

Interim report, Jan-Jun 2023

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- In June the company announced the discontinuation of ensereptide and the termination of the Company's key personnel



Promore Pharma AB (publ)

Interim report January - June 2023

April to June

- Net sales amounted to MSEK 0.1 (0)
- Net loss was MSEK -3.7 (-6.1), corresponding to earnings per share of SEK -0.06 (-0.10)
- Cash flow after financing activities amounted to MSEK -4.2 (-6.8)
- Cash amounted to MSEK 5.2 (29.6), compared to MSEK 17.8 on 31 December 2022

January to June

- Net sales amounted to MSEK 0.1 (0)
- Net loss was MSEK -10.8 (-14.5), corresponding to earnings per share of SEK -0.18 (-0.24)
- Cash flow after financing activities amounted to MSEK -12.6 (-15.7)

Significant events during January – June

- 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.

Events after the reporting period

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

" The first six months of this year has been activity intense and strategically challenging..."

Jonas Ekblom, President, and CEO of Promore Pharma

Financial overview for the Company

<i>Amounts in MSEK</i>	Apr-Jun		Jan-Jun	
	2023	2022	2023	2022
Net sales	0.1	-0.0	0.1	-0.0
Operating loss	-3.7	-6.1	-10.8	-14.5
Profit/Loss for the period	-3.7	-6.1	-10.8	-14.5
Earnings per share, SEK	-0.06	-0.10	-0.18	-0.24
Cash flow after financing activities	-4.2	-6.8	-12.6	-15.7
Cash and cash equivalents at the end of the period	5.2	29.6	5.2	29.6

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 CEO

The first six months of this year has been activity intense and strategically challenging.

During 2023, the majority of the company's resources have been invested in the PHSU05 phase II clinical trial of ensereptide and its follow-up and close-out. The clinical part of the trial was completed in 2022, and work on the histopathological analysis was a large undertaking that was completed in the first quarter of this year. In April, we communicated data from the PHSU05 clinical trial. Regrettably, the results we achieved failed to demonstrate that ensereptide has a significant effect on the prevention of dermal scarring. While the technical quality of the clinical trial was considered high, it was deemed that the results were reliable, i.e. our study results are clearly actionable, which is not always the case. Consequently, in conjunction with the completion of the final clinical study report, the company's board made the decision to discontinue the ensereptide project.



The management team and board of directors has in recent weeks assessed the strategic alternatives available to the company. Notably, our other program on ropocamptide is not encumbered by the setbacks in the ensereptide program. Ropocamptide is a new treatment of chronic leg ulcers, and the company has previously completed a Phase IIb trial with positive outcome. However, the board of directors has concluded that due to the company's current market value and market conditions, it is not advisable to raise the capital for a next clinical trial on ropocamptide through a share issue. Such a share issue would result in a drastic dilution of current shareholders and cost of capital raised would be unreasonably high.

The board of Promore Pharma therefore made the decision to reduce prospective costs as responsive and responsible as feasible. This involved to give notice of termination to myself, as well as the key people who are engaged on a consulting basis, including CFO Erik Magnusson. As previously communicated, I will together with our CFO, be available to assist the company as acting officers during respective notice periods, and thereafter subject to renegotiation, if necessary, in agreement with the board.

Instead, the board of directors is intensely reviewing strategic options for the company including, but not limited to, reverse acquisitions, joint ventures and/or other strategic transactions. Although we are in discussions with multiple parties, we have at this juncture not reached a definitive agreement, but shall communicate our plans as soon as we have reached a material stage of negotiations.

On the financial side, I would like to mention that a capital guarantee has been issued to the amount of up to SEK 5 million, to allow the company to explore possible strategic deal alternatives. Also, in August, the company entered into an agreement with Erik Penser Bank to act as liquidity provider that will result in certain cost saving for the company. The agreement with the previous liquidity provider has been suspended.

The company is facing an important period where several important steps must be taken; that may include entering a strategic transaction. If this does not happen, the board of directors may propose an organized liquidation. Our objective is naturally to do everything in our power to be able to offer our shareholders future opportunities to realize resting values in Promore Pharma.

Solna, August 30, 2023

Jonas Ekblom
President & CEO

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 – June 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.

Events after the reporting period

Erik Penser Bank as liquidity provider

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

Financial information

Net sales and result for the second quarter 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 1.3 (3.5), which was primarily due to the significantly lower activity in our PHSU05 clinical trial.

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

Personnel expenses costs were MSEK 1.5, unchanged from as last year.

The operating loss for the period amounted to MSEK -3.7, compared to MSEK -6.1 in 2022. Net loss for the period amounted to MSEK -3.7 (-6.1), corresponding to earnings per share of SEK -0.06 (-0.10).

Net sales and result for the first half 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 6.3 (8.7), which was primarily due to the significantly lower activity in our PHSU05 clinical trial.

Other external costs amounted to MSEK 2.0 (2.6), where the decrease is mainly due to lower consultancy costs.

