

Interim report, Jan-Sep 2023

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- In June the company announced the discontinuation of ensereptide and the termination of the Company's key personnel.
- In October the company announced the initiation of a voluntary liquidation.



Promore Pharma AB (publ)

Interim report January - September 2023

July to September

- Net sales amounted to MSEK 0 (0)
- Net loss was MSEK -3.9 (-5.3), corresponding to earnings per share of SEK -0.06 (-0.09)
- Cash flow after financing activities amounted to MSEK -1.3 (-6.1)
- Cash amounted to MSEK 3.9 (23.5), compared to MSEK 17.8 on 31 December 2022

January to September

- Net sales amounted to MSEK 0.1 (0)
- Net loss was MSEK -14.7 (-19.9), corresponding to earnings per share of SEK -0.24 (-0.33)
- Cash flow after financing activities amounted to MSEK -13.9 (-21.8)

Significant events during January – September

- In February, the milestone Clean file was reached in PHSU05.
- 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.
- In June, the company informed that a number of measures had been taken to reduce the Company's costs, which included the discontinuation of the ensereptide project and the termination of the Company's key personnel.
- In August it was reported that Promore engages Erik Penser Bank as liquidity provider.

Events after the reporting period

- In October the company announced the initiation of a voluntary liquidation.

” In my role as liquidator, I continue to review opportunities for a strategic transaction supported by the management team of the company that have been given notice of termination quote.”

Lars-Henrik Andersson, Liquidator

Financial overview for the Company

Amounts in MSEK	Jul-Sep		Jan-Sep	
	2023	2022	2023	2022
Net sales	0.0	0.0	0.1	0.0
Operating loss	-3.9	-5.3	-14.7	-19.8
Profit/Loss for the period	-3.9	-5.3	-14.7	-19.9
Earnings per share, SEK	-0.06	-0.09	-0.24	-0.33
Cash flow after financing activities	-1.3	-6.1	-13.9	-21.8
Cash and cash equivalents at the end of the period	3.9	23.5	3.9	23.5

Promore Pharma in brief:

Promore Pharma is a biopharmaceutical company that develops pharmaceutical product candidates for bioactive healing of wounds. The company has one drug candidate in late clinical development stage, that is based on an endogenous peptide, and thus has a strong safety profile. The product is intended for treatment of chronic wounds. The company is listed on the Nasdaq First North Growth Market.

Statement of the liquidator

After a decision by an extraordinary general meeting of the company to enter into a voluntary liquidation procedure held on 6 Oct 2023, I was registered as liquidator of the company by the Swedish Corporate Registry on 11 Oct 2023.

I recognize that the first nine months of this fiscal year have been intense and painful for the company. During 2023, the majority of the company's resources were invested in the PHSU05 phase II clinical trial of ensereptide and its close-out. In April, the company communicated data from the PHSU05 clinical trial. Regrettably, the outcome of this clinical trial failed to demonstrate that ensereptide has a significant effect on the prevention of dermal scarring. Consequently, the company's board made the decision to discontinue the ensereptide project.

During the summer, the management team and board of directors has reviewed strategic options for the company such as reverse acquisitions and joint ventures. Given that the company's cash will last until mid-December 2023, the board concluded that there were no acceptable alternatives to the decision to enter into a voluntary liquidation, in order to avoid a bankruptcy situation in the event that a structural transaction could not be carried out. Thus, an extraordinary general meeting was called for and held on 6 Oct 2023.

In my role as liquidator, I continue to review opportunities for a strategic transaction supported by the management team of the company that have been given notice of termination. Negotiations regarding possible structural deals are ongoing; as previously communicated, two declarations of intent have been signed regarding concrete business proposals, but no binding agreements have been concluded. We are currently reviewing the feasibility of these potential transactions and hope to conclude these discussions shortly. I should add, that certain outcome scenarios could justify a reversal of the voluntary liquidations

My aim, and duty, is naturally to do everything in my power to safeguard potential value for the shareholders of Promore Pharma.

Stockholm, 28 November 2023,

Lars-Henrik Andersson
Liquidator

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.

