2024
Annual report

Hyloris

Reinventing existing medications






Contents

This Annual Report 2024 includes the management report in accordance with article 12 of the Royal Decree of 14 November 2007 relating to the obligations of issuers of financial instruments admitted on a regulated market. All information required to be included in such management report pursuant to articles 3:6 and 3:32 of the Belgian Code of Companies and Associations is reported throughout all difference sections of this Annual Report.

Profile

Hyloris: Unlocking Potential for Underserved Patients

Hyloris is a specialty biopharmaceutical company with a clear mission: to improve the lives of patients with unmet medical needs by developing innovative treatments that deliver real therapeutic value.

We focus on unlocking the untapped potential of existing drugs by making meaningful improvements through strategic reformulation and repurposing. This approach allows us to address critical gaps in care and build a robust pipeline of proprietary, complex products that offer clear advantages over current therapies.

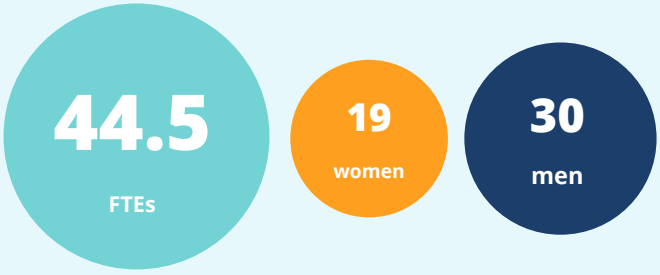
We currently have three commercialized products, developed in collaboration with trusted partners:

- **Maxigesic® IV** – A novel, dual-mode, non-opioid analgesic for post-operative pain management.
- **Podofilox Gel** – The first U.S. generic version of Condylox® gel, used topically to treat external genital and perianal warts caused by specific strains of the Human Papilloma Virus (HPV).
- **Sotalol IV** – An intravenous formulation for the treatment of atrial fibrillation.

Hyloris has a very extensive pipeline of over 20 new product candidates. To streamline development and reduce risk, Hyloris employs a focused strategy and primarily utilizes the U.S. FDA's 505(b)(2) pathway—along with similar expedited approval routes globally –designed for drugs with established safety profiles. This strategy allows to accelerate clinical development, lower costs, and bring therapies to market faster – delivering timely solutions to the patients who need them most.

Hyloris is proud to be a diverse and inclusive team of

49 professionals (44.5 FTEs, 19 women and 30 men) representing 13 nationalities.



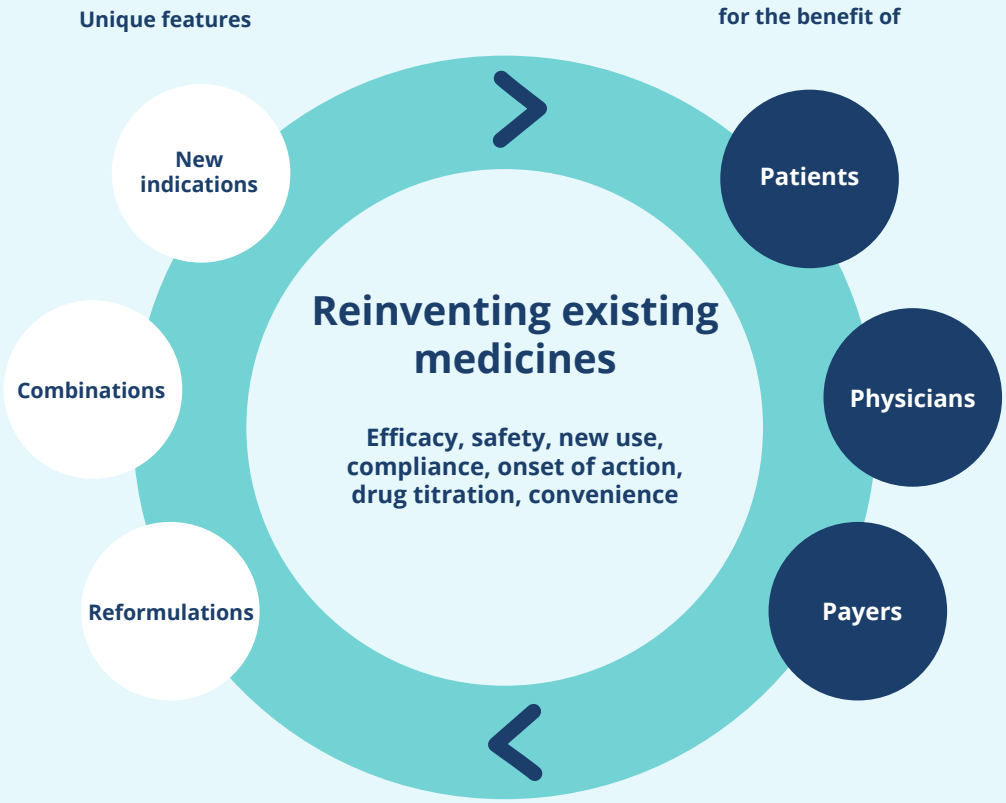
Specialty biopharma
Adding value and innovation to existing drug assets for core unmet medical needs

Broad Pipeline
With 3 marketed products, a pipeline of 20 innovative product candidates and 2 high barrier generics (as of March 30, 2025)

In Europe (Belgium) and US
Founded in 2012 in the heart of Europe

Strong Network and Knowhow
KOL & partners network, in-house research facility with a new and improved R&D lab

Listed
Listed on the Euronext Brussels Stock Exchange (HYL:BB)



Key figures 2024

Total revenue

€8.5 million
(+ 305%)

Strong Equity at

€32.1 million

Cash position of

€23.6 million

23
Portfolio Products*

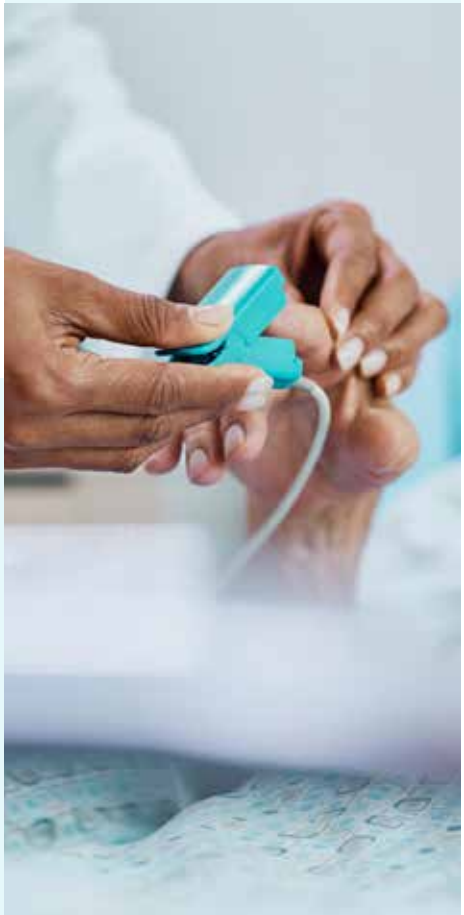
* (as of March 30, 2025, does not include 2 high barrier generics in development)

20
Products in Development

FINANCIAL HIGHLIGHTS 2024
(Year ended 31 December)

(in € thousands)	2024	2023	Variance
Total revenue and other income	**10,043**	**4,214**	**138%**
Revenues	8,458	2,087	305%
Other operating income	1,584	2,127	(26%)
Cost of sales	**(227)**	**(93)**	**144%**
Operating expenses	**(16,946)**	**(20,114)**	**(16%)**
Research and development expenses	(10,265)	(14,421)	(29%)
General and administration expenses	(5,627)	(5,546)	1%
Share of result of equity-accounted investees	(81)	(147)	(45%)
Impairment on equity accounted investees	(972)	-	-
Operating result	**(7,130)**	**(15,993)**	**(55%)**
Net financial result	**788**	**613**	**29%**
Net result	**(6,342)**	**(15,380)**	**(59%)**
Net operating cashflow	**(6,903)**	**(12,808)**	**(48%)**
Cash and cash equivalents	**23,594**	**30,406**	**(22%)**

3
FDA Approved Products



3
Commercial Products:

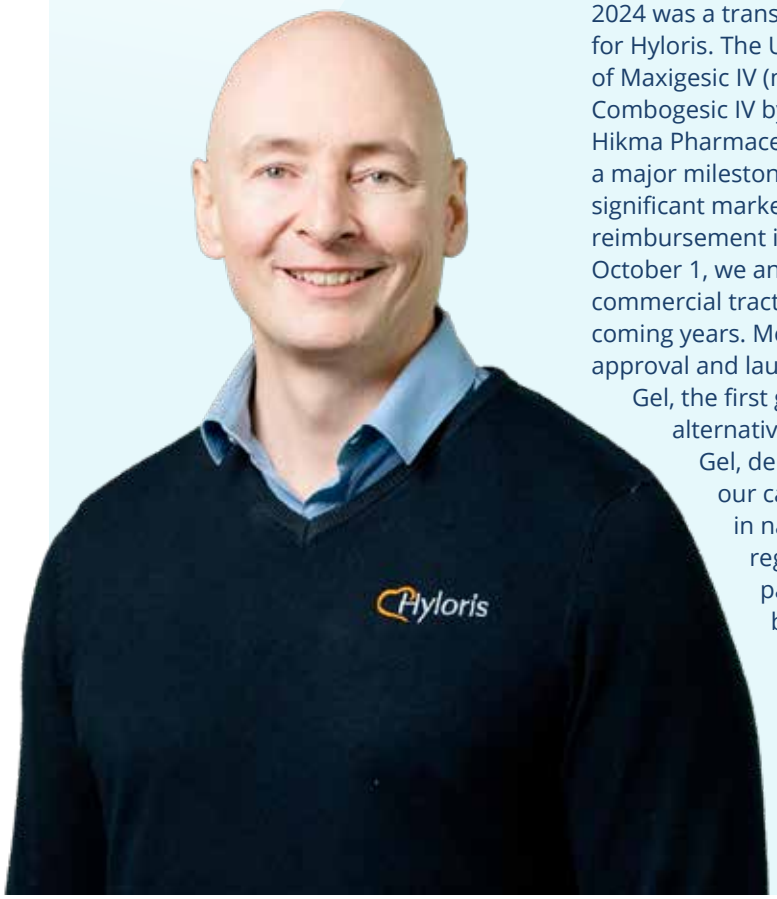
- **Maxigesic®IV (U.S. & ROW) for the treatment of post-operative pain**
- **Podofilox Gel (U.S.) for the treatment of genital & perianal warts**
- **Sotalol IV (U.S.) for the treatment of atrial fibrillation**

Message to the Shareholders

Dear Shareholders,

First of all, thank you for your continued trust in Hyloris.

Hyloris is steadily evolving and expanding, building on our expertise in the repurposing and reformulation of existing molecules to bring innovative, high-value treatments to the market. Over the past year, we have made significant progress - advancing our pipeline of promising new product candidates, securing several key licensing agreements, and rolling out our commercial assets.



These achievements underscore our long-term vision and strengthen our commitment to sustainable continued growth.

Our strategy remains focused on rapid and cost-effective drug development, primarily utilizing the U.S. FDA's 505(b)(2) regulatory pathway and similar frameworks worldwide. This approach allows us to leverage existing data, hence reducing development timelines and mitigating risks, ultimately enabling us to deliver impactful therapies that address critical unmet medical needs.

Accelerating Commercial Growth

2024 was a transformative year for Hyloris. The U.S. launch of Maxigesic IV (marketed as Combogesic IV by our partner Hikma Pharmaceuticals) marked a major milestone, unlocking significant market potential. With reimbursement in place since October 1, we anticipate growing commercial traction in the coming years. Meanwhile, the approval and launch of Podofilox Gel, the first generic alternative to Condylox Gel, demonstrates our capability in navigating regulatory pathways and bringing cost-effective solutions to the market.

Beyond approvals, we are expanding our future commercial footprint with the addition of new high-value product candidates. In 2024 we expanded our portfolio with a product candidate for Vulvar Lichen Sclerosis, addressing a significant unmet need in women's health care. We also announced the development of a long-acting formulation of a well-known ulcer treatment for horses, providing a more convenient and effective solution for managing equine gastric ulcers.

In 2025 we continued to grow our pipeline by adding Intravenous Pantoprazole RTU (Ready-to-Use), which offers a crucial solution for medical professionals by eliminating the need for reconstitution, enhancing both efficiency and safety in hospital settings. Following that we added Ondansetron Extended-Release Tablets, aimed at preventing chemotherapy-induced nausea and vomiting, which further strengthens our commitment to addressing essential unmet medical needs. Most recently, we announced a new injectable iron therapy, developed in collaboration with AFT Pharmaceuticals, which is expected to enter into Phase 3 shortly. This project follows our disciplined approach in terms of investment timeline and financial commitment. In parallel, we significantly broadened the international reach of Valaciclovir Oral Liquid, securing expanded

access across numerous countries outside the U.S., driven by growing global demand and strong commercial interest beyond our initial market.

Advancing Our Pipeline

Looking ahead, we are preparing for a wave of new regulatory filings and clinical advancements. The U.S. FDA's acceptance of our Valacyclovir Oral Suspension NDA sets the stage for a potential approval that will offer a valued alternative for patients with difficulty swallowing tablets. The positive clinical results for Dofetilide IV strengthen our cardiovascular portfolio, an area where we see significant growth opportunities. In addition, we received positive feedback from the Independent Data Monitoring Committee (IDMC) on the ongoing Phase 2 trial for Alenura.

With up to nine product submissions planned before the end of 2026 and a pipeline targeting 30 products in development or on the market by the end of 2025, we are driving one of the most ambitious growth strategies in our sector. This momentum, coupled with ongoing evaluations of go-to-market strategies and partnerships, positions us for sustained success.

Strengthening Corporate Governance

We recognize the importance of strong corporate governance in maintaining stakeholder trust and ensuring long-term sustainability. We are actively implementing measures to enhance transparency, reinforce compliance, and uphold the highest ethical standards across all aspects of our business. Our Board of Directors, recently enhanced with the addition of Mr. Vincent van Dessel, former CEO of Euronext Brussels, and Mrs. Revital Rattenbach, the CEO of 4P Pharma, remains committed to continuous improvement, ensuring that our governance framework supports the company's strategic growth while safeguarding shareholder interests.

Driving Sustainable Growth

Hyloris remains committed to operational efficiency and shareholder value. Our disciplined approach ensures that new products are developed at an average cost of less than € 7 million (not adjusted inflation) within seven years, highlighting our reinforcing our financial discipline. The substantial increase in royalty and milestone payments obtained in 2024 on the initial first commercial products, underscores the strength of our business model, and we continue to explore new strategic partnerships that will fuel further expansion.

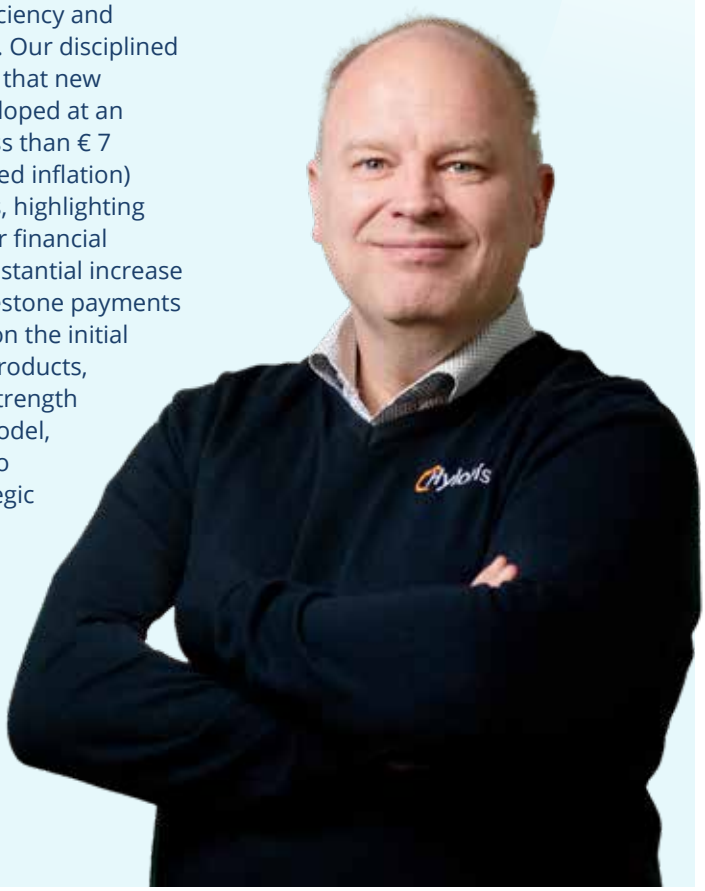
As we look to the future, we see a company poised for significant growth, empowered by a world-class team, an expanding commercial footprint, and a pipeline rich with high-impact therapies. With 2025 shaping up to be our most dynamic year yet, we remain confident in our ability to create lasting value for patients, physicians, partners, and shareholders.

Thank you for your continued trust and support.

Sincerely,

Stijn Van Rompay
Co-CEO

Thomas Jacobsen
Co-CEO



Business overview

Geared for growth

Hyloris Pharmaceuticals experienced significant financial growth in 2024, with total revenue and other income surpassing €10 million, marking a 138% increase year-over-year. This surge was primarily driven by increased royalties and milestone payments (+305%). Notably, the company reduced its net losses by 59%, achieving the lowest annual net loss since its IPO, at €6.3 million.

Despite continued investments in research and development (R&D), Hyloris successfully decreased its net operating cash outflows compared to 2023 underscoring the company's dedication to financial discipline while prioritizing innovation.

Hyloris' financial health remains robust, with a strong equity position of €32.1 million and cash reserves totaling €23.6 million, and no financial debt. This solid foundation positions the company to capitalize on future growth opportunities.

Hyloris remains well-positioned for sustained expansion, driven by a growing portfolio of innovative treatments and an expanding global footprint. The launches of Maxigesic® IV and Podofilox gel mark just the beginning, with additional product rollouts planned across key international markets. Furthermore, strategic commercial partnerships and a strong pipeline are set to accelerate revenue growth and reinforce the company's leadership in reformulated and repurposed medicines.

Contents

Commercial Progress

Hyloris made significant progress across its commercial portfolio in 2024.

Maxigesic® IV

Growing momentum for Maxigesic® IV is evidenced by the recent U.S. launch, a rise in royalty contributions from existing commercial partnerships, and new strategic out-licensing agreements in key markets such as China and Brazil with partners Xizang Weixinkang Pharmaceutical Co., Ltd and Halex Istar.

Maxigesic® IV, co-developed with our partner AFT Pharmaceuticals, is a patented, unique combination of Paracetamol and Ibuprofen for intravenous infusion for the treatment of mild to moderate acute pain.

The non-opioid analgesic space and the market for post-operative pain is growing rapidly and is forecasted to reach $1.7 billion in 2028 in the U.S., up from $745 million in 2019.

Maxigesic® IV is currently licensed to partners covering over 100 countries across the globe. It has received approval in over 50 countries and has been launched in more than 30 of those markets. In 2024:

- Submissions for marketing authorization were made in several countries in Europe, the Middle East, Africa, Latin America, and Asia.
- Marketing authorizations were granted in 14 countries including Kenya, Thailand and Pakistan.
- Launches occurred in 11 countries, most notably the U.S., the UK and South Africa.
- Hikma Pharmaceuticals, a leading supplier of complex, injectable hospital products in the U.S. launched Maxigesic® IV in the U.S. under the tradename Combogesic® IV in February 2024. Hikma announced in July 2024 that the U.S. Centers for Medicare and Medicaid Services (CMS) assigned a unique, permanent Healthcare Common Procedure Coding System (HCPCS) J-code for Combogesic® IV which became effective October 1, 2024.

Podofilox gel

In December 2023, our partner Padagis US LLC (Padagis) received a marketing authorization for Podofilox gel 0.5% (previously referenced as HY-016) from the U.S. FDA. Podofilox is an antimycotic drug for the topical treatment of external genital and perianal warts caused by the Human Papilloma Virus (HPV), a common sexually transmitted disease. Podofilox was launched shortly after its approval and is the first generic approved for Condylox® Gel in the U.S.

Sotalol IV

Sotalol IV is a novel, patented, intravenous formulation of Sotalol for the treatment of atrial fibrillation, and life-threatening ventricular arrhythmias, developed for the U.S. Sotalol IV reduces hospital stay length and potentially the overall cost of care, while potentially improving patient outcomes.

