



Interim Report January–September 2020

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® is a Swedish pharmaceutical company that develops new innovative 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 extremely 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 symptomatic drug candidates where the unique mechanism of action allows for multiple indications, including Alzheimer's disease, as well as cognitive disorders associated with traumatic brain injury, sleep apnea and Parkinson's disease. Alzstatin comprises two disease-modifying and preventive drug candidates for early treatment of Alzheimer's disease. Painless is the company's research platform in the field of pain and contains two projects: ACD440, which is a clinical candidate for the treatment of neuropathic pain, and TrkA-NAM, which targets severe pain in 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 outlicensing solutions with other pharmaceutical companies.

FNCA Sweden AB, +46(0)8 528 00 399 info@fnca.se, is the company's Certified Adviser. For more information, please visit www.alzecurepharma.se.



” AlzeCure has had another productive quarter during which its operations progressed according to plan, with advances in all three of our project platforms: NeuroRestore, Alzstatin and Painless. Preparations to begin two additional clinical trials at the end of the year for the drug candidates ACD856 and ACD440 are proceeding according to plan.

Martin Jönsson, CEO
AlzeCure Pharma

Financial information

July – September 2020

Figures in parentheses refer to the corresponding period of the previous year.

- Net sales during the period totaled SEK 0 thousand (0).
- Earnings for the period totaled SEK -21,455 thousand (-13,382).
- Earnings per share, basic, totaled SEK -0.57 (-0.35).
- Total assets at the end of the period amounted to SEK 138,334 thousand (201,596).
- Cash and cash equivalents at the end of the period totaled SEK 132,976 thousand (196,842).

January – September 2020

Figures in parentheses refer to the corresponding period of the previous year.

- Net sales during the period totaled SEK 0 thousand (0).
- Earnings for the period totaled SEK -53,646 thousand (-35,223).
- Earnings per share, basic, totaled SEK -1.42 (-0.93).
- Total assets at the end of the period amounted to SEK 138,334 thousand (201,596).
- Cash and cash equivalents at the end of the period totaled SEK 132,976 thousand (196,842).

Significant events

January – June 2020

- In January, the company in-licensed a new project, ACD440, which focuses on neuropathic pain and is in clinical development phase.
- Martin Jönsson was appointed to serve as the new Chief Executive Officer on January 8, 2020. Martin has worked in the global pharmaceutical industry for more than 20 years, with extensive experience from various executive positions at both Ferring Pharmaceutical and Roche.
- Johan Sandin took over the position of Chief Scientific Officer in January, which enabled him to dedicate all of his time to research and development.
- An van Es Johansson joined the management group in March as Head of Development & Chief Medical Officer and thereby stepped down from the Board of Directors. This arrangement further strengthens the company in a period when it is developing and preparing to increase the number of clinical trials, in line with previously announced plans.
- On April 2 the company presented a “late-breaking abstract” at the Advances in Alzheimer’s and Parkinson’s Therapies (AAT-AD/PD) conference. Dr. Pontus Forsell, Head of Discovery, and lead author of the study, gave an oral presentation entitled “ACD856 a positive modulator of neurotrophin signaling reverses scopolamine- or age-induced cognitive deficits.” The study shows that treatment with ACD856 results in potent memory enhancement in preclinical studies.

- On June 4, the company presented favorable data from the first clinical trial with ACD856, which showed that ACD856 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 an oral therapy for conditions such as Alzheimer’s disease.

July – September 2020

- During the quarter the company was represented and active in various events, including scientific symposiums focused on Alzheimer’s disease arranged with Professor Bengt Winblad at Karolinska Institutet, as well as professor Henrik Zetterberg, active at University College London in the UK and the University of Gothenburg.

Significant events after the end of the period

AlzeCure Pharma received, November 12, approval to start clinical Phase I trial with ACD856 in Alzheimer’s disease.

A word from the CEO

AlzeCure has had another productive quarter during which its operations progressed according to plan, with advances in all three of our project platforms: NeuroRestore, Alzstatin and Painless. Preparations to begin two additional clinical trials at the end of the year for the drug candidates ACD856 and ACD440 are proceeding according to plan. We continue to pursue our previously communicated primary objectives, which remain unaffected by the COVID-19 situation.

ACD856, is part of the innovative NeuroRestore platform with a primary focus on symptomatic treatment of Alzheimer's. During the second quarter we concluded our first clinical trial with this substance. Following the positive data in this study, we worked intensively during the third quarter to prepare for future clinical trials for ACD856. As planned, we have submitted the application to begin these studies to the authorities and we expect to initiate the trials before the end of the year, which is in line with our previously announced goals. In the upcoming studies we intend to assess the tolerability and safety of the drug candidate in humans.

