PROMORE PHARMA
leading-edge medical innovation

Interim report, Jan-Mar 2023

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- **In April the results from the company's Phase II study PHSU05 were announced. No clear differences in the efficacy on reducing the scarring were observed between ensereptide and placebo.**

Promore Pharma AB (publ)

Interim report January - March 2023

January-March

- Net sales amounted to MSEK 0 (0).
- Net loss was MSEK -7.1 (-8.4), corresponding to earnings per share of SEK -0.12 (-0.14).
- Cash flow after financing activities amounted to MSEK -8.4 (-8.9).
- Cash amounted to MSEK 9.4 (36.4).

Significant events during January – March

- In February, the milestone Clean file was reached in PHSU05.

Events after the reporting period

- In April the results from the company's Phase II study PHSU05 were announced. No clear differences in the efficacy on reducing the scarring were observed between ensereptide and placebo.
- In May, the company received a limited capital adequacy guarantee (Sw:" kapitaltäckningsgaranti") to cover for working capital needs for the remainder of 2023.

" It is crucial for a company like Promore Pharma to be opportunistic in order to stay relevant and take advantage of arising circumstances..."

Jonas Ekblom, President, and CEO of Promore Pharma

From this report and onwards, Promore Pharma will present the quarterly financial reports in English only.

Financial overview for the Company

Amounts in MSEK	Jan-Mar 2023	2022
Net sales	-	-0.0
Operating loss	-7.1	-8.4
Profit/Loss for the period	-7.1	-8.4
Earnings per share, SEK	-0.12	-0.14
Cash flow after financing activities	-8.4	-8.9
Cash and cash equivalents at the end of the period	9.4	36.4

Promore Pharma in brief:

Promore Pharma is a biopharmaceutical company that develops pharmaceutical product candidates for bioactive healing of wounds. The company has two drug candidates in late clinical development stages, that are based on endogenous peptides, and thus have a strong safety profile. These two products are intended for treatment of chronic wounds, and prevention of scarring on the skin and other tissues. The company is listed on the Nasdaq First North Growth Market.

Statement of the CEO

The first quarter has been characterized by intensive work with our clinical trial program; PHSU05, a Phase II study with PXL01 for prevention of skin scarring. In February, we began enrolment in this clinical trial, and we reached recruitment goal in March.

During the first quarter of 2023, the majority of the company's resources have been invested in the PHSU05 phase II clinical trial of ensereptide. 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.

In April, we communicated data from the PHSU05 clinical trial. Moreover, 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, and therefore, we deem the results to be reliable. Anyone that is familiar with our industry sector, knows that the risks in drug development are considerable; our study results are very actionable, which is not always the case.

Notably, our other program on ropocamptide is not encumbered by the setbacks in the ensereptide program. Ropocamptide is a new treatment of chronic leg ulcers, and the company has previously completed a Phase IIb trial with positive outcome. This product candidate has a strong safety profile; with a low probability of causing severe adverse events. 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.

The management team and board of directors has in recent weeks assessed the strategic alternatives available to the company. The board of directors has concluded that due to the company's current market capitalization, it is not advisable to raise the capital for a next clinical trial on ropocamptide through a share issue. Such a share issue would result in a very drastic dilution of current shareholders and cost of capital raised would be unreasonably high.

Instead, the management and the board of directors are intensely reviewing strategic options for the company and its products, including, but not limited to reverse acquisitions and joint ventures. I envision to communicate our plans as soon as we have reached a material stage of negotiations.

Although the envisioned strategic routes may not reflect our original objectives with the company, my ambition is that we should be able to offer an opportunity that can result in a new era for the company.

We hope for your continued attention and interest.

Solna, May 23, 2023

Jonas Ekblom

President & CEO

Overview of activities

Promore Pharma is a biopharmaceutical company that develops peptide-based product candidates aimed at the bioactive wound care market. Ropocamptide (LL-37) has recently passed clinical Phase IIb trial on patients with venous leg ulcers, and ensereptide (PXL01), which is developed for the treatment of post-surgery scars, is undergoing a Phase II proof-of-concept study for the treatment of post-surgery skin scars.

