OncoZenge

Interim report January 1 - June 30 2025

Interim report January 1 - June 30 2025

Summary of the Second Quarter

In January, an investment agreement worth SEK 30.2 million was signed with the new strategic investor Sichuan Yangtian Bio-Pharmaceutical Co. Ltd, to be executed through directed share issues. The first two planned share issues were subscribed by the investor during the second quarter. Proceeds were received after the reporting period and are accounted for in the interim report as an ongoing share issue. The company's financing depends on the completion of the remaining directed share issues, which are planned for the fourth quarter of 2025 to the first quarter of 2026.

In March, a commercialization agreement was signed with Molteni Farmaceutici S.P.A. regarding the European territory. The first milestone payment was received during the second quarter.

The company is currently working towards achieving market approval and commercial launch of BupiZenge™ in Europe and adjacent markets where a European approval can be used for market access. In light of the confirmed financing, the company has signed Meribel Pharma Solutions for manufacturing of lozenges for the Phase III trial, and LINK Medical is currently performing a European site feasibility study in preparation for site selection.

Second Quarter (Apr-Jun) 2025

Net sales: SEK 0 thousand (0)
Operating result: SEK -2,605 thousand (-2,049)
Earnings per share before and after dilution: SEK -0.22 (-0.18)

Reporting Period (Jan-Jun) 2025

Net sales: SEK 2,664 thousand (0)
Operating result: SEK -2,561 thousand (-4,422)
Earnings per share before and after dilution: SEK -0.22 (-0.38)

The company's net sales consist of milestone payments from licensees.

Key figures

	2025 Apr-Jun	2024 Apr-Jun	2025 Jan-Jun	2024 Jan-Jun	2024 Jan-Dec
Net sales, SEK thousand	-	-	2 664	-	-
Operating result, SEK thousand	-2 605	-2 049	-2 561	-4 422	-8 685
Profit after tax, SEK thousand	-2 607	-2 053	-2 563	-4 425	-8 688
Total assets, SEK thousand	15 266	14 937	15 266	14 937	11 434
Cash flow for the period, SEK thousand	263	-2 093	-2 306	-5 058	-8 764
Cash flow per share for the period (SEK)	0.02	-0.18	-0.20	-0.43	-0.75
Cash and cash equivalents, SEK thousand	1 557	7 569	1 557	7 569	3 863
Earnings per share before and after dilution (SEK)	-0.22	-0.18	-0.22	-0.38	-0.74
Equity per share (SEK)	1.09	1.21	1.09	1.21	0.63
Equity ratio, %	84.02%	95.15%	84.02%	95.15%	87.02%

Company in brief

OncoZenge AB is a Swedish pharmaceutical company developing a new treatment for pain relief in patients suffering from oral mucositis, an oral pain caused by radiation therapy and chemotherapy for cancer.

The company's product candidate, BupiZenge™, is a lozenge designed for pain relief in the mouth and throat. The active substance, bupivacaine, has a well-documented pain-relieving effect on patients with oral mucositis, as demonstrated in previous clinical Phase I and II studies. The company was founded in 2020 and is listed on Nasdaq First North Growth Market (OMX: ONCOZ). OncoZenge is headquartered in Stockholm.

OncoZenge estimates that at least 35% of cancer patients develop oral mucositis after beginning treatment. The pain caused by oral mucositis can lead to patients not completing their cancer treatments and may also result in significant weight loss due to difficulties in eating. There are currently no satisfactory alternatives to help these patients with pain relief.

BupiZenge™ has the potential to annually help millions of patients with pain relief and could create a new market with more than SEK 10 billion in annual revenue for licensees globally.

Corporate Events

At the AGM on May 28, 2025, Daniel Ehrenstråhle and Christoph Nowak were reelected as board members, Mats Lindskog was elected as new board member, and Daniel Ehrenstråhle was reelected as chairman of the board, all for the period ending at the next AGM. Niclas Holmgren declined reelection.

Significant events during the 2nd quarter

- **April 2, 2025:** It was announced that OncoZenge's board member, Dr. Christoph Nowak, will present an abstract for the company's European Phase III study for BupiZenge™ at the annual meeting of the Multinational Association of Supportive Care in Cancer (MASCC), taking place in Seattle, USA, on June 26-28, 2025.

- **April 4, 2025:** It was announced that the sponsor team for the Phase III project with BupiZenge™ is being strengthened to handle regulatory matters. OncoZenge is pleased to announce that Christina Junvik is joining the company through an expanded collaboration with PharmaRelations to enhance the company's preparedness for the Phase III project with BupiZenge™.

- **April 10, 2025:** It was announced that Christoph Nowak, MD, PhD, Dipl-Psych, who has been a board member since autumn 2023, is joining the company's management team in the role of Chief Medical Officer (CMO).

- **April 11, 2025:** It was announced that the first milestone payment has been received from the licensee, Molteni Farmaceutici. The first milestone payment, amounting to approximately SEK 2.7 million, was received with a valuation date of April 11, 2025, and was included in OncoZenge's financial results and position as of March 31, 2025.

- **April 11, 2025:** It was announced that OncoZenge and Avernus Pharma General Trading LLC ("Avernus"), a pharmaceutical company focused on marketing and distribution in the Middle East, have signed an exclusive licensing agreement for BupiZenge™ for commercialization and distribution in the Gulf Cooperation Council (GCC) region.

- **April 25, 2025:** It was announced that OncoZenge and Yangtian Pharma have entered into an amendment to the original investment agreement, extending the timeframe for the Outbound Direct Investment (ODI) process to May 31, 2025, without affecting other terms, to account for the processing time required to complete the ODI process.

- **May 12, 2025:** It was announced that OncoZenge received confirmation that the National Development and Reform Commission (NDRC) has issued an approval certificate for the investment agreement entered into between the company and Yangtian Pharma on January 27, 2025.

- **June 5, 2025:** It was announced that OncoZenge has received confirmation that the Department of Commerce has issued a certificate of approval for the investment agreement entered into by the Company and Sichuan-Yangtian Biopharmaceuticals Co, Ltd. on January 27th, 2025.

- **June 6, 2025:** It was announced that LINK Medical has been engaged to conduct a feasibility study in Europe for the company's planned Phase III study for European approval of BupiZenge™. The study aims to confirm the availability of suitable clinics in Europe, with a focus on Germany, Denmark, Norway, and Sweden. The study will also provide important validation of the expected patient recruitment rate and thus the overall timeline.

- **June 27, 2025:** It was announced that the company received confirmation that the State Administration of Foreign Exchange (SAFE) has completed its review of the investment agreement entered into between the company and Yangtian Pharma on January 27, 2025.

Significant events earlier in the reporting period

- **January 13, 2025:** It was announced that the company has entered into a non-binding agreement with the intent to collaborate with Molteni Farmaceutici ("Molteni") regarding exclusive commercialization rights for BupiZenge™ in Europe, with the goal of signing a final licensing agreement by April 30, 2025.