Our second drug candidate in the NeuroRestore platform, ACD857, which is in research phase, also has potential indications in cognitive dysfunction, such as Alzheimer's disease, Parkinson's disease and traumatic brain injury (TBI).

In September we arranged the first of three planned scientific symposiums with invited specialists as guest speakers. At the first symposium guest speaker Professor Bengt Winblad, from Karolinska Institutet in Stockholm, discussed the use of therapies to treat the symptoms of Alzheimer's disease, specifically memory and cognition, the targets of the NeuroRestore platform. At the symposium, Professor Bengt Winblad emphasized the great need for new symptomatic drugs for the treatment of Alzheimer's disease, as well as for other patient groups with cognitive disorders, which our development projects also focus on and try to solve. The symposium was successful with several hundred listeners online. The large number of listeners shows the strong interest in our development programs and in AlzeCure as a company. The symposium can be viewed on our website and on the AlzeCure YouTube channel.

We see great potential in the NeuroRestore platform with more potential indications for our drug candidates and thus also more conceivable paths forward for continued development. This broadens AlzeCure's future opportunities and adds value for our shareholders.

Our other innovative Alzheimer's project platform, Alzstatin, aims to develop preventive disease-modifying treatments for Alzheimer's by reducing production of harmful amyloid-beta (A β) and thereby preventing accumulation of pathological amyloid in the brain. Medical need in this area continues to be enormous since there are no drugs today that can prevent or slow the progression of Alzheimer's disease. The disease is estimated to cost society SEK 10,000 billion worldwide every year – a cost that is expected to triple over the next 30 years, as life expectancy increases. This demonstrates the tremendous and growing need for effective new medications. At the same time, it also

demonstrates the potential for the Alzstatin program, which has compounds in preclinical studies that have shown to reduce the quantity of harmful amyloid-beta by 50 per cent.

The Alzstatin project ACD679 is in preclinical toxicological studies, at the same time that research continues in the ACD680 follow-up project. This parallel development will ensure that we can choose the best possible Alzstatin substance for future clinical trials.

To promote our work in the field of disease-modifying-treatments for Alzheimer's disease, at the end of September we arranged our second scientific symposium, this time in collaboration with Professor Henrik Zetterberg, active at University College London in the UK, as well as at the University of Gothenburg. For years, AlzeCure has closely collaborated



Martin Jönsson, CEO

with Professor Zetterberg, a world-leading researcher in the field with a focus on biomarkers, whose sponsors include the Bill & Melinda Gates Foundation. At the symposium Professor Zetterberg stated that he remains positive to the amyloid hypothesis, on which the Alzstatin project is based, and believes that the new results from antibody therapies strengthen the validity of the hypothesis. The symposium was primarily aimed at institutions and people with extensive knowledge in the field of Alzheimer's, but has also attracted interest among other pharmaceutical companies. This symposium has also been viewed by several hundred people and has received extremely positive feedback. The symposium can be viewed on our website and YouTube channel.

We also see continued promising progress in our Painless platform, which consists of two projects: ACD440 and TrkA-NAM. ACD440 is a VR1 antagonist in clinical development phase, aimed at treating neuropathic pain. During the third quarter we submitted an application for continued phase Ib clinical trials, which are planned to begin at the end of this year. Sales for medications with the indication of neuropathic pain are currently worth over SEK 70 billion each year. At the same time, it is assessed that over half of the estimated 25-30 million patients who suffer from neuropathic pain do not achieve adequate pain relief.

TrkA-NAM is an extremely interesting pain project intended to treat severe pain in conditions such as osteoarthritis, a condition that currently affects an estimated 250 million patients, for whom healthcare providers would like new treatment options as an alternative to existing treatment (such as opioids). The project is based on a biological mechanism with strong preclinical and clinical validation. As a result of these efforts and in combination with our advanced progress related to the development of selective substances, interest among potential partners is strong. The company aims to produce preclinical efficacy data on TrkA-NAM during the year.

Over the past quarter we continued to have a strong focus on our marketing communication efforts, including our scientific symposiums with leading researchers in the field. I look forward to being able to hold our third symposium, where we plan to focus on the field of pain. We will continue to actively work on promoting the company to both private and institutional investors, as well as other pharmaceutical and research companies who may be interested in investing in, licensing, or partnering with AlzeCure in the development of our therapeutics.

Interest in AlzeCure has increased sharply during 2020 and we have received many new shareholders who have invested in the company.

Regarding the ongoing COVID-19 situation, we continue to take measures to protect our employees and we are working closely with our

suppliers to minimize the impact of the circumstances on the company's operations. The organization and the employees have successfully adapted to the situation and ensured that the business is able to deliver according to plan.

I am pleased to report that AlzeCure continues to make good progress. We have several promising projects under development, all within fields with great unmet medical need. The results we achieved during the quarter strengthen our conviction that we will be able to deliver as stated in our communicated objectives: we will have two projects in clinical development phase at the end of the year.

