INTERIM REPORT FIRST HALF YEAR 2024 PILA PHARMA AB (PUBL)

1 JANUARY – 30 JUNE 2024

SUMMARY OF INTERIM REPORT

FIRST HALF YEAR (1 JANUARY – 30 JUNE 2024)

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

SIGNIFICANT EVENTS DURING THE HALF YEAR (1 JANUARY– 30 JUNE 2024)

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

SIGNIFICANT EVENTS AFTER THE PERIOD

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

PILA PHARMA IN BRIEF

PILA PHARMA AB (“PILA PHARMA” or “The Company”) is a clinical stage biotech company that develops a TRPV1 antagonist, XEN- D0501, as a new type of treatment of diabetes and potentially obesity.

The Company was founded in 2014 and later listed on the Nasdaq First North Growth Market in Stockholm on July 15, 2021. The Company operates from its headquarters in Malmö, Sweden and through the wholly owned Danish subsidiary PILA PHARMA Danmark ApS carrying out most of the Company’s research and development.

The Company owns a TRPV1 asset with data and chemical entities, including the development candidate XEN-D0501. Further, the Company owns patents covering the use of TRPV1-antagonists as treatment of obesity and diabetes and intends to submit further patents regarding the synthesis, formulation, and use of XEN-D0501 or back-up compounds. In July 2022, the Company was also awarded orphan drug designation (ODD) by the US Food and Drug Administration (FDA) for XEN-D0501 as a treatment for erythromelalgia, a rare pain disease.

PILA PHARMA’s development candidate, XEN-D0501, holds potential to become a next generation first-in-class treatment of diabetes and obesity, with expected multiple positive effects. It is further expected that the candidate also holds potential to treat inflammatory-driven conditions including pain.

Whilst developing a novel treatment for diabetes has been the primary focus thus far, the Company believes that TRPV1 antagonists can as well be valuable novel treatments of obesity and obesity related diseases, in particular diabetes and cardiovascular disease. The hypothesis is that obesity leads to inflammation, that subsequently leads to obesity and then diabetes and all its comorbidities. This is based on pre-clinical research conducted at Novo Nordisk where Dr. Gram found that mice lacking TRPV1 did not become glucose intolerant, had a better insulin response to glucose and a lower bodyweight gain than normal mice on high fat diet. Later, it was shown that a TRPV1 antagonist similarly could prevent glucose intolerance and body weight gain in spontaneously obese prediabetic rats. These results pointed to a new and previously undiscovered role of TRPV1 in regulating both blood glucose and body weight.

The drug candidate, XEN-D0501, is a well-studied development candidate that has been in multiple clinical trials. It has been shown to be safe in 300 study participants for up to one month of dosing. In recent longer preclinical studies of up to 3 months duration, testing with very high doses were not associated with any adverse events. This allows the Company to progress to clinical studies of three months duration.

In the latest clinical trial conducted by PILA PHARMA, PP-CT02, it was determined that obese people with type 2 diabetes, over 4 weeks of treatment with XEN-D0501, resulted in a small but significant effect on insulin secretion and glucose tolerance and a statistically highly significant reduction of ANP, a cardiovascular biomarker for heart failure and chronic elevated blood pressure.

Currently, preparation for initiating the next clinical trial application is being finalised. This Phase 2a clinical trial, PP-CT03, is intended to study the safety and tolerability higher doses and 3 months treatment with XEN-D0501 in obese people with type 2 diabetes and, in addition, to assess the effect on body weight reduction.

In other indications, the candidate is planned to be evaluated for its effect as pain treatment in persons with the painful rare disease Erythromelalgia. The Company is currently assessing the best path forward and next steps for this indication.

In 2023, the Company also engaged in a research collaboration with Professor Dick Wågsäter at University of Uppsala, Sweden to investigate the effect of XEN-D0501 on the cardiovascular disease “Abdominal aorta aneurism” growth in mice. Results from this engagement are pending.

CEO WORD

Dear shareholders!

This is my first shareholder letter to you and let me start by acknowledging and thanking all those of you, new and long-time shareholders, who have wished us well in the transition – or recalibration – as I like to call it, of the team here at PILA PHARMA.

As you may recall, in late March 2024, it was communicated that our founder Dr. Dorte X. Gram, as major shareholder intended to transition to become working Chairman of the Board. With this proposed change, Dorte had to step down from the CEO position. On 18 April, at the Annual General Meeting, this was formally approved by shareholders. Subsequently the next day, 19 April, the newly elected Board, on Dorte's recommendation, appointed me as the new CEO to retain continuity and the good teamwork.

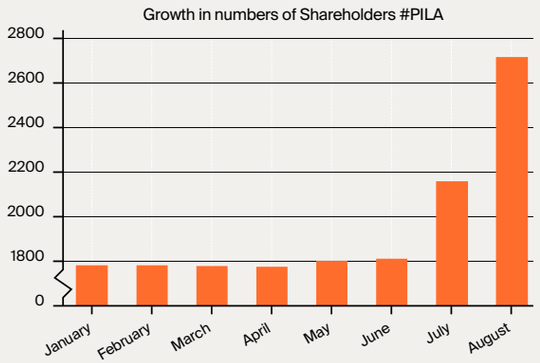
I am tremendously honoured with this task and proud to be succeeding the founder and previous CEO for the last 10 years, Dr. Dorte X Gram. That being said, we view it as a continuation of a great partnership. Throughout my 8 years in the Company, I've had a close and strong collaboration with Dorte, and most recently when I was appointed to Head our Investor Relations efforts, I've assisted increasingly with PR & Communication strategy, development of strategic narrative and general analysis and perspectives to all major strategic aspects of the Company, including the decision to additionally target the obesity space. With my appointment to CEO, we will continue this strong partnership and interact on all aspects of the business, and Dorte will as Chairman remain my daily strategic partner and link to the Board. As new CSO, she will focus specifically on the Research & Development "engine". My own main role will be as the "Face" of the Company and with focus on the financial aspects including communication and investor relations.