Valacyclovir Oral Liquid

Hyloris continued to execute on its strategy of partnering with strong commercial organizations to maximize the reach and impact of its products. During the year, the company signed a significant out-licensing agreement with Rosemont Pharmaceuticals for Valacyclovir Oral Liquid. These types of collaborations are a core part of Hyloris' business model, allowing the company to focus on innovation and development while leveraging the commercial strength of its partners to bring treatments to patients more efficiently.

RTU Tranexamic Acid IV

An agreement was also signed with Avenacy for the exclusive commercialization of Ready-to-Use Tranexamic Acid Intravenous 10 mg/ml 100 ml in the U.S. An ANDA has already been submitted to the U.S. Food and Drug Administration (FDA) by Hyloris with a decision anticipated in 2025.

Expanded Pipeline

2 new product candidates in 2024

In January 2024, **HY-091, a novel candidate for the management of Vulvar Lichen Sclerosus (VLS),** was announced. Hyloris entered into a partnership with AFT Pharmaceuticals (AFT) to develop a novel topical treatment for the treatment VLS - a chronic inflammatory condition affecting an estimated 3% of women, causing severe pain, itching, and discomfort that significantly impacts their quality of life. HY-091 targets to have an extended-duration release of a known molecular entity and to offer a convenient application method, ensuring simplicity and improving compliance.

In August 2024, Hyloris announced the development of **HY-095, a long-acting injectable formulation of a well-known Proton Pump Inhibitor (PPI) designed to treat Equine Gastric Ulcer Syndrome (EGUS**). EGUS is a condition in horses characterized by the development of ulcers in the stomach lining caused by stomach acid and digestive enzymes. EGUS is a widespread condition affecting millions of horses globally and causes significant discomfort, weight loss, and reduced performance.

Our Mission

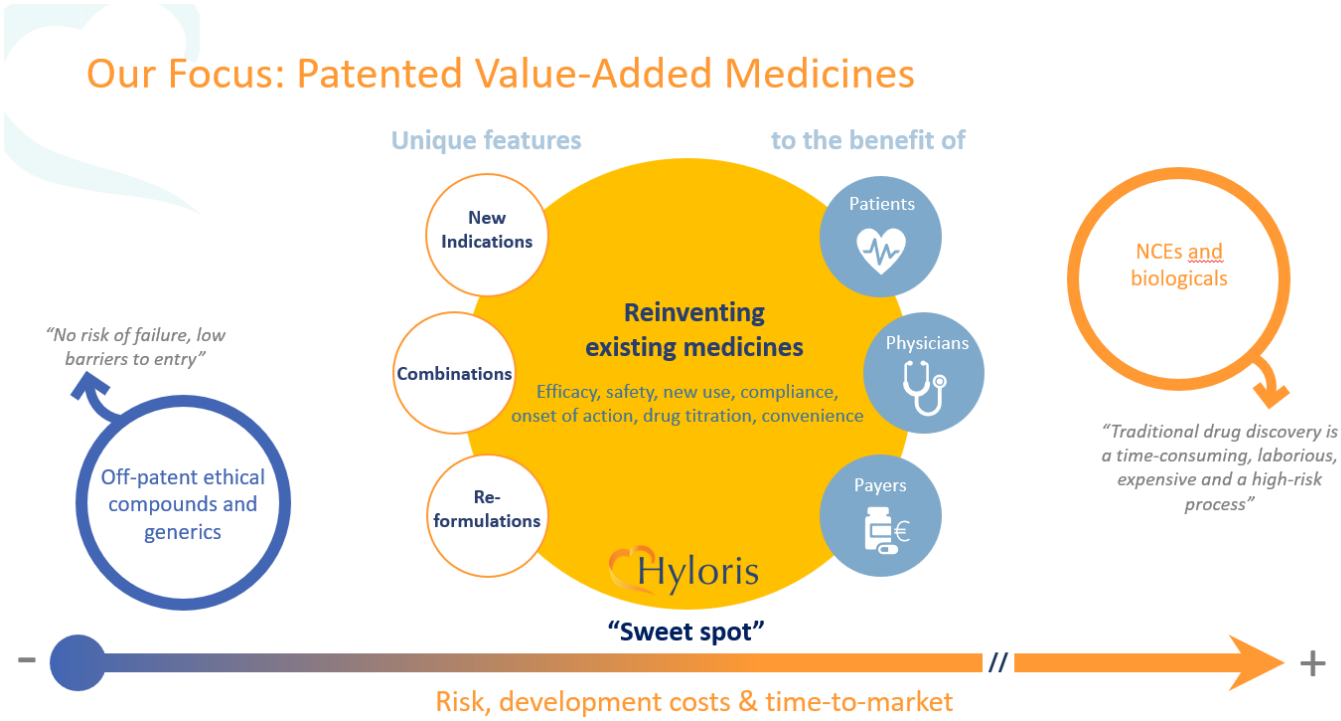
Hyloris is a mission-driven company dedicated to improving lives. We focus on underserved medical needs and strive to deliver meaningful innovation to the healthcare system by reformulating and repurposing existing pharmaceuticals. Our ultimate goal is to enhance therapeutic outcomes and make a lasting difference in the lives of patients around the world.

We have built a strong and growing portfolio of proprietary reformulated and repurposed product candidates. This reflects our deep expertise and unwavering commitment to advancement and innovation. Since our inception, we've strategically shifted toward more complex, repurposed patent-protected products — moving higher up the pharmaceutical value chain.

Our development strategy centers on a streamlined and efficient approach. We primarily leverage the 505(b)(2) regulatory pathway in the U.S. and equivalent pathways globally. These frameworks are designed for drugs with already-established safety and, in sometimes efficacy, allowing for reduced clinical requirements. This helps us shorten development timelines, lower costs, and minimize risk — bringing promising therapies to patients faster.

To drive our innovation engine, we maintain active engagement with key stakeholders, including healthcare professionals, patient advocacy groups, payers, academic institutions, and potential partners. We also capitalize our extensive global sourcing network and robust in-house R&D capabilities.

We focus on creating value-added medicines through reinventing existing medicines – pharma's sweet spot.



Strategy & Strengths

FOCUS ON VALUE CREATION THROUGH EFFICIENT DEVELOPMENT

The Company's mission is to generate value through product development. We prioritize products eligible for the **505(b)(2) pathway** due to its numerous advantages. Compared to the traditional 505(b)(1) pathway, typically used for new chemical entities, this approach allows for faster development, reduced risks, and lower costs.

BUILDING A PIPELINE OF INNOVATIVE SOLUTIONS

Hyloris is dedicated to creating a robust portfolio of patented, complex, and valuable products that address unmet medical needs. We achieve this by leveraging a time and capital-efficient approach – the 505(b)(2) regulatory pathway in the U.S. and similar pathways in other countries. This streamlined process allows us to focus our resources on developing products with significant market potential.

Hyloris employs a rigorous selection process for our 505(b)(2) product candidates. This process involves:

Sourcing and Validation: All candidates are identified through multiple channels and validated based on scientific and medical insights from our extensive network of physicians and key opinion leaders (KOLs).

Strategic Selection Criteria: All candidates must meet predefined criteria, including:

- Ability to address significant unmet medical needs
- Technical feasibility for development
- Development cost €7 million or less[1]
- Development timeline under 7 years
- Potential for patent and trade secret protection
- Strong expected return on investment

Hyloris' goal is to establish a diversified and growing product pipeline with 30 key assets by 2025. This will solidify our position as a leader in the development of 505(b)(2) products.

[1] The Hyloris cost, not adjusted for inflation

Advantages of the 505(b)2 pathway

- **Reduced Risks and Costs**: Development risks and costs associated with reformulating existing drugs are substantially lower compared to developing entirely new chemical entities, as existing safety and efficacy data can be leveraged.
- **Lower Formulation Risk**: Developing new formulations of well-documented drugs reduces potential formulation issues.
- **Reduced Clinical and Regulatory Risk**: Reformulating approved drugs typically requires fewer clinical studies, leading to a higher probability of success and faster regulatory approval.
- **Shorter Timelines**: Development timelines are significantly shorter, averaging five years compared to eight to fifteen years for new chemical entities (NCEs).
- **Lower Commercial Risk**: Since these products reference established drugs, there is greater user awareness among physicians and payers. We will leverage this awareness by demonstrating the added value our products bring to the market.
- **Patentability**: While the chemical entity of 505(b) (2) products typically cannot be patented, patents can be filed on an innovative formulation, method of use, route of administration, dosing regimen, pharmacokinetic profile, manufacturing process, drug delivery system, and novel forms such as salts, polymorphs, or co-crystals.

PROTECTING INNOVATION AND BUILDING EXPERTISE

For all our 505(b)(2) candidates, we have a comprehensive long-term strategy to file and protect intellectual property (IP) and maximize the commercial lifespan. Our diverse and robust patent portfolio provides extensive protection, covering dosages, formulations, medical indications, and production methods.

TAILORED GO-TO-MARKET STRATEGIES

Our go-to-market strategy is flexible and tailored to meet the specific needs of each product. For our cardiovascular portfolio in the U.S., we are currently evaluating whether to go to market independently or pursue a licensing partnership. For other products, our approach is to license out at a late stage of development, ensuring that we can leverage strong local partners to maximize sales and reach in key regions.

GENERATING REVENUE STREAMS FOR SUSTAINABLE GROWTH

We currently have three products on the market. Additionally, we have filed Valacyclovir Oral Liquid for approval in the U.S. As our R&D efforts are progressing across a broad range of assets we expect multiple product filings in 2025 and 2026, which will fuel growth. For future products, we anticipate out-licensing the majority at a late stage of development, while retaining flexibility to bring select products to market independently. This strategy prioritizes ongoing product sales over upfront milestone payments, allowing us to retain a significant share of the net product margin from our commercial partners.

Looking ahead

We continue to build strong momentum in our product development and commercialization efforts. We have expanded our pipeline with five new product candidates – two in 2024 and three more in early 2025 – reinforcing our commitment to addressing unmet medical needs. Notably, we submitted the NDA for Valacyclovir Oral Suspension in the U.S., a significant milestone in our portfolio's progression.

In parallel, we executed multiple out-licensing agreements, including a key deal with Rosemont Pharmaceuticals for Valacyclovir Oral Suspension in the U.S. These partnerships validate our strategy of developing differentiated medicines and expanding patient access through strategic collaborations.

Commercial

The Company is on a mission to turbocharge its product pipeline in 2025, aiming to reach 30 products and product candidates by year-end. The business development team will continue to pursue new opportunities including early-stage concepts, while securing commercial partners for our late-stage portfolio.

Maxigesic® IV – We expect to see adoption in the U.S. market as Hikma begun promoting the product and the U.S. Centers for Medicare and Medicaid Services (CMS) assigned a unique, permanent Healthcare Common Procedure Coding System (HCPCS) J-code. The J-code became effective October 1, 2024.

Outside of the U.S. we anticipate additional marketing authorizations in countries where submissions were made, followed by commercial launches.

R&D

The company is making steady progress on the development of its various product candidates. With 20 reformulated and repurposed product candidates, and 2 high-barrier generics, several clinical trials are expected to start and/or conclude in 2025, including the following:

- **Alenura™**: A pivotal Phase 2 clinical trial comparing the effectiveness of Alenura™ against its individual components and placebo is expected to reach Last Patient Last Visit (LPLV) by the end of 2025.
- **Dofetilide IV**: The pivotal clinical trial has been successfully completed in early 2025 and will support the upcoming U.S. regulatory submission.
- **Atomoxetine Oral Liquid**: The manufacturing of the registration batches was completed before the summer of 2024. The data readout for the trial supporting the U.S. submission is expected in Q2 2025. Hyloris is also targeting additional territories, which will require an additional clinical trial (anticipated in H2-2025).
- **Phosphate Oral Liquid**: The contract manufacturing organization (CMO) has been selected, and registration batches are set to be manufactured in H1 2025, with regulatory filing anticipated in early 2026.
- **HY-095**: Formulation development is ongoing with an external partner. The Company expects initial prototype testing in horses to begin before or by the summer of 2025.
- **Metolazone IV**: Registration batch manufacturing was delayed due to

unforeseen issues resulting in a delay of the clinical trial. The company believes the manufacturing issues have been resolved and is preparing the pivotal clinical trial.

- **Aspirin IV**: Following successful registration batches, which demonstrated sufficient product stability, an additional API source will be incorporated to finalize the CMC section. New registration batches have been executed to qualify this new API source. A pivotal study to support the U.S. filing is expected to start in Q3 2025, with a data readout expected in late Q4 2025.
- **HY-074:** A PK bridging study is estimated to start at the end of 2025.
- **XTRAZA** (Tranexamic Acid Oral Mouth Rinse): LPLV for the Phase 3 trial, which started in November 2023, is expected by year-end, with study results anticipated in H1 2026.

The company anticipates several regulatory achievements in the next 15 months including:

- **Valaciclovir Oral Suspension** (previously HY-029): Positive pivotal clinical study results demonstrated comparable relative bioavailability to Valtrex® tablets, as sold in the U.S, under fasted conditions. These results further strengthened the clinical data package and supported the NDA submission to the U.S. FDA in December 2024. A PDUFA date has been set for October 12, 2025.

Commercial Portfolio

MAXIGESIC® IV: U.S. FDA APPROVED FOR THE TREATMENT OF POST-OPERATIVE PAIN

Highlight: Hikma Pharmaceuticals launched in early 2024 under the registered tradename Combogesic IV.

Post-operative pain and the opioid crisis

Pain, a distressing combination of sensory and emotional feelings, is typically caused by tissue damage or illness. As a widespread condition, it significantly impacts patient health and quality of life. The duration of pain can be short-lived (acute pain) or long-lasting (chronic pain). In hospitals, acute pain is often categorized as either post-operative or non-operative. Post-operative pain results from tissue damage during surgery, which stimulates nerves and triggers a sensory and emotional response in the brain.

Despite its predictability after surgery, managing post-operative pain remains a significant challenge for anaesthesiologists. In the United States alone, over 50 million surgeries were performed in 2019. Pain is still the leading cause of unexpected hospital readmissions following surgery. More than 80% of patients experience moderate pain, and a significant portion (31-37%) suffers from severe or extreme pain[2,3].

MAXIGESIC® IV in 2024

11
Commercial Launches

14
New Marketing Authorizations

Traditionally, pain management is achieved through the use of specific medications. This makes it one of the most frequently addressed issues by physicians. However, significant improvements in pain management strategies have been limited in recent decades. Pain medications can be classified into two main groups:

- **Anesthetics** are drugs used to induce a temporary loss of sensation or awareness of feeling (ie pain). Anesthetics are categorized as either general (loss of consciousness) or local (small area such as a surgical site).
- **Analgesics**, in contrast, are medications specifically used to relieve pain without causing a loss of consciousness. These are classified as either opioid or non-opioid.

Maxigesic® IV is a powerful analgesic that can help manage post-operative pain in a way that may decrease reliance on opioids.

[2] Coley K et al. J Clin Anesth. 2002

[3] Wonuk Koh et al, Korean J Anesthesiol. 2015

Our potential solution: Maxigesic® IV: an innovative, patented, iv formulation of paracetamol plus ibuprofen to combat the opioid crisis

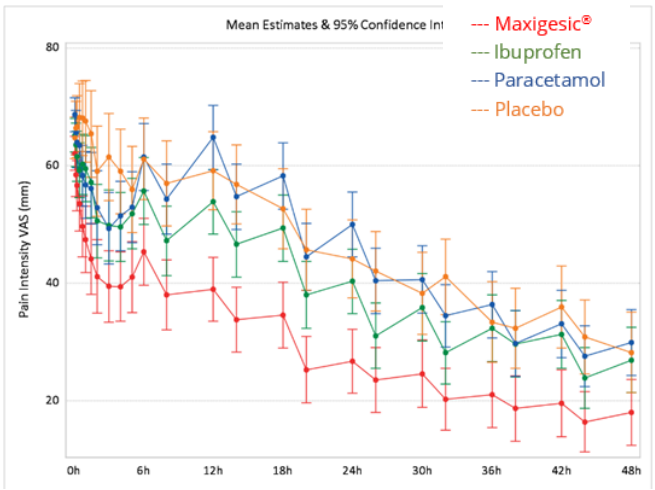
Injectable formulations of analgesics are commonly chosen when oral medications cannot be taken by patients. This can occur when a faster onset of pain relief is needed, or when injection is simply the more convenient administration method. In hospital settings, a variety of reasons can prevent patients from taking medications orally. These reasons include post- anesthesia sedation, other forms of sedation, nausea, vomiting, limitations of the gastrointestinal system, or other underlying conditions.

Maxigesic® IV represents a novel and unique combination. This injectable solution, designed for post-operative use in hospitals, combines 1000mg of paracetamol with 300mg of ibuprofen.

There exists a pressing need for safer and more effective pain management options in hospitals that do not rely on opioids. Due to its unique dual mode of action, Maxigesic® IV has the potential to become a valuable tool for treating pain. This potential comes without the side effects and risks of addiction associated with opioids.

Findings from a randomized, double-blind, placebo- controlled Phase 3 trial involving 276 patients who underwent bunion surgery were positive. The trial demonstrated that Maxigesic® IV was well-tolerated and offered several advantages. Compared to ibuprofen IV or paracetamol IV administered alone at the same doses, Maxigesic® IV provided a faster onset of action and superior pain relief. Additionally, a range of secondary endpoints supported the superior analgesic effect of Maxigesic® IV, including a reduction in opioid consumption compared to the paracetamol IV and ibuprofen IV treatment groups (P<0.005)[4]. Furthermore, an additional exposure study has confirmed the efficacy and safety of Maxigesic® IV in a broader patient population over a longer treatment period[5].

In the U.S., where chronic opioid usage in patients following surgery averages around 9%, ranging from 4% to 24% among various specialties, drug overdoses involving opioids resulted in over 80,000 deaths in the U.S. in 2021. Patients who experienced an opioid overdose account nearly USD 2 billion in annual hospital costs[6].



[4] Daniels et al, 2019, Clinical Therapeutics

[5] Maxigesic® IV Phase 3 exposure study. Study ID No AFT- MXIV-11. NCT04005755. Submitted for publication

[6] https://pubmed.ncbi.nlm.nih.gov/27163960

PODOFILOX GEL

U.S. FDA approved for the treatment of genital & perianal warts caused by certain types of the human papilloma virus (HPV)

Podofilox Gel is an antimycotic drug for the topical treatment of external genital and perianal warts caused by certain types of the Human Papilloma Virus (HPV). Around 1% of the sexually active population in the U.S. presents with genital or perianal warts. To date there is a vaccine for HPV but no cure.

In December 2023, our partner Padagis US LLC (Padagis) received marketing authorization for Podofilox Gel 0.5% from the FDA. Padagis launched the product in December 2023. It is the first generic for Condylox® Gel in the U.S.

For the 12 months period ending December 2022, Condylox® Gel had U.S. sales of approximately $9 million according to IQVIA Health.

SOTALOL IV

U.S. FDA approved for the treatment of atrial fibrillation and life-threatening ventricular tachycardia

Atrial fibrillation (AF) is an irregular heartbeat that starts in the upper chambers of the heart (atria). Normally, these chambers beat regularly and in a coordinated way with the lower chambers (ventricles). With AF, the atria quiver instead of beating effectively, which disrupts the normal flow of blood through the heart. AF can cause symptoms like heart palpitations, fatigue, shortness of breath, and dizziness. It can also increase risk of stroke and heart failure. There are different types of AF, and treatment options depend on the severity and frequency of the condition.

Antiarrhythmic drugs are frequently given in hospitals to control the heart's rhythm. Oral potassium channel blockers are the leading type, with amiodarone, dronedarone, and sotalol being prominent examples. While commonly used, sotalol carries a strong warning due to the increased risk of irregular heartbeats they can cause. Because of this risk, patients starting treatment with sotalol require close monitoring in a hospital setting for several days until safe drug levels are established in their bloodstream.