Promore Pharma's product candidate is based on an innate peptide, which is a part of the human defense and healing system and has a strong safety profile since it quickly degrades in the blood stream and is therefore unlikely to contribute to severe systemic adverse events. This is supported by the results from prior clinical studies, where ropocamptide showed strong tolerability and safety as well as efficacy. The product candidate is protected by several international patent families offering protection until 2030 and longer. The patents provide protection in several dimensions, such as therapeutic use, formulation, and dosage ranges.

Promore Pharma's product candidate represent first-in-category therapeutics for several patient groups, segments where patients experience pain, reduced mobility, and lowered quality-of-life. When Promore Pharma's product candidates in clinical development receive market authorization and are established as treatment for chronic wounds, 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 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. In countries with advanced economies, 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 – September 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.

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.

Capital adequacy guarantee

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

Cost reduction

In June, the company informed that a number of measures had been taken to reduce the Company's costs, which included the discontinuation of the ensereptide project and the termination of the Company's key personnel. The company also announced that it had been investigating the possibilities of carrying out a reverse acquisition for some time.

Erik Penser Bank as liquidity provider

In August it was reported that Promore engages Erik Penser Bank as liquidity provider.

Events after the reporting period

Initiation of a voluntary liquidation

In October it was announced that the company had entered into voluntary liquidation and that the Swedish Companies Registration Office had appointed attorney Lars-Henrik Andersson as liquidator.

Financial information

Net sales and result for the third 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 1.4 (3.0), which was primarily due to the significantly lower activity in our PHSU05 clinical trial.

Other external costs amounted to MSEK 1.3 (1.1), with similar cost composition as last year.

Personnel expenses costs were MSEK 1.2, unchanged from as last year.

The operating loss for the period amounted to MSEK -3.9, compared to MSEK -5.3 in 2022. Net loss for the period amounted to MSEK -3.9 (-5.3), corresponding to earnings per share of SEK -0.06 (-0.09).

Net sales and result for the first nine months 2023

The company has no revenues from products sales, the SEK 0.1m (0.0) reported in the period is related to re-sale of certain products to a supplier.

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 7.6 (11.7), where the decrease was primarily due to the significantly lower activity in our PHSU05 clinical trial.

Other external costs amounted to MSEK 3.3 (3.7), where the decrease is mainly due to lower consultancy costs.

Personnel expenses costs were MSEK 3.9, which is MSEK 0.5 lower compared to the same period last year.

The operating loss for the period amounted to MSEK -14.7, compared to MSEK -19.8 in 2022. Net loss for the period amounted to MSEK -14.7 (-19.9), corresponding to earnings per share of SEK -0.24 (-0.33).

Cashflow, liquidity and financing

The cash flow from operating activities during the first nine months amounted to MSEK -16.4 (-21.5). A change in working capital of MSEK -1.7 (-1.7) 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 2.5 (-0.2) during the period, which is related to the limited capital adequacy guarantee. Last year's number is related to a paid debt to Karolinska Development as a consequence of the sale of shares in Herantis Pharma Oy in 2021.

The Group's cash and cash equivalents amounted to MSEK 3.9 by 30 of September, compared to SEK 17.8 by 31 December 2022 and MSEK 23.5 by 30 September 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	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Cash and cash equivalents	23.5	17.8	9.4	5.2	3.9
Working capital	21.5	14.7	7.6	3.9	2.5

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 number of shares at the end of the period amounted to 60,713,936.

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

The main owners Coespring New Technology AB* and PharmaResearch Co. Ltd together own just below 50% of the shares.

Ownership Promore Pharma per 2023-09-30	number	share
Coespring New Technology	22,710,730	37.4%
PharmaResearch Co. Ltd	7,468,132	12.3%
Exceca Allocation & Assoc	3,332,584	5.5%
Arne Andersson	3,303,874	5.4%
Avanza Pension	1,538,232	2.5%
Futur Pension	1,182,294	1.9%
Per Anders Wigg	864,588	1.4%
Other	20,313,502	33.5%

TOTAL	60,713,936	100.0%
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**formerly Midroc New Technology AB*

Warrants – external partners

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.