Promore Pharma's product candidates are based on innate peptides, which are a part of the human defense and healing system 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. This is supported by the results from prior clinical studies, where both ensereptide and ropocamptide showed strong tolerability and safety as well as efficacy. 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 candidates represent first-in-category therapeutics for several patient groups, segments where patients experience pain, reduced mobility, and lowered quality-of-life. When 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.

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.

About ensereptide (PXL01)

Ensereptide is derived from a human anti-bacterial protein (lactoferrin), which is part of the innate immune system. This protein and its peptide fragments have several modes of action, including immunomodulation and enhancement of fibrinolytic activity. It is well established that inflammation and fibrin formation after surgery or trauma are two pivotal mechanisms that strongly contribute to scar formation.

Ensereptide is aimed at local administration, and the development of the product is focused on preventing different kinds of scarring after surgery. In a Phase II clinical study that has been completed by the company in several countries of the European Union (EU), it has been demonstrated that ensereptide is efficacious and safe. Promore Pharma is conducting a clinical Phase II trial in the EU to explore the efficacy of the product for prevention of skin scarring. The study was initiated according to plan in the beginning of 2022.

Every year, more than 300 million surgical procedures are performed worldwide, and a proportion of these procedures result in disfiguring skin scars, for example after plastic and trauma surgery. Today, there are no drug products for prevention skin scarring after surgery. The addressable market is estimated to exceed SEK 100 billion. In other types of surgical procedures, there is a risk for occurrence of internal scars, which can cause adhesions (unfavorable attachments of tissues). This is a major medical problem, for example after surgical repair of injured tendons in the hand.

About ropocamptide (LL-37)

Ropocamptide is based on a human antimicrobial peptide, which stimulates several processes in wound healing. In a clinical Phase IIa study conducted by the company in patients with venous leg ulcers (VLUs), ropocamptide showed, in the most effective dose, an increase in the healing rate of relative wound area reduction of close to 70% after one month's treatment, suggesting a significantly higher efficacy than what has been reported for any other treatment in chronic wounds. No serious adverse events that were deemed to be caused by the investigational product occurred in the trial. The product candidate can be easily combined with the standard wound care treatments and given by a nurse or the patient.

The development of ropocamptide is initially focused on venous leg ulcers and the company has recently concluded a clinical Phase IIb study (HEAL LL-37) on patients with VLUs in Europe. VLUs constitute the largest category of all chronic or hard-to-heal ulcers and represent significant challenges to patients and healthcare systems since they are frequent, costly to manage, recurring, and may persist for months or years.

The development of ropocamptide focuses initially on VLUs but the company sees good potential in also developing ropocamptide for diabetic foot ulcers.

Significant events during January – March 2023

Clean File in PHSU05

In February 2023, the milestone Clean file was reached in PHSU05, and thereby the probability is high that the out-come of the study can be concluded and communicated in April 2023.First patient in PHSU05 enrolled.

Events after the reporting period

Outcome from clinical Phase II study with ensereptide

In April 2023, the company announced that the results from the company's Phase II study PHSU05 with ensereptide in prevention of skin scarring have been concluded. Results from the study show that the investigational drug ensereptide is safe and tolerable, which was the clinical trial's primary study objective. However, no clear differences in the efficacy on reducing the scarring were observed between ensereptide and placebo.

Financial information

Net sales and result for the first quarter 2023

The company has no revenues from products sales.

The company's costs for raw materials and consumables are mainly related to development costs, such as costs for clinical trials, patents, products for the clinical trials and consultants working with the development of the company's candidate drugs. In the quarter, these costs amounted to MSEK 4.9 (5.2), which was primarily due to the closing of PHSU05.

Other external costs amounted to MSEK 0.9 (1.5), where the decrease is mainly due to lower consultancy costs.

Personnel expenses costs were MSEK 1.3, which is MSEK 0.3 lower compared to the same period last year.

The operating loss for the period amounted to MSEK -7.1, compared to MSEK -8.4 in 2020. Net loss for the period amounted to MSEK -7.1 (-8.4), corresponding to earnings per share of SEK -0.12 (-0.14).

