

Annual Report 2023



INTRODUCTION

AlzeCure Pharma in brief.....	3
History.....	4
The year in brief	5
A word from the CEO	6-7

THE BUSINESS

AlzeCure's development & the path forward..	8
Mission, Vision & Strategy	9
Business model	9
Market trends affecting AlzeCure	10-11
Alzheimer's disease	12-16
Pain.....	17
Research & Development	18-20
Scientific advisors	21
Project portfolio.....	22
NeuroRestore	23-24
Alzstatin	25-26
AlzeCure's differentiation in Alzheimer's.....	27
Painless	28-29
Shareholders & Share trend.....	30
Employees.....	31

REPORT OF THE BOARD OF DIRECTORS & FINANCIAL STATEMENTS

Report of the Board of Directors	33-38
Multi-year overview.....	39
Corporate governance report	40-44
Board of Directors and auditor.....	45-46
Senior executives.....	47-48
Financial reports.....	49
Income statement and other comprehensive income.....	50
Balance sheet	51
Statement of change in equity.....	52
Cash flow statement	53
Notes	54-58
Signatures.....	59
Audit report	60-61

OTHER

Glossary	62
Shareholder information	63
2024 Annual General Meeting.....	63

AlzeCure Pharma develops new drug therapies for the treatment of severe diseases and conditions that affect the central nervous system, such as Alzheimer's disease and pain, for which currently available treatment is extremely limited. AlzeCure® aims to pursue its own projects through preclinical research and development to an early clinical phase.

AlzeCure's three platforms

1

NeuroRestore® – the platform is developing a new generation of symptom-relieving drugs for the treatment of illnesses with cognitive disorders, such as Alzheimer's disease.

2

Alzstatin® – the platform develops innovative disease-modifying and preventive drugs for Alzheimer's disease.

3

Painless – two projects: TrkA-NAM and ACD440, which both focus on severe pain.

AlzeCure Pharma in brief



AlzeCure® is a Swedish pharmaceutical company that develops new innovative small-molecule drug therapies for the treatment of severe diseases and conditions that affect the central nervous system, such as Alzheimer's disease and pain – indications for which currently available treatment is very limited. The company is listed on Nasdaq First North Premier Growth Market and is developing several parallel drug candidates based on three research platforms: NeuroRestore®, Alzstatin® and Painless.

NeuroRestore consists of two symptom-relieving drug candidates where the unique mechanism of action allows multiple indications – Alzheimer's disease, as well as cognitive disorders associated with traumatic brain injury, sleep apnea and

Parkinson's disease. The Alzstatin platform focuses on developing disease-modifying and preventive drug candidates for early treatment of Alzheimer's disease and comprises two candidates.

Painless is the company's research platform in the field of pain and contains two projects: ACD440, which is a drug candidate in the clinical development phase for the treatment of neuropathic pain, and TrkA-NAM, which targets severe pain in other conditions such as osteoarthritis. AlzeCure® aims to pursue its own projects through preclinical research and development to an early clinical phase and is continually working on business development to find suitable solutions for outlicensing to other pharmaceutical companies.

Strengths & Competitive advantages

AlzeCure considers itself to have a number of strengths and competitive advantages that increase the likelihood of success:

- An organization with extensive experience from industrial drug development in the field.
- A clear basis in the genetically linked signaling pathways and biological systems of the indications, which supports the selected target mechanisms.
- The drugs are based on orally available small molecules, which makes cost-effective long-term treatment possible.
- Drug development is driven by validated biomarkers and preclinical methods with good transfer to humans.
- An innovative, differentiated portfolio comprising both disease-modifying and symptom-relieving drug candidates for Alzheimer's and pain.
- Several indications and multiple candidates, which lead to risk diversification, not "a one trick pony."
- Strong safety profile in the drug candidates' mechanisms of action.

FNCA Sweden AB is the company's Certified Adviser. For more information, please visit www.alzecurepharma.com.

History

2012

- The AlzeCure Foundation is formed in the fall in a collaborative effort between a group of prominent former AstraZeneca researchers, Alzheimerfonden and Professor Bengt Winblad at Karolinska Institutet.
- The purpose of the organization is to develop new drugs and diagnostics for Alzheimer's and related diseases. When AstraZeneca closed its Alzheimer research operations in Södertälje, a strong need was noted to retain and further develop the important pharmaceutical research in the field of Alzheimer's in the region and in Sweden as a whole.
- A team of senior specialists in complementary fields of pharmaceutical research forms the scientific group that is the core of AlzeCure's operations.

2013-2017

- NeuroRestore is the first project when the Foundation initiates research and development at Novum, Karolinska Institutet in Huddinge, which becomes the natural hub for the operation.
- The project portfolio is developed and expanded in part through grants and funding from international grant programs such as the Alzheimer Drug Discovery Foundation and national funding sources such as Vinnova, Swedish Brainpower, Swelife, and Alzheimerfonden.
- AlzeCure Pharma is founded in 2016 because its main drug candidates are considered to have great commercial potential.
- Johan Sandin is appointed CEO for AlzeCure Pharma in February.
- In June 2017, the company completes its first financing round to raise SEK 70 million before issue expenses.

2018

- In July, the company completes its second financing round to raise SEK 40 million aimed at financing Phase I studies for ACD855.

- IMPD (application to commence studies in humans) for the drug candidate ACD855 is submitted in October.
- The company is listed on Nasdaq First North Premier Growth Market in November.
- The necessary regulatory approvals to begin Phase I studies for ACD855 are granted and the company begins dosing the first subjects in December.

2019

- In March the company initiates a new drug project in the field of pain, TrkA-NAM.
- In May the company chooses to refocus ACD855 from cognitive dysfunction to ocular indications and ACD856 becomes the primary drug candidate for cognitive dysfunction instead.
- In December the company obtains the necessary regulatory approvals to initiate the first clinical trials for the drug candidate ACD856 within the NeuroRestore platform. The company initiates the study shortly thereafter.

2020

- On January 7, the company in-licenses a new project, ACD440, which focuses on neuropathic pain and is in the clinical development phase.
- Martin Jönsson takes over as Chief Executive Officer on January 8, 2020.
- Johan Sandin takes over the position of Chief Scientific Officer in January, which enables him to dedicate all of his time to research and development.
- In June the company presents favorable data from the first clinical trial with ACD856, which showed that it has a good pharmacokinetic profile with a significantly shorter half-life in humans than its predecessor, ACD855, and that the candidate is suitable for further clinical development as oral treatment of conditions such as Alzheimer's disease.
- In November the company receives approval from the regulatory authorities in Sweden to initiate a Phase I clinical trial with the drug candidate ACD856.

- In December the company receives approval to initiate a Phase Ib clinical trial with ACD440 in neuropathic pain.
- Favorable preclinical efficacy data for the pain project TrkA-NAM are obtained in December in an in vivo efficacy study.
- The company initiates the preclinical development phase with the drug candidate ACD857 in December.

2021

- In April, positive and significant efficacy data are obtained slightly ahead of plan from the company's Phase Ib clinical trial with the drug candidate ACD440 for neuropathic pain. The drug candidate was also well tolerated as a topical treatment.
- In August, the company received approval from the Medical Products Agency to be able to give even higher doses of ACD856 in the Phase I clinical trial (single ascending dose, SAD). The approval is based on the good tolerability of the drug candidate, which enables higher doses to be tested.
- In August, the company received approval from the regulatory authorities in Sweden to initiate a Phase I clinical trial (multiple ascending dose, MAD) for the drug candidate ACD856, with a focus on Alzheimer's disease.
- In October, the first study participant in the company's Phase I clinical trial (MAD) received a dose of the drug candidate ACD856.

2022

- A new share issue is completed on March 22 and raises SEK 48.5 million for the company, before issue expenses.
- A directed set-off issue was carried out in April in connection with ACD440 entering Phase II and Acturum Life investing in the company.
- In April, the company presented results from the Phase I Single-Ascending-Dose clinical study, which show that ACD856 demonstrates a good safety and tolerability profile in humans, as well as suitable pharmacokinetic properties.

- In April, the company also presented new data concerning a new potent small molecule gamma-secretase modulator (GSM), part of the Alzstatin research platform. The presentation contains preclinical data from studies that show that the substance, AC-0027875, effectively crosses the blood-brain barrier and reaches the target organ, i.e. the brain, in high concentrations – which is essential for a good pharmacological effect. Furthermore, data show that the potent effect of the substance on gamma secretase led to a reduction in the amount of harmful amyloid beta 42 (Aβ42) by more than 50 percent.
- In June, the first patient is included in a Phase II clinical trial with the non-opioid substance ACD440 for the treatment of neuropathic pain.
- The Phase I clinical trial Multiple Ascending Dose for AlzeCure's Alzheimer's project NeuroRestore ACD856 ends in June. The data showed that ACD856 has good tolerability and safety. Furthermore, the results demonstrate that the substance has suitable pharmacokinetic properties with rapid uptake into the body, as well as relevant and dose-dependent exposure in the CNS.
- In September, the company announces that a patent is approved for ACD856 in the US.
- The company publishes new data at the International Society for Molecular Neurodegeneration (ISMND) neurology conference demonstrating that NeuroRestore ACD856 improves mitochondrial function and increases BDNF levels in neurons.
- The rights issue is completed on December 20. The issue was oversubscribed with or without the support of subscription rights to a total of 134.3% and the Board of Directors decided to issue additional shares in light of the strong interest. The issue raises SEK 42.6 million for the company before issue expenses. Issue expenses totaled SEK 3.0 million.

2023

- See the year in brief on page 5.

The year in brief

Significant events 2023

- In January, the company selects a candidate drug (CD) and initiates the preclinical development phase with the company's preventive and disease-modifying drug candidate Alzstatin ACD680.
- In January, the last patient is included in the Phase II clinical trial with the leading non-opioid drug candidate in the Painless platform, ACD440, which is being developed to treat peripheral neuropathic pain.
- The company announces on March 13 that the last patient has completed treatment in the above clinical trial with ACD440.
- In April, the company has an abstract on non-opioid ACD440 for neuropathic pain accepted at the EFIC 2023 Conference.
- On May 17, the company holds its Annual General Meeting and Dr Janet Hoogstraate is elected to serve as a new member of the Board of Directors.
- The company announces on May 22 that a European patent has been granted for the NeuroRestore ACD856 Alzheimer's project.
- On May 24 the company announces positive proof-of-mechanism (POM) data from the Phase IIa clinical trial in neuropathic pain with the non-opioid ACD440.
- On July 3, the company publishes a new scientific article presenting preclinical results demonstrating the antidepressant effects of NeuroRestore ACD856.
- On July 11, the company publishes new disease-modifying data regarding NeuroRestore ACD856 for the treatment of Alzheimer's and cognitive disorders.
- On August 9, the company publishes favorable clinical results from the Phase I clinical trial with NeuroRestore ACD856 for the treatment of Alzheimer's.

- On September 20, the company presents positive Phase II clinical data on ACD440 for neuropathic pain at the 2023 European Pain Federation (EFIC) conference.
- The company reports in early October that Japan has granted a patent for NeuroRestore ACD856.
- In October, the company publishes a new article about the target mechanism behind Alzstatin, which is being developed for the treatment of Alzheimer's disease.

Significant events after the end of the financial year

- On January 29, the company selects a drug candidate and enters the next phase of development with TrkA-NAM ACD137 for the treatment of osteoarthritis and other severe pain conditions.
- On February 29, the company announces that the patent offices in China, India, South Africa, Israel, Hong Kong and Mexico have granted patents covering the company's clinical drug candidate ACD856, which is being developed for Alzheimer's and other cognitive disorders.
- On March 26, the company's board decides on a new share issue of approximately SEK 52.8 million with preferential rights for existing shareholders. The rights issue requires approval at an extraordinary general meeting on April 25, 2024. The issue is guaranteed to approximately 63 percent through subscription obligations and guarantee commitments from, among other things, existing owners and members of the company's management and board. To enable further capital contributions, the board may also exercise an over-allotment option of up to approximately SEK 15.0 million.

Multi-year overview

SEK thousand	2023	2022	2021	2020	2019
Net sales	0	0	0	0	0
Operating profit/loss	-38,262	-56,442	-77,926	-71,579	-50,908
Earnings for the year and comprehensive income	-37,167	-56,239	-77,781	-71,366	-50,858
Earnings per share, basic (SEK)	-0.60	-1.18	-2.06	-1.89	-1.35
Research expenses as a percentage of operating expenses (%)	72.1	81.6	85.0	86.3	87.7
Cash flow from operating activities	3,057	-99,911	-70,639	-69,508	-50,285
Total assets	32,001	70,836	45,647	117,827	186,755
Cash and cash equivalents	29,100	25,577	41,741	112,434	182,499
Debt/equity ratio (%)	74.3	85.4	72.2	94.0	97.5
Average number of shares, before dilution	62,087,012	47,696,091	37,765,715	37,765,715	37,765,715
Average number of employees	11	13	11	8	4



A word from the CEO

2023 continued to be positive and eventful for AlzeCure Pharma. During the year, we presented positive proof-of-mechanism (POM) results from our Phase II clinical study with ACD440 for the treatment of neuropathic pain. A new candidate drug for our Alzheimer's project, Alzstatin, was chosen and we also published new preclinical data for our clinical drug candidate NeuroRestore ACD856, which supports neuroprotective and disease-modifying effects. This advancement is highly relevant for treatment of Alzheimer's and other neurodegenerative diseases. We were also granted patents for ACD856 in additional territories, further strengthening our business development opportunities. Furthermore, we have now also selected a drug candidate in our TrkA-NAM project, ACD137. It is both motivating and gratifying that we are keeping up the pace as we continue to deliver new data that strengthen our position.

In the Painless platform, which includes the ACD440 and TrkA-NAM projects, we continue to make good progress. At the end of 2023, we published positive results from the Phase II study with our TRPV1 antagonist ACD440 for the treatment of chronic peripheral neuropathic pain. The study results, which were presented in October at the meeting for Swedish pain specialists in Uppsala, showed a clear and significant effect on pain caused by cold or heat in patients with peripheral neuropathic pain. This temperature hypersensitivity is common in patients with neuropathic pain and is a major problem for these individuals. The results from our Phase II clinical trial also showed that ACD440, which is a gel that is applied to the skin, was well tolerated and, taken together, the outcome from both the compound and the administration method demonstrates good suitability for further clinical development. The detailed data obtained from the Phase II clinical trial in the autumn is now being analyzed in greater depth and discussed with experts in the field with regard to the continued clinical development program. Neuropathic pain is an area with great unmet medical need, especially with respect to finding alternatives to opioids, and we believe that ACD440 could significantly improve quality of life for patients suffering from this type of pain. Only one of eight patients is satisfied with their current treatment, which demonstrates the great unmet medical need. Moreover, we also see opportunities for our compound in nociceptive pain (tissue damage pain), which we generated data on in 2021.

Our second pain project, TrkA-NAM, which focuses on arthritis of the knee, also continues to make good progress, and during

the year we conducted additional preclinical studies. In January 2024, we have also selected a candidate drug for the ACD137 project, which we will now advance to safety and toxicology studies. Interest in TrkA-NAM has risen as Asahi Kasei has now initiated a Phase IIb study with its candidate AK-1830. TrkA-NAM is being developed to reduce peripheral NGF signaling and because of the project's unique and selective targeting mechanism, TrkA-NAM is not expected to have the side effects of NGF antibodies. Over 300 million people are estimated to suffer from osteoarthritis of the knee and the patient population is growing due to an aging population and obesity-related problems.

During the year, we also presented and published new data for our clinical NeuroRestore candidate, ACD856, at the CTAD Alzheimer's Congress in Boston, USA. NeuroRestore ACD856 is a Trk-PAM and the new preclinical findings revealed potential disease-modifying and neuroprotective effects, which may be of interest in Alzheimer's and other neurodegenerative diseases. Parts of these findings are validated by the results from another drug candidate, Eisai TrkA-PAM E2511, which is also in the clinical phase. Eisai published data at the same congress showing that their compound also has potential disease-modifying effects in Alzheimer's and other neurodegenerative diseases. What distinguishes our drug candidate ACD856 from Eisai's is that it also demonstrates pro-cognitive properties, which means that it can improve learning and memory skills. This marks a clear differentiation as NeuroRestore ACD856 also boosts BDNF signaling. There is also strong scientific support for the target mechanism in depression.



Martin Jönsson, CEO

The company's patent applications for NeuroRestore, including ACD856, were approved in additional countries. This is yet another important step for ACD856 and the NeuroRestore platform, which previously gained patent protection in the US and Europe until 2039. Alzstatin, our disease-modifying and preventive treatment in tablet form for Alzheimer's disease, continues to be developed according to plan. Our new supplementary candidate drug, Alzstatin ACD680, is in the preclinical development phase and is undergoing safety testing. The compound is a complement to ACD679 in the program and offers patent advantages. The candidate drugs in Alzstatin are "gamma-secretase modulators" (GSMs), which reduce production of the harmful amyloid-beta-42 protein that generates plaques in the brain. The process is considered a primary cause of Alzheimer's. This new class of drugs for Alzheimer's is now garnering increasing attention, and interest is steadily growing. The target mechanism is being validated by the Swiss pharmaceutical company Roche, which is also developing GSMs. At the CTAD Alzheimer's conference, Roche presented positive clinical data for its GSM RG6289 and is now preparing a Phase II clinical trial, which also boosts interest in our Alzstatin project from both other pharmaceutical companies and investors.

Alzstatin differs from the antibody drugs in several important respects. Alzstatin is being developed to prevent Alzheimer's and it is based on small molecules. The latter means that Alzstatin is not expected to cause the side effects associated with existing antibody therapies, such as microbleeding and edema. In addition, the small molecules allow for easy oral administration by tablet. In addition, small-molecule drugs generally have lower manufacturing costs, which means they can reach a wider patient population, but could also provide profitability benefits. Alzstatin is also expected to be used in combination with antibodies and other Alzheimer's drugs, as well as after antibody treatment has ended, to keep down the new production of amyloid-beta-42, a harmful protein that damages and builds up plaques in the brain.

We continue to focus on marketing communications and actively participate in various meetings and congresses to present our research to investors and potential partners. In November, we participated in BioEurope, one of the world's largest business development and partnership conferences, which was held in Munich. We continue to meet increased interest from institutional investors, pharmaceutical companies and other actors who may

be interested in investing in or in-licensing our development projects, or alternatively entering into partnerships, and the company is in discussions with several potential actors. The board therefore makes the assessment that it is valuable to strengthen the funds in order to have better negotiating room and in the meantime enable continued development of the Company's research portfolio to increase the value and attractiveness of the assets. Against this background, the board decided on 26 March 2024 on a new share issue of approximately SEK 52.8 million with preferential rights for existing shareholders. The rights issue requires approval at an extraordinary general meeting on April 25, 2024. The issue is guaranteed to approximately 63 percent through subscription obligations and guarantee commitments from, among other things, existing owners and members of the company's management and board.

2023 was a continued positive and eventful year. AlzeCure continued to make progress in all of our projects, and we were also able to present positive Phase II clinical results for ACD440 in

peripheral neuropathic pain. We are now facing an exciting new year in AlzeCure's development and the strong support from our main owners is very gratifying. We are also very happy that Jan Lundberg has shown strong support and chosen to invest in us. Jan Lundberg has more than 20 years of experience from leading positions in global pharmaceutical companies AstraZeneca and Eli Lilly, including as global head of research and development. The new issue secures the funds we need to carry out several value-creating development steps in our research portfolio and also for out-licensing and partnership activities.

I look forward to continuing to develop AlzeCure together with our partners and our employees during 2024.

Stockholm, April 2024

Martin Jönsson



” 2023 continued to be positive and eventful. AlzeCure continued to make good progress in all our projects and we also presented Phase II clinical results for ACD440 for the treatment of peripheral neuropathic pain.

Martin Jönsson, CEO

AlzeCure's development & the path forward

AlzeCure Pharma develops new drug therapies for the treatment of severe diseases and conditions that affect the central nervous system, such as Alzheimer's disease and pain, for which currently available treatment is extremely limited. AlzeCure® aims to pursue its own projects through preclinical research and development to an early clinical phase.

AlzeCure's two innovative small molecule platforms in neurology, NeuroRestore® and Alzstatin®, as well as our latest pain projects, TrkA-NAM and ACD440, are all making good progress in their development. The company has the explicit goal of developing new therapies for Alzheimer's disease and pain – severe disorders affecting the nervous system and for which there is currently a high unmet medical need. In Alzheimer's we are working on therapies aimed at both symptomatic relief and prevention, where our two unique project platforms focus on two key findings related to the disease: the accumulation of amyloid in the brain and the disruption of normal nerve cell function that leads to the symptoms of the disease. In the field of pain we focus on both nociceptive and neuropathic pain.

AlzeCure has two of the company's drug candidates in clinical trials. A diversified portfolio of drug candidates that act on central signaling pathways in the brain also opens up for other indications such as cognitive dysfunctions in traumatic brain injury, sleep disturbances and Parkinson's disease.

Important milestones for 2024

1

Select a Candidate Drug for TrkA-NAM and initiate safety and toxicology studies.

2

Continue safety and toxicology studies and prepare the Alzstatin GSM program for the Phase I clinical trial.

3

Prepare NeuroRestore Trk-PAM ACD856 for the Phase II clinical trial in 2025.

4

Prepare ACD440 TRPV1 antagonist for the next Phase II clinical trial.

Important milestones for 2024

In 2024, AlzeCure intends to work to meet the following milestones in order to achieve its vision to become a leading neuroscientific research and development company that provides great value to patients, relatives and society:

- Select a Candidate Drug for TrkA-NAM and initiate safety and toxicology studies.
- Continue safety and toxicology studies and prepare the Alzstatin GSM program for the Phase I clinical trial.
- Prepare NeuroRestore Trk-PAM ACD856 for the Phase II clinical trial in 2025.
- Prepare ACD440 TRPV1 antagonist for the next Phase II clinical trial.

Patents

A strong patent portfolio is crucial for successful commercialization of our projects.

AlzeCure Pharma has an active patent strategy and has established a broad portfolio of patents and patent applications for the projects. This includes six different patent families. AlzeCure Pharma has nine approved substance patents in different territories, while three applications have reached the stage where the application has been submitted to all of the current major pharmaceutical markets, including the US, EU, Japan and China, as well as territories that are potential major pharmaceutical markets in the future. An application for the topical ACD440 was submitted in May 2021.

The patent application covering ACD856 is approved in the US and pending approval in additional territories. If they are granted, the resulting patents could provide protection until February 2039 and possibly even longer in areas where extensions are available. Two more priority applications were submitted in 2022.

The company believes that there is good potential to achieve global protection for its drug candidates. AlzeCure believes that by having several applications in this field, flexibility increases with respect to future partnerships.

AlzeCure plans to expand the patent portfolio within the key areas with additional applications in 2024.

Mission, Vision & Strategy

Mission

We are resolved in our commitment to provide hope and relief to patients and their families by developing innovative, groundbreaking drugs in the fields of Alzheimer's disease, pain and other severe diseases.

Vision

Our vision is to become a leading neuroscientific research and development company that creates great value for patients and society.

Strategy

AlzeCure Pharma's strategy is to develop a broad portfolio of symptom-relieving, disease-modifying and preventive drugs for Alzheimer's, pain and other serious illnesses through work based on the following four guidelines:

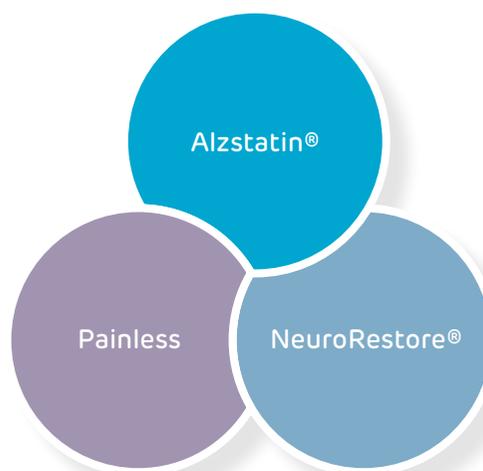
- The right patient: Focusing on genetically, clinically and pathologically defined diseases to increase the ability of clinical effect.
- The right mechanism: The treatment acts on genetically associated signaling pathways in Alzheimer's disease and other indications.
- The right clinical testing: The clinical studies are based on validated biomarkers and preclinical methods with good transfer to humans.
- The right treatment: Small molecule drugs that penetrate the blood brain barrier (BBB) and which are designed for safe, efficacious long-term treatment.

Business model

AlzeCure® is a Swedish pharmaceutical company that develops new innovative small-molecule drug therapies for the treatment of severe diseases and conditions that affect the central nervous system, such as Alzheimer's disease and pain – indications for which currently available treatment is very limited. The company is developing several parallel drug candidates based on three research platforms: NeuroRestore®, Alzstatin® and Painless.

AlzeCure® aims to pursue its own projects through preclinical research and development to an early clinical phase and is continually working on business development to find suitable solutions for outlicensing to other pharmaceutical companies.

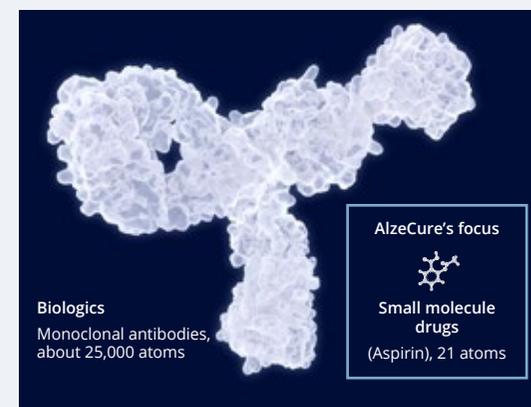
AlzeCure continually evaluates possibilities for future collaboration agreements and commercial licensing agreements with leading pharmaceutical companies that can contribute R&D, manufacturing, commercialization and geographical reach to enhance the value of the company's drug platforms and drug candidates.