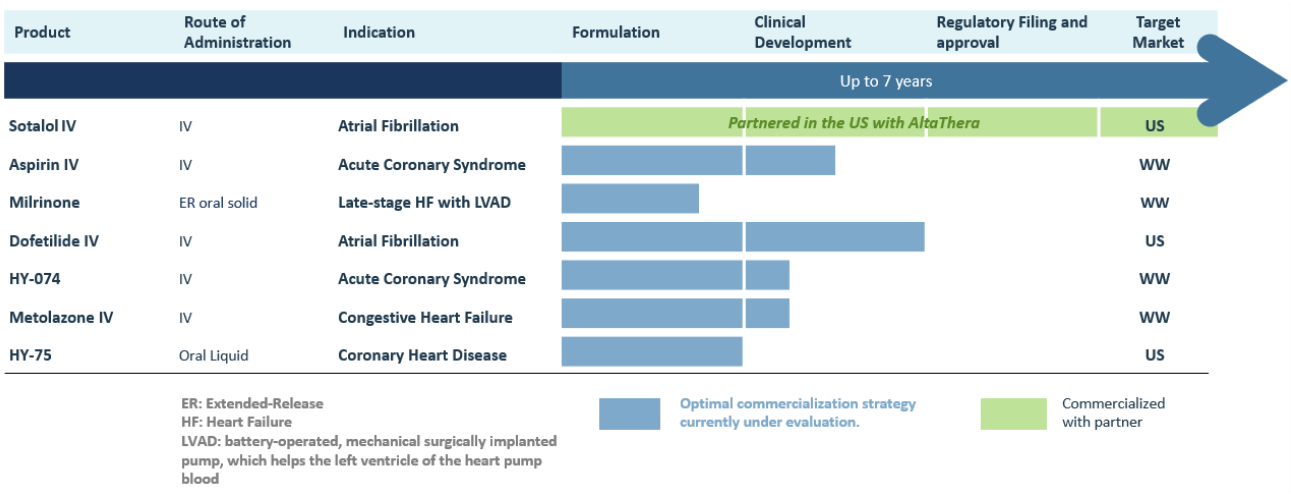
Traditionally, patients starting sotalol require a 3-day hospital stay for monitoring. Sotalol IV is infused for over one-hour. It acts quickly, allowing for a smooth transition from initial IV administration to long-term oral treatment. This approach, beginning with Sotalol IV followed by oral sotalol, could potentially significantly shorten hospital stays.

In March 2020, the FDA approved the expanded label of Sotalol IV to using Sotalol IV in adult AF patients until near steady- state exposure to Sotalol is achieved prior to initiating or increasing oral Sotalol dosing.

Development Portfolio

Cardiovascular

Our cardiovascular development portfolio currently contains 6 product candidates at varying stages of development. The Company is currently evaluating the most effective path to commercialize the cardio products, which may involve self-commercialization or partnering through licensing agreements[7].



ASPIRIN IV

Indication

Decrease the risk of morbidity and mortality associated with an emergency cardiac event (such as myocardial infarction (AMI) or stroke).

Unmet Need

When AMI or ischemic stroke is suspected, patients are instructed to chew or swallow an aspirin tablet as soon as possible. However, clinical research has shown that oral aspirin takes between 20 and 40 minutes to take full effect and the amount of aspirin absorbed is highly variable.

Potential Solution

An intravenous formulation of aspirin for a faster onset of action and to decrease inter/intra-patient variability of aspirin absorption.

Intellectual Property

'38, granted and pending applications.

Target Population

Every year about 850,000 people in the U.S. experience a heart attack and about 800,000 experience a stroke, of which 87% are ischemic (blocking the blood flow to the brain)[8].

[7] The presented chart's timelines are indicative only.
Even if a product candidate is already in (advanced) clinical stage of development, costs for the manufacturing-related activities can still be incurred.

[8] www.strokeinfo.org

MILRINONE ER

Indication

The treatment of right heart failure due to Left Ventricular Device (LVAD).

Unmet Need

Currently, milrinone is only available as an intravenous medication, which limits its use to hospital settings or specialized outpatient care and requires continuous infusion due to its short half-life. Although also used off-label for longer-term, IV milrinone is currently approved for short-term use (up to 48-hours).

Potential Solution

An approved oral extended-release version could significantly improve patient convenience and adherence by enabling home use, reducing hospital dependence, and avoiding the complications and costs associated with IV therapy and could allow for long term use.

Special Regulatory Designation

Orphan Drug Designation

Target Population

In 2020, there were about 14,000 patients with an LVAD implant in the U.S. and 30% of these patients developed right heart failure. Over the next coming years, the LVAD patient population is expected to grow at an average annual growth rate of 6% in the U.S.

Intellectual Property

Confidential

DOFETILIDE IV

Indication

Conversion and maintenance of normal sinus rhythm in patients with atrial fibrillation or atrial flutter.

Unmet Need

Patients who are unable to take oral medication or that require faster onset. Initiation of dofetilide currently requires a minimum of 3 days of in-hospital monitoring.

Potential Solution

Dofetilide IV is an innovative intravenous (IV) formulation designed to provide controlled administration for patients and more rapid drug loading. Following IV initiation, patients can transition to oral dofetilide for long-term maintenance therapy or continue the use of the IV formulation.

Intellectual Property

‘39 & ‘43, granted and pending applications.

HY-074 IV

Indication

Reduce the risk of morbidity and mortality associated with an emergency cardiac event (such as myocardial infarction (AMI) or stroke).

Unmet Need

Despite the need for fast onset of action drugs in an acute cardiac event, the majority of current standard of care treatments only available in oral form.

Potential Solution

Intravenous formulation of a current standard of care treatment to offer faster onset of action, more convenient administration, and dosage control.

Intellectual Property

Applications filed (expiry '43 & '44 upon grant)

Target Population

Every year about 1.6 million people in the U.S. experience a heart attack or stroke[9].

METOLAZONE IV

Indication

The treatment of salt and water retention including:

- edema accompanying congestive heart failure;
- edema accompanying renal diseases, including the nephrotic syndrome and states of diminished renal function.

Unmet Need

Congestive Heart Failure (CHF) is progressive and there is currently no cure available.

Patients can be administered a combination of a loop diuretic with a thiazine-like diuretic such as metolazone tablets. However, tablet formulations have highly variable bioavailability and erratic absorption, particularly in patients with severe gastrointestinal oedema.

Potential Solution

Intravenous formulation of metolazone for faster onset of action (essential in critical care); improved drug absorption and concomitant treatment possible.

Intellectual Property

'38 & '44; granted & pending applications.

Target Population

1 in 4 individuals are projected to develop heart failure in their lifetime.

Approximately 6.7 million Americans over the age of 20 currently live with heart failure, a figure projected to rise to 8.7 million by 2030, 10.3 million by 2040[9].

HY-075

Indication

Prevention and treatment of specific cardiovascular diseases.

Unmet Need

The currently approved oral solid requires frequent dosing changes and adjustments.

Potential Solution

An oral liquid solution designed to significantly improve drug administration, ease of use, and dosage control, potentially resulting in potential better compliance and patient outcomes.

Intellectual Property

Confidential.

Target Population

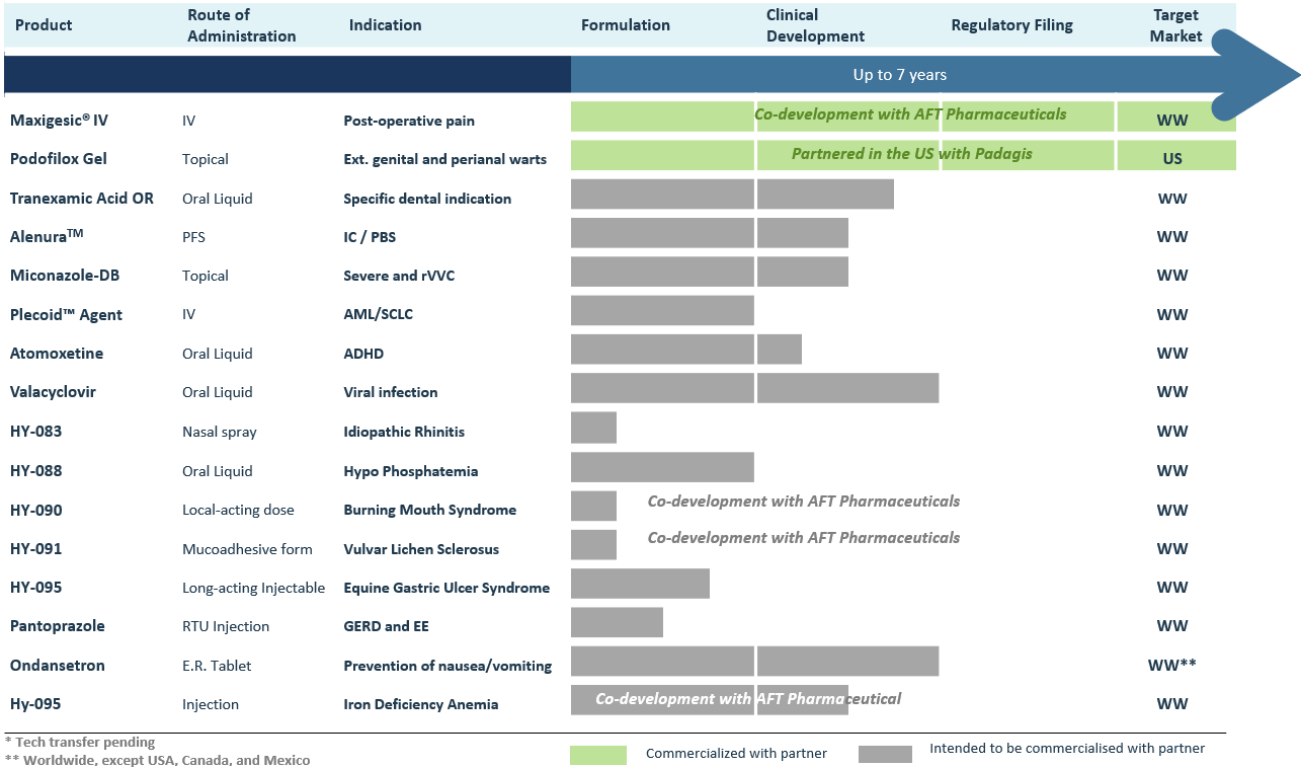
Cardiovascular disease is the leading cause of death in the U.S. with more than 370,000 deaths every year.

[9] Heart Failure Society of America (HFSA)

Development Portfolio

Other Value-Added

Our portfolio[10] of other value-added products currently contains 14 product candidates at varying stages of development. All products in the value-added portfolio are intended to be commercialized through region-specific partners who have intimate knowledge of their target markets.



Our high barrier generic products, TXA RTU and Fusidic Acid Cream have not been included in the above overview.
ADHD: attention deficit hyperactivity disorder; Miconazole-DB: miconazole-domiphen bromide; rVVC: recurring vulvovaginal candidiasis; AML: Acute Myeloid Leukemia; SCLC: Small cell Lung Cancer

TRANEXAMIC ACID ORAL RINSE (PREVIOUSLY HY-004)

Indication

To prevent and treat excessive bleeding in patients on blood thinners undergoing dental procedures.

Unmet Need

Patients on blood thinners can experience significant bleeding during dental procedures. Currently, tranexamic acid is only approved in the U.S. as an injectable product for hemophiliacs undergoing a tooth extraction, or as a tablet.

[10] The presented chart's timelines are indicative only.
Even if a product candidate is already in (advanced) clinical stage of development, costs for the manufacturing-related activities can still be incurred.

Potential Solution

A reformulated oral rinse developed for use in minor surgical procedures with complications/bleedings intended for use by dental care professionals in patients on anticoagulant therapy.

Intellectual Property

'39; granted and pending.

ALENURA™

Indication

Treatment of pain associated with interstitial cystitis/ bladder pain syndrome (IC/BPS).

Unmet Need

There is currently no standardized treatment protocol or cure available. Available treatments have significant limitations such as high cost, delayed onset of effect, and serious side effects. IC/BPS is more prevalent in women, although men can experience symptoms as well. It is estimated at least 6 million people in the U.S. suffer from the condition.

Potential Solution

A ready-to-use solution with an innovative dual mode of action that may provide immediate symptom relief and potentially aid in the regeneration of the bladder lining. Alenura combines lidocaine, a well-established anesthetic, in a new alkalinized form, with heparin, a glycosaminoglycan (GAG) component of bladder mucous membranes. The product is being co-developed with U.S. based Vaneltix.

Intellectual Property

'38; granted and pending.

PTX-252 (PREVIOUSLY PLECOID AGENT)

Indication

Treatment of Acute Myeloid Leukemia (AML).

Unmet Need

AML is an aggressive hematological malignancy that originates from immature white blood cells in the bone marrow. AML generally spreads quickly to the bloodstream where it can then spread to other parts of the body including lymph nodes, spleen, and the central nervous system. The 1-year and 5-year survival rates are approximately 50% and below 30%, respectively.

Research has shown that treatment resistant AML has significantly elevated levels of toxic metals in their bone marrow and blood. This contributes to the poor overall survival rate.

Potential Solution

An intravenous solution containing a chelating agent as an adjunctive therapy to chemotherapy, aimed at decreasing elevated blood levels of toxic metals. We are co-developing this product with Pleco Therapeutics.

Intellectual Property

Pending applications. Orphan drug designation has been granted in the U.S.

MICONAZOLE/DOMIPHEN BROMIDE CREAM

Indication

Treatment of difficult to eradicate vaginal infection(s) caused by Candida yeast and/or bacteria, especially those involving a biofilm.

Unmet Need

Current treatments for these chronic and debilitating vaginal infection(s) include topical and systemic antifungal agents. These products are not always effective and may cause severe side effectswith prolonged use.

Potential Solution

A topical formulation for the treatment of infections. This formulation allows direct delivery to the vaginal mucosa, helping to address infections that may persist despite systemic antifungal therapy.

Intellectual Property

'38 & '44 Granted & pending applications

ATOMOXETINE ORAL LIQUID

Indication

Treatment of Attention Deficit Hyperactivity Disorder (ADHD).

Unmet Need

ADHD is among the most common neurobehavioral problems affecting children between the age of 6 and 17. It is a chronic disorder characterized by developmentally inappropriate and impaired attention, motor hyperactivity, and impulsivity. These symptoms often continue into adulthood. The prevalence of ADHD in the U.S. ranges from 2% to 18% in this age group.

Treatment options for ADHD are categorized as either a stimulant or a nonstimulant. Atomoxetine is the leading nonstimulant medication for ADHD[11].

However, dosing for children and adolescents weighing less than 70 kg is weight-based and can be difficult to titrate. If the dose is too small, the desired effect may not occur. If the dose is too large patients can experience side effects ranging from dry mouth to blurred vision. Atomoxetine is also notoriously bitter tasting.

[11] 2022 IMS Sales Data

Potential Solution

A taste-masked oral solution of atomoxetine for precise dosing and titration as well as palatability.

Intellectual Property

'36-'44; granted & pending applications.

HY-083

Indication

Treatment of Idiopathic rhinitis.

Unmet Need

Idiopathic rhinitis is a medical disorder characterised by a collection of nasal symptoms that resemble nasal allergies and hay fever (allergic rhinitis) but are not caused by a known cause like allergens or infectious triggers. Idiopathic rhinitis features an overexpression of TRPV1 in the nasal mucosa giving rise to nasal obstruction, rhinorrhoea (colloquially: a runny nose), and/or sneezing. Approximately 19 million people in the US and 25.8 million in Europe are affected by idiopathic rhinitis and seek treatment.

Current treatment options for idiopathic rhinitis are not consistently successful. This leads to unnecessary and often ineffective surgery for severe cases, such as nasal semtum corrections and/or inferior turbinate reductions.

Potential Solution

A proprietary product to activate and depolarise TRPV1 receptors leading to restoration of a normal function of the nasal mucosa.

Intellectual Property

Confidential.

HY-088

Indication

Treatment of hypophosphatemia.

Unmet Need

Hypophosphatemia is a deficiency of the vital mineral phosphate in the blood. While mild hypophosphatemia is common and many patients are asymptomatic, severe hypophosphatemia can be life-threatening and requires medical treatment. The condition can result in different health challenges, including muscle and bone weakness, respiratory or heart failure, seizures or coma. Deficiency of this vital mineral is always linked to an underlying condition, such as diabetes, anorexia, use of diuretics or alcohol abuse.

Currently, physicians mostly rely on compounded drugs which have, by definition, not been submitted for regulatory scrutiny regarding safety, efficacy, and quality.

Potential Solution

An oral solution submitted for regulatory approval to replace compounded drugs.

Intellectual Property

Confidential.

HY-090

Indication

Treatment of Burning Mouth Syndrome (BMS).

Unmet Need

Burning mouth syndrome (BMS) is characterized by burning pain in an otherwise normal oral mucosa lasting at least four to six months. The condition is idiopathic, and the underlying pathophysiology is not well understood. Patients with burning mouth syndrome commonly experience changes in gustatory function.

The reported prevalence ranges from 0.7% to 5% of individuals in the U.S. and occurs more frequently in women than men, with a female-

to-male ratio of 7:1. Prevalence increases with age in both men and women, with the highest prevalence reported in postmenopausal women aged 60–69 years.

Potential Solution

A novel oral solution that works locally to treat symptoms of BMS.

Intellectual Property

Confidential.

HY-091

Indication

Treatment of Vulvar Lichen Sclerosis.

Unmet Need

Vulvar Lichen Sclerosus (VLS) is a chronic, distressing, inflammatory disease with an enormous impact on quality of life. Women with VLS can experience severe pain, intense persistent itching, and skin discoloration. There is no curative treatment for VLS, which usually occurs in postmenopausal women, although children and premenopausal women may also be affected. In advanced stages, the condition severely affects the quality of life and is associated with increased risk of vulvar squamous cell carcinoma. It is a highly underdiagnosed condition, which affects 0.1% to 3% of the general population.

Potential Solution

A user-friendly mucoadhesive product with a convenient application method that ensures simplicity and compliance, offering targeted relief for patients experiencing discomfort, itching, and pain associated with VLS by reducing inflammation and scarring in the affected area of skin and helping in restoring the skin structure.

Intellectual Property

Confidential.

HY-095

Indication

EGUS, or Equine Gastric Ulcer Syndrome, is a condition in horses characterized by the development of ulcers in the lining of the stomach.

Unmet Need

Current treatment for EGUS typically involves daily oral administration of a proton pump inhibitor for a 28-day course with the possibility of a 14-day extension. The oral formulation can present several limitations including the necessity for daily dosing, resistance from the horse, inconsistent dosing and adherence, low bioavailability, and variability in absorption, resulting in suboptimal ulcer management.

Potential Solution

HY-095 is a long-acting injectable product candidate, targeting reliable, sustained drug delivery.

Intellectual Property

Confidential

READY-TO-USE PANTOPRAZOLE IV

Indication

Conditions caused by gastric acidity

Unmet Need

The existing lyophilized (freeze-dried) version requires reconstitution prior to administration. Reconstitution is a more complex and resource-intensive process that adds unnecessary preparation time, effort, and cost for administration.

Potential Solution

A ready-to use formulation eliminates the need for reconstitution, offering an immediate and efficient solution for healthcare professionals.

Intellectual Property

Confidential

ONDANSETRON EXTENDED RELEASE (ER)

Indication

Relief from nausea and vomiting associated with chemotherapy, radiotherapy, and post-operative recovery (CINV/RINV).

Unmet Need

Patients, especially those undergoing cancer treatments or post-operative recovery, often experience nausea and vomiting over long periods, hence requiring consistent, sustained symptom relief.

Potential Solution

Ondansetron ER is a once-daily, patented, bimodal extended-release formulation of ondansetron, designed to provide sustained relief.

Hyloris is preparing to transfer commercial manufacturing to a CMO.

Intellectual Property

'34; granted patents.

HY-094

Indication

Iron Deficiency

Unmet Need

Iron deficiency, the most common nutritional disorder globally, occurs when the body lacks adequate iron to produce hemoglobin, the protein in red blood cells that carries oxygen. While oral and intravenous iron therapies are available, many patients struggle with side effects, adherence issues, or accessibility challenges, underscoring the need for improved treatment options.

Potential Solution

The new innovative product candidate, which has completed Phase 2b trials, aims to address limitations of current options by offering a more patient–friendly treatment.

Intellectual Property

Confidential.