Cashflow, liquidity and financing

The cash flow from operating activities during the period amounted to MSEK -8.4 (-8.6). A change in working capital of -1.4 (-0.3) MSEK explains the difference to the net result.

The cash flow from investment activities amounted to MSEK 0.0 (0.0).

The cash flow from financing activities was MSEK 0 (-0.2) during the period, where last year's number is related to a paid dept to Karolinska Development as a consequence of the sale of shares in Herantis Pharma Oy in 2021

The company's cash and cash equivalents amounted to MSEK 7.6 by 31 of March, compared to 14.7 by 31 December 2022 and MSEK 33.0 by 31 March 2022.

In May, the company received a limited capital adequacy guarantee (Sw: "kapitaltäckningsgaranti") to cover for working capital needs for the remainder of 2023.

Group, MSEK	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23
Cash and cash equivalents	36.4	29.6	23.5	17.8	9.4
Working capital	33.0	26.8	21.5	14.7	7.6

Auxiliary information

Risks and uncertainties

The ongoing war in Ukraine and the related sanctions against Russia has so far only had limited effect on Promore Pharma's operations but the company is following the development closely to be able to handle any changed prerequisites. The largest individual effects from the war for Promore Pharma's operations are expected to be risks for increasing costs and delayed deliveries of certain product components, and more challenging to raise capital.

Further information about risks and uncertainties can be obtained from the company's website, www.promorepharma.com.

Group structure

The Promore Pharma Group comprises, except for the parent company Promore Pharma AB (reg. nr. 556639-6809), also the wholly owned subsidiaries Pergamum AB (reg. nr. 556759-9203) and Pergasus AB (reg. nr. 559349-7695).

Number of shares

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

The 24.285.574 shares from the new issue were officially recorded in the beginning of July, why the average number of shares in Q4 increased from 36,428,362 to 60,713,936, while the number of shares at the end of the period amounted to 60,713,936.

Number of shares	Jan-Mar 2023	2022
Average number of shares	60,713,936	60,713,936
Number of shares by the end of the period	60,713,936	60,713,936

After the new issue, the main owners Corespring New Technology AB* and PharmaResearch Co. Ltd together own just below 50% of the shares in the company.

Ownership Promore Pharma per 2023-03-31	number	share
Corespring New Technology AB*	22,710,730	37.4%
PharmaResearch Co. Ltd.	7,468,132	12.3%
Nordnet Pensionsförsäkring AB	4,314,923	7.1%
Daniel Johnsson	3,740,036	6.2%
Exceca Allocation & Assoc.	3,332,584	5.5%
Arne Andersson	3,303,874	5.4%
Avanza Pension	2,229,425	3.7%
Other	13,614,232	22.4%
TOTAL	**60,713,936**	**100.0%**

*formerly Midroc New Technology AB

Warrants – external partners

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 deregistered. 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.

Warrants – LTI 2020

It was resolved at the Annual General Meeting in 2020 to adopt a performance-based stock savings program (LTI 2020) for certain employees and contractors in Promore Pharma. A maximum of 1,400,000 Performance Share Rights may be allotted under LTI 2020, corresponding to approximately 3.7 percent of the shares in the company.

In accordance with the Board's proposal, it was resolved that a directed issue of 1,800,000 warrants with the right to subscribe for new shares in the company be used to implement LTI 2020. For those who are offered to join LTI 2020 and previously participated in the company's old bonus program, the old bonus agreements will be terminated without any awards.

Personnel

Promore Pharma has a small and cost-effective organization that is primarily 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 31 March 2023, the company consequently had one employee.

Transactions with related parties
The company has not had any transactions with related parties during the period.

Accounting principles
The report has been drawn up in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's (BFNAR) General Recommendation 2012:1: Annual Report and Consolidated Accounts ("K3").

Incoming balances has not yet been approved by the Annual General meeting.

Financial calendar 2022

AGM 2022	27 June 2023
Q2 2023	30 August 2023
Q3 2023	28 November 2023

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

The Board's declaration

The Board of Directors and the CEO assure that this report provides a fair overview of the company's operations, position, and results.