Drugs based on small molecules

AlzeCure's drug candidates are based on small molecules, which offer several advantages over biologics:

- Small molecules can be designed to provide better permeability across the blood-brain barrier than biologics, and are therefore well suited for treatment of diseases of the brain.
- Small molecules can be given as oral treatment, in tablet form, which is both convenient and cost-effectively advantageous for the patient compared with invasive intravenous injections, which must often be administered by care providers.
- Small molecules are less expensive to produce than biologics, which could potentially provide price-related advantages, for example with respect to long-term treatment of chronic diseases.



Illustrative comparison between biological and small molecule drugs.

Market trends affecting AlzeCure®

Increased social costs for Alzheimer’s and other neurodegenerative diseases

Costs associated with Alzheimer’s and other neurodegenerative diseases are sharply rising and account for a substantial burden on the public healthcare system. The global cost to society for dementia is estimated at more than USD 1.3 trillion and is expected to triple over the next 30 years. These burgeoning costs increase the need for disease-modifying and/or preventive treatments appreciably.

Increased need for treatment due to an aging population

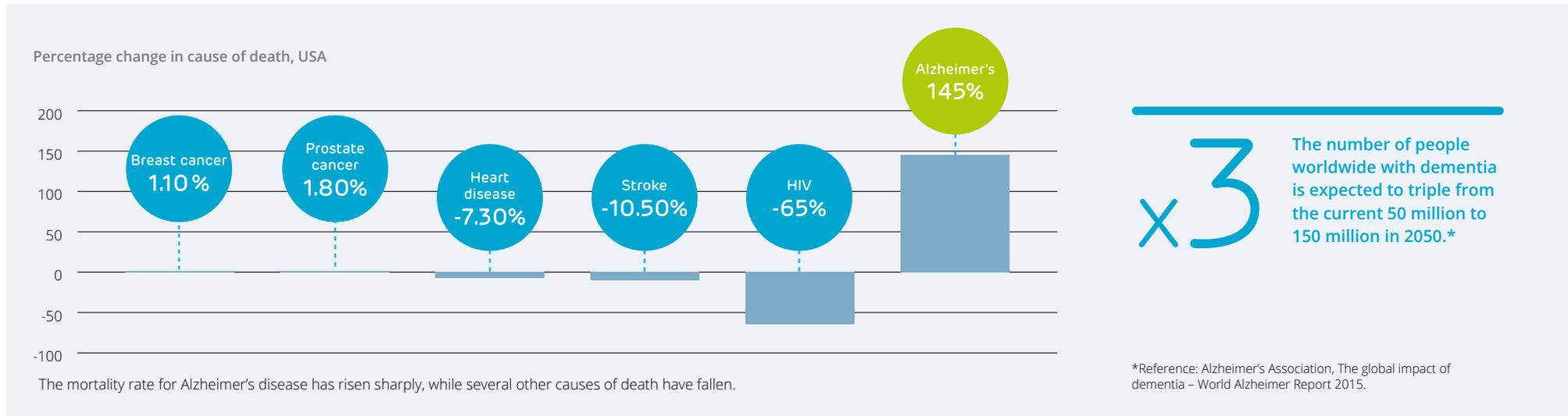
Old age is the greatest risk factor in dementia-related illnesses such as Alzheimer’s, but also for pain problems. Life expectancy is increasing globally as a result of higher living standards and improved health care.

New treatment for Alzheimer’s disease targeting amyloid plaques receives FDA approval

An antibody therapy (Aduhelm™) targeting amyloid pathology received approval in the US in June 2021 as the first disease-modifying treatment for Alzheimer’s disease through the FDA’s Accelerated Approval process. The approval is based on a “surrogate endpoint,” in this case the reduction of beta-amyloid in the brain. Two other antibody therapies (Lecanemab and Donanemab) targeting amyloid pathology were also granted “Breakthrough Therapy Designation” status, giving them access to the FDA’s other fast track processes, which could lead to a significantly faster pathway to market for drugs in this important area.

Amyloid-targeted therapeutics show positive effects on cognitive function in Alzheimer’s patients and receives market approval

Lecanemab, one of the above-mentioned antibody therapies targeting amyloid pathology, was reported in September 2022 in a pivotal Phase III study to have achieved its efficacy milestones, with significant positive effects on functional and cognitive decline, as well as a reduction in the quantity of amyloid plaque in the brain. These Phase III results, which support the amyloid hypothesis, have served as the basis for the full market approval received from the FDA on July 6, 2023. As a result, there is growing interest in research into other new drugs for the treatment of Alzheimer’s disease, such as drugs that attack symptoms in other ways (NeuroRestore), as well as those (such as Alzstatin) that attack amyloid formation early in the course of disease, and that can be administered as tablets – unlike antibody treatment, which is administered intravenously. Drugs such as NeuroRestore and Alzstatin can also potentially be given in combination with existing therapy.



Major pharmaceutical companies are allocating investments in CNS-related illnesses to specialized research projects.

An increasing number of major pharmaceutical companies are starting investment funds aimed at smaller research companies and drug companies, as this is where a great deal of innovation takes place. The trend favors smaller R&D companies as opportunities for licensing agreements concerning the research, development and commercialization of drug candidates are increasing.

Development of diagnostics and biomarkers in Alzheimer's disease

Significant progress has been made in this field through intensive work, including recent findings that a combination of blood-based biomarkers and simple cognitive tests have very high sensitivity for detection of Alzheimer's disease at an earlier stage. Currently, Alzheimer's disease is mainly diagnosed through clinical examination, including a lumbar puncture combined with tests of cognitive ability and brain imaging (PET). PET diagnostics is a nuclear medicine imaging method used to identify differences between healthy brains and brains in patients with Alzheimer's. There is a great need to be able to correctly diagnose Alzheimer's in order to include a correct population in clinical trials to develop drugs for the disease, and the development that is taking place in the field, including in blood-based biomarkers, entails significant progress for the area.

Great need for new non-opioid pain treatments

In the US alone, an estimated 50 million adults live with chronic or severe pain, and more people suffer from pain than diabetes, heart disease and cancer combined. Data from Europe show similar results and the health and socioeconomic costs are estimated at 3-10 percent of gross domestic product in Europe. Regarding the efficacy of currently available drugs in this area, around 70-80 percent of patients with neuropathic pain do not experience a satisfactory response to existing treatment. Because of the risk of abuse, overdose and secondary injuries, there is also an effort to avoid opioids for treatment of pain. Consequently, there is currently a high unmet medical need for new, non-opioid treatments in this field.

"Diagnostics and biomarkers within the field of Alzheimer's is an active field of research, where key advances made in recent years have been of great importance for diagnostics, as well as for evaluating new drug candidates."

Professor Henrik Zetterberg
University of Gothenburg; University
College of London



In the US, and even globally, opioid abuse is widespread, with over 2.5 million Americans estimated to be addicted to opioids, which is a significant reason for a sharp increase in the use of heroin and the even more potent fentanyl, both of which have similar effects to the opioids used for medicinal purposes. Heroin and fentanyl abuse have become so widespread that overdoses are now the leading cause of death for Americans under 50. In the fall of 2017, the US declared the opioid epidemic a national emergency, but the death toll has continued to rise sharply, especially in the wake of the COVID-19 pandemic.

Biomarkers

AlzeCure is working closely with leading researchers in the field of biomarkers, such as Professor Henrik Zetterberg, who is considered to be a world authority in the field. Using measurable markers, often biological molecules such as proteins, changes can be detected in the disease scenario, but the effects of treatment can also be assessed. Hlin Kvartsberg, who earned her PhD in a joint doctoral program at AlzeCure and Sahlgrenska Academy at the University of Gothenburg, was awarded a prize in 2020 for her thesis on new biomarkers in the disease. The company intends to use these advances in diagnostics and thereby ensure that the right patients in the right phase of disease are included in the clinical phases. Including the right patient population will increase the likelihood of success.

Alzheimer's disease

Alzheimer's is the most common form of dementia, with around 60–70 percent of all dementia cases stemming from this illness. It is a deadly disease that has a huge impact on sufferers and their relatives alike. Yet despite this, there is currently a lack of preventive and effective disease-modifying treatments.

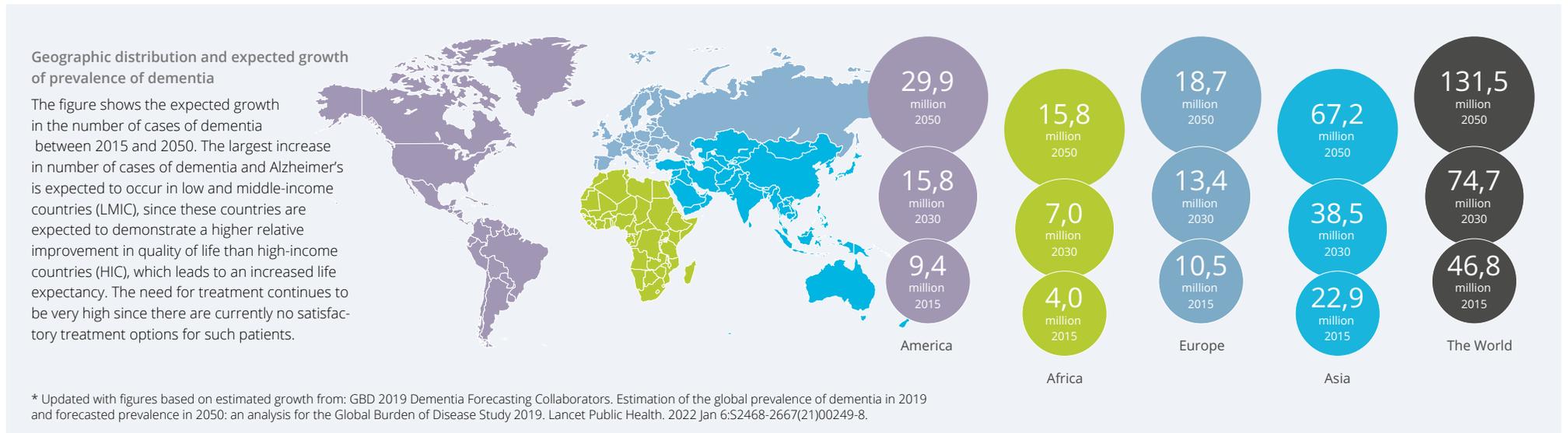
Alzheimer's disease is a neurodegenerative disease, which is a collective term for various conditions in which the nerve cells of the brain gradually deteriorate and eventually die. Nerve cells have very limited regeneration and damage to them therefore becomes clear and crucial for the functionality of the nervous system. Nerve cell death in the brain in connection with Alzheimer's manifests through a variety of symptoms, such as impaired memory, as well as difficulties finding words, expressing oneself and understanding. Difficulties with the concept of time are also common. Eventually, sufferers experience orientation problems in their surroundings, and difficulties reading, writing and counting or managing practical tasks. Some have problems with perception and difficulty in recognizing what they see, and reasoning and planning become

more difficult. With the passage of time, sufferers become more and more dependent on help from relatives and/or care services. Because a characteristic of the disease is its gradual onset, it can be difficult to identify when the problems actually began. Symptoms may also vary from person to person.

Alzheimer's is the most common form of dementia, with around 60–80 percent of all dementia cases stemming from this illness. Even though it is a deadly disease that has a huge impact on both sufferers and their relatives, currently no preventive or effective disease-modifying treatments are available. The disease starts with amyloid beta (Aβ) protein beginning to clump in the brain, which ultimately form the amyloid plaques so characteristic of the illness. These have a negative impact on nerve cell function and lead, inter-

alia, to reduced levels of important neurotransmitters in the brain. These neurotransmitters, such as acetylcholine and glutamate, are necessary for nerve cells to communicate with each other and for the normal operation of the brain. With time, the ability of nerve cells to survive also deteriorates and they die.

The reasons that some individuals develop the disease while others do not are as yet unknown, but it is clear that accumulations of Aβ amyloid in the brain play a central part in Alzheimer's. The most common risk factors for developing Alzheimer's are old age and genetic proclivity. The disease may appear early, between the ages of 40 and 65 for the hereditary form, but is most common after 65. The course of disease begins many years before the brain suffers from widespread nerve cell death and the patient shows clinical



symptoms. A person diagnosed with Alzheimer’s disease lives for an average of four to eight years after being diagnosed.

Today, growing sums are being invested in medical research in Alzheimer’s due to the extensive human suffering, and the costs to healthcare and society are considerable. Total global costs for dementia-related illnesses were estimated at around USD 1.3 trillion, which is expected to triple by 2050. The lack of effective symptom-relieving treatments and efficacious treatments that slow or prevent the course (disease-modifying) of the disease have led to an urgent medical need. The few approved drugs sold in today’s market have only a limited symptom-relieving effect and entail problematic side effects. Thus there is a very urgent medical need for new symptomatic and disease-modifying treatments. A disease-modifying therapy for Alzheimer’s is considered capable of generating more than USD 15 billion in annual sales.

In June 2021, the FDA approved a new Alzheimer’s drug in the US, Aduhelm™ (aducanumab). Subsequently, three additional antibody drugs for the treatment of Alzheimer’s disease received “Breakthrough Therapy Designation” from the FDA. This status provides access to the FDA’s “fast track” processes. Leqembi (lecanemab), one of the above-mentioned antibody therapies targeting amyloid pathology, was reported in September 2022 in a pivotal Phase III study to have achieved its efficacy milestones, with significant positive effects on functional and cognitive decline, as well as a reduction in the quantity of amyloid plaque in the brain. These Phase III results, which support the amyloid hypothesis, have served as the basis for the full market approval received from the FDA on July 6, 2023. As a result, there is growing interest in research into other new drugs for the treatment of Alzheimer’s disease, such as drugs that attack symptoms in other ways (NeuroRestore), as well as those (such as Alzstatin) that attack amyloid formation early in the course of disease, and that can be administered as tablets – unlike antibody treatment, which is administered intravenously. Drugs such as NeuroRestore and Alzstatin can also potentially be given in combination with existing therapy.

Prevalence

Alzheimer’s is the most common form of dementia, and worldwide over 50 million people were estimated to be living with dementia-related diseases in 2020, a figure that is expected to rise to 82 and 152 million sufferers by the years 2030 and 2050 respectively. Geographical distribution and the anticipated increase in dementia is shown in the figure to the right.

It is estimated that around 150,000 people in Sweden are living with dementia diseases, a figure that is expected to double by 2050. Every year, around 25,000 people are affected, resulting in major care and healthcare costs for society. The direct costs in Sweden are greater than those caused by cancer and cardiovascular diseases.

Treatment

On the global market there are currently two different classes of approved symptom-relieving drugs for the treatment of Alzheimer’s disease to improve cognition and memory function.

- Cholinesterase inhibitors: The drug allows the neurotransmitter acetylcholine to work longer in the brain and thus boost nerve cell communications. The drug primarily provides symptom relief, rather than slowing the course of disease.
- NMDA inhibitors: The drug affects glutamate signaling, which plays an important part in nerve cell communications.

However, the effect of the above treatment methods is usually limited and associated with side effects. The most common side effects of both cholinesterase inhibitors and NMDA inhibitors are gastrointestinal symptoms, including nausea, diarrhea and stomach pain. Other common side effects are problems associated with the heart, high blood pressure, dizziness and headache. The need for new drugs with better symptom-relieving effect and fewer side effects is thus urgent. In addition to these drugs, there is also an approved amyloid beta antibody treatment in the United States. In June 2021, the FDA approved a new drug for Alzheimer’s disease in the US, Aduhelm™ (aducanumab). On July 6, 2023, the FDA approved another antibody treatment for the disease, Leqembi (lecanemab).

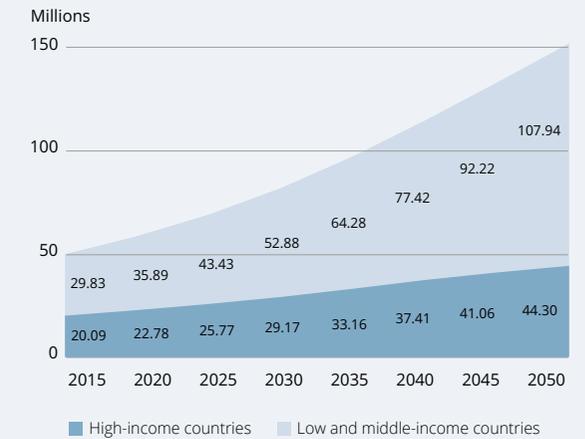
AlzeCure’s NeuroRestore® and Alzstatin® platforms act in a completely different manner in their treatment of the disease than the drug classes described above. NeuroRestore seeks to improve communication between nerve cells by strengthening the signaling of neurotrophins such as BDNF and NGF, so that memory function is improved in the patient while also avoiding difficult side effects. Alzstatin is aimed at preventing or delaying the very occurrence of the illness by reducing production of toxic amyloid in the brain and thereby preventing the formation of amyloid aggregates such as oligomers and plaque in the brain.

” The socioeconomic costs of Alzheimer’s disease are currently very high. At the individual level, of course, the problems the disease causes for patients and their families are most important. Currently there is no effective preventive medication for the disease. There is also still a high unmet medical need for both new symptom-relieving and disease-modifying drugs within this important area.

Professor Bengt Winblad, Karolinska Institutet

The figure below shows the expected growth in the number of cases of dementia between 2015 and 2050. The largest increase in number of cases of dementia and Alzheimer’s is expected to occur in low and middle-income countries (LMIC), since these countries are expected to demonstrate a higher relative improvement in quality of life than high-income countries (HIC), which leads to an increased life expectancy. The need for treatment continues to be very high since there are currently no satisfactory treatment options for such patients.

The number of individuals with dementia in low and middle-income countries compared with high-income countries*



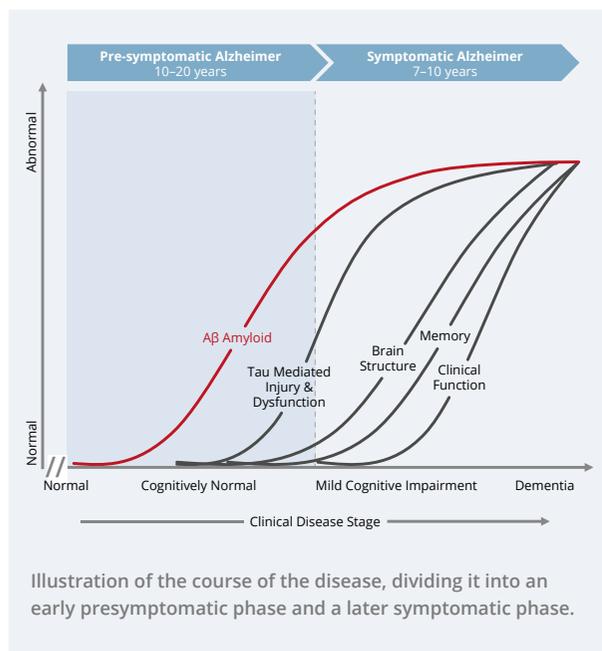
*Reference: Alzheimer’s Association

50%

A Swedish population study shows that 50 percent of women between the ages of 20 and 70 have mild sleep apnea and that 6 percent suffer from sleep apnea that is so severe that they require treatment.

10 million

Every year about 10 million people suffer from TBI worldwide. The global market for treatment of TBI is expected to grow from SEK 970 billion in 2017 to SEK 1,350 billion in 2024.



Other diseases with cognitive dysfunction

There are several other diseases in which cognitive functions such as memory function and learning are affected; in addition to the classic neurodegenerative diseases such as Alzheimer's and Parkinson's disease, other indications include sleep disorders and traumatic brain injury. The cognitive dysfunction in these indications could be addressed by drug candidates from the NeuroRestore platform.

Sleep apnea

A Swedish population study shows that 50 percent of women between the ages of 20 and 70 have mild sleep apnea and that 6 percent suffer from sleep apnea that is so severe that they require treatment. The condition occurs in particular with overweight and high blood pressure. As the population gradually becomes more overweight, the incidence of sleep apnea is also expected to increase. There is also a hereditary component associated with the condition. One consequence of suffering from sleep apnea is that the patient suffers from extreme fatigue, since the body reflexively wakes up when breathing stops. The body also suffers oxygen insufficiency since breathing is absent for long periods and the body does not get a chance to recover. This fatigue also leads to impaired cognitive ability. The patients' symptoms are somewhat similar to Alzheimer's, since memory function, learning and other cognitive abilities are negatively impacted by sleep apnea.

Traumatic brain injury (TBI)

Traumatic brain injury (TBI) is caused by external trauma where the nerve cells in the brain are immediately damaged. TBI is a major global health and socioeconomic problem and is a common cause of death, especially among young adults, and can cause lifelong injuries among those who survive. Every year about 10 million people suffer from TBI worldwide. In North America, TBI affects about 1.7 million individuals annually, with total medical costs of more than SEK 600 billion. The global market for treatment of TBI is expected to grow from SEK 970 billion in 2017 to SEK 1,350 billion in 2024. The two most common causes of TBI are traffic accidents and falls. The majority of other causes of cases of TBI are violence or work or sports-related. The increase in TBI is due in part to the

increased use of vehicles in low and middle-income countries. TBI has been shown to increase the risk of developing dementia-related diseases, such as Alzheimer's disease and other neurodegenerative diseases, such as Parkinson's disease. Studies show that a person who sustains a TBI is at an approximately 24 percent increased risk of suffering from dementia.

The symptoms of TBI may be both physical and mental, and vary depending on the severity of the injury. Common symptoms include memory loss, headache, fatigue, sleep difficulties, concentration difficulties and mood swings. Depression during or after TBI is common. Within one year, half of all people with TBI suffer from depression, and within seven years, two thirds are affected.

Parkinson's disease

Parkinson's disease is a chronic and progressive neurodegenerative disease. The diagnosis is based on the patient having a combination of motor symptoms, such as tremors, mobility impairment, muscle stiffness, and balance and walking difficulties. The symptoms occur mainly as a result of a gradual loss of dopamine-containing nerve cells in the brain. In addition to the motor problems, impairment of cognitive functions such as memory and attention are also common.

Common cognitive problems include difficulties with:

- Attention and concentration.
- Planning such as organizing an eventful day.
- Following complicated conversations and the ability to solve complex problems.
- Being able to quickly formulate thoughts.
- Remembering events or special details, but where clues often guide the memory back.

Dementia associated with Parkinson's disease is not an uncommon type of dementia, accounting for about 1.5-3 percent of all dementia cases.



"We develop drugs to help treat one of the few common disorders that currently lack effective treatment."

150,000

It is estimated that around 150,000 people in Sweden are living with dementia diseases, a figure that is expected to double by 2050. Every year, around 25,000 people are affected, resulting in major care and healthcare costs for society. The direct costs are estimated to be higher than those caused by cancer and cardiovascular diseases.

50 million

As previously mentioned, Alzheimer's is the most common form of dementia, and worldwide around 50 million people is estimated to be living with dementia-related diseases, a figure that is expected to rise to 82 and 152 million sufferers by the years 2030 and 2050 respectively.



About Alzheimerfonden

Alzheimerfonden (the Swedish Alzheimerfonden) is the only fundraising organization in Sweden that focuses solely on grants for research on Alzheimer's disease and other dementia diagnoses. Annual research grants from Alzheimerfonden are crucial for conducting research projects in this field in Sweden. Major research advances have been made in recent times, but more resources are needed to succeed in finding a drug to cure or to slow the progress of the disease. Alzheimerfonden does not receive any government grants; its activities are funded entirely by donations from private individuals and businesses. Swedish Alzheimer's research is cutting-edge and many Swedish researchers are world leaders at the forefront of the field. A substantial increase in funding is therefore crucial so that projects can be conducted more optimally and make faster progress.

Alzheimerfonden also engages in extensive public outreach initiatives through seminars, articles, participation in discussions, etc. The organization also supports relatives in various ways, such as in the case of young relatives with parents who suffer from cognitive impairment. Alzheimerfonden provides annual grants to healthcare workers who want to pursue postgraduate programs in the fields of cognitive impairment care and dementia care for nurses and doctors, as well as for occupational and physical therapists, since we believe that such care should be provided by well-educated staff.

Alzheimerfonden will continue to pursue efforts to be a leading organization in the field of Alzheimer's and our aim is to contribute to pioneering new initiatives in research and care. The formation of AlzeCure is one such initiative.

Please support Alzheimerfonden
in its activities with a donation
via www.alzheimerfonden.se

Ambassador for Alzheimer's – a new mission

Nina Gunke is a beloved actress who many people recognize from popular Swedish television shows. Now Nina has a completely different job on her plate: she is an ambassador for the Swedish Alzheimer's Foundation.

In 2020, Nina was diagnosed with Alzheimer's disease and plummeted into an anxious darkness when she received the news.

"I told my family that I don't want to talk about this. I was ashamed and didn't want anyone to know. I was afraid that people would make comments or think I was weird when I couldn't find the right words. But after six months of anxiety, I told myself that I couldn't go on like this." Nina decided to go public with her diagnosis of Alzheimer's disease. In an interview on the Swedish morning TV show Nyhetsmorgon, she opened up and talked about the difficult time. She never imagined that she would receive so many kind reactions.

"Going public with it was the best thing I ever did. I feel so free and open and it feels great to be able to talk about it. Many people have contacted me and told me that they've felt the same way, which encourages me to keep talking about it." When Nina was asked to become an ambassador for the Alzheimer's Foundation, she felt it was an important mission that could help others. By raising awareness and encouraging people to talk about the disease, Nina wants to reduce the stigma surrounding it.

"I was thrilled when they asked me to take on the job. By talking about what it's like to live with the disease and opening up about it, I hope that more people will have the courage to do the same.

Having the diagnosis myself, I know exactly what it means. At first, I thought only really old people got this disease. But it can happen to anyone. Many people are in the prime of their lives, just like me." There are other things going on in Nina's life right now. On Alzheimer's Day, September 21, 2022, she released her autobiography "Before I forget." The book has garnered considerable interest and has sold many copies.

"I was called by the publisher who wanted to write a book with me. I was hesitant at first but then decided to do it for a good cause. The book is partly about my life, but it also focuses a lot on Alzheimer's and how the disease has affected me and my family. Part of the proceeds from the book sales will go towards the Alzheimer's Foundation's important work to enable more research advances."