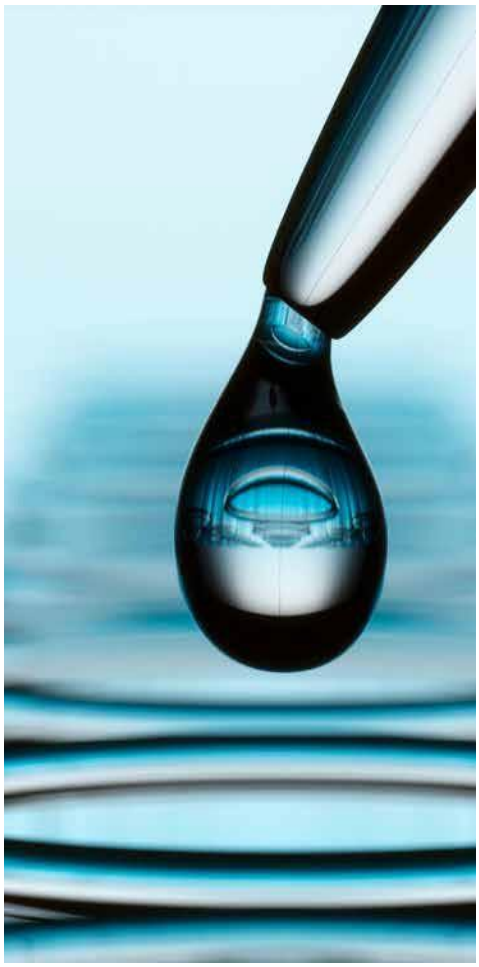
Outside our core strategic focus, we have 2 high barrier generic products in development:

FUSIDIC ACID CREAM, a generic for the Canadian market. of an off-patent reference product.

TRANEXAMIC ACID RTU, a ready to use tranexamic acid solution for infusion. The product has been filed as a generic in the U.S. and as a value-added product outside the U.S., where it has already been partnered in Canada, Australia, New Zealand, South-Korea and Switzerland.

Post-Closing Business Events

(See additional information in Notes 30)



- **XTRAZA™** (Tranexamic Acid Oral Rinse) was licensed to Colonis Pharma for the UK.
- **Pantoprazole Ready-To-Use** was added to the development portfolio in February 2025.
- **Ondansetron Extended-Release Oral**, a product candidate for the management of nausea and vomiting, was licensed from Redhill Biopharma and announced in February 2025.
- The U.S. FDA acceptance of a New Drug Application (NDA) for **Valacyclovir Oral Liquid** was announced in February.
- Positive Study Results for **Dofetilide IV** were announced in March.
- A Positive IDMC recommendation to continue the **Alenura®** Phase 2 study following interim assessment was announced in March.
- **HY-094**, a new injectable iron product candidate, was added to the portfolio in March 2025. HY-094 is the fourth co-development with AFT Pharmaceuticals.


Environment
ESG
Governance
Social

Environmental, Social, and Governance

Introduction

As the pharmaceuticals sector continues to evolve, the importance of Environmental, Social, and Governance considerations can not go unnoticed. While recent developments in Europe have seen a slowdown in regulatory sustainability reporting requirements, the momentum for transparency and accountability remains a critical focus for our industry.

At Hyloris, we recognize the pressing need to address environmental challenges, promote social responsibility, and uphold governance standards that reflect our company values. We believe that sustainability is not merely a compliance obligation but a way to create value. Therefore, it remains our ambition to transparently share our sustainability journey based on best practices. In this way, we hope to build trust with our investors, partners, end-users, and the public, while we continue our push to improve the lives of patients facing unmet medical needs.

01

Commitment to the Good Health and Well-Being of Society

02

Commitment to Environmental Sustainability

03

Commitment to Responsible Leadership

General Information

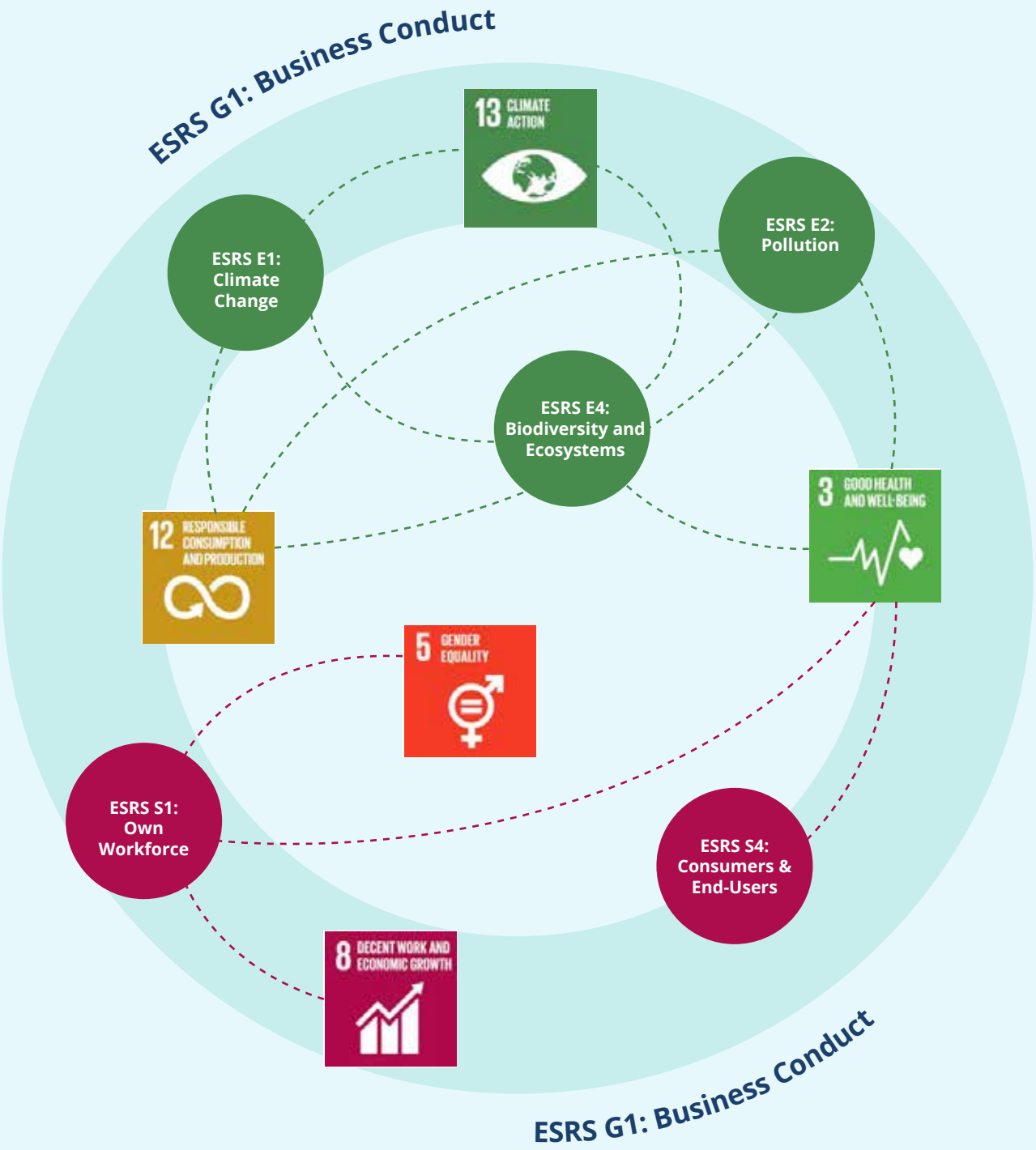
Our Approach to Sustainability

Since 2022, Hyloris concentrated its efforts on selected Sustainable Development Goals (SDGs). These SDGs guided us in identifying three strategic imperatives that align with our mission and values:

As Hyloris continues to grow, we remain committed to these goals as we recognize their importance in fostering a sustainable future. However, To strengthen our sustainability efforts and reporting, we have opted to streamline our strategy in alignment with the Corporate Sustainability Reporting Directive (CSRD) guidelines wherever feasible. As a result, this report will address, on a voluntary basis, most topics outlined by the CSRD's European Sustainability Reporting Standards (ESRS), allowing us to communicate our progress and impact in a more meaningful and transparent manner.

Hyloris has also carried out a Gap analysis with an external partner to identify areas for improvement and the data to be collected for the future sustainability report in accordance with the CSRD.

Enhancing our Initiatives through the integration of SDGs and ESRS



Environmental

The importance of Environmental considerations in Pharmaceuticals

The positive impact and beneficial effects of medicinal products on society are well known and acknowledged. However, as environmental issues are becoming more and more urgent, there is a need for additional focus of the sector in addressing the biggest risks for our climate and planet.

Some of the key challenges in our sector:

Pollution of Air, Water, and Soil

The contamination of water bodies and soils with pharmaceutical residues has emerged as a significant environmental concern. Pharmaceutical compounds, along with their metabolites and conjugates, primarily enter the environment through human excretion. These substances make their way into sewage treatment systems, where they may undergo degradation, become adsorbed to sewage sludge, or ultimately be released into surface water.

Increasingly, traces of various medicinal products, including antibiotics, are detected in surface water, groundwater, and soil, posing risks to human health, wildlife, and overall biodiversity.

Climate Change and Greenhouse Gas Emissions

Climate change has become one of the most urgent challenges of our time, impacting the environment, economies, and societies around the globe. The Earth's average temperature is steadily rising due to the accumulation of greenhouse gases, particularly carbon dioxide (CO_2), in the atmosphere. This increase in temperature is not merely a statistic; it manifests in more frequent and severe weather events, rising sea levels, and disruptions to ecosystems. In this context, it is essential for governments, organizations, and individuals to make more conscious decisions to minimize their carbon footprints and contribute to a sustainable future.

How Hyloris is addressing these Environmental challenges

Environmental Risk Assessments

At Hyloris, we understand the potential negative impacts pharmaceuticals can have on the environment. Therefore, we diligently perform environmental risk assessments (ERAs) for all new medicinal products in accordance with regulatory requirements to estimate the exposure of the environment to the new drug substance and assess the potential effects. In this way, we make sure to protect our planet and ecosystems from potential harm.

Reducing our CO_2 Footprint

The Hyloris headquarters is located in LégiaPark, Liège, in a BREEAM-certified building that has achieved an "Excellent" performance rating. BREEAM, which stands for the Building Research Establishment Environmental Assessment Method, is a widely recognized standard for measuring the sustainability and environmental performance of buildings. Receiving an "Excellent" rating reflects a strong commitment to sustainability, including efficient use of utilities such as water and energy, as well as the use of sustainable materials. Additionally, this rating highlights the focus on providing a comfortable and healthy indoor environment, featuring good air quality and plenty of natural light, which contributes to the well-being of our employees and visitors.

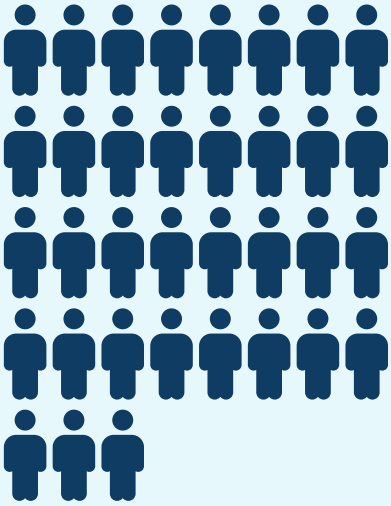
In further efforts to reduce our carbon footprint, we have made significant progress in our transition to a sustainable vehicle fleet. As part of our ongoing efforts to completely move away from combustion engines, we have switched to using only hybrid and fully electrical vehicles. By investing in cleaner transportation options, we are taking yet another important step to address our direct emissions and promote a greener future for our employees and the communities we serve.

Social

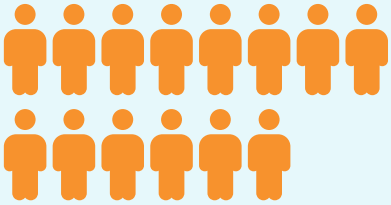
Our People

At Hyloris, we recognize that our people are our greatest asset. Our workforce is the driving force behind our innovation, creativity, and commitment to improving healthcare outcomes for our patients. As we continue to grow and evolve, we remain committed to attracting and retaining top talent around the world by fostering a supportive, transparent, and inclusive work environment based on our core values.

Workforce in statistics:



35
Self-Employed



14
Employees

Hyloris utilizes a flexible structure to leverage expertise around the world. Under this structure, a significant majority of our workforce is operating as self-employed professionals. This model allows us to bring in specialists with unique skills and experiences that can enhance project outcomes and drive innovation. Regardless of employment status, we remain committed to equal treatment and inclusivity of our team members. Since we are one team, the next social topics in this section will dive a bit deeper into our team dynamics, exploring how our diverse backgrounds and experiences contribute to a collaborative environment.

A diverse pool of talent:

Irrespective of gender, ethnicity, or nationality, Hyloris wants to attract the best people where possible. Our dedication to global expertise focuses on bringing together individuals with different viewpoints and experiences, ultimately aimed at creating a dynamic team that is better equipped to tackle the complex challenges in the biopharmaceutical industry.

61%
Male Representation

39%
Female Representation

13
Different Nationalities

- Austrian
- Belgian
- Danish
- Dutch
- French
- Greek
- Indian
- Moroccan
- Portuguese
- Slovenia
- Spanish
- Swiss
- USA

We are proud of our nearly perfectly balanced gender ratio across the organization. This balance is a testament to our dedication to creating an inclusive workplace, regardless of gender. However, we do recognize that our female representation at the top level does not yet align with our overall diversity.

Currently, only 1 out of our 7 Directors on the Board is a woman, highlighting an area where we are seeking improvement. We are committed to enhancing diversity at all levels of our organization and are focused on attracting women with valuable experience to contribute to our highest decision-making body.

Fair Pay for All

We are committed to ensuring that our employees receive adequate wages that reflect their contributions and comply with local legislation. We understand the importance of fair compensation in promoting employee satisfaction and retention, and we strive to create a transparent and equitable pay structure.

In addition to adhering to legal requirements, we conduct an annual review process that evaluates employee performance against pre-defined targets and goals. This process is designed to recognize and reward the hard work of all employees, entitling them to bonuses and salary increases based on their achievements. By linking compensation to performance, we hope to foster a culture of accountability and motivation, encouraging our team members to strive for excellence in their roles.

Transparency in Remuneration

Transparency is key at Hyloris, and we believe that open communication about our remuneration practices is essential to building trust with our employees and stakeholders. To this end, we share an extensive Remuneration Report as part of the Corporate governance chapter, providing detailed insights into our compensation structure and practices. We have also established a comprehensive remuneration policy designed to attract, motivate, and retain expert individuals who are critical to our success. A core principle of our remuneration policy is to ensure consistency between the remuneration of executives and that of all staff members. We recognize that every role within Hyloris contributes to our mission, and we strive to create a balanced approach to compensation that reflects this value.

Social Protection

We prioritize the well-being of our employees by ensuring comprehensive social protection coverage in alignment with local legislation across the various countries where we operate. Our commitment to social protection encompasses safeguarding our employees against loss of income due to significant life events, including sickness, unemployment, employment injury and acquired disability, parental leave, and retirement.

Work-Life Balance

In our efforts to promote a sustainable work-life balance, we offer a flexible workspace that accommodates the diverse needs of our employees. Our hybrid working model allows team members to blend remote and in-person work, promoting flexibility and enhancing productivity. Additionally, we provide hotel accommodations for employees who need to bridge in-person workdays, ensuring that they can maintain a healthy balance between their professional and personal lives.

Training and Development

Talent and expertise are essential drivers of success in our sector. To foster professional growth, we provide our employees with access to a range of training programs. By allocating resources for training and development, we motivate our team members to pursue initiatives that align with their individual needs and career aspirations. In the coming years, we will continue to enhance our training program by establishing a consistent framework and ensuring regular follow-up on our employees' training hours. This commitment not only supports their professional development but also strengthens our organization.

Healthy and Safe? - Check!

At Hyloris, maintaining a safe and healthy work environment is one of our top priorities, as we believe that the well-being of our employees is just as crucial as the health and safety outcomes of our products for patients. Our commitment to workplace safety is embodied in our dedicated 5-year workplace safety plan, which includes well-defined processes, mandatory safety training, and regular medical checkups for our lab personnel.

There have been **0 work-related accidents** at Hyloris, a testament to our proactive approach and the collective responsibility of our employees to uphold safety standards.

Our Patients

It is our mission to improve patients' lives. By focusing on unmet medical needs, we aim to bring added value to the healthcare system through innovative reformulations and repurposing of existing pharmaceuticals.

In that aspect, Hyloris aims to bring positive impacts to patients and healthcare professionals by aligning with the highest standards and regulatory requirements in terms of quality, safety, and data collection. More specifically, we focus on the 505(b)(2) regulatory pathway in the U.S. and similar pathways in other countries, which is designed for existing pharmaceuticals where safety is already established. In this way, we can speed up the development process, leading to faster product launches and quicker access to innovative treatments for those patients who need them most.

Unmet medical needs

Quality Pharmaceuticals

Quicker Access

Established Safety

Innovative Treatments

Affordable Medicines

Spotlight Impacts

Providing a solution for the Opioid Crisis

The global fight against drug abuse is increasingly adopting a health-centered approach, as highlighted by the United Nations' Sustainable Development Agenda. This is crucial given the alarming impact of drugs, which the World Health Organization (WHO) reports claim over half a million lives annually, with opioids responsible for 70% of these deaths. The rise in opioid overdoses is linked to their use for post-operative pain relief and the emergence of potent illicit opioids.

In response to this public health crisis, Hyloris proudly introduces Maxigesic® IV, a novel non-opioid analgesic for post-operative pain management. Approved in the U.S. in 2023, Maxigesic® IV provides a vital alternative to traditional opioids, which have significantly contributed to the opioid epidemic. The U.S. has experienced more than double the opioid-related deaths compared to other countries, underscoring the urgent need for effective non-opioid solutions.

Maxigesic® IV is now approved in over 50 countries, with plans for further marketing authorization submissions in more than 30 countries, including low- and middle-income countries (LMICs). This expansion reflects our commitment to addressing the global opioid crisis and aligns with our Environmental, Social, and Governance (ESG) goals. By offering healthcare professionals a safe and effective alternative for pain management, we aim to reduce reliance on opioids and enhance patient outcomes.

The leading cause of death: Cardiovascular Diseases

Cardiovascular diseases (CVDs) represent a pressing global health crisis, claiming millions of lives annually. In 2019 alone, the World Health Organization (WHO) reported that CVDs were responsible for a staggering 17.9 million deaths, accounting for over a third of all global fatalities. Heart attacks and strokes are particularly devastating, comprising 85 % of these tragic outcomes.

In response to this critical public health challenge, Hyloris is committed to making a significant impact by dedicating one-third of our product development pipeline to addressing cardiovascular diseases. Our pioneering product, Sotalol IV, specifically targets atrial fibrillation, emphasizing both patient safety and cost-effectiveness.

Sotalol IV is designed to significantly reduce hospital stays—from an average of three days to just one—especially in the U.S. market, where overnight hospital costs can be prohibitively high. This reduction not only enhances patient outcomes but also alleviates the financial burden on healthcare systems. By prioritizing innovative solutions like Sotalol IV, Hyloris is actively contributing to the fight against cardiovascular diseases, improving lives while promoting sustainable healthcare practices.

Governance

Business Conduct

At Hyloris, we adhere to the highest possible ethical standards in our operations. This includes integrity, fairness, and respect for human rights. As part of this commitment, all employees are required to follow comprehensive **ethical guidelines** addressing core principles such as personal conduct, conflict of interest, confidentiality, influence, and competition.

As a Belgian listed company, Hyloris is also subject to the 2020 Belgian Code on Corporate Governance, more information on our **Corporate Governance Charter** can be found in the dedicated chapter.

In addition to this, we have a dedicated **Dealing Code** to ensure compliance with market regulations and to promote transparency and integrity in trading. These policies are designed specifically to prevent insider trading and ensure all investors have access to the same information and can make informed decisions based on publicly available data.

Quality and Ethics in Clinical Trials

While clinical trials involving human subjects are a limited aspect of the development and registration process for our new drugs, Hyloris is fully committed to upholding internationally recognized standards of quality and patient safety whenever such trials are conducted. We prioritize the well-being of participants and ensure that all clinical research adheres to the highest ethical and scientific principles. By following these rigorous standards, we aim to generate reliable data that supports the safety and efficacy of our products.

Limited Animal Testing

The protection and welfare of animals is very important for Hyloris. By leveraging the 505(b)(2) development pathway in the US and similar pathways in other countries, Hyloris reduces the need for extensive early-stage research compared to traditional 505(b)(1) approaches for new drugs. This streamlined process allows us to focus our efforts on developing valuable medicines while minimizing the use of animal testing.