Huddinge, November 2020

Martin Jönsson

” I am pleased to report that AlzeCure continues to make good progress. We have several promising projects under development, all within fields with great unmet medical need.

AlzeCure's project portfolio

AlzeCure® is developing four drug candidates simultaneously, based on the NeuroRestore® and Alzstatin® platforms. In addition, the company has the Painless platform, which focuses on pain treatment and contains two projects – ACD440 in clinical development phase and TrkA-NAM in research phase.

AlzeCure has two candidates in the NeuroRestore platform and two candidates in the Alzstatin platform. The Painless platform includes two projects. The company plans to have two drug candidates in clinical trials in 2020. 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 symptomatic 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 Parkinson's disease.

- 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.
 - The TrkA-NAM project is aimed at treating severe pain caused by disorders such as osteoarthritis, which today lacks sufficiently effective treatment. The project is currently in research phase.
 - The clinical drug candidate ACD440 was in-licensed in January 2020 and is being developed for the treatment of neuropathic pain, a field with great unmet medical need. The project is currently in clinical development phase.

AlzeCure's pipeline¹

Platform	Candidate	Indication	Research phase	Preclinical phase	Phase I	Phase II	Phase III
NeuroRestore	ACD856	Alzheimer's disease/ Sleep disorders/ Traumatic brain injury	In progress	In progress	In progress		
	ACD857	Alzheimer's disease	In progress				
Alzstatin	ACD679	Alzheimer's disease	In progress	In progress			
	ACD680	Alzheimer's disease	In progress				
Painless	VR1/ACD440	Neuropathic pain	In progress	In progress	In progress		
	TrkA-NAM	Osteoarthritic pain	In progress				

 In progress  Completed

1) For definitions of the phases, please see the AlzeCure Pharma website, www.alzecurepharma.se

Project development

AlzeCure is focused on research and development of innovative and effective new drugs for diseases that affect the nervous system and the brain, specifically on Alzheimer's disease and pain. There is a huge unmet medical need for these severe illnesses, for example, disease-modifying therapy for Alzheimer's is expected to be able to generate more than USD 10 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 within the pain platform, Painless – TrkA-NAM and ACD440.

- Within NeuroRestore, a new generation of symptomatic 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 research phase aimed at developing a new treatment for severe pain in conditions such as osteoarthritis.
- ACD440 is a drug candidate in clinical development phase aimed at treating neuropathic pain and was in-licensed in January 2020.

AlzeCure plans to have two of the company's drug candidates in clinical trials during 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.

NeuroRestore includes two drug candidates, where ACD856 is the primary candidate for cognitive dysfunction/Alzheimer's disease. The compound has demonstrated potent effects on both memory and learning functions in several preclinical models.

The company began clinical studies with ACD856 on schedule in late 2019. The study was completed on schedule in the second quarter of 2020, with results showing that ACD856 is well-suited for further clinical development. Continued clinical trials are planned to be initiated in late 2020.



ACD857 is in research phase and has the primary indication of cognitive dysfunction/Alzheimer's disease.

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 leading drug candidate in the Alzstatin platform, ACD679, is currently undergoing the important safety pharmacological and toxicological studies necessary before clinical trials may begin. Alongside this work, the development of an additional drug candidate is in progress (ACD680) to ensure that the company has the best candidate for clinical studies.

AlzeCure's Painless platform contains two projects aimed at new treatments for pain. TrkA-NAM builds on the knowledge amassed and assets developed in the NeuroRestore platform. The project, which is aimed at severe pain in conditions such as osteoarthritis, is currently in research phase and the company anticipates receiving preclinical efficacy data in 2020.

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 a major pharmaceutical company and is based on strong scientific grounds. The compound has previously undergone phase I clinical trials, in which both tolerability and early efficacy endpoints were observed. AlzeCure plans to initiate a phase Ib clinical trial with the drug candidate at the end of 2020.



The results for the NeuroRestore candidate ACD856 illustrates the great value of AlzeCure's broad portfolio of candidates, which enables us to pursue a strategy in which several candidates are developed in parallel.

Comments on the report

Financial overview

SEK thousand	July-Sept. 2020	July-Sept. 2019	Jan.-Sept. 2020	Jan.-Sept. 2019	2019
Net sales	0	0	0	0	0
Operating profit/loss	-21,503	-13,426	-53,812	-35,223	-50,908
Earnings for the period and comprehensive income	-21,455	-13,382	-53,646	-35,223	-50,858
Earnings per share, basic (SEK)	-0.57	-0.35	-1.42	-0.93	-1.35
Research expenses as a percentage of operating expenses (%)	90.6	90.6	86.5	88.1	87.7
Total assets	138,334	201,596	138,334	201,596	186,755
Cash and cash equivalents	132,976	196,842	132,976	196,842	182,499
Debt/equity ratio (%)	92.9	98.0	92.9	98.0	97.5
Average number of shares, basic	37,765,715	37,765,715	37,765,715	37,765,715	37,765,715
Average number of employees	8	5	8	3	4

See the definitions below.