Today, Nina Gunke is no longer ashamed of forgetting things or standing in the shop and forgetting the PIN code for her debit card. "If there is something I don't know when I go shopping, for example, I just ask for help. I can say 'Excuse me, I have Alzheimer's – can you please help me?', and people do just that. It's that simple. It's really nice. I used to be afraid that people waiting in line behind me would think I was an idiot for not knowing the PIN code, which made me even more stressed."

What has your husband Samuel meant for you during this time?

"He has meant a great deal to me. He's been so incredibly patient with me. When I don't know things, he's been amazing," she says, and Samuel backs up what she says.

"That's just how it is, when someone gets sick, you have to help each other. That's life – I could be diagnosed with cancer tomorrow, you never know. This just becomes a daily routine, we plan things differently than before, but it works out just fine. We've also moved from Lidingö to the city and that was necessary for Nina, said Samuel.



Photo: Lotte Fernvall

Pain

Pain, both acute and chronic, afflicts millions of people around the world. Pain can be categorized in different ways, but one of the most common is nociceptive versus neuropathic pain.

Nociceptive pain is the result of activity in signaling pathways caused by tissue damage. Nociceptive pain is usually acute and develops in response to a specific situation, such as postsurgical pain and pain associated with sports injuries. It tends to disappear when the affected body part heals. An example of chronic nociceptive pain that lasts for more than 3–6 months is pain from osteoarthritis.

The body contains specialized nerve cells, which in turn have sensors known as nociceptors. They react to stimuli that can injure the body, such as extreme heat or cold, pressure, pinching and chemicals. These warning signals are then transmitted along the nervous system to the brain. This happens very quickly in real time, such as quickly pulling away hands after touching a hot oven, or not putting weight on an injured ankle.

Neuropathic pain is pain resulting from dysfunction in or direct damage to the nervous system. Neuropathic pain is almost always chronic. Chronic pain is a disabling disease that affects every aspect of the patient's life, which includes the ability of the individual to work and engage in social and leisure activities. Neuropathic pain affects a total of approximately 7–8 percent of the adult population, which means about 600 million people worldwide. People with certain diseases, such as diabetes and HIV, suffer from neuropathic pain to a greater extent; about 25 and 35 percent of patients with these conditions, respectively, experience neuropathic pain.

Peripheral neuropathic pain results from various types of damage to the nerve fibers, such as toxic, traumatic, metabolic, infection-related, or compressional injuries. Common symptoms are painful tingling or itching that can be described as a stabbing or burning pain, including a sensation of getting an electric shock. Patients may also experience allodynia (pain caused by a stimulus that usually does not cause pain) or hyperalgesia (increased pain from a stimulus that normally provokes pain). Examples of conditions associated with neuropathic pain are painful peripheral

neuropathy caused by conditions such as diabetes, painful postherpetic neuralgia (shingles), neuropathic pain induced by chemotherapy and/or direct injury to the nerve.

Osteoarthritis (“wear and tear arthritis”) can affect all joints of the body, but most common are the knees, hips, back and shoulders. It was previously believed that this pain was due entirely to local inflammation. It is now known that other mechanisms are involved, and that the pain is primarily nociceptive in nature. Osteoarthritis pain also affects most aspects of the patient's life; in addition to the severe pain itself, it limits mobility and the ability to work, while also making it difficult to engage in leisure activities and a social life. Physical exercise can only help to a limited extent, while existing drug treatments have only a small effect on the pain and should not be given to patients with conditions such as cardiovascular or lung disease. Therefore there is a great need for new effective drugs for the treatment of osteoarthritis pain.

Prevalence

An estimated 50 million adults in the US suffer from chronic pain that requires treatment. More Americans currently suffer from pain than diabetes, heart disease and cancer combined. The data from Europe show similar results and health and socioeconomic costs are estimated at 3–10 percent of gross domestic product in Europe.

The neuropathic pain market is characterized by high unmet medical need in all indications and in all major markets, where only 20–30 percent of patients respond to existing treatments. The patient population is expected to continue to grow, due to factors such as an aging population, an increased incidence of type 2 diabetes, and a growing number of cancer survivors who were previously treated with chemotherapy. The global market for neuropathic pain was valued at about USD 11 billion in 2020 and is expected to grow to USD 25 billion by 2027.

Treatment

There is currently a major medical need for several different severe pain conditions. For example, about 70–80 percent of patients with neuropathic pain do not experience adequate pain relief with existing treatments. Because of the risk of abuse, overdose and secondary injuries, nowadays doctors avoid prescribing opioids as first-line treatment for pain. Despite this treatment problem they are still frequently used, for which reason the need for new non-opioid treatments is great.

600 million

Neuropathic pain affects a total of approximately 7–8 percent of the adult population, which means about 600 million people worldwide.

” One in five people in the population suffers from chronic pain that requires treatment. Living with pain is incredibly stressful for the patient, both physically and mentally. One of three patients seek medical care because of pain. The available treatments are not sufficiently effective and are often associated with addiction problems. There is great potential for a new drug here, especially with a favorable side effect profile and without risk of addiction.

Dr. Märta Segerdahl, CMO

Research & Development

AlzeCure® works with research and development of innovative and effective novel small molecule drugs for diseases that affect the nervous system and the brain, with a focus on Alzheimer's disease and pain. The need for new treatments for these severe illnesses is great; for example, disease-modifying therapy for Alzheimer's is expected to be able to generate more than USD 15 billion in annual sales.

The company is simultaneously developing four drug candidates based on the two research platforms NeuroRestore® and Alzstatin®, along with two projects in the "Painless" pain platform – TrkA-NAM and ACD440.

- Within NeuroRestore, a new generation of symptom-relieving drugs is being developed for the treatment of cognitive dysfunction (memory disorders) in Alzheimer's disease.
- Within Alzstatin, disease-modifying and preventive drugs for early treatment of Alzheimer's patients are being developed.
- TrkA-NAM is a project in preclinical phase aimed at developing a new treatment for severe pain in conditions such as osteoarthritis.
- ACD440 is a drug candidate in the clinical development phase aimed at treating neuropathic pain and was in-licensed in January 2020.

A diversified portfolio of drug candidates paves the way for other indications, such as cognitive disorders associated with traumatic brain injury, Parkinson's disease and sleep apnea. With its broad portfolio of assets, the company maximizes shareholder value by

working in multiple indication areas where there is scientific support for the biological target mechanisms.

Neurology

The company initiated the first clinical trial with the primary drug candidate in NeuroRestore, ACD856, in late 2019. The study was completed on schedule in the second quarter of 2020. The results showed that ACD856 was well-suited for further clinical development, for which reason continued clinical trials could be initiated at the end of 2020, also according to plan. The results of the "SAD" study (Single Ascending Dose) in August 2021 showed that the compound was well tolerated in humans. In the third quarter of 2021 the MAD study (Multiple Ascending Dose) was also initiated and both of these studies, which are part of the Phase I program for the drug candidate, had the primary purpose of assessing safety and tolerability in humans. The MAD study, which was concluded according to plan in June 2022, showed that ACD856 has a good safety and tolerability profile in humans. The compound demonstrated good pharmacokinetic properties with rapid uptake

50 million

In the US alone, an estimated 50 million adults live with chronic or severe pain, and more people suffer from pain than diabetes, heart disease and cancer combined.

70%–80%

About 70–80 percent of patients with neuropathic pain do not adequately respond to current first-line treatment, and AlzeCure is developing its new intended treatment specifically for individuals in this group.



” Neurotrophins such as NGF and BDNF play a key role in the normal function of the brain and new therapies focused on these biological systems can offer exciting new opportunities for treatment of neurodegenerative diseases such as Alzheimer's disease. Our preclinical studies in the field demonstrate potent efficacy in several relevant models, which supports continued development in the field.

Professor Maria Eriksson, Karolinska Institutet

in the body. In addition, ACD856 easily crosses the blood-brain barrier and can be measured in the spinal fluid; these important data support further clinical development work. Moreover, in September 2022 the company reported new EEG results from a planned exploratory analysis in the MAD study, which showed that ACD856 not only reaches the CNS, but also activates neuronal pathways in the brain, of relevance to both cognition and depression.

ACD857 is in the preclinical phase and also has the primary indication of cognitive dysfunction/Alzheimer's disease. The drug candidate is in a development phase aimed at assessing the pre-clinical safety profile before clinical trials can begin.

New preclinical data within the NeuroRestore platform have also shown potential disease-modifying properties in this class of compounds. The findings show that both neurotrophins, NGF and BDNF, play important roles in retaining normal function and development in nerve cells, as well as in protecting them from damage, known as neuroprotective effects. Nerve cell death clearly correlates with functional impairment in Alzheimer's patients and no drugs with these protective effects are currently available on the market. The preclinical studies indicate that treatment with the compound ACD856 results in increased survival for the nerve cells. In 2022 and 2023, the studies were complemented by additional data concerning the neuroprotective, regenerative and long-term effects of ACD856. Moreover, data show that ACD856 increases the quantity of a specific protein that plays a key role in communication between nerve cells, which is severely affected in the disease. These important data, which highlight the potential of NeuroRestore as both a memory-improving and disease-modifying

treatment, have been presented at a number of scientific conferences over the past two years.

AlzeCure's disease-modifying research platform for Alzheimer's disease, Alzstatin, focuses on reducing the production of toxic amyloid beta (A β) in the brain. A β plays a key pathological role in Alzheimer's disease and begins to accumulate in the brain years before clear symptoms develop.

The target mechanism in Alzstatin is confirmed by previously reported study results, which we believe validate the amyloid hypothesis and thus Alzstatin's focus. The small molecule compounds in the Alzstatin platform simultaneously demonstrate several key properties that distinguish them from antibody treatments; for example, they easily cross the blood-brain barrier, they can be produced more cost-effectively and they can be taken as tablets since the goal is to develop a tablet preparation that would be easily administered within the healthcare system.

The leading drug candidate within Alzstatin, ACD679, is currently in the preclinical development phase. Alongside this compound, the development of an additional drug candidate is in progress to ensure that the company has the best compound for clinical studies. This substance, ACD680, also entered the preclinical development phase in early January 2023. The drug candidate comes from a newly developed series of molecules that are expected to be advantageous from a patent perspective. New positive preclinical data on ACD680 were presented at the ADPD Alzheimer's and Parkinson's congress in late March 2023, in which the compound showed reductions of toxic A β 42 by over 50 percent and good pharmacokinetic properties in vivo.

4

The company is simultaneously developing four drug candidates based on the two research platforms NeuroRestore® and Alzstatin®.

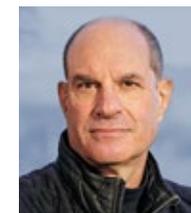
2

The company is developing two projects within the "Painless" pain platform – TrkA-NAM and ACD440.

Nobel Prize

The 2021 Nobel Prize in Physiology or Medicine was awarded for Professor David Julius' discovery of TRPV1, the biological system that serves as the basis for ACD440 and is central to temperature regulation and pain.

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Pain

The Painless platform contains two projects aimed at developing new treatments for pain. Both projects involve non-opioids, which is important to emphasize, because of the inherent risk associated with opioids for abuse, overdose and secondary injuries – which has led to avoidance of opioids as first-line treatment for pain. Despite this treatment problem they are still frequently used, for which reason the need for new non-opioid treatments is great.

In January 2020, a drug candidate in the clinical development phase aimed at treating neuropathic pain, ACD440, was in-licensed. This project is an important strategic in-licensing that strengthens the company's current clinical portfolio. The ACD440 project has its origins in Big Pharma and is based on strong scientific grounds. The 2021 Nobel Prize in Physiology or Medicine was awarded for the discovery of and insights into TRPV1, the biological system that serves as the basis for ACD440 and is central to temperature regulation and pain. The compound that is being developed as a gel for topical treatment has previously undergone clinical trials, but at that time as oral treatment. As planned, AlzeCure initiated a Phase Ib clinical trial of the drug candidate in late 2020, which was read in April 2021 and showed positive proof-of-mechanism data, i.e. an analgesic effect in humans. The efficacy of ACD440 was clearly significant compared with

placebo. The compound was also well tolerated as a topical gel on the skin, indicating good suitability for further clinical development as topical treatment for neuropathic pain conditions. During the first quarter of 2022, the FDA provided feedback regarding the material and documentation submitted for a pre-IND meeting. The response provided important information for the planning and structuring of the continued clinical development program, and in June 2022, the company initiated a Phase II trial with ACD440 in patients with peripheral neuropathic pain. This study aimed to evaluate the efficacy, safety and pharmacokinetics of the company's leading drug candidate in pain. AlzeCure reported top-line results from the study in May 2023, while the more detailed results from the study were presented at the international pain conference, EFIC, in September 2023. Data from the study showed that ACD440 could demonstrate positive proof-of-mechanism (PoM) results in patients with chronic peripheral neuropathic pain; in other words, the drug candidate had an effect on the intended target mechanism. A clear and significant analgesic effect was observed in pain induced by cold and heat. These positive POM results from this Phase II clinical trial were in line with previously reported Phase I results. Moreover, it was observed that ACD440 was well tolerated as a topical gel on the skin, demonstrating good suitability for further clinical development.

TrkA-NAM builds on the knowledge amassed and assets developed in the NeuroRestore platform, but with the aim of developing new compounds that focus on providing pain relief in conditions associated with severe pain. The goal of the project is to develop a small molecule "TrkA-negative allosteric modulator" that can reduce movement-induced and spontaneous pain in patients with painful osteoarthritis. The compounds in the platform block NGF-mediated signaling via TrkA receptors, a biological mechanism with strong genetic, preclinical and clinical validation with respect to its role for the treatment of pain. In September 2022, AlzeCure presented results for a new compound, AC-0027838, which has been identified as a potent and selective negative modulator of NGF/TrkA signaling in cell-based analyses, at the IASP international pain conference. The results showed a potent analgesic effect in a nociceptive pain model. The data also show that the compound has a powerful anti-inflammatory effect, which can potentiate the analgesic effects in clinical contexts. Analysis of the inflamed tissue also demonstrated significant effects on CGRP, an acknowledged biomarker for inflammation and pain. The project selected a candidate drug, ACD137, in January 2024, and it is currently in the preclinical phase.



Woman suffering from postherpetic neuralgia after developing shingles:

"When I was diagnosed, and if someone had told me then, that — this is what you'll have to live with — then I'd have done something really crazy. This has really destroyed a large part of my life. I can tolerate a lot of pain, I've had breast cancer surgery, received chemotherapy and never complained, but this is horrendous. I've just received a new treatment, but I don't think it helps at all." Britt

Scientific advisors

AlzeCure cooperates with leading researchers and key opinion leaders in the field to ensure that we gain access to the latest advice and findings and optimally design our preclinical and clinical studies. These collaborations have also resulted in publications and a doctoral thesis that was awarded a prize for best PhD thesis at Sahlgrenska Academy.



Professor Bengt Winblad

Karolinska Institutet, Stockholm, Sweden

Professor at Karolinska Institutet in Stockholm and one of the world's most cited researchers in neurodegenerative diseases. In 2016, Professor Winblad was the recipient of the Life-Time Achievement Award from the US-based Alzheimer's Association for his invaluable contributions to Alzheimer's research. Professor Winblad is also the recipient of the Swedish Brain Foundation's Jubilee Award.



Professor Peter Snyder

University of Rhode Island, USA

Vice President of Research and Economic Development and Professor of Biomedical Sciences at the University of Rhode Island, Kingston, RI. Professor Snyder has extensive experience with leading positions in the field of Neuroscience, including at Pfizer, where he led the development of new compounds for the treatment of schizophrenia and Alzheimer's disease. He is also Senior Associate Editor for Alzheimer's & Dementia: The Journal of the Alzheimer's Association.



Dr. Rolf Karlsten

University Hospital, Uppsala, Sweden

MD, specialist in anesthesiology and pain management. PhD in pain research. Previously worked as head of Medical Science with a main focus on pain projects in major pharmaceutical companies. Currently head of the Interdisciplinary Pain Center at Uppsala University Hospital, which covers all types of acute and chronic pain conditions.



Professor Henrik Zetterberg

University of Gothenburg and University College London, UK

Professor of neurochemistry, Chief physician at Sahlgrenska University Hospital and Professor at University College London (UCL). Professor Zetterberg is also chair of the Swedish Alzheimer's Foundation Scientific Council and is a leading global authority in the field of biomarkers related to neurodegenerative diseases.



Associate Professor John Harrison

Alzheimer Center, VUmc, Amsterdam, Netherlands

Associate Professor at Alzheimer Center VU Medical Center in Amsterdam and visiting professor at the Institute of Psychiatry, Psychology & Neuroscience at King's College London. Dr. Harrison has more than 20 years of experience in successfully integrating cognitive testing into drug development programs. He has worked with more than 40 drug development organizations in recent years, including 8 of the current Fortune top 10 pharmaceutical companies.



Professor Sven Ove Ögren

Karolinska Institutet, Stockholm, Sweden

Professor at Karolinska Institutet, Sweden. Recognized scientist in the field of Neuropsychology with extensive experience in drug development – project leader for two drug products developed from concept to market in the CNS area. More than 400 publications in the fields of neuropsychiatry and cognition.

Project portfolio

AlzeCure® works with several research platforms: NeuroRestore® and Alzstatin® – with a focus on Alzheimer’s disease, where the leading candidate ACD856 is in clinical development phase. Painless – focuses on pain treatment and contains two projects: ACD440 in clinical development phase and TrkA-NAM in preclinical development phase.

There are several drug candidates in the various platforms: two candidates in NeuroRestore and two candidates in Alzstatin, as well as two projects that remain in the Painless platform. A diversified portfolio of drug candidates paves the way for other indications, such as cognitive disorders associated with Alzheimer’s, traumatic brain injury, sleep apnea and Parkinson’s disease, as well as for severe pain in conditions such as neuropathy and osteoarthritis.

- The NeuroRestore platform is developing a new generation of symptom-relieving drugs for the treatment of illnesses with cognitive disorders, such as Alzheimer’s disease. The target mechanism also has other potential indications, including depression and cognitive disorders in Parkinson’s disease, traumatic brain injury and sleep disorders.
- Innovative small molecule disease-modifying and preventive drugs for Alzheimer’s disease are under development within the Alzstatin platform. They are intended to enable simple administration of the drug and be more cost-effective than biological drugs.
- The Painless platform includes two projects: TrkA-NAM and ACD440, which both focus on severe pain.
 - The drug candidate ACD440 was in-licensed in January 2020 and affects a specific biological mechanism; the 2021 Nobel Prize in Physiology or Medicine was awarded for the discovery of this mechanism. The compound is being developed for the treatment of neuropathic pain, a field with great unmet medical need. The project is currently in the clinical development phase.
 - TrkA-NAM is aimed at treating severe pain caused by disorders such as osteoarthritis, which today lacks sufficiently effective treatment. The project is currently in the preclinical phase.

AlzeCure's project portfolio

Platform	Candidate	Mechanism of action	Indication	Research phase	Pre-clinical phase	Phase I	Phase II	Phase III
NeuroRestore	ACD856	Positive allosteric modulator (PAM) of Trk receptors	Alzheimer's disease Traumatic brain injury, Parkinson's disease, Sleep disorders, Depression	In progress				
	ACD857	Positive allosteric modulator (PAM) of Trk receptors	Alzheimer's disease	In progress	In progress			
Alzstatin	ACD679	Gamma secretase modulator (GSM)	Alzheimer's disease	In progress	In progress			
	ACD680	Gamma secretase modulator (GSM)	Alzheimer's disease	In progress	In progress			
Painless	ACD440	TrpV1 antagonist	Neuropathic pain	In progress			In progress	
	ACD137	Negative Allosteric Modulator (NAM) of TrkA receptors	Osteoarthritis pain	In progress	In progress			

 In progress  Completed

For definitions of the phases, please see the AlzeCure Pharma website, www.alzecurepharma.com.

NeuroRestore®

In Alzheimer's disease, the nerve cells cease functioning as they should, which leads to a deterioration of memory and learning. AlzeCure has identified drug-like compounds that stimulate neurotrophic signaling pathways, thereby strengthening nerve cell function and improving memory.

Platform	Candidate	Mechanism of action	Indication	Research phase	Pre-clinical phase	Phase I	Phase II	Phase III
NeuroRestore	ACD856	Positive allosteric modulator (PAM) of Trk receptors	Alzheimer's disease Traumatic brain injury, Parkinson's disease, Sleep disorders, Depression					
	ACD857	Positive allosteric modulator (PAM) of Trk receptors	Alzheimer's disease					

NeuroRestore is a platform of symptom-relieving drug candidates for diseases where cognitive ability is impaired, such as Alzheimer's.

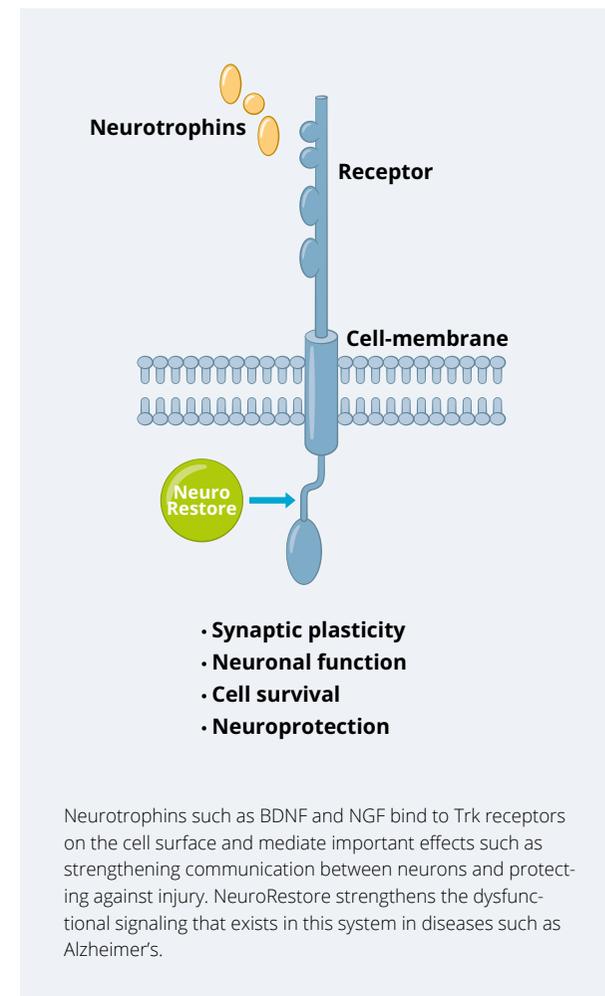
NeuroRestore stimulates several important signal pathways in the brain, which among other things leads to improved cognition. In preclinical studies with NeuroRestore, we have been able to demonstrate that our drug compounds not only boost communication between nerve cells but also improve cognitive ability.

The drug candidates in NeuroRestore stimulate signaling of neurotrophins, the most well-known of which is Nerve Growth Factor (NGF) and Brain Derived Neurotrophic Factor (BDNF). These neurotrophins are important for maintaining nerve cell function and communication, which are impaired with cognitive disorders. BDNF plays an important role for nerve cell function and communication in the areas of the brain that are essential for our cognitive ability, such as the hippocampus, located in the temporal lobe. In addition, special "cholinergic neurons" in the basal forebrain depend on NGF to maintain their biological function, but also to survive. Loss of cholinergic neurons in the basal forebrain, as well as dysfunction of normal neuron function and communication in the hippocampus, are early signs of Alzheimer's and correlate with cognitive impairment. The drug candidates in the NeuroRestore

platform strengthen the signaling of these two important neurotrophins, which results in improved memory and learning – something that AlzeCure has been able to demonstrate in several different preclinical models.

The levels of NGF and BDNF are disrupted in many diseases and signaling is reduced. This reduced function impairs both communication between the contact surfaces at nerve ends and the function in neurons, which gives rise to cognitive impairment. NGF and BDNF also have neuroprotective and neuroregenerative properties, which means that they protect and support neurons under harmful conditions. Consequently, compounds in NeuroRestore could also potentially have disease-modifying effects.

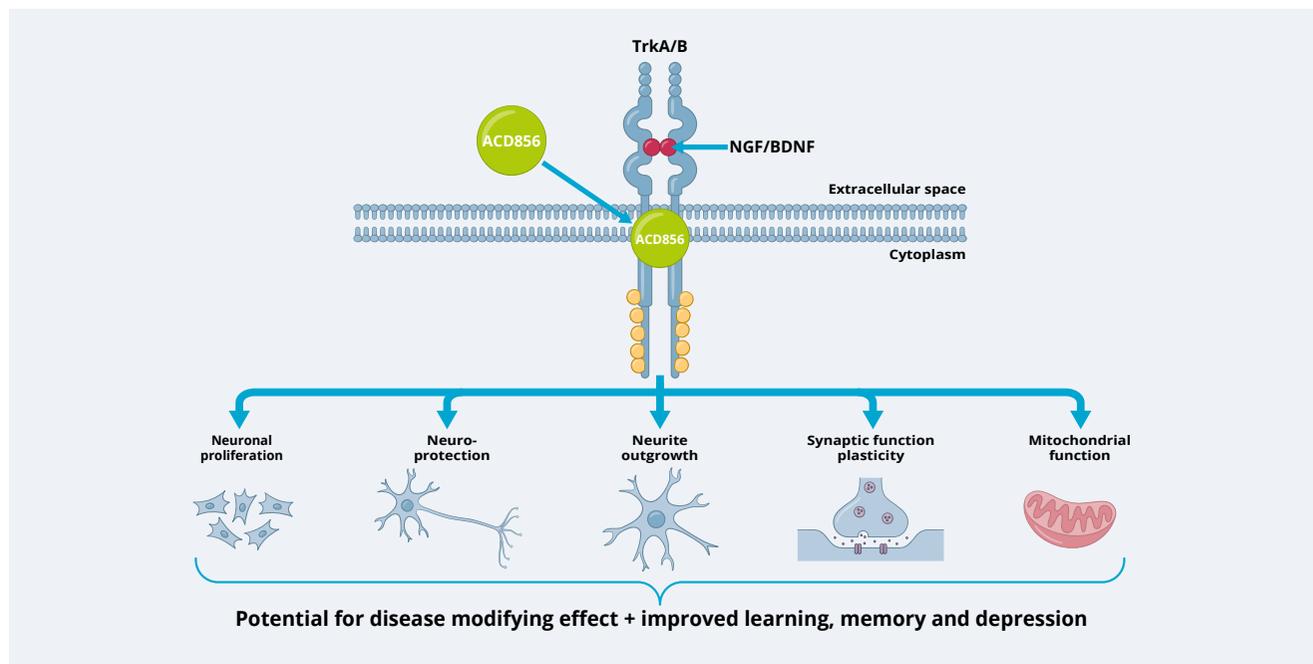
There is also genetic support for this target mechanism – a genetic variation of BDNF in humans, leading to a reduction in BDNF secretion, is involved in cognitive impairment related to both neurodegenerative processes seen in Alzheimer's and Parkinson's disease, but also in other cognitive indications such as traumatic brain injury and sleep disorders. AlzeCure also considers there to be a potential for adding further indications based on the specific target mechanism. There is also strong scientific support for this target mechanism in depression.