- **January 16, 2025:** It was announced that the company has filed a patent application under the Patent Cooperation Treaty (PCT) procedure, a significant milestone in the company's intellectual property strategy for the drug candidate BupiZenge™. This application follows the patent application filed with priority at the Swedish Patent and Registration Office (PRV) in February 2024, in accordance with international PCT requirements.

- **January 27, 2025:** It was announced that OncoZenge has entered into an investment agreement worth SEK 30.2 million with the new strategic investor Sichuan Yangtian Bio-Pharmaceutical Co., Ltd ("Yangtian Pharma"), to be executed through directed share issues. The board has called an extraordinary general meeting to be held on March 3, 2025, to authorize the board to decide on the directed share issues and to propose amendments to the limits on the number of shares and share capital in the company's articles of association to enable the investment. The company's financing depends on the completion of the proposed directed share issue, planned for the fourth quarter of 2025 to the first quarter of 2026.

- **March 3, 2025:** An extraordinary general meeting was held in Stockholm. The meeting resolved to authorize the issuance and amend the articles of association in accordance with the board's proposal. The purpose of the authorization is to fulfill the company's obligations under the investment agreement entered into with Yangtian Pharma on January 27, 2025, which was announced via a press release on the same day. The meeting resolved to authorize the board, until the next annual general meeting and in addition to the authorization decided at the 2024 annual general meeting, to decide on new share issues to Sichuan Yangtian Bio-Pharmaceutical Co., Ltd, or to a wholly-owned subsidiary of the investor, with deviation from the shareholders' preferential rights. Payment for subscribed shares issued under the authorization shall only be made in cash. The total number of shares that may be issued under the authorization amounts to a maximum of 4,669,647 new shares.

- **March 4, 2025**: It was announced that a positive opinion has been received regarding the patentability of the new international application submitted to the PCT (Patent Cooperation qreaty) earlier this year. The patent application, which includes claims directed toward the product, meets all patentability criteria. The next step is to file the application in the countries and regions prioritized in the company's patent strategy and to have the application approved at the national or regional level. Upon approval, BupiZenge™ for pain relief in oral mucositis, or potential future variants of BupiZenge™ for other applications, will be patent-protected until 2045.

- **March 28, 2025:** It was announced that OncoZenge has entered into a binding agreement with L. Molteni & C. dei F.lli Alitti Società di Esercizio S.p.A ("Molteni Farmaceutici") regarding exclusive commercialization rights for BupiZenge™ in Europe. The agreement includes royalties and commercial milestone payments.

Significant events after the reporting period

- **July 2, 2025:** It was announced that the Board of Directors of OncoZenge, with the support of the renewed authorization obtained at the annual general meeting on May 28, 2025, has decided on a directed share issue of 933,930 shares to the new strategic investor Yangtian Pharma at a subscription price of SEK 6.47 per share. The decision on the directed share issue was made after the delegated bank in China completed the foreign exchange registration with a positive outcome and confirmation that the mandatory so-called Overseas Direct Investment process in China ("ODI process") has been completed. All 933,930 shares have been formally subscribed by the investor and allocated by the Board, meaning the company will receive approximately SEK 6 million before transaction costs. The directed share issue corresponds to 20 percent of the total investment commitment of SEK 30.2 million in accordance with the investment agreement entered into by the company and the investor on January 27, 2025.

- **July 8, 2025:** It was announced that the sponsor team for the Phase III project with BupiZenge™ is being strengthened with the addition of Tuulikki Lindmark, who joins the company as responsible for Chemistry, Manufacturing, and Controls (CMC). Tuulikki will lead the collaboration with the CDMO (Contract Development and Manufacturing Organization) ahead of production start and the regulatory application for the Phase III study of BupiZenge™.

- **July 9, 2025:** It was announced that the company has entered into an agreement for a bridge financing solution of SEK 7.5 million through a convertible loan with Linc AB, which runs until July 31, 2027. The convertible loan carries an annual interest rate of 8.0 percent from the date of disbursement. Interest is capitalized until the loan's repayment date or the date of any potential conversion to shares. Conversion of the loan through a directed share issue can occur at the lender's request as early as March 1, 2026. The conversion price in a directed share issue to Linc shall be SEK 6.47. Conversion may also occur in connection with a rights issue of shares at the corresponding subscription price of the rights issue. Through the convertible loan, the company estimates it has secured liquidity beyond the readout of the study results for its clinical Phase III study.

- **July 11, 2025:** It was announced that the first investment proceeds have been received from Yangtian Pharma. The first two investment tranches, amounting to 20% and approximately SEK 6 million, were received on July 11, 2025. It should be noted that the regulatory process for foreign direct investments in China has approved the entire investment agreement, and therefore does not need to be repeated for tranches 3 and 4, which are expected to be completed during the fourth quarter of 2025 to the first quarter of 2026, depending on regulatory lead times.

- **July 17, 2025:** It was announced the signing of an amendment to the license and supply agreement with Molteni Farmaceutici. This amendment accelerates certain milestones, totalling €550,000, to 'Clinical Trial Application Approval' with payment of such amount not earlier than March 1st, 2026. This accelerated milestone payment replaces the milestones due upon 'Successful Trial Completion' and 'First Commercial Sale'. The accelerated milestone payment, together with previously announced convertible note financing from Linc AB, enable a strategic shift to execute on a fully European Phase III project for BupiZenge™.

- **July 30, 2025:** A comprehensive market and strategy update was announced after successfully securing full funding for its BupiZenge™ Phase III clinical trial aimed at achieving European Medicines Agency (EMA) approval for the European market.

- **August 13, 2025:** OncoZenge announced the change to English as reporting language in order to meet the needs of the Company's international investors, partners and stakeholders.

CEO comments

Dear Shareholder,

I am pleased to report on the significant progress OncoZenge has made in the second quarter of 2025, as we advance toward our mission of bringing BupiZenge™ to patients and making a very meaningful impact to their quality of life and cancer supportive care.

Having secured SEK 46.2 million in additional funding marks a pivotal milestone, fully financing our Phase III project targeting European approval. This achievement, coupled with our strategic partnerships, expert sponsor team and refined trial design, positions us for a planned commercial launch in Europe and adjacent markets in 2027.

Key to our progress is the partner-led strategy launched in September 2023. Molteni Farmaceutici, our pan-European licensee, has shown additional commitment to our collaboration by accelerating milestone payments in support of a fully European trial. This together with the strategic investment by Yangtian Pharma, and financial support from Linc AB, has enabled us to take the next steps in executing our Phase III program.

Notably, Meribel Pharma is now preparing for manufacturing of BupiZenge™ lozenges in the coming weeks. And LINK Medical has been very effective in the European site feasibility study this summer. To date, we have positive responses and patient recruitment inputs from 12 candidate hospitals in Norway, Sweden, Denmark and Germany. It is very motivating to see our Phase III project take shape.

Looking ahead, we are focused on executing our Phase III trial, targeting patient enrollment in early to mid-2026. And our priorities for value creation beyond that are clear; We are exploring new commercial partnerships in global markets that can leverage a European approval and our improved intellectual property position. Together with our new strategic investor, Yangtian Pharma, we are actively discussing paths to approval and launch in China.