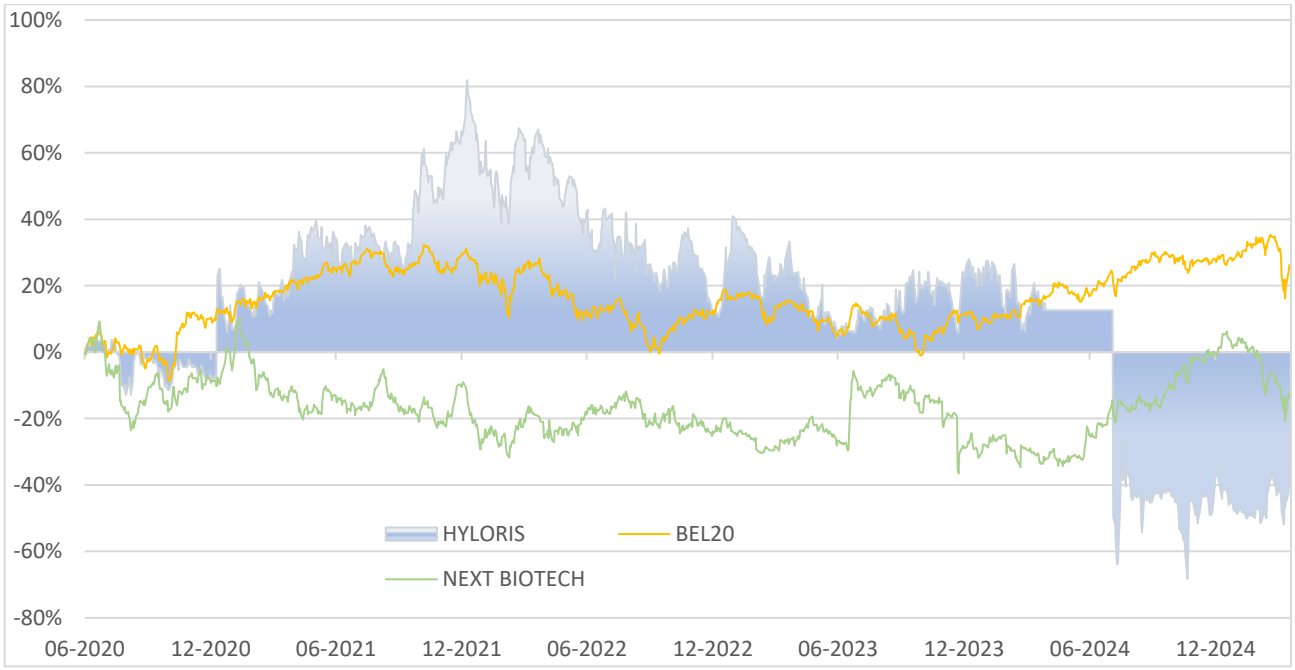
We remain committed to implementing alternatives to animal testing, such as in-vitro techniques, wherever possible, ensuring that our research and development practices align with our ethical standards and sustainability goals. Whenever there is no alternative solution, and studies need to be carried out on animals, we ensure compliance with specific animal welfare regulations along with the oversight of an ethics committee.

The Hyloris Share

Hyloris Pharmaceuticals SA (ticker: HYL:BB) has been listed on Euronext Brussels since 29 June 2020

Data and graph can be found at https://live.euronext.com/en/product/equities/BE0974363955-XBRU

PERFORMANCE TO DATE OF HYLORIS VERSUS BEL20 AND NEXT BIOTECH SINCE IPO



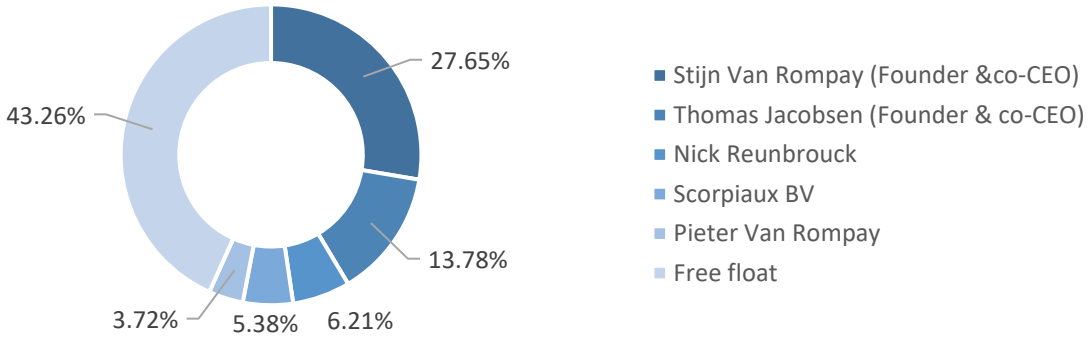
HYLORIS PERFORMANCE TO DATE

ANALYST COVERAGE AND RATING

- Degroof Petercam, David Seynnaeve: Buy
- Kepler Chevreux, Christophe Dombu: Buy
- KBC Securities, Jacob Mekhael: Hold
- Van Lanschot Kempen, Suzanne van Voorthuizen: Under review

Hyloris is followed by the analysts listed. Please note that any opinions, estimates or forecasts regarding Hyloris' performance made by these analysts are theirs alone and do not represent opinions, forecasts or predictions of Hyloris or its management

BREAKDOWN OF SHARE CAPITAL



Based on transparency notifications and latest denominator
Based on online notification (FSMA website) of managers' transactions

Total number of outstanding voting rights (denominator)	28,000,374
Total number of securities carrying voting rights not yet issued	309,313
Share capital (*excluding share premium*)	€140,001

Corporate governance

Introduction

Hyloris' Corporate Governance Charter is in line with the 2020 Belgian Code on Corporate Governance (the Corporate Governance Code 2020), which the Company needs to apply, in accordance with a 'comply or explain' approach, pursuant to Article 3:6, §2, 1° CCA and the Royal Decree of May 12, 2019 specifying the corporate governance code to be complied with by listed companies.

The Corporate Governance Charter describes the main aspects of the corporate governance of the Company, including its governance structure, the terms of reference of the Board of Directors and its committees and other important topics. The Corporate Governance Charter must be read together with the Company's Articles of Association, which have been amended by the Extraordinary General Shareholders' Meeting of June 11, 2024.

The Corporate Governance Charter and Articles of Association can be consulted on the website of Hyloris at: https://hyloris.com/our-governance.

Contents

1. Compliance with the Corporate Governance Code

As a Belgian listed company, Hyloris is subject to the 2020 Belgian Code on Corporate Governance (the Corporate Governance Code 2020). A copy of the Corporate Governance Code 2020 is available on the Corporate Governance Committee's website.

Companies are required to disclose the extent to which they comply with the principles and best practice provisions of the Corporate Governance Code 2020 in their annual report. If a company deviates from these principles, it must explain why and to what extent.

Hyloris is committed to applying the corporate governance principles outlined in the Corporate Governance Code 2020, which are reflected in its Corporate Governance Charter. This charter aligns with the best practice provisions of the Corporate Governance Code 2020 and outlines key aspects of Hyloris' corporate governance, including its governance structure, the terms of reference of the Board of Directors and its committees, and other important governance topics.

Both the Corporate Governance Charter and Articles of Association are available on our website.

This section of the annual report provides factual insights into the corporate governance policy pursued in the financial year 2024. Hyloris strives to apply the principles of the Corporate Governance Charter as fully as possible, while ensuring they align with the unique character of the Company.

Hyloris recognizes the importance of strong corporate governance and fully endorses the principles of the Corporate Governance Code 2020, following a 'comply or explain' approach in accordance with Article 3:6, §2, 1° CCA and the Royal Decree of May 12, 2019, which specifies the corporate governance code applicable to listed companies.

Hyloris deviates from certain best practice provisions outlined in the Corporate Governance Code 2020 for the reasons detailed in this section. These deviations pertain exclusively to our remuneration practices, which align with the Remuneration Policy approved at our 2024 Annual General Meeting of Shareholders.

The Board of Directors believes that these deviations are justified given Hyloris' activities, size, and the specific circumstances in which the company operates.

Provision 2.19: the powers of the members of the Executive Management other than the Co-CEO's are determined by the Co-CEO's rather than by the Board of Directors as the members of the Executive Management perform their functions under the leadership of the Co-CEO's, to whom the day-to-day management and additional well-defined powers were delegated by the Board of Directors.

Provision 4.14: no independent internal audit function has been established yet. This deviation is explained by the size of the Company. The Audit Committee will regularly assess the need for the creation of an independent internal audit function.

Provision 7.6: except for the Chairman, who holds 2025 ESOP warrants, the Non-Executive members of the Board of Directors do not receive part of their remuneration in the form of shares. This deviation is explained by the fact

that the interests of the non-executive members of the Board of Directors are currently considered to be sufficiently oriented to the creation of long-term value for the Company. Since its listing in 2020, Hyloris has always focused on a long-term perspective as reflected in its strategic decision to grow the portfolio of product candidates over the next few years. The Board of Directors has indeed decided not to provide remuneration in the form of shares in the company for non-executive directors and is of the opinion that, considering the limited size of the total remuneration package awarded to non-executive directors, the total or partial remuneration in the form of shares of the company would not have a meaningful impact on the behavior or decisions of the company's non-executive directors. The Board of Directors will continue to safeguard that the contributions of the non-executive directors are made with the long term company's interest in mind.

Provision 7.9: for the same reasons as mentioned with respect to provision 7.6; no minimum threshold of shares to be held by the members of the Executive Committee has yet been set. The Board has determined that there are sufficient safeguards in place to ensure that the members of the executive management take decisions and perform their tasks in accordance with the interest of the Company in the long term. The members of the Executive Committee also hold shares and/or ESOP Warrants which requires them to always take into consideration a long-term perspective of the Company, especially as the ESOP Warrants are only vested after a period of 4 years after granting and cannot be exercised before the 4th year following the year of the offer (see 7.2).

Provision 7.10: the Board believes that there is no need to formally define a maximum for the variable short-term remuneration for executive Directors as this remuneration (package) is completely in line with the remuneration (package) of the other members of the Executive committee and also considers the low amounts of this short-term variable remuneration compared to other listed companies. For 2024, the total maximum variable remuneration for those members of the Executive Committee still in service on December 31, 2024 is on average 13% of the total amount of the fixed remuneration.

Provision 7.12: the Board believes it is not opportune to have specific provisions to claim back or withhold payment of the variable part of the remuneration of the members of the Executive Management mainly because it believes that there are sufficient contractual rights and rights under common law available that allow it to claim back such amounts.

Good corporate governance is dynamic and evolves in response to the company's changing circumstances and global governance standards. It must be tailored to adapt to these developments. The Board of Directors is committed to regularly reviewing and updating the Corporate Governance Charter as needed to ensure it remains aligned with the company's structure, operations, and best practices.

2. Board of Directors

2.1. Composition of the Board of Directors

Since the appointment by the General Shareholders' Meeting on September 30, 2024, the Board of Directors consists of seven members, including two Executive Directors (who are part of the Executive Committee) and five Non-Executive Directors, of whom three are Independent Directors.

Currently, the Board includes one female Director. To meet gender diversity requirements, Hyloris is actively seeking new Non-Executive Directors, with a specific focus on attracting female Board Members, in accordance with Article 3:6 § 2, 6° of the Belgian Companies Code and the Law of July 28, 2011. The company is committed to ensuring the appropriate quorum and gender diversity is achieved by 2026 (the sixth year after the Initial Public Offering).

Hyloris intends to appoint at least one additional female Non-Executive Director before 2026 and is confident this requirement will be met. Moving forward, the company will continue to prioritize gender diversity when renewing Board members and filling new positions.

Despite operating with a relatively small team and a flat structure, Hyloris considers diversity across the entire organization, which already reflects a broad range of gender, nationality, age, seniority, and educational backgrounds.

The table below provides an overview of the members of the Board of Directors since September 30, 2024, along with their respective terms as of the date of this annual report:

Name	Age	Position	Start of term	End of term*
Mr. Stefan Yee	63	Non-Executive Director Chairman of the Board of Directors	2024	2028
Mr. Stijn Van Rompay[1]	49	Executive Director	2024	2028
Mr. Thomas Jacobsen[2]	50	Executive Director	2024	2028
Mr. Leon Van Rompay[3]	75	Non-Executive Director	2024	2028
Mr. Marc Foidart	49	Independent Director	2024	2028
Ms. Revital Rattenbach	48	Independent Director	2024	2028
Mr. Vincent Van Dessel	66	Independent Director	2024	2028

1 Acting through SVR Management BV

2 Acting through Jacobsen Management BV

3 Acting through Van Rompay Management BV

*In subsequent sections, it will be assumed that when a director is mentioned by name that they are acting through the management company identified in this table.

Stefan Yee

Stefan Yee has more than 30 years of experience in audit, corporate law, mergers and acquisitions, corporate finance, investment banking and private equity with companies as KPMG, Linklaters, the Flemish investment bank Lessius, the Belgian Corporation for International Investment (SBI/BMI), Beluga (Euronext Brussels) and as the founder and CEO of the PE Group, a Belgian privately held private equity firm. Stefan is, and has been an investor and/or board member of several listed and private companies such as, amongst others, Beluga, Encare group (Mensura), AXI, The Reference, Alro Holdings, Loomans Group, United Brands, Capco, Faseas International (Spacewell), HD Partners (Dekabo group), AED Rent, UnifiedPost Group, NRG New Generation, Axiles Bionics, including several healthcare companies Docpharma (listed on Euronext Brussels until its acquisition in 2005 by Matrix Laboratories for €218M), Uteron Pharma and Imcyse). Stefan holds a Master's Degree in Law and Business Management from the Universities of Brussels (VUB and ULB Solvay Business School) and the University of Chicago (as a BAEF Fellow).

Stijn Van Rompay

Stijn Van Rompay has over 20 years of experience in leadership positions in the pharmaceutical industry and is the co-founder and CEO of the Company. Stijn also co-founded, and was CEO of, Alter Pharma, a pharmaceutical company focused on the development of complex generics and pharmacy-related products. He was also co-CEO of Uteron Pharma, a company focused on innovative female healthcare products, which was sold to Watson for up to $305M in 2013. Prior to these positions, Stijn was CFO and afterwards CEO of Docpharma (listed on Euronext Brussels until its acquisition in 2005 by Matrix Laboratories for €218M) a generics and medical device company. He also holds several Non-Executive Director positions in the biotech sector and acts as an advisor to venture capital investors. Stijn holds a Master in Applied Economics from the University of Antwerp and an honorary doctorate from Long Island University.

Thomas Jacobsen

Thomas Jacobsen has over 20 years of experience in the pharmaceutical industry, with expertise in operational management, business development, licensing, and research and development. He co-founded Alter Pharma and prior to this, he worked with Docpharma, where he focused on out-licensing of Docpharma's products. Thomas started his career in the Scandinavian-based generics company Alternova, where he was responsible for licensing, product registration and launches. Thomas holds a Master's Degree in Pharmacy from the University of Copenhagen and a Business Degree from Copenhagen Business School.

Leon Van Rompay

Leon Van Rompay has more than 40 years of experience in the pharmaceutical industry. During his professional career he held several positions including country & area manager (covering major territories) and Board member of the Zambon Group. He was founder and CEO of Docpharma and served on different Boards including Ecodis and Uteron Pharmaceuticals. He was a founding member of BIGE/IBES (Belgian Institute for Health and Economics), the B.G.A. (Belgian Generic Association), BAPIE (Belgian Association of Parallel Import and Export) and was an executive committee member and Board member of the Belgian Pharmaceutical Industry Association. He also was a member of the pharmaceutical deontological commission and responsible for this commission in the industry association executive committee. He was interim-CEO of the Belgian women's health company, Mithra, a Euronext listed company.

Marc Foidart

Marc Foidart is co- founder and Executive Chairman of Eyed Pharma SA, a start-up company developing innovative controlled release micro-implants in ophthalmology and is also co-founder of EKLO ASBL. Marc is also investment manager of Epimede SA, a €50 million Belgian private high-tech growth fund. He has more than 15 years of experience in strategic consulting and investment at all stages of development of small and medium high tech-high growth life sciences enterprises. He played a key role in several financing rounds at critical development stages of various Belgian biotech companies including, Mithra Pharmaceuticals SA, Imcyse SA, Uteron Pharma SA, PDC Line Pharma SA, Diagenode SA. As an entrepreneur, Marc is co-founder and past CEO of Arlenda SA, a spin-off company of the University of Liège providing expert statistical solutions to the pharmaceutical, chemical and environmental industries. Marc is associate professor at the University of Liege since 2011 and obtained a Master in Business Engineering from the University of Liège (1998).

Revital Rattenbach

Revital Rattenbach is an accomplished entrepreneur and leader with a proven track record of bringing groundbreaking biotech innovations from conception to clinical stages. Holding an MBA from IAE Paris and a PhD in Biology of Ageing from the Université René Descartes, Paris, she combines deep scientific expertise with robust business acumen. As the Founder and CEO of 4P-Pharma, Revital has successfully transitioned multiple assets into clinical phases, leveraging partnerships with regulatory bodies like the EMA and FDA.

In her role as Co-Founder and President of both 4Living and 4Moving Biotech, she has pioneered treatments for osteoarthritis and complications from viral infections, securing multiple patents and leading international clinical trials. Her strategic vision is evident in her leadership, having spearheaded

significant collaborations with industry giants such as Sanofi, and navigating complex regulatory landscapes to drive product development and market entry.

Revital has received multiple awards including the US Gallien nomination and the European Commission's Seal of Excellence.

Vincent Van Dessel

Vincent Van Dessel started his career as a stockbroker in 1984 at Cohen, De Greef, Van Dessel & C° in Brussels and later (1989) Van Dessel & C° in Antwerp. He joined the Brussels Stock Exchange in 1992 as Director Markets and Listing and later became member of the management board of the Brussels Exchanges. At the merger of the Amsterdam, Paris and Brussels exchanges into Euronext in September 2000, he became member of the executive committee. From January 2000 to June 2003, Vincent Van Dessel was Chairman of the Market Authority of the Brussels Exchanges, responsible for members admission, listing, company information and the supervision of the markets. From 2003 to 2009, he was General Manager of Euronext Brussels. Vincent has been member of the Managing Board of NYSE Euronext Group and Chairman and CEO of NYSE Euronext Brussels from 2009 till the takeover by InterContinental Exchange at the end of 2013.

After the spin-off of Euronext from NYSE Euronext in 2014 and until June 2023 (as CEO) and November 2023 (as Chairman of Euronext Brussels), he was member of the Management Board of Euronext and Chairman and CEO of Euronext Brussels. He has been appointed member of the Board of VFB on 7 May 2024 and became Chairman as from 1 January 2025.

Vincent Van Dessel also acted as:

- Chairman of the Belgian Working Group Financial Markets which successfully organized the transition to the euro of the Belgian financial markets and products
- Member of the Steering Committee of the European Money Markets Institute (managing the Euribor index)
- Member of the Corporate Governance Commission of Belgium
- Guest lecturer in different universities of which KU Leuven, UCL, Solvay Business School, HEC Liège, Antwerp University and Paris Sorbonne.

Vincent Van Dessel is PhD in Applied Economics from the KU Leuven University, Belgium

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2.2. Activity Report

In 2024, alongside discussions on financial reporting and the operational development of the Company, the Board of Directors dedicated significant attention to the forensic investigation on the Transactions with Qliniq, product development, and business development, with a strong focus on expanding the Company's growth and strategy.

Additionally, the Board closely monitored the Company's cash requirements, regularly evaluating potential measures to address these financial needs.

The Board of Directors convened seventeen times in 2024, being:

- Sixteen meetings with the previous Board members, and
- One meeting in December 2024 with the newly appointed Board members.

The following chart provides a comprehensive overview of the attendance of Board members throughout 2024*:

Mr. Stefan Yee	**17/17**
Mr. Stijn Van Rompay	**17/17**
Mr. Thomas Jacobsen	**15/17**
Mr. Leon Van Rompay	**17/17**
Mr. Marc Foidart	**16/17**
Mrs. Carolyn Myers	**12/16**
Mr. James Gale	**14/16**
Mr. Chris Buyse	**13/16**
Ms. Revital Rattenbach	**1/1**
Mr. Vincent Van Dessel	**1/1**

- Including those Board members whose mandate has ended in September 2024.