In the preclinical trials, ACD856, the leading drug candidate in the NeuroRestore platform, has been able to demonstrate that it can strengthen signaling in the intended pathway and improve cognitive ability. Among other things, the compound has been able to show that it can reverse age-induced memory impairment and strengthen the effect of existing drugs (acetylcholinesterase inhibitors), which AlzeCure views as a competitive advantage. New preclinical data within the NeuroRestore platform have also shown potential disease-modifying properties in this class of compounds. The findings show that both neurotrophins, NGF and BDNF, play important roles in retaining normal function and development in nerve cells, as well as in protecting them from damage, known as neuroprotective effects. Nerve cell death clearly correlates with functional impairment in Alzheimer's patients and no drugs with these protective effects are currently available on the market. The preclinical studies indicate that treatment with ACD856 results in increased survival for the nerve cells. In 2022 and 2023, the studies were complemented by additional data concerning the neuroprotective, regenerative and long-term effects of ACD856. Moreover, data show that ACD856 increases the quantity of a specific protein that plays a key role in communication between nerve cells, which is severely affected in the disease. These important data, which highlight the potential of NeuroRestore as both a memory-improving and disease-modifying treatment, have been presented at a number of scientific conferences over the past two years.

There is also strong scientific support for this target mechanism in depression. NeuroRestore compounds, such as ACD856, have demonstrated effects in preclinical models for depression. These data were published in August 2023 and have gained further support from data in recently released articles in the prestigious journals *Cell*, *Nature* and *Science*. These studies show that several different classes of antidepressants appear to mediate their effects via BDNF/TrkB, further strengthening the link between BDNF and depression. AlzeCure has been able to demonstrate in preclinical models that NeuroRestore compounds possess antidepressant effects and they also induce the release of neurotransmitters in the brain that are associated with depression.

AlzeCure started the first clinical trial with ACD856 in December 2019. The study was completed on schedule in the second quarter of 2020, with results showing that ACD856 was well-suited for further clinical development. Continued clinical trials were initiated in late 2020, also according to plan. The results of this single-dose study for ACD856, the "SAD" study, showed that the compound



was well tolerated in humans. In the third quarter of 2021 a multiple-dose study (MAD study) was also initiated and both of these studies, which are part of the Phase I program for the drug candidate, have the primary purpose of assessing safety and tolerability in humans. The MAD study, which was concluded according to plan in June 2022, showed that ACD856 has a good safety and tolerability profile in humans. Moreover, the results showed that the compound demonstrated good pharmacokinetic properties with rapid uptake in the body. In addition, ACD856 easily crosses the blood-brain barrier and can be measured in the spinal fluid in high and relevant concentrations; these important data support further clinical development work. Over 37 percent of the free, active substance crossed the blood-brain barrier, which can be compared with biologics such as antibodies, where only 0.1–0.2 percent cross. In September 2022, AlzeCure reported that the study also showed that ACD856 activates neuronal pathways in the brain, which could potentially have a positive effect on cognition. Thus the company has completed these Phase I clinical trials for ACD856 and is now ready for Phase II studies in patients.

ACD857 is in the preclinical phase and also has the primary indication of cognitive dysfunction/Alzheimer's disease. One aim of this development phase is to assess the preclinical safety profile before clinical trials can begin.

AlzeCure's primary drug candidates within NeuroRestore – ACD856 and ACD857 – act as BDNF/NGF-signaling enhancers. The biological mechanism that the compounds affect enable their use in several different diseases in which the same signal pathway is disrupted. These indications include:

- Cognitive impairments linked to:
 - Alzheimer's disease
 - Parkinson's disease
 - TBI and other head injuries
 - Sleep disorders
 - Complications from major surgery
- Depression

Alzstatin®

Our disease-modifying research platform, Alzstatin, consisting of both disease-modifying and preventive drug candidates, focuses on reducing the production of toxic amyloid beta (Aβ) in the brain. Aβ plays a key pathogenic role in Alzheimer’s and begins to accumulate in the brain years before clear symptoms develop.

Platform	Candidate	Mechanism of action	Indication	Research phase	Pre-clinical phase	Phase I	Phase II	Phase III
Alzstatin	ACD679	Gamma secretase modulator (GSM)	Alzheimer's disease					
	ACD680	Gamma secretase modulator (GSM)	Alzheimer's disease					

” The new positive clinical data published in 2022–2023 support the amyloid hypothesis and thus the mechanism of action for Alzstatin. The development of new and more sensitive biomarkers and diagnostics in the field also offers new opportunities for earlier intervention in the disease. Johan Sandin, CSO

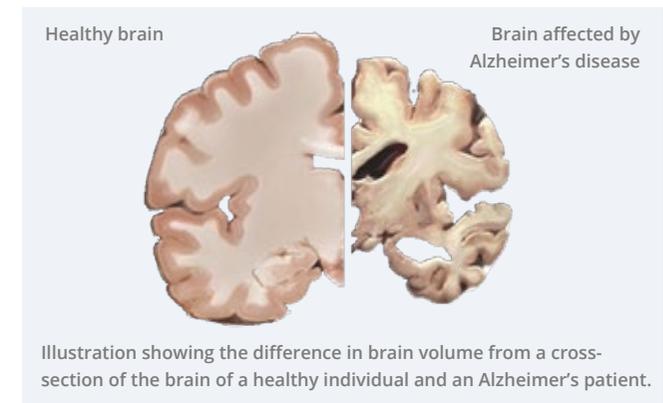
Amyloid-beta

The brain consists of about 100 billion nerve cells (neurons) that are interconnected in an intricate network and are vital for brain function and survival. Autopsies of the brains of Alzheimer’s patients show abundant amounts of amyloid (Aβ) plaques, the accumulation of which is assessed to have a major impact on the course of disease. Aβ plaques consist of an accumulation of Aβ peptides, which are formed and secreted by nerve cells in the brain. Aβ is a family consisting of 30–43 building blocks (Aβ30 – Aβ43); of these building blocks, Aβ42 is the main component in Aβ plaque. Aβ42 is particularly “sticky” and has a strong tendency to form clumps. This process is complex and the Aβ peptide accumulates in smaller aggregates, oligomers and protofibrils, which then form the building blocks of fibrils that form Aβ plaques. In Alzheimer’s disease, the nerve cells are surrounded by these Aβ aggregates, which affects the communication ability and function of the nerve cells, which in turn leads to them withering and eventually dying. Exactly how Aβ causes nerve cells to die at the molecular level is not yet known. Much of the data suggest that the ill health of the nerve cells leads to accumulations of another protein, tau, inside the cells and that taken together, this leads to the death of the cells. A clear hereditary connection can be seen in about 1 percent of all Alzheimer’s cases. The heredity component involves specific mutations in any of three specific genes, all of which are directly involved in Aβ pep-

tide production. The common denominator among all these mutations is that they affect the Aβ peptide itself, or its production (relatively more Aβ42), in a way that accelerates build-up of Aβ plaques, thereby demonstrating the central role that Aβ plays in Alzheimer’s, while making this peptide and the amyloid process the most validated disease process in Alzheimer’s today.

Major advances in research during the 2000s have made it possible to follow the amyloid process in living individuals over time. A large number of such studies have shown that Aβ plaques begin to accumulate up to 20 years before symptoms appear and that it more or less reaches its peak and decreases in further growth once the symptoms of the disease begin to become apparent. When clinical symptoms occur, the structure of the brain has begun to change because of diseased nerve cells that have contracted and nerve cells that have died. The brain has literally begun to decrease in size. Several previous clinical trials with Aβ-targeted drugs in patients with relatively advanced Alzheimer’s have failed. Given the new knowledge about how early Aβ builds up and is stored in the brain, it is likely that these candidates were tested too late in the disease, during a phase when Aβ had already played most of its pathogenic role. New clinical studies in the field, in which Aβ-targeted drugs have been administered earlier in the course of disease, have been able to demonstrate clinical efficacy in patients, thereby strengthening the validity of this target mechanism.

It is clear that Aβ-amyloidosis is a causative agent of hereditary familial Alzheimer’s disease, as described above. More and more comparative studies, where the Aβ process in sporadic Alzheimer’s has been compared with familial Alzheimer’s, show a similar structure of Aβ in sporadic disease, though it usually occurs later in life. These research data strongly suggest that Aβ accumulation also plays a crucial pathological role in sporadic Alzheimer’s, which accounts for about 99 percent of cases in Alzheimer’s disease.



The drug candidates in the Alzstain platform are “gamma-secretase modulators” (GSM) and affect the function of the enzyme gamma secretase. Gamma secretase acts like a pair of scissors and snips Aβ42 out of a longer protein known as APP. The sticky Aβ42 peptide, which over time forms clumps of so-called oligomers and fibrils that ultimately form the amyloid plaques in the brain so characteristic of Alzheimer’s disease. Mutations in gamma secretase that lead to a relative increase in Aβ42 peptide is the cause of hereditary Alzheimer’s disease. This demonstrates the role of Aβ42 in the progression of the disease and is, together with mutations in the Aβ-peptide itself, the strongest known genetic link to Alzheimer’s disease.

The candidates in the Alzstain platform affect enzyme function so that it instead snips out shorter forms of the Aβ peptide, Aβ37 and Aβ38, which in addition to their not being sticky and not forming aggregates, may also have a restrictive effect on the formation of Aβ42 aggregates. This means the drug candidates in the Alzstain platform have two separate but synergistic effects that

together contribute to a stronger anti-amyloidogenic – and thus more potent – disease-modifying effect.

The company has shown in preclinical tests that the modulation of gammasecretase leads to a reduction of up to 50 percent in the production of Alzheimer’s-related Aβ42 without affecting other signaling important for cells. The project is further confirmed by positive findings made in the recently published clinical patient studies with several antibody therapies, which the company believes validates the amyloid hypothesis as a treatable and clinically relevant pathological mechanism.

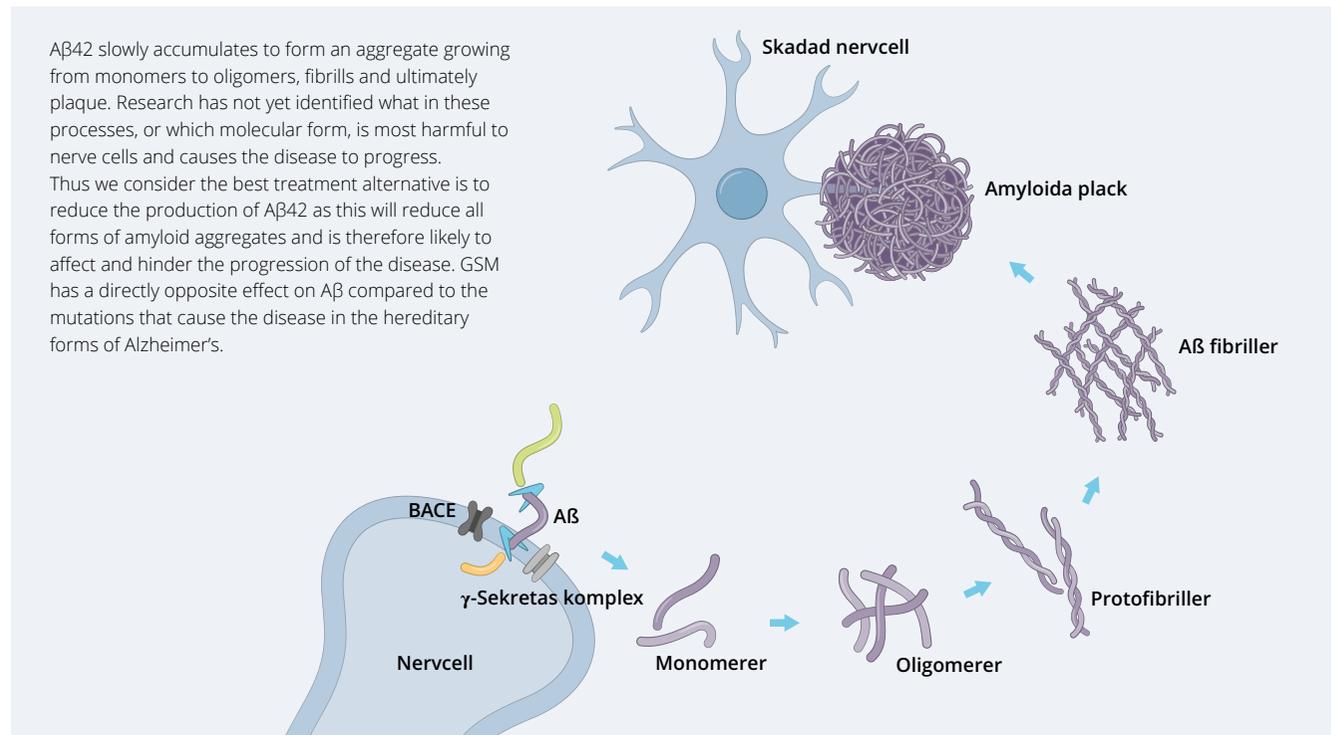
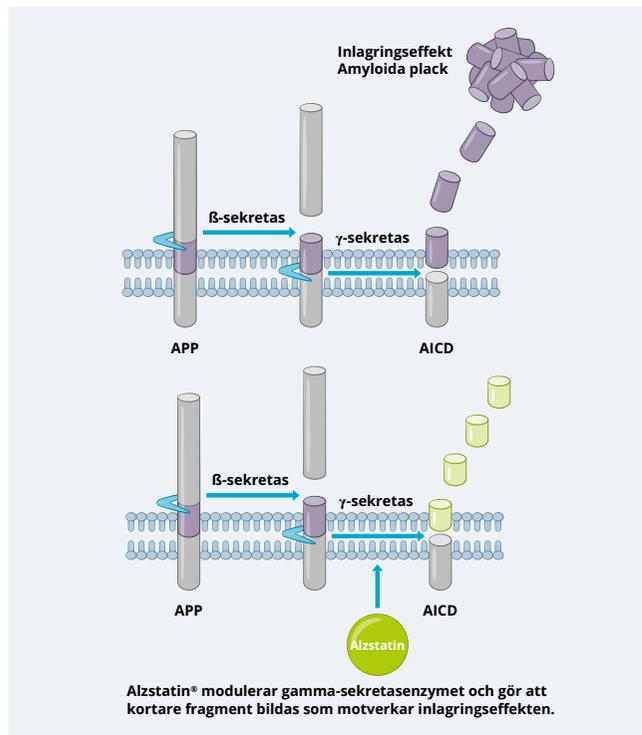
In addition, at the CTAD 2023 Alzheimer’s conference Roche published Phase I clinical data with its GSM in which it was able to demonstrate that the compound and mechanism were safe in humans at the doses tested and that a GSM could reduce Aβ42 levels in line with the preclinical studies, which further validates the target mechanism.

Major advances have also been made in the field of diagnostics with new blood-based tests, providing a cost-effective means of

screening high-risk populations and thus identifying the right patients in the presymptomatic phase of the disease for upcoming clinical studies and future treatments.

The leading drug candidate within Alzstain, ACD679, is currently in the preclinical development phase. Alongside this compound, the development of an additional drug candidate is in progress to ensure that the company has the best compound for clinical studies. This substance, ACD680, also entered the preclinical development phase in early January 2023. The drug candidate comes from a newly developed series of molecules that are expected to be advantageous from a patent perspective. New positive preclinical data on ACD680 were presented at the ADPD Alzheimer’s and Parkinson’s congress in late March 2023, in which the compound showed reductions of toxic Aβ42 by over 50 percent and good pharmacokinetic properties in vivo.

AlzeCure also sees benefits arising from a drug based on small molecules, which enables oral administration (tablets), low production costs and good penetration of the blood-brain barrier.



AlzeCure's differentiation in Alzheimer's

AlzeCure is working broadly within the field of Alzheimer's with a focus on two key findings in the disease: the characteristic accumulation of amyloid in the brain of those affected and the dysfunction of nerve cells and their communication that leads to the classic cognitive disorders of the disease.

Alzstatin consists of disease-modifying and preventive drugs targeting the early phase of the disease, with a focus on early blocking of production of toxic amyloid.

NeuroRestore consists of memory-enhancing/symptom-relieving drugs for later stages of the disease, with a focus on supporting nerve cell function and communication and thereby improving cognitive function/memory. Both platforms focus on two different signaling pathways, both of which have a genetic link to Alzheimer's disease. AlzeCure assesses that the company thereby develops drug candidates that meet the needs of patients in both the early, presymptomatic phase and the later, symptomatic phase of the disease. The treatments that AlzeCure develops can also potentially be combined with the approved compounds currently available on the market to achieve the best possible effect in the individual patient.

All AlzeCure candidates are small molecule drugs, which the company believes offer an array of advantages over biologics (antibodies), which are being developed in this field:

- Small-molecule drugs can be designed to be taken in tablet form, which offers major advantages for both patient convenience and from a cost perspective. Medicines in tablet form also have a considerable shelf life, allowing healthcare providers to purchase large quantities for long-term treatment.
- The production cost of small molecules is also lower than other alternatives, such as antibodies.
- Furthermore, small molecules can be optimized to penetrate the blood-brain barrier ("BBB"), which is essential for achieving high efficacy in the brain. The BBB acts as a filter that surrounds the brain and protects it from foreign substances, such as bacteria, crossing from the bloodstream into the brain and causing damage. Biological drugs such as antibodies have a low penetration rate of the BBB, which means that a relatively high injected dose is required to achieve the desired concentration in the brain.

The foundation of AlzeCure's disease-modifying Alzstatin drug platform, like the leading antibody therapies in late clinical development, is based on the amyloid hypothesis. The difference is that Alzstatin reduces the production of the actual building block of amyloid plaques in the brain, A β 42. This blocks the early formation of all types of amyloid aggregates, such as oligomers, fibrils and plaques.

The gamma-secretase modulators in Alzstatin change how the gamma secretase enzyme cleaves the amyloid-beta protein, so that instead of forming the sticky and toxic A β 42, shorter fragments are formed that do not clump together, but actually seem to prevent the clumping of the A β 42.

In other words, there are two potential mechanisms through which Alzstatin reduces the toxic effects of amyloid.

The company's NeuroRestore platform is based on a completely different mechanism: strengthening "neurotrophins" such as NGF and BDNF, which are essential for nerve cell function and have a strong genetic link to the disease. BDNF, like NGF, belongs to a group of growth hormones, neurotrophins, that regulate the development and function of nerve cells. BDNF and NGF play a key role in cognitive ability in both humans and animals, regulating how neurons communicate via synaptic connections. Loss of synapses or impaired synaptic function is one of the key pathological findings in Alzheimer's disease, and several studies have demonstrated that loss of synapses correlates with cognitive change in patients with the disease.

Comparison between different treatment options

	AlzeCures focus for Alzstatin Platform	
	Alzstatin	A β mAb
Oral therapy	✓	✗
Reduces production of toxic A β 42	✓	✗
Mechanism selective for A β	✓	✓
Non-enzyme inhibiting	✓	✓
Reduces previously formed plaques	✓	✓
Increases production of shorter anti-amyloidogenic A β peptides	✓	✗
The mechanism is suitable as a "statin" for Alzheimer's disease	✓	✗

The table shows an internal comparison made by the company between Alzstatin, a small molecule gamma-secretase modulator (GSM), and amyloid antibody therapies. The comparison is based on the company's research and accepted biological mechanisms in terms of molecular structure and size.

Painless

Painless is the company's research platform in the field of pain and contains two projects: ACD440, which is a drug candidate in the clinical development phase for the treatment of neuropathic pain, and TrkA-NAM, which targets severe pain in other conditions such as osteoarthritis. Both projects involve non-opioids, which is important to emphasize, because of the inherent risk associated with opioids for abuse, overdose and secondary injuries – which has led to avoidance of opioids as first-line treatment for pain. Despite this treatment problem they are still frequently used, for which reason the need for new non-opioid treatments is great.

Platform	Candidate	Mechanism of action	Indication	Research phase	Pre-clinical phase	Phase I	Phase II	Phase III
Painless	ACD440	TrpV1 antagonist	Neuropathic pain					
	ACD137	Negative Allosteric Modulator (NAM) of TrkA receptors	Osteoarthritis pain					

ACD440

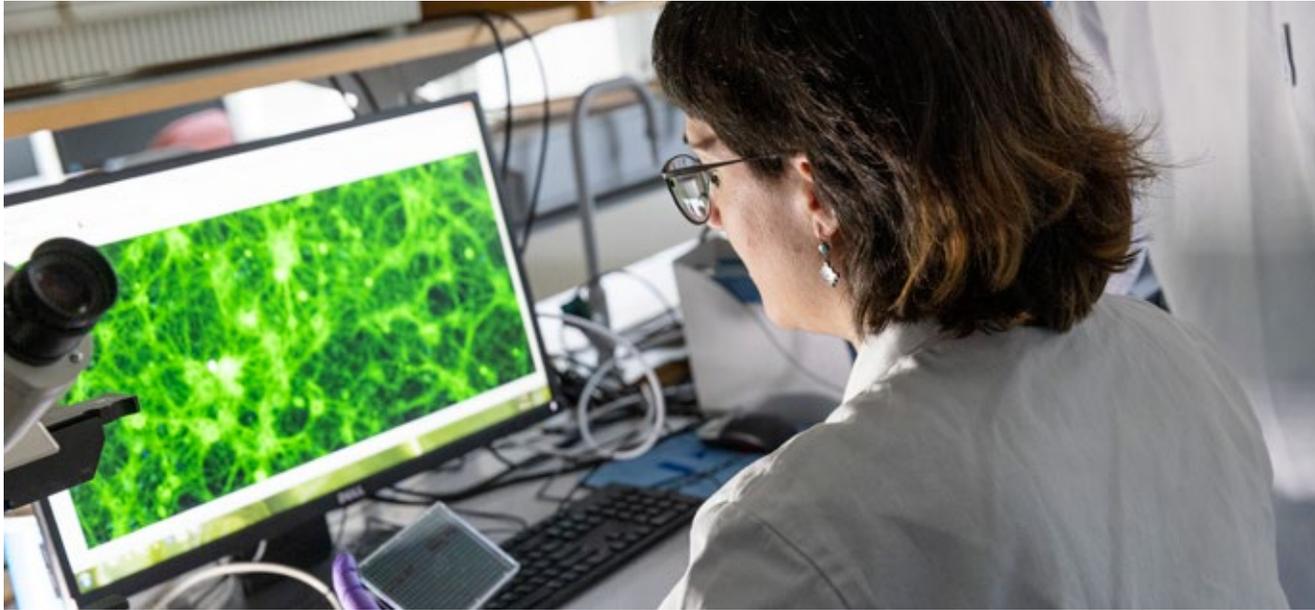
ACD440 is a TRPV1 antagonist that is in the clinical development phase, and the company's aim is to develop a new topical local treatment for neuropathic pain. The drug candidate, which was an important strategic in-licensing carried out in January 2020, fits well into the company's existing pipeline and strengthens the clinical portfolio.

The project has its origins in Big Pharma and is based on strong scientific grounds. The 2021 Nobel Prize in Physiology or Medicine was awarded for the discovery of and insights into TRPV1, the biological system that serves as the basis for ACD440 and is central to temperature regulation and pain. The compound has previously undergone Phase I clinical trials, in which both good tolerability and early positive signals of efficacy were observed. The mechanism of action of the project is via TRPV1 receptors, which have a key role in pain signaling, and ACD440 has been shown in preclinical trials to have an effect on both nociceptive and neuropathic pain. The compound has previously undergone extensive preclinical safety studies and since the compound is being developed for local use, systemic exposure can be kept very low, while the concentration of the compound locally can be kept high for maximum analgesic effect.

Nociceptors are stimulated by heat, acid and strong food, which can lead to feelings of pain. Despite the differences in these stimuli, a single target protein expressed in these pain-sensing nerve cells responds to them all. The molecular target is the TRPV1 receptor, which is expressed in sensory neurons and is upregulated in the skin of individuals with certain types of neuropathic pain. Consequently, there is strong scientific support for local treatment with this type of target mechanism. Neuropathic pain is associated with impaired quality of life and current treatments rarely provide adequate pain relief. In all, an estimated 7–8 percent of the adult population worldwide suffers from pain with neuropathic elements, corresponding to about 80 million individuals in the US, Europe and Japan alone. Over half of these patients do not respond to current first-line treatment and it is specifically toward this group of individuals that AlzeCure is aiming its new intended treatment.