And, in line with our commitment in the recent 'Market and Strategy Update' we are increasing USA business development and partnering efforts this fall and formulating our strategy for re-approaching the FDA. On the horizon we see significant opportunities in other indications, such as dentistry.

We invite you to join us at our upcoming Capital Markets Day in Stockholm on September 18th where we will discuss in more detail our commercial opportunity, execution plans, and answer your questions.

Together, we can redefine the standard of care for millions of cancer patients suffering from oral pain. Considering the scope of our opportunity we remain convinced our shareholders will be rewarded too, in pace with our fundamental developments being recognized.

Thank you for your continued support on our journey.

Sincerely,

Stian Kildal
Chief Executive Officer

Company Description

Product Status

OncoZenge has developed several formulations of BupiZenge™ with different flavor coatings and strengths (15mg and 25mg).

The latest BupiZenge™ tablet intended for commercialization includes improvements ensuring that the product can be manufactured within specified limits and meets packaging and shelf-life requirements. The product formulation has been developed in close collaboration with the company's Swedish development partner, Galenica, which has contributed to continuity in development. The knowledge built over time has also been highly valuable in developing new patent opportunities.

OncoZenge has decided to use the latest 25mg tablet with orange flavor coating in the upcoming Phase III study. The other formulation variants may still be an asset for the company in future business opportunities, for example, for indications beyond oral mucositis that may require a lower tablet strength.

During the company's business development activities in 2024, several pharmaceutical companies, service providers in the pharmaceutical industry, and Key Opinion Leaders have confirmed the need for a locally acting non-opioid, offering effective pain relief without the risk of dependency.

Phase III-Program Status

OncoZenge's strategy is to secure strategic partners for a Phase III program, prioritizing approval in the EU to leverage partner expertise and generate financial contributions to the project.

Following an evaluation of various partner opportunities in 2024, the company decided on a commercial collaboration with Molteni Farmaceutici, which will now serve as the company's strategic partner and first and largest "customer" upon approval.

The company has adopted a partner strategy in the development phase through a collaboration with the leading Nordic life sciences company, PharmaRelations. Through this collaboration, OncoZenge gains flexible access to specialist expertise, a critical factor in taking on the responsibility as a sponsor for a clinical Phase III project. After evaluating various development partner options willing to share risk and costs in the project, the company decided to procure CDMO and CRO (Contract Research Organization) services instead. Given the relatively low cost of the Phase III project for BupiZenge™, the company's board and management have assessed that it is in the best interest of the company and its shareholders to retain all future rights to the development and avoid sharing future royalties.

The sponsor team for the Phase III project is now in place, with all key roles filled, including project management, regulatory, CMC, quality, and clinical trial leadership. Additionally, in April 2025, Dr. Christoph Nowak, who is also a member of the company's board, assumed the role of Chief Medical Officer (CMO). Chris provides important continuity as the company operationally enters the next phase.

The study synopsis for the Phase III project has been thoroughly developed internally, recently in collaboration with Molteni Farmaceutici's R&D team, and by external Key Opinion Leaders (KOLs). Based on this, updated documentation and a quote have been obtained from the CDMO for the manufacturing of tablets and necessary documentation for the Clinical Trial Application

(CTA). The company has engaged Meribel Pharma Solutions, formerly Recipharm in Sweden, as the CDMO for producing clinical trial material. Additionally, LINK Medical has been contracted to conduct the ongoing Phase III feasibility study targeting clinics in Sweden, Norway, Denmark, and Germany to identify the best sites for the study.

The timeline for the Phase III program includes lead times for preparations, such as regulatory submissions, and once the company receives approval to start the study, contract agreements with trial centers and patient recruitment will follow. To OncoZenge's advantage, the Phase III study requires a relatively small patient population of approximately 150 patients, with a limited treatment duration of 6 weeks. The company plans to execute a multi-site, multi-country study in Europe to support commercialization in the region.

In addition to positive results from Phase I and II studies, toxicology data, and literature demonstrating the safety and efficacy of the active substance bupivacaine from decades of use in other indications and formulations, OncoZenge has received clear and positive feedback regarding a registration-enabling Phase III study through scientific advice from the EMA (EU's medicines agency), the Swedish Medical Products Agency, and Germany's BfArM (Federal Institute for Drugs and Medical Devices).

Market Opportunity

Market Overview

Oral Mucositis (OM) is a serious and common side effect of cancer treatment, caused by an inflammation of the mucous membranes in the mouth and throat leading to painful sores and blisters. Nearly all patients undergoing radiation therapy in the head and neck region develop OM, and among patients treated with chemotherapy, 20-90 percent are affected, depending on the type of chemotherapy. Overall, the company estimates that at least 35% of cancer patients beginning treatment will develop OM.

OM typically appears a few days to a couple of weeks after the start of radiation therapy or chemotherapy and can often persist for four to six weeks. OM significantly impacts patients' quality of life, causing pain that makes it difficult or sometimes impossible to eat, drink, speak, or sleep. The difficulty in eating and drinking can lead to malnutrition at a stage when the patient's immune system is already weakened due to cancer treatment. In some cases, the pain can be so severe that the patient requires hospitalization for intravenous nutrition or is forced to interrupt cancer treatment with radiation or chemotherapy.

Pain Management in Oral Mucositis

The current standard treatment for pain relief in OM includes various mouth rinses containing the local anesthetic lidocaine or morphine, as well as systemic pain relief with opioids. Local anesthetic treatments with lidocaine have a short duration of effect, and systemic opioids have well-known side effects, including risks of tolerance development and dependency, as well as inadequate effectiveness for severe localized oral pain.

OncoZenge's assessment, supported by studies, is that existing treatment options are insufficient for addressing the localized pain caused by OM and that some of these treatments also carry significant risks of serious side effects. There is a substantial medical need for a new, effective treatment for OM and other pain conditions in the mouth.

Opioid Crisis

The United States is experiencing a widespread opioid crisis. In 2023, over 100,000 drug overdoses were recorded, with approximately 80,000 attributed to opioids. The opioid epidemic has been a persistent, complex, and decades-long crisis since 1995, when OxyContin was approved and falsely marketed as a safe opioid analgesic with low risk. Opioid misuse costs tens of billions of dollars annually, not only in healthcare costs but also in terms of a weakened workforce.

The crisis has reached such a scale that it impacts the economy.

In recent years, the U.S. government has taken several measures to address the crisis. In February 2022, the FDA published draft guidance for companies developing non-opioid analgesics for acute pain. The FDA noted that, when appropriately prescribed, opioid analgesics are an important part of acute pain management, but even at prescribed doses, they pose risks of dependency, misuse, or overdose that can lead to death. A non-opioid analgesic for acute pain that eliminates or significantly reduces the need for opioids could have a major positive impact on public health by relieving acute pain while minimizing the risks associated with opioid use. The FDA's guidance aims to encourage the development of non-addictive treatment alternatives and provide patients with access to better pain relief without opioids.

Other countries with increasing opioid use, such as Australia and Canada, are also implementing policies to address the issue. Conversely, in countries with more restrictive opioid use, the impact on patients' quality of life is even greater.

