PILA PHARMA AB

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PILA PHARMA publishes interim report (1 January – 30 June 2024)

PILA PHARMA AB (publ) (FN STO: PILA) today publishes the Company´s interim report for the period January – June 2024. The report can be found on the Company´s website: https://pilapharma.com/investors/finansiell-information/

SUMMARY OF INTERIM REPORT

First Half year (1 January – 30 June 2024)

- Operating income amounted to TSEK 683 (1 097)
- The operating result (EBIT) totalled to TSEK - 4 083 (- 3 601)
- The result for the period totalled to TSEK - 4 086 (- 7 099)
- Earnings per share, basic and diluted, were SEK - 0.17 (- 0.39)
- Cash flow for the first half year totalled to TSEK - 3 411 (- 6 801), whereof the cash flow for the operating activities totalled to TSEK - 3 411 (- 3 304)
- The Company's cash amounted to TSEK 2 543 (442) in the end of 30 June 2024
- Equity amounted to TSEK 2 575 (2 430)
- The Company's solvency ratio amounted to 57% (70 %)

Significant events during the Half year (1 January– 30 June 2024)

- On 18 April 2024 the Annual General Meeting were held and the founder, CEO and Director of the Board, Dorte X. Gram was elected new Chairman of the Board and, therefore, with immediate effect, she has stepped down as the Company's CEO. As working Chairman, she also became new CSO to strengthen Pila Pharma AB's R&D focus and ensure maximum progress in the development of the company's product for the treatment of type 2 diabetes and potentially obesity and heart failure which is now in phase 2a. Further, besides reelected Board members Dorte X. Gram and Richard Busellato, two new members were elected to strengthen the Boards financial, strategic and market insight, thus recalibrating the objectives of Pila Pharma AB. Lasse Richter Petersen has been elected Director of the Board due to his extensive background and experience in the international pharmaceutical business including diabetes, and Julie Waras Brogren has been elected Director of the Board due to her extensive experience in developing strategies for advancing pharma assets from development to commercialisation and in finance and investor relations.
- On 19 April 2024 it was announced that new CEO of Pila Pharma AB was Gustav H. Gram, who until then had held the position as Head of Investor Relations. Working within the Life Science Industry and in Pila Pharma AB for more than seven years, Gustav H. Gram has a unique insight and extensive experience into Pila Pharma AB. As such he is already primed for this career advancement and can take over the CEO role immediately. The management team now consists of CEO Gustav H. Gram, CFO Elna Lembrér Åström and CSO Dorte X. Gram.
- On 7 May 2024, the company announced it had been awarded an innovation grant corresponding to a value of SEK 100.000 to sponsor a further developed IP strategy. The innovation grant is sponsored by the Swedish Innovation Agency, Vinnova, and has been handled via the local Incubator at Medeon Science Park in Malmö, Sweden wherefrom the company started its journey.

Significant events after the period

- On 16 July 2024, the Board of Directors of Pila Pharma AB with authorization from the general meeting held on 18 April 2024, resolved to carry out a directed new shares issue with exemption from the preferential rights for existing shareholders at a subscription price of SEK 3,00 per share. At full subscription, the Company was expected to be provided with approximately SEK 10 million before transaction costs.
- On 24 July 2024, the Company announced it had entered into agreement with a United Kingdom based clinical research organisation, Lindus Health, on supply of clinical research services to assist with the submission of an clinical trial application for approval for PP-CT03, a phase 2a study in obese people with type-2 diabetes.
- On 25 July 2024, the Company announced a fully subscribed directed issue of approximately SEK 10 million and, that the Board of Directors had resolved to allocate 3.333.334 new shares to the directed shares issue subscribers relative to their payment. The Company was to be provided with approximately SEK 10 million before transaction costs. The transaction costs are estimated to amount to approximately SEK 100.000 (1% of transaction amount).

CEO comments:

"*Now, after almost four months as CEO, I can say with confidence and pride that we have done great progress and good strides forward during the first half of 2024!*
A major highlight is our recent, successful, and fully subscribed directed new shares issue in July! Commitments for a total investment of SEK 10 million were secured. This is extremely positive and confirming of our efforts. It reflects a positive sentiment around PILA PHARMA, but also permits us to rapidly change gears and include obesity as an endpoint in our planned and upcoming Phase 2a trial. We will work relentlessly to increase overall shareholder value. I am very optimistic for our Company due to the way the obesity market has developed, as we see that we can achieve an edge and unique position in the eco system with our unique TRPV1 candidate as a potential novel first-in-class diabetes and obesity treatment.
It's truly very exciting times ahead for PILA PHARMA!" says Gustav H. Gram, CEO

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This information is such information that PILA PHARMA AB is obliged to publish in accordance with the EU Market Abuse Regulation.
The information was submitted for publication on 27 August 2024 at 08:00 CEST.

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 Aneurism.

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. 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 type 2 diabetic patients. 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, the next clinical phase 2a trial, PP-CT03, is being prepared. The objective is identifying the maximal tolerable dose of XEN-D0501 in obese people with type 2 diabetes and evaluate the safety profile following 3 months chronic treatment. In addition to the safety assessment, PP-CT03 will also include sufficient participants to allow for efficacy readouts on reduction of HbA_{1c}, body weight and the cardiovascular biomarker ANP.

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 Aneurism
Abdominal Aorta Aneurism is a cardiovascular disease with 'balooning' 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 Professor Dick Wågsäter from Uppsala University for investigating the effect of XEN-D0501 on Abdominal Aorta Aneurism growth in mice.