PILA PHARMA AB

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PILA PHARMA PUBLISHES ITS ANNUAL REPORT FOR 2025

PILA PHARMA AB (publ), (FN STO: PILA), ("PILA PHARMA" or the "Company"), an innovative biotech company developing novel oral drugs based on TRPV1 inhibition, announces that its Annual Report (in Swedish) for 2025 has been published.

"2025 was a year of much activity and positive developments for PILA PHARMA.
We started the year with positive developments in our dialogue with various big pharma companies. They all vocalized interest in new obesity assets, and our highly differentiated oral, small molecule TRPV1 antagonist XEN-D0501 was something they found of good interest, especially with its prior clinical history in metabolic diseases. To increase the interest in the asset, we however had to obtain more obesity data whether preclinical or clinical. So, we set to work on a new development plan with the aim to build a comprehensive data package in obesity. Simultaneously to this, we built upon the prior year's PR efforts. We've made great strides in increasing the awareness of PILA PHARMA, expanding our exposure and getting us into international news flow. We've continued to see growing investor interest throughout. This helped us tremendously when we announced the intention to expand our pipeline scope to include obesity and announced the news to raise funds for it. The news was very well received, and we executed a highly oversubscribed rights issue to 293,5%, that including an oversubscription totaled SEK 29,9 million before costs. A clear vote of interest and confidence in the Company, management and the new development plan with obesity studies, in an otherwise challenging public capital market for many.
In the second half of the year, we really got the operational train in movement, signed an agreement to conduct two preclinical obesity studies, in the hope and anticipation that it increase partnership interest faster. In parallel, we started discussing with potential CRO's that could potentially assist us with conducting a clinical obesity study. By the end of the year, we had identified a clinical CRO and commenced the preclinical studies in obesity, albeit with a different vehicle than intended, which introduced some uncertainty to the actual drug exposure. In the start of 2026, we announced the engagement with the clinical CRO and in parallel to that no effect on bodyweight had been demonstrated for XEN-D0501 following completion of the preclinical studies. However, important exposure data had to be generated, and, when they were ready here in April, they revealed that the exposure levels in both rat studies were very low. When consulting various scientific advisers, they argued the low exposure could plausibly explain the lack of body weight reduction. As such it confirmed our suspicion to be a "false negative" result, meaning that we still don't know if XEN-D0501 can reduce bodyweight, but we still profoundly believe so. We thus now move forward according to the original plan and will now target clinical "*proof of concept*". We're currently preparing three different clinical trial applications with clear focus on the one in people with obesity. We will first evaluate the safety following higher doses and longer treatment in a few people with obesity. Given acceptable safety, the plan will be to enroll more participants to be able to identify possible effects on body weight. In parallel we'll also prepare to conduct the long-discussed study in people with obesity and diabetes, as well as a first study in the rare painful disease erythromelalgia to keep building the data package for XEN-D0501" says Gustav H. Gram, CEO of PILA PHARMA

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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. Contact: M: ca@aqurat.se - T: +46 (0)8 684 05 800

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 inhibitors as a novel treatment of obesity, 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 for 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 ("ODD") for XEN-D0501 as a treatment for a painful rare disease erythromelalgia. PILA PHARMA currently focuses on obesity and type-2 diabetes whilst also retaining a focus on licensing opportunities for development of the candidate for erythromelalgia and abdominal aorta aneurysm.

About XEN-D0501 and TRPV1 antagonists

XEN-D0501 is a selective, synthetic potent small molecule TRPV1 inhibitor that was in-licensed in 2016. The drug candidate is a small molecule currently formulated in a simple and stable tablet formulation. TRPV1 inhibitors 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. PILA PHARMA's founder and current CSO Dorte X. Gram, is the inventor of the principle of treating diabetes and obesity with TRPV1 inhibitors – a discovery-by-surprise during her PhD studies at Novo Nordisk, Denmark. Here she discovered that TRPV1 inhibitors would 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, in PP-CT02, it was 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. ANP, a cardiovascular biomarker for heart failure, was also 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. A preclinical study in two different rat models of obesity were conducted at the end of 2025 and start of 2026. Initial results showed no effects, but later analyses showed that the used formulation resulted in insufficient exposure, yielding significantly lower levels than anticipated as compared to previously conducted 13-week rat toxicity studies. Given the low exposure observed, the data do not allow for conclusions regarding effect on body weight. The Company will continue its evaluation in clinical trials, where dose and exposure can be adequately controlled.
The next step is now to submit a clinical trial application for a dose-finding study in people living with obesity (PP-CT04). Preparations for submitting clinical trial applications in people living with both obesity and type 2 diabetes (PP-CT03) as well as erythromelalgia (PP-CT05) is also ongoing. The ambition is to create a comprehensive and meaningful data package that supports XEN-D0501 as an oral, potential first-in-class drug candidate.

About obesity and diabetes

Obesity (BMI >30) is pandemic in its essence with estimates of more than 1 billion people living with it in 2025. Overweight (BMI >27) is also at staggeringly high levels with estimates of 4 billion people globally.
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 and 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 enormous and growing demand.
Diabetes is a similar spanning pandemic with strong ties to obesity, and with a staggering estimated prevalence of more than 828 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.

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. There are no current treatments available to patients, but it is widely believed by doctors that an oral solution with systemic effects would be highly preferable.