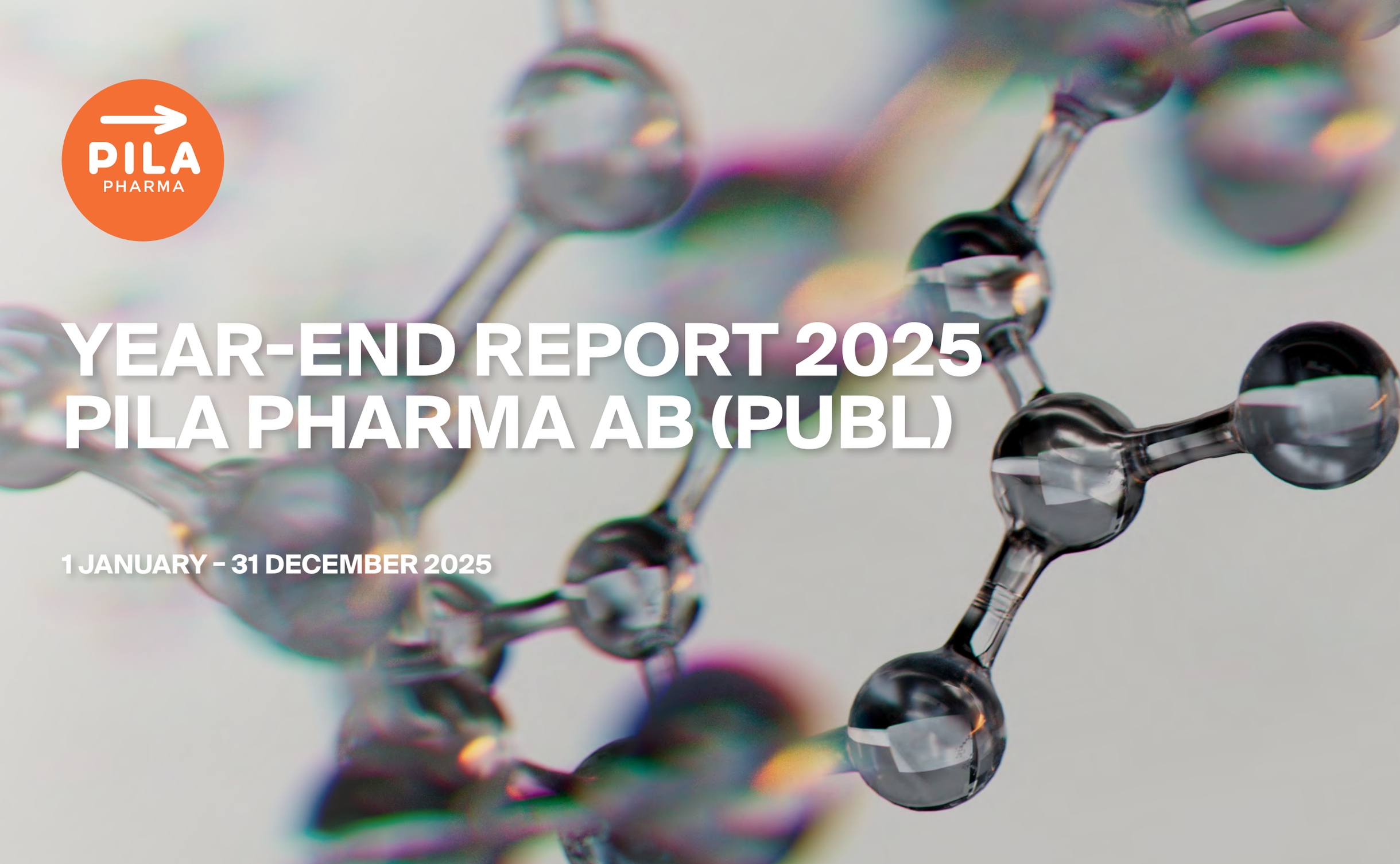


YEAR-END REPORT 2025
PILA PHARMA AB (PUBL)

1 JANUARY – 31 DECEMBER 2025

SUMMARY OF INTERIM REPORT

SECOND HALF YEAR (1 JULY– 31 DECEMBER 2025)

- Operating income amounted to TSEK 276 (107)
- The operating result (EBIT) totaled to TSEK -3 802 (-4 030)
- The result for the period totaled to TSEK -12 761 (- 7 155)
- Earnings per share, basic and diluted, were SEK -0,47 (- 0,151)
- Cash flow for the second half year totaled to TSEK 14 816 (2 350)
- The Company's cash amounted to TSEK 15 897 (4 893) at the end of 31 December 2025
- Equity amounted to TSEK 14 784 (5 261)
- The Company's solvency ratio amounted to 91 % (85 %)

TWELVE MONTH PERIOD (1 JANUARY– 31 DECEMBER 2025)

- Operating income amounted to TSEK 1 127 (790)
- The operating result (EBIT) totaled to TSEK -7 894 (-8 109)
- The result for the period totaled to TSEK -16 863 (- 11 241)
- Earnings per share, basic and diluted, were SEK -0,62 (- 0,30)
- Cash flow for the full year totaled to TSEK 11 006 (-1 062)
- The Company's cash amounted to TSEK 15 897 (4 892) at the end of 31 December 2025
- The Danish subsidiary's cash amounted to TSEK 3 400 (1 498) at the end of 31 December 2025
- Equity amounted to TSEK 14 784 (5 261)
- The Company's solvency ratio amounted to 91 % (85 %)

SIGNIFICANT EVENTS DURING THE HALF YEAR (1 JULY – 31 DECEMBER 2025)