BupiZenge™ contains the effective, non-opioid, long-acting pain-relieving substance bupivacaine. BupiZenge™ is designed to relieve pain locally in the mouth and throat associated with oral mucositis. The company's goal is to develop an effective pain-relieving drug that can be introduced in numerous markets, including the United States.

Addressable Market

OncoZenge estimates that the global annual revenue opportunity for commercial licensees will be more than BSEK 10 by 2034. Europe and adjacent markets where a European approval can be directly leveraged for market access, e.g., Latin America, parts of Asia, Africa, Canada, could represent a BSEK 4 revenue opportunity, the US market could represent a BSEK 5 revenue opportunity, and China could represent a BSEK 2. There could be additional revenue opportunities in Japan and South Korea.

The company's assumptions for future licensee revenues are contingent on an uptake of BupiZenge™ in patients with OM of 15-40% depending on region, an average of 168 BupiZenge™ lozenges per treated patient, and an average price per lozenge of SEK 10-80 depending on region.

The company projects future own revenues from double-digit royalties from partner revenues and commercial milestone payments from partners. By 2034 and at global commercial scale, the company could generate own annual revenues in excess of BSEK 2.

The current company focus on European approval could unlock own annual revenues of MSEK 800 by 2034 with a similar internal cost structure to today.

Beyond the company's current focus to treat the pain caused by oral mucositis, there are significant opportunities for OncoZenge and its partners to expand approvals over time. Examples include pain relief for dental care, endoscopy, tonsillectomy, other surgical procedures in the mouth and throat, Burning Mouth Syndrome (BMS).

Further details on OncoZenge's market potential were communicated in the Market and Strategy Update on July 30, 2025.

Strategy

After a period of strategic transition, OncoZenge's organization, product, partnerships, and intellectual property are now in place to advance BupiZenge™ through its final registrational trial for a European launch. The main strategic pillars and focus areas of the company currently include:

1. Ensuring robust execution of the European Phase III trial targeting commercial launch during 2027.

2. Securing additional commercial partnerships in markets where EMA approval can be leveraged, i.e., Latin America, parts of Asia, Canada, Africa, etc.

3. Refining the China market entry strategy and finalizing a collaboration agreement with Yangtian Pharma for an efficient route to China market approval and launch.

4. Assessing options for USA market entry and determining the optimal path to US FDA approval, optimizing the project scope by leveraging European data.

5. Exploring additional indications, with a particular focus on opportunities within dental applications.

Intellectual Property (IP)

On December 8, 2020, OncoZenge and Moberg Pharma entered into a transfer agreement for BupiZenge™, through which OncoZenge acquired the intellectual property assets for a total purchase price of approximately SEK 22.1 million, with the patents valued at SEK 6.85 million.

In January 2021, OncoZenge was granted a new European patent for BupiZenge™, which provides general protection for lozenges containing bupivacaine for the treatment of pain in the mouth. This patent builds on a previously granted patent that specifically protects the use of lozenges for oral mucositis in cancer patients, with its validity extending until 2032/33.

On February 7, 2024, OncoZenge announced the submission of a priority-establishing patent application to the Swedish Patent and Registration Office (PRV). The application aims to secure broader protection for the product and serve as the foundation for global protection for BupiZenge™ licensees. If approved, this new patent application will ensure that BupiZenge™, for pain relief in oral mucositis or potential future variants for other applications, remains patentprotected until 2045.

On January 16, 2025, the company announced the filing of a patent application under the Patent Cooperation Treaty (PCT) procedure, marking a significant milestone in its intellectual property strategy for the drug candidate BupiZenge™. This application follows the priority patent application filed with the PRV in February 2024, adhering to international PCT requirements.

On March 4, 2025, OncoZenge announced that it had received a positive opinion on the patentability of the new international application submitted to the PCT earlier in the year. The patent application, which includes claims directed toward the product, meets all patentability criteria. The next step involves filing the application in the countries and regions prioritized in the company's patent strategy to secure approval at the national or regional level. Upon approval, BupiZenge™ for pain relief in oral mucositis, or potential future variants for other applications, will be patent-protected until 2045.

Land/Region	Patent nummer
USA	9,956,211 och 10,493,068
Canada	2,860,373 och 2,972,211
EPO	2,701,681 och 3,284,459

Partners

Strategic partnerships are a central part of OncoZenge's business strategy and a key component in the company's continued development and commercialization of BupiZenge™. In 2025, OncoZenge initiated partnerships with Molteni Farmaceutici and Avernus Pharma, two established players in the pharmaceutical industry with a focus on different regions: Europe and the GCC region, respectively.

Molteni Farmaceutici

On March 28, 2025, OncoZenge entered into a binding agreement with the Italian company Molteni Farmaceutici, granting the company exclusive rights to commercialize BupiZenge™ in Europe, including the EU27, EEA, Switzerland, and the United Kingdom. The agreement includes:

- Initial and performance-based milestone payments: €250,000 upon signing the agreement, €250,000 upon successful completion of the Phase III study, €300,000 upon the first commercial sale, and additional payments upon reaching sales targets up to €40 million in cumulative net sales.
- Royalty structure: OncoZenge will receive a 15% royalty on annual sales up to €30 million, 18% on sales between €30–60 million, and 20% on sales exceeding €60 million.

Molteni is a leading European player in pain management and addiction care, with operations in over 40 countries.

Avernus Pharma

On April 11, 2025, OncoZenge signed an exclusive licensing agreement with Avernus Pharma General Trading LLC for the commercialization and distribution of BupiZenge™ in the Gulf Cooperation Council (GCC) region, which includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. The agreement stipulates that:

- Avernus is responsible for regulatory applications and market preparations in the region.
- OncoZenge provides regulatory support and ensures volume delivery of BupiZenge™.
- Commercial milestone payments of up to $130,000 will be made upon the first market approval and achievement of sales targets.

Avernus has a strong presence in oncology in the GCC region and is an ideal partner for introducing BupiZenge™ to patients with a significant need for effective, non-opioid pain relief.

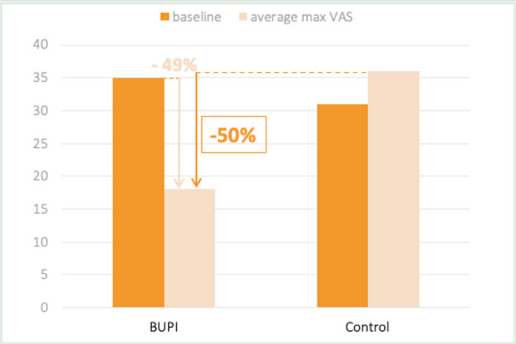
Development

Clinical Studies and Product Development

Clinics in Denmark have conducted a Phase I study on healthy volunteers and patients with head and neck cancer, as well as a 7-day clinical Phase II study involving patients with head and neck cancer who developed oral mucositis. The study demonstrated statistically significant pain relief in both the oral cavity/pharynx (31% lower) and the oral cavity alone (50% lower) compared to standard treatment.

