



Muna Therapeutics ApS

Nordre Fasanvej 215
2000 Copenhagen
CVR No. 41142871

Annual report 2024

The Annual General Meeting adopted the
annual report on 01.05.2025

Niels Bang

Chairman of the General Meeting

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Entity details

Entity

Muna Therapeutics ApS

Nordre Fasanvej 215

2000 Copenhagen

Business Registration No.: 41142871

Registered office: Copenhagen

Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Donald William Nicholson, chairman

Henriette Elsebeth Richter

Cillian King

Laia Crespo-Martin

Eileen Elizabeth McGuire

Camilla Petrycer Hansen

Luc Madeleine Albert Dochez

Rita Balice-Gordon

Executive Board

Rita Balice-Gordon

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Muna Therapeutics ApS for the financial year 01.01.2024 - 31.12.2024.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 01.05.2025

Executive Board

Rita Balice-Gordon

Board of Directors

Donald William Nicholson
chairman

Henriette Elsebeth Richter

Cillian King

Laia Crespo-Martin

Eileen Elizabeth McGuire

Camilla Petrycer Hansen

Luc Madeleine Albert Dochez

Rita Balice-Gordon

Independent auditor's report

To the shareholders of Muna Therapeutics ApS

Opinion

We have audited the financial statements of Muna Therapeutics ApS for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 01.05.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Sejer Pedersen

State Authorised Public Accountant
Identification No (MNE) mne14986

Jens Serup

State Authorised Public Accountant
Identification No (MNE) mne45825

Management commentary

Primary activities

Muna Therapeutics ("Muna") is a private biopharmaceutical company based in Copenhagen, Denmark and with subsidiaries in Belgium and US. Muna discovers and develops therapies that slow or stop devastating neurodegenerative diseases. These disorders impact memory, movement, language, behavior and personality resulting in disability and death of millions of patients around the globe.

Development in activities and finances

In 2024, we reached candidate selection for our TREM2 program and moved the molecule into tox and safety studies. In late 2024 the lead molecule entered the final GLP-Tox studies which will enable the first-in-man clinical Phase 1 trial planned to start in 2025.

The Kv1.3 inhibitor program has evolved given strong interest in the target for systemic immunological diseases. In addition to the CNS program, Muna is therefore expanding our interest in Kv1.3 inhibition to also include development of a molecule for peripheral autoimmune diseases. A small molecule candidate selection is planned for H1 2025.

In December 2024, we formed a strategic alliance with GSK for the discovery of new Alzheimer's disease targets using the MiND-MAP platform. Muna received an upfront payment of approximately EUR 33.5M, and will be eligible to receive up to EUR 140M per target in milestones as well as tiered royalties on net sales of products.

Muna's income statement for the financial year 2024 shows a loss of 173.7 million DKK.

Muna's balance sheet per 31 December 2024 shows an equity of 18.7 million DKK.

The Company's financial position complies with management's expectations and is considered satisfactory.

Income statement for 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss		(124,745,897)	(110,624,445)
Staff costs	2	(28,779,592)	(25,334,089)
Depreciation, amortisation and impairment losses	3	(10,072,842)	(6,558,986)
Other operating expenses		(125,099)	0
Operating profit/loss		(163,723,430)	(142,517,520)
Income from investments in group enterprises	4	(4,932,582)	(4,937,255)
Other financial income	5	4,205,196	2,265,739
Other financial expenses	6	(4,161,323)	(561,673)
Profit/loss before tax		(168,612,139)	(145,750,709)
Tax on profit/loss for the year	7	(5,013,218)	5,430,737
Profit/loss for the year		(173,625,357)	(140,319,972)
Proposed distribution of profit and loss			
Retained earnings		(173,625,357)	(140,319,972)
Proposed distribution of profit and loss		(173,625,357)	(140,319,972)

