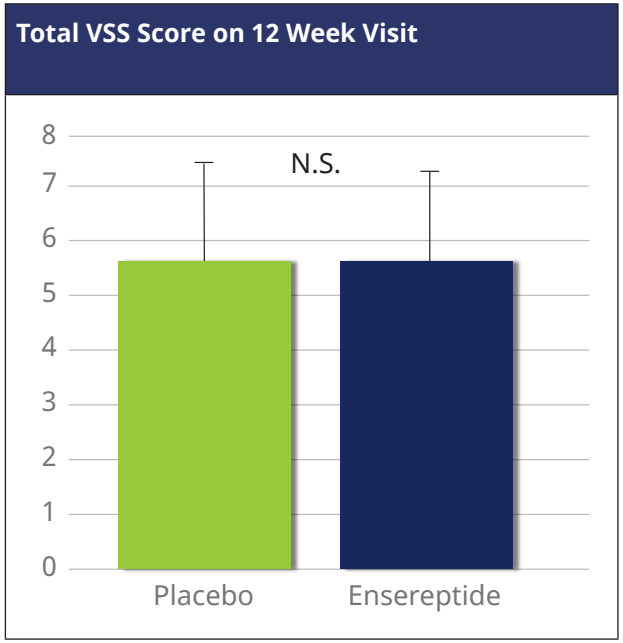
Table A

The frequency of local reactions, events of pain, and pruritus (itching) throughout the 12 week follow-up period.

Category	Placebo	Ensereptide
Local reactions (total wound events)	8 (TBD)	10
Pain (# patients reporting)	8	10
Pruritus (# patients reporting)	27	20

Figure B

The total VSS Score at the 12 week follow-up visit in wounds treated with placebo, and ensereptide, respectively.



The difference in total VSS score between the study arms did not reach statistical significance.
Data is indicated as Mean ± Standard Deviation.
N.S. = Not statistically significant.

Table C

Assessment of wounds with the Patient and Observer Assessment Scale (POSAS) at the 12 week follow-up visit.

Assessor	Placebo	Ensereptide	Sta-tistics
Patient scale (rating by study subject)	29.3 ± 7.5	30.3 ± 6.9	N.S.
Observer scale (rating by physician)	18.8 ± 4.0	19.2 ± 2.8	N.S.

It is notable that the patient and the observer (physician) are assessing different scar attributes.
Data is indicated as Mean ± Standard Deviation.
N.S. = Not statistically significant.

MICROSCOPIC ANALYSIS OF SKIN BIOPSIES

Offspring Biosciences is a Swedish company, founded by scientists from AstraZeneca's former R&D unit in Södertälje, which provides research services in advanced histopathology.

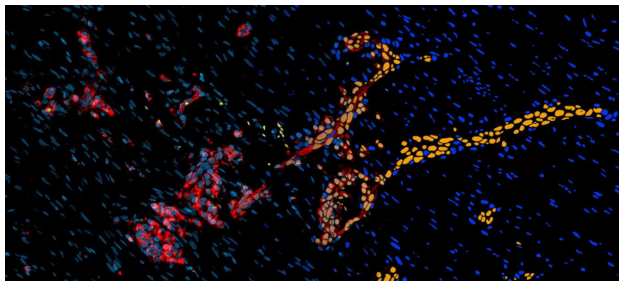
The analyzes can provide a better understanding of disease mechanisms in the drug development process. These analyzes can also help biotech companies such as Promore Pharma to predict which patients will best respond to their drugs.

Immunofluorescence

In Promore Pharma's collaboration with Offspring, tissue sections from biopsies collected in the PHSU05 study are stained with immunofluorescence markers. This is a technique that provides the opportunity to identify, visualize and quantitatively measure the production and distribution of biomarkers in the tissue that provide information about the drug's effect on the damage processes experimentally induced in the skin.

Immunofluorescence is performed by taking ultra-thin sections from the skin biopsies and mounting them on glass slides, after which the sections are bathed in a solution containing specific antibodies directed against these biomarkers. Areas within the tissue that contain these biomarkers will then be decorated by the antibodies, which are then detected in a very sensitive process that includes local deposition around the bound antibodies of fluorescent molecules.

The stained tissue sections are then scanned with a robotic microscope, which creates digital maps of the tissue sections with subcellular resolution. The image files from this scanning process are analyzed by artificial intelligence (AI)/Deep-learning based algorithms, to allow precise quantification of biomarker expression. These analyses, which result in large amounts of data, are carried out with highly standardized and streamlined work processes to minimize experimental variation and thereby increase the possibility of detecting the drug's effect compared to placebo in the skin injury that was caused by a surgical incision.



The image shows in high magnification a tissue section from a skin biopsy that has been immunofluorescence-stained for a biomarker that is produced specifically by blood vessel cells (red color in the left edge of the image). The tissue section has also been stained for visualization of the nucleus in all cells (turquoise color). A digital copy of the stained tissue was then processed by image analysis to count the proportion of cells that produced the biomarker (highlighted in orange in the right side of the image). An increased proportion of blood vessel cells in biopsies from skin treated with the drug may indicate that it stimulates wound healing processes.

THE SHARE

Promore Pharma's share has been traded since July 6, 2017 on Nasdaq First North Growth Market in Stockholm under the short name PROMO with ISIN code SE0009947740.

Number of shares

No new shares have been issued in 2022. In May/June 2021, the company performed a new issue of 24.3 million shares.

The number of shares at the end of 2022 was 60,713,936 (60,713,936), while the average number in 2022 was 60,713,936 (47,694,170).

Market capitalization and turnover

Promore Pharma's share price as of December 31, 2022 was SEK 0.81, corresponding to a market value of SEK 46 million. In 2022, a total of 11.2 (29.4) million shares were traded at a value of approximately SEK 15 (68) million.

Warrants

In Q1 2022, 9,144 warrants (137,160 after split), corresponding to 0.2% of the shares, related to programs 1 & 2 were deregistered. Program number 8, a total of 45,455 warrants (681,825 after split), corresponding to a dilution of 1.1%, expired by the end of 2022. After this there are no outstanding warrants to external partners.

The Annual General Meeting in May 2020 resolved, in accordance with the Board's proposal, on a performance-based incentive program for certain employees and consultants in Promore Pharma (LTI 2020).