The Phase II study was an open-label, randomized, controlled parallel-group study aimed at investigating the efficacy and tolerability of repeated administration of bupivacaine in lozenge form (25 mg) for pain relief. Both groups had access to standard pain treatment during the study. The control group also had access to a locally acting anesthetic for the oral cavity in the form of lidocaine gel.

In the completed Phase I and II studies, the bupivacaine lozenge showed good safety with no serious adverse effects. The results from the Phase II study demonstrate, with high statistical significance, a strong analgesic effect that is substantially better than the available standard treatment. The company's assessment is that BupiZenge™ has significant potential to be developed into an effective treatment for relieving pain in oral mucositis and other painful conditions in the oral cavity and pharynx following future decisions on label expansion.



OncoZenge currently possesses unique knowledge and data for the development of a painrelieving product for the treatment of oral mucositis. Work has been carried out to develop an optimized product formulation of BupiZenge™ and to produce two tablet strengths, 15 mg and 25 mg, with the latter being the subject of a Phase III study aimed at obtaining approval for use in relieving oral mucositis pain in cancer patients.

The company has successfully completed a six-week toxicology study. The existing toxicology documentation is sufficient for the European Medicines Agency (EMA), while the U.S. Food and Drug Administration (FDA) has requested a supplementary six-week toxicology study in an alternative animal species.

The company is now mobilizing a Phase III study with the goal of meeting the regulatory requirements for approval in the EU, in countries that rely on EU approval for their local approvals, and to provide critical data toward approval in the U.S.

Several studies in other areas, such as gastro-endoscopy and Burning Mouth Syndrome (BMS), serve as useful references for future work to expand the scope of use with additional indications beyond oral mucositis. The company also intends to explore opportunities for use in dentistry. [Example references: Clin Med Insights Gastroenterol. 2014 Oct 28;7:55-9 and Randomized controlled trial > Oral Dis. 2016 Mar;22(2):123-31].

Comparative Studies with Bupivacaine

Bupivacaine has been approved for local anesthesia in humans on European markets since 1958, but no oral formulations are approved within the EU; bupivacaine has also not been approved for the treatment or pain relief of oral mucositis. There are several commercially available bupivacaine products; the most relevant from a regulatory perspective (original product and current approvals with clinical data) are listed in **Table 1 below.**

Table 1. Relevant approvals of bupivacaine for human use

Product	Approval	Indication	Route of administration	Approved use and exposure duration
Marcaine, solution for injection	1958	Intrathecal (subarachnoid) spinal anaesthesia for surgery in adults and children of all ages	Intrathecal injection	Single dose
Exparel liposomal, prolonged-release dispersion for injection	2011 (US) 2020 (EU)	Brachial plexus block or femoral nerve block for treatment of post- op pain in adults, and as a field block for treatment of somatic post-op pain from small- to medium- sized surgical wounds in adults	By infiltration or perineural use	Single dose. Detectable systemic plasma levels through 96h after local infiltration and through 120 hours after nerve block.
Xaracoll, implant	2020 (US)	For placement into the surgical site to produce postsurgical analgesia for up to 24 hours following open inguinal hernia repair in adults	Implant	Single dose. Detectable plasma levels of bupivacaine throughout the 96-hour observation period.
Zynrelef (bupivacaine/meloxicam), prolonged-release wound solution	2020 (EU) 2021 (US)	Treatment of somatic postoperative pain from small- to medium-sized surgical wounds in adults	Intralesional	Single-dose. Local application into surgical site results in detectable plasma levels of bupivacaine through 72h
Posimir, solution	2021 (US)	For administration into the subacromial space under direct arthroscopic visualization to produce post-surgical analgesia for up to 72h following arthroscopic subacromial decompression in adults.	Infiltration	Single dose. Infiltration into surgical wound results in plasma levels of bupivacaine that can persist for 168h

History

The original innovation is the result of work carried out at Hvidovre Hospital in Copenhagen. In 2014, Moberg Pharma AB acquired the global rights to BupiZenge™ from Oracain ApS, a patentpending topical formulation for the treatment of pain in the mouth and throat. The acquisition of the rights to BupiZenge™ has been paid in full, and Oracain ApS holds no rights to future licensing fees from OncoZenge.

In 2017, positive study results were published from a Phase II study in which patients with head and neck cancer participated in the efficacy analysis. The study showed that BupiZenge™ provided a statistically significant pain reduction in the oral cavity compared to standard treatment. In summary, the clinical study demonstrated that BupiZenge™ has the potential to become an effective and well-functioning treatment for pain from oral mucositis.

OncoZenge AB (publ) was formed in 2020. In November 2020, Moberg Pharma announced its intention to transfer BupiZenge™ to OncoZenge and to spin off and separately list the business to advance the project to registration-enabling clinical studies. OncoZenge was listed on Nasdaq First North on February 12, 2021.

In September 2023, a new board and management team took office. The company communicated a partner-led strategy with a focus on achieving market approval in the EU, given the positive 'Scientific Advice' received from the EMA, the European Medicines Agency. In 2024, development and stability studies in collaboration with Galenica confirmed that an improved formulation of BupiZenge™ is ready for a clinical Phase III study aimed at approval in Europe.

A priority-founding patent application was submitted to the Swedish Patent and Registration Office (PRV) in 2024, which, after review, received a positive PCT opinion. The new application strengthens the company's patent portfolio and lays the groundwork for local and regional patent applications to support licensees globally.

Eurosin Capital AB has been engaged as an advisor to explore strategic alternatives for the introduction of BupiZenge™ in China. A strategic collaboration began in 2025 with Yangtian Pharma through an investment agreement that finances the company's Phase III study toward European approval.

Financial Development

Financial Development

Operating Revenues

The operating revenues during the reporting period relate to a milestone payment from Molteni Farmaceutici in accordance with the signed licensing agreement.

Results and Financial Position - Second Quarter (Apr-Jun)

Net sales amounted to SEK 0 (0) thousand, and other operating income amounted to SEK 117 (1) thousand.

Operating expenses amounted to SEK 2,722 (2,050) thousand, of which personnel costs amounted to SEK 780 (539) thousand.

Other external costs amounted to SEK 1,857 (1,511) thousand, of which research and development costs totaled SEK 1,114 (573) thousand. Research and development costs primarily relate to consulting and development expenses for the company's ongoing projects. Other external costs mainly consist of external communication and marketing, as well as legal and consulting costs related to business development.

Operating income amounted to SEK -2,605 (-2,049) thousand, and income after financial items amounted to SEK -2,607 (-2,053) thousand. Profit after tax amounted to SEK -2,607 (-2,053) thousand. Earnings per share before and after dilution amounted to SEK -0.22 (-0.18).

Cash flow for the period amounted to SEK 263 (-2,093) thousand.

Cash flow per share amounted to SEK 0.02 (-0.18).

Results and Financial Position - Reporting Period (Jan-Jun)

Operating net sales amounted to SEK 2,664 (0) thousand, and other operating income amounted to SEK 117 (1) thousand.

Operating expenses amounted to SEK 5,342 (4,423) thousand, of which personnel costs amounted to SEK 1,593 (1,062) thousand.