We have great confidence in our ability to progress the Company with this new role structure, leveraging our strengths as a strongly tied team in our quest to develop our potential first-in-class TRPV1 candidate for people suffering from obesity, diabetes and other cardiometabolic conditions.

Now, after almost four months as CEO, I can say with confidence and pride that we have done great progress and good strides forward during the first half of 2024!

A major highlight is our recent successful, and fully subscribed directed new shares issue in July! Commitments for a total investment of SEK 10 million were achieved. This is extremely positive and confirming of our efforts. It reflects a positive sentiment around PILA PHARMA, but also permits us to rapidly change gears and include obesity as an endpoint in our planned and upcoming Phase 2a trial.

Gustav H. Gram, CEO



(Fig. 1)

During the spring, in preparation and adjustment of trial documents, several experts were consulted. These experts confirmed that with only a small number of additional patients, we would be able to include body weight loss as an endpoint in the study with XEN-D0501 in people with diabetes. This is of course of significant interest, not just to PILA PHARMA but equally so to patients and investors. In the last couple of years, we have witnessed a paradigm shift in the perception and public opinion of weight loss drugs. In PILA PHARMA we have, for a long time, had the belief that our lead candidate – with a different mechanism of action than drugs currently marketed - may also have an effect on both reducing appetite as well as increasing energy expenditure. This is based on early research of the mechanism.

Further, a TRPV1 antagonist very similar to XEN-D0501 has been shown to reduce body weight gain in rats (Fig. 2). Thus, there is reason to believe that XEN-D0501 could lead to body weight loss in overweight people as well.

Generally speaking, there is a strong focus amongst larger pharma companies to develop the next generation drug candidates that will allow for body weight loss, but equally so, different mechanisms of action that come with fewer or different side effects than existing products, as well as different body weight loss properties such as retainment of muscle mass. When it comes to the potential of our novel TRPV1-antagonist solution, we have already received positive feedback from large pharma companies in this regard.

Currently, there are two global players with focus on peptides and a range of new products in development, most of them with new/different mechanisms of action. There appears to be an exceptionally high interest and demand for both very early-stage products as well as late-stage proven candidates, and many large pharma company that are not currently in development with obesity assets, are actively looking to acquire / in-license.

In our view, that gives us a unique position and potential advantage due to our choice of working with a different mechanism and being clinical stage. To the best of our knowledge, we are the only company globally developing an oral clinical ready TRPV1-antagonist for treating metabolic conditions.

PILA PHARMA is one of very few listed biotech companies globally, that is clinical stage in metabolic diseases such as the obesity space.

With the potential to demonstrate an effect of XEN-D0501 on body weight loss for less than additional SEK 10 million, the first and primary goal that the new Board and I set out to achieve was to secure the additional funds.

And I can assure you, that we're really pleased, that we managed to do that already in July!

We are equally pleased that we secured the funds in a very cost and time-effective manner, the new funds allow us to redirect our operations in two ways.

Firstly, to straight away engage into collaboration with a high-quality CRO (Clinical Research Organization) and secondly to increase the number of participants in our next clinical trial, PP-CT03, to effectively assess the potential effect of XEN-D0501 on body weight loss.

I was therefore pleased, that we could share the engagement with the London based Clinical Research Organisation, Lindus Health in July. They are experts in metabolic health, and proactively seek to reduce clinical trial timelines, and increase quality, using technology and digital centric approaches to all facets of trial execution.

They furthermore offer a risk-shared, fixed-price and milestone-based payment model that is attractive to companies like PILA PHARMA.

I have great confidence in this new collaboration, and with Dorte as new CSO and the R&D team assembled, they are in full motion to get the readjusted clinical trial application submitted as soon as possible. We expect this to occur during September.

Besides the operational efforts to generate new clinical data, we will continue to work on increased exposure of PILA PHARMA. As we progress, it's important to keep increasing awareness of our Company and unique asset, so we can continue attracting new investors and work for a high level of interest and liquidity in the stock. In parallel, we will seek to engage with larger pharma companies during the next year to facilitate a potential partnership pending positive results from PP-CT03.

We will work relentlessly to increase overall shareholder value. I'm, very optimistic for our Company due to the way the obesity market has developed, as we see that we can achieve an edge and unique position in the eco system with our unique TRPV1 candidate as a potential novel first-in-class diabetes and obesity treatment.

It's truly very exciting times ahead for PILA PHARMA!

Sincerely,

Gustav H. Gram
CEO

TECHNOLOGY, RESEARCH, DEVELOPMENT AND PATENTS

The principle of treating obesity and obesity related diseases and disorders with TRPV1 antagonists was discovered and patented by PILA PHARMA's founder, Dr. Dorte X. Gram during her PhD studies at Novo Nordisk.

Based on this principle, she founded PILA PHARMA and obtained a clinical ready TRPV1 antagonist asset, XEN-D0501, with the purpose to develop it as a novel and first in class drug candidate for treatment of obesity and its related disorders like diabetes.

TRPV1 is localized on many cell types but primarily the sensory afferent nerves, c-fibers. Upon stimulation, the receptor/ channel opens, and calcium enters the cells leading to an efferent signal. This leads to secretion of proinflammatory neuropeptides such as CGRP and SP which causes inflammation, and, if the signal is big enough, an afferent signal, which is a message upwards to the brain, that something is hurting.

Capsaicin is a TRPV1 agonist that is known to stimulate pain in smaller doses, but at higher doses or after repeated exposure, it relieves pain by rendering TRPV1 irresponsive to activation. TRPV1 is sometimes referred to as the 'capsaicin receptor'.

Developments of TRPV1 antagonists as novel effective treatments of pain have been tried since the cloning of TRPV1 and the structure of the receptor became known in the late 1990's. Until now, it's largely been unsuccessful due to unwanted side effects in orally available drug candidates. So far though, XEN-D0501 seems to have a good safety profile which may allow further development and subsequent market entry at a later stage.