The duration of the program is approximately three years and is intended to be offered to three current employees or consultants, or newly hired persons, in the Company. A maximum of 1,400,000 Performance Share Rights can be allocated to the participants, which corresponds to approximately 2.3 percent of the outstanding shares and votes in the Company.

Shareholders

According to the list of shareholders maintained by Euroclear Sweden AB, on 31 December 2022, Promore Pharma had approximately 1,200 shareholders, unchanged compared to the end of 2021.

Corespring New Technology (former Midroc New Technology) and PharmaResearch Co. Ltd are the company's two largest owners and together own 49.7% of the shares. This is followed by Nordnet Pensionsförsäkring, Daniel Johnsson, Exceca Allocation/Alsteron and Arne Andersson with 7.0, 6.2, 5.5 and 5.4% of the shares, respectively.

Shareholder information is updated quarterly on the company's website, promorepharma.com/.

Certified Adviser

For companies listed on the Nasdaq First North Growth Market, an agreement with a certified adviser is required. Promore Pharma's certified adviser in 2022 was Erik Penser Bank.

BOARD OF DIRECTORS´ ANNUAL REPORT

The Board of Directors and the President of Promore Pharma AB may hereby submit the annual report and consolidated accounts for the financial year 2022.

Information about the business

Promore Pharma develops peptide-based drug candidates for bioactive wound care. The company's goal is to develop two drug candidates to become the first of their kind in the market for treatment areas with very few or no competing prescription products and which reflects large medical needs. Promore Pharma's two projects, ropocamptide (LL-37) and ensereptide (PXL01), are in the late clinical development phase.

- **Ropocamptide**

Ropocamptide is based on a human antimicrobial peptide, structurally derived from the C-terminal part of the human antimicrobial protein cathelicidin (LL-37 or hCAP18) and stimulates several cell types in the wound healing process, including keratinocytes and fibroblasts.

The company has conducted two clinical studies regarding the effect of ropocamptide in venous leg ulcers, which is the most common form of chronic leg ulcers in the EU, Japan and North America. Ropocamptide is intended for topical treatment in the form of a viscous hydrogel.

The company deems that the need for the candidate drug is great, from both the patient's and the healthcare system's perspective.

- **Ensereptide**

Ensereptide is a peptide fragment of a human antibacterial protein (lactoferrin), which is part of the immune system. This protein and its fragments have several mechanisms of action, including an immunomodulation and a stimulation of fibrinolytic activity.

It is well known that increased inflammation and reduced fibrinolysis are two central mechanisms for causing scarring after trauma and surgery. The development of ensereptide initially focuses on preventing various types of scarring after surgery.

Two prior clinical trials have been completed with ensereptide in prior years, and in 2022, a clinical Phase II trial (PHSU05) has been ongoing for assessing the safety and efficacy of ensereptide for prevention of skin scarring. This clinical trial reached completion in April 2023. The results showed that ensereptide was safe and tolerable. However, in regard to efficacy in scar prevention there were no statistically significant differences between ensereptide and placebo.

Sales and profit

- **Operating income**

In 2022, the company had no revenues from products sales, however, costs of MSEK 0.1 (0.4) have been invoiced onward to a third party in the period.

- **Costs and profit**

The result for the year amounted to MSEK -26.6 (-26.8). Development costs such as costs for clinical trials, patents, investigational products for the clinical trials and consultants make up the largest part of the company's costs. During 2022, costs for the clinical trial PHSU05 and costs related to the development of a ropocamptide single-component product accounted for the majority of the costs.

- **Liquidity and financing**

The cash flow from operating activities in FY 2022 amounted to MSEK -27.3 (-24.8). The increase is primarily related to a large positive change in working capital last year.

The cash flow from investment activities amounted to MSEK 0 (+1.2), where last year's outcome is related to the sale of the final shares in Herantis Pharma Oyj.

The cash flow from financing activities was MSEK -0.2 (+44.7) during the period, where last year's outcome is related to the net proceeds from the new issue.

The company's cash and cash equivalents amounted to MSEK 17.8 by 31 December 2022, compared to MSEK 45.3 by 31 December 2021.

Future prospects

- **Financing solutions**

The board works actively to find financing solutions for the continued operation of the group's operations. If such financing cannot be implemented, there is a significant uncertainty factor that may lead to significant doubt about the company's ability to continue its operations.

Significant events during financial year

- **Deregistration of warrants**

In January 2022, warrants related to program 1 & 2, corresponding to a dilution of 0.2% of the number of outstanding shares, were deregistered.

- **First patient in PHSU05 enrolled**

In mid-February, the first patient was enrolled in PHSU05, a Phase II clinical trial on ensereptide for the prevention of scars in conjunction with surgery.

- **Recruitment goal reached in clinical trial of ensereptide**

In March it was announced that the recruitment goal has been accomplished according to plan in the company's Phase II study (PHSU05) with the company's drug candidate ensereptide for the prevention of skin scarring.

- **Changes in the Board of Directors**

At the Annual General Meeting in May, Marianne Dicander Alexandersson was elected new chairman of the board. Also, Candice Jung was elected new member of the board.

- **The last clinic visit in the company's Phase II study on ensereptide**

In June it was announced that the last clinic visit was carried out for the subjects who participated in the company's Phase II study PHSU05 with ensereptide against skin scarring.

- **Patent for ropocamptide in Europe**

In August the company received a granted patent in the European Union for the use of the candidate drug ropocamptide (LL-37) for the treatment of chronic wounds.

- **Update about the ensereptide clinical trial**

In November the company announced that the release of the results from the company's Phase II study PHSU05 with ensereptide for the prevention of skin scarring in conjunction with surgery is expected to take place in April 2023. The slight delay is due to a limitation of qualified staff and equipment for digital image analysis with the company's service provider.

Events after the reporting period

- **Clean File in PHSU05**

In February 2023, the milestone Clean file was reached in PHSU05, and thereby the probability is

high that the outcome of the study can be concluded and communicated in April 2023.

- **Outcome from PHSU05**

In April 2023, the company reported the outcome from the clinical phase II study PHSU05 with ensereptide for scar prevention.