In 2024, the Board of Directors did not convene for specific decision-making as prescribed by article 7:97 of the Belgian Company Code with respect to a decision relating to a related party as defined by EC Directive 1606/2002, nor with respect to any decisions on conflicts of interest.

2.3. Committees of the Board of Directors

The Board had already established two Board Committees: the Audit Committee and the Remuneration & Nomination Committee.

At its meeting of February 28, 2024, the Board of Directors decided to install a new "Product Selection Committee". While the committee has not yet been activated and no members have been appointed, the Company intends to evaluate its setup and initiate its activities during the course of 2025.

Currently, no Scientific Committee has been formally established within the Company.

Audit Committee

Composition

The Audit Committee, a subcommittee of the Board of Directors, consists of board members and operates under the authority defined by law and the Corporate Governance Code. The Board of Directors may also assign additional responsibilities as needed. The committee plays a crucial role in supporting the Board by ensuring effective oversight across all areas, including risk management.

The Audit Committee is comprised of the following members:

Mr. Vincent Van Dessel,
Independent Director, Chairperson of the Audit committee

Mr. Stefan Yee,
Non-Executive Director

Mr. Marc Foidart,
Independent Director

The Audit Committee consists of at least three (3) non-executive directors, with at least one third being independent directors. Its members collectively possess expertise in the company's field of activities, and at least one member has specialized competence in accounting and auditing. The Chairman of the Board of Directors nominates candidates for Audit Committee membership, subject to approval by the Board. The Board also selects the Chairman of the Audit Committee from among its members; however, the Chairman of the Board of Directors is not eligible to chair the committee.

Members of the Audit Committee have full access to the Executive Committee and any other employees necessary to fulfil their responsibilities. Additionally, the company's statutory auditor has direct and unrestricted access to the Chairperson of the Audit Committee.

Mission

In accordance with Article 7:99 of the Companies and Associations Code, the Audit Committee fulfills the following missions:

a) communication to the Board of Directors of the legal control of the statutory and consolidated accounts and explanations on how the legal control on the statutory and consolidated accounts has contributed to the integrity of the financial information and on the role played by the Audit Committee in this process;
b) monitoring the process of preparing financial information and making recommendations or proposals to ensure its integrity;
c) monitoring the effectiveness of the company's internal control systems and risk management;
d) evaluation of the need to establish an internal auditor and its effectiveness;
e) monitoring the statutory audit of the annual and consolidated accounts, including monitoring the issues and recommendations made by the auditor and, if applicable, by the auditor responsible for the audit of the consolidated accounts;
f) review and monitoring of the independence of the auditor and, if applicable, of the auditor responsible for the audit of the

consolidated accounts, particularly regarding the justification for the provision of additional services to the company. In particular, it analyzes with the auditor the risks to the independence thereof and the safeguard measures applied to mitigate these risks, when the total fees relating to an entity referred to in Article 1:12 of the Companies and Associations Code exceed the criteria set by Article 4, § 3, of Regulation (EU) No. 537/201;

g) recommendation to the Board of Directors of the company for the appointment of the auditor and, if applicable, of the auditor responsible for the audit of the consolidated accounts, in accordance with Article 16, § 2, of Regulation (EU) No. 537/2014. The Audit Committee has the power to investigate any matters falling within its remit, subject to compliance with legal restrictions on access to commercial and other confidential data. For this purpose, it has the necessary resources and access to all information and may request opinions from internal and external experts. The responsibility of the members of the Audit Committee towards the Board of Directors is to assume the mission stipulated in this regulation with the diligence of a good family father and in complete autonomy.

The Audit Committee carries out its mission in the following three areas:

a) Financial information for shareholders and third parties.

The Audit Committee, with the support of the CFO as needed, reviews the annual and semi-annual social and consolidated financial statements, prospectuses, and other financial reports before they are submitted to the Board of Directors. Interim financial data, prepared under the CFO's responsibility, is presented to the Audit Committee for review, ensuring the Board can effectively oversee the financial reporting process.

In its review of the financial information preparation process, the Audit Committee assesses the relevance and consistency of the Hyloris Group's accounting standards, including criteria for consolidating accounts within the group. This review focuses on ensuring the completeness and coherence of financial information.

The Audit Committee also evaluates any changes to accounting principles and valuation rules, providing an informed opinion to the Board of Directors, particularly regarding their impact on financial statements.

Additionally, the CFO updates the Audit Committee on the accounting methods used for significant or unusual transactions where multiple treatment approaches exist, as well as the rationale behind activities conducted through specific structures.

b) Internal control and risk management

At least once a year, the Audit Committee reviews the internal control and risk management systems established by the Executive Committee to ensure that key risks – including those related to compliance with laws and regulations – are effectively identified, managed, and communicated in alignment with the framework approved by the Board of Directors. Additionally, the Audit Committee examines the internal control and risk management disclosures included in the Corporate Governance Statement of the annual report.

c) External audit

The Audit Committee reviews reports prepared by the auditor(s), including disclosures on all relationships between the auditor(s) and the company or its group. It evaluates the nature, quality, and scope of the auditor(s)' work, the coordination of audit activities within the Hyloris Group, and the conclusions drawn from their work, including management letters. Additionally, the committee assesses the extent to which the Co-CEO's consider and implement the recommendations provided by the auditor(s).

The Audit Committee recommends to the Board of Directors the appointment, potential renewal, and remuneration of the auditor(s) for certifying both the statutory accounts of Hyloris Pharmaceuticals and the group's consolidated accounts. It also ensures the auditors' independence in accordance with the Companies and Associations Code. Any additional engagements falling under Article 3:62 of the Companies and Associations Code, whether performed by the auditor(s) or affiliated entities, require prior authorization from the Audit Committee.

Evaluation

The Audit Committee evaluates its internal rules and their effectiveness at least every three years, and, if necessary, recommends adjustments to the Board of Directors.

Meetings

The Audit Committee, convened by its Chairman, meets at least four times a year or as needed to effectively fulfill its responsibilities. Meetings are considered valid when a majority of members are present or represented. The committee may hold meetings via telephone, video conference, or online platforms. Unless explicitly stated otherwise in the regulations, decisions may also be made by written consent of the directors.

Depending on the agenda items, the Chairman of the Audit Committee may invite the CFO, the Co-CEO's, or any member of the management and/or any senior executive of the company.

The auditor(s), who are key interlocutors of the Audit Committee, may request to meet with the committee at any time without prior justification. If necessary, they may be accompanied by an operational manager.

Topics related to the audit plan and any issues arising from the audit process are regularly included on the Audit Committee's agenda. Two meetings each year are primarily dedicated to reviewing the annual and semi-annual financial statements, during which the auditor(s) present their findings. These meetings also provide an opportunity for open discussions with the auditor(s) on any matters within the Audit Committee's scope, including key audit observations and significant weaknesses in internal control.

The Chairman of the Audit Committee or any two of its members may convene a meeting whenever necessary.

Additionally, the Audit Committee may assign specific tasks to the auditor(s) or other experts and request reports on their findings. The auditor(s) may also communicate directly with the Board of Directors through its Chairman while keeping the Audit Committee informed.

In their decision-making process, members of the Audit Committee will seek consensus.

The minutes of the Audit Committee meetings are kept at the Secretariat of Hyloris Pharmaceuticals. The minutes are signed by the Chairman of the Audit Committee and by the members who wish to do so. The Chairman of the Audit Committee presents activity reports to the Board of Directors. All members of the Board of Directors, as well as the auditor(s), have access to said minutes. Members of the Audit Committee are bound to confidentiality regarding the information received during meetings.

The Audit Committee convened 5 times in 2024*.

Mr. Marc Foidart	5/5
Mr. Stefan Yee	5/5
Mr. James Gale	4/5
Mr. Chris Buyse	4/5
Mr. Vincent Van Dessel	1/1

- Mr. Gale and Mr. Buyse were replaced as Directors of the company at the general shareholders meeting of September 30, 2024. Mr. Van Dessel was appointed by same shareholders meeting.

Remuneration and Nomination Committee

Since September 30, 2024, the Remuneration and Nomination committee consists of the following members:

Mr. Stefan Yee,
Chairperson of the Renumeration and Nomination Committee

Ms. Revital Rattenbach,
Independent Director

Mr. Marc Foidart,
Independent Director

The Remuneration and Nomination Committee is composed exclusively of Non-Executive Directors, including at least one independent director as defined by Article 7:87 of the Belgian Code of Companies and Associations. This composition ensures independence and helps prevent conflicts of interest in the design, adjustment, and implementation of the Remuneration Policy for Executive Committee members. The Co-CEO's and Executive Committee members do not participate in the committee's deliberations regarding their own compensation. The committee is chaired by either the Chairperson of the Board of Directors or another Non-Executive Director.

Members of the Remuneration Committee must possess the necessary expertise in remuneration policy, as demonstrated by their experience and previous roles (see 2.2 Composition of the Board of Directors for more details on their curriculum vitae). The Co-CEO's may attend committee meetings in an advisory capacity whenever the remuneration of another Executive Committee member is under discussion.

The primary role of the Remuneration and Nomination Committee is to make recommendations to the Board of Directors regarding the appointment and compensation of Directors and Executive Committee members. Its key responsibilities include:

- As part of its remuneration function:
  - Recommending the remuneration policy and other compensation proposals that the Board of Directors must submit to the General Shareholders' Meeting.
  - Proposing individual remuneration packages for Directors and Executive Committee members, in line with the approved remuneration policy. This includes variable remuneration, long-term performance bonuses (whether linked to shares or not), stock options (warrants) or other financial instruments, and severance packages. Where applicable, the committee also formulates proposals that the Board of Directors must present to the General Shareholders' Meeting.
  - Preparing the remuneration report, ensuring it aligns with the approved remuneration policy, for inclusion in the corporate governance statement, which forms part of the Company's annual report.
  - Presenting and explaining the remuneration report at the Annual General Shareholders' Meeting.

- As part of its nomination function:
  - Recommending candidates for appointment as Board members and Executive Committee members.
  - Developing succession plans to ensure an orderly transition for Board members.
  - Leading the re-appointment process for Board members.
  - Overseeing the succession planning of Executive Committee members, ensuring regular and strategic attention is given to leadership continuity.
  - Promoting leadership development initiatives and diversity programs to foster a strong and inclusive talent pipeline.

The Remuneration and Nomination Committee meets as often as necessary to fulfil its responsibilities effectively and at least twice a

year. It regularly reports to the Board of Directors on its activities and findings.

At the end of each Board member's term, the committee conducts an evaluation of their performance, assessing factors such as attendance at Board and committee meetings, level of commitment, constructive participation in discussions, and contribution to decision-making. Additionally, it considers whether each Board member's skills and expertise remain aligned with the company's evolving needs.

Based on the results of this evaluation, the Board of Directors takes appropriate action, which may include proposing new Board members, deciding not to reappoint existing members, or implementing other measures to ensure the Board's continued effectiveness.

The Remuneration and Nomination Committee convened 2 times in 2024.

Mr. Stefan Yee	2/2
Mrs. Carolyn Myers	2/2
Mr. Marc Foidart	2/2
Ms. Revital Rattenbach	0/0*

- Ms. Myers was replaced as Directors of the company at the general shareholders meeting of September 30, 2024. Ms. Rattenbach was appointed by same shareholders meeting and therefor was not a member of the Remuneration and Nomination Committee yet when the meetings were held.

Product Selection Committee

At its meeting on February 28, 2024, the Board of Directors established a new Product Selection Committee. The committee is composed of at least two non-executive Board members, along with the Co-CEO's and the COO. The committee has not yet been activated and no members have been appointed yet but the Company intends to evaluate its setup and initiate its activities during the course of 2025.

The Product Selection Committee is responsible for preparing proposals for the Board of Directors regarding the approval of new product candidates. It evaluates potential products, considering key aspects such as:

- Development stage and regulatory pathway
- Costs associated with further development, registration, and commercialization
- Market potential and competitive positioning
- Pricing strategy and expected financial return

The committee meets as needed to effectively fulfill its responsibilities and reports regularly to the Board of Directors, particularly when presenting a new product candidate for approval.

Members of the Product Selection Committee have unrestricted access to the Executive Committee and any other employees necessary to carry out their duties.

Scientific Committee

The Company has not yet formally established a Scientific Committee.

2.5. Executive Committee

The Board of Directors has established an Executive Committee and appointed its members in consultation with the Co-CEO's, based on recommendations from the Remuneration and Nomination Committee. The Executive Committee serves as an advisory body to the Board of Directors and does not constitute a "conseil de direction" / "directieraad" as defined in Article 7:104 of the CCA. The Board prioritizes maintaining a balanced and well-rounded Executive team.

When proposing candidates for the Executive Committee, the selection process carefully considers educational and professional backgrounds, complementary skills, knowledge, and experience, as well as diversity in age, gender, and nationality. While all diversity requirements are met, the gender requirement remains an area for further progress. Members of the Executive Committee come from diverse educational and multidisciplinary professional backgrounds. The 5 members of the committee represent three different nationalities.

As of December 31, 2024, the Executive Committee consisted of the following members:

Mr. Stijn Van Rompay[4],
Co-Chief Executive Officer

Mr. Thomas Jacobsen[5],
Co- Chief Executive Officer & Chief Business Development Officer

Mr. Dietmar Aichhorn,
Chief Operating Officer

M**r. Christophe Maréchal**[6],
Chief Financial Officer

The Executive Committee generally meets every week. The members of the Executive Committee also meet on an informal basis through conference and video calls every time it is required for its proper functioning.

Stijn Van Rompay

Stijn Van Rompay has over 20 years of experience in leadership positions in the pharmaceutical industry, and is the co-founder and Co-CEO of the Company. Stijn co-founded, and was CEO of, Alter Pharma, a pharmaceutical company focused on the development of complex generics and pharmacy-related products. He was also co-CEO of Uteron Pharma, a company focused on innovative female healthcare products, which was sold to Watson for $305M in 2013. Prior to these positions, Stijn was CFO and afterwards CEO of Docpharma (listed on Euronext Brussels until its acquisition in 2005 by Matrix Laboratories for €218M) a generics and medical device company. He also holds several Non-Executive Director positions in the biotech sector and acts as an advisor to venture capital investors.

Stijn holds a Master in Applied Economics from the University of Antwerp.

Thomas Jacobsen

Thomas Jacobsen has over 20 years of experience in the pharmaceutical industry, with expertise in operational management, business development, licensing, and research and development. He co-founded Alter Pharma and prior to this, he worked with Docpharma, where he focused on out-licensing of Docpharma's products. Thomas started his career in the Scandinavian-based generics company

4 Acting through SVR Management BV.

5 Acting through Jacobsen Management BV.

6 Acting through CMM&C BV.

Alternova, where he was responsible for licensing, product registration and launches.

Thomas holds a master's degree in pharmacy from the University of Copenhagen and a Business Degree from Copenhagen Business School.

Dietmar Aichhorn

Dietmar Aichhorn has more than 20 years of experience in the pharmaceutical industry leading teams in a broad range of functions, including, development, regulatory, clinical development, product launch and logistics of small molecules, biologics and Advanced Therapy Medicinal Products. Before joining Hyloris in October 2020, Dietmar worked in clinical development at Polpharma Biologics and Vira Therapeutics, Innovacell Biotechnology as Head of Development. Dietmar's experience also includes Strategic Planning, M&A and post-merger integration at Mylan and Novartis.

Dietmar holds a degree in chemistry and a degree in economy from Vienna University of Economy and is a lecturer at the Medical University of Innsbruck and the Austrian Medical Association.

Christophe Maréchal

Christophe Maréchal is an experienced executive with a strong background in financial and strategic leadership. With over 30 years of professional experience, he has held senior financial roles across various industries, including pharmaceuticals, EPC, telecommunications, glass manufacturing, and banking. His career includes key positions with major international organizations such as Orange and AGC, and Mithra Pharmaceuticals, providing him with valuable global exposure.

Christophe has expertise in corporate finance, equity fundraising, investor relations, mergers and acquisitions, tax planning, treasury, supply chain optimization, and financial risk management. He has developed and implemented strategies to drive long-term business growth and improve operational and financial performance.

He holds a Master of Business Administration in Commercial Engineering from the University of Liège, Belgium, and has studied econometrics at the Katholieke Universiteit Brabant in Tilburg, Netherlands.

3. Remuneration Report

3.1. Remuneration Policy - General

3.1.1. Introduction

The Remuneration Policy of Hyloris Pharmaceuticals SA has been established in accordance with the Belgian Code of Companies and Associations (BCCA) and the recommendations of the Belgian Corporate Governance Code (Code 2020). This policy has been in effect since January 1, 2021.

The Remuneration Policy applies to all Non-Executive Directors, Executive Directors, and other members of the Executive Committee. Executive Directors are also members of the Executive Committee.

At the time of Board approval, Hyloris did not have any other individuals holding management positions as defined under Article 7:121 of the BCCA.

Our remuneration policy is available on our website here.

3.1.2. Objective of the Hyloris' Remuneration Policy

Our Remuneration Policy is designed to reward contributions that drive the achievement of company objectives and create long-term value for stakeholders. Hyloris aims to remain a competitive market player by benchmarking against appropriate peer groups and incentivizing high-level performance.

The primary objective of the Hyloris Remuneration Policy is to attract, motivate, and retain diverse, highly qualified, and experienced individuals who are essential to achieving our corporate, strategic, and operational goals. We strive to offer competitive remuneration packages that align with market practices in key regions where we compete for top talent. Additionally, the policy ensures fairness and consistency between executive and employee remuneration while effectively managing risks and controlling wage-related costs.

The Board of Directors mandates the Remuneration Committee to assess and evaluate the remuneration packages of Executive Directors, Non-Executive Directors, and employees. The committee consults with the Board and considers comprehensive workforce remuneration data, market research, and industry benchmarks to ensure all employees receive competitive and motivating compensation.

As Hyloris continues to evolve in a dynamic and competitive environment, the Remuneration Policy will be regularly reviewed and updated to maintain alignment with market standards. Any proposed amendments will be subject to approval by the General Shareholders' Meeting. Reflecting our Mission and Values

Our Remuneration Policy is designed to reinforce our mission, identity, and core values. We recognize the intrinsic motivation of our team to contribute to our mission and believe that aligning the interests of our senior leadership team with those of our stakeholders is essential for long-term success.

Our Mission

- We are committed to transforming patients' lives by providing medicines that address unmet medical needs. Achieving this mission requires success across a range of complex and competitive activities, including:
- Discovering, researching, and developing highly innovative pharmaceutical product candidates.
- Establishing and maintaining strategic collaborations with key industry experts worldwide.
- Managing resources efficiently and responsibly to advance our products through regulatory approval.
- Commercializing our products effectively, ensuring that our innovative therapies reach the patients who need them most.

Our Commitment to Talent

We strongly believe that our long-term success depends on our ability to attract and retain top-tier talent—individuals who are deeply committed to executing our business objectives while upholding and promoting our identity and core values.

Our Core Values and Leadership Competencies

Core Values:

- Taking initiative - Problem Solving - Courage - Entrepreneurship - Initiative
- Functional Knowledge and Skills - Communication - Decisiveness - Planning & Organisation
- Teamwork & Orientation - Collaboration - Ambition – Energy
- Service to others - Building trust – Integrity

Leadership Competences:

- Coach/Develop others
- Empower/Delegate others
- Lead change
- Strategically focused

Remuneration Policy Objectives

Our Remuneration Policy is designed to foster long-term success by attracting and retaining top talent while aligning compensation with our strategic goals. This policy enables us to:

- Attract, retain, and motivate top talent by offering market-competitive remuneration packages tailored to the regions in which we operate.
- Drive long-term value creation over short-term gains through a balanced equity-based compensation approach, including ESOP Warrants, as well as short-term and long-term variable remuneration schemes.
- Align variable remuneration for Executive Committee members with challenging short-term goals that directly support our long-term business objectives and core values.

Commitment to Fair & Transparent Compensation

We are committed to ensuring that our remuneration packages are competitive, aligned with market practices, and transparent. We actively engage in open dialogue with stakeholders to continuously enhance the quality and clarity of our disclosures.

Role of the Remuneration & Nomination Committee

Any decision regarding the remuneration of Executive Committee members will be based on a recommendation from the Remuneration and Nomination Committee. The committee will justify its recommendations by assessing the competitiveness, reasonableness, and fairness of proposed compensation, considering:

- The unique talents and expertise of the individual.
- The value they bring to the company.

- Industry benchmarks and market standards.