Revenue and profit/loss

The company had no net sales during the period. Other operating income largely relates to currency gains this quarter as well. Government aid received for increased sick pay costs totals SEK 66 thousand for the period January to September and is recognized as other income.

The loss for the third quarter totaled SEK -21,503 thousand (-13,426). The operating loss for the period January to September was SEK -53,812 thousand (-35,223). The company's research operations have continued to increase, for which reason research expenses also increased, all according to plan. During the third quarter of 2020, research expenses increased by +61% compared with the same period the previous year. More information about research at AlzeCure can be found in the Project Portfolio section of this report.

Administrative costs were also higher this quarter compared with the previous year. The company continued to focus more on communication and business development in the third quarter, compared with the same period the previous year. The company had eight employees during the third quarter.

The COVID-19 pandemic is still underway and the company takes ongoing necessary measures to protect its employees and limit any negative impact on the company's operations. The company's business has not been affected to any great extent by the pandemic. The company has received relief through reduced social security contributions, as well as reimbursement of sick pay costs.

Earnings per share (basic) amounted to SEK -0.57 (-0.35) for the third quarter of 2020, and SEK -1.42 (-0.93) for the period January to September 2020.

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Financial position

At the end of the period, equity was SEK 128,475 thousand (197,642) and the debt/equity ratio was 92.9% (98.0).

Cash and cash equivalents at the end of the period totaled SEK 132,976 thousand (196,842).

In 2019 the company launched an incentive program with warrants aimed at the Board of Directors. A total of 110,000 warrants were issued. For more details, please see “Share-related compensation programs” in the report.

During the second quarter of 2020 the company launched an incentive program, this time with warrants aimed at the company’s Chief Executive Officer. A total of 300,000 warrants were issued. For more details, please see “Share-related compensation programs” in the report.

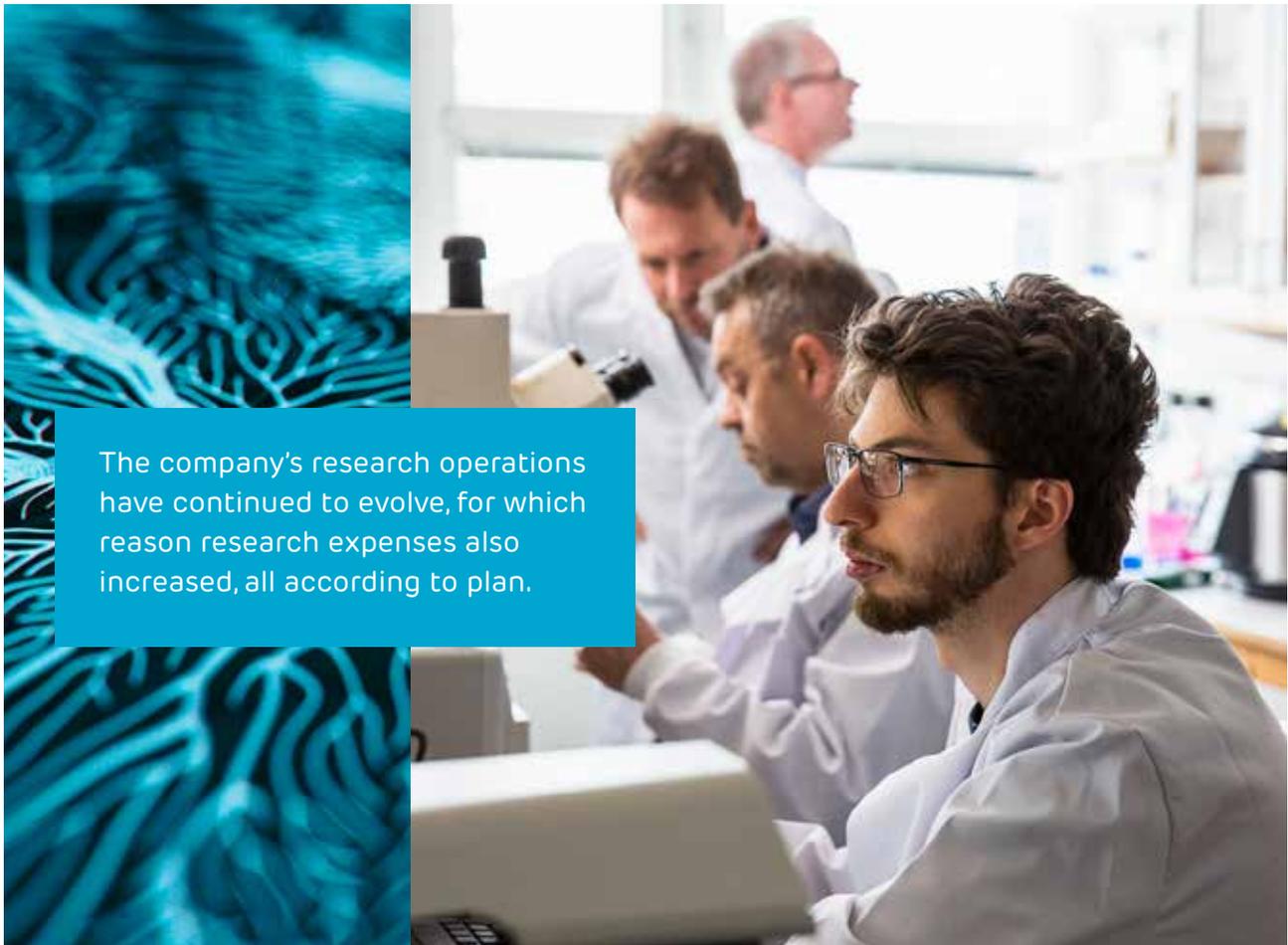
A total of 410,000 warrants have been issued, resulting in a dilution effect of 1%.