PILA PHARMA's founder Dorte X. Gram is the inventor of the principle. In 1999, by serendipity, she observed a profound effect of capsaicin on regulating blood sugar in diabetic rats. Later on, in her PhD thesis, she proposed that an upregulation of TRPV1 (the capsaicin receptor') in obese individuals mediated this effect. This is because of increased secretion of proinflammatory and vaso-active neuropeptides such as Substance P and CGRP, leads to indirectly inhibiting insulin secretion and therefore promote or even lead to type 2 diabetes. In addition, the inflammation when the afferent nerves were overactive, would also have a negative effect on other organs, in turn leading to the development of diabetic complications such as cardiovascular disease.

In early studies at Novo Nordisk, Dr. Gram partly demonstrated that using TRPV1 knock-out mice, that was kept on a high fat diet to induce glucose intolerance, found that mice lacking TRPV1 did not become glucose intolerant, had a better insulin response to glucose and a lower bodyweight gain than normal mice on high fat diet.

Later, it was shown that a TRPV1 antagonist similarly could prevent glucose intolerance and reduce body weight gain (Fig. 2) in spontaneously obese prediabetic rats. These results pointed to a new and previously undiscovered role of TRPV1 in regulating both blood glucose and body weight.

A use-patent was filed by Novo Nordisk to patent the use of TRPV1 antagonists (then called inhibitors of the capsaicin receptor) as treatment of obesity and obesity related diseases and disorders. In 2008 however, Novo Nordisk sold or closed all projects regarding small molecule treatments in a strategic change to focus solely on injectable products.

In light of this, Dr. Gram acquired the use-patent and later got three patents issued – first in the US (2011) to treat obesity with TRPV1 antagonists and then in the US and Europe (2013) to treat type 1 and 2 diabetes with TRPV1 antagonists.

This founded the basis for a commercialization of the idea of using TRPV1 antagonists as new superior anti-diabetic treatments with expected effects on all comorbidities in diabetes as well as on obesity.

Dorte X. Gram founded PILA PHARMA in 2014 after first establishing a scientific advisory board with key opinion leaders and experts in diabetes and the use-patents were transferred to the new Company. The scientific advisory board advised to seek to in-license a clinical ready candidate. With the first investor Almi Invest, the company tested a few clinical candidates and in 2016 it was able to sign an Asset Transfer Agreement regarding UK-based Ario Pharma's TRPV1 asset including its clinical development candidate XEN-D0501.

XEN-D0501, is a specific and potent inhibitor of TRPV1. It was originally developed by Bayer Healthcare AG, Germany, which described its structure along with a number of other structures in the original patent. Then, XEN-D0501 (then under the name BAY) was tested in the first clinical study in healthy volunteers after four weeks of preclinical studies with good safety results. For strategic reasons, the Bayer TRPV1 asset was then sold to the English company, Xention, that performed several clinical studies in healthy volunteers and in patients with incontinence (overactive bladder disease). Xention's subsidiary Ario Pharma then took over the portfolio and conducted two clinical studies in chronic cough. The studies showed good safety but no significant effect.

After taking over the asset, PILA PHARMA has tested XEN-D0501 in two phase 2a studies – acute and of one month duration in type 2 diabetes. These resulted in good safety and a small but significant effect on glucose tolerance and on insulin response to glucose.

Long-term blood glucose (HbA_{1c}) showed a trend for reduction, but it requires three months treatment before a significant effect can eventually be detected. In addition to the effects shown on diabetes, the drug candidate also seems to have strong cardiovascular benefits. Specifically, a reduction in a cardiovascular biomarker, ANP was statistically significant reduced in the last trial PP-CT02. This biomarker has been discussed among cardiologists as an indicator of risk of heart failure.

All in all, XEN-D0501 has been tested in 300 people with single or multiple doses up to 1 month duration. So far with a good safety profile and no serious side effects. In diabetes some effects have been demonstrated, but higher doses and longer treatment are required to demonstrate a clinical meaningful anti-diabetic effect.

For this purpose, PILA PHARMA has recently completed 13 weeks of preclinical safety studies without registration of any adverse events, and thus, XEN-D0501 can now be tested in humans for up to 3 months trial duration.

The tablets, manufactured in 2021, with both 4 mg strength and placebo to match, are available and all together it permits the Company to again proceed to clinical studies.

The Company believes that XEN-D0501, as a TRPV1 antagonist with a good safety profile, could be suitable as treatment of diseases with an underlying inflammatory component.

In July 2022, PILA PHARMA was awarded 'orphan drug designation' for XEN-D0501, as a potential treatment for the disease called Erythromelalgia. PILA PHARMA has since then had this as a secondary project under preparation. Erythromelalgia is a condition where intense periods of painful 'flare-ups' occurs without a known cause. Currently there are no adequate treatment options. A clinical development program for Erythromelalgia has been developed.

In 2023, the Company also engaged in a research collaboration with Professor Dick Wågsäter at University of Uppsala, Sweden to investigate the effect of XEN-D0501 on the cardiovascular disease "Abdominal aorta aneurism" growth in mice.
Results from this engagement are pending.

To summarize, PILA PHARMA currently has three projects with separate indications:

