

Forward Pharma A/S (Under frivillig likvidation)

Strandvejen 125, DK-2900 Hellerup

Annual Report for 2024

CVR No. 28 86 58 80

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 13/5 2025

Jakob Mosegaard
Larsen
Chairman of the
general meeting

DocuSigned by:

Thomas Weisbjerg

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Thomas Weisbjerg

Chairman of the
general meeting



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Management's statement

The Liquidator has today considered and adopted the Annual Report of Forward Pharma A/S (Under frivillig likvidation) for the financial year 1 January - 31 December 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations for 2024.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Hellerup, 25 April 2025

Liquidator

Jakob Mosegaard Larsen
Liquidator

Independent Auditor's report

To the shareholders of Forward Pharma A/S (Under frivillig likvidation)

Opinion

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.

We have audited the Financial Statements of Forward Pharma A/S (Under frivillig likvidation) for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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' 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.

Statement on Management's Review

The Liquidator 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.

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, in our view, 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 in Management's Review.

The Liquidator's responsibilities for the Financial Statements

The Liquidator 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 the Liquidator 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, the Liquidator is responsible for assessing the Company's ability to continue as a going concern taking into account the liquidation in progress, disclosing, as applicable, matters related to going concern and using appropriate accounting policies taking into account the liquidation in progress.

Independent Auditor's report

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Liquidator.
- Conclude on the appropriateness of the Liquidator's use of the significant accounting policies 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 taking into account the liquidation in progress. 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.

Hellerup, 25 April 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen

State Authorised Public Accountant

mne28703

Christian Bo Gjelstrup Pedersen

State Authorised Public Accountant

mne50612

Company information

The Company	Forward Pharma A/S (Under frivillig likvidation) Strandvejen 125 DK-2900 Hellerup CVR No: 28 86 58 80 Financial period: 1 January - 31 December Incorporated: 1 July 2005 Municipality of reg. office: Gentofte
Liquidator	Jakob Mosegaard Larsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's review

Key activities

Forward Pharma A/S (the "Company") is a limited liability company incorporated and domiciled in Denmark. The Company's registered office is located in Hellerup, Denmark. The Company's directly owned subsidiaries include Forward Pharma Operations ApS ("Operations") and Forward Pharma USA, LLC (liquidated in June 2024). Operations' has one directly owned subsidiary; Forward Pharma GmbH ("FP GmbH"). Operations and FP GmbH are both under voluntary liquidation. Similar, the Company is under voluntary liquidation.

The Company and its directly and indirectly owned subsidiaries are referred to herein as the "Group."

Mutual Agreement Procedure

The Danish and German tax authorities conducted a joint income tax audit of the Group's Danish and German income tax returns for multiple years, up to and including the year ended December 31, 2017. The audit primarily focused on a specific intercompany transaction that took place in 2017 between the Company and FP GmbH, to assess whether it was conducted at fair value in accordance with generally accepted arm's length principles applicable to cross-border taxation. However, the Danish and German tax authorities were unable to reach an agreement on this matter and, as a result, the joint audit was terminated in the second quarter of 2021. Following termination of the joint audit, the Danish tax authorities discontinued the audit of the Company in Denmark, while the German tax authorities continued the audit of FP GmbH in Germany.

In the third quarter of 2022 the German tax authorities issued amended tax assessments of FP GmbH, which were appealed by FP GmbH. In addition, in the third quarter of 2023, the Company and FP GmbH initiated a Mutual Agreement Procedure ("MAP") with the purpose of forcing the Danish and German tax authorities to reach an agreement that would eliminate double taxation.

In July 2024, an Insolvency Plan came into effect in agreement with the German Tax Authorities. The Insolvency Plan effectively set out a structure under which the outcome of the MAP could be implemented, allowing for payment of an agreed amount of German taxes.

In the third quarter of 2024 the MAP concluded, and the Company and FP GmbH received notice from the Danish and German tax authorities that the double taxation issue had been resolved. As a result of the agreement between the Danish and German tax authorities, an additional amount will be taxed in Germany, with a corresponding reduction in Danish taxable income.