Other external costs amounted to SEK 3,712 (3,358) thousand, of which research and development costs totaled SEK 1,337 (1,300) thousand. Research and development costs primarily relate to consulting and development expenses for the company's ongoing projects. Other external costs mainly consist of external communication and marketing, as well as legal and consulting costs related to business development.

Operating income amounted to SEK -2,561 (-4,422) thousand, and income after financial items amounted to SEK -2,563 (-4,425) thousand. Profit after tax amounted to SEK -2,563 (-4,425) thousand. Earnings per share before and after dilution were SEK -0.22 (-0.38).

Cash flow for the period amounted to SEK -2,306 (-5,058) thousand.

Cash flow per share amounted to SEK -0.20 (-0.43).

Cash and cash equivalents as of June 30, 2025, amounted to SEK 1,557 thousand, compared to SEK 3,863 thousand as of December 31, 2024.

The company's equity as of June 30, 2025, amounted to SEK 12,826 thousand, compared to SEK 9,950 thousand as of December 31, 2024. Equity per share as of June 30, 2025, amounted to SEK 1.09, compared to SEK 0.85 as of December 31, 2024.

The company's equity ratio as of June 30, 2025, was 84.02%, compared to 87.02% as of December 31, 2024.

The increase in equity is attributable to the ongoing share issue.

The financial performance is in line with expectations according to the plan.

Operating revenues consist of license revenues in the form of a milestone payment from Molteni Farmaceutici in accordance with the licensing agreement signed during the reporting period.

The main expenses relate to personnel costs, legal and consulting costs for business development, communication costs, research and development costs, and patent costs.

Personnel costs have increased compared to the previous year due to salary revisions.

Research and development costs have increased compared to the previous year, primarily due to the initiated feasibility study and consulting fees related to the planned clinical Phase III study.

Risks and Uncertainties in Brief

Significant Risk and Uncertainty Factors

OncoZenge's significant risk and uncertainty factors include operational risks such as those related to market and technological development, patents, competitors, and future financing. The company is in clinical phase, and there is a risk that it may not achieve sufficient profitability. OncoZenge's value is largely dependent on the success of its development projects and its ability to enter into partnerships with larger pharmaceutical companies. The company has not generated sufficient revenues to achieve positive cash flow, meaning it requires access to capital until its cash flow becomes positive. Access to capital may be limited at times when the company needs it.

Russia's invasion of Ukraine and the unrest in the Middle East have deteriorated the geopolitical situation in our surroundings and created significant uncertainty in the financial markets. Prevailing market conditions make it more challenging to raise capital. In parallel with ongoing business development, aimed at securing necessary collaboration agreements, the board continuously evaluates various financing alternatives.

The company has tax loss carryforwards that could be lost if a new owner gains control of more than 50% of the voting rights in the company or if new owners, each controlling at least 5% of the voting rights, collectively control more than 50% of the voting rights. As of December 31, 2024, the tax loss carryforwards amounted to approximately SEK 82.8 million. The loss of these carryforwards would mean that future taxable profits could not be offset against accumulated tax losses.

Going Concern

In January 2025, an investment agreement worth SEK 30.2 million was signed with the new strategic investor Sichuan Yangtian Bio-Pharmaceutical Co. Ltd, to be executed through directed share issues. The first two planned share issues were subscribed by the investor during the second quarter. Proceeds were received after the reporting period and are accounted for in the interim report as an ongoing share issue. The company's financing depends on the completion of the remaining directed share issues, planned for the fourth quarter of 2025 to the first quarter of 2026. The company assesses that these share issues, once completed, together with the convertible loan mentioned below, will finance the company's operations until the results of the planned clinical Phase III study are obtained.

In March 2025, a commercialization agreement was signed with Molteni Farmaceutici S.P.A. regarding the European territory. The first milestone payment was received during the second quarter.

After the reporting period, the company entered into an agreement for a bridge financing solution of SEK 7.5 million through a convertible loan with Linc AB, which runs until July 31, 2027.

The board and the CEO assess that the company will be able to secure the necessary liquidity to continue operations for at least twelve months following the issuance of this financial report. The report has been prepared based on this assessment in accordance with the going concern principle.

The board's ambition is to finance and initiate a clinical Phase III study in 2026. Available financing has been secured, and project and partner activities have been kicked off. Should critical conditions not be met, there is a risk concerning the company's ability to continue as a going concern.

Financial Calendar

The financial report for Q3 will be released on November 20th, 2025.

OncoZenge's financial reports are available on the company's website at www.oncozenge.com.

Shares and Shareholder Structure

As of January 1, 2025, and on the balance sheet date of June 30, 2025, the total number of shares amounted to 11,713,244.

OncoZenge AB is listed on the Nasdaq First North Growth Market with the ticker symbol ONCOZ and ISIN SE0015504097 since February 12, 2021.

The closing price for the company's share on the last trading day of the reporting period, June 30, 2025, was SEK 7.14.

Shareholders as of June 30, 2025

Name	Number of shares	Capital & votes %
Holmgren, Niclas Leif William	1 322 949	11.29
Linc AB	1 170 607	9.99
Svenska Mäklarkontoret AB/Ozbek, Andreas	1 090 500	9.31
Avanza Pension	531 503	4.54
Holmgren, Kalle	400 000	3.41
Kildal, Stian	375 000	3.20
Nordnet Pensionsforsäkring AB	314 241	2.68
Olsson, Jimmy Mattias	308 059	2.63
Fenix Dental AB/Paul Murtagh	282 520	2.41
Masihzadeh, Emad	263 100	2.25
Joacim Mansolahi Friberg	260 000	2.22
Lisa Knight	179 895	1.54
Berger, Gunvald	120 000	1.02
Evertsson, Josefin	97 312	0.83
Skog, Henrik	82 460	0.70
Sedcon AB	82 137	0.70
Moued, Nadim	73 931	0.63
Gipa Invest AB	63 410	0.54
Ana Esther Eggers	54 686	0.47
Friis, Åke Michael	50 296	0.43
Total, 20 largest shareholders	7 122 606	60.81
Other shareholders	**4 590 638**	**39.19**
TOTAL	**11 713 244**	**100.00**

At publication of this report Stian Kildal, CEO, held 375 000 shares and 500 000 options.

