

Avilex Pharma ApS

Ole Maaløes Vej 3, 2200 København N

CVR no. 34 89 68 28

Annual report

for the year 1 January - 31 December 2024

Approved at the Company's annual general meeting on 20 June 2025

Chair of the meeting:

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Avilex Pharma ApS for the financial year 1 January - 31 December 2024.

The annual report is prepared in accordance with 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.

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, 20 June 2025
Executive Board:

.....
Kristian Strømgaard

Board of Directors:

.....
Raymond George Hill
Chairman

.....
Kristian Strømgaard

.....
Camilla Petrycer Hansen

.....
Jonathan Mark Treherne

Independent auditor's report

To the shareholders of Avilex Pharma ApS

Opinion

We have audited the financial statements of Avilex Pharma ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 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 opinion

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 as to 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 the 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- ▶ 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 note 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Report on other legal and regulatory requirements

Non-compliance with the provisions of the Danish Companies Act regarding capital loss

The Company has lost more than half of its share capital. Management has not ensured that a general meeting was held within the deadlines stipulated by the Danish Companies Act where the shareholders were given an account of the Company's financial position and any measures to address the situation were proposed. Management may incur liability in this respect.

Copenhagen, 20 June 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Rasmus Bloch Jespersen
State Authorised Public Accountant
mne35503

Management's review

Company details

Name	Avilex Pharma ApS
Address, Postal code, City	Ole Maaløes Vej 3, 2200 København N
CVR no.	34 89 68 28
Established	27 December 2012
Registered office	København
Financial year	1 January - 31 December
Board of Directors	Raymond George Hill, Chairman Kristian Strømgaard Camilla Petrycer Hansen Jonathan Mark Treherne
Executive Board	Kristian Strømgaard
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

The company's activities comprise to the development of novel drug candidates for the treatment of stroke and other neurodegenerative conditions, as well as any activity related thereto as determined by the Board of Directors.

Financial review

The income statement for 2024 shows a loss of DKK 4,428 thousand against a loss of DKK 6,756 thousand last year, and the balance sheet at 31 December 2024 shows a negative equity of DKK 6,267 thousand.

Capital Loss

At 31 December 2024, the Company is subject to the capital loss provisions of the Danish Corporate Act. On the general meeting of shareholders in 2025, management and board will account for the capital loss and potential measures to be taken.

Financing and going concern

The Company is financed via convertible debt instruments. At 31 December 2024, total assets amounts DKK 22,663 thousand, of which is DKK 20,6067 thousand is cash and total liabilities amounts DKK 27,826 thousand of which DKK 517 thousand is classified as current and DKK 27,309 thousand is classified as non-current.

According to the convertible loan agreement, the lender may demand repayment of the convertible debt, in full or part, however, subject to certain conditions. The repayment amount is to be determined as a percentage of revenue generated and the lender may not require repayment if, as a result of such repayment, the Company is reasonably likely to become insolvent.

Considering the loan repayment terms, management does not expect repayment within the foreseeable future nor at amounts that could compromise the company's ability remain solvent. On this basis, the financial statements are prepared on a going concern assumption.

Events after the balance sheet date

No 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'000	2024	2023
	Administrative expenses	-627	-1,673
	Operating profit/loss	-627	-1,673
	Research and development costs	-4,176	-4,361
	Profit/loss before net financials	-4,803	-6,034
3	Financial income	1,896	88
4	Financial expenses	-1,828	-2,754
	Profit/loss before tax	-4,735	-8,700
5	Tax for the year	307	1,944
	Profit/loss for the year	-4,428	-6,756
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-4,428	-6,756
		-4,428	-6,756

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2024	2023
	ASSETS		
	Non-fixed assets		
	Receivables		
	Deferred tax assets	0	1,021
	Joint taxation contribution receivable	1,328	1,759
	Other receivables	164	516
		<u>1,492</u>	<u>3,296</u>
	Cash	<u>20,067</u>	<u>24,579</u>
	Total non-fixed assets	<u>21,559</u>	<u>27,875</u>
	TOTAL ASSETS	<u>21,559</u>	<u>27,875</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	470	470
	Retained earnings	-6,737	-2,309
	Total equity	<u>-6,267</u>	<u>-1,839</u>
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
6	Convertible debt instruments	<u>23,829</u>	<u>22,007</u>
		<u>23,829</u>	<u>22,007</u>
	Current liabilities other than provisions		
	Bank debt	33	39
6	Derivative financial instrument	3,480	4,928
	Trade payables	223	2,422
	Other payables	261	318
		<u>3,997</u>	<u>7,707</u>
	Total liabilities other than provisions	<u>27,826</u>	<u>29,714</u>
	TOTAL EQUITY AND LIABILITIES	<u>21,559</u>	<u>27,875</u>

- 1 Accounting policies
- 2 Financing and going concern
- 7 Staff costs
- 8 Contractual obligations and contingencies, etc.
- 9 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2024	470	-2,309	-1,839
Adjusted equity at 1 January 2024	470	-2,309	-1,839
Transfer through appropriation of loss	0	-4,428	-4,428
Equity at 31 December 2024	470	-6,737	-6,267

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Avilex Pharma 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'000).

