Kiox Pharmaceuticals ApS

Stolbjergvej 26C, 3070 Snekkersten

CVR no. 42 88 68 66

Annual report
for the year 1 January - 31 December 2024

Approved at the Company's annual general meeting on 25 June 2025

Chair of the meeting:

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Mikkel Walmar

Contents

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Kiox Pharmaceuticals ApS for the financial year 1 January - 31 December 2024.

The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Executive Board has considered the criteria for omission of audit to be met.

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 fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 25 June 2025
Executive Board:

Mikkel Walmar	Tim Dehli Carstensen

Independent auditor's report on the compilation of financial statements

To the general management of Kiox Pharmaceuticals ApS

We have compiled the financial statements of Kiox Pharmaceuticals ApS for the financial year 1 January - 31 December 2024 based on the Company's bookkeeping and other information provided.

The financial statements comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed this compilation engagement in accordance with ISRS 4410 *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements in the Danish Auditors Act and International Ethics Standards Board for Professional Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 25 June 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Anders Roe Eriksen
State Authorised Public Accountant
mne46667

Management's review

Company details

Name	Kiox Pharmaceuticals ApS
Address, Postal code, City	Stolbjergvej 26C, 3070 Snekkersten
CVR no.	42 88 68 66
Established	7 December 2021
Registered office	Snekkersten
Financial year	1 January - 31 December
Executive Board	Mikkel Walmar Tim Dehli Carstensen
Accountant	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Danske Bank

Management commentary

Principal activities

The Company is a biotech Company incorporated in December 2021 focusing on development of inhaled treatments for interstitial lung diseases.

During 2024, a total of 18 thousand new shares have been subscribed with a total paid-in capital of DKK 2,140 thousand.

Development in activities and financial matters

The income statement for 2024 shows a loss of DKK 1,841,030 against a loss of DKK 968,993 last year, and the balance sheet at 31 December 2024 shows equity of DKK 235,170.

The Company has lost more than 50%of its share capital. Management expects to reestablish the share capital through future share capital injections in combination with convertible loans as deemed necessary.

Please also see information included under statement of equity and in the notes to the annual report.

Funding

With reference to section on subsequent events, the Company has received new funding commitments after the balance sheet date.

Further, Management is seeking more external funding to continue the R&D activities and Management expects to complete such funding rounds later in 2025.

Events after the balance sheet date

Subsequently to the balance sheet date, Management has obtained commitment for funding from 2 R&D public grants (Innovationsfonden) with a total funding commitment to the Company of approx. DKK 3.6 million.

No other events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2024	2023
3	Other operating income	0	573,554
	Other external expenses	-411,764	-161,441
	Gross profit	-411,764	412,113
	Research and development costs	-2,001,370	-1,651,580
	Profit/loss before net financials	-2,413,134	-1,239,467
4	Financial income	29,938	2,477
5	Financial expenses	-3,112	-5,309
	Profit/loss before tax	-2,386,308	-1,242,299
6	Tax for the year	545,278	273,306
	Profit/loss for the year	-1,841,030	-968,993
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-1,841,030	-968,993
		-1,841,030	-968,993

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2024	2023
	ASSETS		
	Non-fixed assets		
	Receivables		
	Corporation tax receivable	370,108	273,306
	Joint taxation contribution receivable	175,170	0
7	Other receivables	32,372	359,552
		577,650	632,858
	Cash	206,730	172,130
	Total non-fixed assets	784,380	804,988
	TOTAL ASSETS	784,380	804,988

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2024	2023
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	225,834	208,000
	Share premium account	0	0
	Retained earnings	9,336	-271,880
	Total equity	235,170	-63,880
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	249,210	868,868
	Payables to shareholders and management	300,000	0
		549,210	868,868
	Total liabilities other than provisions	549,210	868,868
	TOTAL EQUITY AND LIABILITIES	784,380	804,988

1 Accounting policies
2 Events after the balance sheet date
10 Contractual obligations and contingencies, etc.
11 Security and collateral
12 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Share premium account	Retained earnings	Total
Equity at 1 January 2023	40,000	0	-2,887	37,113
Capital increase	168,000	0	0	168,000
Transfer through appropriation of loss	0	0	-968,993	-968,993
Contribution from controlling shareholder	0	0	700,000	700,000
Equity at 1 January 2024	208,000	0	-271,880	-63,880
Capital increase	17,834	2,122,246	0	2,140,080
Transfer through appropriation of loss	0	0	-1,841,030	-1,841,030
Transferred from share premium account	0	-2,122,246	2,122,246	0
Equity at 31 December 2024	225,834	0	9,336	235,170

The Company has lost more than 50%of its share capital. Management expects to reestablish the share capital through future share capital injections in combination with convertible loans as deemed necessary.