As planned, AlzeCure initiated a Phase Ib clinical trial of the drug candidate in late 2020, which was presented in April 2021 and showed positive proof-of-mechanism data, i.e. an analgesic effect in humans. The efficacy of ACD440 was clearly significant compared with placebo. It was also well tolerated as a topical gel

on the skin, indicating good suitability for further clinical development as topical treatment for neuropathic pain conditions. During the first quarter of 2022, the FDA provided feedback regarding the material and documentation submitted for a pre-IND meeting. The response provided important information for the planning and structuring of the continued clinical development program, and in June 2022, the company initiated a Phase II trial with ACD440 in patients with peripheral neuropathic pain. This study aimed to evaluate the efficacy, safety and pharmacokinetics of the company's leading drug candidate in pain. AlzeCure reported top-line results from the study in May 2023, while the more detailed results from the study were presented at the international pain conference, EFIC, in September 2023. The patients, who were treated for 7+7 days in a cross-over design, ranged in age from 50-85 years and suffered from chronic neuropathic pain. Most of them were concurrently receiving alternative pain management therapies. Data from the study showed that ACD440 could demonstrate positive proof-of-mechanism (PoM) results in patients with chronic peripheral neuropathic pain; in other words, the drug candidate had an effect on the intended target mechanism. A clear and significant analgesic effect was observed in pain induced by cold and heat. This pain was reduced by about 50 percent, a significant and clinically relevant reduction. Temperature hypersensitivity is very common in the area of the skin where patients experience their neuropathic pain and is a major problem in daily life for these individuals. These positive POM results from this Phase II clinical trial were in line with previously reported Phase I results. Moreover, it was observed that ACD440 was well tolerated as a topical gel on the skin, demonstrating good suitability for further clinical development.



TrkA-NAM

The TrkA-NAM project, which is in the preclinical phase, is aimed at treatment of pain and has strong preclinical and clinical validation.

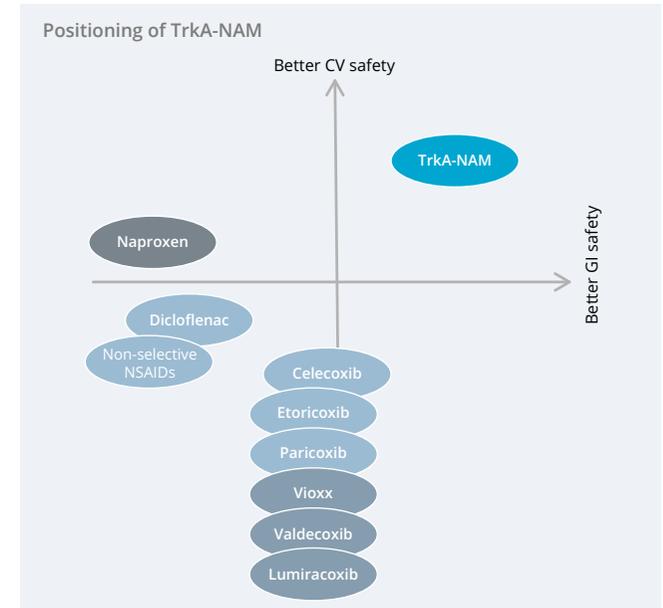
For the TrkA-NAM drug project, we have leveraged our knowledge concerning the underlying biology for the NeuroRestore platform in order to develop new compounds that focus on providing pain relief in conditions associated with severe pain. The goal of the project is to develop a small molecule “TrkA-negative allosteric modulator” that can reduce movement-induced and spontaneous pain in patients with painful osteoarthritis. The global osteoarthritis market is expected to reach USD 11.0 billion by 2025, from USD 7.3 billion in 2020. Growth in this market is driven by factors such as the increasing occurrence of osteoarthritis, the growing aging population, and an increase in the number of sports injuries.

Over 300 million people worldwide suffer from painful and activity-limiting osteoarthritis of the hip or knee. Many patients experience insufficient pain relief or side effects with current treatment, which today usually consist of NSAIDs or opioids, and there is a great need for more effective and better tolerated drugs in this field. In addition, there is a risk of abuse and development of tolerance even with short-term use of opioids.

Over the past decade, a number of anti-NGF antibodies have been developed and used in several clinical trials to treat painful osteoarthritis. The first positive study was with Tanezumab, which showed a potent analgesic effect in osteoarthritis of the knee in a Phase II clinical trial, which has been followed by several Phase III clinical trials for various pain indications. However, a small number of patients who received anti-NGF antibodies developed side effects, which has put the brakes on further development of these drugs.

A small-molecule drug with a mechanism that generates the same favorable effects as anti-NGF-antibodies, but without the side effects observed for them, would have great market potential. A selective TrkA-negative allosteric modulator meets these criteria.

As previously mentioned, the target mechanism has been strongly validated by both preclinical and clinical data, and AlzeCure’s unique compounds differentiate themselves with their selective effect on relevant signaling pathways to achieve optimal pain relief without inducing side effects. In addition, the TrkA-NAM compounds are small molecules, which facilitates administration for patients (tablets) while contributing to more cost-effective treatment. Moreover, the product is non-opioid, an important



consideration with respect to gaining future regulatory approval from authorities, including the FDA.

AlzeCure currently has a promising series of chemical compounds in research phase. In September 2022, the company reported new positive preclinical efficacy data in a pain model with one of the newly developed compounds. Furthermore, it was reported that anti-inflammatory properties have also been observed with this class of compounds, which the company considers to be a strength for further development. The project selected a candidate drug, ACD137, in January 2024, and it is currently in the preclinical phase.

The team at AlzeCure has many years of research experience in the fields of neurology and pain. This project is an excellent example of leveraging synergies between the projects and maximizing shareholder value.

Shareholders & Share trend

The share

The share has traded on Nasdaq First North Premier Growth Market under the name ALZCUR since November 28, 2018.

The number of shares in the company as of December 31, 2023, totaled 62,087,012.

Share-related compensation programs

In 2020 the company provided an incentive program with warrants aimed at the Chief Executive Officer. A total of 300,000 warrants were issued. The warrants, which were issued at the market price based on an external valuation as of May 20, 2020, entitled the holder to subscribe for shares during the period June 15, 2023 – July 5, 2023. Subscription did not occur.

The company offered an additional incentive program in 2023 with warrants, once again aimed at the Chief Executive Officer. A total of 500,000 warrants were issued. The warrants, which were issued at the market price based on an external valuation as of May 17, 2023, entitle the holder to subscribe for shares during the period July 1, 2026 – August 1, 2026. The issue price for newly subscribed shares totaled 150 percent of the volume-weighted average closing price for the company's shares on the Nasdaq First North Premier Growth Market during the 10 trading days preceding the Annual General Meeting on Wednesday, May 17, 2023. For more information, see the minutes from the annual general meeting.

The total dilutive effect of the incentive programs is 0 percent on the closing date.

Owners as of December 31, 2023

The ten largest owners as of December 31, 2023	Number of shares	Share capital and votes
BWG Invest Sàrl	8,747,295	14.1%
FV Group AB	4,400,000	7.1%
Sjuenda Holding AB	4,400,000	7.1%
Avanza Pension	2,436,510	3.9%
SEB-Stiftelsen	2,286,666	3.7%
Futur Pension	1,856,230	3.0%
Nordnet Pensionsförsäkring AB	1,847,903	3.0%
AlzeCure Discovery AB	1,710,000	2.8%
Thomas Pollare	1,501,293	2.4%
Acturum Life	985,915	1.6%
10 largest owners	30,171,812	48.6%
Other	31,915,200	51.4%
TOTAL	62,087,012	100%

Trend for AlzeCure's share price in 2023, compared with the First North Health Care PI.



” Interest in AlzeCure continued in 2023 and the number of shareholders continued to grow.

Martin Jönsson, CEO

Employees

These core values are important for all work within the company. We conduct regular Team Days where the common denominator is how we can improve what we do and what we focus on to improve the lives of patients and their families.

AlzeCure's organization, comprising members of the research, development and management groups, possesses more than 100 years of joint experience from global pharmaceutical companies. Parts of the company's current management group was formerly part of AstraZeneca's neurology and pain research unit where they were involved at the center of research and development of both

symptom-relieving and disease-modifying drugs for the treatment of Alzheimer's disease.

During the year, AlzeCure continued to develop the organization in order to be equipped for the future. The organization is still relatively small, but the company is also working with a large and talented network of consultants who are dedicated to AlzeCure.

As of the closing date, the company has eleven employees, most of whom work in research and development. Research is conducted in the company's own laboratories located at Novum at Karolinska Institutet in Huddinge. The employees include 64% (69%) women and 36% (31%) men.

The company is committed to offering competitive salaries and benefits and applies an individualized salary compensation model, adapted to the local labor market. AlzeCure strives to foster a welcoming, engaging, and secure workplace marked by transparency and inclusivity, ensuring that every employee has a voice in shaping their work experience. Ensuring a safe, secure, and healthy physical and psychosocial work environment is paramount for the company. Through active monitoring and evaluation of these work environments, the company encourages collective contributions to overall innovation and project advancement. In 2023, we also conducted a comprehensive employee survey with a focus on the psychosocial work environment, well-being, and satisfaction, with the aim of actively incorporating employee feedback into our practices. The responses showed that employees generally find the work situation stimulating and rewarding. The survey also showed that no one has experienced sexual harassment or other victimization or discrimination in the workplace. In 2024, AlzeCure will continue to implement and follow up on health and safety issues through employee surveys.



The organization is a major asset for the company and together possesses long and extensive experience and expertise within the field. The ability to design additional projects and make progress has been demonstrated many times. Moreover, this is done with passionate drive, with a focus on innovation and collaboration. The commitment and willingness of employees to contribute to our vision is AlzeCure's greatest asset.

Report of the Board of Directors & financial reports

CONTENTS

Report of the Board of Directors	33-38
Multi-year overview.....	39
Corporate governance report	40-44
Board of Directors and auditor	45-46
Senior executives.....	47-48
Financial reports	49
Income statement and other comprehensive income.....	50
Balance sheet	51
Statement of change in equity.....	52
Cash flow statement	53
Notes	54-58
Signatures	59
Audit report.....	60-61
OTHER	
Glossary	62
Shareholder information	63
2024 Annual General Meeting.....	63

Report of the Board of Directors

The Board of Directors and the Chief Executive Officer of AlzeCure Pharma AB (publ), corp. ID no. 559094-8302, hereby present the annual report for the financial year 2023.

The annual report has been prepared in Swedish crowns (SEK) and rounded to the nearest thousand unless otherwise indicated. Figures within parentheses refer to the corresponding period for the previous financial year.

The business

Information about the business

AlzeCure Pharma AB (publ), hereinafter as AlzeCure®, was founded on November 22, 2016 and is domiciled in Stockholm.

AlzeCure® is a Swedish pharmaceutical company that develops new innovative small-molecule drug therapies for the treatment of severe diseases and conditions that affect the central nervous system, such as Alzheimer's disease and pain – indications for which currently available treatment is very limited. The company is listed on Nasdaq First North Premier Growth Market and is developing several parallel drug candidates based on three research platforms: NeuroRestore®, Alzstatin® and Painless.

NeuroRestore consists of two symptom-relieving drug candidates where the unique mechanism of action allows multiple indications – Alzheimer's disease, along with cognitive disorders associated with traumatic brain injury, sleep apnea and Parkinson's disease, as well as depression. The Alzstatin platform focuses on developing disease-modifying and preventive drug candidates for early treatment of Alzheimer's disease and comprises two candidates. Painless is the company's research platform in the field of pain and contains two projects: ACD440, which is a drug candidate in the clinical development phase for the treatment of neuropathic pain, and TrkA-NAM, which targets severe pain in other conditions such as osteoarthritis.

AlzeCure carries out its research in its own laboratories located at Novum at Karolinska Institutet in Huddinge.

Development of the business

AlzeCure is a drug development company with drug candidates up to Phase II that aims to take its own projects through preclinical

research and development into early clinical phase. In parallel with this development, the company is working on business development in order to achieve out-licensing of and/or collaboration on its drug candidates, which would help to strengthen its long-term financing and development opportunities for the entire project portfolio. With its broad portfolio of assets and values, the company can work in multiple indication areas that provide scientific support for the biological target mechanisms, thereby enabling it to spread the risks, while maximizing medical benefit and thus also shareholder value.

Research and development

AlzeCure works with research and development of innovative and effective new small molecule drugs for treatment of diseases that affect the nervous system and the brain, with a focus on Alzheimer's disease and pain. The need for new treatments for these severe illnesses is great; for example, disease-modifying therapy for Alzheimer's is expected to be able to generate more than USD 15 billion in annual sales.¹

The company is simultaneously developing four drug candidates based on the two research platforms NeuroRestore and Alzstatin, along with two projects within the Painless platform – TrkA-NAM and ACD440. A diversified drug portfolio paves the way for other indications, such as cognitive disorders associated with Alzheimer's, traumatic brain injury, sleep disturbances and Parkinson's disease, as well as for severe pain in conditions such as neuropathy and osteoarthritis.

- The NeuroRestore platform is developing a new generation of symptom-relieving drugs for the treatment of illnesses with cognitive disorders, such as Alzheimer's disease. The target mechanism also has other potential indications, including depression and cognitive disorders in Parkinson's disease, traumatic brain injury and sleep disorders.
- Innovative disease-modifying and preventive drugs for Alzheimer's disease are under development within the Alzstatin platform.
- The Painless platform includes two projects: TrkA-NAM and ACD440, which both focus on severe pain conditions.

- The drug candidate ACD440 was in-licensed in January 2020 and affects a specific biological mechanism, the discovery of which was awarded the Nobel Prize in Physiology or medicine in 2021. The compound is being developed for the treatment of neuropathic pain, a field with great unmet medical need. The project is currently in the clinical development phase.
- The TrkA-NAM project is aimed at treating other severe pain caused by disorders such as osteoarthritis, which today lacks sufficiently effective treatment. The project is currently in the preclinical phase.

With its broad portfolio of projects, the company maximizes shareholder value by working in multiple indication areas where there is scientific support for the biological target mechanisms.

Within the NeuroRestore platform, a new generation of symptom-relieving drugs is being developed for the treatment of cognitive dysfunction (memory disorders) in Alzheimer's disease. NeuroRestore has had significant research successes, with positive clinical trial results for the candidate ACD856, which in addition to good safety and tolerability from the Phase I studies also showed an effect on brain activity via EEG. The results show, along with earlier reported data, that the substance crosses the blood-brain barrier in high and relevant concentrations and that it also reaches and activates relevant neuronal pathways in the brain, with potential to have positive effects on cognition. Thus the company has completed these Phase I clinical trials for ACD856 and is ready for Phase II studies in patients. Based on the successful results from the Phase I clinical trials and the preclinical results showing a potential protective and disease-modifying effect, work is currently underway with the continued clinical development plan. The recent preclinical findings show that both neurotrophins, NGF and BDNF, play important roles in retaining normal function and development in nerve cells, as well as in protecting them from damage, known as neuroprotective effects. Nerve cell death clearly correlates with functional impairment in Alzheimer's patients and no drugs with these protective effects are currently available on the market.

1) Fierce Pharma, Despite controversy, Biogen's Aduhelm is already generating enthusiasm among doctors: survey, 2021

Moreover, the preclinical studies show that treatment with ACD856 results in increased survival for the nerve cells. In 2022 and 2023, the studies were complemented by additional data concerning the neuroprotective, regenerative and long-term effects of ACD856. The results indicate, among other things, that the substance can protect nerve cells against toxic A β 42, the protein responsible for amyloid plaque formation in the brains of Alzheimer's patients. Moreover, data show that ACD856 increases the quantity of a specific protein that plays a key role in communication between nerve cells, which is severely affected in the disease. There is also strong scientific support for this target mechanism in depression.

In May 2023, AlzeCure reported that the European Patent Office had granted a patent for NeuroRestore, including ACD856. This patent has been validated in 33 territories across Europe, including Germany, France, the UK, Spain, Italy and Sweden. This achievement is yet another important step for ACD856, in light of the previously granted US patent for this substance. During the fourth quarter, patents were also granted for ACD856 in Japan, a key step in the effort to establish a comprehensive global patent portfolio for the NeuroRestore program.

The second candidate in the platform, ACD857, is in the pre-clinical phase and also has the primary indication of cognitive dysfunction/Alzheimer's disease.

The Alzstatin research platform contains two projects that aim to serve as a preventive and disease-modifying treatment of early Alzheimer's disease. AlzeCure is developing its candidates with the aim of entering at an earlier phase of disease compared with antibody treatment for Alzheimer's disease. The treatment focuses on targeting production of the building blocks (proteins) that ultimately form the amyloid plaques thought to contribute to the development of Alzheimer's disease. The treatment is therefore particularly suitable as a preventive treatment but could also potentially be used in combination with antibody treatment for later stages of Alzheimer's disease. Compared with the antibody therapies now coming to market, the small molecule compounds in the Alzstatin platform have several key differentiating features, including that they can be taken in tablet form, easily cross the blood-brain barrier and are more cost-effective to produce.

The target mechanism in Alzstatin, gamma-secretase modulators (GSMs), is confirmed by previously reported study results, which we believe validate the amyloid hypothesis and thus Alzstatin's focus.

The leading drug candidate within Alzstatin, ACD679, is in preclinical phase and alongside this work, the development of an additional drug candidate is in progress to ensure that the company has the best compound for clinical studies. This substance, ACD680, also entered the preclinical development phase in early January 2023. The drug candidate comes from a newly developed series of molecules that are expected to be advantageous from a patent perspective. New positive preclinical data on ACD680 were presented at the ADPD Alzheimer's and Parkinson's congress in late March 2023, in which the compound showed reductions of toxic A β 42 by over 50% and good pharmacokinetic properties in vivo.

The need for these types of treatments is great, and disease-modifying therapy for Alzheimer's is expected to be able to generate more than USD 15 billion in annual sales.

The Painless platform contains two projects aimed at developing new treatments for pain. Both projects involve non-opioids, which is important to emphasize, because of the inherent risk associated with opioids for abuse, overdose and secondary injuries – which has led to avoidance of opioids as first-line treatment for pain. Despite this treatment problem they are still frequently used, for which reason the need for new non-opioid treatments is great.

In January 2020, a drug candidate in the clinical development phase aimed at treating neuropathic pain, ACD440, was in-licensed. The ACD440 project has its origins in Big Pharma and is based on strong scientific grounds. The 2021 Nobel Prize in Physiology or Medicine was awarded for the discovery of and insights into TRPV1, the biological system that serves as the basis for ACD440 and is central to temperature regulation and pain. The compound that is being developed as a gel for topical treatment has previously undergone clinical trials, but at that time as oral treatment. AlzeCure initiated a Phase Ib clinical trial of the drug candidate that was completed in April 2021 and showed positive proof-of-mechanism results, i.e. an analgesic effect in humans. The efficacy of ACD440 was clearly significant compared with placebo. The compound was also well tolerated as a topical gel on the skin, indicating good suitability for further clinical development as topical treatment for neuropathic pain conditions. During the first quarter of 2022, the FDA provided feedback regarding the material and documentation submitted for a pre-IND meeting. The response was informative and in June 2022, the company initiated a Phase II trial with ACD440 in patients with peripheral neuropathic pain. This exploratory double-blind, placebo-controlled, randomized cross-over study aimed to evaluate the efficacy, safety and pharmacokinetics of the

company's leading drug candidate in pain. AlzeCure reported positive top-line results from the study in May 2023, while the more detailed results from the study were presented at the international pain conference, EFIC, in September 2023. Data from the study showed that ACD440 could demonstrate positive POM results in patients with chronic peripheral neuropathic pain; in other words, the drug candidate had an effect on the intended target mechanism. A clear and significant analgesic effect was observed in pain induced by cold and heat. This pain was reduced by about 50%, a significant and clinically relevant reduction. Temperature hypersensitivity is very common in the area of the skin where patients experience their neuropathic pain and is a major problem in daily life for these individuals. These positive POM results from the Phase II clinical trial were in line with the previously reported Phase I results. Moreover, it was observed that ACD440, which is a topical gel that is applied to the skin in the painful area, was well tolerated and both the compound and the administration method demonstrate good suitability for further clinical development.

TrkA-NAM builds on the knowledge amassed and assets developed in the NeuroRestore platform, but with the purpose of developing new compounds that focus on providing pain relief in several conditions associated with severe pain. The goal of the project is to develop a small molecule "TrkA-negative allosteric modulator" that can reduce movement-induced and spontaneous pain, such as in patients with painful osteoarthritis. The compounds in the platform block NGF-mediated signaling via TrkA receptors, a biological mechanism with strong genetic, preclinical and clinical validation with respect to its role in pain. The company received the first positive preclinical efficacy data during the latter part of 2020 and is actively working on the development of a drug candidate for preclinical safety studies. In September 2022, AlzeCure presented results for a new compound, AC-0027838, which has been identified as a potent and selective negative modulator of NGF/TrkA signaling in cell-based analyses, at the IASP international pain conference. The results showed a potent analgesic effect in a nociceptive pain model. The data also show that the compound has a powerful anti-inflammatory effect, which can potentiate the analgesic effects in clinical contexts. Analysis of the inflamed tissue also demonstrated significant effects on CGRP, a relevant biomarker for inflammation and pain. In early 2024, a candidate drug was selected, ACD137, and the project has thereby entered the pre-clinical development phase.

Significant events during the year

- In January, the company selects a candidate drug (CD) and initiates the preclinical development phase with the company's preventive and disease-modifying drug candidate Alzstatin ACD680.
- In January, the last patient is included in the Phase II clinical trial with the leading non-opioid drug candidate in the Painless platform, ACD440, which is being developed to treat peripheral neuropathic pain.
- The company announces on March 13 that the last patient has completed treatment in the above clinical trial with ACD440.
- In April, the company has an abstract on non-opioid ACD440 for neuropathic pain accepted at the EFIC 2023 Conference.
- On May 17, the company holds its Annual General Meeting and Dr Janet Hoogstraate is elected to serve as a new member of the Board of Directors.
- The company announces on May 22 that a European patent has been granted for the NeuroRestore ACD856 Alzheimer's project.
- On May 24 the company announces positive proof-of-mechanism (POM) data from the Phase IIa clinical trial in neuropathic pain with the non-opioid ACD440.
- On July 3, the company publishes a new scientific article presenting preclinical results demonstrating the antidepressant effects of NeuroRestore ACD856.
- On July 11, the company publishes new disease-modifying data regarding NeuroRestore ACD856 for the treatment of Alzheimer's and cognitive disorders.
- On August 9, the company publishes favorable clinical results from the Phase I clinical trial with NeuroRestore ACD856 for the treatment of Alzheimer's.
- On September 20, the company presents positive Phase II clinical data on ACD440 for neuropathic pain at the 2023 European Pain Federation (EFIC) conference.
- The company reports in early October that Japan has granted a patent for NeuroRestore ACD856.
- In October, the company publishes a new article about the target mechanism behind Alzstatin, which is being developed for the treatment of Alzheimer's disease.

Significant events after the end of the financial year

- On January 29, the company selects a drug candidate and enter the next phase of development with TrkA-NAM ACD137 for the treatment of osteoarthritis and other severe pain conditions.
- On February 29, the company announces that the patent offices in China, India, South Africa, Israel, Hong Kong and Mexico have granted patents covering the company's clinical drug candidate ACD856, which is being developed for Alzheimer's and other cognitive impairment disorders.
- On March 26, the company's board decides on a new share issue of approximately SEK 52.8 million with preferential rights for existing shareholders. The rights issue requires approval at an extraordinary general meeting on April 25, 2024. The issue is guaranteed to approximately 63 percent through subscription obligations and guarantee commitments from, among other things, existing owners and members of the company's management and board. To enable further capital contributions, the board may also exercise an over-allotment option of up to approximately SEK 15.0 million.

Revenue and profit/loss

During 2023, net sales totaled SEK 0 thousand (0), and the company is not expected to generate any revenues before its products have progressed further in their development phases.

The operating loss for the year totaled SEK -38,262 thousand (-56,442). The company's research activities have developed steadily. Total research expenses for the period January to December 2023 accounted for 72.1 percent (81.6) of operating expenses, which is in line with the plan. More capital-intensive studies took place in 2022 compared to 2023. The company also allocated resources to enhance its patent portfolio in 2023.

Administrative expenses during the year are on a par with those in 2022. The company plans to continue to focus on communication and business development, including internationally. Operating profit/loss is in line with the company's plan for 2023.

AlzeCure's earnings for the financial year totaled SEK -37,167 thousand (-56,239). Earnings per share totaled SEK -0.60 (-1.18).

Liquidity and financial position

At the end of the year, equity was SEK 23,774 thousand (60,482) and the debt/equity ratio was 74.3 percent (85.4).

Cash and cash equivalents at the end of the period totaled SEK 29,100 thousand (25,577). A rights issue in December 2022 raised proceeds of SEK 42.6 million, which the company received in January 2023.

The company's available funds and equity as of December 31, 2023 do not cover the liquidity needed to conduct the identified possible activities for the next 12 months. Financing risk has increased during the year as a result of the current financial climate and geopolitical turmoil. Against this background, the board decided on 26 March 2024 on a new share issue of approximately SEK 52.8 million with preferential rights for existing shareholders. The rights issue requires approval at an extraordinary general meeting on April 25, 2024. The issue is guaranteed to approximately 63 percent through subscription obligations and guarantee commitments from, among other things, existing owners and members of the company's management and board. To enable further capital contributions, the board may also exercise an over-allotment option of up to approximately SEK 15.0 million.

As the company is in discussions with several actors about possible licensing and/or cooperation deals, the board makes the assessment that it is valuable to strengthen the cash position in order to have better negotiation space, and in the meantime enable continued development of the company's research portfolio to increase the value and attractiveness of the assets. Consequently, the Board of Directors and the Chief Executive Officer hold the opinion that AlzeCure's financial position is strong enough to advance the key projects in order to generate great shareholder value.

The Board of Directors continuously reviews the company's long-term financing to ensure its continued progress. Existing projects can be reprioritized as an option to ensure future operations. Because the operation is currently in a precommercial stage with no sales revenues, the board has resolved to propose to the AGM that no dividend be paid to shareholders in 2024.

Cash flow and investments

Cash flow from operating activities including changes in working capital for the year totaled SEK -3,057 thousand (-99,911).

Cash flow from investing activities totaled SEK 7 thousand (0).