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Acquired intangible assets		3,236,140	12,060,186
Intangible assets	8	3,236,140	12,060,186
Other fixtures and fittings, tools and equipment		2,811,394	3,825,544
Leasehold improvements		418,470	80,370
Property, plant and equipment	9	3,229,864	3,905,914
Investments in group enterprises		33,489,448	38,306,650
Deposits		1,419,786	1,024,743
Financial assets	10	34,909,234	39,331,393
Fixed assets		41,375,238	55,297,493
Receivables from group enterprises		3,899,030	0
Other receivables		15,321,524	2,340,171
Income tax receivable		0	5,500,000
Prepayments		931,373	2,029,950
Receivables		20,151,927	9,870,121
Cash		113,498,809	103,042,874
Current assets		133,650,736	112,912,995
Assets		175,025,974	168,210,488

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		1,341,725	1,201,796
Retained earnings		17,371,086	125,758,061
Equity		18,712,811	126,959,857
Convertible and dividend-yielding debt instruments	11	108,079,719	0
Non-current liabilities other than provisions	12	108,079,719	0
Deposits		0	15,753
Trade payables		16,713,570	18,118,724
Payables to group enterprises		18,570,231	12,036,447
Income tax payable		5,013,218	0
Other payables		5,196,894	5,168,662
Deferred income	13	2,739,531	5,911,045
Current liabilities other than provisions		48,233,444	41,250,631
Liabilities other than provisions		156,313,163	41,250,631
Equity and liabilities		175,025,974	168,210,488
Events after the balance sheet date	1		
Contingent liabilities	14		

Statement of changes in equity for 2024

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,201,796	125,758,061	126,959,857
Increase of capital	139,929	65,122,999	65,262,928
Exchange rate adjustments	0	115,383	115,383
Profit/loss for the year	0	(173,625,357)	(173,625,357)
Equity end of year	1,341,725	17,371,086	18,712,811

Notes

1 Events after the balance sheet date

Upfront payment relating to Collaboration agreement with GSK described in the section Management Commentary was received in January 2025.

2 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	26,235,014	23,051,345
Pension costs	1,808,285	1,608,170
Other social security costs	736,293	674,574
	28,779,592	25,334,089
Average number of full-time employees	18	18

3 Depreciation, amortisation and impairment losses

	2024 DKK	2023 DKK
Amortisation of intangible assets	5,357,401	5,357,404
Impairment losses on intangible assets	3,466,645	0
Depreciation of property, plant and equipment	1,248,796	1,201,582
	10,072,842	6,558,986

4 Income from investments in group enterprises

Income from investments in group enterprises include amortisation of goodwill amounting to 7,296,156 DKK.

5 Other financial income

	2024 DKK	2023 DKK
Other interest income	3,122,068	2,003,010
Exchange rate adjustments	1,083,128	262,729
	4,205,196	2,265,739

6 Other financial expenses

	2024 DKK	2023 DKK
Other interest expenses	3,779,939	442
Exchange rate adjustments	381,384	561,231
	4,161,323	561,673

7 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	5,013,218	(5,500,000)
Adjustment concerning previous years	0	69,263
	5,013,218	(5,430,737)

8 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	23,550,886
Cost end of year	23,550,886
Amortisation and impairment losses beginning of year	(11,490,700)
Impairment losses for the year	(3,466,645)
Amortisation for the year	(5,357,401)
Amortisation and impairment losses end of year	(20,314,746)
Carrying amount end of year	3,236,140

The Intangible assets relates to value of intellectual property transferred from K5 Therapeutics BV. The assets, which are used in the company's development activities, are amortized on a straight-line basis over 3,5 years.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	5,681,844	102,600
Additions	488,495	482,850
Disposals	(471,621)	(102,600)
Cost end of year	5,698,718	482,850
Depreciation and impairment losses beginning of year	(1,856,300)	(22,230)
Depreciation for the year	(1,177,576)	(71,220)
Reversal regarding disposals	146,552	29,070
Depreciation and impairment losses end of year	(2,887,324)	(64,380)
Carrying amount end of year	2,811,394	418,470