- 21 July 2025: PILA PHARMA announced the outcome of its oversubscribed (293,5%) rights issue, raising SEK 19.99 million and resolves on a directed issue for over-allotment, raising a further SEK 8.95 million.
- 21 July 2025: As part of a directed issue for over-allotment, the Board of Directors approved, investment in units through set-off of executive remuneration of SEK 1.25 million for Gram Equity Invest AB, joint holding Company of the CEO Gustav Hanghøj Gram together with Chairman of the Board, Dorte X. Gram.
- 23 July 2025: The board of directors of PILA PHARMA resolved to carry out a directed issue of units to underwriters in the previously ended rights issue. The Board of Directors approved remuneration as set-off of units for underwriters for a total value of SEK 975 000.
- 21 August 2025: PILA PHARMA announced the completion of registration of shares in the rights issue and its associated directed issues to underwriters and over-allotment, marking the end of the rights issue process.
- 30 September 2025: PILA PHARMA announced it has signed a contract with a Danish preclinical contract research organisation, with the aim to demonstrate preclinical proof-of-concept of PILA PHARMA's in rats with obesity.
- 07 October 2025: PILA PHARMA announced that CEO Gustav H. Gram had increased his shareholding in the company. Mr. Gram acquired a total of 36,677 shares in PILA PHARMA AB on 3 and 6 October 2025 through market purchases at an average price of approximately SEK 2.26 per share.
- 04 December 2025: PILA PHARMA announced that Thomas Lutz, a leading pre-clinical researcher in obesity and metabolic diseases that since the 1990s, is a new addition to the Company's Scientific Advisory Board.
- 19 December 2025: PILA PHARMA announced that it has initiated the planned preclinical studies in obesity. The aim was to demonstrate preclinical proof-of-concept.

SIGNIFICANT EVENTS AFTER THE PERIOD

- 02 January 2026: PILA PHARMA announced that CEO Gustav H. Gram had increased his shareholding in the company. Mr. Gram acquired a total of 40,188 shares in PILA PHARMA AB on 29 and 30 December 2025 through market purchases at an average price of approximately SEK 2.15 per share.
- 26 January 2026: PILA PHARMA announced that it had entered into agreement with a new clinical Contract Research Organisation (CRO), to prepare and submit a clinical trial application in obesity. In addition, the Company also announces the completion of recent preclinical studies in obesity, albeit with inconclusive results.
- 09 February 2026: PILA PHARMA announced that it prepares and submit a clinical trial application in Erythromelalgia, for which the company holds FDA orphan drug designation.

PILA PHARMA IN BRIEF

PILA PHARMA AB ("PILA PHARMA" or "The Company") is a clinical stage biotech company pioneering development of a TRPV1 antagonist, XEN-D0501, as a new first-in-class, oral treatment for obesity and related disorders such as type 2 diabetes.

Novel mechanism for treatment of obesity and diabetes

The Company's invention is based on pre-clinical research conducted at Novo Nordisk where Dr. Dorte X. Gram found that mice lacking TRPV1 did not become glucose intolerant, had a better insulin response to glucose and a lower body weight gain than normal mice on high fat diet. Later, it was shown that a TRPV1 antagonist similarly could 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.

Whilst developing a novel treatment for diabetes has been the primary focus for PILA PHARMA thus far, the Company believes, based on both non-clinical data and the latest clinical data, that TRPV1 antagonists such as its lead candidate XEN-D0501, can be valuable novel treatments of obesity and diabetes. In previous studies PILA PHARMA has demonstrated a potential beneficial effect on diabetes and cardiovascular disease but it is expected that other and more co-morbidities of obesity will also be positively affected, given the integration of all organs in the body. Common co-morbidities of obesity are defined by FDA's 2025 guidance as type 2 diabetes, cardiovascular disease, hypertension, dyslipidaemia, non-alcoholic steatohepatitis (MASH), gallbladder disease, osteoarthritis of the knees, sleep apnoea and some cancers.

The Company was founded in 2014 by Dr. Dorte X. Gram and later listed on the Nasdaq First North Growth Market in Stockholm on July 15, 2021. The Company operates from its headquarters in Malmö, Sweden and through the wholly owned Danish subsidiary Pila Pharma Danmark ApS that carries out most of the Company's research and development activities.

The TRPV1 asset

The Company owns a TRPV1 asset with data and chemical entities, including the development candidate XEN-D0501. Further, the Company owns patents covering the use of TRPV1-antagonists as treatment of obesity and diabetes and intends to submit further patents regarding the synthesis, formulation, and use of XEN-D0501 and potentially of back-up compounds. Inhibition of TRPV1 as treatment of obesity and diabetes represents a novel mechanism of action and the hypothesis is that effects will be mediated via a reduction of inflammation.

Strategy to advance proprietary first-in-class TRPV1 antagonist in obesity

PILA PHARMA's development candidate, XEN-D0501, holds potential to become a next generation first-in-class treatment of obesity and diabetes. It is further expected that the candidate also holds potential to treat inflammatory-driven conditions such as pain. The molecule appears to have a particularly attractive safety profile compared to other agents in this drug class based on clinical safety results so far.

The drug candidate, XEN-D0501, is a well-studied development candidate that has been in multiple clinical trials. It has been shown to be safe and well tolerated in 8 clinical trials where a total of 300 study participants have been treated with XEN-D0501 for up to one month. In recent longer pre-clinical studies of up to 3 months duration, testing with very high doses were also well tolerated. This allows the Company to progress to clinical studies of three months duration.

Progressing TRPV1 to late-stage clinical development

PILA PHARMA has on its own conducted 2 clinical studies in people living with obesity as well as type 2 diabetes and found that XEN-D0501 was well tolerated and that 4 weeks of low-dose treatment with XEN-D0501, resulted in a better regulation of blood glucose (via better insulin secretion) as well as significant reduction of ANP, a biomarker for heart failure, suggesting a potential cardio-protective effect of the drug.

Next step for PILA PHARMA is to conduct separate studies 3-month duration, firstly in people living with obesity and secondarily in people with obesity and type 2 diabetes.

This is to demonstrate the safety and tolerability of higher doses and 3 months treatment with XEN-D0501. In addition, the studies aim to assess the effect of XEN-D0501 on bodyweight and other cardiometabolic parameters and inflammation markers. This of course provided that higher doses can be safely administered.

Opportunities in cardiovascular disease

On 18 December 2024, PILA PHARMA announced the completion of a study with the Research Group at Uppsala University, Sweden. The preliminary results showed 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. These results in addition to the clinical results for reduction of ANP, support the notion that XEN-0501 has a beneficial cardiovascular profile. PILA PHARMA has since met with cardiovascular KOL's who have confirmed that ANP is indeed a very important biomarker for heart failure risk. Furthermore, it has been confirmed that aorta aneurysm remains a highly interesting opportunity, as no treatment options are available. With the preclinical proof-of-concept, the project is ready for clinical development and PILA PHARMA is seeking out-licensing options for aorta aneurysm.