Results from the study show that the experimental drug ensereptide is safe and tolerable, which was the primary endpoint of the clinical trial.

However, no clear differences between ensereptide and placebo could be demonstrated regarding efficacy on scarring.

- **Write-down of Pergamum AB**

In connection with the presentation of the clinical trial result, the Board, from a precautionary perspective, chose to write down the value of Pergamum AB in the parent company Promore Pharma AB, from previously SEK 10.4 million to SEK 0.2 million per 2022-12-31.

- **Shares and ownership**

Promore Pharma's share is listed on Nasdaq First North Growth Market in Stockholm since 6 July 2017 with the ticker PROMO and ISIN code SE0009947740.

The average number of shares, as well as the number of shares at the end of the period, amounted to 60,713,936, while the corresponding number for the same period last year was 57,206,020.

The main owners Corespring New Technology AB (former Midroc New Technology AB) and PharmaResearch Co. Ltd. together own just below 50 percent of the shares in the company.

- **Warrants**

The company announced in March 2021 that, as a consequence of the changed priority for ensereptide, a total of 72,755 warrants (1,091,325 after split) in programs 3-7 issued in 2016 with a dilution effect of approximately 3.0% had been de-registered. After this, 54,599 warrants (818,985 after split) remain related to programs 1, 2 and 8, with a dilution effect of approximately 1.3%.

During Q1 2022, another 9 144 warrants (137,160 after split), corresponding to 0.2% of the shares, related to programs 1 & 2 were deregistered. Program number 8, a total of 45 455 warrants (681,825 after split), corresponding to a dilution of 1.1%, expired by the end of 2022. After this there are no outstanding warrants to external partners.

- **LTI 2020**

The Annual General Meeting in May 2020 resolved, in accordance with the Board's proposal, on a performance-based incentive program for certain employees and consultants in Promore Pharma.

The duration of the program is approximately three years and is intended to be offered to three current employees or consultants, or newly hired persons, in the Company. A maximum of 1,400,000 Performance Share Rights can be allocated to the participants, which corresponds to approximately 3.7% of the outstanding shares and votes in the Company.

In accordance with the Board's proposal, the AGM resolved on a private placement of 1,800,000 warrants with the right to subscribe for new shares in the company for implementation of LTI 2020. For those who are offered to participate in LTI 2020, and who have previously been part of the company's old bonus agreement, the old bonus agreements will be canceled without dividend.

Group structure

- **Group company**

Promore Pharma owns 100% of the shares in the subsidiaries Pergamum AB and Pergasus AB.

- **Other holdings**

At the beginning of 2021, the Group also held 25,581 shares in the Finnish biotechnology company Herantis Pharma Oyj. This is a consequence of a historically passive holding in the Finnish company Biocis Oy in Promore Pharma's subsidiary Pergamum AB. In recent years, Biocis Oy has undergone a number of mergers and ownership changes that resulted in a shareholding in Herantis Pharma Oyj, which was listed on the stock exchange in 2015. The company's board has decided to divest this holding in a step-by-step process, and the holding was completely divested as of March 2021.

Board and organization

- **Board**

The company's board consists of five ordinary members, including the chairman of the board, and has been elected by the annual general meeting on 17 May 2022 until the annual general meeting 2023.

The board consists of Chairman of the Board Marianne Dicander Alexandersson, Candice Jung, Göran Linder, Kerstin Valinder Strinnholm and Hans-Peter Ostler.

- **Organization**

Promore Pharma has a small cost-effective organization that mainly works with business development, clinical and other project coordination as well as management of intellectual property rights and other significant development documentation. All employees except the company's CEO work on a consulting basis. As of December 31, 2022, the company thus had only one employee.

- **Company headquarters**

The company is based in Solna.

Effects of Russia's invasion of Ukraine

- **During the financial year**

During 2022, the company has not been affected from an operational perspective by the war in Ukraine.

The company does not have, and has not had, any operations in Russia nor Ukraine.

- **The future**

The company does not have, and has not had, any plans on performing any clinical trials in Russia nor Ukraine. Should the war escalate outside the current war zones, it could result in consequences for the company, either regarding the possibility to recruit patients in surrounding regions, or affect the possibilities to raise further capital in order to develop the company.

Risk factors

- **Drug development**

Promore Pharma's main business is drug development, which is highly risky and capital demanding. Promore Pharma is dependent on the company's drug candidates achieving success in clinical trials. The development required can also be subject to delays and thus additional costs.

- **Comprehensive regulation**

The development process of pharmaceutical products is subjected to extensive and strict regulations under the supervision of regulatory authorities. Although the drug candidates are in a late stage of development, they are still subject to extensive regulation and control before market approvals can be obtained.

For the drug candidates' development, manufacturing, marketing and sales, approvals and various types of permits from relevant regulatory authorities are required. These processes can be time consuming and costly and even after a possible approval, the company is obliged to comply with certain supervisory requirements with the risk of withdrawal of approvals.

If market approval is obtained, there is still a risk that the company will not achieve the desired level of price and market acceptance from the healthcare system.

- **Competition**

The pharmaceutical industry is also a competitive market characterized by global competition, rapid technological development and extensive investment requirements. The market has growth opportunities and many smaller and growing players are entering the market.

There is a risk that other companies will develop products that prove to be superior to the company's drug candidates, or offer products that achieve better market acceptance.

- **Patent protection**

Patents and intellectual property rights are a key asset in the company's operations and thus any future success is largely dependent on the opportunities to be able to maintain existing patent protection and to develop the patent portfolio for future commercialization. As always when it comes to medically and commercially successful drugs, there is a risk that competitors will try to circumvent the company's patent or that attempts will be made to invalidate the company's patents.

- **Key people**

Promore Pharma's organization consists of one employee and a few key people engaged on a long-term consultancy basis. The significant experience of these key people is crucial for Promore Pharma's success and loss of these employees could lead to delays or interruptions in the company's operations.

- **Partners**

The company also conducts operations through a number of partners and advisers that are necessary for the development of the drug candidates. Like the company's employees, Promore Pharma's success is dependent on maintaining these relationships.

Future Prospects

Promore Pharma completed a Phase II clinical trial for LL-37 (HEAL) in 2020, when data were presented in the fourth quarter. The company intends to strengthen this project by developing a more user-friendly product configuration.