Cash flow and investments

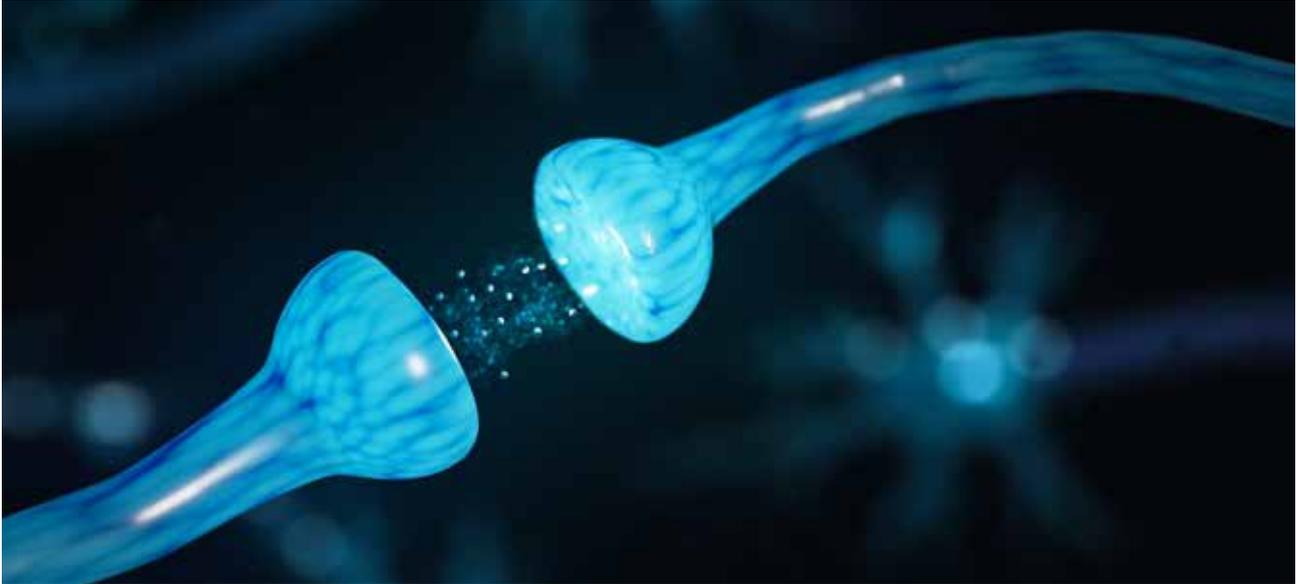
Cash flow from operating activities including changes in working capital for the third quarter of 2020 totaled SEK -20,154 thousand (-13,209). For the period January to September, the corresponding cash flow totaled SEK -49,133 thousand (-36,292).

Cash flow from investing activities totaled SEK -195 thousand (-264) in the third quarter, mainly attributable to investments in laboratory equipment. For the period January to September, cash flow from investing activities totaled SEK -504 thousand (-1,111).

For the third quarter of 2020, cash flow from investing activities totaled SEK 0 thousand (0); the total for the period January to September is SEK 114 thousand (-304). The figure during the corresponding period last year is attributable to late submission of transaction expenses related to the company’s new share issue in conjunction with its listing in 2018.



The company’s research operations have continued to evolve, for which reason research expenses also increased, all according to plan.