With the tax dispute resolved, FP GmbH formally left insolvency proceedings in December 2024, and a proper liquidation of the Company and its subsidiaries can be pursued.

Liquidation

In February 2025, after the conclusion of the MAP in October 2024, the Company received a refund of overpaid taxes from Denmark. Part of this refund was transferred to FP GmbH to cover, among others, additional taxes in Germany payable by FP GmbH.

Also, in February 2025, the board of directors decided to discontinue operations and liquidate the Company. The decision was confirmed by the Company's shareholders at an extraordinary general meeting on 25 February 2025 and the liquidation process initiated. A public proclamation has been issued in the Danish Business Authority's Central Business Register, encouraging the Company's creditors to submit their claims to the liquidator. Claims must be submitted no later than three months from 26 February 2025. At present, no creditors have submitted claims against the Company or its subsidiaries. The Company is expected to be finally liquidated in the second half of 2025.

Development in the year

The income statement of the Company for 2024 shows a profit of DKK 75,927,645, and at 31 December 2024 the balance sheet of the Company shows a positive equity of DKK 488,330,233.

This year's result is positively influenced by the conclusion of the MAP and the development of the Company's bond portfolio.

Management's review

Subsequent events

Subsequent to 31 December 2024, there were no events that are required to be reported except for the above mentioned.

Income statement 1 January - 31 December

	Note	2024	2023
		DKK	DKK
Other operating income		1,046,911	1,689,028
Other external expenses		-10,504,820	-7,819,634
Gross loss		-9,457,909	-6,130,606
Staff expenses	1	-1,838,127	-1,827,022
Profit/loss before financial income and expenses		-11,296,036	-7,957,628
Income from investments in subsidiaries		-68,248,254	-2,152,690
Financial income	2	73,681,315	16,166,550
Financial expenses	3	-4,068,598	-9,888,748
Profit/loss before tax		-9,931,573	-3,832,516
Tax on profit/loss for the year	,4	85,859,218	0
Net profit/loss for the year		75,927,645	-3,832,516

Distribution of profit

	2024	2023
	DKK	DKK
Proposed distribution of profit		
Retained earnings	75,927,645	-3,832,516
	75,927,645	-3,832,516

Balance sheet 31 December

Assets

	Note	2024	2023
		DKK	DKK
Investments in subsidiaries	5	280,041,147	278,412,199
Fixed asset investments		280,041,147	278,412,199
Fixed assets		280,041,147	278,412,199
Other receivables		50,139,529	2,145,830
Corporation tax		86,188,553	344,845
Prepayments		0	5,041,459
Receivables		136,328,082	7,532,134
Current asset investments	6	342,439,661	376,186,331
Cash at bank and in hand		76,543,586	42,553,930
Current assets		555,311,329	426,272,395
Assets		835,352,476	704,684,594

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		DKK	DKK
Share capital		1,014,736	1,014,736
Retained earnings		487,315,497	425,431,041
Equity		488,330,233	426,445,777
Trade payables		589,320	627,099
Payables to group enterprises		344,381,324	277,565,437
Other payables		2,051,599	46,281
Short-term debt		347,022,243	278,238,817
Debt		347,022,243	278,238,817
Liabilities and equity		835,352,476	704,684,594
Contingent assets, liabilities and other financial obligations	7		
Accounting Policies	8		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	1,014,736	425,431,041	426,445,777
Shares acquired	0	-14,043,189	-14,043,189
Net profit/loss for the year	0	75,927,645	75,927,645
Equity at 31 December	1,014,736	487,315,497	488,330,233

In 2024, the Company acquired 7,764,000 ordinary shares. A total of 7,860,452 shares are held in treasury with a nominal value of DKK 78,605 corresponding to 7,75% of the total share capital.