Opportunities in pain management

In July 2022, the Company was also awarded orphan drug designation (ODD) by the US Food and Drug Administration (FDA) for XEN-D0501 as a treatment for erythromelalgia, a painful rare disease. TRPV1 is a traditional pain target, so the company's lead candidate would carry big potential in this therapeutic area as potential non-opioid treatment. There are currently no treatments available to patients. As an oral agent it could have systemic effects which, with the varied nature of erythromelalgia, would be highly preferable. Furthermore, an oral solution could potentially also become preventive treatment to avoid or limit painful episodes. The company is preparing a clinical trial application currently and is seeking out-licensing opportunities.

CEO WORD

Dear shareholders,

2025, was an eventful year. The second half of it bringing **increased activities**!

We started the year re-thinking the overall development strategy. Based on industry feedback to our scientific rationale, we were encouraged to make our oral TRPV1 antagonist, XEN-D0501 a new solution for obesity.

With more than 1 billion people living with obesity, and more than 4 billion living with overweight, **the industry is now fast transitioning to scalable solutions to address the market volumes**.

The PILA team heard this directly from various pharmaceutical companies at the Bio Europe Spring conference in Milan late March 2025. With the existing clinical data supporting a good safety profile and our emerging efficacy data, demonstration of "proof-of-concept" in a preclinical (animal) obesity with PILA PHARMA's TRPV1 antagonist, could trigger initial discussions with potential future partners.

However, serious pharma interest would require demonstrating **"proof-of-concept" in people living with obesity**. The cumulative pharma opinion was that attractive options for the future obesity market, are **oral, small molecule solutions with a better safety profile, preferably limited or none gastrointestinal side-effects, and multiple beneficial effects outside of just effects on weight**.

The PILA solution, with its different mechanism, **could fit the needs required**. As a simple small molecule, formulated as a tablet, it could potentially also have the scalability needed to address the market volume.

A new development plan was defined, comprising preclinical obesity studies first, **primarily as a faster way to generate data for initial** partnership dialogues. Secondly, clinical studies in humans living with obesity, with intent to **generate human safety and efficacy data** to further support partner dialogues, and establish the candidate as a novel, oral, first-in-class TRPV1 antagonist for obesity and related diseases.

In order to fund this new plan, a rights issue financing was pursued. It was chosen to aim to raise approx. SEK 20 million, primarily to finance two rat studies **and preparations for the more important clinical studies**. Budgets were allocated to clinical trial application work for obesity, diabetes and erythromelalgia and upwards of six new patent applications.

The final result of the financing was a remarkable oversubscription to 293,5%.

As the Board furthermore approved an over-allotment, the Company was in total funded SEK 29.915.584 before costs related to the issue.

We were very proud of the outcome, and it showed us that our updated strategy was greatly supported by both current shareholders and the capital markets.

Gustav Hanghøj Gram, CEO

We immediately took action and not long after releasing our H1 report, we announced that we had signed with a vendor, to conduct two preclinical obesity studies. PILA's lead candidate XEN-D0501 has previously been extensively tested in humans, and **as such the preclinical studies were not strictly needed** to progress to clinical obesity studies but rather chosen to **faster trigger initial interest among pharma companies**.

Simultaneous to this work, clinical **preparations were also accelerated** to ensure that a clear clinical development path was established. This meant to engage with potential CRO's that could assist us with our plans for the studies, the study designs, protocol writing, defining relevant endpoints and biomarkers, regulatory affairs and submitting clinical trial applications. In addition to this, we also assessed CROs and their understanding of safety monitoring, clinics infrastructure and recruitment capabilities to **identify a comprehensive and overall qualified vendor**. We selected and engaged with a highly qualified vendor, which was announced in connection to the preliminary results of the preclinical studies.

The preclinical studies have initially come out inconclusive, possibly due to the use of a **formulation not optimal** for dissolving XEN-D0501 to ensure "exposure". As communicated in December, the formulation proposed to be used for the rat obesity studies had never previously been used with XEN-D0501. PILAs has its own formulation for preclinical oral delivery, which has previously been well tolerated in 13-week tox studies. This was found to be well tolerated during initial tests before committing to the work, but surprisingly not tolerated by obese rats when tested again shortly before studies start.

The choice was to cancel and still hedge the full costs or proceed with an alternative formulation proposed by the collaborator. The risk of using the new formulation, however, could be that XEN-D0501 absorption and thus resulting blood levels / exposure would be compromised, i.e. lower than expected and needed for efficacy.

Preliminary results show that bodyweight or other reported endpoints were not affected in the rats intended to be treated with XEN-D0501. The results on individual XEN-D0501 exposure are due within the next months after which it can be concluded if there was "lack of efficacy" with regard to obesity or simply "lack of exposure".

It means that "proof-of-concept" before the warrant exercise period, is no longer a possibility. Whilst these results were disappointing to all of us, it is as mentioned, too early to conclude if was due to "lack of efficacy" or simply "lack of exposure". As promised **we will keep moving** towards the next step in the plan, namely to prepare for clinicals trial in obesity and diabetes and, and furthermore also in erythromelalgia.

The latter is especially interesting, as it will enable us to have a clear separated path within pain, and thus possibly **access to a revenue-generating market in a shorter timeframe** with strong orphan drug exclusivity rights. With the TRPV1-receptor being a natural regulator of pain, we have high hopes for this track. Patients currently have no treatments available, and **a pill with broad systemic distribution** is key to addressing the varied nature of this painful disease, and possibly also as preventive treatment. The work to send in a trial application is ongoing.

We of course continuously assess for the best opportunities to fund PILA efficiently.

I'm very happy we decided to use the option for over-allocation in the summer. The extra funds from this now allow us to keep on with our development plans in diabetes and obesity and on top also in erythromelalgia. Even now, before we know the outcome of TO2, the cash runway with the above mentioned activities extends into 2027.

As we move forward into new clinical studies, we have a good sensation. We have a well-defined clinical drug product in our tablet, which is relatively extensively tested and has previously yielded good drug exposure in people, including those living with obesity and diabetes. So we expect a good exposure XEN-D0501 in humans. And **human data is the key** in drug development!