Solna 23 May 2023

Marianne Dicander Alexandersson
Chairman of the Board

Hans-Peter Ostler

Göran Linder

Kerstin Valinder Strinnholm

Candice (Yujin) Jung

Jonas Ekblom
President & CEO

Consolidated income statement

Amounts in SEKk	Jan-Mar 2023	2022	Jan-Dec 2022
Operating income			
Net sales	-	-0	-0
Other operating income	34	23	99
Operating expenses			
Commodities and supplies	-4,929	-5,230	-15,944
Other external expenses	-922	-1,480	-4,840
Personnel costs	-1,262	-1,641	-5,860
Other operating expenses	-	-40	-57
Operating loss (EBIT)	**-7,080**	**-8,368**	**-26,603**
Financial items			
Net financial items	-4	-4	-16
Profit/loss after financial items	**-7,084**	**-8,371**	**-26,619**
Profit/loss before tax	**-7,084**	**-8,371**	**-26,619**
Tax	-	-	-
Profit/Loss for the period	**-7,084**	**-8,371**	**-26,619**
EPS	-0.12	-0.14	-0.44

N.B. Any incoming balances has not yet been approved by the Annual General meeting.

Consolidated balance sheet

Amounts in SEKk	31 Mar 2023	31 Mar 2022	31 Dec 2022
ASSETS			
FIXED ASSETS			
Financial fixed assets	1	1	1
Total fixed assets	**1**	**1**	**1**
CURRENT ASSETS			
Other receivables	818	2 185	3 197
Cash and cash equivalents	9,364	36,445	17,808
Total current assets	**10,182**	**38,630**	**21,005**
TOTAL ASSETS	**10,183**	**38,631**	**21,006**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	2,429	2,429	2,429
Other equity including the result for the period	4,475	29,824	11,559
Total equity	**6,903**	**32,253**	**13,988**
LONG-TERM LIABILITIES			
Liabilities to credit institutions	714	714	714
Total long-term liabilities	**714**	**714**	**714**
CURRENT LIABILITIES			
Accounts payable	1,372	3,189	4,722
Deferred taxes	182	182	146
Other current liabilities	1,012	2,294	1,437
Total current liabilities	**2,566**	**5,665**	**6,304**
TOTAL EQUITY AND LIABILITIES	**10,183**	**38,631**	**21,006**

N.B. Any incoming balances has not yet been approved by the Annual General meeting.

Consolidated cash flow analysis

Amounts in SEKk	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
OPERATING ACTIVITIES			
Operating profit	-7,080	-8,368	-26,603
Adjustments for items not included in cash flow	-4	14	-16
Tax paid	-	-	-
Cash flow from operating activities before changes in working capital	**-7,084**	**-8,354**	**-26,619**
Increase/decrease other current receivables	2,379	-303	-1,314
Increase/decrease other current liabilities	-3,738	22	341
Cash flow from operating activities	**-8,444**	**-8,635**	**-27,592**
INVESTING ACTIVITIES			
Sale of financial fixed assets	-	-	-
Cash flow from investing activities	**-**	**-**	**-**
FINANCING ACTIVITIES			
New share issue	-	-	-
Loans	-	-237	-237
Repaid loans	**-**	**-237**	**-237**
Cash flow from financing activities	**-8,444**	**-8,872**	**-27,829**
Cash flow for the period	**17,808**	**45,317**	**45,317**
Cash and cash equiv. at the beginning of the period	-	-	-
Exchange rate difference cash and cash equivalents	**9,364**	**36,445**	**17,488**
Cash and cash equiv. at the end of the period	-7,080	-8,368	-26,603

N.B. Any incoming balances has not yet been approved by the Annual General meeting.