Personnel expenses costs were MSEK 2.7, which is MSEK 0.5 lower compared to the same period last year.

The operating loss for the period amounted to MSEK -10.8, compared to MSEK -14.5 in 2022. Net loss for the period amounted to MSEK -10.8 (-14.5), corresponding to earnings per share of SEK -0.18 (-0.24).

Cashflow, liquidity and financing

The cash flow from operating activities during the first half year amounted to MSEK -12.6 (-15.4). A change in working capital of MSEK -1.8 (-0.9) 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 0 (-0.2) during the period, where 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 5.2 by 30 of June, compared to SEK 17.8 by 31 December 2022 and MSEK 29.6 by 30 June 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	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23
Cash and cash equivalents	29,6	23,5	17,8	9,4	5,2
Working capital	26,8	21,5	14,7	7,6	3,9

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	Apr-Jun		Jan-Jun	
	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 2023-06-30	number	share
Coespring New Technology	22,710,730	37.4%
PharmaResearch Co. Ltd	7,468,132	12.3%
Daniel Johnsson	3,740,036	6.2%
Nordnet Pensionsförsäkring	3,505,946	5.8%
Exceca Allocation & Assoc	3,332,584	5.5%
Arne Andersson	3,303,874	5.4%
Avanza Pension	1,538,074	2.5%
Other	15,114,560	24.9%
TOTAL	60,713,936	100.0%

*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 2022

Q3 2023

28 November 2023

Review by auditor

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

The Board's declaration

The Board of Directors and the CEO assure that this report provides a fair overview of the company's operations, position, and results.

Solna 30 August 2023

Marianne Dicander Alexandersson
Chairman of the Board

Hans-Peter Ostler

Göran Linder

Kerstin Valinder Strinnholm

Candice (Yujin) Jung

Jonas Ekblom
President & CEO

Consolidated income statement

<i>Amounts in SEKk</i>	Apr-Jun		Jan-Jun		Jan-Dec
	2023	2022	2023	2022	2022
Operating income					
Net sales	126	-0	126	-0	-0
Other operating income	27	24	60	47	99
Operating expenses					
Commodities and supplies	-1,342	-3,491	-6,271	-8,722	-15,944
Other external expenses	-1,075	-1,104	-1,997	-2,584	-4,840
Personnel costs	-1,463	-1,549	-2,725	-3,189	-5,860
Other operating expenses	-	-13	-	-53	-57
Operating loss (EBIT)	-3,727	-6,133	-10,807	-14,500	-26,603
Financial items					
Net financial items	-12	-4	-16	-7	-16
Profit/loss after financial items	-3,739	-6,136	-10,823	-14,507	-26,619
Profit/loss before tax	-3,739	-6,136	-10,823	-14,507	-26,619
Tax	-	-	-	-	-
Profit/Loss for the period	-3,739	-6,136	-10,823	-14,507	-26,619
EPS	-0.06	-0.10	-0.18	-0.24	-0.44

Consolidated balance sheet

<i>Amounts in SEKk</i>	31 Jun		31 Dec
	2023	2022	2022
ASSETS			
FIXED ASSETS			
Financial fixed assets	1	1	1
Total fixed assets	1	1	1
CURRENT ASSETS			
Other receivables	1,009	1 622	3 197
Cash and cash equivalents	5,176	29 635	17 808
Total current assets	6,185	31 257	21 005
TOTAL ASSETS	6,186	31 258	21 006
EQUITY AND LIABILITIES			
EQUITY			
Share capital	2,429	2 429	2 429
Other equity including the result for the period	736	23 671	11 559
Total equity	3,164	26 100	13 988
LONG-TERM LIABILITIES			
Liabilities to credit institutions	714	714	714
Total long-term liabilities	714	714	714
CURRENT LIABILITIES			
Accounts payable	1,021	2 874	4 722
Deferred taxes	218	218	146
Other current liabilities	1,069	1 353	1 437
Total current liabilities	2,308	4 445	6 304
TOTAL EQUITY AND LIABILITIES	6,186	31 258	21 006

Consolidated cash flow analysis

<i>Amounts in SEKk</i>	Apr-Jun		Jan-Jun		Jan-Dec
	2023	2022	2023	2022	2022
OPERATING ACTIVITIES					
Operating profit	-3,727	-6 133	-10,807	-14 500	-26 603
Adjustments for items not included in cash flow	-12	-21	-16	-7	-16
Tax paid	-	-	-	-	-
Cash flow from operating activities before changes in working capital	-3,739	-6 153	-10,823	-14 507	-26 619
Increase/decrease other current receivables	-191	563	2,188	260	-1 314
Increase/decrease other current liabilities	-258	-1 220	-3,997	-1 198	661
Cash flow from operating activities	-4,188	-6 810	-12,632	-15 445	-27 272
INVESTING ACTIVITIES					
Sale of financial fixed assets	-	-	-	-	-
Cash flow from investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
New share issue	-	-	-	-	-
Repaid loans	-	-	-	-237	-237
Cash flow from financing activities	-	-	-	-237	-237
Cash flow for the period	-4,188	-6 810	-12,632	-15 682	-27 509
Cash and cash equiv. at the beginning of the period	9,364	36 445	17,808	45 317	45 317
Exchange rate difference cash and cash equivalents	-	-	-	-	-
Cash and cash equiv. at the end of the period	5,176	29 635	5,176	29 635	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	-	-	-10,823	-10,823
Amount at the end of the period (30 June 2023)	2,429	-	735	3,164
Amount at the beginning of the period (1 Jan 2022)	2,429	-	38,178	40,607
New share issue	-	-	-	-
Profit for the period	-	-	-14,507	-14,507
Amount at the end of the period (30 June 2022)	2,429	-	23,671	26,100