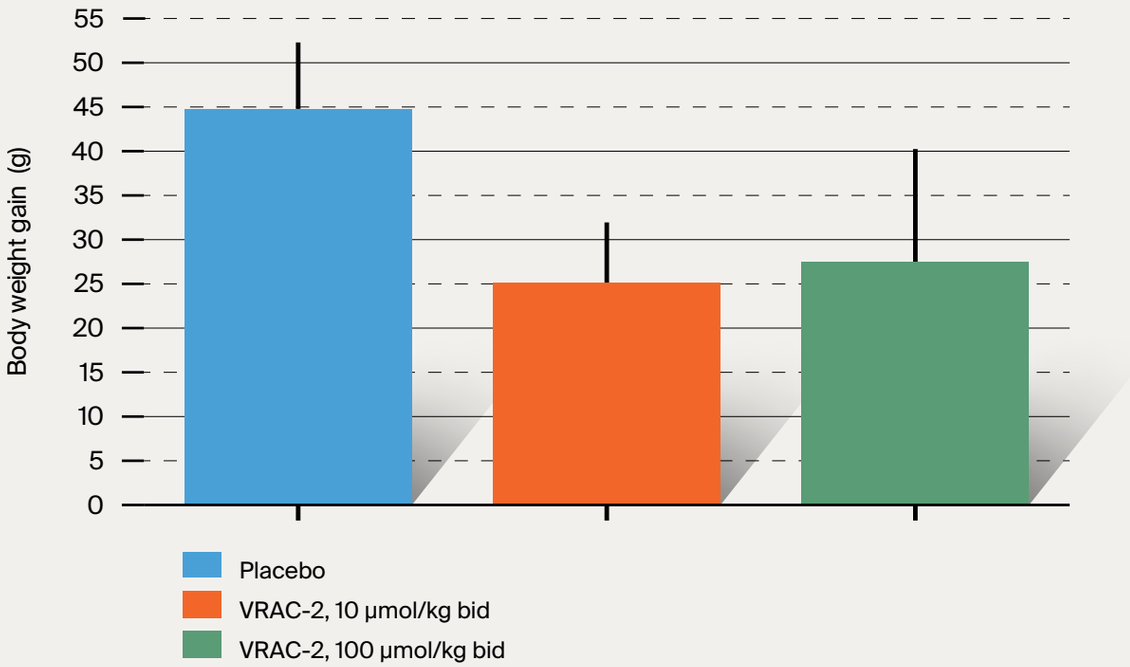
1) Diabetes Mellitus / Obesity
2) Erythromelalgia/Pain
3) Abdominal Aorta Aneurism / Cardiovascular Disease.

For the primary project, the next bigger milestone is now to demonstrate good safety of higher doses during three months as well as a significant effect on body weight loss in a small Phase 2a trial in obese people with type 2 diabetes.
In accordance with our development plan, the following milestone will be to demonstrate a significant anti-diabetic effect in a much larger Phase 2b trial comprising of up to 300 people with type 2 diabetes.

The Company has recently engaged with a new high quality clinical research organization that has taken over the clinical trial application documents and submission is expected in September. Results are anticipated within one year from the study start. Pending successful outcomes, it is planned to rapidly progress to a full Phase 2b.

The Company anticipates strong pharma partnership interest in the case of positive Phase 2b results, perhaps even after the Phase 2a dose finding study given the new and intense focus on new treatments of obesity. The Company remains the only player with a clinically ready and presumably safe oral TRPV1 antagonist solution for treatment of metabolic conditions, thus making XEN-D0501 a potential 'first in class' drug candidate.

TRPV1 antagonist inhibit body weight gain



(Fig. 2):
Body weight gain has been shown to be reduced in obese Zucker rats after only 2 weeks treatment with another TRPV1 antagonist, VRAC-2 (Dorte X. Gram, unpublished). Reduction of body weight gain in preclinical obese rats or mice by GLP-1 analogues predicted the effect on reducing body weight in obese people. Our development candidate, XEN-D0501, will be tested in obese people with diabetes in the next trial PP-CT03 and for higher dose levels we expect a reduction in body weight

BUSINESS MODEL & STRATEGY

PILA PHARMA's long-term goal is to develop and ultimately bring to market XEN-D0501 as a first in class TRPV1 antagonist drug for treatment of metabolic diseases like obesity, diabetes and cardiovascular disease.

The Company's shorter-term goal is to demonstrate the effect of XEN-D0501 on the reduction of body weight and later blood glucose in obese people with type-2 diabetes and, potentially thereafter, other diseases with an inflammatory background.

The term "Pila" means 'to run fast' and the idea behind the choice of this name was that the Company should work and operate in a quick and cost-effective manner, with a strong focus on the most essential goals – i.e, to focus on 'need to do' and avoid 'nice to do' as an organizational philosophy.

The Company's main ambition and intention is to develop its primary drug candidate, a clinical stage, potent and selective TRPV1-antagonist, XEN-D0501, until a pharma partnership or sale is possible.

The Company is laser focused on consolidating the uniquely good safety profile of the candidate, in parallel to adding more evidence for a clinically meaningful effect in metabolic diseases such as diabetes, obesity and cardiovascular disease).

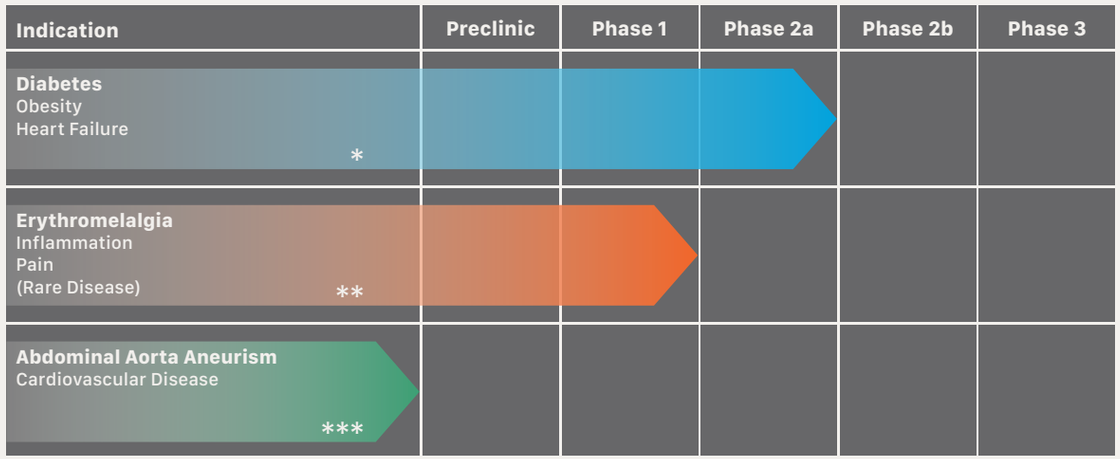
XEN-D0501 is currently formulated as a simple oral treatment. The small 4 mg tablet comes with very long shelf life of up to 5 years at 25°C. The possibility of developing new formulations is something the company is evaluating. This can be useful for new indications and/or in order to diversify and differentiate the portfolio with upcoming drugs for different diseases.