Change in equity for the group

Amounts in SEKk	Share capital	Other paid-in capital	Other equity	Total equity
Amount at the beginning of the period (1 Jan 2023)	2,429	-	11,559	**13,988**
New share issue	-	-	-	-
Repurchased warrants	-	-	-	-
Profit for the period	-	-	-7,084	**-7,084**
Amount at the end of the period (31 Mar 2023)	**2,429**	**-**	**4,474**	**6,903**
Amount at the beginning of the period (1 Jan 2022)	2,429	-	38,195	**40,624**
New share issue	-	-	-	-
Profit for the period	-	-	-8,371	**-8,371**
Amount at the end of the period (31 Mar 2022)	**2,429**	**-**	**29,824**	**32,253**

Parent company income statement

Promore Pharma AB, parent company	Jan-Mar		Jan-Dec
Amounts in SEKk	2023	2022	2022
OPERATING INCOME			
Net sales	-	-	-
Other operating income	30	20	75
OPERATING EXPENSES			
Commodities and supplies	-4,887	-5,180	-15,594
Other external expenses	-908	-1,462	-4,788
Personnel costs	-1,262	-1,641	-5,860
Depreciation and amortization of tangible assets	-	-	-
Total operating expenses	-7	-40	-57
Operating profit/loss (EBIT)	**-7,034**	**-8,302**	**-26,224**
FINANCIAL ITEMS			
Net financial items	-	-	-
Profit/Loss after financial items	**-7,034**	**-8,302**	**-36,429**
Pre-tax profit	**-7,034**	**-8,302**	**-36,429**
Tax	-	-	-
Net profit/loss for the period	**-7,034**	**-8,302**	**-36,429**

N.B. Any incoming balances has not yet been approved by the Annual General meeting.

Parent company balance sheet

Promore Pharma AB, parent company	31 Mar		31 Dec
Amounts in SEKk	2023	2022	2022
FIXED ASSETS			
Share in other long-term securities holdings	218	10,398	218
Total fixed assets	**218**	**10,398**	**218**
CURRENT ASSETS			
Accounts receivables	-	-	-
Receivables from group companies	5,305	4,805	5,305
Current tax assets	183	183	144
Other current receivables	657	1,186	601
Prepaid expenses and accrued revenue	235	611	2,419
Cash and bank balances	3,291	30,596	11,728
Total current assets	**9,670**	**37,380**	**20,197**
TOTAL ASSETS	**9,888**	**47,779**	**20,415**
EQUITY			
Restricted equity			
Share capital	2,429	2,429	2,429
Reserve fund	380	380	380
Total restricted equity	**2,809**	**2,809**	**2,809**
Unrestricted equity			
Share premium reserve	220,462	220,462	220,462
Loss brought forward	-179,901	-181,169	-172,867
Profit/Loss for the period	-36,430	-	-36,430
Total unrestricted equity	**4,132**	**39,293**	**11,165**
Total equity	**6,941**	**42,102**	**13,974**
CURRENT LIABILITIES			
Accounts payables	1,468	3,181	4,836
Current tax liabilities	490	382	356
Accrued expenses and deferred income	990	2,114	1,249
Total current liabilities	**2,947**	**5,677**	**6,441**
TOTAL EQUITY AND LIABILITIES	**9,888**	**47,779**	**20,415**

N.B. Any incoming balances has not yet been approved by the Annual General meeting.

Parent company cash flow analysis

Promore Pharma AB, parent company	Jan-Mar		Jan-Dec
Amounts in SEKk	2023	2022	2022
Operating activities			
Operating loss	-7,034	-8,302	-26,224
Adjustments for non cash flow items	-	0	-25
Tax paid	-	-	-
Cash flow from operating activities before changes in working capital	**-7,034**	**-8,302**	**-26,249**
Change in accounts receivables	2,089	-275	-1,959
Change in accounts payable	-3,493	80	843
Cash flow from operating activities	**-8,438**	**-8,497**	**-27,364**
FINANCING ACTIVITIES			
New share issue	-	-	-
Repaid loans	-	-237	-237
Cash flow from financing activities	**-**	**-237**	**-237**
Cash flow for the period	**-8,438**	**-8,734**	**-27,601**
Cash and bank balances in the beginning of the period	**11,728**	**39,330**	**39,330**
Exchange rate difference cash and cash equivalents	-	-	-
Cash and bank balances at year end	**3,291**	**30,596**	**11,728**

N.B. Any incoming balances has not yet been approved by the Annual General meeting.

For additional information, please contact

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Promore Pharma's Certified Adviser is Erik Penser Bank AB.