Notes to the Financial Statements

	2024	2023
	DKK	DKK
1. Staff expenses		
Wages and salaries	1,817,900	1,960,537
Other social security expenses	20,227	-133,515
	1,838,127	1,827,022
 Average number of employees	 2	 2
	2024	2023
	DKK	DKK
2. Financial income		
Fair value adjustments on current asset investments	10,255,982	9,122,909
Exchange gain	8,937,840	762,736
Interest on bonds	4,705,667	4,170,927
Other financial income	49,781,826	2,109,978
	73,681,315	16,166,550
	2024	2023
	DKK	DKK
3. Financial expenses		
Interest paid to group enterprises	2,771,791	2,567,813
Other financial expenses	1,296,807	1,082,124
Exchange loss	0	6,238,811
	4,068,598	9,888,748
	2024	2023
	DKK	DKK
4. Income tax expense		
Current tax for the year	306,438	0
Adjustment of tax concerning previous years	-86,165,656	0
	-85,859,218	0

Notes to the Financial Statements

5. Investments in subsidiaries

The subsidiary Forward Pharma Operations ApS is under voluntary liquidation. The investment in this subsidiary is recognised at its expected realisation value, which corresponds to the equity value in the subsidiary.

6. Fair values

	Value adjustment, income statement	Fair value at 31 December
	DKK	DKK
Bonds	10,255,982	342,439,661

7. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The Company is part of a Danish joint tax group. Under Danish tax rules, the Company is jointly and severally liable, with other members of the Danish tax group, for the tax obligations of the Danish tax group. Any adjustment to the Danish tax group’s taxable income could increase the Company’s liability.

Notes to the Financial Statements

8. Accounting policies

The Annual Report of Forward Pharma A/S (Under frivillig likvidation) for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C, with the necessary adjustments due to the Company having entered into voluntary liquidation.

Thus, assets and liabilities have been included at their expected realisation values. Comparative figures for previous years have not been adjusted.

The Financial Statements for 2024 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognized in the balance sheet when it is probable that the asset will provide future economic benefit that 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below under the caption "Balance Sheet."

Translation policies

Transactions are measured in DKK.

Transactions in foreign currencies are initially recorded by the Company using the spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated to DKK based on currency spot rates at each reporting date. Differences arising on settlement or translation of monetary items denominated in foreign currency are recognized in the income statement. The Company does not hedge foreign exchange transactions.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognized in financial income and expenses in the income statement.

Income statement

Other external expenses

Other external expenses include Management fee charged from other Group entities as well as service of a secondary nature to the main activities of the Company.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses and the fair value of share-based payment.

Notes to the Financial Statements

Share-based payment

Employees, board members and consultants (who provide services similar to employees) of the Company received remuneration in the form of equity settled awards whereby services are rendered as consideration for equity awards (warrants, deferred shares or share options). The fair value of these equity settled awards is determined at the date of grant resulting in a fixed fair value at grant date that is not adjusted for future changes in the fair value of the equity awards that may occur over the service period. Fair value of warrants and options is determined using the Black-Scholes model while fair value of deferred shares is determined as the fair value of the underlying shares less the present value of expected dividends.

The cost of share-based payments is recognized as an expense together with a corresponding increase in equity over the period in which the performance and/or service conditions are fulfilled.

Other operating income and expenses

Other operating income is comprised of Management fee charged to other Group entities. Management fee is recognized along with provision of related services.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" includes impairment of investments in subsidiaries and reversal of impairment loss.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year, changes in deferred tax for the year and adjustment of tax regarding previous years. The tax attributable to the result for the year is recognised in the income statement.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is part of a Danish joint taxation group with NB FP Investment General Partner ApS and Forward Pharma Operations ApS. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation or "uncertainty". An income tax position taken in a tax filing is reflected in determination of income taxes if it considered probable that the position can be sustained.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured in the balance sheet at net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent and insurance premiums.

Notes to the Financial Statements

Current Asset Investments

Current Asset Investments, which consist of listed bonds, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Deferred tax assets and liabilities

Deferred tax is provided based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, unused tax credits and unused tax losses can be utilized. Deferred tax assets and deferred tax liabilities of the same tax jurisdiction are offset if a legally enforceable right exists to set off.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered

Deferred tax relating to items recognized outside the profit or loss are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Financial liabilities

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

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Jakob Mosegaard Larsen

Liquidator

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Christian Bo Gjelstrup Pedersen

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