



PKF Munkebo Eriksen Funch
Statsautoriseret Revisionsaktieselskab
Hovedvejen 56
DK-2600 Glostrup
CVR-nr. 14 11 92 99

(+45) 43 96 06 56
pkf@pkf.dk
www.pkf.dk

Contera Pharma A/S

Venlighedsvej 4, 2970 Hørsholm

Company reg. no. 33 06 22 14

Annual report

2024

The annual report have been submitted and approved by the general meeting on 15 April 2025.

WooHyun Lee
Chairman of the meeting

PKF Munkebo Eriksen Funch, Statsautoriseret Revisionsaktieselskab, is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Financial highlights	6
Management's review	7
Financial statements 1 January - 31 December 2024	
Accounting policies	8
Income statement	13
Balance sheet	14
Statement of changes in equity	16
Notes	17

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Contera Pharma A/S for the financial year 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Hørsholm, 15 April 2025

Managing Director

Thomas Nikolaj Sager

Board of directors

WooHyun Lee

Thomas Nikolaj Sager

Jae Young Lee

Paul Ejnar Gremaud Kristjansen

Mahmoud Mahmoudian

Independent auditor's report

To the Shareholders of Contera Pharma A/S

Opinion

We have audited the financial statements of Contera Pharma A/S for the financial year 1 January - 31 December 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Glostrup, 15 April 2025

PKF Munkebo Eriksen Funch

State Authorised Public Accountants
Company reg. no. 14 11 92 99

Thomas Funch
State Authorised Public Accountant
mne47782

Company information

The company

Contera Pharma A/S
Venlighedsvej 4
2970 Hørsholm

Company reg. no. 33 06 22 14
Established: 9 July 2010
Domicile: Rudersdal Municipality
Financial year: 1 January - 31 December
15th financial year

Board of directors

WooHyun Lee
Thomas Nikolaj Sager
Jae Young Lee
Paul Ejnar Gremaud Kristjansen
Mahmoud Mahmoudian

Managing Director

Thomas Nikolaj Sager

Auditors

PKF Munkebo Eriksen Funch, Statsautoriseret Revisionsaktieselskab
Hovedvejen 56
2600 Glostrup

Bankers

Nordea Bank Danmark A/S, Lyngby Hovedgade 96, 2800 Kgs. Lyngby
Kookmin Bank, Seoul, South Korea

Parent company

Bukwang Pharmaceutical Co Ltd

Financial highlights

DKK in thousands.	2024	2023	2022	2021	2020
Income statement:					
Gross profit	-54.084	-58.994	-45.152	-24.154	-9.725
Profit from operating activities	-75.626	-78.260	-62.084	-36.392	-13.496
Net financials	913	1.439	-285	-189	-339
Net profit or loss for the year	-69.214	-71.320	-56.868	-31.519	-12.259
Statement of financial position:					
Balance sheet total	63.607	92.369	115.743	167.213	201.326
Investments in property, plant and equipment	1.000	3.852	5.358	170	374
Equity	54.388	86.298	106.574	163.442	194.961
Employees:					
Average number of full-time employees	19	17	14	13	4

Management's review

Description of key activities of the company

Like previous years, the activities are development of new pharmaceuticals and other related activities.

Significant changes in the company's activities and financial matters

There have been no significant changes in activities and financial matters.

The gross loss for the year totals DKK -54.083.946 against DKK -58.993.909 last year. Income or loss from ordinary activities after tax totals DKK -69.213.744 against DKK -71.320.299 last year. Management considers the net loss for the year satisfactory.

Events occurring after the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position.

Accounting policies

The annual report for Contera Pharma A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Income statement

Gross loss

Gross loss comprises costs for research and development, other operating income, and other external costs.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external costs comprise costs incurred for sales, , administration, premises, cars and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Research and development costs

Research and development costs comprise costs, salaries, and wages and depreciation directly or indirectly attributable to the company's research and development activities.

Research costs are recognised in the income statement in the year incurred.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses as well as debt and transactions in foreign currency.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

Statement of financial position

Intangible assets

Development projects, patents, and licences

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Leasehold improvements	5-7 years
Other fixtures and fittings, tools and equipment	3-7 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Accounting policies

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

All leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Accounting policies

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

Note	2024	2023
Gross loss	-54.083.946	-58.993.909
1 Staff costs	-19.858.780	-17.993.655
Depreciation and impairment of property, plant, and equipment	-1.641.654	-1.272.107
Other operating expenses	-41.991	0
Operating loss	-75.626.371	-78.259.671
Other financial income	1.339.977	2.028.672
Other financial expenses	-427.350	-589.300
Pre-tax net loss	-74.713.744	-76.820.299
2 Tax on net profit or loss for the year	5.500.000	5.500.000
Net profit or loss for the year	-69.213.744	-71.320.299
Proposed distribution of net profit:		
Allocated from retained earnings	-69.213.744	-71.320.299
Total allocations and transfers	-69.213.744	-71.320.299

