

# Kiox Pharmaceuticals ApS

Stolbjergvej 26C, 3070 Snekkersten

CVR no. 42 88 68 66

## Annual report

for the year 1 January - 31 December 2023

Approved at the Company's annual general meeting on 28 June 2024

Chair of the meeting:

.....  
Mikkel Walmar

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## 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 2023.

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 my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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

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

Copenhagen, 28 June 2024  
Executive Board:

.....  
Mikkel Walmar

## 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 2023 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, 28 June 2024  
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
Accountant	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Danske Bank

### Management commentary

#### Business review

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

New shares have been subscribed, DKK 168 thousand and paid-in during the financial year, but registration with the Danish Authorities has taken place after the balance sheet date, in 2024.

During 2023, the Company has received tax free group contributions from the controlling shareholder which amounts to DKK 700 thousand.

Further, in 2023, the Company received grants under the Innobooster program from Innovationsfonden, reference is made to note 3.

#### Financial review

The income statement for 2023 shows a loss of DKK 968,993 against a loss of DKK 2,887 last year, and the balance sheet at 31 December 2023 shows a negative equity of DKK 63,880.

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 Events after the balance sheet date and the notes to the annual report.

#### Events after the balance sheet date

Subsequent to the financial year-end, the Company completed new capital increases which amounted to DKK 2,122 thousand, which enables the Company to initiate further R&D activities in 2024.

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	2023 12 months	2021/22 13 months
3	Other operating income	573,554	0
	Other external expenses	-161,441	-2,632
	<b>Gross profit</b>	412,113	-2,632
	Research and development costs	-1,651,580	0
	<b>Profit/loss before net financials</b>	-1,239,467	-2,632
4	Financial income	2,477	0
5	Financial expenses	-5,309	-255
	<b>Profit/loss before tax</b>	-1,242,299	-2,887
6	Tax for the year	273,306	0
	<b>Profit/loss for the year</b>	-968,993	-2,887
	<b>Recommended appropriation of profit/loss</b>		
	Retained earnings/accumulated loss	-968,993	-2,887
		-968,993	-2,887

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2023</u>	<u>2021/22</u>
	<b>ASSETS</b>		
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Receivables from group enterprises	0	20,000
	Corporation tax receivable	273,306	0
7	Other receivables	359,552	0
		<u>632,858</u>	<u>20,000</u>
	<b>Cash</b>	172,130	17,113
	<b>Total non-fixed assets</b>	<u>804,988</u>	<u>37,113</u>
	<b>TOTAL ASSETS</b>	<u>804,988</u>	<u>37,113</u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2023	2021/22
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
8	Share capital	208,000	40,000
	Retained earnings	-271,880	-2,887
	<b>Total equity</b>	<u>-63,880</u>	<u>37,113</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Trade payables	868,868	0
		<u>868,868</u>	<u>0</u>
	<b>Total liabilities other than provisions</b>	<u>868,868</u>	<u>0</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>804,988</u></u>	<u><u>37,113</u></u>

- 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	Retained earnings	Total
Equity at 7 December 2021	0	0	0
Transfer through appropriation of loss	0	-2,887	-2,887
Cash payments concerning formation of enterprise	40,000	0	40,000
<b>Equity at 1 January 2023</b>	<b>40,000</b>	<b>-2,887</b>	<b>37,113</b>
Capital increase	168,000	0	168,000
Transfer through appropriation of loss	0	-968,993	-968,993
Contribution from controlling shareholder	0	700,000	700,000
<b>Equity at 31 December 2023</b>	<b>208,000</b>	<b>-271,880</b>	<b>-63,880</b>

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. See also note 2 for capital injections after the balance sheet date.

New shares have been subscribed, DKK 168 thousand and paid-in during the financial year, but registration with the Danish Authorities has taken place after the balance sheet date, in 2024.

During 2023, the Company has received tax free group contributions from the controlling shareholder which amounts to DKK 700 thousand.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Kiox Pharmaceuticals ApS for 2023 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 are considered 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.

##### Tax

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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

Subsequent to the financial year-end, the Company completed new capital increases which amounted to DKK 2,122 thousand, which enables the Company to initiate further R&D activities in 2024.

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

## Financial statements 1 January - 31 December

### Notes to the financial statements

	2023 12 months	2021/22 13 months
DKK		
<b>3 Other operating income</b>		
Grant income	573,554	0
	<u>573,554</u>	<u>0</u>

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

	2023 12 months	2021/22 13 months
DKK		
<b>4 Financial income</b>		
Exchange gain	2,477	0
	<u>2,477</u>	<u>0</u>

	2023 12 months	2021/22 13 months
DKK		
<b>5 Financial expenses</b>		
Interest expenses, bank	0	255
Exchange losses	5,309	0
	<u>5,309</u>	<u>255</u>

	2023 12 months	2021/22 13 months
DKK		
<b>6 Tax for the year</b>		
Estimated tax charge for the year	-273,306	0
	<u>-273,306</u>	<u>0</u>

Estimated tax for the year comprises recognised tax credits for the income year with reference to LL § 8X regarding tax credits for research and development expenditures.

	2023	2021/22
DKK		
<b>7 Other receivables</b>		
Grant receivable (related to R&D)	322,996	0
VAT	36,556	0
	<u>359,552</u>	<u>0</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	<u>2023</u>	<u>2021/22</u>
<b>8 Share capital</b>		
Analysis of the share capital:		
208,000 A shares of DKK 1.00 nominal value each	<u>208,000</u>	<u>40,000</u>
	<u>208,000</u>	<u>40,000</u>

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

DKK	<u>2023</u>	<u>2021/22</u>
Opening balance	40,000	40,000
Capital increase	<u>168,000</u>	<u>0</u>
	<u>208,000</u>	<u>40,000</u>

New shares have been subscribed, DKK 168 thousand and paid-in during the financial year, but registration with the Danish Authorities has taken place after the balance sheet date, in 2024.

### 9 Deferred tax

At 31 December 2023, the Company holds a deferred tax related to tax loss carry-forwards. 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 for income year 2021 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 7 December 2021.

### 11 Security and collateral

The Company has not provided any security or other collateral in assets at 31 December 2023.

### 12 Related parties

Kiox Pharmaceuticals ApS' related parties comprise the following:

#### Parties exercising control

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

#### Significant influence

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

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## Mikkel Walmar

### Direktion

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## Mikkel Walmar

### Dirigent

På vegne af: Kiox Pharmaceuticals ApS

Serienummer: 0f96a5ed-a5a4-4317-9aee-fb2438a49120

IP: 89.150.xxx.xxx

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## Anders Roe Eriksen

### Statsautoriseret revisor

På vegne af: EY Godkendt Revisionspartnerselskab



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