Organizationally, the strategy is to hire experienced specialists to secure the best development methods for different indications. Recently, a CRO (Clinical Research Organization) has been engaged to execute the next Phase 2a clinical trial in overweight or obese persons with type 2 diabetes. A CRO act as an intermediary between the Company and the clinics and participants in the trial. The chosen CRO will conduct the study in their own clinic in London, UK.

As the Company can't have direct ties to study participants, this partnership ensures the conduction of the trial in the fastest and most cost-efficient manner, with the larger purpose of further development of PILA PHARMA's TRPV1 asset.

PILA PHARMA also works with a solid core of permanent consultants as well as a number of more peripheral specialist consultants and other types of contract organizations. This virtual company structure was fully adopted during 2023 and has proven itself both strong, flexible and quickly adaptable to changing priorities without losing quality. Quality is essential in drug development, but flexibility is, as we see it, a necessity in order to manage the company and its clinical projects cost-effectively through the development process.

PIPELINE



(Fig 3):
Pila Pharma currently has a pipeline with 3 projects, each evaluating the effect of XEN-D0501 in various indications.

* *Diabetes / Obesity / Heart Failure is our primary project. A phase 2a trial is our next step to identify maximum tolerable dose and assess efficacy in body-weight and ANP.*

** *Erythromelalgia / Pain (Rare Disease) is our secondary project where the intention is to conduct a phase 2a testing XEN-D0501 for its effect on pain in persons with Erythromelalgia.*

*** *Abdominal Aorta Aneurism /Cardiovascular Disease is a project in early preclinical phase studying the effect of XEN-D0501 in mice on Abdominal Aorta Aneurism growth.*

STOCK AND SHARE CAPITAL

The PILA PHARMA AB share was listed on Nasdaq First North Growth Market in Stockholm on 15 July 2021, under the ticker "PILA".

Nasdaq First North Growth Market is an MTF platform registered as a growth market for small and medium-sized companies in accordance with the Markets in Financial Instruments Directive (EU 2014/65), as implemented in national legislation in Denmark, Finland and Sweden, operated by a stock exchange within the Nasdaq Group.

As of 30 June 2024, the number of shares in Pila Pharma amounted to 23 793 289. All shares have one (1) vote per share. All shares have a quota value of SEK 0.43.

.

Shareholder list

Shareholder	No Shares	Votes
Dorte X. Gram	5 195 086	21,83%
Vimpu Intressenter Ab	3,964 502	16,66%
Goldman Sachs & Co.	599 320	2,52%
Sebastian Clausin	593 610	2,49%
JP Morgan Chase Bank NA	446 969	1,88%
Odsgard Peter	385 000	1,62%
Nordnet Pensionsförsäkring	377 564	1,59%
Saxo Bank A/S Client Assets	362 840	1,52%
ALMI	318 445	1,34%
Aktieselskabet Arbejdernes	315 902	1,33%
10 Largest shareholders	**12 559 238**	**52,78%**
Others	11 234 051	47,22%
Total	**23 793 289**	**100,00%**

For a complete shareholders list of PILA PHARMA, please refer to Euroclear or Holdings.se.

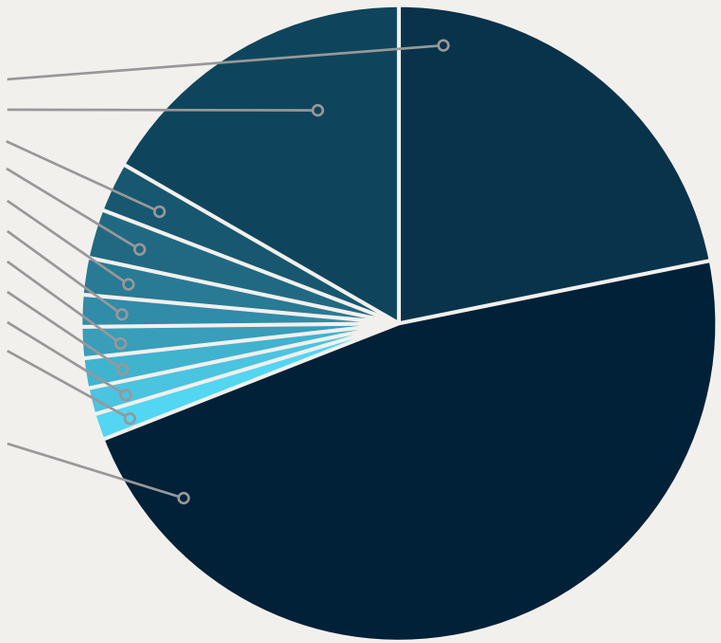
OTHER INFORMATION

Group relations and shareholdings

PILA PHARMA AB is the Parent Company in a Group that includes the wholly owned Danish subsidiary PILA PHARMA Danmark ApS. Beyond the above, PILA PHARMA has no further shareholdings in other companies.

Related-party transactions

Shareholder contributions of TSEK 0 (3 497) have been issued to the subsidiary during the first half year. The Company has carried out services to the subsidiary and the revenues refer to re-invoicing of services carried out during the fourth quarter of TSEK 668 (1 097). Transactions are in accordance with market conditions.



Audit

This report was not reviewed by the company's auditors.

Upcoming financial information

PILA PHARMA prepare and publish a financial report for every quarter. Upcoming financial information is planned as follows.

Interim report, Second half year 1 July - 31 December, 2024 and Year-end report, 2024	27 February, 2025
Annual report 2024	27 March, 2025
Interim report, First half year 1 January – 30 June, 2025	27 August, 2025

The interim reports, annual reports and PILA PHARMA ABs press releases are available at https://pilapharma.com, alternatively be ordered from Pila Pharma AB, Norra Vallgatan 72, 211 22 Malmö, Sweden or via: info@pilapharma.com.