I have many great takeaways from 2025, we have **hundreds of new shareholders**, and **we've successfully executed** on fundraising strategies and started to build toward the next level for our organisation.

Thus, I thank all PILA PHARMA shareholders for an eventful year. We look forward to 2026 as we move ahead into new clinical studies and pursue the creation of continued meaningful value for PILA PHARMA and eventually for patients.

Sincerely,

Gustav Hanghøj Gram
CEO

TECHNOLOGY, RESEARCH, DEVELOPMENT AND PATENTS

The principle of treating obesity and obesity related diseases and disorders with TRPV1 antagonists was discovered and a use-patent application filed by PILA PHARMA's founder, Dr. Dorte X. Gram during her earlier employment as Research Scientist at Novo Nordisk. The vision was to develop a simple but effective treatment of obesity to prevent the development of its comorbidities as type 2 diabetes and cardiovascular disease.

With use patents issued to treat obesity and diabetes with TRPV1 antagonists, she founded PILA PHARMA in 2014 that in 2016 in-licensed a clinical ready TRPV1 antagonist asset including the clinical development candidate XEN-D0501. Given that obesity was then not an indication, the vision of newly founded PILA PHARMA was to develop a first-in-class TRPV1 antagonist as oral anti-diabetic agent with additional beneficial effects on body weight and improved cardiovascular function.

TRPV1 is localized on many cell types but primarily the sensory afferent nerves, c-fibers. Upon stimulation, the receptor/ channel opens, and calcium enters the cells leading to an outgoing signal to the surroundings with secretion of pro-inflammatory neuropeptides such as CGRP and SP which causes inflammation, and if the signal is big enough, a upwards going signal, messaging upwards to the brain, to be perceived as pain.

Capsaicin, the hot ingredient in chili-pepper, is a TRPV1 agonist that is known to stimulate pain in smaller doses, but at higher doses or after repeated exposure, it relieves pain by rendering TRPV1 irresponsive to activation. TRPV1 is sometimes referred to as the "capsaicin receptor" or "chili receptor".

Developments of TRPV1 antagonists as novel effective treatments of pain have been tried since the cloning of TRPV1 and the structure of the receptor became known in the late 1990's. Until now, it's largely been unsuccessful due to unwanted side effects in orally available drug candidates. So far though, PILA PHARMAs TRPV1 antagonist, XEN-D0501, seems to have a good clinical safety profile which may allow further development and subsequent market entry at a later stage.

PILA PHARMA's founder Dr. Dorte X. Gram by serendipity in 1999 observed a profound effect of capsaicin on normalizing blood sugar in diabetic rats. Later, in her PhD thesis, she proposed that an upregulation of TRPV1 in obese individuals mediated this effect. This is because of increased secretion of pro-inflammatory and vasoactive neuropeptides such as Substance P and CGRP, leads to indirectly inhibiting insulin secretion and therefore promote or even lead to type 2 diabetes. In addition, the inflammation when the afferent nerves were overactive, would also have a negative effect on other organs, in turn leading to the development of complications such as cardiovascular disease.

In early studies conducted during her PhD studies and later employment as Research Scientist at Novo Nordisk, Dr. Gram partly demonstrated that using TRPV1 knock-out mice kept on a high fat diet to induce glucose intolerance, did not become glucose intolerant, and had a better insulin response to glucose and a lower body weight gain than normal mice on high fat diet.

Later, it was shown that a TRPV1 antagonist similarly could prevent glucose intolerance and reduce 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.

A use-patent was authored by Dorte X. Gram and filed by Novo Nordisk to protect the use of TRPV1 antagonists as treatment of obesity and obesity related diseases and disorders including diabetes. In 2008, however, Novo Nordisk sold or closed all projects regarding small molecule treatments in a strategic change to focus solely on injectable products.

This made it possible for Dr. Gram to acquire the use-patent application and she later got three patents issued – first in the US (2011) to treat obesity with TRPV1 antagonists and then in the US and Europe (2013) to treat type 1 and 2 diabetes with TRPV1 antagonists.

This founded the basis for a commercialization of the idea of using TRPV1 antagonists as new superior anti-diabetic treatments with expected effects on all comorbidities in diabetes as well as on obesity.

Dorte X. Gram founded PILA PHARMA in 2014 after first establishing a scientific advisory board with key opinion leaders and experts in diabetes and the use-patents were transferred to the new Company. The scientific advisory board advised to seek to in-license a clinical ready candidate. With the first investor, the company tested a few clinical candidates and in 2016 it was able to sign an Asset Transfer Agreement regarding UK-based Ario Pharma's TRPV1 asset including its clinical development candidate XEN-D0501.

XEN-D0501, is a specific and potent inhibitor of TRPV1. It was originally developed by Bayer Healthcare AG, Germany, which described its structure along with several other structures in the original patent. XEN-D0501 (then under the name BAY) was tested in the first clinical study in healthy volunteers after four weeks of pre-clinical studies with good safety results. For strategic reasons, the Bayer TRPV1 asset was then sold to the UK company, Xention, that performed several clinical studies in healthy volunteers and in patients with incontinence (overactive bladder disease). Xention's subsidiary Ario Pharma then took over the portfolio and conducted two clinical studies in chronic cough. The studies showed good safety but no significant effect.

PILA PHARMA first in-licensed, then later acquired this asset and has subsequently tested XEN-D0501 in two phase 2a studies – acute dose-escalation (PP-CT01) and of one month duration fixed dose in people living with overweight and type 2 diabetes (PP-CT02). These studies demonstrated a good safety of XEN-D0501 and a significant effect on glucose tolerance and on insulin response to glucose as well as highly significant reduction of the biomarker for heart failure, ANP, suggesting a cardioprotective effect of XEN-D0501 already after 4 weeks treatment on the low bi-daily doses of 4 mg.

Recently, XEN-D0501 was also shown to significantly reduce abdominal aorta aneurysm growth in mice, thus establishing pre-clinical proof-of-concept and further supporting the evidence for cardioprotective effect of XEN-D0501.

All in all, XEN-D0501 has been tested in studies including more than 300 people with single or multiple doses up to 1-month duration allowing multiple control arms. So far with a good safety profile and no serious side effects. The maximal tolerable dose in people not living with type 2 diabetes was defined to bi-daily doses of 4 mg. PILA PHARMAs own studies in people living with obesity and diabetes demonstrated a surprisingly good tolerance of XEN-D0501 and the maximal tolerable dose thus seem to potentially be higher in this population.

