PILA PHARMA AB

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PILA PHARMA PUBLISHES YEAR-END REPORT (1 JANUARY – 31 DECEMBER 2024)

PILA PHARMA AB (publ) (FN STO: PILA) today publishes the Company´s year-end report for the period January – December 2024.

The report can be found on the Company's website:
https://pilapharma.com/investors/finansiell-information/

SUMMARY OF YEAR-END REPORT

SECOND HALF YEAR (1 JULY– 31 DECEMBER 2024)

- Operating income amounted to TSEK 107 (366)
- The operating result (EBIT) totalled to TSEK – 4 030 (-2 792)
- The result for the period totalled to TSEK - 7 155 (- 2 831)
- Earnings per share, basic and diluted, were SEK - 0.28 (- 0.13)
- Cash flow for the second half year totalled to TSEK 2 350 (5 512), whereof the cash flow for the operating activities totalled to TSEK - 4 411 (- 1 550)

TWELVE MONTH PERIOD (1 JANUARY– 31 DECEMBER 2024)

- Operating income amounted to TSEK 790 (1 463)
- The operating result (EBIT) totalled to TSEK - 8 109 (- 6 393)
- The result for the period totalled to TSEK - 11 241 (- 9 930)
- Earnings per share, basic and diluted, were SEK - 0,44 (- 0,47)
- Cash flow for the year totalled to TSEK - 1 062 (- 1 289), whereof the cash flow for the operating activities totaled to TSEK - 7 823 (- 4 854)
- The Company's cash amounted to TSEK 4 893 (5 954) by 31 December 2024
- The Danish subsidiary's cash amounted to TSEK 1498 (1303) by 31 December 2024
- Equity amounted to TSEK 5 261 (6 661)
- The Company's solvency ratio amounted to 85 % (79 %)

SIGNIFICANT EVENTS DURING THE HALF YEAR (1 JULY – 31 DECEMBER 2024)

- On July 16, 2024, PILA PHARMA's Board of Directors resolved to carry out a directed issue of shares of approximately SEK 10 million
- On July 24, 2024, PILA PHARMA signed agreement with Lindus Health about next clinical trial with safety and obesity readouts
- On July 25, 2024, PILA PHARMA's Board of Directors announced completion of a fully subscribed directed issue of approximately SEK 10 million
- On August 28, 2024, PILA PHARMA published the interim report (1 January – 30 June 2024)
- On September 02, 2024, CEO Gustav H. Gram increased holding in PILA PHARMA
- On October 17, 2024, PILA PHARMA informed of optimisation changes to trial plan
- On November 13, 2024, PILA PHARMA announced progression and co-sponsorship of preclinical research collaboration in cardiovascular disease
- On November 14, 2024, PILA PHARMA announced selection of clinical trial site and decision to seek scientific advice for optimised PP-CT03 study design
- On November 19, 2024, PILA PHARMA Chairman & CEO increased their holdings
- On December 13, 2024, PILA PHARMA announced hire of a new Chief Financial Officer (CFO)
- On December 18, 2024, it was announced that PILA PHARMA's lead candidate, the TRPV1 antagonist, XEN-D0501, had significantly reduced *abdominal aorta aneurysm* growth in mice, establishing pre-clinical proof-of-concept

SIGNIFICANT EVENTS AFTER THE PERIOD

- None

CEO comment:

A year with many changes, alterations, new shareholders and progress has come and gone. It's surely been an eventful year for us at PILA PHARMA!

Management 're-calibration' was what we called it in April 2024, when our founder, Dorte X. Gram transitioned to Chairman of the Board and Chief Scientific Officer, whilst I was appointed new CEO.

Emphasis on increasing awareness of PILA PHARMA, expanding our exposure and getting us into international news flow to strengthen the stock performance has been a key priority of mine.

We've fortunately noticed growing investor interest and ended up being among the best performing biotech/life science stocks across all lists in Scandinavia in 2024!

Securing additional funds in a time and cost-efficient manner has been a priority, very much symbolised when we simultaneously to pushing our awareness campaigns conducted a directed issue for SEK 10 million in the summer.

This funding allowed us to speed up the preparatory work for our next phase 2a study, PP-CT03. The initial approach was to run the trial with our new UK contracted CRO at their non-hospital site in a cost-and time effective manner. However, following concerns raised by our safety advisors, we announced changes to the study design in October and took the decision to conduct at least the initial part at a hospital site.

To build understanding of the further potential of our lead candidate in cardiovascular disease, we initiated and completed a small study in abdominal aorta aneurism. We were very encouraged by the first preliminary data from mice that confirms our belief in the cardioprotective properties of XEN-D0501.

Our results so far provide us with exciting prospects, and the strategy remains to progress our lead candidate to proof-of-concept data in obesity & diabetes, and form partnerships from there. We look forward to further progress in 2025.