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”).

Financial calendar 2023

Q4 2023	TBD
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Review by auditor

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

The Liquidator’s declaration

The Liquidator assure that this report provides a fair overview of the company’s operations, position, and results.

Solna November 28, 2023

Lars-Henrik Andersson

Consolidated income statement

<i>Amounts in SEKk</i>	Jul-Sep		Jan-Sep		Jan-Dec
	2023	2022	2023	2022	2022
Operating income					
Net sales	0	0	126	0	0
Other operating income	-5	10	55	57	99
Operating expenses					
Commodities and supplies	-1,369	-3,006	-7,640	-11,727	-15,944
Other external expenses	-1,306	-1,140	-3,303	-3,723	-4,840
Personnel costs	-1,216	-1,204	-3,941	-4,393	-5,860
Other operating expenses	-	-4	-	-57	-57
Operating loss (EBIT)	-3,896	-5,343	-14,703	-19,843	-26,603
Financial items					
Net financial items	-8	-4	-24	-11	-16
Profit/loss after financial items	-3,904	-5,347	-14,728	-19,854	-26,619
Profit/loss before tax	-3,904	-5,347	-14,728	-19,854	-26,619
Tax	-	-	-	-	-
Profit/Loss for the period	-3,904	-5,347	-14,728	-19,854	-26,619
EPS	-0,06	-0,09	-0,24	-0,33	-0,44

Consolidated balance sheet

<i>Amounts in SEKk</i>	30 Sep		31 Dec
	2023	2022	2022
ASSETS			
FIXED ASSETS			
Financial fixed assets	1	1	1
Total fixed assets	1	1	1
CURRENT ASSETS			
Other receivables	934	1,383	3,197
Cash and cash equivalents	3,886	23,547	17,808
Total current assets	4,820	24,930	21,005
TOTAL ASSETS	4,821	24,931	21,006
EQUITY AND LIABILITIES			
EQUITY			
Share capital	2,429	2,429	2,429
Other equity including the result for the period	-669	18,324	11,559
Total equity	1,760	20,753	13,988
LONG-TERM LIABILITIES			
Liabilities to credit institutions	714	714	714
Total long-term liabilities	714	714	714
CURRENT LIABILITIES			
Accounts payable	975	2,195	4,722
Deferred taxes	255	255	146
Other current liabilities	1,117	1,014	1,437
Total current liabilities	2,347	3,464	6,304
TOTAL EQUITY AND LIABILITIES	4,821	24,931	21,006

Consolidated cash flow analysis

<i>Amounts in SEKk</i>	Jul-Sep		Jan-Sep		Jan-Dec
	2023	2022	2023	2022	2022
OPERATING ACTIVITIES					
Operating profit	-3,896	-5,343	-14,703	-19,843	-26,603
Adjustments for items not included in cash flow	-8	-4	-24	-11	-16
Tax paid	-	-	-	-	-
Cash flow from operating activities before changes in working capital	-3,904	-5,347	-14,728	-19,854	-26,619
Increase/decrease other current receivables	74	240	2,262	500	-1,314
Increase/decrease other current liabilities	39	-980	-3,957	-2,179	661
Cash flow from operating activities	-3,791	-6,088	-16,422	-21,533	-27,272
INVESTING ACTIVITIES					
Cash flow from investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
New share issue	-	-	-	-	-
Repaid loans	-	-	-	-237	-237
Cash flow from financing activities	2,500	-	2,500	-237	-237
Cash flow for the period	-1,291	-6,088	-13,922	-21,769	-27,509
Cash and cash equiv. at the beginning of the period	5,176	29,635	17,808	45,317	45,317
Exchange rate difference cash and cash equivalents	-	-	-	-	-
Cash and cash equiv. at the end of the period	3,886	23,547	3,886	23,547	17,808