Issuance of interim report

The Board of Directors and CEO hereby confirm that this interim report provides a true and fair view of the Company's business, financial position and results of operations, and describes material risks and uncertainties faced by the Company.

Malmö, 27 August 2024 / PILA PHARMA AB (publ)

Dorte X. Gram
Chairman of the Board

Richard Busellato
Director of the Board

Julie Waras Brogren
Director of the Board

Lasse Richter Petersen
Director of the Board

Gustav H. Gram
CEO

FINANCIAL OVERVIEW

PILA PHARMA AB (publ) is referring to PILA PHARMA AB (publ) with the registration number 556966-4831, also stated as "The Company". Pila Pharma AB has a wholly owned subsidiary PILA PHARMA Danmark ApS. The interim report is issued for the parent company only.

Operating income and result for the first half year 1 January – 30 June 2024

The operating income for the parent company amounted to TSEK 683 (1 097). The revenues refer mainly to re-invoicing of services carried out for the subsidiary. The result for the first half year amounted to TSEK - 4 086 (- 7 099) and the costs are mainly related to Group business administration. In November 2023, the Danish subsidiary received a tax return of SEK 4 million as a result of the tax-benefit regulations in Denmark for R&D companies, based upon the approval of our tax refund claim. Therefore, the subsidiary had certain financing for the research and development business and the write-down of shares in group company in conjunction to issued shareholder contribution to the subsidiary during the first half year 2024 amounted to TSEK 0 (3 497). The subsidiary conducts a major part of the business.

Financial position and cash flow

Operating cash flow from operating business for the period 1 January - 30 June 2024 amounted to TSEK - 3 411 (- 3 304). The financial activities during the period January - June amounted to TSEK 0 (- 3 497). The cash flow for the first half year amounted to TSEK - 3 411 (- 6 801) and the reduction to the corresponding period relates to that no shareholders contribution was issued during the period January - June, 0 TSEK (3 497).

The Company's cash as of 30 June 2024 amounted to TSEK 2 543 (442).

The equity as of 30 June 2024 amounted to TSEK 2 575 (2 430), which corresponds to the solvency ratio 57% (70).

Financing, liquidity and continued operations

To secure the financing for the coming twelve months ahead and expand the business according to the development plans, the Board of Directors of Pila Pharma AB on 16 July, with authorization from the general meeting held on 18 April 2024, resolved to carry out a new issue of up to 3.333.334 shares with exemption from the preferential rights for existing shareholders at a subscription price of SEK 3,00 per share, a Directed Shares Issue. The Company was provided with approximately SEK 10 million before transaction costs. The transaction costs were estimated to amount to approximately TSEK 100 (1% of transaction amount). Subscription through payment was completed by 25 July 2024 and the new shares registered by 31 July 2024.

The total amount raised will secure the company's financing for the next twelve months to fund its existing commitments and finance a small phase 2a trial to define the maximal tolerable dose of XEN-D0501 as well as effect on body weight in overweight or obese people with diabetes.

The Company's Board of Directors is continuously focused on the Company's liquidity development and plans to remedy the financing in due time before additional need for new capital. Based on the Board of Directors' experience of previous capital raising, the possibilities for further financing of the Company are considered reasonable but depends on the generally uncertain macro-economic situation as of today.

Employees as of 30 June 2024

The Company has transferred to a fully virtual organization with no permanent employees. The current CEO, Gustav H. Gram, has since June 2023 been engaged via a consultancy. The former CEO and current Chairman of the Board and CSO, Dorte X. Gram, as well as the Company's CFO, Elna Lembrér Åström, are engaged via consultancy agreements. The current CEO, Gustav H. Gram, has since June 2023 been engaged via a consultancy agreement. The former CEO, current Chairman of the Board and CSO, Dorte X. Gram, as well as the Company's CFO, Elna Lembrér Åström, is also engaged via consultancy agreements.

The Company's average full-time employees during the period 1 January - 30 June therefore decreased to 0 (3). The Company conducts its operations entirely through consultants or hired staff at Clinical Research Organisations and they amounted to corresponding 5 (5) full-time employees during the period January – June 2024.

The Danish subsidiary

The wholly owned Danish subsidiary, PILA PHARMA Danmark ApS, handles all research and development activities and is financed by the parent company. Shareholder contributions from the parent company have not been issued during the first half year 2024, TSEK 0 (3 497), for financing of the corresponding operating R&D costs of the subsidiary during the period due to that the subsidiary received a tax-return of SEK 4 million in November 2023. The subsidiary expects to receive a tax return of approximately TDKK 580 corresponding to TSEK 900 in November 2024.

PILA PHARMA Danmark ApS had an equity of TSEK 453 as of 30 June 2024.

KEY FIGURES

	2024-01-01 - 2024-06-30	2023-01-01 - 2023-06-30	2023-01-01 - 2023-12-31
	6 months	6 months	12 months
Net Sales (TSEK)	668	1 097	1 463
Other operating income (TSEK)	15	0	0
Total operating expenses (TSEK)	-4 766	-4 698	-7 856
Operating result (TSEK)	-4 083	-3 601	-6 393
Total financial items (TSEK)	-3	-3 498	-3 537
Income after financial items (TSEK)	-4 086	-7 099	-9 930
Cash flow from operating activites (TSEK)	-3 411	-3 304	-4 854
Earnings per share (SEK)	-0.17	-0.39	-0.47
Earnings per share after dilution (SEK)	-0.17	-0.39	-0.47
Average number of shares	23 793 289	18 407 369	21 100 329
Average number of shares after dilution	23 793 289	18 407 369	21 100 329
Outstanding shares at the end of the period	23 793 289	18 407 369	23 793 289
Outstanding subscription warrants at the end of the period	0	0	0
Average number of employees	0	3	1
	2024-06-30	2023-06-30	2023-12-31
Cash and cash equivalents (TSEK)	2 543	442	5 954
Equity (TSEK)	2 575	2 430	6 661
Balance sheet total (TSEK)	4 487	3 461	8 455
Solvency ratio (%)*)	57%	70%	79%
Cash flow ratio (%)*)	147%	68%	348%
Equity per share (SEK)*)	0.11	0.13	0.28

*) Alternative performance measures, see Definitions

GENERAL INFORMATION, RISKS AND DEFINITIONS

Principles for the preparation of the interim report

This interim report has been prepared in accordance with the Annual Accounts Act and the Accounting Act's general advice BFNAR 2012:1 Annual accounts and consolidated accounts (K3).