The company believes that the project has a strong market potential if the results from future development and clinical studies are good.

The company completed a clinical Phase II trial in April 2023 on the safety and efficacy of ensereptide in prevention of dermal scarring after surgical incisions.

The study results did not demonstrate any difference in efficacy between ensereptide and placebo for this indication. The board of directors has therefore initiated a review of different future opportunities for ensereptide.

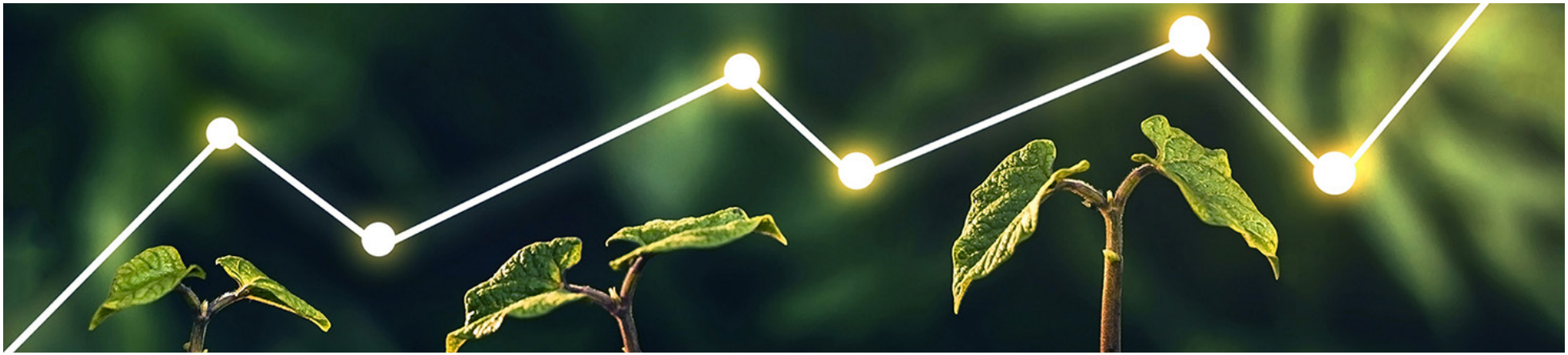
The company does not yet have any revenue from the drug candidates and is thus dependent on external financing to ensure continued operation. The company's board of directors has an ongoing discussion about various financing alternatives.

Proposal for profit distribution

The Board of Directors proposes that available profits (SEK):

Retained earnings	47,594,762
Annual loss	-36,429,655
	11,165,107
treated so that in new account is transferred	
	11,165,107

The Group's and the Parent Company's earnings and position in general are shown in the following income statements and balance sheets as well as cash flow analyzes with notes.



FIVE YEAR SUMMARY

MULTI-YEAR OVERVIEW, GROUP (TSEK)

	2022	2021	2020	2019	2018
Net sales	0	18	3	3 928	2 447
Pre-tax profit	-26 619	-26 772	-29 405	-28 865	-32 483
Total assets	21 006	47 201	26 217	68 734	37 600
Return on equity (%)	neg	neg	neg	neg	neg
Operating margin (%)	neg	neg	neg	neg	neg
Equity/assets ratio (%)	66,6	86,0	86,9	75,9	88,4

MULTI-YEAR OVERVIEW, PARENT COMPANY (TSEK)

	2022	2021	2020	2019	2018
Net sales	0	18	3	3 928	2 417
Pre-tax profit	-36 429	-26 587	-27 834	-27 440	-31 428
Total assets	30 620	56 238	35 104	75 887	43 351
Return on equity (%)	neg	neg	neg	neg	neg
Operating margin (%)	neg	neg	neg	neg	neg
Equity/assets ratio (%)	68,5	89,6	92,2	79,3	91,9

For definitions of key ratios, please see Accounting and valuation policies.

CONSOLIDATED INCOME STATEMENT

GROUP INCOME STATEMENT (TSEK)

	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Operating income		0	18
Net sales		99	417
Total operating income		**99**	**435**
Operating expenses			
Commodities and supplies		-15 944	-15 312
Other external expenses		-4 840	-7 111
Personnel costs	2	-5 860	-4 690
Depreciation and impairment on fixed assets		0	0
Other operating expenses		-57	-16
Total operating expenses		**-26 702**	**-27 129**
Operating profit/loss (EBIT)		**-26 603**	**-26 694**
Financial items			
Income from other fixed financial assets		0	92
Other financial income		0	0
Financial expenses		-16	-170
Net financial items		**-16**	**-78**
Profit/loss after financial items		**-26 619**	**-26 772**
Pre-tax profit		**-26 619**	**-26 772**
Net profit/loss for the period		**-26 619**	**-26 772**
Attributable to the parent company's shareholders		*-26 619*	*-26 772*

CONSOLIDATED BALANCE SHEET

GROUP BALANCE SHEET (TSEK)

	Note	2022-12-31	2021-12-31
ASSETS			
Tangible assets			
Intangible assets			
Goodwill		0	0
Financial fixed assets			
Share in other long-term securities holdings	3, 4	1	1
Total fixed assets		**1**	**1**
CURRENT ASSETS			
Current receivables			
Accounts receivables		0	328
Other current receivables		754	872
Prepaid expenses and accrued revenue		2 443	683
Total current receivables		**3 197**	**1 883**
Cash and bank balanses		17 808	45 317
Total current assets		**21 005**	**47 200**
TOTAL ASSETS		**21 006**	**47 201**

GROUP BALANCE SHEET (TSEK)

	Note	2022-12-31	2021-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital		2 429	2 429
Other equity, including profit for the year		11 559	38 178
Equity attributable to shareholders in parent company		**13 988**	**40 607**
Total equity		**13 988**	**40 607**
LONG-TERM LIABILITIES	5		
Liabilities to credit institutions		714	714
Other liabilities		0	237
Total long-term liabilities		**714**	**951**
CURRENT LIABILITIES			
Accounts payables		4 722	4 002
Current tax liabilities		146	146
Other current liabilities		176	243
Accrued expenses and deferred income		1 261	1 253
Total current liabilities		**6 304**	**5 643**
TOTAL EQUITY AND LIABILITIES		**21 006**	**47 201**