Change in equity for the group

EQUITY

<i>Amounts in SEKk</i>	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	-	-	-14,728	-14,728
Amount at the end of the period (30 September 2023)	2,429	-	-3,169	-740
Amount at the beginning of the period (1 Jan 2022)	2,429	-	38,178	40,607
New share issue	-	-	-	-
Profit for the period	-	-	-19,854	-19,854
Amount at the end of the period (30 September 2022)	2,429	-	18,324	20,753

Parent company income statement

Promore Pharma AB, parent company	Jul-Sep		Jan-Sep		Jan-Dec
Amounts in SEkk	2023	2022	2023	2022	2022
OPERATING INCOME					
Net sales	-	-	126	-	-
Other operating income	3	4	45	39	75
OPERATING EXPENSES					
Commodities and supplies	-1,369	-2,933	-7,581	-11,544	-15,594
Other external expenses	-1,298	-1,129	-3,254	-3,682	-4,788
Personnel costs	-1,212	-1,204	-3,930	-4,393	-5,860
Depreciation and amortization of tangible assets	-	-	-	-	-
Total operating expenses	-4	-4	-11	-57	-57
Operating profit/loss (EBIT)	-3,880	-5,266	-14,606	-19,637	-26,224
FINANCIAL ITEMS					
Net financial items	-	-	-	-	-10,205
Profit/Loss after financial items	0	-	0	-	-
	-3,880	-5,266	-14,605	-19,637	-36,429
Pre-tax profit					
Tax	-3,880	-5,266	-14,605	-19,637	-36,429
Net profit/loss for the period	-	-	-	-	-

Parent company balance sheet

Promore Pharma AB, parent company	31 Sep		31 Dec
Amounts in SEKk	2023	2022	2022
NON-CURRENT ASSETS			
Share in other long-term securities holdings	268	10,423	218
Total fixed assets	268	10,423	218
CURRENT ASSETS			
Receivables from group companies	805	5,305	5,305
Current tax assets	-	261	144
Other current receivables	717	719	601
Prepaid expenses and accrued revenue	208	315	2,419
Cash and bank balances	2,343	17,209	11,728
Total current assets	4,073	23,808	20,197
TOTAL ASSETS	4,341	34,232	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	-221,402	-192,505	-172,867
Profit/Loss for the period	-	-	-36,430
Total unrestricted equity	-940	27,957	11,165
Total equity	1,869	30,766	13,974
CURRENT LIABILITIES			
Accounts payables	1,087	2,178	4,836
Current tax liabilities	255	468	356
Accrued expenses and deferred income	913	820	1,249
Total current liabilities	2,472	3,466	6,441
TOTAL EQUITY AND LIABILITIES	4,341	34,232	20,415

Parent company cash flow analysis

Promore Pharma AB, parent company <i>Amounts in SEKk</i>	Jul-Sep		Jan-Sep		Jan-Dec
	2023	2022	2023	2022	2022
Operating activities					
Operating loss	-3,880	-5,266	-14,606	-19,637	-26,224
Adjustments for non cash flow items	0	-1	0	-25	-25
Tax paid	-	-	-	-	-
Cash flow from operating activities before changes in working capital	-3,880	-5,266	-14,605	-19,662	-26,249
Change in accounts receivables	71	178	6,738	-90	-1,959
Change in accounts payable	42	-1,002	-3,969	-2,132	843
Cash flow from operating activities	-3,767	-6,091	-11,836	-21,884	-27,364
INVESTMENT ACTIVITIES					
Acquisition of affiliated companies	-50	-	-50	-	-
Cash flow from investment activities	-50	-	-50	-	-
FINANCING ACTIVITIES					
New share issue	-	-	-	-	-
Received shareholders contribution	2,500	-	2,500	-	-
New loans	-	-	-	-	-
Repaid loans	-	-	-	-237	-237
Cash flow from financing activities	2,500	-	2,500	-237	-237
Cash flow for the period	-1,317	-6,091	-9,386	-22,121	-27,601
Cash and bank balances in the beginning of the period	3,659	23,299	39,330	19,014	39,330
Exchange rate difference cash and cash equivalents	-	-	-	-	-
Cash and bank balances at year end	2,343	17,209	29,944	-3,108	11,728

For additional information, please contact

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