Parent company income statement

Promore Pharma AB, parent company	Apr-Jun		Jan-Jun		Jan-Dec
Amounts in SEkk	2023	2022	2023	2022	2022
OPERATING INCOME					
Net sales	126	-	126	-	-
Other operating income	13	15	42	35	75
OPERATING EXPENSES					
Commodities and supplies	-1,326	-3,431	-6,212	-8,611	-15,594
Other external expenses	-1,048	-1,092	-1,956	-2,553	-4,788
Personnel costs	-1,456	-1,548	-2,718	-3,189	-5,860
Depreciation and amortization of tangible assets	-	-	-	-	-
Total operating expenses	-	-13	-7	-53	-57
Operating profit/loss (EBIT)	-3,692	-6,069	-10,725	-14,371	-26,224
FINANCIAL ITEMS					
Net financial items	0	-	0	-	-
Profit/Loss after financial items	-3,692	-6,069	-10,725	-14,371	-36,429
Pre-tax profit	-3,692	-6,069	-10,725	-14,371	-36,429
Tax	-	-	-	-	-
Net profit/loss for the period	-3,692	-6,069	-10,725	-14,371	-36,429

Parent company balance sheet

Promore Pharma AB, parent company	31 Jun		31 Dec
<i>Amounts in SEKk</i>	2023	2022	2022
NON-CURRENT ASSETS			
Share in other long-term securities holdings	218	10,423	218
Total fixed assets	218	10,423	218
CURRENT ASSETS			
Accounts receivables	-	-	-
Receivables from group companies	805	5,305	5,305
Current tax assets	-	222	144
Other current receivables	-	794	601
Prepaid expenses and accrued revenue	997	457	2,419
Cash and bank balances	3,659	23,299	11,728
Total current assets	5,461	30,077	20,197
TOTAL ASSETS	5,679	40,500	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	-183,592	-187,239	-172,867
Profit/Loss for the period	-36,430	-	-36,430
Total unrestricted equity	440	33,224	11,165
Total equity	3,249	36,032	13,974
LONG-TERM LIABILITIES			
Other liabilities	-	-	-
Total long-term liabilities	-	-	-
CURRENT LIABILITIES			
Accounts payables	1,121	2,874	4,836
Current tax liabilities	218	429	356
Accrued expenses and deferred income	880	1,165	1,249
Total current liabilities	2,430	4,468	6,441
TOTAL EQUITY AND LIABILITIES	5,679	40,500	20,415

Parent company cash flow analysis

Promore Pharma AB, parent company	Apr-Jun		Jan-Jun		Jan-Dec
	2023	2022	2023	2022	2022
<i>Amounts in SEKk</i>					
Operating activities					
Operating loss	-3,692	-6,069	-10,725	-14,371	-26,224
Adjustments for non cash flow items	0	-25	0	-25	-25
Tax paid	-	-	-	-	-
Cash flow from operating activities before changes in working capital	-3,692	-6,094	-10,725	-14,396	-26,249
Change in accounts receivables	4,578	7	6,667	-268	-1,959
Change in accounts payable	-518	-1,210	-4,011	-1,130	843
Cash flow from operating activities	369	-7,297	-8,069	-15,793	-27,364
FINANCING ACTIVITIES					
New share issue	-	-	-	-	-
Repaid loans	-	-	-	-237	-237
Cash flow from financing activities	-	-	-	-237	-237
Cash flow for the period	369	-7,297	-8,069	-16,030	-27,601
Cash and bank balances in the beginning of the period	3,291	30,596	19,014	19,014	39,330
Exchange rate difference cash and cash equivalents	-	-	-	-	-
Cash and bank balances at year end	3,659	23,299	10,944	2,983	11,728

For additional information, please contact

Jonas Ekblom, CEO

Phone: [+46] 736 777 540

Email: jonas.ekblom@promorepharma.com

Erik Magnusson, CFO

Phone: [+46] 708 565 245

Email: erik.magnusson@promorepharma.com

Street address: Fogdevreten 2, 171 65 Solna, Sweden

Website: www.promorepharma.com

Corporate registration number: 556639-6809

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