Going forward PILA PHARMA plans to conduct a smaller phase 1b/2a study in people living with obesity, to assess the safety of higher doses and treatment of longer duration, of up to 3 months. This dose-escalation study in obese subjects is currently being prepared with a clinical trial application being drafted and expected submitted around end of Q1, 2026.

This type of study should ensure that PILA can chose the right tolerable and effective 3 dose levels for larger phase 2b studies. This coming phase 1b/2a study will also be able to detect an effect on bodyweight, albeit as secondary outcome.

For diabetes, the plan is to conduct a very similar study design to the upcoming obesity study. It is still the plan to conduct the study out of Cambridge University Hospital with Professor Mark Evans, a scientific advisor to PILA PHARMA, as Principal Investigator.

Besides the focus on treating diabetes and obesity, XEN-D0501 could potentially be an effective and first in class pain treatment in the rare disease erythromelalgia. To reach the market in this indi¬cation, PILA PHARMA previously decided to pursue this under an orphan indication status, to be able to reduce potential development costs as well as secure yearlong data protection and market exclusivity. In July 2022, PILA PHARMA was awarded FDA "orphan drug designation" for XEN-D0501, as a potential treatment for the painful orphan disease Erythromelalgia, a condition where intense periods of painful "flare-ups" occurs without a known cause. Currently there are no adequate treat¬ments.

PILA PHARMA is currently assessing the best path forward and next steps for this indication. The company has made a clinical development plan and is now preparing and plan to submit a clinical trial application. The anticipated timeline for market entry is 3-4 years, thus enabling a faster way to revenue generation.

In summary, PILA PHARMA's ambition is to provide sufficient clinical results on the safety and efficacy of XEN-D0501 as treatment of obesity and related disorders, as well as the rare disease erythromelalgia, to facil¬itate a pharma partnership for the late-stage clinical development and market entry of this potential first-in-class oral agent.

STOCK AND SHARE CAPITAL

The PILA PHARMA AB share was listed on Nasdaq First North Growth Market in Stockholm on 15 July 2021, under the ticker “PILA”.

Nasdaq First North Growth Market is an MTF platform registered as a growth market for small and medium-sized companies in accordance with the Markets in Financial Instruments Directive (EU 2014/65), as implemented in national legislation in Denmark, Finland and Sweden, operated by a stock exchange within the Nasdaq Group.

As of 31 December 2025, the number of shares in PILA PHARMA AB amounted to 42 084 415. All shares have one (1) vote per share. All shares have a quota value of SEK 0,042756.

Shareholder list

Shareholder	No Shares	Votes
Virala Oy Ab	6 842 099	16.26%
Dorte X. Gram	5 969 303	14.18%
*Goldman Sachs & Co.	1 346 868	3.20%
*Bank of New York Mellon Sa/Nv For Jyske Bank	1 158 871	2.75%
*Saxo Bank A/S Client Assets	912 303	2.17%
*UBS Switzerland AG	834 137	1.98%
*Nordnet Pensionsförsäkring	778 171	1.85%
*Avanza Pension	736 095	1.75%
Saman Alae Naziri	588 500	1.40%
Kristoffer Bengtsson	535 000	1.27%
10 largest shareholders	**19 701 347**	**46.81%**
Others	22 383 068	53.19%
Total	**42 084 415**	**100.00%**

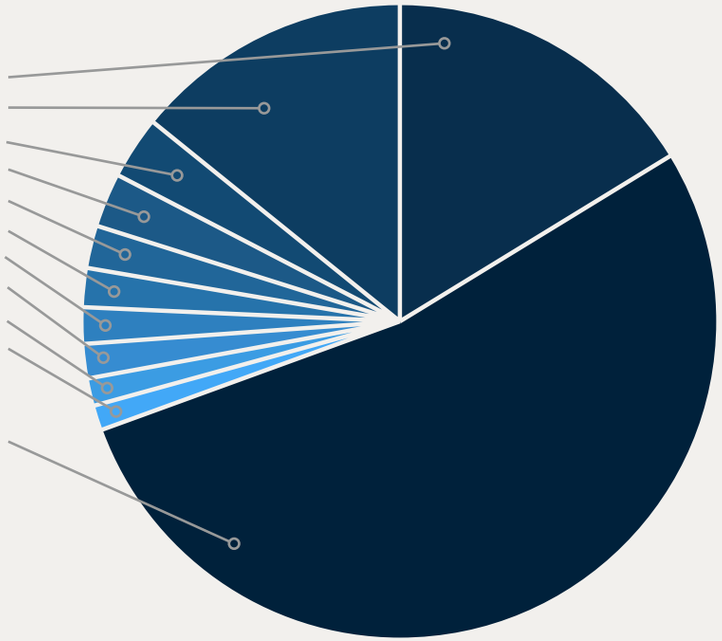
** (Custodian: Owner data not verifiable)*
For a complete shareholders list of PILA PHARMA, please refer to Euroclear or Holdings.se.

During the period

Referring to the rights issue of units announced on 19 June 2025. The results were published on 21 July 2025, and the rights issue was heavily oversubscribed, resulting in a final result of 293,5% subscription.

The board of directors of PILA PHARMA, in light of the overwhelming interest, hereafter resolved to carry out a directed issue as part of an over-allotment as well as a directed issue to underwriters.

In total, PILA PHARMA AB was provided with approx. SEK 19.99 million from the rights issue and an additional approx. SEK 8.95 million from the over-allotment directed issue.



The underwriters all received remuneration in the form of units corresponding to 10% of the amount underwritten. This was approved as a set-off in the directed issue to underwriters.

All Directors of the Board participated in the rights issue.

CEO Gustav Hanghøj Gram and Chairman Dorte X. Gram invested jointly through a set-off through their jointly owned holding Company, Gram Equity Invest AB. The set-off was in exchange for executive remuneration, to units at a total value of SEK 1.25 million. In addition, SEK 250 000 was invested with cash for a total of SEK 1.5 million.