Income statement

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Research costs

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise income and expense from loans and income tax balances and exchange gain and losses and amortisation of financial assets and liabilities.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Development costs and internally accumulated rights are recognised in the income statement as costs in the year of acquisition.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Payments relating to leases and any other rent agreements are recognised in the income statement over the term of the lease. The aggregate liabilities relating to leases and rent agreements are disclosed under "Contingent liabilities". Finance leases are not distinguish from operating leases.

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.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise deposits in bank accounts.

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.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Convertible loans

Convertible debt instruments are initially broken down into a liability element and a conversion right. The conversion rights are recognized as derivative financial instruments, as the conversion rights as per the Company's convertible debt instruments are not convertible into a fixed number of shares for a fixed amount of cash (the 'fixed-for-fixed' criterion is not met). On initial recognition, the liability is recognised at the fair value of a similar liability without a conversion right. The conversion right is recognised as a derivative financial instrument. On subsequent recognition, the liability is measured at amortised cost until converted or repaid. The derivative financial instrument element is measured at fair value through profit or loss.

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Financing and going concern

The Company is financed via convertible debt instruments. At 31 December 2024, total assets amounts DKK 22,663 thousand, of which is DKK 20,6067 thousand is cash and total liabilities amounts DKK 27,826 thousand of which DKK 517 thousand is classified as current and DKK 27,309 thousand is classified as non-current.

According to the convertible loan agreement, the lender may demand repayment of the convertible debt, in full or part, however, subject to certain conditions. The repayment amount is to be determined as a percentage of revenue generated and the lender may not require repayment if, as a result of such repayment, the Company is reasonably likely to become insolvent.

Considering the loan repayment terms, management does not expect repayment within the foreseeable future nor at amounts that could compromise the company's ability remain solvent. On this basis, the financial statements are prepared on a going concern assumption.

DKK'000	2024	2023
3 Financial income		
Other interest income	382	84
Exchange adjustments	2	3
Fair value adjustments of financial instruments	1,448	0
Other financial income	64	1
	<u>1,896</u>	<u>88</u>
4 Financial expenses		
Interest expense on convertible loans	1,801	2,044
Exchange losses	27	65
Fair value adjustments of financial instruments	0	608
Other financial expenses	0	37
	<u>1,828</u>	<u>2,754</u>
5 Tax for the year		
Deferred tax adjustments in the year	1,021	-185
Refund in joint taxation	-1,328	-1,759
	<u>-307</u>	<u>-1,944</u>

6 Convertible debt instruments or corresponding rights issued by the Company

Of the long-term liabilities, DKK 0 is estimated to due for payment after more than 5 years after the balance sheet date.

The Company entered a convertible agreement in June 2015. The principal amount of the convertible loan is EUR 2,410 thousand, divided in five tranches, drawn over the period June 2015 to October 2021.

The convertible loan, including accrued interest, has no fixed maturity date, and carries an interest rate of eight percent above the three-month sterling LIBOR. The convertible loan includes several conversion and repayment features, which allows the lender to convert the loan into shares in the Company with a conversion discount of 0-20% to the share price of the Company or repayment of the loan, depending on which conversion or repayment feature is being utilized. The conversion and repayment features include: Conversion upon an 'exit event', repayment upon an 'exit event', conversion upon a qualified financing round, and conversion within a four week conversion period following the expiry of each calendar quarter, or repayment in full or part, at any time after the third anniversary of the effective date upon written demand, however subject to conditions, including revenue generated.

Financial statements 1 January - 31 December

Notes to the financial statements

At initially recognition of each of the five tranches, the convertible loan has been separated into a liability component and a conversion/repayment option component (an embedded derivative), by allocating the difference between the fair value of the liability component and the proceeds to the conversion option. After initial recognition, the liability component is measured at amortized cost and the conversion option is measured at fair value through profit or loss.

The amortization of the liability component is calculated by use of an estimated market interest rate. The fair value of the conversion and repayment options has been calculated as net present value by weighing in managements assumption about the weighted probabilities associated with timing and triggering event for conversion or repayment (level 3 of the fair value hierarchy). The following main assumptions on 31 December 2024 has been applied: conversion upon a qualified financing round or 'exit event' (100 percent), Event of default (0 percent), and repayment (0 percent).

7 Staff costs

	2024	2023
Average number of full-time employees	2	2

8 Contractual obligations and contingencies, etc.

The Company is jointly taxed with Novo Holdings A/S which acts as management company, and has limited and alternative liability together with other jointly taxed group entities for payment of income taxes for income year 2022 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 23 September 2022.

9 Related parties

Avilex Pharma ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Novo Holdings A/S	Tuborg Havnevej 19DK-2900 Hellerup Municipality of Gentofte, Denmark	Shareholding and voting rights

Information about consolidated financial statements

Parent	Domicile
Novo Nordisk Foundation	Tuborg Havnevej 19 DK-2900 Hellerup Municipality of Gentofte, Denmark

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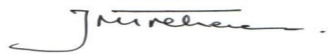
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Jonahan Mark Treherne

Board member

På vegne af: Avilex Pharma ApS
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Kristian Strømgaard

CEO

På vegne af: Avilex Pharma ApS
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2025-06-20 10:55:39 UTC



Raymond Hill

Chairman

På vegne af: Avilex Pharma ApS
Serienummer: raymond.hill@imperial.ac.uk
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Camilla Petrycer Hansen

Board member

På vegne af: Avilex Pharma ApS
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Rasmus Bloch Jespersen

EY Godkendt Revisionspartnerselskab CVR: 30700228

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