CHANGES IN EQUITY IN THE GROUP

STATEMENT OF CHANGES IN EQUITY, GROUP (TSEK)

	Share capital	Other equity*	Total
Amount at beginning of year	2 429	38 178	**40 607**
Disposition according to AGM		0	
Profit/loss for the year		-26 619	**-26 619**
Amount at the end of the year	**2 429**	**11 559**	**13 988**

** Including profit/loss for the year*

THE GROUP´S CASHFLOW STATEMENT

GROUP CASHFLOW STATEMENT (TSEK)

	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
OPERATING ACTIVITIES			
Operating loss		-26 619	-26 772
Depreciation		0	-112
Tax paid		0	0
Cash flow from operating activities before changes in working capital		**-26 619**	**-26 884**
Cash flow from changes in operating capital			
Change in accounts receivables		-328	-328
Change in operating receivables		-1 642	-654
Change in accounts payable		720	2 979
Change in operating liabilities		-58	57
Cash flow from operating activities		**-27 272**	**-24 831**
Investing activities			
Acquisition of immaterial assets		0	0
Acquisition of financial assets		0	0
Divestment of financial fixed assets		0	1 159
Cash flow from investing activities		**0**	**1 159**

GROUP CASHFLOW STATEMENT (TSEK)

	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Financing activities			
New share issue		0	44 740
Repaid loans		-237	0
Cash flow from financing activities		**-237**	**44 740**
Cash flow for the period		**-27 509**	**21 068**
Cash and bank balanses			
Cash and cash equivalents at start of year		45 317	24 249
Cash and cash equivalents at year end		**17 808**	**45 317**

PARENT COMPANY INCOME STATEMENT

PARENT COMPANY INCOME STATEMENT (TSEK)

	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Operating income		0	18
Net sales		74	412
Other operating income		**74**	**430**
Operating expenses			
Commodities and supplies		-15 594	-15 140
Other external expenses		-4 787	-7 021
Personnel costs	2	-5 860	-4 689
Other operating expenses		-57	-16
Total operating expenses		**-26 299**	**-26 867**
Operating profit/loss (EBIT)		**-26 224**	**-26 437**
Financial items			
Income from group companies		-10 205	0
Financial expenses		0	-130
Net financial items		**-10 205**	**-130**
Profit/loss after financial items		**-36 430**	**-26 567**
Pre-tax profit		**-36 430**	**-26 567**
Net profit/loss for the period		**-36 430**	**-26 567**

PARENT COMPANY BALANCE SHEET

PARENT COMPANY BALANCE SHEET (TSEK)

	Note	2022-12-31	2021-12-31
ASSETS			
Non-current assets			
Financial assets			
Share in other long-term securities holdings	6, 7	218	10 398
Total fixed assets		**218**	**10 398**
CURRENT ASSETS			
Current receivables			
Accounts receivables		0	328
Receivables from group companies		5 305	4 805
Current tax assets		144	144
Other current receivables		601	713
Prepaid expenses and accrued revenue		2 419	521
Total current receivables		**8 468**	**6 510**
Cash and bank balanses		11 728	39 330
Total current assets		**20 197**	**45 839**
TOTAL ASSETS		**20 415**	**56 238**

PARENT COMPANY BALANCE SHEET (TSEK)

	Note	2022-12-31	2021-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		2 429	2 429
Reserve fund		380	380
Total restricted equity		**2 809**	**2 809**
Unrestricted equity			
Share premium reserve		220 462	220 462
Loss brought forward		-172 867	-146 301
Profit/loss for the period		-36 430	-26 567
Total unrestricted equity		**11 165**	**47 595**
Total equity		**13 974**	**50 404**
LONG-TERM LIABILITIES	5		
Other liabilities		0	237
Total long-term liabilities		**0**	**237**
CURRENT LIABILITIES			
Accounts payables		4 836	3 934
Current tax liabilities		146	146
Other current liabilities		210	277
Accrued expenses and deferred income		1 249	1 241
Total current liabilities		**6 441**	**5 597**
TOTAL EQUITY AND LIABILITIES		**20 415**	**56 238**

CHANGES IN EQUITY IN THE PARENT COMPANY

STATEMENT OF CHANGES IN EQUITY, PARENT COMPANY (TSEK)

	Share capital	Statutory reserve	Unrestricted equity	Other equity*	Total
Amount at beginning of year	2 429	380	-16 772	64 367	**50 404**
Disposition according to AGM			-26 567	26 567	**0**
Profit/loss for the year				-36 430	**-36 430**
Amount at the end of the year	**2 429**	**380**	**-43 339**	**54 504**	**13 974**