The rights issue comprised of a total of 9 994 019 units, corresponding to a value and net proceeds of SEK 19 988 083. The over-allotment directed issue comprised of a total of 4 476 273 units, corresponding to a value of SEK 8 952 546. The Board of Directors of PILA PHARMA approved to set-off SEK 1.25 million in executive remuneration for CEO Gustav Hanghøj Gram and Chairman Dorte X. Gram through their jointly held Company, Gram Equity Invest AB as part of the over-allotment issue. Thus, the net proceeds from the over-allotment issue amounted to SEK 7 702 546.

The underwriter directed issue comprised of a total of 487 500 units corresponding to a value of SEK 975 000. This was approved as a set-off by the Board of Directors. In total the number of new shares issued amounts to 14 957 792, corresponding to SEK 29 915 584. Hereof, the Board of Directors approved to allocate 487 500 as set-off for underwriters, and 625 000 were set-off for Gram Equity Invest AB. Subtracting the set-offs’ from underwriters and from Gram Equity Invest, where set-off was accepted instead of cash payment, it amounted to a total value of SEK 2 225 000.

Thus 13 845 292 units were paid for with cash in the rights issue and over-allotment issue. As a result, the total accumulated amount injected to PILA PHARMA AB through the rights issue and over-allotment issue combined, was SEK 27 690 584 before associated costs.

New number of shares and share capital

After registration of the Rights Issue, the Directed Issue to underwriters, and the Directed Issue for over-allotment, the total number of shares in the Company increased by 14 957 792 shares, from 27 126 623 to 42 084 415 and the share capital increased by SEK 639,537.411461, from SEK 1,159,829.622921 to SEK 1,799,367.034382. The Rights Issue and the Directed Issues entailed a dilution effect of approximately 55,14 percent.

After the reporting date

Warrant of series TO2, exercisable in February 2026 after the reporting date.

Upon exercise of all warrants of series TO2 covered by the Rights Issue and the Directed Issues, the number of shares will increase by 29 915 584 and the share capital will increase by SEK 1,279 074.822922, corresponding to a total dilution effect for the rights issue and warrant exercise combined, of approximately 71,08 percent of the total number of shares and votes in the Company.

Warrants of series TO2

One (1) warrant of series TO2 entitles the holder to subscribe for two (2) new shares in the Company during the period from and including 05 February 2026 up to and including 15 February 2026. The subscription price for subscription of shares with the support of warrants of series TO2 cor¬re-sponds to 70 per cent of the volume-weighted average price paid for the Company's share on Nasdaq First North Growth Market during the ten (10) days preceding 05 February 2026, however, not less than the SEK 1.50 per share and not more than SEK 3.00 per share. On 05 February 2026, the price was determined and announced to be SEK 1.50 per share.

Exercise of the warrants, if exercised in full, can thus generate a maximum of approximately SEK 44.87 million. The warrants of series TO2 are not sub-mitted for trading on Nasdaq First North Growth Market.

Other information

Group relations and shareholdings

PILA PHARMA AB is the Parent Company in a Group that includes the wholly owned Danish subsidiary Pila Pharma Danmark ApS. Beyond the above, PILA PHARMA AB has no further shareholdings in other companies.

Related-party transactions

The Company has carried out services to the subsidiary and the revenues refer to services carried out during the year of TSEK 1 127 (775). Transactions are in accordance with market conditions.

Audit

This report was not reviewed by the company's auditors.

Upcoming financial information

PILA PHARMA AB prepares and publishes a financial report for every half-year. Upcoming financial information is planned as follows:

Annual report 2025	19 March, 2026
Annual General Meeting 2026	22 April, 2026
Interim report, First half year 1 January – 30 June, 2026	27 August, 2026
Interim report, Second half year and year-end report, 1 July – 31 December, 2026	25 February, 2027

The interim reports, annual reports and PILA PHARMA ABs press releases are available at https://pilapharma.com, or can alternatively be requested from PILA PHARMA AB, Norra Vallgatan 72, 211 22 Malmö, Sweden or via: info@pilapharma.com.

Issuance of interim report

The Board of Directors and CEO hereby confirm that this interim report provides a true and fair view of the Company's business, financial position and results of operations, and describes material risks and uncertainties faced by the Company.

Malmö, 10 February 2025 / PILA PHARMA AB (publ)

Dorte X. Gram

Chairman of the Board

Richard Busellato

Director of the Board

Julie Waras Brogren

Director of the Board

Lasse Richter Petersen

Director of the Board

Gustav Hanghøj Gram

CEO

FINANCIAL OVERVIEW

PILA PHARMA AB (publ) is referring to PILA PHARMA AB (publ) with the registration number 556966-4831, also stated as “The Company”.

PILA PHARMA AB has a wholly owned subsidiary Pila Pharma Danmark ApS. The interim report is issued for the parent Company only.

Operating income and result for the second half year 1 July – 31 December 2025

The operating income for the parent Company amounted to TSEK 276 (107).

The revenues refer to services carried out for the Danish subsidiary. The result for the second half year amounted to TSEK -12 761 (-7 155) where the costs are mainly related to Group business administration. The subsidiary conducts a major part of the R&D business.

Financial position and cash flow

Cash flow from the operating business for the period 1 July – 31 December 2025 amounted to TSEK -14 816 (-2 350).

The cash flow for the period 1 January – 31 December 2025 amounted to TSEK -11 005 (-1 062).

The Company’s cash as of 31 December 2025 amounted to TSEK 15 897 (4 892).

The equity as of 31 December 2025 amounted to TSEK 14 784 (5 261), which corresponds to the solvency ratio 33 % (57).

Significant event after the reporting period

None

Employees as of 31 December 2025

The Company operates a virtual organisation with specialist consultants.

The current CEO, Gustav Hanghøj Gram, Chairman of the Board and CSO, Dorte X. Gram, as well as the Company’s CFO, Hampus Darrell, are engaged via consultancy agreements.

The Company’s average full-time employees during the period 1 January - 31 December 2025 therefore amounts to 0 (0). The Company conducts its operations entirely through consultants or hired staff at Clinical Research Organisations.

Personnel costs disclosed in the H2 report primarily consist of board compensation as approved by the annual general meeting.

The Danish subsidiary

The wholly owned Danish subsidiary, Pila Pharma Danmark ApS, handles all research and development activities and is financed by the parent Company.

Pila Pharma Danmark ApS had an equity of TSEK 3 687 as of 31 December 2025.