Accounting policies and valuation principles

General information and compliance with IAS 34

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. AlzeCure Pharma AB (publ) is domiciled in Stockholm. Because the company is not a group, it applies IFRS with the adjustments required under RFR2 Accounting for legal entities.

Significant accounting policies and valuation principles

This interim report has been prepared in compliance with the accounting policies and valuation principles applied in the company's most recent annual report.

Significant estimates and assumptions

When preparing interim reports, the Board and the CEO must, in accordance with the applicable accounting policies and valuation policies, make certain estimates, assessments and assumptions that affect the recognition and valuation of assets, provisions, liabilities, income and expenses. The outcome may deviate from these estimates and assessments and will very rarely amount to the same sum as the estimated outcome.

The estimates and assessments made in the interim report, including the assessment of the main causes of uncertainty, are the same as those applied in the most recent Annual Report.

Key ratios and definitions

Earnings per share: net sales for the period divided by the average number of shares during the period.

Debt/equity ratio: equity, and where applicable untaxed reserves (less deferred tax), in relation to total assets.

Research expenses as a percentage of 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 activities such as expenditures for personnel, material and external services.

Significant risks and uncertainties

The company develops drug candidates and activities will always involve regulatory, market and financial risks. No significant changes regarding those risks and uncertainty factors took place during the period compared with those presented in the most recent annual report.

The COVID-19 pandemic is still underway and the company has taken the necessary measures to protect its employees and limit any negative impact on the company's operations. The company is closely monitoring the situation and will take additional measures as needed.

The share, share capital & ownership structure

The share

The share has traded on Nasdaq First North Premier Growth Market under the name ALZCUR since November 28, 2018. On September 30, 2020, the number of shares in the company totaled 37,765,715.

Owners as of September 30, 2020

The ten largest owners as of September 30, 2020	Number of shares	Share capital and votes
BFCM P/C BFCM Sweden Retail FT	4,395,265	11.6%
FV Group AB	2,000,000	5.3%
Nordnet Pensionsförsäkring AB	1,894,826	5.0%
AlzeCure Discovery	1,710,000	4.5%
Sjuenda Holding AB	1,578,600	4.2%
SEB-Stiftelsen	1,400,000	3.7%
Futur Pension Försäkringsaktiebolag	1,106,000	2.9%
Pontus Forsell	853,643	2.3%
BNP Paribas Sec Serv Luxembourg	850,000	2.3%
Johan Sandin	850,000	2.3%
10 largest owners	16,638,334	44.1%
Other	21,127,381	55.9%
TOTAL	37,765,715	100%

Nomination Committee

AlzeCure Pharma's nomination committee for the 2021 Annual General Meeting was appointed in accordance with the principles adopted by the Annual General Meeting on May 20, 2020 and consists of: **William Gunnarsson**, appointed by BFCM P/C BFCM Sweden Retail FT, **Bo Rydinger**, appointed by FV Group AB, **Liselotte Jansson**, appointed by AlzeCure Discovery AB and **Thomas Pollare** (Chairman of the Board)

Share-related compensation programs

In 2019 the company launched an incentive program with warrants aimed at some members of the Board of Directors. A total of 110,000 warrants were issued: 35,000 warrants went to Thomas Pollare and 25,000 warrants each went to An van Es Johansson, Ragnar Linder and Pirkko Sulila Tamsen.

The warrants, which were issued at the market price as of May 22, 2019, entitle the holder to subscribe for shares during the period June 15–30, 2022. 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 May 22, 2019. For more information, please see the minutes from the AGM of May 22, 2019.

In 2020 the company also launched an incentive program, this time 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, entitle the holder to subscribe for shares during the period June 15, 2023 – July 5, 2023. 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 20, 2020. For more information, please see the minutes from the AGM of Wednesday, May 20, 2020.

The total dilution effect is 1%.

Financial calendar

Year-end report for the period January–December 2020	February 26, 2021
Annual Report 2020	April 6, 2021
Interim report for the period January – March 2021	May 5, 2021
2021 Annual General Meeting	May 12, 2021

The Board's assurance

The Board of Directors and the CEO hereby certify that this interim report provides a true and fair view of the company's operations, position and results and describes significant risks and uncertainties facing the company.

Huddinge, November 17, 2020

Thomas Pollare
Chairman of the Board

Pirkko Sulila Tamsen
Board member

Ragnar Linder
Board member

Ellen Donnelly
Board member

Martin Jönsson
Chief Executive Officer

This report has been reviewed by the company's auditors.

For more information, please see www.alzecurepharma.se or contact:
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Auditor's report on review of interim financial information in summary (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act (1995:1554).

To the board of AlzeCure Pharma AB (publ), corporation number 559094–8302.