This approach ensures that our remuneration framework remains equitable, performance-driven, and aligned with our long-term strategic vision.

3.1.3. Deviation from the Remuneration Policy

In exceptional circumstances, the Board of Directors may choose to deviate from specific provisions of this Remuneration Policy if such a deviation is deemed necessary to:

- Protect the company's long-term interests and sustainability.
- Safeguard the company's viability.

Procedural Safeguards for Deviation

If the Board decides to grant remuneration outside the scope of this policy, the following procedural requirements will apply:

Value-Based & Competitive Compensation

Any remuneration granted must be commensurate with the value the individual brings to the company.

It must be competitive within the relevant market(s) where we compete for talent.

For executives, a significant portion of the compensation must be performance-based, linked to specific strategic targets.

Remuneration and Nomination Committee Consultation

The Remuneration and Nomination Committee will be consulted on any proposed deviation before it is approved.

Transparency & Shareholder Oversight

- Any deviations from the policy will be disclosed in the annual remuneration report.
- The report will outline:
  - The rationale for the deviation.
  - The expected duration of the deviation.
- Shareholders will have the opportunity to provide an advisory vote on remuneration practices for the respective year.

By implementing these strict governance measures, we ensure that any deviation from the policy remains exceptional, justified, and transparent, maintaining alignment with our corporate strategy and stakeholder interests.

3.1.4. Changes to the Remuneration Policy

This 2025 remuneration policy is based on the principles of the current (2024) policy and no changes were made.

Hyloris does not anticipate any material changes to this policy in the next two years but will review the Remuneration Policy regularly in order to reflect market conditions and optimize and - as the case may be - improve the objective of the Remuneration Policy to attract, motivate and retain diverse, qualified and expert individuals.

3.2. Remuneration Policy for Non-Executive Directors

The remuneration of Non-Executive Directors will be reviewed and adjusted as necessary through regular benchmarking exercises to ensure that compensation remains fair, competitive, and aligned with market standards. This approach helps to attract, retain, and motivate qualified Non-Executive Directors.

Committee Compensation

Non-Executive Directors who serve on special committees of the Board receive additional fees as compensation for the extra commitment and responsibilities associated with these roles. Those serving on multiple committees—such as the Remuneration Committee and the Audit Committee—will receive appropriate additional compensation for each position.

Approval Process

The Board of Directors submits proposed adjustments to the remuneration of Non-Executive Directors for approval by the shareholders at the Annual Shareholders' Meeting.

Equal Compensation Policy

The Remuneration and Nomination Committee and the Board agree that all Non-Executive Directors—including independent directors under Article 7:87 of the BCCA—should receive equal compensation as outlined below.

Remuneration Structure

Non-Executive Directors receive:

- A fixed annual remuneration for their role on the Board.
- An additional fixed annual remuneration for serving on a Board committee (e.g., Remuneration Committee or Audit Committee).

As of December 31, 2024, the remuneration for Non-Executive Directors is as follows:

Board of Directors Chairperson	Board of Directors Member	Audit Committee Member	Remuneration & Nomination Committee Member	Product Selection Committee Member
€17.5k	€17.5k	€5k	€5k	€7.5k

The Remuneration & Nomination Committee may also propose granting a certain number of shares to align with Principle 7.6 of the Belgian Corporate Governance Code. If such shares are granted, they must be held for at least three years after being awarded and for at least one year after the Board member has left the Board of Directors.

Additional Compensation Guidelines

- Non-Executive Directors do not receive any fringe benefits or variable remuneration

(e.g., performance-related pay such as bonuses).
- Reasonable out-of-pocket expenses (e.g., travel costs) incurred in the course of their duties will be reimbursed.

The mandate of a Non-Executive Director can be revoked at any time ('ad nutum') without entitlement to any indemnity payment. There are no employment or service agreements between the Company and Non-Executive Directors—who are not part of the Executive Management Team—that provide for notice periods or severance compensation.

3.3. Remuneration Policy for Executive Committee members

3.3.1. Introduction

Hyloris aims to provide market-competitive compensation to attract, retain, and motivate highly qualified professionals, while ensuring alignment with the scope of their responsibilities.

The remuneration scheme for the Co-Chief Executive Officer (Co-CEO's) and other Executive Committee members is structured to balance short-term operational performance with the long-term goal of creating sustainable value, while also considering the interests of all stakeholders.

This scheme consists of:

- A fixed component: an annual base salary paid in cash.
- A variable component:
  - Short-term variable remuneration: a cash bonus tied to performance.
  - Long-term variable remuneration: as from January 1, 2025, a retention bonus based on the achievement of specific EBITDA targets.
- Equity-based incentives: Executive Committee members may receive ESOP Warrants as part of their long-term compensation.

Article 7:91 of the BCCA reads: "Unless otherwise provided for in the articles of association or expressly approved by the shareholders' meeting, at least one-quarter of the variable remuneration of an executive director in a public-listed company must be based on predetermined and objectively measurable performance criteria over a period of at least two years, and another quarter must be based on predetermined and objectively measurable criteria over a period of at least three years."

Hyloris has exercised its right to deviate from Article 7:91 of the BCCA through its Articles of Association. Additionally, Article 7:91 states that its principles do not apply when the variable portion of remuneration does not exceed 25% of the total annual remuneration. As a result, the specific rules on variable remuneration outlined in Article 7:91 do not apply to Hyloris.

Furthermore, the Board of Directors retains the discretion to adjust the total variable remuneration—either upward or downward—to ensure that the compensation remains fair and reasonable. This includes the flexibility to grant variable remuneration even if performance targets were not fully met, particularly in cases where unforeseen external circumstances hindered target achievement.

Conversely, in cases of significant overachievement, the Board of Directors may decide to increase variable remuneration to accurately reflect the individual's exceptional contribution to the Company.

3.3.2. Fixed Remuneration

The fixed annual remuneration consists of a cash fee, the amount of which is determined by the Board of Directors, based on recommendations from the Remuneration Committee. This fee is paid in monthly installments.

Certain Executive Committee members may receive reimbursements for expenses incurred in the performance of their duties. To ensure that the remuneration remains competitive, fair, and aligned with market practices, Hyloris will regularly conduct external salary benchmarking exercises. This approach helps to attract, retain, and motivate highly qualified professionals with the most suitable expertise and experience.

3.3.3. Short-Term Variable Remuneration

Short-term variable cash incentives are awarded based on the achievement of predetermined performance targets. At the beginning of each financial year, the Board of Directors defines the company's key priorities (Corporate Targets: see note 3.3.5) and establishes specific, challenging performance objectives aligned with these priorities. The Board also determines the relative weight of each target and the metrics used to assess achievement.

Principles for Granting Short-Term Variable Remuneration:

- Performance-Based Compensation – A portion of remuneration is linked to individual performance and Hyloris' overall performance over the past calendar year. This ensures optimal alignment of individual interests with those of Hyloris, its shareholders, and other stakeholders.
- Merit-Driven Approach – Variable remuneration is granted based on individual contributions, assessed through Hyloris' performance-rating system, which evaluates both individual targets (Personal Targets) and company-wide objectives (Corporate Targets).
- Corporate Targets – These include key performance indicators (KPIs) related to Hyloris' research activities (OPS), business development (BD), and financial performance. These targets are designed to drive company growth and long-term value creation for all shareholders (see the Business overview chapter).

Short-Term Variable Remuneration Structure

1. Executive Committee Members (excluding the Co-CEO's)

The short-term variable remuneration is divided into two components:

- 60% is based on Personal Targets achieved, reflecting individual contributions.
- 40% is based on the Corporate Targets achieved by Hyloris, ensuring alignment with company-wide performance.

2. Co-Chief Executive Officers (Co-CEO's)

The CEO's short-term variable remuneration also consists of two components:

- 25% is determined by the average achievement of Personal Targets by other Executive Committee members, reinforcing a leadership-driven approach.
- 75% is based on the Corporate Targets achieved by Hyloris, ensuring the Co-CEO's compensation is strongly tied to the company's overall success.

Annual Target Setting and Evaluation Process

Corporate and Personal Targets

- Both Corporate and Personal Targets are established annually.
- The Board of Directors sets the Corporate Targets for all Executive Committee members, considering recommendations from the Remuneration Committee.
- The Co-CEO's Personal Targets are determined by the Board upon the Remuneration Committee's recommendation, which is based on a proposal from the Chairman.
- The Co-CEO sets the Personal Targets for other Executive Committee members.

Short-Term Variable Remuneration Cap

- The total short-term variable remuneration may exceed 25% of an Executive Committee member's total fixed annual remuneration.
- However, the Remuneration and Nomination Committee has currently set this amount at on average at 13% of the total fixed annual remuneration for 2024.

Performance Evaluation and Payout

- Short-term variable remuneration is only paid when targets are met, either wholly or partially.
- Co-CEO's Personal Targets: Evaluated by the Remuneration Committee after the Audit Committee validates the annual financial results. The Board makes the final decision.
- Other Executive Committee Members' Personal Targets: Evaluated by the Co-CEO's, deliberated by the Remuneration Committee, and ultimately decided by the Board.
- Performance is assessed based on a weighted average of the achievement rate of Personal Targets.

Approval and Payment Timeline

- The Board of Directors approves any short-term variable remuneration before payment.
- Typically, during Q1 of the following calendar year, the Board evaluates target achievements and approves payouts.

Payouts are usually processed within the same quarter.

3.3.4. Long-Term Variable Remuneration

A long-term variable remuneration will be rolled out starting January 1, 2025. This long-term variable remuneration scheme will be based on the achievement by the Company of certain pre-set cash-based financial results. For each Member of the Executive Committee, a fixed amount will be paid the first time a tranche of EUR 20 Mio EBITDA (calculated on a recurring basis) will be achieved by the Company and this up to EUR 80 Mio or 4 tranches of EUR 20 Mio. The total amount, if this long-term remuneration would be paid out to all Members of the Executive Committee and the entire senior management team, would be approximately between 1.7 % and 2.7 % of the realized EBITDA, depending on the realized EBITDA-level.

The total target short-term variable remuneration amount for an Executive Committee member (i.e., the sum of the first and second components described above) together with the long-term variable remuneration may exceed 25% of the total fixed annual remuneration of an Executive Committee member.

3.3.5. 2025 Corporate Targets

The 2025 Corporate Targets for Hyloris are defined by the Board of Directors and used as a strong guidance for defining the Personal Targets of the entire Hyloris team

- Operations/R&D: 35%
- Business Development: 30%
- Finance: 20%

- Corporate (including Corporate Governance): 15%

3.3.6. Fringe Benefits

Executive Committee members do not receive any fringe benefits.

3.3.7. Contract Term and Severance Payment

All Executive Committee members provide their services under a Belgian-law-governed management agreement with Hyloris. The terms, notice periods, and severance arrangements are outlined below.

Severance & Dismissal Policy

Hyloris is committed to preventing "pay for failure" by ensuring that severance payments are not granted in cases of serious misconduct or negligence. Specifically:

- No severance payment will be made if an Executive Committee member is dismissed due to seriously culpable or negligent behavior.
- No severance payment will be made if an Executive Committee member resigns voluntarily, except in cases where the resignation is due to serious misconduct or negligence on the part of the Company.

This policy ensures fairness and accountability while aligning with corporate governance best practices.

Mr. Stijn Van Rompay (Co-CEO)

The current services agreement with Mr. Stijn Van Rompay has been entered into between Mr. Van Rompay's Belgian incorporated management company SVR Management BV and the Company effective as from 1 September 2019, for an indefinite period. It can be terminated by both the Company upon six months' notice or payment of compensation equivalent to the fixed remuneration of a three-month period. It can be terminated by SVR Management BV upon three months' notice or payment of compensation equivalent to the fixed remuneration of such three-month period. The agreement also provides for reasons for immediate termination because of a breach by either party (e.g., serious contractual breach, bankruptcy, in- solvency, non-performance of the consultancy services for 25 consecutive days, etc.).

In the event of termination of the services agreement, the agreement provides for a non-compete period (subject to certain exceptions) of 18 months after termination, against a payment of 100% of the fixed fee over such 18 months' period. However, SVR Management BV will not be entitled to this payment if it terminates the services agreement at its own initiative or if the Company terminates the services agreement for breach of contract imputable to SVR Management BV.

Mr. Thomas Jacobsen (Co- CEO & CBDO)

The current services agreement with Mr. Thomas Jacobsen has been entered into between Mr. Thomas Jacobsen's Belgian incorporated management company Jacobsen Management BV and the Company effective as from 1 November 2019, for an indefinite period. It can be terminated by the Company upon six months' notice or payment of compensation equivalent to the fixed remuneration of a three-month period. It can be terminated by Jacobsen Management BV upon three months' notice or payment of compensation equivalent to the fixed remuneration of such a three-month period. The agreement also provides for reasons for immediate termination because of breach of either party (e.g., serious contractual breach, bankruptcy, in- solvency, non-performance of the consultancy services for 25 consecutive days, etc.).

In the event of termination of the services agreement, the agreement provides for a non-compete period of 18 months after termination, against a payment of 100% of the fixed fee over that 18-month period. However, Jacobsen Management BV will not be entitled to this payment if it terminates the services agreement at its own initiative or if the Company terminates the services agreement for breach of contract imputable to Jacobsen Management BV.

Mr. Dietmar Aichhorn (COO)

The current services agreement with Mr. Dietmar Aichhorn has been entered into as from 1 October 2020, for an indefinite period. As from December 2023, the services agreement was transferred to Mr. Aichhorn's management company DDA Management GmbH. During the first 3 years, this services agreement can be terminated by the Company and DDA Management GmbH upon three months' notice or payment of compensation equivalent to the fixed remuneration of a three-month period. After 3 years, it can be terminated by the Company and DDA Management GmbH six months' notice period or payment of compensation equivalent to the fixed remuneration of such a six-month period. The agreement also provides for reasons for immediate termination because of a breach by either party (e.g. serious contractual breach, bankruptcy, insolvency, non-performance of the consultancy services for 25 consecutive days, etc.).

In the event of termination of the services agreement, the agreement provides for a non-compete period of 12 months after termination against a payment of 50% of the fixed fee over such 12 months' period. However, the Company is entitled to waive this non-compete payment if the services agreement is terminated at the initiative of DDA Management GmbH. The non-compete payment will not be due if the Company terminates the services agreement for breach of contract imputable to DDA Management GmbH.

Mr. Christophe Maréchal

The current services agreement with Mr. Christophe Maréchal has been entered into between Mr. Maréchal's Belgian incorporated management company CMM&C BV and the Company effective as from 9 December 2024, for an indefinite period. It can be terminated by the Company upon three months' notice or payment of compensation equivalent to the fixed remuneration of a three-month period. It can be terminated by CMM&C BV upon three months' notice period or payment of compensation equivalent to the fixed remuneration of such a three-month period. The agreement also provides for reasons for immediate termination because of a breach by either party (e.g. serious contractual breach, bankruptcy, insolvency, non-performance of the consultancy services for 25 consecutive days, etc.).

In the event of termination of the services agreement, the agreement provides for a non-compete period of 12 months after termination against a payment of 50% of the fixed fee over such 12 months' period. However, CMM&C BV will not be entitled to this payment if it terminates the services agreement at its own initiative or if the Company terminates the services agreement for breach of contract imputable to CMM&C BV.

3.3.8. Evolution of the Evaluation & Performance of Hyloris

	2021	2022	2023	2024
Remuneration of Excom Members [1]	€903K	€1.091K	€1,123K	€1,092K [2]
Remuneration of (Co-)CEO's [3]	€210K	€208K	€213K	€327K
Net profit	€(11,6)M	€(11,9)M	€(15,4)M	€(6,3)M
Average remuneration of employees [4]	€108K	€127K	€108K	€102K

(1): Includes the remuneration of the former CFO & CLO until their respective dates of resignation from the Excom
(2): Excludes any potential variable or exit payment to the former CFO & CLO
(3): As from the end of July 2024, the company appointed 2 Co-CEO's.
(4) Including consultants with a service agreement

3.3.9. Warrants and Other Share-Convertible Securities

Upon recruiting new Executive Committee members, the board of directors may decide to make an additional one-time sign-on grant of equity incentives if the board of directors deems this necessary to attract a specific highly qualified individual.

The Board of Directors may decide to grant the members of the Executive Committee new (annual) grants of equity incentives, consisting of Warrants. Equity incentives will always be subject to a multi-year vesting scheme. As a result, the overall value for the members of the Executive Committee will be directly related to the value created for the Company's shareholders over the course of the vesting period. Vesting is subject to the Executive Committee members' continued involvement with the Company.

The members of the Executive Committee (as well as other colleagues of Hyloris) can be granted Warrants or other instruments that allow the holder to acquire shares through schemes that need to be pre-approved by the annual Shareholder's Meeting.

Article 7:91, first paragraph of the BCCA states that a director—within three years from the date of the grant—may not definitively acquire shares by way of remuneration or exercise share options or any other right to acquire shares. The company's articles of association may deviate from this rule. Article 3 of the Articles of Association of Hyloris explicitly allows the Board to deviate from this rule when proposing the variable remuneration scheme. In any event, the ESOP warrants can only be exercised as from the 4th year following the year of the offer. No lock-up period applies to any shares acquired after the exercise of such ESOP warrants.

On the date of this Annual Report, a total of 195.000 ESOP (2025) warrants was granted to and accepted by the members of the Executive Committee. (see: 7.2.2. Summary of the Outstanding Warrant Plans).

3.4. Minimum Shareholding

No minimum threshold has been set for shares to be held by the Members of the Executive Committee, as the remuneration package for the Executive Committee is already sufficiently geared towards sustainable long-term value creation and, moreover, because two of the 4 Members of the Executive Committee already hold a significant block of shares in the Company as co-founder of the Company.

3.5. Clawback

No specific claw-back rights have been provided to the benefit of the Company in respect of variable remuneration granted to the members of the Executive Management allowing the Company to partially or fully claim back any variable cash compensation paid to the members of the Executive Management, based on incorrect information about meeting the performance targets on which the variable remuneration is based, or about the circumstances on which the variable remuneration was made dependent, or if such incorrect information was also due to fraud on the part of the beneficiary.

The Company believes that there are sufficient contractual rights and rights under common law available that allow it to claim back such amounts. In any event, over the past 4 years, since its initial listing on Euronext Brussels, there have been no circumstances that would have given rise to a full or partial claw-back of the variable remuneration of any of the members of the Executive Committee, if such claw back provisions would have been provided.

3.6. Pension Scheme

Hyloris does not have a complementary pension scheme for any Non-Executive Director or any Executive Committee member.

3.7. Remuneration

3.7.1. Remuneration of Non-Executive Directors

The remuneration package for the Non-Executive Directors was revised and approved by the Shareholders' Meeting of the Company held on June 11, 2024 and consists of a fixed annual fee of €17,500 for the Non-Executive Directors and €5,000 for the members of the various Committees.

Any changes to these fees will be submitted to the Shareholders' Meeting for approval. The Executive Directors will not receive any specific remuneration in consideration for their membership of the Board of Directors.

For the remuneration of the Independent Directors in 2024, the total remuneration amounted to €112 thousand. The table below provides an overview of the remuneration of the Non- Executive Directors*.

Name	**Remuneration**
Mr. Stefan Yee	€23,750
Mr. Leon Van Rompay[7]	€13,750
Mr. Marc Foidart[8]	€23,750
Mrs. Carolyn Myers	€13,125
Mr. James Gale	€13,125
Mr. Chris Buyse	€13,125
Ms. Revital Rattenbach	€5,625
Mr. Vincent Van Dessel	€5,625

- Ms. Myers, Mr. Gale and Mr. Buyse were replaced as Directors of the company at the general shareholders meeting of September 30, 2024. Mr. Van Dessel and Ms. Rattenbach were appointed by same shareholders meeting.

The table below provides an overview of significant positions of warrants held directly or indirectly by the Non-Executive Members of the Board of Directors on December 31, 2024.

Warrants[9]		
Name	Number	%
Mr. Stefan Yee	0*	0%
Mr. Leon Van Rompay	0	0%
Mr. Marc Foidart	0	0%
Mrs. Carolyn Myers	0	0%
Mr. James Gale	0	0%
Mr. Chris Buyse	0	0%
Ms. Revital Rattenbach	0	0%
Mr. Vincent Van Dessel	0	0%

- Mr. Yee held 100,000 ESOP 2019 warrants that have expired on December 31, 2024, without being exercised

The Non-Executive Members of the Board of Directors do not hold any shares in the Company.