KEY FIGURES

	2025-07-01 - 2025-12-31	2024-07-01 - 2024-12-31	2025-01-01 - 2025-12-31	2024-01-01 - 2024-12-31
	6 months	6 months	12 months	12 months
Net Sales (TSEK)	276	107	1 127	775
Other operating income (TSEK)	0	0	0	15
Total operating expenses (TSEK)	-4 079	-4 137	-9 021	-8 899
Operating result (TSEK)	-3 802	-4 030	-7 894	-8 109
Total financial items (TSEK)	-8 959	-3 125	-8 969	-3 132
Income after financial items (TSEK)	-12 761	-7 155	-16 863	-11 241
Cash flow from operating activites (TSEK)	-5 376	-4 411	-9 186	-7 823
Earnings per share (SEK)	-0,47	-0,17	-0,62	-0,30
Earnings per share after dilution (SEK)	-0,30	-0,17	-0,40	-0,26
Average number of shares	34 605 519	25 459 956	34 605 519	25 459 956
Average number of shares after dilution	34 605 519	25 459 956	34 605 519	25 459 956
Outstanding shares at the end of the period	42 084 415	27 126 623	42 084 415	27 126 623
Outstanding subscription warrants at the end of the period	0	0	0	0
Average number of employees	0	0	0	0

	2025-12-31	2024-12-31
Cash and cash equivalents (TSEK)	15 897	4 893
Equity (TSEK)	14 784	5 261
Balance sheet total (TSEK)	**16 218**	**6 224**
Solvency ratio (%)*)	91%	85%
Cash flow ratio (%)*)	1 127%	521 %
Equity per share (SEK)*)	**0,35**	**0,19**

*) Alternative performance measures, see Definitions

GENERAL INFORMATION, RISKS AND DEFINITIONS

Principles for the preparation of the interim report

This interim report has been prepared in accordance with the Annual Accounts Act and BFNAR 2012:1 Annual Reporting and consolidated reports (K3).

The parent Company has no requirement to submit a consolidated report, which is why the report only refers to the parent Company PILA PHARMA AB.

Intangible assets

Intangible assets acquired separately are reported at acquisition value less accumulated amortizations and any accumulated write-downs. Amortization takes place linearly over the asset's estimated useful life, which is estimated to be 3 years. Estimated useful lives and amortization methods are reviewed if there is an indication that these have changed compared to the estimate at the previous balance sheet date. The effect of any changes in estimates and assessments is reported prospectively. Amortization begins when the asset can be used.

The Company has assessed that amortization of acquired intangible assets, primarily patents and associated documentation, should take place and has begun from 1 January 2023 for an estimated useful life of 3 years and was fully depreciated in year 2025.

Estimates and assessments

In order to be able to prepare the financial reports, the Board of Directors and the Company's Management Team make assessments and assumptions that affect the Company's results and position as well as the information provided in general.

Estimates and judgments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations about future events that are expected to be reasonable under prevailing conditions. Actual results may differ from assessments made.

The areas where estimates and assumptions could entail a significant risk of adjustments in reported values for earnings and financial position in future reporting periods are primarily assessments of market conditions and thus the value of the Company's fixed assets. Ultimately, this risk can also affect the Company's future ability to survive.

Risks and uncertainties

The risks and uncertainty factors that PILA PHARMA's operations are exposed to are, in summary, related to, among other things, drug development, competition, technology development, patents, authority requirements, capital requirements, currencies and interest rates. During the period, heightened geopolitical tensions, shifting trade policies, and increased cost pressures among suppliers have contributed to rising expenses in the Company's ongoing projects. These external factors may lead to an elevated risk of additional capital requirements in the future for the Company, which in turn could affect the Company's ability to maintain and develop its operations. For a more detailed account of risks and uncertainty factors, reference is made to the financial year report for 2024 (in Swedish), where no significant changes in risks or uncertainties have been noted since its publication.

DEFINITIONS

- **Operating results:**
  Profit before financial items and tax
- **Earnings per share before dilution:**
  Profit for the period divided by the average number of outstanding shares in the period
- **Earnings per share after dilution:**
  Profit for the period divided by the average number of outstanding shares in the period and outstanding potential ordinary shares

Definitions and relevance of alternative outcome measures

PILA PHARMA AB presents certain financial measures in the interim report that are not defined or specified in the applicable rules for financial reporting, so-called alternative performance measures. These have been noted with "*" in the table under the Key figures section. PILA PHARMA AB believes that these measures provide valuable supplementary information for investors and Company management as they enable an assessment of relevant trends in the Company's performance.

These financial measures should not be considered a substitute for measures disclosed in accordance with applicable financial reporting rules. Because not all companies calculate financial measures in the same way, they are not always comparable to measures used by other companies. Definitions and relevance of key figures that have not been calculated in accordance with applicable rules for financial reporting are set out in the table below.

- **Solidity:**
  Equity divided by total capital. The equity ratio shows how much of the balance sheet total is made up of equity and has been included so that investors can form a picture of the Company's financial stability and ability to cope in the long term, as the Company is dependent on additional of capital for carrying out its research and development work
- **Cash flow:**
  Current assets divided by current liabilities.
  Cash flow has been included to show the Company's short-term solvency
- **Equity per share:**
  Total equity divided by the number of shares at the end of the period. Equity per share has been included to provide investors with information about the book equity represented by a share.