Introduction

We have reviewed the interim financial information in summary (interim report) of AlzeCure Pharma AB (publ.) as of 30 September 2020 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *“Review of Interim Financial Information Performed by the Independent Auditor of the Entity.”* A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards. The procedures performed in a review do not enable us to obtain assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared in accordance with IAS 34 and the Swedish Annual Accounts Act.

Stockholm, November 17, 2020
Grant Thornton Sweden AB

Camilla Nilsson
Authorized Public Accountant

Income statement and other comprehensive income

SEK thousand	July-Sept. 2020	July-Sept. 2019	Jan.-Sept. 2020	Jan.-Sept. 2019	2019
Net sales	0	0	0	0	0
Operating expenses					
Research expenses	-19,653	-12,189	-47,041	-31,152	-44,789
Administrative expenses	-1,880	-1,156	-6,877	-3,981	-6,035
Other operating income	181	35	549	138	175
Other operating expenses	-151	-116	-443	-228	-259
Operating profit/loss	-21,503	-13,426	-53,812	-35,223	-50,908
Profit/loss from financial items					
Interest income and similar profit/loss items	48	63	167	138	199
Interest expenses and similar profit/loss items	0	-19	-1	-138	-149
Loss after financial items	-21,455	-13,382	-53,646	-35,223	-50,858
Earnings for the period and comprehensive income	-21,455	-13,382	-53,646	-35,223	-50,858
Earnings for the period per share, basic (SEK)	-0.57	-0.35	-1.42	-0.93	-1.35
Earnings for the period per share, diluted (SEK)	-0.57	-0.35	-1.42	-0.93	-1.33
Average number of shares, basic	37,765,715	37,765,715	37,765,715	37,765,715	37,765,715
Average number of shares, diluted	38,175,715	37,875,715	38,009,048	37,802,382	37,820,715

Balance sheet

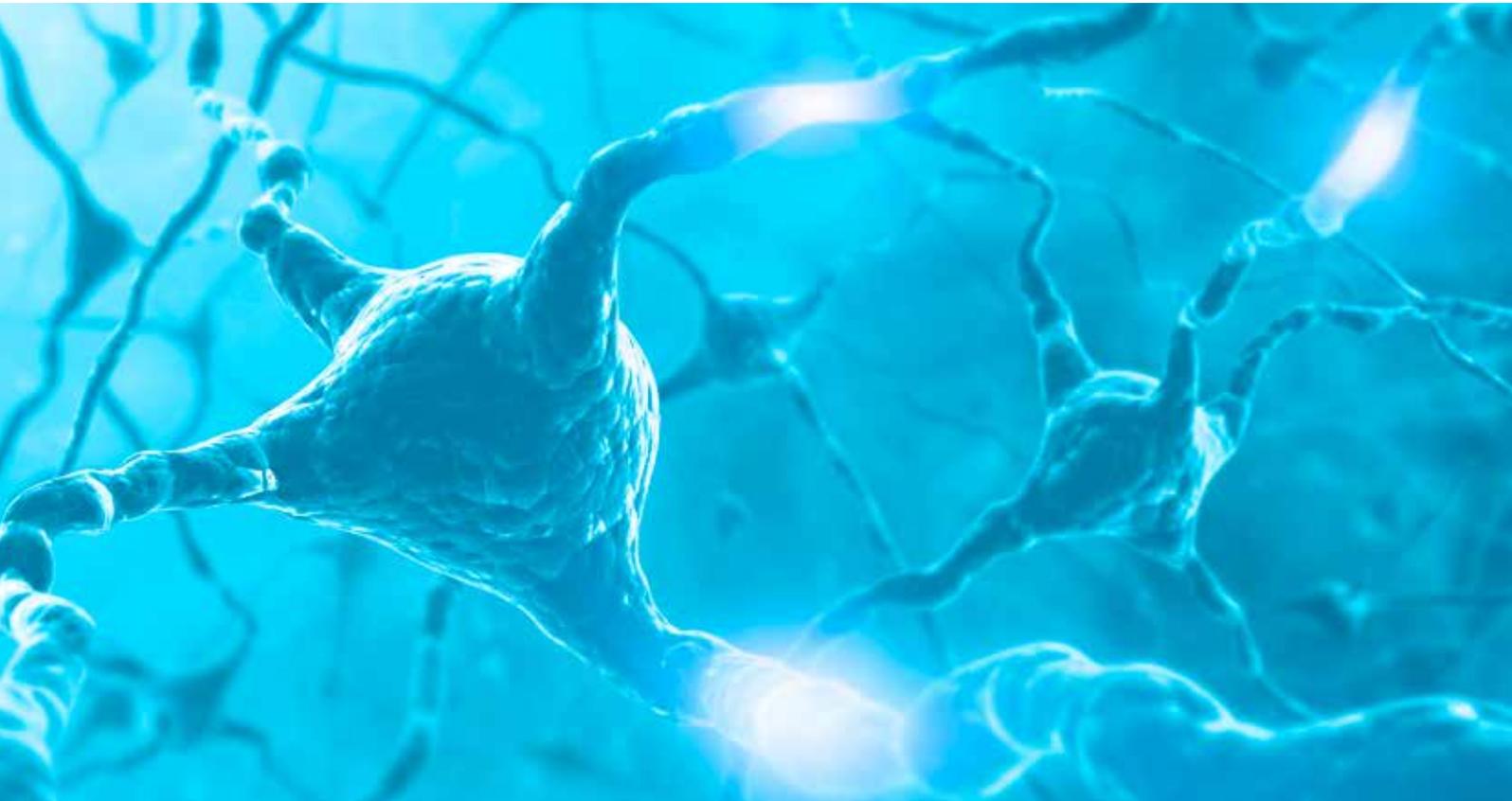
SEK thousand	Sept. 30, 2020	Sept. 30, 2019	Dec. 31, 2019
ASSETS			
Non-current assets			
<i>Intangible fixed assets</i>			
Project rights	17	17	17
Total intangible fixed assets	17	17	17
<i>Tangible fixed assets</i>			
Equipment, tools and installations	1,913	1,521	1,768
Total tangible fixed assets	1,913	1,521	1,768
<i>Financial fixed assets</i>			
	7	7	7
Total non-current assets	1,937	1,545	1,792
Current assets			
<i>Current receivables</i>			
Trade receivables	80	8	16
Other current receivables	2,673	1,698	1,918
Prepaid expenses and accrued income	668	1,503	530
Total current receivables	3,421	3,209	2,464
<i>Cash and bank balances</i>			
	132,976	196,842	182,499
Total current assets	136,397	200,051	184,963
TOTAL ASSETS	138,334	201,596	186,755
EQUITY AND LIABILITIES			
Equity			
Share capital	944	944	944
Share premium reserve	278,842	278,728	278,728
Accumulated profit/loss	-97,665	-46,807	-46,807
Profit/loss for the period	-53,646	-35,223	-50,858
Total equity	128,475	197,642	182,007
Current liabilities			
Trade payables	7,812	2,707	2,997
Other current liabilities	187	182	251
Accrued expenses and deferred income	1,860	1,065	1,500
Total current liabilities	9,859	3,954	4,748
Total liabilities	9,859	3,954	4,748
TOTAL EQUITY AND LIABILITIES	138,334	201,596	186,755