** Including profit/loss for the year*

PARENT COMPANY´S CASHFLOW STATEMENT

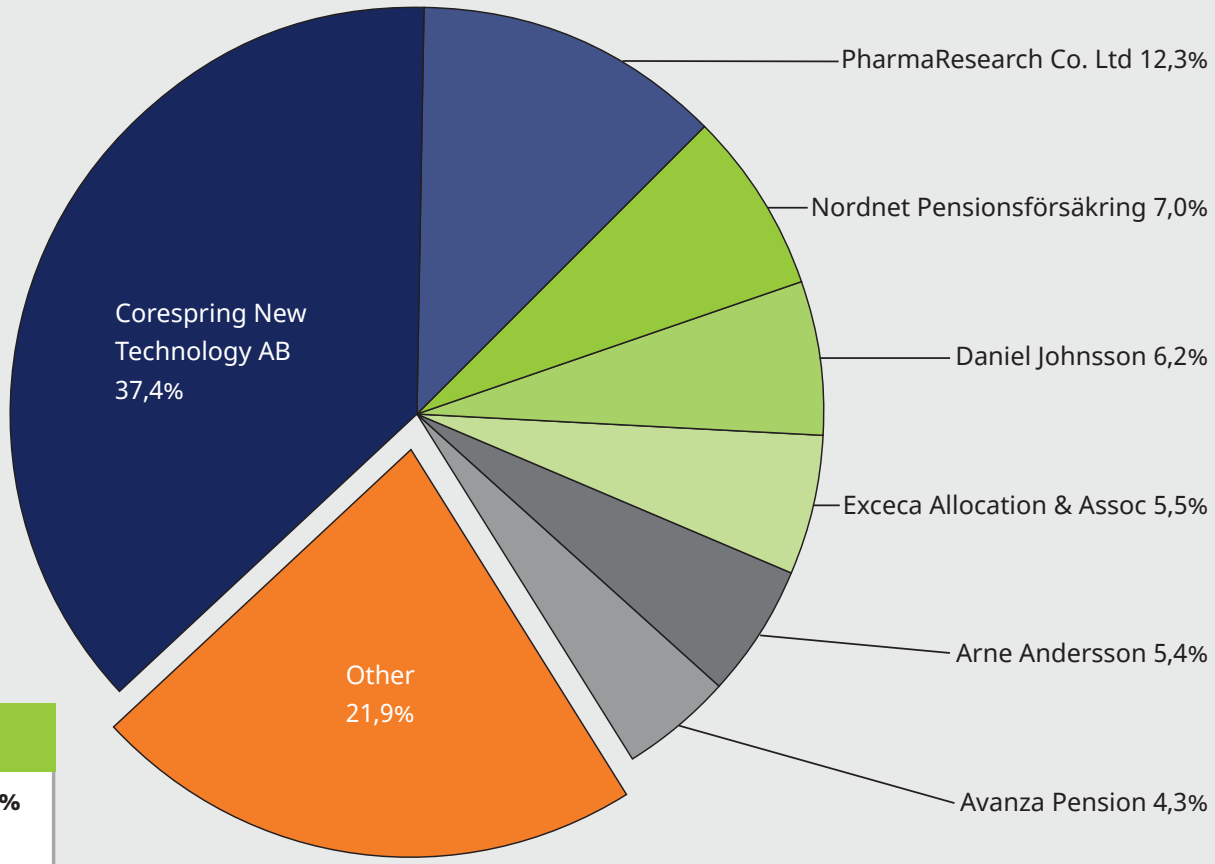
PARENT COMPANY CASHFLOW STATEMENT (TSEK)

	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Operating activities		
Operating loss	-26 224	-26 567
Depreciation	0	-20
Tax paid	0	0
Cash flow from operating activities before changes in working capital	**-26 224**	**-26 587**
Cash flow from changes in operating capital		
Change in accounts receivables	328	-328
Change in operating receivables	-2 286	-490
Change in accounts payable	902	2 912
Change in operating liabilities	-59	67
Change in operating liabilities	**-27 340**	**-24 424**
Investing activities		
Acquisition of financial assets	-25	0
Cash flow from investing activities		

PARENT COMPANY CASHFLOW STATEMENT (TSEK)

	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Financing activities		
New share issue	0	44 740
Repaid loans	-237	0
Received shareholders contribution	0	0
Cash flow from financing activities	**-237**	**44 740**
Cash flow for the period	**-27 601**	**20 316**
Cash and bank balanses		
Cash and cash equivalents at start of year	39 330	19 014
Cash and cash equivalents at year end	**11 728**	**39 330**

SHAREHOLDERS



SHAREHOLDERS

Shareholders 2022-12-31	Number of shares	Share, %
Corespring New Technology AB	22 710 730	37,4%
PharmaResearch Co. Ltd	7 468 132	12,3%
Nordnet Pensionsförsäkring	4 277 447	7,0%
Daniel Johnsson	3 740 036	6,2%
Exceca Allocation & Assoc	3 332 584	5,5%
Arne Andersson	3 303 874	5,4%
Avanza Pension	2 590 293	4,3%
Other	13 290 840	21,9%
Total	**60 713 936**	**100%**

NOTES

NOTE 1
ACCOUNTING AND VALUATION PRINCIPLES

General information

- The annual report and consolidated accounts have been prepared in accordance with the Annual Accounts Act and BFNAR 2012: 1 Annual Report and Consolidated Accounts (Q3).
- The annual report has been prepared in Swedish kronor.
- Receivables have been raised to the amounts by which they are expected to be received.
- Other assets and liabilities have been stated at acquisition value unless otherwise stated.
- Receivables and liabilities in foreign currency have been valued at the exchange rate on the balance sheet date. Exchange rate gains and losses on operating receivables and operating liabilities are reported in operating profit, while exchange rate gains and losses on financial receivables and liabilities are reported as financial items.
- Financial instruments have been valued at the acquisition value adjusted for any write-downs. Any need for write-downs is calculated on the difference between the book value on the one hand and the fair value less selling expenses on the other hand, calculated for each securities portfolio.
- Pension plans are reported according to the simplification rule, which means that the cost is reported as the contribution is paid.
- The accounting principles are unchanged compared with the previous year.

Revenue recognition

Revenue has been recognized at fair value of what has been or will be received and is reported to the extent that it is probable that the financial benefits will be credited to the company and the revenue can be calculated in a reliable manner.

Consolidated financial statements

Consolidation method

The consolidated financial statements have been prepared in accordance with the acquisition method. This means that the identifiable assets and liabilities of acquired operations are reported at market value in accordance with the prepared acquisition analysis. If the acquisition value of the business exceeds the estimated market value of the expected net assets according to the acquisition analysis, the difference is reported as goodwill.

Transactions between group companies

Intra-group receivables and liabilities as well as transactions between Group companies as well as unrealized gains are eliminated in their entirety. Unrealized losses are also eliminated unless the transaction corresponds to an impairment loss.

Changes in internal profit during the financial year have been eliminated in the consolidated income statement.

Fixed assets

Intangible and tangible fixed assets are reported at acquisition value less accumulated depreciation according to plan and any write-downs.

Depreciation takes place on a straight-line basis over the expected useful life, taking into account significant residual value. The following depreciation percentage is applied: Goodwill: 20%

Key figure definitions

Net sales: Operating main income, invoiced costs, side income and income corrections.

Profit after financial items: Profit after financial income and expenses but before appropriations and taxes.

Balance sheet total: The company's total assets.

Return on equity (%): Profit after financial items as a percentage of adjusted equity (equity and untaxed reserves less deferred tax).

Operating margin (%): Operating profit as a percentage of sales.

Solidity (%): Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of total assets.