Income Statement

SEK 000	2025 Apr-Jun	2024 Apr-Jun	2025 Jan-Jun	2024 Jan-Jun	2024 Jan-Dec
Operating income					
Net sales	-	-	2 664	-	-
Other income	117	1	117	1	1
Revenue	**117**	**1**	**2 781**	**1**	**1**
Operating costs					
Other external costs	-1 857	-1 511	-3 712	-3 358	-6 536
Personnel costs	-780	-539	-1 593	-1 062	-2 147
Other operating costs	-85	-	-37	-3	-3
Operating loss	**-2 605**	**-2 049**	**-2 561**	**-4 422**	**-8 685**
Result from financial items					
Other interest income and similar profit/loss items	-	-	-	1	1
Interest expense and similar profit/loss items	-2	-4	-2	-4	-4
Result after financial items	**-2 607**	**-2 053**	**-2 563**	**-4 425**	**-8 688**
Tax on current year income	-	-	-	-	-
Result for the period	**-2 607**	**-2 053**	**-2 563**	**-4 425**	**-8 688**
Result per share					
SEK					
Result per share before and after dilution*	-0.22	-0.18	-0.22	-0.38	-0.74
Number of shares, weighted average	11 713 244	11 713 244	11 713 244	11 713 244	11 713 244
Number of shares at end of reporting period	11 713 244	11 713 244	11 713 244	11 713 244	11 713 244

As of June 30, 2025, there were 11 713 244 common shares outstanding each carrying one vote

*Dilution effects exist: total number of outstanding warrants amount to 1,550,000. Strike price amounts to SEK 5.51 per share, which is below the market share price on the balance sheet date. Fully exersized the dilution effect would amount to approximately 13 percent. Result per share after full dilution is not reported at negative income.

Balance Sheet

SEK 000	Note	Jun 30 2025	Jun 30 2024	Dec 31 2024
ASSETS				
Subscribed, unpaid share capital	2	6 043	-	-
Non-current assets				
Patents		6 850	6 850	6 850
Total non-current assets		**6 850**	**6 850**	**6 850**
Current assets				
Current receivables				
Other receivables		585	403	519
Prepaid expenses and accrued income		231	115	202
Total current assets		**816**	**518**	**721**
Cash and cash equivalents		1 557	7 569	3 863
Total current assets		**2 373**	**8 087**	**4 584**
TOTAL ASSETS		**15 266**	**14 937**	**11 434**
EQUITY AND LIABILITIES				
Equity	2			
Restricted equity				
Share capital		1 301	1 301	1 301
Total restricted equity		**1 301**	**1 301**	**1 301**
Unrestricted equity				
Share premium reserve		89 849	84 410	84 410
Profits or losses carried forward		-75 761	-67 073	-67 073
Current period income		-2 563	-4 425	-8 688
Total unrestricted equity		**11 525**	**12 912**	**8 649**
Total equity		**12 826**	**14 213**	**9 950**
Current liabilities				
Accounts payable		816	231	657
Other current liabilities		70	46	46
Accrued expenses and prepaid income		1 554	447	781
Total liabilities		**2 440**	**724**	**1 484**
TOTAL EQUITY AND LIABILITIES		**15 266**	**14 937**	**11 434**

Statement of Changes in Shareholders Equity

SEK 000	Restricted equity	Unrestricted equity			
Share capital	**Share capital**	**Share premium reserve**	**Accumulated losses**	**Net profit/loss for the period**	**Total equity**
Opening equity on Jan 1, 2024	**1 301**	**84 410**	**-51 168**	**-15 902**	**18 641**
Appropriation of previous year result			-15 902	15 902	
Adjustment opening balance			-3		-3
Current period result				-4 425	-4 425
Closing equity on Jun 30, 2024	**1 301**	**84 410**	**-67 073**	**-4 425**	**14 213**
Opening equity on Jan 1, 2024	**1 301**	**84 410**	**-51 168**	**-15 902**	**18 641**
Appropriation of previous year result			-15 902	15 902	
Current year result				-8 688	-8 688
Closing equity on Dec 31 2024	**1 301**	**84 410**	**-67 070**	**-8 688**	**9 950**
Opening equity on Jan 1, 2025	**1 301**	**84 410**	**-67 070**	**-8 688**	**9 950**
Appropriation of previous year result			-8 688	8 688	
Current period result				-2 563	-2 563
Transactions with shareholders					
Ongoing new share issue (Note 2)		6 043			6 043
Share issue costs		-604			-604
Closing equity on Jun 30, 2025	**1 301**	**89 849**	**-75 761**	**-2 563**	**12 826**

Cash Flow Analysis

SEK 000	2025 Apr-Jun	2024 Apr-Jun	2025 Jan-Jun	2024 Jan-Jun	2024 Jan-Dec
Operating activities					
Operating profit/loss	-2 605	-2 049	-2 561	-4 422	-8 685
Received/paid interest	-2	-3	-2	-3	-3
Cash flow from operating activities before changes in working capital	**-2 607**	**-2 052**	**-2 563**	**-4 425**	**-8 688**
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in operating receivables	2 783	203	-95	345	142
Increase (+)/Decrease (-) in operating liabilities	87	-244	352	-978	-218
Cash flow from operating activities	**263**	**-2 093**	**-2 306**	**-5 058**	**-8 764**
Cash flow for the period	**263**	**-2 093**	**-2 306**	**-5 058**	**-8 764**
Cash and cash equivalents at the beginning of the period	1 294	9 662	3 863	12 627	12 627
Cash at end of period	**1 557**	**7 569**	**1 557**	**7 569**	**3 863**

Notes

Notes

Note 1 Accounting Principles
The interim report, like the annual financial statements, has been prepared in accordance with the principles under the Swedish Accounting Standards Board's general recommendations BFNAR 2012:1 K3. The basis for preparing OncoZenge's financial reports is the going concern principle, which means that the company reports revenues, expenses, assets, and liabilities on the assumption that the company will continue to operate for the foreseeable future. More information about the accounting principles applied can be found in OncoZenge's annual report for the fiscal year 2024.

Amounts are stated in Swedish kronor, rounded to the nearest thousand unless otherwise specified. Rounding to thousands of kronor may mean that the amounts do not add up correctly.

Note 2 Ongoing New Share Issue
On January 27, 2025, it was announced that OncoZenge had entered into an investment agreement for SEK 30.2 million with the new strategic investor Sichuan Yangtian Bio-Pharmaceutical Co, Ltd, to be implemented through directed new share issues. The total number of shares that can be issued amounts to a maximum of 4,669,647 new shares.

During the second quarter of 2025, the investor subscribed for shares related to tranches one and two, amounting to 20% of the total investment, which corresponds to SEK 6,042,527. The funds were received after the end of the reporting period but before the publication of this financial report.

The board, with the support of the renewed authorization received at the annual general meeting on May 28, 2025, has decided on a directed new share issue of 933,930 shares to the new investor at a subscription price of SEK 6.47 per share. The shares were registered with the Swedish Companies Registration Office on July 24, 2025.

Note 3 Significant Events After the Reporting Period

- **July 2, 2025**: It was announced that the Board of Directors of OncoZenge, with the support of the renewed authorization obtained at the annual general meeting on May 28, 2025, has decided on a directed share issue of 933,930 shares to the new strategic investor Yangtian Pharma at a subscription price of SEK 6.47 per share. The decision on the directed share issue was made after the delegated bank in China completed the foreign exchange registration with a positive outcome and confirmation that the mandatory so-called Overseas Direct Investment process in China (“ODI process”) has been completed. All 933,930 shares have been formally subscribed by the investor and allocated by the Board, meaning the company will receive approximately SEK 6 million before transaction costs. The directed share issue corresponds to 20 percent of the total investment commitment of SEK 30.2 million in accordance with the investment agreement entered into by the company and the investor on January 27, 2025.
- **July 8, 2025**: It was announced that the sponsor team for the Phase III project with BupiZenge™ is being strengthened with the addition of Tuulikki Lindmark, who joins the company as responsible for Chemistry, Manufacturing, and Controls (CMC). Tuulikki will lead the collaboration with the CDMO (Contract Development and Manufacturing Organization) ahead of production start and the regulatory application for the Phase III study of BupiZenge™. Tuulikki Lindmark has extensive experience in pharmaceutical development and research, with several years as a consultant, specialist, and head of CMC

and pharmaceutical development at companies such as Disruptive Pharma, Attgeno, Semcon Medical Life Science, and Biovitrum, among others. Between 2016 and 2021, she was a board member of the Swedish Pharmaceutical Society, and she holds a PhD from Uppsala University.