10 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	50,870,184	1,024,743
Additions	0	1,419,786
Disposals	0	(1,024,743)
Cost end of year	50,870,184	1,419,786
Impairment losses beginning of year	(12,563,534)	0
Exchange rate adjustments	115,379	0
Amortisation of goodwill	(7,296,154)	0
Share of profit/loss for the year	2,363,573	0
Impairment losses end of year	(17,380,736)	0
Carrying amount end of year	33,489,448	1,419,786

The value of Investments in group companies primarily relates to intangible assets related to the acquisition of K5, which are used in the Company's target discovery activities, and are amortized on a straight-line basis over 5 years. Further K5 Therapeutics act as service provider for Muna Therapeutics ApS.

Value of intangible assets and goodwill identified as exceeding value at acquisition are included in the carrying amount with DKK 10,944,232 as of 31.12.2024.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
K5 Therapeutics BV,	Leuven, Belgium	BV	100.00
Muna Therapeutics Inc.	Delaware, U.S.	Inc.	100.00

11 Convertible and dividend-yielding debt instruments

The conversion right attached to the loan, including the calculation of how many shares the loan can be converted into, is dependent on future events and is therefore not considered to meet the fixed-for-fixed requirement, and consequently no amount are recognized as equity.

A separate value has upon initial recognition been calculated for the conversion right and classified as a financial instrument. Due to uncertainty in measuring the fair value of this going forward, the initial calculated value thereof is maintained after first recognition, cf. section 37 of the Danish Financial Statements Act. The loan amount and the financial instrument, as well as accrued interest, are recognized in the financial statement line item "Convertible loan".

12 Non-current liabilities other than provisions

	Due after more than 12 months 2024 DKK
Convertible and dividend-yielding debt instruments	108,079,719
	108,079,719

13 Deferred income

Deferred income consists of grants received. The grants covers costs related to the development projects. Deferred income is recognised in the income statement when the related costs have occurred.

14 Contingent liabilities

The Company has rental and lease commitments of DKK 1,528,495

Muna Therapeutics ApS subscribed to a capital increase of K5 Therapeutics BV in the amount of EUR 6.25m on 16 July 2021, of which EUR 2m was immediately paid-in. The remaining amount of EUR 4.25m is payable upon request from the Board of Directors of K5 Therapeutics BV. To date, Muna Therapeutics ApS has not received any indication from K5 Therapeutics BV that such request would be made (in whole or in part) in the near future.

Muna Therapeutics ApS has a contingent liability to compensate K5 Therapeutics BV for 3.6 mEUR before interest, upon commercialisation of two projects.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

Income statement

Gross profit or loss

Gross profit or loss comprises other operating income and other external expenses.

Revenue

A collaboration agreement containing non-refundable up-front payment and milestone-based variable payments was entered into during the financial year. The scope of work to be delivered under the agreement cannot be definitively determined at the time of signing the agreement. Revenue from the collaboration agreement is recognized in line with the estimated completion of expected work to be performed, and thus contains an estimate.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including patent costs, pre-clinical studies and other costs relating to the company's research and development activities, expenses for premises, stationery and office supplies, marketing costs, etc.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income including exchange gains on securities, payables and transactions in foreign currencies and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses including exchange losses on securities, payables and transactions in foreign currencies, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc.

Intellectual property rights etc comprise of development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Intellectual property rights and other acquired intangibles:	5 years
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Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0 %
Leasehold improvements	5 years	0 %

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at

the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Convertible loan

The conversion right attached to the loan, including the calculation of how many shares the loan can be converted into, is dependent on future events and is therefore not considered to meet the fixed-for-fixed requirement, and consequently no amount are recognized as equity.

A separate value has upon initial recognition been calculated for the conversion right and classified as a financial instrument. Due to uncertainty in measuring the fair value of this going forward, the initial calculated value thereof is maintained after first recognition, cf. section 37 of the Danish Financial Statements Act. The loan amount and the financial instrument, as well as accrued interest, are recognized in the financial statement line item "Convertible loan".

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.