For more information:

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Pila Pharma's share ticker PILA is subject to trade on Nasdaq First North Growth Market, Sweden with **Aqurat Fondkommission AB** as Certified Adviser.
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About PILA PHARMA AB (Publ)
PILA PHARMA is a Swedish biotech company based in Malmö, Sweden. The aim of the company is to develop TRPV1 antagonists as a novel treatment of type 2 diabetes and potentially of other diseases with an inflammatory background. The Company owns a TRPV1 asset with data and chemical entities including the development candidate XEN-D0501. Further, the Company owns use-patents covering the use of TRPV1-antagonists as treatment of obesity and diabetes and intends to submit further patents regarding the synthesis, formulation, or use of XEN-D0501 or back-up compounds. In July 2022, the Company was awarded orphan drug designation ("Orphan drug designation") for XEN-D0501 as a treatment for erythromelalgia. PILA PHARMA currently focuses on 3 projects within Type-2 Diabetes, Erythromelalgia, and Abdominal Aorta Aneurysm.

About XEN-D0501 and TRPV1 antagonists
XEN-D0501 is a selective, synthetic potent small molecule TRPV1 antagonist that was in-licensed in 2016. TRPV1 antagonists that down-regulate neurogenic inflammation, has demonstrated applications across pain and inflammatory diseases and potentially plays a role in diabetes and potentially other metabolic disorders like obesity. TRPV1 antagonists have been shown to prevent glucose intolerance and body weight gain in spontaneously obese pre-diabetic rats. These results pointed to a new and previously undiscovered role of TRPV1 in regulating both blood glucose and body weight. Prior to in-licensing, XEN-D0501 had been found to have a good safety profile in other (non-diabetic) patient groups. PILA PHARMA has to date completed two phase 2a clinical trials (PP-CT01 and PP-CT02), that both demonstrated that XEN-D0501 is well tolerated by in people living with obesity and type 2 diabetes. Further, PP-CT02, demonstrated that XEN-D0501 (administered as 4 mg bi-daily for 28 days) - with statistical significance versus placebo - enhanced the endogenous insulin response to oral glucose. Furthermore, ANP, a cardiovascular biomarker for heart failure, was highly statistically significantly reduced. During 2023 the Company could report very good tolerability of XEN-D0501 following 13 weeks administration of very high doses in 2 animal species, and XEN-D0501 can thus progress into longer clinical trials. Currently, a scientific advice regarding the study design of the next clinical phase 2a trial, PP-CT03, is being prepared and will be followed by a clinical trial submission in the UK. The objective of the study is to identify the maximal tolerable dose of XEN-D0501 in people living with obesity and type 2 diabetes and to evaluate the safety profile following 3 months chronic treatment. In addition to the safety assessment, PP-CT03 will also include sufficient participants that should allow for efficacy readouts on reduction of body weight.

About Diabetes and Obesity
Diabetes is a globally spanning pandemic with a staggering estimated prevalence of more than 537 million people living with diabetes corresponding to approximately 8-10% of the global adult population. Among these, its estimated that more than approximately 90 % of all diabetics suffer from type-2 diabetes, whilst approximately less than 10% suffers from type-1 diabetes. Despite recent therapeutic advances, large and growing unmet needs exist both from efficacy, safety, and accessibility standpoints.
Obesity is an even larger pandemic with estimates of more than 1 billion people suffering from it in 2025. It is most often preceding the development of type 2 diabetes and is a serious risk-factor for not only developing type 2 diabetes but also co-morbidities resulting in "whole body dysfunction" and subsequent development of several diseases. The accumulated effect is a year-long reduction in quality of life for obese people with or without diabetes. Obesity leads to an increased risk of developing cardiovascular disease that eventually results in premature death and shortening of life duration. Recent advances by "Big Pharma" in the development of effective anti-obesity drugs, has proven that pharmacological weight management is possible and leads to obvious quality-of-life and longevity benefits for people living with obesity. Even long-term, public health costs are expected to be reduced if the clinically negative effects of the obesity pandemic are limited. This has sparked a general interest in future potential oral

treatments that can meet the accessibility criteria needed to stimulate growing demand, and several acquisitions have been done in the obesity segment recently.

About Erythromelalgia
Erythromelalgia is a rare disease where neurogenic inflammation plays a role in the development of symptoms. The disease can cause near-constant or episodic pain (ranging from mild tingling to severe burning sensations), and redness to extremities. It most commonly affects the feet but may also occur in the hands, face, or other parts of the body with both nerves and blood vessels involved. Symptoms are frequently managed through avoidance of pain triggers. The disorder can be extremely debilitating, with a significant negative impact on quality of life and with potential to impact mortality rates among young people and the suicide rates among adults. Pila Pharma aims to conduct a small proof of concept study in persons with erythromelalgia to demonstrate an effect of XEN-D0501 on reducing perceived pain during "flare ups". There are no current treatments available to patients. PILA PHARMA has made a development plan for this project.

About Abdominal Aorta Aneurysm
Abdominal aorta aneurysm is a cardiovascular disease with 'ballooning' of the lower part of the main artery of the body, aorta. The cause is unknown, but risk factors are atherosclerosis, high blood pressure, cardiovascular inflammation and infection as well as trauma. It affects millions of people globally and accounts for the death of 1% of men over the age of 65. It develops gradually over several years up to a dilatation of more than 3mm in diameter when surgery to insert a stent to prevent rupture is then the only treatment option, which is both expensive and with possibility for complications. Currently no preventive treatment is available. In November 2023 a research collaboration was entered with Uppsala University. In December 2024, PILA PHARMAs TRPV1 antagonist, XEN-D0501, was shown to significantly reduce abdominal aorta aneurysm growth in mice, establishing preclinical proof-of-concept. A validation process is now ongoing in anticipation of creating a development plan.