- **July 9, 2025**: It was announced that the company has entered into an agreement for a bridge financing solution of SEK 7.5 million through a convertible loan with Linc AB, which runs until July 31, 2027. The convertible loan carries an annual interest rate of 8.0 percent from the date of disbursement. Interest is capitalized until the loan's repayment date or the date of any potential conversion to shares. Conversion of the loan through a directed share issue can occur at the lender's request as early as March 1, 2026. The conversion price in a directed share issue to Linc shall be SEK 6.47. Conversion may also occur in connection with a rights issue of shares at the corresponding subscription price of the rights issue. Through the convertible loan, the company estimates it has secured liquidity beyond the readout of the study results for its clinical Phase III study.
- **July 11, 2025**: It was announced that the first investment proceeds have been received from Yangtian Pharma. On January 27, 2025, it was announced that OncoZenge entered into an investment agreement granting the investor up to 4,669,647 shares in the company for an investment amounting to approximately SEK 30.2 million. The investment aims to finance the company's Phase III project for BupiZenge™ toward European approval. The investment is intended to be carried out through four directed share issues to the investor, corresponding to 10, 10, 30, and 50 percent of the total investment. The first two investment tranches, amounting to 20% and approximately SEK 6 million, were received on July 11, 2025. It should be noted that the regulatory process for foreign direct investments in China ("ODI") has approved the entire investment agreement, and therefore does not need to be repeated for tranches 3 and 4, which are expected to be completed during the third quarter of 2025 to the first quarter of 2026, depending on regulatory lead times.
- **July 17, 2025:** It was announced the signing of an amendment to the license and supply agreement with Molteni Farmaceutici. This amendment accelerates certain milestones, totalling €550,000, to 'Clinical Trial Application Approval' with payment of such amount not earlier than March 1st, 2026. This accelerated milestone payment replaces the milestones due upon 'Successful Trial Completion' and 'First Commercial Sale'. The accelerated milestone payment, together with previously announced convertible note financing from Linc AB, enable a strategic shift to execute on a fully European Phase 3 project for BupiZenge™.
- **July 30, 2025:** A comprehensive market and strategy update was announced after successfully securing full funding for its BupiZenge™ Phase 3 clinical trial aimed at achieving European Medicines Agency (EMA) approval for the European market.
- **2025-08-13:** OncoZenge announced the change to English as reporting language in order to meet the needs of the Company's international investors, partners and stakeholders.

Note 4 Pledged assets and contingent liabilities

SEK 000	2025-06-30	2024-12-31
Molteni Farmaceutici	2,713	-
Total	**2,713**	**-**

The amount corresponds to the first milestone payment in accordance with the license agreement entered into during the reporting period with Molteni Farmaceutici in Italy. The amount must be repaid to Molteni if the company's clinical Phase III study is not completed within two years of the signing of the license agreement, i.e., by March 28, 2027.

Related party transactions

During the reporting period, costs related to the company's CFO, Michael Owens, through the related companies M Owens Management Consulting AB and FirstBase AB, amounted to approximately SEK 255 (133) thousand. Costs related to the company's board member Christoph Nowak as Chief Medical Officer through the related company Osher AB amounted to approximately SEK 61 (0) thousand.

These fees cover financial and regulatory administration as well as IT services.

Board fees have been paid in accordance with the annual general meeting's decision.

There were no other significant related-party transactions during the reporting period.

Financial definitions

Key figure definitions

Alternative key figures are indicated as they complement the measures defined in applicable rules for financial reporting. The starting point for submitted alternative key figures is that they are used by the company's management to assess the financial development and thus considered to provide analysts and other stakeholders with valuable information. Below are definitions of all used alternative key figures.

Key figure	Definition	Motivation
Number of shares	Number of shares at end of period	Relevant when computing equity per share
Total assets	Total assets at end of period	Relevant when computing equity
Equity per share	Total equity divided by number of shares at end of period	Measure to describe equity per share
Average number of shares	Average number of shares outstanding during the reporting period	Relevant when computing result per share
Net sales	Sales during the period	Value of sales of goods and services
Reporting period	January 1 - June 30, 2025	Explanation of period comprised by the financial report
Result per share	Result for the period divided by average number of shares	Measure to describe result per share
Equity ratio	Total equity as percentage of total assets	Measure to describe company's capacity to fulfill its financial commitments

Deduction of certain key figures

	2025 Apr-Jun	2024 Apr-Jun	2025 Jan-Jun	2024 Jan-Jun	2024 Jan-Dec
Cash flow per share					
Cash flow for the period, 000's	263	-2 093	-2 306	-5 058	-8 764
Average number of shares	11 713 244	11 713 244	11 713 244	11 713 244	11 713 244
Cash flow per share (SEK)	**0.02**	**-0.18**	**-0.20**	**-0.43**	**-0.75**
Equity per share					
Equity, 000's	12 826	14 213	12 826	14 213	9 950
Number of shares at end of period	11 713 244	11 713 244	11 713 244	11 713 244	11 713 244
Equity per share (SEK)	**1.09**	**1.21**	**1.09**	**1.21**	**0.85**
Equity ratio					
Equity, 000's	12 826	14 213	12 826	14 213	9 950
Total equity and liabilities, 000's	15 266	14 937	15 266	14 937	11 434
Equity, %	**84.02%**	**95.15%**	**84.02%**	**95.15%**	**87.02%**

This financial report has not been subject to a limited audit review.

Certification

The Board of Directors and the CEO certify that this report provides a fair presentation of the company's operations, income, and statement of financial position and describes significant risks and uncertainties faced by the company.

Stockholm, August 21, 2025

Daniel Ehrenstråhle Chairman	Mats Lindskog Board Member	Christoph Nowak Board Member	Stian Kildal Chief Executive Officer

Publication

The information was submitted by the CEO on August 21, 2025, at 8:00 AM (CEST).

Contact Details

Stian Kildal, CEO,
Phone: +46 76-115 37 97,
E-mail: stian.kildal@oncozenge.se

Michael Owens, CFO,
Phone: +46 733-244 988,
E-mail: michael.owens@oncozenge.se

The company's corporate name is OncoZenge AB (publ) ("OncoZenge").

The company's corporate registration number is 559261-9968.

Certified Adviser

Redeye AB is the company's Certified Adviser.

OncoZenge

BupiZenge™

Potential to be the leading treatment for oral pain