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Non-current assets			
4	Other fixtures, fittings, tools and equipment	7.195.601	7.881.569
	Total property, plant, and equipment	7.195.601	7.881.569
5	Deposits	586.450	664.435
	Total investments	586.450	664.435
	Total non-current assets	7.782.051	8.546.004
Current assets			
	Receivables from group enterprises	1.426.214	2.256.880
6	Income tax receivables	5.521.189	5.573.976
	Other receivables	3.738.715	1.146.185
	Prepayments	3.665.052	7.717.824
	Total receivables	14.351.170	16.694.865
	Cash and cash equivalents	41.474.010	67.127.707
	Total current assets	55.825.180	83.822.572
	Total assets	63.607.231	92.368.576

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Equity			
Contributed capital		1.403.186	652.693
Retained earnings		52.985.004	85.645.349
Total equity		<u>54.388.190</u>	<u>86.298.042</u>
Liabilities other than provisions			
Trade payables		7.755.283	3.355.569
Payables to group enterprises		-2.551	0
Other payables		1.466.309	2.714.965
Total short term liabilities other than provisions		<u>9.219.041</u>	<u>6.070.534</u>
Total liabilities other than provisions		<u>9.219.041</u>	<u>6.070.534</u>
Total equity and liabilities		<u>63.607.231</u>	<u>92.368.576</u>

7 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2023	621.443	0	105.952.307	106.573.750
Cash capital increase	31.250	51.013.341	0	51.044.591
Profit or loss for the year brought forward	0	0	-71.320.299	-71.320.299
Transferred to results brought forward	0	-51.013.341	51.013.341	0
Equity 1 January 2024	652.693	0	85.645.349	86.298.042
Cash capital increase	750.493	36.553.399	0	37.303.892
Profit or loss for the year brought forward	0	0	-69.213.744	-69.213.744
Transferred to results brought forward	0	-36.553.399	36.553.399	0
	1.403.186	0	52.985.004	54.388.190

Notes

All amounts in DKK.

	2024	2023
1. Staff costs		
Salaries and wages	16.976.486	15.823.897
Pension costs	2.748.457	2.053.412
Other costs for social security	133.837	116.346
	19.858.780	17.993.655
 Average number of employees	 19	 17
2. Tax on net profit or loss for the year		
Tax of the results for the year	-5.500.000	-5.500.000
	-5.500.000	-5.500.000
	 31/12 2024	 31/12 2023
3. Acquired concessions, patents, licenses, trademarks, and similar rights		
Cost 1 January 2024	3.711.323	3.791.323
Cost 31 December 2024	3.711.323	3.791.323
Amortisation and write-down 1 January 2024	-3.711.323	-3.791.323
Amortisation and write-down 31 December 2024	-3.711.323	-3.791.323
 Carrying amount, 31 December 2024	 0	 0

Notes

All amounts in DKK.

	31/12 2024	31/12 2023
4. Other fixtures, fittings, tools and equipment		
Cost 1 January 2024	9.512.534	5.660.920
Additions during the year	1.000.326	3.851.614
Disposals during the year	-183.062	0
Cost 31 December 2024	10.329.798	9.512.534
Depreciation and write-down 1 January 2024	-1.630.965	-358.858
Depreciation for the year	-1.641.654	-1.272.107
Reversal of depreciation, amortisation and writedown, assets disposed of	138.422	0
Depreciation and write-down 31 December 2024	-3.134.197	-1.630.965
Carrying amount, 31 December 2024	7.195.601	7.881.569
5. Deposits		
Cost 1 January 2024	664.435	918.897
Disposals during the year	-77.985	-254.462
Cost 31 December 2024	586.450	664.435
Carrying amount, 31 December 2024	586.450	664.435
6. Income tax receivables		
Income tax receivables 1 January 2024	5.573.976	5.524.436
Received tax regarding previous year	-5.552.787	-5.524.436
Income tax receivables concerning previous years	21.189	0
Calculated corporate tax for the present year	5.500.000	5.500.000
Paid tax on account for the present year	0	73.976
	5.521.189	5.573.976

Notes

All amounts in DKK.

7. Contingencies

Contingent assets

A deferred tax asset of t.DKK 46,263 has not been recognized due to uncertainty regarding timeline for future usage.

Contingent liabilities

Lease liabilities

The company has entered into two leasing contracts. The leasing contracts have 11 months left to run, and the total outstanding leasing is t.DKK 32 as of 31 December 2024.

Rental liabilities

The company has entered into a tenancy agreement. The company has a rental commitment of t.DKK 3,225 as of 31 December 2024.