PILA PHARMA AB

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Malmö, 26 October, 2021

PILA PHARMA publishes interim report for July 1 - September 30, 2021

PILA PHARMA AB (publ) (FN STO: PILA) today publishes the Company´s interim report for the period July – September 2021. The report can be found on the Company´s website: https://pilapharma.com/investors/finansiell-information/

SUMMARY OF INTERIM REPORT

Nine months (1 January – 30 September 2021)

- Revenue was SEK 0 (0)
- Operating loss (EBIT) was SEK - 6 180 (- 1 759) thousand
- Net loss was SEK - 11 785 (- 1 759) thousand
- Earnings per share, basic and diluted, were SEK - 0,91 (-0,18)
- Cashflow was SEK - 31 411 (- 3 726) thousand, whereof from ongoing business was SEK- 7 069 (- 5 210) thousand
- Cash and cash equivalents were at the end of the period SEK 33 318 (340) thousand
- Equity amounted to SEK 35 717 (7 182) thousand
- Solidity was 95% (96%)

Third quarter (1 July – 30 September 2021)

- Revenue was SEK 0 (0)
- Operating loss (EBIT) was SEK – 3 174 (-294) thousand
- Net loss was SEK – 5 577 (-294) thousand
- Earnings per share, basic and diluted, were SEK - 0,39 (-0,03)
- Cashflow was SEK 26 926 (250) thousand, whereof from ongoing business was SEK - 3 535 (-203) thousand

Significant events in the third quarter (1 July– 30 September 2021)

- On July 15, 2021, PILA PHARMA´s shares were listed on Nasdaq First North Growth Market in Stockholm. The rights issue was fully booked, and the Company received SEK 31,5 million after costs of the issue that amounted to SEK 3,5 million.
- The warrant PILA PHARMA TO1 had its trade start on July 22
- A manufacturing agreement was signed with Almac Sciences for the production of the active pharmaceutical ingredient (API), XEN-D0501, for toxicology studies
- Kickstart meeting with Almac Sciences and first step to the chemical synthesis
- GMP-certification of a new batch of placebo tablets to match 4 mg XEN-D0501 for use in upcoming clinical trials

Significant events after the quarter

- The Nobel prize of 2021 in physiology or medicine was partly given to Dr. David Julius, for his discovery of TRPV1 (the chili receptor) and its role in regulation of pain and temperature. The award is an important scientific acknowledgement of crucial bodily functions, which is especially interesting since PILA PHARMA is developing a treatment of diabetes type 2 through a TRPV1 antagonist.

CEO comment:

"The big event of the first half of 2021 was of course the Nasdaq First North listing on July 15. Moreover, PILA PHARMA has received GMP-certification of a new batch of placebo and 4 mg XEN-D0501 tablets which are to be used in our phase 2 study. I am very pleased with this, as it takes several months to produce tablets. It is a big thing to have this done, since, it is one of two bottlenecks prior to sending in the clinical trial application for the phase 2b study. Now remains to conduct the obligatory toxicology studies, as the final bottleneck. For these studies, several kilos of the XEN-D0501 active substance (API) are required. After an evaluation of potential API manufacturers, we signed an agreement with Almac Sciences Limited, UK, and the cooperation proceeds according to plan. We are also in the final phase of contracting a Contract Research Organization (CRO) for the conduct of the toxicology studies. In parallel to this we are evaluating several clinic CRO´s in order to choose the one that in the best way can assist us with the phase 2b study.

Malmö, October 26, 2021

The Board of Directors

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This information is such information that PILA PHARMA AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted for publication on October 26, 2021, at 08:00 CET.

About PILA PHARMA
PILA PHARMA is a Swedish biotech company in the diabetes segment based in Malmö. The aim of the company is to develop a novel and superior tablet-based treatment for type 2 diabetes. The company owns both use patents for treating diabetes and obesity with TRPV1 antagonists, and the intellectual property rights for the mid stage clinical development candidate XEN-D0501.

About XEN-D0501 and TRPV1 antagonists
XEN-D0501 is a highly selective and very potent small molecule TRPV1 antagonist, previously in development by Bayer Healthcare and Xention/Ario Pharma. The TRPV1 target (also called the “chili-receptor”) has demonstrated applications across pain and inflammatory diseases and potentially plays a role in diabetes as well. XEN-D0501 was acquired by PILA PHARMA in March 2016, due to its very good safety and tolerability as compared to other clinical TRPV1-antagonist development candidates. TRPV1 antagonists as a drug-class has previously been associated with severe adverse events as fever (hyperthermia). The maximal tolerable dose in non-diabetic individuals has previously been determined to be 4 milligrams twice daily, a dose level with good safety but no effect in non-diabetic patients with either overactive bladder disease or chronic cough. In November 2018, PILA PHARMA reported the completion of its first clinical trial, PP-CT01, demonstrating good safety of XEN-D0501 at single doses up to 8 milligrams when administered to people with type 2 diabetes. The most recent study results were announced in September 2020. The study (PP-CT02) demonstrated that multiple doses of XEN-D0501 (4 milligrams twice daily for 28 days) were likewise safe and well-tolerated by people with type 2 diabetes and also – with statistical significance versus placebo – that XEN-D0501 enhances the endogenous insulin response to oral glucose, thus demonstrating proof of principle.

About diabetes
Diabetes is a world-wide pandemic with a staggering prevalence of 463 million diabetics corresponding to approximately 8-10% of the population. Approximately 90 % of all diabetics suffer from type 2 diabetes, whilst approximately 10% suffers from type 1 diabetes. The disease can lead to cardiovascular disease resulting in reduction of quality of life for the patient, increased risk of death and high health care expenses. Despite recent therapeutic advances, large and growing unmet needs exist both from an efficacy, safety, adherence, accessibility and affordability perspective.