NOTE 2
AVERAGE NUMBER OF EMPLOYEES

AVERAGE NUMBER OF EMPLOYEES	2022	2021
Group	1	1
Parent company	1	1

NOTE 3
OTHER LONG-TERM SECURITIES HOLDINGS

OTHER SECURITIES HELD AS NON-CURRENT ASSETS, GROUP (TSEK)	2022-12-31	2021-12-31
Opening balance, accumulated historical cost	1	35 242
Sales	0	-35 241
Closing balance, accumulated historical cost	**1**	**1**
Opening balance, accumulated impairments	0	-34 174
Sales	0	-34 174
Impairments for the year	0	0
Closing balance, accumulated impairments	**0**	**0**
Closing balance, book value	**1**	**1**

NOTE 4
OTHER LONG-TERM SECURITIES HOLDINGS

OTHER SECURITIES HELD AS NON-CURRENT ASSETS, GROUP (TSEK)	Book value	Market value
Other securities held as non-current assets	1	1
Total	**1**	**1**

NOTE 5
LONG-TERM LIABILITIES

LIABILITIES DUE LATER THAN 5 YEARS AFTER BALANCE SHEET DATE, GROUP (TSEK)	2022-12-31	2021-12-31
Other liabilities	0	237
Liabilities to creditinstitutions	714	714
Total	**714**	**951**

LIABILITIES DUE LATER THAN 5 YEARS AFTER BALANCE SHEET DATE, PARENT COMPANY (TSEK)	2022-12-31	2021-12-31
Other liabilities	0	237
Total	**0**	**237**

NOTE 6
PARTICIPATIONS IN GROUP COMPANIES

PARTICIPATIONS IN GROUP COMPANIES, PARENT COMPANY (TSEK)		
	2022-12-31	**2021-12-31**
Opening balance, accumulated historical cost	10 403	10 403
Purchases	25	0
Closing balance, accumulated historical cost	**10 428**	**10 403**
Opening balance, accumulated impairments	-4	-4
Current year's impairments	-10 205	
Closing balance, accumulated impairments	**-10 210**	**-4**
Closing balance, book value	**218**	**10 398**

NOTE 7
PARTICIPATIONS IN GROUP COMPANIES

PARTICIPATIONS IN GROUP COMPANIES		
		Share of equity
Pergamum AB		100%
Pergasus AB		100%
	Org.nr	**Reg.office**
Pergamum AB	556759-9203	Solna
Pergasus AB	559349-7695	Solna

Solna, 8 May 2023

Marianne Dicander Alexandersson
Chairman

Kerstin Valinder Strinnholm

Hans-Peter Ostler

Göran Linder

Candice (Yujin) Jung

Jonas Ekblom
President and CEO

Our Auditor´s Report was submitted on 8 May 2023

Per Olov Strand
Authorized Public Accountant

AUDITORS REPORT

To the General Meeting of the shareholders of Promore Pharma AB (publ.) Company registration number 556639-6809.

Report on the annual report and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Promore Pharma AB (publ.) for the year 20220101— 2022-12-31.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and group as of 31 December 2022 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 and consolidated.

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

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 the parent company and the group 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.

Significant uncertainty factors regarding the assumption of continued operation

We would like to draw attention to the Board of Directors' report, from which it appears that the company sees difficulties in future financing due to the results of the phase 2 PHSU05 (Ensereptide) as described. These conditions suggest that there are significant uncertainties that may lead to significant doubts about the company's ability to continue its operations. The company has with this written down the value of the subsidiary Pergamum by 10.2 million as one precautionary measure as the value of the patents in Pergamum are uncertain. We have not modified our statements because of this.

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 consolidated 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 and consolidated accounts that are free from material misstatement, whether due to fraud or mistake.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group'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 intends 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 and consolidated accounts as a whole are free from material misstatement, whether due to fraud or mistake, 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 mistake 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 and consolidated 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 and consolidated accounts, whether due to fraud or mistake, 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 mistake, 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 appropriations of accounting policies used and the reasonableness of accounting estimates 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 use of the going concern basis of accounting in preparing the annual accounts and consolidated 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 and the group'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 and consolidated accounts, or if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated 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 a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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 and consolidated accounts, we have also audited the administration of The Board of Directors and the Managing Directors of Promore Pharma AB (publ.) for the year 2022-01-01—2022-12-31 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 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 the parent company and the group 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 and the Managing Director are 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 and the group'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 are based primarily on the audit of the accounts. Additional audit procedures performed are based on my 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.

Upplands Väsby 2023-05-08
Finnhammars Revisionsbyrå AB
Per-Olov Strand
Authorized Public Accountant

ANNUAL GENERAL MEETING 2023

Annual General Meeting on Tuesday 27 June 2023

The Annual General Meeting of Promore Pharma AB (publ) will be held on Tuesday 27 June 2023. Anyone wishing to attend the meeting must:

- **be registered** in the share register kept by Euroclear Sweden AB on 16 June 2023; and
- **notify** the intention to participate in the AGM to the company no later than 20 June 2023.

Right to participate and registration with the Company

To be entitled to participate in the meeting, holders of nominee registered shares must instruct the nominee to have the shares registered in the holder's own name, so that the holder is entered in the share register kept by Euroclear Sweden AB as of 16 June 2023. Such re-registration may be temporary.

A shareholder's request for such voting rights registration shall be made to the nominee, in accordance with the nominee's routines, at such a time in advance as decided by the nominee. Voting rights registrations that have been made by the nominee no later than 20 June 2023 will be taken into account in the presentation of the share register.

Information at the Annual General Meeting

If a shareholder so requests, and the Board deems that it can meet the request without causing material damage to the Company, the Board and the CEO shall, at the AGM, provide information about any circumstances that might affect the assessment of an item on the agenda and any circumstances that might affect the assessment of the Company's or its subsidiaries' financial position, consolidated financial statements, or the Company's relationship with another Group company.

Financial calendar

Q1 report 2023	23 May 2023
AGM 2023	27 June 2023
Q2 report 2023	30 Aug 2023
Q3 report 2023	28 Nov 2023

BOARD OF DIRECTORS

- **Marianne Dicander Alexandersson**
- Göran Linder
- Candice (Yujin) Jung
- Kerstin Valinder Strinnholm
- Hans-Peter Ostler

Marianne Dicander Alexandersson

Chairman since 2022. Board member since 2017.

