



Solid Therapeutics ApS

Ole Maaløes Vej 3
2200 København N
CVR no. 43 00 70 68

Annual report for 2023

Adopted at the annual general meeting on 11 June 2024

Kasper Erikslev Lolk-Hansen
chairman

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Statement by management on the annual report

The Board of directors and executive board have today discussed and approved the annual report of Solid Therapeutics ApS for the financial year 1 January - 31 December 2023.

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 company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

København N, 28 May 2024

Executive board

Anne Mette Hyldgaard Trauelsen

Board of directors

John Sørensen Haurum
chairman

Thue Walter Schwartz

Claus Haase

Independent auditor's report

To the shareholders of Solid Therapeutics ApS

Opinion

We have audited the financial statements of Solid Therapeutics ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 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 are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 the 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 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.
- 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.

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.

Independent auditor's report

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 Statements Act. We did not identify any material misstatement of management's review.

Frederikssund, 28 May 2024

LPOG ApS

Statsautoriserede Revisor

CVR no. 33 16 72 88

Anders Pedersen

State Authorised Public Accountant

mne34550

Company details

The company

Solid Therapeutics ApS
Ole Maaløes Vej 3
2200 København N

CVR no.: 43 00 70 68

Reporting period: 1 January - 31 December 2023

Incorporated: 21 January 2022

Domicile: Copenhagen

Board of directors

John Sørensen Haurum, chairman
Thue Walter Schwartz
Claus Haase

Executive board

Anne Mette Hyldgaard Trauelsen

Auditors

LPOG ApS
Statsautoriserede Revisorer
Kilde Alle 22, 3. sal
3600 Frederikssund

Management's review

Business review

The company's object is to engage in activities within pharmaceutical drug discovery and development.

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of DKK 3.483.115, and the balance sheet at 31 December 2023 shows negative equity of DKK 4.239.933.

The company has lost more than 50% of the company capital and is therefore covered by the capital loss provisions of the Companies Act. It is the management's assessment that the company, despite the capital loss, has the necessary capital base to ensure continued operations. The management continuously assesses the capital base and the need for reestablishment of equity. With the obtained grants and loans, the company has the funding needed to continue the planned activities in 2024.

For information regarding the company's capital resources, please refer to the information in note 1.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Solid Therapeutics ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of other operating income, costs of raw materials and consumables and other external expenses.

Research and development costs

The company expenses all research costs. In line with industry practice, internal and subcontracted development costs are also expensed as they are incurred, due to significant regulatory uncertainties and other uncertainties inherent in the development of new products. This means that the costs do not qualify for capitalisation as intangible assets until marketing approval by a regulatory authority is obtained or considered highly probable.

Other operating income

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

Accounting policies

Other external costs

Other external costs include expenses related to sale, advertising, administration, premises etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

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 is impaired, an impairment loss for that individual asset is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise deposits at banks.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Accounting policies

Liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> TDKK
Gross profit		-2.738.806	-398
Staff costs	2	<u>-1.454.219</u>	<u>-364</u>
Profit/loss before net financials		-4.193.025	-762
Financial costs	3	<u>-167.229</u>	<u>-113</u>
Profit/loss before tax		-4.360.254	-875
Tax on profit/loss for the year	4	<u>877.139</u>	<u>78</u>
Profit/loss for the year		<u><u>-3.483.115</u></u>	<u><u>-797</u></u>
 Recommended appropriation of profit/loss			
Retained earnings		<u>-3.483.115</u>	<u>-797</u>
		<u><u>-3.483.115</u></u>	<u><u>-797</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> TDKK
Assets			
Other receivables		105.686	51
Corporation tax		<u>877.139</u>	<u>78</u>
Receivables		<u>982.825</u>	<u>129</u>
Cash at bank and in hand		<u>9.830.257</u>	<u>3.447</u>
Total current assets		<u>10.813.082</u>	<u>3.576</u>
Total assets		<u><u>10.813.082</u></u>	<u><u>3.576</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> TDKK
Equity and liabilities			
Share capital		40.000	40
Retained earnings		-4.279.933	-797
Equity		<u>-4.239.933</u>	<u>-757</u>
Convertible and profit-yielding instruments of debt		14.255.705	4.093
Total non-current liabilities	5	<u>14.255.705</u>	<u>4.093</u>
Trade payables		609.769	123
Other payables		187.541	117
Total current liabilities		<u>797.310</u>	<u>240</u>
Total liabilities		<u>15.053.015</u>	<u>4.333</u>
Total equity and liabilities		<u><u>10.813.082</u></u>	<u><u>3.576</u></u>
Going concern	1		
Contingent liabilities	6		
Mortgages and collateral	7		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	40.000	-796.818	-756.818
Net profit/loss for the year	0	-3.483.115	-3.483.115
Equity at 31 December 2023	<u>40.000</u>	<u>-4.279.933</u>	<u>-4.239.933</u>

Notes

1 Going concern

The company has lost more than half of its capital and the equity is negative with DKK 4.239.933.

The company expect to receive additional loans in 2024, it is therefore management's assessment that the annual report can be presented on a going concern basis.

	<u>2023</u>	<u>2022</u>
	DKK	TDKK
2 Staff costs		
Wages and salaries	1.448.593	363
Other social security costs	<u>5.626</u>	<u>1</u>
	<u>1.454.219</u>	<u>364</u>
Number of fulltime employees on average	<u>2</u>	<u>1</u>
3 Financial costs		
Other financial costs	163.121	113
Exchange loss	<u>4.108</u>	<u>0</u>
	<u>167.229</u>	<u>113</u>
4 Tax on profit/loss for the year		
Current tax for the year	<u>-877.139</u>	<u>-78</u>
	<u>-877.139</u>	<u>-78</u>

Notes

5 Long term debt

	Debt at 1 January 2023	Debt at 31 December 2023	Instalment next year	Debt outstanding after 5 years
Convertible and profit-yielding instruments of debt	4.092.712	14.255.705	0	0
	<u>4.092.712</u>	<u>14.255.705</u>	<u>0</u>	<u>0</u>

Convertible loan, with a nominal value of DKK 14.256 thousand, are convertible into shares at the prevailing market price with a conversion discount ranging from 0-30%, depending on the timing of conversion.

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

6 Contingent liabilities

Rent liabilities include obligations totalling DKK 87 thousand with remaining contract terms of 3 months.

7 Mortgages and collateral

The company has not provided any security or other collateral at 31 December 2023.