New shares have been subscribed during 2024, DKK 18 thousand and total proceeds from the share capital increase amounts to DKK 2,140 thousand.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Kiox Pharmaceuticals ApS for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Government grants are recognized periodically when the work supported by the grant has been reported and presented as other operating income. Government grants are recognized when a final and firm right to the grant has been obtained. Government grants are recognised in the income statement in the same period as the work (external expenses) has been performed as the grants areconsidered to be reimbursement of research expenses.

Research costs

The item includes research costs that do not qualify for capitalisation as well as amortisation of capitalised development costs.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including administration expenses to the bank.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Income tax of the year include refundable tax credits for costs incurred in connection with research and development activities under the Danish Tax Credit Regime.

Balance sheet

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash

Cash comprise bank accounts in DKK which minimal risk of changes to credit risk.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

2 Events after the balance sheet date

Subsequently to the balance sheet date, Management has obtained commitment for funding from 2 public grants (Innovationsfonden) with a total funding commitment to the Company of approx. DKK 3.6 million.

No other events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

	DKK	2024	2023
3	**Other operating income**		
	Grant income	0	573,554
		0	573,554

Other operating income includes grants under the Innobooster program from Innovationsfonden.

	DKK	2024	2023
4	**Financial income**		
	Exchange gain	29,938	2,477
		29,938	2,477

	DKK	2024	2023
5	**Financial expenses**		
	Exchange losses	3,102	5,309
	Interest surcharges and tax recognised under net financials	10	0
		3,112	5,309

	DKK	2024	2023
6	**Tax for the year**		
	Estimated tax charge for the year	-545,278	-273,306
		-545,278	-273,306

Estimated tax benefit for the year comprises 1) Compensation for utilisation of the Company's tax loss in the joint taxation arrangement and 2) recognised tax credits for the income year with reference to LL § 8X regarding tax credits for research and development expenditures.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK		2024	2023
7	**Other receivables**		
	Grant receivable (related to R&D)	0	322,996
	VAT	32,372	36,556
		32,372	359,552

Grant receivables relates to the Innobooster program from Innovationsfonden.

DKK		2024	2023
8	**Share capital**		
	Analysis of the share capital:		
	225,834 A shares of DKK 1.00 nominal value each	225,834	208,000
		225,834	208,000

Analysis of changes in the share capital over the past 2 years:

DKK	2024	2023
Opening balance	208,000	40,000
Capital increase	17,834	168,000
	225,834	208,000

New shares, DKK 18 thousand, have been subscribed during 2024.

9 Deferred tax

At 31 December 2024, the Company holds a deferred tax related to tax loss carry-forwards which amounts to DKK 1 thousand, which araise from before the joint taxation arrangement. As it is uncertain if these tax losses can be utilised within a foreseeable future, their carrying amount has not been recognised in the financial statements.

10 Contractual obligations and contingencies, etc.

The Company is jointly taxed with its parent company, 26c Holding ApS, which acts as management company, and has limited and alternative liability together with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.

11 Security and collateral

The Company has not provided any security or other collateral in assets at 31 December 2024.

Financial statements 1 January - 31 December

Notes to the financial statements

12 Related parties

Kiox Pharmaceuticals ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
26c Holding ApS (parent company)	Stolbjergvej 26C 3070 Snekkersten	Participating interest

Significant influence

Related party	Domicile	Basis for significant influence
Titi14 HOLDING ApS	Stjerneborg Alle 11, 1. 2870 Dyssegård	Shares

Tim Dehli Carstensen
Hr.
På vegne af: Kiox Pharmaceuticals ApS
Serienummer: 1bb8f390-eab2-48da-b305-62ba87f2d304
IP: 37.96.xxx.xxx
2025-06-25 10:38:13 UTC

Mit ID

Mikkel Walmar
Hr.
På vegne af: Kiox Pharmaceuticals ApS
Serienummer: 0f96a5ed-a5a4-4317-9aee-fb2438a49120
IP: 89.150.xxx.xxx
2025-06-25 12:52:37 UTC

Mit ID

Anders Roe Eriksen
Statsaut. revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: a699ca9b-e76b-4389-b5ca-5295ab1988f2
IP: 165.225.xxx.xxx
2025-06-25 13:15:45 UTC

Mit ID

Penneo dokumentnøgle: CBY0M-U3VXX-AZWYJ-TVDC8-VQ28P-I24MJ