Derivation of alternative performance measures	**2025-12-31**	**2024-12-31**
Total current assets, TSEK	16 153	5 015
Total current liabilities, TSEK	1 434	963
Cash flow ratio, %	**1 127%**	**521%**
Total equity, TSEK	14 784	5 261
Total equity and liabilities, TSEK	16 218	6 224
Solvency ratio, %	**91%**	**85%**
Total equity, TSEK	14 784	5 261
Outstanding shares at the end of the period	42 084 415	27 126 623
Total equity per share, SEK	**0,35**	**0,19**

CONDENSED INCOME STATEMENT

(All amounts in SEK thousand)	2025-07-01 - 2025-12-31	2024-07-01 - 2024-12-31	2025-01-01 - 2025-12-31	2024-01-01 - 2024-12-31
	6 months	6 months	12 months	12 months
Operating income				
Net sales	276	107	1 127	775
Other income	0	0	0	15
Operating income	**276**	**107**	**1 127**	**790**
Operating expenses				
Other external costs	-2 559	-3 084	-6 945	-6 689
Personnel costs	-981	-514	-999	-1 133
Depreciation and amortization of tangible and intangible financial assets	-539	-539	-1 077	-1 077
Operating result	**-3 802**	**-4 030**	**-7 894**	**-8 109**
Profit/loss from financial items				
Write-down of financial fixed assets and short-term investments	-8 750	-3 080	-8 750	-3 080
Interest expenses and similar profit/loss items	-209	-45	-219	-53
Income after financial items	**-12 761**	**-7 155**	**-16 863**	**-11 241**
Tax expenses	0	0	0	0
Profit/loss for the period	**-12 761**	**-7 155**	**-16 863**	**-11 241**

CONDENSED BALANCE SHEET

(All amounts in SEK thousand)	2025-12-31	2024-12-31
ASSETS		
Fixed assets		
Intangible assets	0	1 077
Total intangible assets	**0**	**1 077**
Tangible assets	0	0
Total tangible assets	**0**	**0**
Financial assets		
Shares in group companies	65	65
Receivables from group companies	0	67
Total financial assets	**65**	**132**
Total fixed assets	**65**	**1 209**
Current assets		
Current receivables		
Other receivables	145	74
Prepayments and accrued income	110	48
Total current receivables	**255**	**122**
Cash and cash equivalents	**15 897**	**4 893**
Total current assets	**16 153**	**5 015**
TOTAL ASSETS	**16 218**	**6 224**

(All amounts in SEK thousand)	2025-12-31	2024-12-31
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	1 799	1 160
Total restricted equity	**1 799**	**1 160**
Unrestricted equity		
Share premium fund	123 333	97 586
Retained earnings	-93 485	-82 244
Net result for the period	-16 863	-11 241
Total unrestricted equity	**12 985**	**4 101**
Total equity	**14 784**	**5 261**
Current liabilities		
Accounts payables	233	444
Other liabilities	469	42
Accruals and deferred income	732	477
Total current liabilities	**1 434**	**963**
TOTAL EQUITY AND LIABILITIES	**16 218**	**6 224**

CONDENSED CASH FLOW STATEMENT

(All amounts in SEK thousand)	2025-07-01 - 2025-12-31	2024-07-01 - 2024-12-31	2025-01-01 - 2025-12-31	2024-01-01 - 2024-12-31
	6 months	6 months	12 months	12 months
Operating activities				
Income after financial items	-12 761	-7 155	-16 863	-11 241
Adjustments for items not included in cash flow	6 737	3 618	7 275	4 157
Tax paid	0	0	0	0
Cash flow from operating activities before changes in working capital	**-6 024**	**-3 537**	**-9 588**	**-7 084**
Cash flow from changes in working capital				
Decrease (+)/increase (-) of other current receivables	865	130	-133	160
Decrease (-)/increase (+) of accounts payables	755	-799	-149	-794
Decrease (-)/ increase (+) of other current liabilities	-972	-205	684	-105
Cash flow from operating activities	**-5 376**	**-4 411**	**- 9 186**	**-7 823**
Financing activities				
New share issue	27 690	9 841	27 690	9 841
Converted loans to equity	1 250	0	1 250	0
Shareholder contribution made to group companies	-8 749	-3 080	-8 749	-3 080
Cash flow from financing activities	**20 191**	**6 761**	**20 191**	**6 761**
Cash flow for the period	**14 816**	**2 350**	**11 005**	**-1 062**
Cash at the beginning of the period	1 082	2 543	4 892	5 954
Cash at the end of the period	**15 897**	**4 892**	**15 897**	**4 892**

CONDENSED REPORT ON CHANGE IN EQUITY

(All amounts in SEK thousand)	Share capital	Free premium fund	Retained earnings	Result for the period	Total equity
Opening balance as of 1 January 2025	**1 160**	**97 586**	**-82 244**	**-11 241**	**5 261**
Disposition of the preivous year´s result			-11 241	11 241	0
Result for the period				-16 863	-16 863
Transactions with owners:					0
Registered new share issue	639	29 276			29 915
New share issue costs		-3 529			-3 529
Total transactions with owners	**639**	**25 747**	**0**	**0**	**26 386**
Closing balance as of 31 December 2025	**1 799**	**123 333**	**-93 485**	**-16 863**	**14 784**
Opening balance as of 1 January 2024	**1 017**	**87 888**	**-72 314**	**-9 930**	**6 661**
Disposition of the preivous year´s result			-9 930	9 930	0
Result for the period				-11 241	-11 241
Transactions with owners:					0
Registered new share issue	143	9 857			10 000
New share issue costs		-159			-159
Total transactions with owners	**143**	**9 698**	**0**	**0**	**9 841**
Closing balance as of 31 December 2024	**1 160**	**97 586**	**-82 244**	**-11 241**	**5 261**

Proposals for profit allocation

The Board of Directors recommends that the loss and brought forward profits available for disposition:

non-restricted share premium reserve	123 333
accumulated loss	-93 485
Loss for the period	-16 863
	12 985
be distributed so that they are carried over	**12 985**
	12 985

COMPANY INFORMATION

Pila Pharma AB – parent company

Company name	**PILA PHARMA AB**
Ticker name	**“PILA”. The shares are listed on the Nasdaq First North Growth Market in Stockholm**
ISIN-codes	**The share ISIN-kod is SE0015988274**
Residence	**Malmö Town, Skåne county, Sweden**
Registration number	**556966-4831**
Date of company formation	**2014-03-26**
Date of starting the company business	**2014-03-26**
Country for company formation	**Sweden**
Legal description	**Public company**
Legislation	**Swedish law and Swedish Companies Act**
Address	**Norra Vallgatan 72, 211 22 Malmö**
Homepage	**www.pilapharma.com**
Auditor	**Deloitte AB (Hjälmaregatan 3, 201 23 Malmö) head responsible auditor Maria Ekelund**
LEI-code	**6488Z7WG18Q0ZN0V0262**

Pila Pharma Danmark ApS – subsidiary

Country from company formation	**Denmark**
Country from where the subsidiary conduct the business	**Denmark**
Registration number	**CVR-nr: 39023636**
Owner share	**100%**

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