Born: 1959.
Marianne has previously been CEO of Kronans Droghandel AB, Sjätte AP-fonden and Global Health Partner AB and Deputy CEO of Apoteket AB.
She has a master's degree in chemical engineering from Chalmers University of Technology in Gothenburg.
Other assignments: Marianne is chairman of the board of Sahlgrenska Science Park AB, Saminvest AB and Occlutech Holding AG. She is a board member of Oblique AB and Linc AB. She is a board member and CEO of MDA Management AB.
Independent in relation to Promore Pharma and its senior executives: Yes.
Independent in relation to major shareholders: Yes.
Holding in Promore Pharma: No current holding.

Göran Linder

Board member since 2015.

Born: 1962.
Göran is a senior executive in several investment companies. Göran has a master's degree in electronics from the Royal Institute of Technology in Stockholm.
Other assignments: CEO and board member of Granitor Growth Management AB, Corespring Invest AB, Corespring New Technology AB, Corespring Finance AB. Chairman of Crunchfish AB (publ) and QCG Sweden AB. Board member of Minesto AB (publ), Minesto Warrants One AB, Powercell Warrants One AB, Pergamum AB, Pergasus AB, Checkproof AB, as well as EffRx Pharmaceuticals SA, board deputy of Corpower Ocean AB.
Independent in relation to Promore Pharma and its senior executives: Yes.
Independent in relation to major shareholders: No.
Holding in Promore Pharma: Represents Corespring New Technology AB which owns 22,710,730 shares in the company.

BOARD OF DIRECTORS

Candice (Yujin) Jung

Board member since 2022.

Born: 1991.
Candice serves as head of PharmaResearch USA. She has a Doctor of Pharmacy (PharmD) degree from Northeastern University, Boston, USA. She has previously held positions in marketing and business development including within Johnson & Johnson and the South Korean pharmaceutical company Daewoong Pharmaceutical.
Other assignments: Candice holds no other board assignments.
Independent in relation to Promore Pharma and its senior executives: Yes.
Independent in relation to major shareholders: No.
Holding in Promore Pharma: Representing Pharma-Research Co. Ltd and PharmaResearch USA owning 7,468,132 shares in the Company.

Kerstin Valinder Strinnholm

Board member since 2019.

Born: 1960.
Kerstin has been responsible for business development and business strategy at Nycomed (now Takeda) and previously held leading positions in marketing and business development at Astra and AstraZeneca. She has a degree from the journalism program at the University of Gothenburg.
Other assignments: Chairman of Moberg Pharma AB, Board member of Immedica Pharma AB, Camurus AB, KVS Invest AB, Cavastor AB, and Bioservo Technologies AB.
Independent in relation to Promore Pharma and its senior executives: Yes.
Independent in relation to major shareholders: Yes.
Holding in Promore Pharma: No current holding.

Hans-Peter Ostler

Board member since 2021.

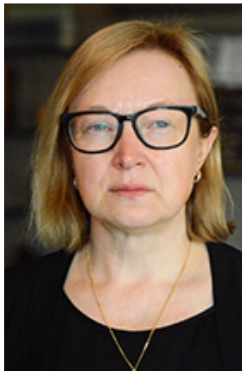
Born: 1971.
Hans-Peter Ostler possesses close to three decades of experience in investment banking and private banking.
Other assignments: Hans-Peter Ostler is Chairman of the Board in Ectin Research AB and Improve Tec Hönö AB, vice chairman in Alligator Biosciences AB, board member of RGNT Electric AB, Hoodin AB, InorbitTX, Oblique Therapeutics AB and Lennart Ekerholms Stiftelse. Deputy board member in O Mgmt AB.
Independent in relation to Promore Pharma and its senior executives: Yes.
Independent in relation to major shareholders: Yes.
Holding in Promore Pharma: 646,010 shares.

MANAGEMENT

Jonas Ekblom

President & Chief Executive Officer (CEO)

Born: 1965.
Jonas has worked for over 25 years in the Life Science sector. He is an associate professor of pharmacology at Uppsala University and has a B.Sci in chemistry from Stockholm University, a PhD in experimental neurology from Uppsala University and has been a postdoctoral fellow at the University of Southern California (USC), School of Pharmacy. He has trained in strategic planning and business leadership. Previously, he has held management roles in companies in Sweden, Switzerland and USA. Most recently, Jonas was CEO of the Swiss biotechnology company BOWS Pharmaceuticals SA; before that he was active in companies such as Pharmacia, Biovitrum, Sequenom and Invitrogen. Jonas has worked as CEO of the Group since 2010 (between 2015 and 2017, on a consulting basis). He has been employed as CEO since 2017.
Other assignments: Board director of CombiGene AB, Pergamum AB and Pergasus AB.
Holding in Promore Pharma: 51,666 shares.



Margit Mahlapuu

Chief Scientific Officer (CSO)

Born: 1972.
Margit has more than 15 years of experience in research and development of pharmaceutical products. She previously worked at AstraZeneca, Arexis and Swedish Orphan Biovitrum, among others. Margit is a professor of molecular medicine at the University of Gothenburg. She has a PhD in molecular and cell biology from the University of Gothenburg. She started within the Group in 2007 as responsible for regulatory strategy and clinical development.
Other assignments: Margit is a board member of Sixera Pharma AB and is chairman of the board and managing director of her own companies Scandi-Cure AB and Alexera AB. She is a board member and managing director of her own consulting company Arexela AB.
Holding in Promore Pharma: No current holding.

Erik Magnusson

Chief Financial Officer (CFO)

Born: 1961
Erik has more than 25 years of experience as an economist, including as a financial analyst and partner at ABG Sundal Collier, as CFO at the biotechnology company SentoClone AB, and as a senior business controller at Capio, Aleris, Systembolaget and Coop Online AB.
Erik became the company's CFO in August 2020.
Other assignments: Erik is the managing director of his own consulting company Råderik AB and CFO at Emplicure AB (publ).
Holding in Promore Pharma: 82,982 shares.


This annual report was produced and designed by
Online Marketing Sweden and **Fantasiskafferiet**.
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leading-edge medical innovation