Statement of change in equity

SEK thousand	Share capital	Share premium reserve	Accumulated profit/loss	Profit/loss for the period and the year	Total equity
Opening balance January 1, 2019	944	279,032	-10,822	-35,985	233,169
Appropriation of earnings			-35,985	35,985	0
Transaction costs, new share issue for listing 2018		-381			-381
Warrant program		77			77
Earnings for the period and comprehensive income				-50,858	-50,858
Closing balance December 31, 2019	944	278,728	-46,807	-50,858	182,007
Opening balance January 1, 2020	944	278,728	-46,807	-50,858	182,007
Appropriation of earnings			-50,858	50,858	0
Warrant program		114			114
Earnings for the period and comprehensive income				-53,646	-53,646
Closing balance September 30, 2020	944	278,842	-97,665	-53,646	128,475

Cash flow statement

SEK thousand	July-Sept. 2020	July-Sept. 2019	Jan.-Sept. 2020	Jan.-Sept. 2019	2019
Operating activities					
Operating loss before financial items	-21,503	-13,426	-53,812	-35,223	-50,908
Adjustment for items not included in cash flow, etc.					
Depreciation and amortization	130	63	359	187	290
Interest received	48	64	167	138	199
Interest paid	0	-20	-1	-138	-149
Cash flow from operating activities before changes in working capital	-21,325	-13,319	-53,287	-35,036	-50,568
Changes in working capital					
Change in trade receivables	42	0	-64	0	-8
Change in other current receivables	1,397	550	-893	-597	156
Change in trade payables	176	-1,078	4,815	-939	-649
Change in other current operating liabilities	-444	638	296	280	784
Net cash flow from operating activities	-20,154	-13,209	-49,133	-36,292	-50,285
Investing activities					
Acquisition of tangible fixed assets	-195	-264	-504	-1,111	-1,461
Cash flow from investing activities	-195	-264	-504	-1,111	-1,461
Financing activities					
New share issue incl. transaction expenses	0	0	0	-381	-381
Warrant program	0	0	114	77	77
Cash flow from financing activities	0	0	114	-304	-304
Cash flow for the year	-20,349	-13,473	-49,523	-37,707	-52,050
Cash and cash equivalents at beginning of year	153,325	210,315	182,499	234,549	234,549
Cash and cash equivalents at end of period	132,976	196,842	132,976	196,842	182,499



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