There have been no changes in the Company's accounting principles since the last annual report, where a complete description of applied accounting and valuation principles is reproduced. The company's accounting principles are according to the Accounting Board's general advice BFNAR 2016:10 (K2).

The parent company has no requirement to submit a consolidated report, which is why the report only refers to the parent company Pila Pharma AB.

Intangible assets

Intangible assets acquired separately are reported at acquisition value less accumulated amortizations and any accumulated write-downs. Amortization takes place linearly over the asset's estimated useful life, which is estimated to be 3 years. Estimated useful lives and amortization methods are reviewed if there is an indication that these have changed compared to the estimate at the previous balance sheet date. The effect of any changes in estimates and assessments is reported prospectively. Amortization begins when the asset can be used.

The company has assessed that amortization of acquired intangible assets, primarily patents and associated documentation, should take place and has begun from 1 January 2023 for an estimated useful life of 3 years, when the patents will gradually expire in the coming year.

Estimates and assessments

In order to be able to prepare the financial reports, the Board of Directors and the Company's Management Team make assessments and assumptions that affect the Company's results and position as well as the information provided in general.

Estimates and judgments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations about future events that are expected to be reasonable under prevailing conditions. Actual results may differ from assessments made.

The areas where estimates and assumptions could entail a significant risk of adjustments in reported values for earnings and financial position in future reporting periods are primarily assessments of market conditions and thus the value of the company's fixed assets. Ultimately, this risk can also affect the company's future ability to survive.

Risks and uncertainties

The risks and uncertainty factors that Pila Pharma's operations are exposed to are, in summary, related to, among other things, drug development, competition, technology development, patents, authority requirements, capital requirements, currencies and interest rates. During the current period, the effects of increased inflation and a weak Swedish krona exchange rate have meant increased costs in the ongoing projects and this entails an increased risk of increased capital needs in the company and thus the company's continued operations. For a more detailed account of risks and uncertainty factors, reference is made to the Company's annual report for 2023 (in Swedish).

DEFINITIONS

- **Operating results**:
  Profit before financial items and tax
- **Earnings per share before dilution**:
  Profit for the period divided by the average number of outstanding shares in the period
- **Earnings per share after dilution:**
  Profit for the period divided by the average number of outstanding shares in the period and outstanding potential ordinary shares

Definitions and relevance of alternative outcome measures

Pila Pharma presents certain financial measures in the interim report that are not defined or specified in the applicable rules for financial reporting, so-called alternative performance measures. These have been noted with "*" in the table under the Key figures section. Pila Pharma believes that these measures provide valuable supplementary information for investors and company management as they enable an assessment of relevant trends in the Company's performance. These financial measures should not be considered a substitute for measures disclosed in accordance with applicable financial reporting rules. Because not all companies calculate financial measures in the same way, they are not always comparable to measures used by other companies. Definitions and relevance of key figures that have not been calculated in accordance with applicable rules for financial reporting are set out in the table below.

- **Solidity**:
  Equity divided by total capital. The equity ratio shows how much of the balance sheet total is made up of equity and has been included so that investors can form a picture of the company's financial stability and ability to cope in the long term, as the company is dependent on additional of capital for carrying out its research and development work
- **Cash flow**:
  Current assets divided by current liabilities.
  Cash flow has been included to show the company's short-term solvency
- **Equity per share:**
  Total equity divided by the number of shares at the end of the period. Equity per share has been included to provide investors with information about the book equity represented by a share.

Derivation of alternative performance measures	**2024-06-30**	**2023-06-30**	**2023-12-31**
Total current assets, TSEK	2 806	702	6 235
Total current liabilities, TSEK	1 912	1 031	1 794
Cash flow ratio, %	**147%**	**68%**	**348%**
Total equity, TSEK	2 575	2 430	6 661
Total equity and liabilities, TSEK	4 487	3 461	8 455
Solvency ratio, %	**57%**	**70%**	**79%**
Total equity, TSEK	2 575	2 430	6 661
Outstanding shares at the end of the period	23 793 289	18 407 369	23 793 289
Total equity per share, SEK	**0.11**	**0.13**	**0.28**

CONDENSED INCOME STATEMENT

(All amounts in SEK thousand)	2024-01-01 - 2024-06-30	2023-01-01 - 2023-06-30	2023-01-01 - 2023-12-31
	6 months	6 months	12 months
Operating income			
Net sales	668	1 097	1 463
Other income	15	0	0
Operating income	**683**	**1 097**	**1 463**
Operating expenses			
Other external costs	-3 608	-1 699	-3 332
Personnel costs	-619	-2 460	-3 447
Depreciation and amortization of tangible and intangible financial assets	-539	-539	-1 077
Other operating expenses	0	0	0
Operating result	**-4 083**	**-3 601**	**-6 393**
Profit/loss from financial items			
Write-down of financial fixed assets and short-term investments	0	-3 497	-3 497
Interest expenses and similar profit/loss items	-3	-1	-40
Income after financial items	**-4 086**	**-7 099**	**-9 930**
Tax expenses	0	0	0
Profit/loss for the period	**-4 086**	**-7 099**	**-9 930**