Cash flow from financing activities totaled SEK 459 thousand (83,747). Cash flow the previous year included the rights issue that was completed in March and raised SEK 48,490 thousand before issue expenses, which totaled SEK 7,231 thousand, a set-off issue in April of SEK 2,999 thousand before issue expenses, which totaled SEK 113 thousand, and an issue during the last quarter of the year that raised SEK 42,576 thousand before issue expenses, which as of the closing date for 2022 were SEK 2,974 thousand.

Employees

During the year, AlzeCure continued to develop the organization in order to be equipped for the future. The organization is still relatively small, but the company is also working with a large and talented network of consultants who are dedicated to AlzeCure. The company had eleven (thirteen) employees on the closing date. The activities are conducted in the company's own laboratories, which are located at Novum at Karolinska Institutet in Huddinge. The gender breakdown of employees was 64% (69%) women and 36% (31%) men.

The company strives to offer competitive salaries and benefits and applies individualized salary compensation adapted to the local labor market. AlzeCure aims to offer a welcoming, engaging, and secure workplace environment, fostering an atmosphere of honesty and transparency, and ensuring that all employees have the opportunity to shape their own work situations.

Share-related remuneration

The company has an incentive program for a total of 500,000 warrants issued at market value on the closing date. Other than these warrant programs, the company has not established any share-based incentive programs or other outstanding securities that can be translated into equity, warrants or other share-related financial instruments. For more information, see the heading "Incentive program" below.

Guidelines for remunerations to senior executives

The Annual General Meeting on May 20, 2020 resolved to adopt guidelines for remuneration to the CEO and other senior executives. AlzeCure Pharma shall offer a total compensation package at market levels that enables skilled senior executives to be recruited and retained. Remuneration to the CEO and other senior executives may consist of basic salary, variable remuneration, other benefits and pension. The basic salary forms the basis of the total remuneration and shall be proportionate to the executive's responsibilities and authority. The variable remuneration must not exceed an amount equal to six months' salary for the executive concerned. The variable remuneration is based on performance in relation to individually defined qualitative and quantitative measures, and also on the performance of the company relative to targets set by the Board of Directors. Pensionable pay consists only of basic salary.

The notice period shall be at least three months if employment is terminated on the initiative of the senior executive and between three and twelve months if terminated by the company. No severance pay is due on termination of employment. Any share and share-related programs shall be decided by the general meeting. Allocations will be made in accordance with the resolutions passed by the general meeting. Other than as follows from employment contracts as described above, the senior executives are not entitled to any benefits after their employment/duties have ended.

The CEO's remuneration shall be set and approved by the Board of Directors. Remuneration to other senior executives shall be set by the CEO, who shall present a proposal to the Board of Directors for approval. The Board of Directors shall be entitled to deviate from the above guidelines for remuneration of senior executives if there is particular reason to do so.

Compensation to the CEO consists of a fixed monthly salary; see also note 6. All pension commitments must be based on defined contributions.

Agreements under market terms between the company and representatives from the Board and management group are in place. See also note 6. New guidelines will be adopted at the annual general meeting on May 14, 2024, no major changes are expected.

Nomination Committee

AlzeCure Pharma's nomination committee for the 2024 Annual General Meeting was appointed in accordance with the principles adopted by the Annual General Meeting on May 22, 2019 and consists of:

- William Gunnarsson, appointed by BWG Invest Sàrl
- Rolf Karlsson, appointed by FV Group AB
- Peter Thelin, appointed by Sjuenda Holding AB
- Thomas Pollare (Chairman of the Board)

Prior to the 2024 Annual General Meeting, the nomination committee shall prepare resolutions on election and remuneration issues and, where appropriate, procedural issues for the next nomination committee.

Environment, sustainability and social responsibility

AlzeCure is actively engaged in mitigating potential adverse environmental impact and in evolving as a sustainable and responsible business entity. Conducting responsible, high-quality research to innovate solutions for health challenges like Alzheimer's significantly aids in releasing resources for society, thereby contributing to a sustainable global future. Neurodegenerative diseases are among the most deadly and costly to society. Helping patients live healthier lives enables society to free up valuable resources and allows more people to live longer and healthier lives together.

AlzeCure strives to actively address economic and social sustainability at all levels of operations by continuously improving and developing the company's processes, quality systems, IT security, and work environment, while also implementing measures to mitigate environmental impact stemming from its operations. As the company does not have any product sales it has no environmental impact in this regard; its focus instead is to exercise responsibility in its purchases of goods and services and its use of energy and transportation. It is also important for the company to work with suppliers and partners who share the same values.

Responsibility, transparency, and respect for the equal value of all individuals are defining traits of AlzeCure's operations. The company complies with environmental and occupational health legislation and also maintains internal policies encompassing

guidelines for these regulations, as it is crucial for the company to have a safe, secure, and healthy physical and psychosocial work environment. The company actively works to monitor and evaluate these work environments so that everyone, collectively, can contribute to the overall elevation of innovation and the company's capacity to drive projects forward. It also holds the necessary permits to operate the business.

Through partnerships enabling the funding of expensive studies in later stages, the company's business model ensures the continuous progress of projects while simultaneously generating financial resources that can be reinvested in new research and development initiatives.

Work of the Board of Directors

The company's Board comprises five members including the Chairman, who were elected at the general meeting to serve until the end of the 2024 AGM. In 2023 the Board met eight times. The Board is responsible for matters such as setting objectives and strategies, ensuring the adoption of procedures and systems for evaluating objectives, the ongoing evaluation of the company's financial performance and position, and evaluating its operational management.

The Board follows written rules of procedure that are revised and adopted at the statutory annual board meeting. The rules of procedure govern such things as Board practice, the Board's functions and the distribution of work between the Board and the CEO, and where appropriate between the Board and various committees.

The share and ownership structure

The share has traded on Nasdaq First North Premier Growth Market under the name ALZCUR since November 28, 2018. The number of shares in the company as of December 31, 2023 totaled 62,087,012.

All shares are ordinary shares and have equal rights to the company's profit, and each share entitles the holder to one vote at the AGM. At the AGM, each shareholder is entitled to vote the full number of shares, owned or represented, without limitation to the number of votes. BWG Invest Sàrl is the only shareholder that has a proportion of shares and votes larger than 10 percent. Their holding was 14 percent as of December 31, 2023.

Incentive program

In 2020, the company launched an incentive program in the form of warrants to the Chief Executive Officer. A total of 300,000 warrants were issued. The warrants, which were issued at the market price based on an external valuation as of May 20, 2020, entitled the holder to subscribe for shares during the period June 15, 2023 – July 5, 2023. The warrants were not exercised.

The company also offered an incentive program in 2023 with warrants, once again aimed at the Chief Executive Officer. A total of 500,000 warrants were issued. The warrants, which were issued at the market price based on an external valuation as of May 17, 2023, entitle the holder to subscribe for shares during the period July 1, 2026 – August 1, 2026. The issue price for newly subscribed shares totaled 150 percent of the volume-weighted average closing price for the company's shares on the Nasdaq First North Premier Growth Market during the 10 trading days preceding the Annual General Meeting on Wednesday, May 17, 2023, which gave a cash price of SEK 6.70 per share. The incentive program also requires the Chief Executive Officer to be active in the company. For more information, please see the minutes from the AGM of May 17, 2023.

The total dilutive effect is 0% as of the closing date.

Owners as of December 31, 2023

The ten largest owners as of December 31, 2023	Number of shares	Share capital and votes
BWG Invest Sàrl	8,747,295	14.1%
FV Group AB	4,400,000	7.1%
Sjuenda Holding AB	4,400,000	7.1%
Avanza Pension	2,436,510	3.9%
SEB-Stiftelsen	2,286,666	3.7%
Futur Pension	1,856,230	3.0%
Nordnet Pensionsförsäkring AB	1,847,903	3.0%
AlzeCure Discovery AB	1,710,000	2.8%
Thomas Pollare	1,501,293	2.4%
Acturum Life AB	985,915	1.6%
10 largest owners	30,171,812	48.6%
Other	31,915,200	51.4%
TOTAL	62,087,012	100%

Activities and prospects

2023 was yet another eventful year for AlzeCure, which further developed and expanded its three research platforms and its portfolio. This enables better opportunities for proceeding all the way to patients and the market, as well as the potential for more indications in addition to Alzheimer's, such as cognitive disorders related to Traumatic Brain Injury (TBIs), Parkinson's and sleep apnea, as well as pain. The company has two drug candidates in clinical development phase, ACD440 and ACD856.

ACD440 is a drug candidate in the clinical development phase aimed at treating neuropathic pain and is based on strong scientific grounds. Neuropathic pain is often associated with greatly impaired quality of life and current treatments rarely provide adequate pain relief. In all, an estimated 7–8 percent of the adult population worldwide suffers from pain with neuropathic elements, corresponding to about 25 million individuals* in the US, Europe and Japan alone. In 2023, the company completed its first Phase II clinical trial in the ACD440 project with positive results.

ACD856, the leading clinical drug candidate in the Neuro-Restore platform, stimulates several key signaling systems and neurotransmitters in the brain such as Brain Derived Neurotrophic Factor (BDNF) and Nerve Growth Factor (NGF), which can lead to improved cognition. Earlier preclinical studies have demonstrated that AlzeCure's drug candidates boost communication between nerve cells and improve cognitive ability, including learning and memory functions. New preclinical data produced and published in 2023 also show that NeuroRestore compounds have protective and stimulating effects on nerve cells, which could indicate potential disease-modifying effects.

AlzeCure intends to continue its activities and holds the opinion that the company's projects have great market potential. The company has no revenues and is dependent on external financing to safeguard continued operation until the projects begin to generate revenues. The company aims to take its own projects through preclinical research and development to the early clinical phase. AlzeCure is constantly working on business development in order to achieve out-licensing of and/or collaboration on its drug candidates, which would help to strengthen its long-term financing and development opportunities for the entire project portfolio. With its broad portfolio of assets and values, the company can work in multiple indication areas that provide scientific support for the biological target mechanisms, thereby enabling it to spread the risks, while maximizing medical benefit and thus also shareholder value.

*Source: van Hecke, O. et.al., Neuropathic pain in the general population: a systematic review of epidemiological studies, 2014.

Risks and uncertainties

Risks and uncertainties are an inherent aspect of any business activity and must be managed effectively by the organization. By actively working with different risk scenarios, risks can be continuously identified and prevented. A risk is defined as a greater or lesser probability of a harmful event occurring that could affect the ability to achieve set objectives.

Business and operational risks

In addition to financial risks, commercial risks are primarily linked to research and development efforts. Drug development in general is risky and capital-intensive.

The risks involved in the R&D necessary for a drug candidate to gain authority approval for use as a drug are many and include product development delays, higher-than-anticipated expenses, and failure of the drug candidates to meet efficacy expectations. Since the company's drug development is still in an early phase, it cannot be ruled out that participants in the clinical trials, or people who otherwise come into contact with the drug candidates, may suffer serious side effects. The consequences of such potential side effects may delay or stop further product development and limit or prevent the commercial viability of the products.

The pharmaceutical industry is characterized by global competition, rapid technological development and extensive investment requirements. There are competitors with significant financial resources and there is a risk that competitors develop drugs that have a negative impact on the company's competitive situation. However, the recent advancements in Alzheimer's disease strengthen and validate our research hypotheses, potentially paving the way for the continued development of drug candidates, in relation to both regulatory authorities and potential licensees.

When a drug is approved, there is still a risk that national or international sales fail to meet expectations and the product does not become commercially successful. A drug's market acceptance and sales are dependent on a number of factors including product characteristics, clinical documentation and outcomes, competing products, distribution channels, availability, price, subsidies/reimbursements, and sales and marketing initiatives. These circumstances can have a negative effect on AlzeCure's future operations, financial position and profitability.

Business model and agreements

The company's future earnings are dependent on the company either advancing the drug candidates through clinical development via internal programs and studies or the company succeeding in entering into commercial agreements for out-licensing of one or more of the company's drug candidates. The company has an explicit strategy and vision to enter into licensing and/or collaboration agreements with major pharmaceutical companies. There is a risk that AlzeCure may encounter challenges in both internally developing drug candidates and securing agreements with major pharmaceutical companies, or that any agreements reached may not be on terms as advantageous as desired by the company. The company's effectiveness in securing favorable agreements hinges on various factors such as its financial strength, successful developmental initiatives, the quality of its research, the robustness of its intellectual property rights, and its overall image as a trustworthy and desirable business and collaborative partner. Prospective partners may require supplementary studies to be conducted on AlzeCure's products as a condition for entering into agreements, potentially resulting in delays and increased expenses for the company.

In the event that AlzeCure secures a significant licensing or collaboration agreement, it is reasonable to expect that a significant portion of AlzeCure's potential revenues within such an agreement would comprise milestone payments. These one-off payments are paid by collaboration partners upon the attainment of predetermined milestones. Since a significant portion of compensation within commercial agreements is usually reserved for later clinical stages and various commercial benchmarks, in addition to royalty payments, there is a risk that the AlzeCure may not ultimately receive the majority of the potential value of such an agreement if specified milestones are not met.

Employee risks

The future development of the company depends largely on the knowledge, experience and commitment of key personnel. The company is dependent on its ability to attract and retain qualified employees with relevant education and experience in drug development and regulatory affairs to enable high quality research and development, thereby ensuring an attractive future project portfolio.

External events beyond the control of the company

An uncontrollable event is something that affects the wider world and against which the company may find it difficult to protect itself. Examples of such events that may affect the AlzeCure's operations are geopolitical unrest, war, pandemic, natural disasters, or widespread terrorism.

The geopolitical situation in the world is currently extremely uncertain, and it is difficult to say how it may affect the company's long-term development. The company currently has no transactions associated with Russia.

The general economy, both domestically and internationally, will be a challenge for all companies going forward. It is very likely that high inflation will be accompanied by increased costs. The company is very cost-conscious and continues to focus on prioritizing activities.

The current interest rate situation and external factors mean that there is a risk that there may be less capital available to invest in development companies.

Financial risks and procedures for asset management

See note 13 for comments on the financial risks.

Multi-year overview

SEK thousand	2023	2022	2021	2020	2019
	Jan. 1, 2023 -Dec. 31, 2023	Jan. 1, 2022 -Dec. 31, 2022	Jan. 1, 2021 -Dec. 31, 2021	Jan. 1, 2020 -Dec. 31, 2020	Jan. 1, 2019 -Dec. 31, 2019
Net sales	0	0	0	0	0
Operating profit/loss	-38,262	-56,442	-77,926	-71,579	-50,908
Earnings for the year and comprehensive income	-37,167	-56,239	-77,781	-71,366	-50,858
Earnings per share, basic (SEK)	-0.60	-1.18	-2.06	-1.89	-1.35
Research expenses as a percentage of operating expenses (%)	72.1	81.6	85.0	86.3	87.7
Cash flow from operating activities	3,057	-99,911	-70,639	-69,508	-50,285
Total assets	32,001	70,836	45,647	117,827	186,755
Cash and cash equivalents	29,100	25,577	41,741	112,434	182,499
Debt/equity ratio (%)	74.3	85.4	72.2	94.0	97.5
Average number of shares, before dilution	62,087,012	47,696,091	37,765,715	37,765,715	37,765,715
Average number of employees	11	13	11	8	4

For definitions of key performance indicators, see note 18.

Proposed disposition of the company's earnings

The following earnings are at the disposal of the Annual General Meeting:

SEK thousand	
Accumulated profit/loss	-303,051
Share premium reserve	362,440
Profit/loss for the year	-37,167
	22,222

The Board of Directors and Chief Executive Officer propose that earnings be distributed as follows:

SEK thousand	
to be carried forward	22,222
	22,222

Dividend policy

AlzeCure is currently in an expansive growth phase where any capital surpluses in the operation are invested in the operation and/or acquisitions. To date, the company has not allocated any dividends to its shareholders since the formation of the company. AlzeCure has not adopted any dividend policy.

The company's earnings and position in general are shown in the income statement and balance sheet, as well as the cash flow statement with notes.

Corporate governance report

Overview

AlzeCure Pharma AB (AlzeCure®) is a Swedish public limited liability company governed by Swedish law, primarily the Swedish Companies Act (2005:551), the Swedish Annual Accounts Act (1995:1554) and internal rules and regulations. Because the company's shares are traded on Nasdaq First North Premier Growth Market, the company also complies with Nasdaq First North's regulatory framework, the Swedish Corporate Governance Code (the Code) and pronouncements by the Swedish Securities Council concerning best practices on the Swedish stock market.

As a rule, the Code is not applicable to companies whose shares are admitted to trading on a so-called multilateral trading facility (such as Nasdaq First North Growth Market); however, since July 1, 2018 the Code applies to companies whose shares are admitted to trading in the Premier segment at Nasdaq First North Growth Market. While the Code specifies a higher standard of good corporate governance than the minimum requirements of the Swedish Companies Act, companies are not obliged to comply with all of the rules in the Code as it provides leeway to deviate from the rules on the condition that all such deviations and the chosen alternative solutions are described and that the reason for the deviations are explained in the corporate governance report under the so-called comply-or-explain principle.

Shareholders

AlzeCure's share is listed on Nasdaq First North Premier Growth Market. Share capital as of December 31, 2023 amounted to SEK 1,552,000 distributed over 62,087,012 shares, each with a quota value of SEK 0.025. BWG Invest Sàrl was the largest individual shareholder as of December 31, 2023 and represented 14 percent of the shares. They were also the only shareholder who, as of the closing date, had a shareholding in the company that represented at least one tenth of votes for all shares in the company.

All shares are ordinary shares and have equal rights to the company's profit, and each share entitles the holder to one vote at the AGM. At the AGM, each shareholder is entitled to vote the full number of shares, owned or represented, without limitation to the number of votes.

Annual General Meeting (AGM)

Shareholders exercise their voting rights at the AGM. The general meeting is AlzeCure's highest decision-making body. The AGM is held annually within six months of the end of each financial year.

Shareholders exercise their right to decide on the company's affairs at the AGM. Shareholders exercise their voting rights on key issues such as the approval of income statements and balance sheets, the appropriation of the company's profit or loss, the discharge from liability of Board members and the CEO, the election of Board members and auditors, and compensation to the Board and auditors.

Extraordinary shareholders' meetings may be convened in addition to the AGM. In accordance with AlzeCure's articles of incorporation, notice convening the AGM is announced through the Official Swedish Gazette (Post- och Inrikes Tidningar) and by making the notice available on the company's website. At the same time, an advertisement informing that notice has been given must be placed in the Swedish business daily, Dagens Industri. According to the company's articles of incorporation, the AGM must be held in Stockholm, Sweden.

Right to attend the AGM

Shareholders who are registered directly in the shares ledger kept by Euroclear Sweden AB six working days before the AGM and who have notified the company of their intention to participate in the AGM not later than the date specified in the notice to attend the AGM, have the right to participate in the AGM and to vote the number of shares they hold. Shareholders whose shares are registered in the name of a nominee or trustee must register their shares with Euroclear in their own name for the right to participate in the AGM. Such registration may be temporary. Shareholders may participate in the AGM in person or by proxy, but by no more than two persons. Shareholders are usually able to register for the AGM in a number of different ways, described in more detail in the notice to attend.

Initiatives from shareholders

Shareholders who wish to have a matter addressed at the AGM are required to submit a request in writing to the Board. Usually, the request must be received by the Board no later than seven weeks before the AGM.

2023 Annual General Meeting

AlzeCure's Annual General Meeting was held on May 17, 2023. In addition to the customary agenda items, the AGM resolved the following:

- to reelect Thomas Pollare, Ragnar Linder, Ellen Donnelly and Eva Lilienberg as Board members and to elect Janet Hoogstraate as a new Board member, to serve until the end of the next AGM;
- to reelect Thomas Pollare as Chairman of the Board until the end of the next AGM;
- to reelect registered auditors Grant Thornton Sweden AB as the company auditor;
- that a fee be paid in the amount of SEK 250,000 to the Chairman of the Board and SEK 125,000 to each of the other Board members who are not employees of the company;
- that the auditors fee be paid against approved invoice;
- to approve the Board's remuneration report in accordance with Chapter 8. Section 53 a of the Swedish Companies Act;
- to resolve on the issue of warrants, program 2023/2026, to the Chief Executive Officer, and
- to authorize the Board to resolve on the new issue of shares, warrants and/or convertibles on one or more occasions before the next AGM, with or without deviation from shareholders' preferential rights, that involves the issue, subscription to or conversion to a number of shares corresponding to a maximum dilution of 20 percent of the total number of shares in the company at the time of the resolution. The new issues can be carried out with or without a provision regarding contribution in kind, set-off or other provisions referred to in Chapter 13, Section 5,

first paragraph 6, Chapter 14, Section 5, first paragraph 6 and Chapter 15, Section 5, first paragraph 4 of the Swedish Companies Act. The purpose of the authorization is to increase the company's financial flexibility and the Board of Directors' scope of action.

2024 Annual General Meeting

The Annual General Meeting will be held on Tuesday, May 14, in Stockholm. Notice convening the AGM will be announced through the Official Swedish Gazette (Post- och Inrikes Tidningar) and by making the notice available on the company's website. At the same time, an advertisement informing that notice has been given will be placed in the Swedish business daily, Dagens Industri.

Shareholders who are registered in the share register maintained by Euroclear Sweden AB on May 3, 2023, and register in accordance with the instructions in the notice of the Annual General Meeting, are entitled to participate in the meeting. Shareholders who wish to have an issue addressed at the AGM must submit a written request to the Board well in advance of the AGM. The Board may be contacted by letter at: Board of Directors, AlzeCure Pharma AB, Hälsovägen 7, 141 57 Huddinge, or by e-mail to: info@alzecurepharma.com

Nomination Committee

The 2019 AGM resolved to establish a nomination committee tasked with preparing resolutions prior to AGMs on matters concerning elections and fees and, where appropriate, procedural matters for the next nomination committee, and to establish instructions for said committee's work. The nomination committee must comprise the three largest shareholders as of September 30 in terms of votes, and who wish to participate in the nomination committee's work. The task of the nomination committee is to ensure that the members of AlzeCure's Board of Directors collectively have the relevant knowledge and experience to contribute to the company's satisfactory development over time.

Instructions concerning the work and composition of the nomination committee

The Chairman of the Board must contact the company's three largest shareholders in terms of votes according to a transcript of Euroclear Sweden AB's shares ledger on September 30, and allow each to appoint a representative who, together with the Chairman of the Board, will constitute the nomination committee. Should any of them not exercise the right to appoint a member, the right to appoint such a member will be transferred to the next biggest shareholder in terms of votes who does not already have the right to appoint a member to the nomination committee. This procedure must continue until the nomination committee comprises three members excluding the Chairman of the Board. Unless otherwise agreed, the member representing the biggest shareholder in terms of votes must be appointed chairman of the nomination committee. The Chairman of the Board may not be chairman of the nomination committee.

The Chairman of the Board must convene the nomination committee's first meeting and also, as part of the nomination committee's work, present to it the conditions regarding the work of the Board and the requirement for special skills etc. that may be of importance for the nomination committee's work.

The names of nomination committee members must be published as soon as the nomination committee is appointed, but no later than six months before the next AGM. The nomination committee's term of office runs from the date when its composition is made public until such time as a new nomination committee is appointed.

If any change in the company's ownership structure takes place after September 30 but before the nomination committee's complete motions have been made public, and if a shareholder, who following this change has become one of the company's three biggest shareholders in terms of votes, expresses a wish to the nominating committee chairman to become a member of said committee, the shareholder has the right to appoint an additional member to the nomination committee. Furthermore, the nomination committee may resolve that a member, who in terms of votes has become significantly smaller than the third biggest company shareholder in terms of votes, must resign from the nomination committee if this is deemed appropriate.

If a member of the nomination committee resigns during the term of office or if said member is prevented from fulfilling the assignment, the nomination committee must urge the shareholder who appointed the member to appoint a new member within a reasonable time. Should any shareholder not exercise the right to appoint a new member, the right to appoint such a member will be transferred to the next biggest shareholder in terms of votes who has not already appointed, or who has declined the right to appoint, a member to the nomination committee. Changes to the composition of the nomination committee must be made public as soon as they take place.

The nomination committee must put forth proposals on the matters listed below for presentation to the AGM for resolution:

- proposal for Chairman of the meeting,
- proposal for Board of Directors,
- proposal for Chairman of the Board,
- proposal for board fees and their distribution between the Chairman and other members of the Board,
- proposals for fees to members of the remuneration and audit committees (where applicable),
- proposal for auditors,
- proposal for fees to auditors and to the extent considered necessary, proposals for amendments in current nomination committee regulations.

No fee shall be paid to the members of the nomination committee. These instructions are applicable until the AGM resolves otherwise.

Nomination committee for the 2024 Annual General Meeting

The company's nomination committee for the 2024 Annual General Meeting consists of:

- William Gunnarsson, appointed by BWG Invest Sàrl
- Rolf Karlsson, appointed by FV Group AB
- Peter Thelin, appointed by Sjuenda Holding AB
- Thomas Pollare (Chairman of the Board)

Guidelines for remunerations to senior executives

The 2020 Annual General Meeting resolved to adopt the following guidelines, which shall be in effect until the 2024 Annual General Meeting, for remuneration of senior executives:

AlzeCure Pharma shall offer a total compensation package at market levels that enables skilled senior executives to be recruited and retained. Remuneration to the CEO and other senior executives may consist of basic salary, variable remuneration, other benefits and pension. The basic salary forms the basis of the total remuneration and shall be proportionate to the executive's responsibilities and authority. The variable remuneration must not exceed an amount equal to six months' salary for the executive concerned. The variable remuneration is based on performance in relation to individually defined qualitative and quantitative measures, and also on the performance of the company relative to targets set by the Board of Directors. Pensionable pay consists only of basic salary. Pension benefits shall be offered on market terms in relation to what applies to corresponding executives in the market.

The notice period shall be at least three months if employment is terminated on the initiative of the senior executive and between three and twelve months if terminated by the company. No severance pay is due on termination of employment. Any share and share-related programs shall be decided by the general meeting. Allocations will be made in accordance with the resolutions passed by the general meeting. Other than as follows from employment contracts as described above, the senior executives are not entitled to any benefits after their employment/duties have ended.