CONDENSED BALANCE SHEET

(All amounts in SEK thousand)	2024-06-30	2023-06-30	2023-12-31
ASSETS			
Fixed assets			
Intangible assets	1 616	2 694	2 155
Total intangible assets	**1 616**	**2 694**	**2 155**
Tangible assets	0	0	0
Total tangible assets	**0**	**0**	**0**
Financial assets			
Shares in group companies	65	65	65
Receivables from group companies	0	0	0
Total financial assets	**65**	**65**	**65**
Total fixed assets	**1 681**	**2 759**	**2 220**
Current assets			
Current receivables			
Customer receivables	0	0	49
Other receivables	130	122	227
Prepayments and accrued income	133	138	5
Total current receivables	**263**	**260**	**281**
Cash and cash equivalents	**2 543**	**442**	**5 954**
Total current assets	**2 806**	**702**	**6 235**
TOTAL ASSETS	**4 487**	**3 461**	**8 455**

(All amounts in SEK thousand)	2024-06-30	2023-06-30	2023-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	1 017	787	1 017
Total restricted equity	**1 017**	**787**	**1 017**
Unrestricted equity			
Share premium fund	87 888	81 056	87 888
Retained earnings	-82 244	-72 314	-72 314
Net result for the period	-4 086	-7 099	-9 930
Total unrestricted equity	**1 558**	**1 643**	**5 644**
Total equity	**2 575**	**2 430**	**6 661**
Current liabilities			
Convertible loan	0	0	0
Accounts payables	786	40	398
Payables to group companies	394	0	773
Other liabilities	47	127	498
Accruals and deferred income	685	864	125
Total current liabilities	**1 912**	**1 031**	**1 794**
TOTAL EQUITY AND LIABILITIES	**4 487**	**3 461**	**8 455**

CONDENSED CASH FLOW STATEMENT

(All amounts in SEK thousand)	2024-01-01 - 2024-06-30	2023-01-01 - 2023-06-30	2023-01-01 - 2023-12-31
	6 months	6 months	12 months
Operating activities			
Income after financial items	-4 086	-7 099	-9 930
Adjustments for items not included in cash flow	539	4 036	4 574
Tax paid	0	0	0
Cash flow from operating activities before changes in working capital	**-3 547**	**-3 063**	**-5 356**
Cash flow from changes in working capital			
Decrease (+)/increase (-) of other current receivables	18	86	66
Decrease (-)/increase (+) of accounts payables	388	-310	821
Decrease (-)/ increase (+) of other current liabilities	-270	-17	-385
Cash flow from operating activities	**-3 411**	**-3 304**	**-4 854**
Investing activities			
Purchase of equipment	0	0	0
Purchase of patents	0	0	0
Cash flow from investing activities	**0**	**0**	**0**
Financing activities			
New share issue	0	0	7 062
Raised convertible loans	0	0	1 500
Converted loans to equity	0	0	-1 500
Shareholder contribution made to group companies	0	-3 497	-3 497
Cash flow from financing activities	**0**	**-3 497**	**3 565**
Cash flow for the period	**-3 411**	**-6 801**	**-1 289**
Cash at the beginning of the period	5 954	7 243	7 243
Cash at the end of the period	**2 543**	**442**	**5 954**

CONDENSED REPORT ON CHANGE IN EQUITY

(All amounts in SEK thousand)	Share capital	Free premium fund	Retained earnings	Result for the period	Total equity
Opening balance as of 1 January 2024	**1 017**	**87 888**	**-72 314**	**-9 930**	**6 661**
Disposition of the preivous year´s result			-9 930	9 930	0
Result for the period				-4 086	-4 086
Transactions with owners:					
Registered new share issue					0
New share issue costs					0
Total transactions with owners	**0**	**0**	**0**	**0**	**0**
Closing balance as of 30 June 2024	**1 017**	**87 888**	**-82 244**	**-4 086**	**2 575**
Opening balance as of 1 January 2023	**787**	**81 056**	**-45 537**	**-26 777**	**9 529**
Disposition of the preivous year´s result			-26 777	26 777	0
Result for the period				-7 099	-7 099
Transactions with owners:					
Registered new share issue					0
New share issue costs					0
Total transactions with owners	**0**	**0**	**0**	**0**	**0**
Closing balance as of 30 June 2023	**787**	**81 056**	**-72 314**	**-7 099**	**2 430**
Opening balance as of 1 January 2023	**787**	**81 056**	**-45 537**	**-26 777**	**9 529**
Disposition of the preivous year´s result	0	0	-26 777	26 777	0
Result for the period	0	0	0	-9 930	-9 930
Transactions with owners:	0	0	0	0	0
Registered new share issue	230	7 849	0	0	8 079
New share issue costs	0	-1 017	0	0	-1 017
Total transactions with owners	**230**	**6 832**	**0**	**0**	**7 062**
Closing balance as of 31 December 2023	**1 017**	**87 888**	**-72 314**	**-9 930**	**6 661**

COMPANY INFORMATION

Pila Pharma AB – parent company

Company name	**PILA PHARMA AB**
Ticker name	**“PILA”. The shares are listed on the Nasdaq First North Growth Market in Stockholm**
ISIN-codes	**The share ISIN-kod is SE0015988274**
Residence	**Malmö Town, Skåne county, Sweden**
Registration number	**556966-4831**
Date of company formation	**2014-03-26**
Date of starting the company business	**2014-03-26**
Country for company formation	**Sweden**
Legal description	**Public company**
Legislation	**Swedish law and Swedish Companies Act**
Address	**Norra Vallgatan 72, 211 22 Malmö**
Homepage	**www.pilapharma.com**
Auditor	**Deloitte AB (Hjälmaregatan 3, 201 23 Malmö) head responsible auditor Maria Ekelund**
LEI-code	**6488Z7WG18Q0ZN0V0262**

Pila Pharma Danmark ApS – subsidiary

Country from company formation	**Denmark**
Country from where the subsidiary conduct the business	**Denmark**
Registration number	**CVR-nr: 39023636**
Owner share	**100%**

For further information, please contact

PILA PHARMA AB
Norra Vallgatan 72
211 22 Malmö
Sweden

Mail: info@pilapharma.com

www.pilapharma.com