The CEO's remuneration shall be set and approved by the Board of Directors. Remuneration to other senior executives shall be set by the Chief Executive Officer. The Board shall follow up and evaluate the application of the guidelines and current compensation structures and compensation levels in the company. The Board of Directors shall be entitled to deviate from the above guidelines for remuneration of senior executives if there is particular reason to do so.

The guidelines apply to employment contracts entered into after adoption of this decision on guidelines, and to any changes made to existing terms after this decision. New guidelines will be adopted at the annual general meeting on May 14, 2024, no major changes are expected.

Board of Directors

The responsibilities of AlzeCure Pharma's Board are governed by the Swedish Companies Act and the articles of incorporation. According to the Swedish Companies Act, the Board of Directors is responsible for administration and organization, which means it is responsible for such things as establishing objectives and strategies, ensuring that procedures and systems for evaluating objectives are in place; the ongoing evaluation of the company's financial performance and position, and evaluating its operational management. The Board is also responsible for ensuring that the annual accounts and, where appropriate, consolidated financial statements and interim reports are prepared in a timely manner. The Board also appoints the CEO.

Board members are elected annually at the AGM for the period up until the end of the next AGM. According to the company's articles of incorporation, the Board must comprise no fewer than three and no more than ten members without alternates.

Chairman of the Board

The Chairman of the Board is elected by the Board or where appropriate by the AGM; the Chairman bears particular responsibility for the management of the work of the Board and ensuring that such work is well organized. The Chairman of the Board is also responsible for ensuring the Board evaluates its work annually and that the Board is provided with information sufficient to enable its work to be performed effectively.

The Chairman of the Board is also responsible for ensuring that the Board is provided with satisfactory documentation in support of its work, and for contacts with shareholders on ownership matters and for conveying the views of the owners to the Board.

Board procedures

In addition to the provisions of the Swedish Companies Act, the Board follows written rules of procedure that are revised annually and adopted by the Board at the statutory annual board meeting held following the AGM in which elections to the Board have taken place. The rules of procedure govern e.g. the allocation of assignments and responsibilities between the board, the Chairman of the Board and the CEO and it specifies the procedure for the CEO's financial reporting.

At the first Board meeting, the Board also sets forth and adopts instructions for the CEO. The Board's work is evaluated on an ongoing basis.

The Board meets according to an annual schedule laid down in advance. In addition to these meetings, further meetings may be arranged to address issues that cannot be referred to a scheduled meeting. In addition to Board meetings, the Chairman of the Board and the CEO maintain a dialog concerning the management of the company.

Board committees

Based on its size and composition, the Board has decided that the duties and assignments of a remuneration committee and audit committee are best performed by the Board as a whole, and has accordingly decided not to appoint any special committees.

Compensation to Board members

Compensation to the company's board members is resolved by the shareholders' meeting. The AGM of May 17, 2023 resolved that until the next AGM, a fee be paid in the amount of SEK 250,000 to the Chairman of the Board and SEK 125,000 to the other board members who are not employees of the company.

BOARD OF DIRECTORS		Attendance at Board meetings	Elected	Holdings, shares ¹⁾	Holdings, warrants	Independent in relation to the company and company management	Independent major owners
Name	Assignment						
Thomas Pollare	Chairman	8/8	2017	1,501,293	-	No	Yes
Ragnar Linder	Board member	8/8	2017	49,698	-	Yes	Yes
Ellen Donnelly	Board member	8/8	2018	-	-	Yes	Yes
Eva Lilienberg	Board member	8/8	2021	2,500	-	Yes	Yes
Janet Hoogstraate ²⁾	Board member	5/5	2023	25,000	-	Yes	Yes

1) Refers to own holding and that of physical related parties and legal persons.

2) Elected at Annual General Meeting May 17, 2023

Composition of the Board

The company's Board comprises five members including the Chairman, who were elected at the general meeting to serve until the end of the 2024 AGM. All members were elected by the AGM held May 17, 2023. The Board met eight times in 2023. The attendance of individual members at meetings is shown in the table above. All of the meetings during the year followed approved agendas that were provided, together with documentation for each agenda item, to Board members prior to Board meetings. The CEO participates in Board meetings but has no vote. Each scheduled Board meeting includes a review of the current business situation, the company's economic performance and financial position and the outlook for the rest of the year. The minutes recorded at these meetings are decision-making minutes. See pages 45–46 for a description of the members of the Board of Directors.

The CEO and other senior executives

The CEO is appointed by, and is subordinate to, the Board of Directors and bears primary responsibility for the company's day-to-day administration and its daily operations. The CEO must comply with the Board of Directors' guidelines and instructions. The distribution of assignments between the Board of Directors and the CEO is set forth in the Board's rules of procedure and the CEO's instructions. The CEO is also responsible for preparing reports and compiling information from management prior to Board meetings and presents materials at Board meetings.

According to the instructions for financial reporting, the CEO is responsible for such in AlzeCure and must therefore ensure that the Board of Directors is provided with sufficient information to enable it to evaluate AlzeCure's financial position on an ongoing basis.

The CEO must keep the Board of Directors continuously informed of developments in the company's operations, sales trends, earnings and financial position, the liquidity and credit situation, important business events and other circumstances that the Board is aware of that cannot be regarded as insignificant for the company's shareholders (such as material disputes and the termination of agreements essential to the company and other significant circumstances affecting operations).

Company management, headed by the CEO of the company, consists of people in charge of key business areas at AlzeCure. The CEO and other senior executives are presented in greater detail on pages 47–48.

Remuneration and employment terms for the CEO and other senior executives

The Board decides on compensation to the CEO, and the CEO decides on conditions for other senior executives and employees.

Compensation to senior executives who are employees can consist of a basic salary, pension and other benefits. Periods of notice and compensation in the event of termination are individual and governed by the applicable employment contract. Compensation to the CEO consists of a fixed monthly salary, as well as a variable potential compensation beginning in 2021. The notice period is six months for the CEO and 12 months if terminated by the company. Under his employment contract, the CEO has the right to compensation from the company amounting to the difference between the CEO's salary at the time the contract is terminated and any new salary the CEO receives during a period of 12 months from the time the contract is terminated. However, this compensation may not amount to more than 60 percent of the monthly salary the CEO received from the company. AlzeCure's employment agreements include provisions under which all intellectual property rights developed by an employee as part of his or her employment will accrue to AlzeCure. The company's employment agreements contain restrictions on competition.

Other than as described above, no senior executive has the right to compensation after termination of employment.

For more information about remuneration to the CEO and senior executives, see note 6.

New guidelines will be adopted at the annual general meeting on May 14, 2024, no major changes are expected.

Share-related compensation programs

In 2020 the company provided an incentive program with warrants aimed at the Chief Executive Officer. A total of 300,000 warrants were issued. The warrants, which were issued at the market price based on an external valuation as of May 20, 2020, entitled the

holder to subscribe for shares during the period June 15, 2023 – July 5, 2023. The warrants were not exercised.

The company also offered an incentive program in 2023 with warrants, once again aimed at the Chief Executive Officer. A total of 500,000 warrants were issued. The warrants, which were issued at the market price based on an external valuation as of May 17, 2023, entitle the holder to subscribe for shares during the period July 1, 2026 – August 1, 2026. The issue price for newly subscribed shares totaled 150 percent of the volume-weighted average closing price for the company's shares on the Nasdaq First North Premier Growth Market during the 10 trading days preceding the Annual General Meeting on Wednesday, May 17, 2023, which gave a cash price of SEK 6.70 per share. The incentive program also requires the Chief Executive Officer to be active in the company. For more information, please see the minutes from the AGM of May 17, 2023.

The total dilutive effect is 0% as of the closing date.

Audit

The company's statutory auditor is appointed by the AGM. The auditor must examine the company's annual report, its accounting records and the administration of the Board of Directors and the Chief Executive Officer. Following the end of each financial year, the auditor must submit an auditor's report to the AGM. According to the company's articles of incorporation, it must have one or two auditors and no more than one alternate auditor.

Grant Thornton Sweden AB (Box 7623, SE 103 94 Stockholm, Sweden) has been the company's auditor since 2017, with Camilla Nilsson as auditor-in-charge since 2019. Camilla Nilsson is an Authorized Public Accountant and a member of FAR, the Swedish Institute of Authorized Public Accountants.

Resolutions concerning compensation to auditors are passed by the general meeting. The AGM of May 17, 2023 resolved that the auditor's fee be paid against approved invoice. For more information about remuneration to auditors, see note 5.

Internal controls

The company has decided not to set up any special function for internal control; instead this task is carried out by the Board of Directors as a whole. Each year, the Board evaluates the need to establish a special internal audit department.

The Board of Directors bears overall responsibility for internal control and for ensuring that the company's financial reporting, management and operations are monitored and controlled in a satisfactory manner. Provisions in the Swedish Companies Act and the Swedish Annual Accounts Act require the inclusion of information about the most important features in AlzeCure's system for internal control and risk management in the company's Corporate Governance Report. In order to maintain good internal control, the Board has established a number of policy documents such as the Board's rules of procedure, the CEO instruction, instructions for financial reporting, and an information and communications policy. AlzeCure's CEO has ultimate responsibility for ensuring that the work on and monitoring of the company's internal control are conducted in accordance with the method decided on by the Board. The overall purpose of internal control is to provide reasonable assurance that the company's operational strategies, objectives and defined risks are monitored and that the owners' investment is protected.

Internal control includes control of the company's organization, procedures and actions. The aim is also to ensure reliable and accurate financial reporting; that the company's financial reporting is performed in compliance with the law and applicable accounting standards and that other requirements are met.

The internal control system also seeks to monitor compliance with the company's guidelines, principles and instructions. Furthermore, the protection of the company's assets and the appropriate and cost-effective use of the company's resources are also monitored. Internal control is also carried out by monitoring by means of the implemented information and business management systems, and by analyzing risks. A review of financial statements and reporting paths takes place at every Board meeting.

See pages 45–48 for more information about the composition of the Board of Directors and the management group.



Board of Directors and auditor

According to the company's articles of incorporation, the Board must comprise no fewer than three and no more than ten members with no alternates. The Board currently comprises five members with no alternates. The Board members were elected to serve until the end of the 2024 AGM.



THOMAS POLLARE

Born: 1953

Chairman of the Board and Board member since 2017.

Education/experience: Thomas Pollare holds an M.D. from Karolinska Institutet and a PhD from Uppsala university. He was previously a partner in the Venture Capital company 3i. He has held VP positions at both Pharmacia Corp and Schering-Plough Inc. He has been responsible for the market approval of several pharmaceutical products in various therapeutic areas and which generated billions in annual sales. Thomas has international experience of board work in major corporations, start-up companies, public companies and private equity investments.

Current assignments: Chairman of the Board and CEO of Oncolution AB. Chairman of the Boards of AC Intressenter AB, Sinfonia Biotherapeutics AB, AlzeCure Discovery AB and Stiftelsen AlzeCure. Board member, Psilox AB and Premalux AB.

Completed assignments (past five years): Chairman of the boards of A3P Biomedical AB and BioWorks Technologies AB. Member of the boards of Pharmaceuticals Sales & Development Sweden AB, Cereno Scientific AB, Premacure Holding AB, Premacure AB, Xellia Pharmaceuticals ApS, and SSI Diagnostica A/S.

Holdings: 1,501,293 shares.

Dependent in relation to the company and company management, but independent in relation to the company's largest shareholders.



RAGNAR LINDER

Born: 1953

Board member since 2017.

Education/experience: Ragnar Linder has a Master of Science degree in Chemical Engineering from KTH Royal Institute of Technology. Ragnar is a co-founder of Pygargus, a research company in the field of real-world evidence, which was bought by IMS Health (currently IQVIA) in 2013 and in which Ragnar has held senior positions ever since. He has also held several senior positions in Amgen Nordic (CEO), Aventis, HMR and Hoechst. Ragnar has also been a member of the boards of several biotech, pharmaceutical and CRO companies. Today, Ragnar is an independent consultant.

Current assignments: Member of the board of Pharmacolog i Uppsala AB, Tegnér Biotech Consulting AB and 3 D Trace AB.

Completed assignments (past five years): Member of the board of R. Linder Holding AB.

Holdings: 49,698 shares.

Independent in relation to the company, company management, and the company's major shareholders.



ELLEN DONNELLY

Born: 1974

Board member since 2018.

Education/experience: Ellen Donnelly has a Ph.D. from Yale University Medical School (USA). Ellen has previously held various executive positions in clinical development, project management, research and strategy at Pfizer. Prior to working at Pfizer, Ellen held various positions in American biotechnology and management consultancy companies. Ellen's experience in Swedish biotech includes CEO of Modus Therapeutics (2016 – 2019) and she is currently CEO of Abliva AB, a biotech company based in Lund focused on mitochondrial disease.

Current assignments: CEO, Abliva AB. Board member of Modus Therapeutics Holding AB.

Completed assignments (past five years): CEO of Modus Therapeutics Holding AB (publ) and Modus Therapeutics AB. CEO, Epigenetics Division of Juvenescence; CEO, Souvien Therapeutics.

Holdings: No holdings.

Independent in relation to the company, company management, and the company's major shareholders.



EVA LILIENBERG

Born: 1956

Board member since 2021.

Education/experience: Eva Lilienberg holds an M.Sc. in pharmaceutical sciences. Eva has broad international regulatory and commercial experience. She also has solid experience of drug development from various senior management positions at Merck, Sharp & Dohme (MSD), with a focus on New Products/Regulatory Affairs, and has led international teams with the aim of optimizing development programs to ensure that pharmaceutical products are approved, reimbursed and commercially viable. Eva has worked actively with regulatory bodies such as the FDA and the EMA. She has also held various positions at international pharmaceutical companies such as AstraZeneca and HMR (now Sanofi) and has worked as a consultant at several small and medium-sized pharmaceutical companies. Eva has been certified as a Board member by Styrelseakademien.

Current assignments: Consultant and CEO of Kapitel Tre AB. Board member of the Regulatory Affairs section of the Swedish Society of Pharmaceutical Sciences.

Completed assignments (past five years): Service Area lead/Principal Consultant for drug development project at NDA Regulatory Services AB.

Holdings: 2,500 shares.

Independent in relation to the company, company management, and the company's major shareholders.



JANET HOOGSTRAATE

Born: 1967

Board member since 2023.

Education/experience: Dr Janet Hoogstraate has many years of experience in life science, with leading roles at companies such as Astra Zeneca. She has a PhD in Biopharmaceutical Sciences from the University of Leiden in the Netherlands and an eMBA from Hult International Business School. Janet has a strong interest and extensive knowledge in neuroscience research and has held positions such as chairwoman of the board of the Stockholm Brain Institute. Janet is currently CEO of NorthX Biologics AB, and her extensive experience in preclinical research, the field of pain and biotech will be a great asset for AlzeCure.

Current assignments: CEO, NorthX Biologics AB. Member of the board and CEO of Hoogstraate Consulting AB. Member of the board of Mireca Medicines GmbH. Member of the Advisory Board for the Dutch Chamber of Commerce in Sweden. Member of the Portfolio Management Board for ENABLE2.

Completed assignments (past five years): CEO Valneva Sweden AB.

Holdings: 25,000 shares.

Independent in relation to the company, company management, and the company's major shareholders.

AUDITOR

The company's statutory auditor is appointed by the AGM. According to the company's articles of incorporation, it must have one or two auditors and no more than one alternate auditor.

Grant Thornton Sweden AB (Box 7623, SE 103 94 Stockholm, Sweden) has been the company's auditor since 2017, with Camilla Nilsson as auditor-in-charge since 2019. Camilla Nilsson, born 1973, is an Authorized Public Accountant and a member of FAR, the Swedish Institute of Authorised Public Accountants.

Senior executives

The management group includes the following people:



MARTIN JÖNSSON

Born: 1968

CEO since January 8, 2020.

Education/experience: Martin Jönsson holds an M.Sc. in business from the University of Lund, and has also studied at the University of Freiburg, Germany and the University of Ottawa, Canada. Martin Jönsson has more than 20 years of experience in the global pharmaceutical industry and has held several senior positions, with experience in business development, marketing, sales, alliance management and medical affairs. Previous employers include Roche and Ferring Pharmaceuticals. Martin has worked internationally, including several years in the US.

Current assignments: None.

Completed assignments (past five years): Senior positions in a variety of fields at Ferring Pharmaceuticals, including business area manager for several therapeutic areas.

Holdings: 409,466 shares and 300,000 share options.



JOHAN SANDIN

Born: 1970

CEO 2017–2019, CSO from January 8, 2020.

Education/experience: Johan Sandin holds a PhD from Karolinska Institutet with a focus on neuropharmacology and has substantial international academic and industrial experience (>20 years). He has previously worked at AstraZeneca, where he held scientific, project and executive positions in charge of in vitro biology, in vivo pharmacology and biochemical biomarkers within the CNS field.

Current assignments: Member of the board and CEO at Sandin Pharma Consulting AB. Member of the board of AC Intressenter AB. CEO of AlzeCure Discovery AB.

Completed assignments (past five years): Member of the board and deputy CEO at ArgusEye AB.

Holdings: 875,834 shares.

Name	Position	Employed/ worked for AlzeCure	Holdings, shares ¹
Martin Jönsson	Chief Executive Officer	2020	409,466
Johan Sandin	Chief Scientific Officer	2017	875,834
Birgitta Lundvik	CFO	2017	122,500
Pontus Forsell	Head of Discovery & Research	2017	907,477
Märta Segerdahl	Head of Development	2021	74,166

1) Refers to own holding and that of physical related parties and legal persons.



BIRGITTA LUNDAVIK

Born: 1967

CFO since 2017.

Education/experience: Birgitta Lundvik holds an M.Sc. in business from Uppsala University and an eMBA in finance from the Stockholm School of Economics, Sweden. Birgitta Lundvik has more than 25 years of experience from software development, life science and real estate companies. She has been involved in several M&A projects and has broad experience of venture capital companies.

Current assignments: Chairman of the Board of HERAccount AB. Member of the board and CEO of Enable – Finance & Business Development in Sweden AB. Board member of Brf Arken. Alternate member of the board of Helander & Lundvik Ekonomikonsulter AB and Balanced Competence Uppsala Redovisningsbyrå AB.

Completed assignments (past five years): Secretary and Treasurer of Favro North America Inc. Deputy chairman of Swedsoft. Chair of the board of LobSor Pharmaceuticals AB. Member of the board and CEO of Hansoft Technologies AB. CEO of Favro AB and Favro Holding AB.

Holdings: 122,500 shares.



PONTUS FORSELL

Born: 1967

Head of Discovery & Research, engaged as a consultant since 2017, employed since 2019.

Education/experience: Pontus Forsell holds a PhD in Medical Biochemistry & Biophysics from Karolinska Institutet, Sweden. Pontus Forsell has more than 20 years of experience from several biotech and pharmaceutical companies, such as Biolipox, Orexo, Merck and AstraZeneca, in project and management positions. He is an expert in early phase drug development within the disease areas neurology, analgesia and inflammation, as well as respiratory diseases.

Current assignments: Member of the board and CEO of Research, Education & Training AB (RETAB).

Completed assignments (past five years): None.

Holdings: 907,477 shares.



MÄRTA SEGERDAHL

Born: 1956

Head of Development since 2021.

Education/experience: Märta Segerdahl holds an MD, a PhD, and is an associate professor; she trained at Karolinska Institutet. Märta has board certification in anesthesia, intensive care and pain medicine. Märta has substantial international, academic and industrial experience in the field of CNS and pain. Following 25 years in clinical medicine, she joined AstraZeneca in 2006, and since then has worked within the global pharmaceutical industry at Grünenthal, Lundbeck and Asarina Pharma, where she has held senior positions in translational medicine, external collaborations and clinical development within the field of CNS.

Current assignments: Member of the board and CEO at MS Medical Consulting AB. Board member and Vice President of Christian Storck Management AB.

Completed assignments (past five years): Senior positions at Lundbeck A/S, Asarina Pharma Apse.

Holdings: 74,166 shares.

Financial Reports



Income statement and other comprehensive income

SEK thousand	Note	2023	2022
Net sales		0	0
Operating expenses	6.7		
Research expenses		-27,707	-46,183
Administrative expenses	5	-10,598	-10,168
Other operating income	4	147	139
Other operating expenses		-104	-230
Operating profit/loss		-38,262	-56,442
Profit/loss from financial items			
Interest income and similar profit/loss items		1,102	207
Interest expenses and similar profit/loss items		-7	-4
Loss after financial items		-37,167	-56,239
Earnings for the year and comprehensive income	8	-37,167	-56,239
Earnings for the period per share, basic, SEK		-0.60	-1.18
Earnings for the period per share, diluted, SEK		-0.60	-1.18
Average number of shares, basic		62,087,012	47,696,091
Average number of shares, diluted		62,087,012	48,051,091

Balance sheet

SEK thousand	Note	Dec. 31, 2023	Dec. 31, 2022
ASSETS			
Capital subscribed but not yet paid in		0	42,455
Non-current assets			
<i>Intangible fixed assets</i>			
Project rights	9	17	17
Total intangible fixed assets		17	17
<i>Tangible fixed assets</i>			
Equipment, tools and installations	10	376	852
Total tangible fixed assets		376	852
<i>Financial fixed assets</i>			
		0	7
Total non-current assets		393	876
Current assets			
<i>Current receivables</i>			
Other current receivables		1,469	1,377
Prepaid expenses and accrued income		1,039	551
Total current receivables		2,508	1,928
Cash and bank balances	12	29,100	25,577
Total current assets		31,608	27,505
TOTAL ASSETS		32,001	70,836

SEK thousand	Note	Dec. 31, 2023	Dec. 31, 2022
EQUITY AND LIABILITIES			
Restricted equity			
	11		
Share capital		1,552	1,268
Share capital not registered		0	284
Total restricted equity		1,552	1,552
Unrestricted equity			
	11		
Share premium reserve		362,440	361,981
Accumulated profit/loss		-303,051	-246,812
Profit/loss for the year		-37,167	-56,239
Total unrestricted equity		22,222	58,930
Total equity		23,774	60,482
Current liabilities			
Trade payables		2,687	4,845
Other current liabilities		592	333
Accrued expenses and deferred income	14	4,948	5,176
Total current liabilities		8,227	10,354
Total liabilities		8,227	10,354
TOTAL EQUITY AND LIABILITIES		32,001	70,836

Statement of change in equity

SEK thousand	Share capital	Share premi- um reserve	Accumulated profit/loss	Profit/loss for the year	Total equity
Opening balance January 1, 2022	944	278,842	-169,031	-77,781	32,974
Appropriation of earnings			-77,781	77,781	0
Rights issue	303	48,187			48,490
Issue expenses		-7,231			-7,231
Set-off issue	21	2,978			2,999
Issue expenses		-113			-113
Rights issue ¹⁾	284	42,292			42,576
Issue expenses		-2,974			-2,974
Earnings for the year and comprehensive income				-56,239	-56,239
Closing balance December 31, 2022	1,552	361,981	-246,812	-56,239	60,482
Opening balance January 1, 2023	1,552	361,981	-246,812	-56,239	60,482
Appropriation of earnings			-56,239	56,239	0
Rights issue					0
Issue expenses		39			39
Warrants 2023/2026		420			450
Earnings for the year and comprehensive income				-37,167	-37,167
Closing balance December 31, 2023	1,552	362,440	-303,051	-37,167	23,774

1) The share capital was in the registration process at the closing date.

Cash flow statement

SEK thousand	Note	2023	2022
Operating activities			
Operating loss before financial items		-38,262	-56,442
<i>Adjustment for items not included in cash flow, etc.</i>			
Depreciation and amortization		476	570
Interest received		1,102	207
Interest paid		-7	-4
Cash flow from operating activities before changes in working capital		-36,691	-55,669
Statement of change in working capital			
Change in current receivables	15	41,875	-41,923
Change in trade payables		-2,158	-1,126
Change in current operating liabilities		31	-1,193
Net cash flow from operating activities		3,057	-99,911
Investing activities			
Repayment of financial fixed assets		7	0
Cash flow from investing activities		7	0
Financing activities			
Issues		420	94,065
Issuance expenses		39	-10,318
Cash flow from financing activities		459	83,747
Cash flow for the year		3,523	-16,164
Cash and cash equivalents at beginning of the year		25,577	41,741
Cash and cash equivalents at end of the year		29,100	25,577

Notes

NOTE 1 General information

General information

This annual report concerns the Swedish company AlzeCure Pharma AB (publ), corporate ID number 559094-8302. The company is registered and domiciled in Stockholm, Sweden. The company was formed on November 22, 2016 and its shares have been listed on the Nasdaq First North Premier Growth Market since November 28, 2018. The company's address is Hälsovägen 7, SE 141 57 Huddinge.

The nature of the business

AlzeCure Pharma AB (publ), hereinafter as AlzeCure®, was founded on November 22, 2016 and is domiciled in Stockholm.

AlzeCure is a Swedish pharmaceutical company engaged in innovative small molecular drug research with a primary focus on Alzheimer's disease and pain. The company is listed on Nasdaq First North Premier Growth Market and is developing four drug candidates based on the two research platforms, NeuroRestore® and Alzstatin®. The company also has two projects in the field of pain, TrkA-NAM and ACD440. The ADC440 project was acquired in January 2020. AlzeCure carries out research in laboratories located at Novum at Karolinska Institutet in Huddinge.

FNCA Sweden AB is the company's Certified Adviser. For more information, please visit www.alzecurepharma.com.

NOTE 2 Accounting policies and valuation principles

General Information, compliance with IFRS and the going concern principal

This annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU) with the restrictions arising from the Swedish Annual Accounts Act and RFR 2 Accounting for legal entities. AlzeCure Pharma does not constitute a group.

AlzeCure has only one line of business and only operates in Sweden. The chief operating decision maker is the Chief Executive Officer. The company is not anticipated to have any direct revenues until its products are launched on the market or licensed for external production. Consequently, segment reporting is not relevant.

The annual accounts have been drawn up under the proviso that the company conducts its business according to the going concern principle.

IAS 1 design of financial reports, has been changed in its writing regarding accounting principles where requirements for disclosure of significant

accounting principles have been replaced with requirements for disclosure of material information about accounting principles.

The annual report for AlzeCure Pharma AB (publ) for the financial year ending on December 31, 2023 has been approved by the Board of Directors and Chief Executive Officer and will be presented to the Annual General Meeting on May 14, 2024 for adoption.

The annual report was prepared using the accruals concept and based on cost. Monetary amounts are expressed in Swedish crowns (SEK), which is the company's accounting currency, and rounded to the nearest thousand unless otherwise indicated.

Non-current assets and non-current liabilities consist in all material respects of amounts that are expected to be recovered or settled more than twelve months from the closing date. Current assets and current liabilities consist in all material respects of amounts that are expected to be recovered or settled within twelve months of the closing date.

Currency translation

Foreign currency transactions are translated into the accounting currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities in foreign currency are translated to the accounting currency at the exchange rate prevailing on the closing date.

Exchange rate differences that arise from translations are reported under profit/loss for the year. Exchange-rate gains and losses on operating receivables and liabilities are reported under operating profit/loss while exchange-rate gains and exchange-rate losses on financial receivables and liabilities are reported as financial items.

Revenue

Because the company conducts operations that to date have only included pharmaceutical research, it has not yet entered into any agreements with customers and thus does not report any revenues.

Other income – Reporting public subsidies

Public subsidies are reported at fair value. Subsidies received intended for covering costs are reported under Other operating income during the period in which the costs eligible for subsidy arise.

Operating expenses

Operating expenses are reported under profit/loss when the service is used or when the event has occurred.

Research expenditures are reported as expenses under Research expenses as they arise. Thus the item Research expenses includes expenditures for research aimed at obtaining new scientific or technical knowledge.

Pensions

The company's pension commitments only include defined contribution plans. A defined contribution pension plan is one where the company pays fixed premiums to a separate juridical entity. The company has no legal or constructive obligation to pay further contributions if the juridical entity lacks sufficient assets to pay all the employee benefits associated with the employees' service during the current or prior periods. Thus the company has no additional risk.

Income tax

Income tax consists of current tax and deferred tax. Income tax is reported in the income statement except when the underlying transaction is reported in equity, in which case the associated tax effect is reported under equity.

Current tax is tax that must be paid or received in respect of the current year by applying the tax rates that were enacted, or announced, as of the closing date. Adjustments of current tax attributable to prior periods are also reported under current tax.

As yet, the company does not meet requirements for capitalizing deferred tax assets on tax losses.

Non-current assets

The carrying amount of an intangible asset or tangible fixed assets is removed from the balance sheet when the asset is retired or disposed of or when no future economic benefits are anticipated from the use or retirement/disposal of the asset. Gains and losses that arise from the disposal or retirement of an asset consist of the difference between the sales price and the asset's carrying amount less deductions for direct selling expenses. Profit and loss are reported as other operating income/expense.

Intangible fixed assets

Intangible fixed assets consist of project rights in respect of NeuroRestore and are reported at cost as the project is not yet concluded. Cost includes expenditures directly attributable to the acquisition of the asset.

Intangible fixed assets that have a limited useful life are depreciated systematically over the asset's estimated useful life. Useful life is tested at every balance sheet date and adjusted as necessary. Depreciation commences upon completion. When the depreciable amounts of the assets are determined, the asset's residual value is taken into account where applicable.

cont. note 2

Development expenditures are capitalized when they meet the criteria under IAS 38, i.e. when research proceeds to development and the total work is estimated to reach significant amounts. Otherwise, development expenditures are expensed as normal operating expenses. The most important criteria for capitalization are that the development's end product has demonstrable future earnings, cost-saving or cash flow potential and that there are technological and financial conditions for completing development work once started. The company's research has not advanced far enough to be capitalized. The company currently only has acquired intangible assets. Work before Phase III is in principle not considered capitalizable.

Tangible fixed assets

Tangible fixed assets are reported at cost after deductions for accumulated depreciations and any impairments. Cost includes the purchase price and expenditures directly attributable to an asset in order to bring it to the position and condition necessary for use in accordance with the purpose of the acquisition.

Tangible fixed assets that have a limited useful life are depreciated systematically over the asset's estimated useful life. Useful life is tested at every balance sheet date and adjusted as necessary. The estimated useful life of the company's tangible fixed assets is five years. Depreciation commences upon completion. When the depreciable amounts of the assets are determined, the asset's residual value is taken into account where applicable.

Impairment charges

Assets are considered for impairment whenever events or changes in circumstances indicate that the asset's carrying amount may not be recoverable. An impairment loss is reported in the amount by which the asset's carrying amount exceeds its recoverable value. The recoverable value is the asset's fair value less selling expenses or its value in use, whichever is the higher. When calculating value in use, the estimated future cash flows are discounted to present value at a discount rate before tax that reflects current market assessments of the time value of money and the risks associated with the asset.

When assessing the need to recognize impairment, assets are grouped at the lowest levels at which there are in all material respects independent cash-flows (cash generating units). Assets previously impaired are tested on the closing date to see if a reversal is necessary.

Financial instruments

Reporting and valuation at initial recognition

A financial instrument is any form of contract that gives rise to a financial asset or financial liability. Financial assets in the balance sheet refer to trade receivables, other receivables and cash and cash equivalents. Financial liabilities include trade payables, lease liabilities and contractual accruals. Financial assets and liabilities are reported when the company becomes party to an agreement in respect of the financial instrument's agreed conditions. The carrying amount is a reasonable approximation of fair value.

Financial assets are removed from the statement of financial position/ balance sheet when the contractual rights in respect of the financial asset expire, or when the financial asset and all significant risks and benefits are transferred. A financial liability is removed from the statement of financial position/balance sheet when it is extinguished, i.e. when it is discharged, canceled or expires.

Financial assets and liabilities are offset and netted in the balance sheet only when there is a legally enforceable right to offset the recognized amounts and an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Classification and valuation of financial assets upon initial recognition

Trade receivables that do not include a significant financing component are initially measured at fair value adjusted for transaction expenses (where appropriate).

In 2023, which is included in the financial report, the company only reports financial assets that are categorized as measured at amortized cost. This is consistent with the measurement in 2022.

The classification is determined by:

- the company's business model for the administration of the financial asset, and
- the properties of the contractual cash flows from the financial asset.

Financial assets are measured at amortized cost if the assets meet the following criteria and are not recognized at fair value through profit or loss:

- they are held within the framework of a business model whose objective is to hold the financial assets and collect the contractual cash flows, and
- the contractual conditions for the financial assets give rise to cash flows that are only payments for the capital amount and interest on the outstanding principal.

All revenues and expenses in respect of the financial assets reported in the income statement are classified as interest income or interest expenses.

Subsequent valuation

Financial assets measured at amortized cost

Following initial recognition, financial assets are measured at amortized cost by using the effective interest method. Discounting is omitted if the effect is insignificant. The company's cash and cash equivalents, trade receivables and most other receivables belong to this category of financial instruments.

Classification and measurement of liabilities

The company's financial liabilities include trade accounts payable and other liabilities. Financial liabilities are initially measured at fair value adjusted for transaction expenses. Following initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents only include bank balances.

Contingent liabilities

A contingent liability is reported when there is a possible obligation that arises from past events and whose existence is confirmed only by the occurrence of one or more uncertain future events or when there is an obligation that is not reported as a liability or provision because it is not likely that an outflow of resources will be required.

Equity, reserves and dividends

Equity in the company consists of the following items:

- Share capital representing the nominal value of issued and registered shares.
- Share premium reserve including equity premiums obtained on rights issues. Any transaction expenses associated with the rights issue are deducted from the share premium reserve taking into account any income tax effects.
- Profit or loss brought forward, i.e. all retained earnings or losses for the current and prior periods.

Transactions with the company's owners, such as shareholder contributions and dividends, are reported separately in equity.

Cash flow statement

The cash flow statement was prepared according to the indirect method. The reported cash flow includes only those transactions that entail receipts or payments. The company classifies available bank deposits as cash and cash equivalents.

NOTE 3 Significant estimations and uncertainties in assessments

Significant estimates

Preparing the financial statements in accordance with IFRS, while taking into account relief rules in RFR2, requires company management and the Board of Directors to make estimations, assessments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual outcomes may deviate from these estimations.

Uncertainties in assessments

The estimations and assumptions are evaluated on an ongoing basis. Changes in estimations are reported in the period in which the change is made if the change only affects that period, or in the period in which the change is made and future periods if the change affects both the current and future periods.

cont. note 3

The demarcation between research expenses and development expenses constitutes a source of uncertainties in estimations and entails a significant risk of substantial adjustment to the value of an asset or liability during the coming financial year. Apportioning research and development phases in new development projects, and determining whether or not the requirements for capitalizing development expenses have been met, requires estimations.

An important part of this estimation takes place when the company proceeds from a research phase to a development phase, as this is when this demarcation issue arises. Because the company's operation as yet focuses solely on research, there is currently no need for such an estimation.

Another source of uncertainty lies in estimating the extent to which deferred tax assets can be reported based on an estimation of the likelihood of the company's future taxable revenues against which the deferred tax asset can be exercised. Accordingly, the company has not reported any deferred tax assets.

NOTE 4 Other operating income

	Jan. 1, 2023 –Dec. 31, 2023	Jan. 1, 2022 –Dec. 31, 2022
Exchange rate gains	82	127
Government assistance, etc., received	0	11
Other operating income	65	1
Total	147	139

NOTE 5 Remuneration to auditors

	Jan. 1, 2023 –Dec. 31, 2023	Jan. 1, 2022 –Dec. 31, 2022
Grant Thornton Sweden AB		
Audit assignment	191	175
Audit activities in addition to the audit assignment	64	55
Total	255	230

NOTE 6 Salaries, other remuneration and social security expenses

	Jan. 1, 2023 –Dec. 31, 2023	Jan. 1, 2022 –Dec. 31, 2022
Average number of employees		
Women	7	9
Men	4	4
Total	11	13
Salaries, remuneration, social security contributions and pension expenses		
Salaries and remuneration to the Board of Directors and the Chief Executive Officer	2,738	2,594
Salaries and remuneration to other employees	7,922	9,558
Total	10,660	12,152
Pension expenses for the Board of Directors and the Chief Executive Officer	580	507
Pension expenses for other employees	1,781	1,834
Statutory and contractual social security contributions	2,484	2,691
Total	4,845	5,032
Board members and senior executives		
	Jan. 1, 2023 –Dec. 31, 2023	Jan. 1, 2022 –Dec. 31, 2022
Number of Board members on closing date		
Women	3	2
Men	2	2
Total	5	4
Number of CEOs and other senior executives		
Women	2	2
Men	3	3
Total	5	5

Information regarding compensation to the Board and senior executives, 2023

Name	Assignment	Basic salary/fee	Pension expense	Total
Thomas Pollare	Chairman of the Board	229	-	229
Eva Lilienberg	Board member	115	-	115
Ragnar Linder	Board member	115	-	115
Ellen Donnelly	Board member	115	-	115
Janet Hoogstraate ¹⁾	Board member	73	-	73
Martin Jönsson	CEO	1,895	580	2,475
Other senior executives		5,948	1,037	6,985
Total		8,490	1,617	10,107

1) Member of the Board of Directors beginning on May 17, 2023.

Information regarding compensation to the Board and senior executives, 2022

Name	Assignment	Basic salary/fee	Pension expense	Total
Thomas Pollare	Chairman of the Board	200	-	200
Eva Lilienberg	Board member	100	-	100
Ragnar Linder	Board member	100	-	100
Ellen Donnelly	Board member	100	-	100
Martin Jönsson	CEO	1,907 ¹⁾	507	2,414
Other senior executives		6,010	1,003	7,013
Total		8,417	1,510	9,927

1) SEK 261 thousand of this remuneration is the bonus for 2022.

Related party transactions

"Related parties" refers to all members of the Board and senior executives and their family members. The guiding principles for what constitutes related party transactions are set forth in IAS 24.

The Chairman and Board members are paid a fee in accordance with the AGM's resolution. The AGM of May 17, 2023 resolved that the Chairman of the Board would receive a fee in the amount of SEK 250,000 and that other Board members who are not employees of the company, will receive a fee in the amount of SEK 125,000 each. Board members are not entitled to any

cont. note 6

benefits after they have left the Board. During the second quarter of 2022, a consulting agreement was signed, on arm's-length terms, with the company R Linder Consulting, which is owned by Board member Ragnar Linder. The agreement covers consulting services related to business development. During the period from the signing of the agreement to December 31, 2023, the fee for consulting services totaled SEK 209 thousand, of which SEK 66 thousand relates to services in 2023. In addition, R Linder Consulting changed its name during the year to Tegnér Biotech Consulting AB.

Compensation to senior executives who are employees can consist of a basic salary, pension and other benefits. Periods of notice and compensation in the event of termination are individual and governed by the applicable employment contract. The notice period is six months for the CEO and 12 months if terminated by the company. Under his employment contract, the CEO has the right to compensation from the company amounting to the difference between the CEO's salary at the time the contract is terminated and any new salary the CEO receives during a period of 12 months from the time the contract is terminated. However, this compensation may not amount to more than 60 percent of the monthly salary the CEO received from the company. In 2023 an incentive program was provided with warrants aimed at the Chief Executive Officer. AlzeCure's employment agreements include provisions under which all intellectual property rights developed by an employee as part of his or her employment will accrue to AlzeCure. The company's employment agreements contain restrictions on competition.

Other than as described above, no senior executive has the right to compensation after termination of employment. In 2023, the company was not party to related party transactions that are singly or jointly of material importance for the company other than those described above.

NOTE 7 Expenses classified by type

	Jan. 1, 2023 –Dec. 31, 2023	Jan. 1, 2022 –Dec. 31, 2022
Personnel costs	-15,650	-17,334
Consultancy costs	-11,510	-28,180
Laboratory materials etc.	-2,441	-3,045
Patent expenses	-3,849	-2,751
Depreciation and amortization	-476	-570
Other	-4,482	-4,701
Total	-38,409	-56,581

NOTE 8 Tax on profit/loss for the year

	Jan. 1, 2023 –Dec. 31, 2023	Jan. 1, 2022 –Dec. 31, 2022
Current tax	-	-
Deferred tax	-	-
Total	-	-
Reconciliation of effective tax		
<i>Theoretical tax:</i>		
Loss before tax	-37,167	-56,239
Tax according to the applicable tax rate (20.6%)	7,656	11,585
<i>Tax effect of:</i>		
Non-deductible expenses	-7	-10
Deferred tax assets unrecognized	7,663	11,595
Total	7,656	11,585

Tax losses amount to SEK 310,373 thousand. However, it is uncertain how large a part will remain after future changes in ownership and those already made. There is no question of there being a need to report any deferred tax assets for these items, as the company will most likely continue making losses in the coming year.

NOTE 9 Project rights

	Dec. 31, 2023	Dec. 31, 2022
Opening cost	17	17
Cost for the year	-	-
Closing accumulated cost	17	17
Closing residual value according to plan	17	17

NOTE 10 Equipment, tools, fixtures and fittings

	Dec. 31, 2023	Dec. 31, 2022
Opening cost	2,895	2,895
Cost for the year	0	0
Closing accumulated cost	2,895	2,895
Opening depreciation	-2,043	-1,473
Depreciation for the year	-476	-570
Closing accumulated depreciation	-2,519	-2,043
Closing residual value according to plan	376	852

All depreciation is included in the item Research expenses.

NOTE 11 Equity

	Dec. 31, 2023	Dec. 31, 2022
Number of shares		
At the beginning of the period	62,087,012	37,765,715
Rights issues	0	24,321,297
At the end of the period	62,087,012	62,087,012

At the end of the year the company has 62,087,012 shares, with a quota value of SEK 0.025.

In 2020, the company launched an incentive program in the form of warrants to the Chief Executive Officer. A total of 300,000 warrants were issued. The warrants, which were issued at the market price based on an external valuation as of May 20, 2020, entitled the holder to subscribe for shares during the period June 15, 2023 – July 5, 2023. Subscription did not occur.

The company also offered an incentive program in 2023 with warrants, once again aimed at the Chief Executive Officer. A total of 500,000 warrants were issued. The warrants, which were issued at the market price based on an external valuation as of May 17, 2023, entitle the holder to subscribe for shares during the period July 1, 2026 – August 1, 2026. The issue price for newly subscribed shares totaled 150 percent of the volume-weighted average closing price for the company's shares on the Nasdaq First North Premier Growth Market during the 10 trading days preceding the Annual General Meeting on Wednesday, May 17, 2023, which gave a cash price of SEK 6.70 per share. The incentive program also requires the Chief Executive Officer to be active in the company. For more information, please see the minutes from the AGM of May 17, 2023.

The total dilutive effect is 0% as of the closing date.

NOTE 12 Pledged assets and contingent liabilities

There are no pledged assets other than a blocked bank account in the amount of SEK 50 thousand (50) for warranties, and the Board has not identified any contingent liabilities.

NOTE 13 Financial risk management and the company's asset management procedures

The company's activities expose it to various financial risks such as market risk (including currency risk in cash flow), credit risk and liquidity risk.

Market risk consists mainly of currency risks. The company collaborates with international parties and has some exposure to fluctuations in different currencies, in particular GBP, USD and EUR. Currency risk arises through future business transactions and the carrying amount of assets and liabilities. The company's net exposure in foreign currencies is limited because of the current scope of its operations.

The credit risk for cash and cash equivalents is considered to be negligible as the counterparties for the company's bank balances are reputable banks with high credit ratings from external evaluators. Nor does the company have any external debt financing.

Financing risk refers to the ability to finance projects to the point of commercialization. Financing risk is deemed to have increased in light of the current financial climate, the economy, geopolitical unrest and the company's creditworthiness and market position.

Against this background, the board decided on 26 March 2024 on a new share issue of approximately SEK 52.8 million with preferential rights for existing shareholders. The rights issue requires approval at an extraordinary general meeting on April 25, 2024. The issue is guaranteed to approximately 63 percent through subscription obligations and guarantee commitments from, among other things, existing owners and members of the company's management and board. To enable further capital contributions, the board may also exercise an over-allotment option of up to approximately SEK 15.0 million. With this supplement the company see that operations for the next 12 months are secured.

Liquidity risk is where the company cannot meet its obligations. The company manages this risk by constantly monitoring cash flow to reduce liquidity risk and ensure its ability to pay.

The objective of capital management is to safeguard the continuity of operations and activities so that it can continue to generate returns for shareholders and benefits for other stakeholders. An optimal capital structure helps to keep the cost of capital down. To maintain or adjust the capital structure, the company may issue new shares or pay dividends.

NOTE 14 Accrued expenses and deferred income

	Dec. 31, 2023	Dec. 31, 2022
Accrued vacation pay	2,101	2,080
Accrued social security expenses, payroll tax	1,918	1,875
Accrued expenses, external services	929	878
Accrued pay	0	343
Total	4,948	5,176

NOTE 15 Change in other current receivables

The change in other current receivables in the 2022 statement of cash flows includes subscribed but not paid-in capital from the completed rights issue in December 2022. Payment took place at the beginning of 2023.

NOTE 16 Significant events after the end of the financial year

- On January 29, the company selects a drug candidate and enter the next phase of development with TrkA-NAM ACD137 for the treatment of osteoarthritis and other severe pain conditions.
- On February 29, the company announces that the patent offices in China, India, South Africa, Israel, Hong Kong and Mexico have granted patents covering the company's clinical drug candidate ACD856, which is being developed for Alzheimer's and other cognitive impairment disorders.
- On March 26, the company's board decides on a new share issue of approximately SEK 52.8 million with preferential rights for existing shareholders. The rights issue requires approval at an extraordinary general meeting on April 25, 2024. The issue is guaranteed to approximately 63 percent through subscription obligations and guarantee commitments from, among other things, existing owners and members of the company's management and board. To enable further capital contributions, the board may also exercise an over-allotment option of up to approximately SEK 15.0 million.

No significant events leading to adjustments have occurred between the closing date and the date of approval of this report.

NOTE 17 Approval of the annual report

The company's annual report for the financial year Jan. 1, 2023 to Dec. 31, 2023 was approved by the Board of Directors and the Chief Executive Officer on April 4, 2024.

NOTE 18 Definitions KPI**Key performance indicator definitions**

Net sales Revenues from the sale of goods and services in the main operation during the current period.

Equity/assets ratio Equity and untaxed reserves (less deferred tax), in relation to total assets.

Research expenses as a percentage of total operating expenses Research expenses divided by operating expenses, which include research expenses, administrative expenses and other operating expenses. Research expenses include the company's direct expenses relating to research such as expenditures for personnel, material and external services.

Reconciliation of alternative performance measures

SEK thousand	Jan. 1, 2023 -Dec. 31, 2023	Jan. 1, 2022 -Dec. 31, 2022
<i>Research expenses as a percentage of total operating expenses</i>		
Research expenses	-27,707	-46,183
Administrative expenses	-10,598	-10,168
Other operating expenses	-104	-230
Total operating expenses	-38,409	-56,581
Research expenses as a percentage of total operating expenses (%):	72.1	81.6
<i>Debt/equity ratio (%)</i>		
Total equity at end of period	23,774	60,482
Total assets at end of period	32,001	70,836
Debt/equity ratio (%):	74.3	85.4

Signatures

Stockholm, April 4, 2024

Thomas Pollare
Chairman of the Board

Eva Lilienberg
Board member

Ragnar Linder
Board member

Ellen Donnelly
Board member

Janet Hoogstraate
Board member

Martin Jönsson
Chief Executive Officer

Our auditor's report was submitted on April 4, 2024
Grant Thornton Sweden AB

Camilla Nilsson
Authorized auditor

Audit report

To the general meeting of the shareholders of AlzeCure Pharma AB
Corporate identity number 559094 - 8302

Report on the annual accounts

Opinions

We have audited the annual accounts of AlzeCure Pharma AB for the year 2023 except for the corporate governance statement on pages 40 - 48. The annual accounts of the company are included on pages 32 - 59 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 40 - 48.

The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of AlzeCure Pharma AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts

This document also contains other information than the annual accounts is found on pages 1 - 31 and 62 - 63. The remuneration report for the financial year 2023, which will be submitted after the date of this auditor's report, also constitutes of other information.

The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if

such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of AlzeCure Pharma AB for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of AlzeCure Pharma AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a

dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our

professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 40 - 48 has been prepared in accordance with the Annual Accounts Act. Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2 - 6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts are in accordance with the Annual Accounts Act.

Stockholm, April 4, 2024
Grant Thornton Sweden AB

Camilla Nilsson
Authorised Public Accountant

Definitions

Term	Definition
AlzeCure, AlzeCure Pharma or the company	AlzeCure Pharma AB
Amyloid-beta	A peptide that is the main component in the plaque found in the brains of Alzheimer's patients
Antibody	Protein used by the body's immune system to detect and render harmless foreign substances
BDNF	Brain Derived Neurotrophic Factor
Biomarker	Measurable indicator of a biological state
BBB, blood-brain barrier	Connected capillary pathways in the brain that protect brain tissue
CNS	Central nervous system
Fibrils	Small, thread-like structures that occur in and around cells. About one nanometer thick and made up of proteins or polysaccharides
GBP	Pounds Sterling
GSM	Gamma secretase modulator
In vitro	Biological process, outside organisms, in test tubes or cell cultures
In vivo	Biological process occurring in animals or humans
ISMND	International Society for Molecular Neurodegeneration
Clinical studies/trials	Drug testing performed in humans

Term	Definition
Cognition	The brain's ability to receive, store and process, as well as to produce information
Drug candidate	A drug under development that has not yet received market approval
Monomers	The monomer is the initial molecule in polymerization, where monomers combine to form long molecule chains called polymers
NAM	Negative Allosteric Modulator
NGF	Nerve Growth Factor
NSAID	Non-steroidal anti-inflammatory drugs
Oligomers/protofibrils	Molecular chain of several monomers
Peptide	Molecule comprising amino acids
Plasticity effect	Adaptive effect
Preclinical studies	Studies carried out in a lab environment (not in humans)
SEK	Swedish crowns
TBI	Traumatic brain injury
TrkA	Tropomyosin receptor kinase A
USD	US dollar

Shareholder information

Financial calendar 2024	Date
Interim report Q1, January–March 2024.....	April 25, 2024
Annual General Meeting.....	May 14, 2024
Interim report Q2, April–June 2024.....	August 26, 2024
Interim report Q3, July–September 2024.....	November 11, 2024

All financial reports are available on the AlzeCure website,
www.alzecurepharma.com

For additional information about AlzeCure, please contact:

AlzeCure Pharma AB (publ)
 Corporate ID no. 559094-8302, domiciled in Stockholm, Sweden.
 Address: Hälsövägen 7, SE 141 57 Huddinge.
info@alzecurepharma.com

FNCA is the company's Certified Adviser.

2024 Annual General Meeting

The Annual General Meeting will be held at 4:00 p.m. on May 14, 2024 in the premises of Advokatfirman Synchs at Birger Jarlsgatan 6, Stockholm.

To have the right to participate at the General Meeting shareholders must:

- be recorded as a shareholder in the share register maintained by Euroclear Sweden AB as of May 3, 2024,
- notify the company of their intention to attend the AGM no later than May 7.

Notice to participate shall be made in writing to the address:
 AlzeCure Pharma AB, Hälsövägen 7, SE 141 57 Huddinge, or by
 e-mail to: birgitta.lundvik@alzecurepharma.com

For complete information about the 2024 Annual General Meeting, please see the notice which will be posted on the AlzeCure website www.alzecurepharma.com



Contact details

AlzeCure Pharma AB (publ)
Corporate ID no. 559094-8302, domiciled in Stockholm, Sweden.

Address: Hälsovägen 7, SE 141 57 Huddinge.
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For more information, please visit
www.alzecurepharma.com