[7] Acting through Van Rompay Management BV
[8] Acting through Noshaq Partners SCRL
[9] Calculated as % of all outstanding warrants (309,313 warrants outstanding as at December 31, 2024, not taking into account the warrants of the 2019 ESOP Warrant plan that expired on December 31, 2024)

3.7.2. Remuneration of Executive Directors and Members of the Executive Committee

The remuneration package for the members of the Executive Management consists of a fixed cash compensation and a variable cash incentive. A one-time equity incentive was granted to some of the members of the Executive Management at the time of their hiring and may be granted in the future upon proposal of the remuneration committee and approval of the Board of Directors.

In 2024, the following remuneration and compensation was paid or accrued to the Co-CEO's (i.e., Mr. Stijn Van Rompay and Mr. Thomas Jacobsen) and the other members (including the former CFO &CLO until their respective dates of resignation from the Excom) of the Executive Management of Hyloris:

	Co-CEO's (2)	**Other members of the Executive management**
Annual base salary	€282,099	€738,302
Annual variable salary (1)	€45,199	€26,407
Supplementary pension plan (defined contribution)	n.a.	n.a.
Car lease / transport allowance	n.a.	n.a.
Medical plan	n.a.	n.a.

(1): Excludes any potential variable or exit payment to the former CFO & CLO
(2): As from the end of July, 2024, the company appointed 2 Co-CEO's.

The 2024 ratio between the highest remuneration of the members of the Executive Committee and the lowest remuneration (in full-time equivalent) of Hyloris' employees amounted to 7-to-1.

The ratio is calculated based on the lowest FTE pay per 31 December 2024, excluding trainees and internships. The remuneration which has been taken into account in this exercise includes the annual base salary, annual cash bonus and (if any) exceptional bonus; annual cash bonus is included in the year upon which performance is based and not in the year in which it is paid. Share options (warrants) are excluded from the calculations.

For an overview of significant positions of warrants held directly or indirectly by the Executive Committee Members on December 31, 2024: see 2.2.

3.8. Appraisals

3.8.1. Board of Directors and Committees of the Board of Directors

The Board is responsible for a periodic assessment of its own effectiveness to ensure continuous improvement in the governance of the Company. The contribution of each director is evaluated periodically. The Chairman of the Board and the performance of his role within the Board are also carefully evaluated. Furthermore, the Board will assess the operation of the Committees at least every two to three years. For this assessment, the results of the individual evaluation of the Directors are taken into consideration.

The Non-Executive Directors continuously (and formally once a year) assess their interaction with the Executive Directors and the Executive Committee and reflect on how to streamline the interactions between both the Non-Executive Directors and Executive.

The Board may request the Remuneration Committee, where appropriate and if necessary, in consultation with external experts, to submit a report commenting on the strengths and weaknesses to the Board and make proposals to appoint new Directors or to not re-elect Directors. A Director who did not attend 50% of the Board meetings will not be considered for re-election on the occasion of the renewal of the mandate.

The evaluation of the operation of the Board of Directors in terms of its scope, composition, operation, and that of its Committees, as well as of its interaction with the Executive Committee, took place on April 23, 2025 under the leadership of the Chairman of the Board of Directors. This evaluation resulted in a positive assessment and also indicated a few recommendations to improve the performance of the Board of Directors, of the Executive Committee and of its interaction between the Board of Directors and the Executive Committee.

3.8.2. Executive Committee

The Co- CEO's and the Remuneration Committee formally assess the operation as well as the performance of the Executive Committee annually. The evaluation of the Executive Committee occurs in the context of determining the variable remuneration of the Executive Committee members.

The performance-rating system of Hyloris for the achievement of the Personal Targets of each Member of the Executive Committee is based on a formal HR evaluation process with a scoring (from 1 to 6, whereby a rating of 6 reflects a 100 % achievement of the target) given by the Co-CEO's. For the Co-CEO's, the performance rating for the achievement of his Personal Targets is based on the average of the Personal Targets achieved by the other members of the Executive Committee. The achievement of the Corporate Targets is assessed by the Chairman of the Board. In accordance with the relevant Corporate Governance principles, the Remuneration Committee assesses the performance ratings and contributions of the Co-CEO's and the other members of the Executive Management for both the Personal and Corporate Targets. Finally, and after validation by the Remuneration and Nomination Committee, the performance rating is submitted for approval to the Board of Directors. For the performance rating over calendar year 2024, the Remuneration and Nomination Committee made its assessment and recommendation on April 23, 2025.

The Board of Directors has taken note of the positive assessment by the Remuneration and Nomination Committee and determined that the corporate objectives for 2024, which were aimed at supporting the company's long-term

performance, had been achieved at a rate of 60%. The variable remuneration for 2024 also considered the contributions of the members of the Executive Committee toward these achievements and their individual targets that were assessed at an average of 83.17%. The Board of Directors approved the recommendations of the Remuneration and Nomination Committee on April 23, 2025.

4. Internal control and Risk Management Systems

4.1. Internal Mechanism

The Board of Directors, the Audit Committee and the Executive Committee are responsible for measuring business risks and the effectiveness of the internal control and risk management systems.

The Executive Committee has set-up internal risk management and control systems within the Company to assure the realisation of the company objectives, the reliability of financial information and reporting, the adherence to applicable laws and regulations and the monitoring and management of the internal and external impact of the risks identified.

The Board of Directors has delegated an active role to the Audit Committee to monitor the design, implementation and execution of these internal risk management and control systems. The Audit Committee assists the Board of Directors in respect of control issues in general and acts as the interface between the Board of Directors and the external auditors of the Company.

No internal audit role has currently been assigned due the size of the business. Internal audit activities may be outsourced from time to time whereby the Audit Committee will determine frequency of these audits and select topics to be addressed.

4.2. Risk Analysis

A potential investor should carefully consider the following risk factors and all other information contained in the annual report before making an investment decision regarding the Company's shares. If any of these risks would occur, the business, financial condition or results of operations of the Company would likely be materially and/or adversely affected. In such case, the price of the shares could decline, and an investor could lose all or part of the investment. These include but are not limited to:

4.2.1. Risks Related to Hyloris' Business Activities

Hyloris has a limited operating history and has not yet generated any substantial revenues.

Hyloris has incurred operating losses, negative operating cash flows and an accumulated loss since inception and Hyloris may not be able to achieve or subsequently maintain profitability. Hyloris is executing its strategy in accordance with its business model, the viability of which has not been demonstrated.

Hyloris performance depends primarily on the success of its product candidates, a majority of which are in the early reformulation and clinical development stage and have not yet received regulatory approval.

Even if Hyloris, or its partners, receive regulatory approval for any of its product candidates, it may be unable to launch the product successfully and the revenue that Hyloris generates from sales of such product, if any, may be limited. Even if Hyloris obtains approval for any of its product candidates, it will be subject to ongoing obligations and continued regulatory review, which may result in significant unforeseen additional expense.

Despite receiving regulatory approval for a product candidate, competitors may receive regulatory approval for a product that is identical or substantially the same as one of Hyloris' product candidates, which may prevent Hyloris from commercializing its product candidates in accordance with its business plan or result in significant delays in doing so.

Hyloris is planning to organize its sales and marketing functions to execute its commercial strategy with respect to its IV Cardiovascular Portfolio in the U. S. and to secure suitable sales and marketing partners for its other products. If Hyloris is unable to do so, it may not successfully commercialize any of its product candidates.

Certain of Hyloris' Directors and members of Hyloris' Executive Committee hold directorships or shareholdings in other pharmaceutical companies, which could create potential conflicts of interest.

Hyloris may be unable to successfully manage its growth.

4.2.2. Risks Related to the Pharmaceutical Industry

Regulatory Risk

The pharmaceutical industry is highly regulated, and our business is subject to a wide range of complex and evolving laws and regulations. These include regulations related to drug approval, manufacturing practices, marketing, sales, and post-market surveillance. Changes in regulatory requirements or delays in the approval of our products by regulatory agencies such as the European Medicines Agency (EMA) or other global authorities could negatively impact our ability to market and sell our products. Failure to comply with regulatory standards or the imposition of new regulations could result in fines, sanctions, or restrictions on our operations.

Clinical Trial and Development Risk

The development of new pharmaceutical products is a long, costly, and uncertain process. Clinical trials may fail to demonstrate the safety or efficacy of a drug, and there is no guarantee that our drug candidates will successfully complete clinical trials or receive regulatory approval. Negative results from clinical trials or delays in meeting trial milestones could adversely affect our financial performance and market prospects. Any termination or suspension of, or delays in the commencement or completion of, any necessary clinical trials in respect to any of Hyloris' product candidates, including because of Hyloris' reliance on third parties to conduct such clinical trials, could result in increased costs to Hyloris, delay or limit its ability to generate revenue and adversely affect Hyloris' commercial prospects.

Market Risk and Competition

The pharmaceutical industry is highly competitive, with numerous companies and organizations pursuing similar therapeutic targets. Existing and potential competitors may develop or market products that are more effective, safer, or more cost-efficient than our own, potentially limiting our market share. Additionally, the entry of generic versions of our patented products following patent expiry or other factors could lead to significant revenue loss.

Intellectual Property Risk

Our business is dependent on the protection of intellectual property, including patents, trademarks, and trade secrets. There is a risk that our intellectual property rights may not be adequately protected or enforced, or that competitors may challenge our patents or design around our technology. Additionally, the expiration of patents could result in increased competition from generic manufacturers, which may negatively impact our financial performance, prospects and revenue.

Economic and Financial Risk

Our business is subject to macroeconomic factors, including changes in healthcare spending, currency fluctuations, inflation, and interest rates. Adverse economic conditions could result in reduced demand for our products, delayed payments, or challenges in obtaining financing. Additionally, our reliance on third-party suppliers, contractors, and co-development partners exposes us to financial risks if any of these parties experience financial difficulties or fail to meet their obligations.

Supply Chain Risk

We depend on third-party suppliers for the production of raw materials, active pharmaceutical ingredients (APIs), and finished products. Disruptions in the supply chain, whether due to natural disasters, geopolitical events, labor strikes, or other factors, could lead to delays in production, shortages of critical materials, or increased costs, which could adversely affect our ability to manufacture and deliver products on time. Commercialization of Hyloris' product candidates could be delayed, halted, or made less profitable if those third parties fail to obtain and maintain the required approvals from the FDA or comparable foreign regulatory authorities, or otherwise fail to provide Hyloris with sufficient quantities of its products.

Pricing and Reimbursement Risk

Hyloris' ability to successfully market its product candidates will depend in part on the level of reimbursement that healthcare organizations, including government health administration authorities, private health coverage insurers and other healthcare payors, provide for the cost of Hyloris' products and related treatments. Our revenues may be affected by changes in healthcare policies, reimbursement rates, and pricing regulations. Governments and private insurers may implement pricing controls or reductions in reimbursement rates for pharmaceutical products, which could adversely impact our revenue streams. Additionally, negative public perception of drug pricing or pressure from governments and consumers could result in reputational harm and decreased sales.

Legal and Litigation Risk

The pharmaceutical industry is subject to a high risk of litigation, including claims related to product liability, intellectual property, and antitrust matters. Any adverse outcomes in such proceedings could result in significant legal costs, damages, or reputational harm, which could have a material negative impact on our financial results and operations.

Environmental, Social, and Governance (ESG) Risk

Changes in environmental, social, and governance (ESG) standards or societal expectations could affect our operations. Failure to comply with emerging ESG regulations or adapt to shifting consumer preferences for more sustainable, ethical, and socially responsible practices could negatively impact our reputation, operations, and financial performance.

Cybersecurity and Data Protection Risk

As a pharmaceutical company, we handle sensitive data related to patient health, clinical trials, and proprietary research. The risk of cybersecurity breaches, data leaks, or other technological disruptions could result in the loss of confidential information, regulatory penalties, and reputational damage. Additionally, failure to comply with data protection regulations, such as the General Data Protection Regulation (GDPR), could expose us to fines and legal action.

4.2.3. Macroeconomic Conditions and Rising Interest Rates

As an international pharmaceutical company, we are exposed to risks associated with currency fluctuations, foreign exchange rates, and geopolitical instability. These factors may affect the profitability of our operations, particularly in countries outside of the Eurozone, and could impact our ability to conduct business smoothly in certain regions.

The Company acknowledges that the global macroeconomic environment has experienced significant volatility in recent years, driven by factors such as inflationary pressures, fluctuating commodity prices, and shifts in consumer and business confidence. Additionally, central banks worldwide, including the European Central Bank and the U.S. Federal Reserve, have raised interest rates in response to inflation concerns. Rising interest rates could made drug development more expensive. For Hyloris, the impact of increased costs in a rising rate environment could partially be offset by a positive effect resulting from the Company's significant cash position which should generate additional deposit income. The company was free of financial debt at the end of 2024 and has limited exposure to exchange rates with non-European countries.

While the Company continues to monitor these developments closely, rising interest rates may lead to increased borrowing costs, reduced consumer spending, and changes in investment patterns, which could affect the Company's financial performance. Additionally, higher interest rates may impact the valuation of assets, exchange rates, and the overall cost structure of the Company's operations.

The Company is also aware of the potential long-term implications of these macroeconomic trends, including the possibility of slower economic growth, changes in demand for healthcare products, and evolving regulatory responses to address inflation and economic instability. As the situation remains dynamic and uncertain, it is difficult to fully assess the potential impact of these macroeconomic factors on the Company's future business performance.

4.2.4. Dependency on Third-Party Co-Development Partners

Hyloris' business is dependent on the continuous generation of new ideas and the development of new product candidates to stay ahead of the competition. Hyloris relies and expects to continue to rely in large part on the know-how of its development partners with respect to the current portfolio. Hyloris expects to be less reliable from external partners in the future for the development and expansion of its portfolio.

Our company frequently enters into collaborations with third-party co-development

partners to advance the research, development, and commercialization of pharmaceutical products. These partnerships are essential to our strategy, enabling us to leverage external expertise, resources, and technologies. However, such collaborations expose us to a variety of risks, including:

- **Operational Risk**: The success of our co-development efforts is highly dependent on the performance and capabilities of our third-party partners. If any partner fails to meet agreed-upon milestones, experience delays, or encounters technical or regulatory setbacks, it could result in a delay or failure to bring products to market.
- **Intellectual Property Risk**: Co-development agreements may involve sharing proprietary intellectual property, which could expose our company to the risk of intellectual property disputes, misuse, or challenges to the ownership and protection of our innovations.
- **Financial Risk**: Payments to third-party partners, as well as potential revenue-sharing agreements, could impact our financial results. Moreover, if a co-development partner experiences financial difficulties or fails to fulfill its obligations, our ability to recoup investments or generate expected returns may be compromised.
- **Regulatory Risk**: Co-development partners may not fully adhere to regulatory standards or fail to navigate complex regulatory environments effectively. This could result in delays in clinical trials, product approvals, or market access, which in turn could adversely affect our business and reputation.
- **Strategic Risk**: If a partner decides to alter its strategic focus, withdraw from the partnership, or pursue alternative projects, we may lose critical resources, expertise, or momentum in our development programs.

To mitigate these risks, we carefully select our co-development partners, negotiate detailed contracts that clearly outline each party's responsibilities, and monitor progress closely. However, despite these precautions, the risks associated with third-party partnerships remain a significant consideration for our business.

In addition, Hyloris depends on the execution of its partners AltaThera, AFT Pharmaceuticals, and Padagis for successful roll-out and commercialization of its three commercial products, Sotalol IV, Maxigesic® IV, and Podofilox Gel respectively. Additionally, Hyloris' product candidates could be subject to labelling and other marketing re- strictions and withdrawal from the market and Hyloris may be subject to penalties if it fails to comply with regulatory requirements or if it experiences unanticipated problems with its product candidates.

4.2.5. Political and Economic Uncertainty in the United States

The ongoing political and economic uncertainties in the United States present significant risks that may adversely affect our business operations, financial performance, and growth prospects. Political volatility, including changes in government policies, regulations, or trade relationships, as well as economic challenges such as inflation, fluctuations in interest rates, or shifts in consumer spending, could lead to unpredictable market conditions.

In particular, healthcare and pharmaceutical policy changes at the federal level, including potential alterations to drug pricing regulations, reimbursement models, and approval processes, could have a direct impact on our ability to operate effectively within the U.S. market. Additionally, the U.S. economy's cyclical nature, combined with the possibility of an economic

downturn, may result in reduced demand for certain products, delays in capital investments, or disruptions in supply chains, particularly in the context of global trade tensions.

The increasing political polarization in the U.S. and its potential to affect international relations could also pose risks to our operations, especially in the realm of regulatory compliance, tariffs, and cross-border trade. While we continue to monitor developments closely, any significant changes in U.S. policies, whether through legislation, executive actions, or shifts in political leadership, could have material adverse effects on our ability to execute our strategic initiatives and achieve our financial objectives.

Given our exposure to the U.S. market, we caution that developments in this environment may lead to increased operational complexity, regulatory costs, and unpredictability, which could negatively impact our business.

4.2.6. Geopolitical Risks Related to the Russia-Ukraine Conflict

The ongoing conflict between Russia and Ukraine, which began in February 2022, has created significant geopolitical and economic uncertainty. The evolving nature of the conflict, along with the potential for further escalation, may impact global supply chains, regulatory environments, and market conditions in ways that cannot be fully predicted or controlled.

The Company recognizes that the conflict could result in disruptions to operations, including delays in the production and distribution of pharmaceutical products, as well as potential impacts on raw material availability, transportation, and financial markets. Additionally, the Company is aware of the broader economic consequences, such as inflationary pressures and currency fluctuations, which could affect business performance.

Although the Company continues to monitor the situation closely and adjust its strategies accordingly, it is important to note that the full scope and duration of the conflict remain uncertain, and any further developments may have material adverse effects on the Company's financial position, results of operations, and future prospects.

4.2.7. Health Crisis or Geo-Political Instability

The occurrence of a pandemic, epidemic, other health crisis or geo-political imbalance could have a negative impact on Hyloris' product development activities, including its access to APIs, the conduct of its clinical trials and its ability to source required funding, which could delay or prevent it from executing its strategy as planned.

4.2.8. Risks Related to the Shares

The market price of the shares might be affected by a variety of factors outside management control, such as the global economic situation, the competition, sector M&A and it is difficult to mitigate the risk.

If equity research analysts do not publish research reports on Hyloris, or if they change their recommendations regarding the shares in an adverse way, the market price of the shares may fall, and the trading volume may decline.

Future sell-off of substantial amounts of shares, or the perception that such sell-off may occur, could adversely affect the market value of the shares.

4.3. Controls, Supervision and Corrective Actions

4.3.1. External Control

At the Company's Shareholders' Meeting held on June 14, 2022, KPMG Réviseurs d'Entreprises BV/SRL has been appointed as statutory auditor of the Company for a period of three years. The mandate will expire at the end of the general meeting called to approve the accounts for the 2024 financial year. KPMG Réviseurs d'Entreprises SRL has appointed Tanguy Legein, réviseur d'entreprises, as permanent representative.

In 2024, a total amount of 104 K€ for audit fees was paid to the statutory auditor and its network, and 7k € for audit related engagements (legal assignments). No tax services were performed by KPMG during 2024.

It will be proposed to the Company's Shareholders' Meeting held on June 10, 2025 to appoint BDO Réviseurs d'Entreprises BV/SRL as statutory auditor of the Company for a period of three years. The mandate will expire at the end of the general meeting called to approve the accounts for the 2027 financial year. BDO Réviseurs d'Entreprises SRL shall appoint Mr. Christophe Pelzer, réviseur d'entreprises, as its permanent representative.

4.3.2. Internal Control

Supervision and monitoring of the operations of the Company is done on a permanent basis at all levels within the Company.

The Executive Committee develops a long-term financial plan (5-year business plan) incorporating the Company strategy. This plan is monitored on a regular basis and updated twice a year to keep it in line with the strategy plans. The Executive Committee also develops an annual budget which is approved by the Board and which is closely monitored during the year. Management reporting is prepared monthly, which details the variances between the actuals and the budget.

Internal control activities are performed by the Finance Department related to accounting and financial information and by all persons in charge for all matters related to the operational activities of the company. When deviations are identified, there are reported to the head of department. As of the date of this report there is not yet a dedicated Internal Audit Function, function is supported by the Finance Department.

In order to properly manage identified risks, the Company has set up the following procedures and reporting processes:

- a budgeting process has been installed with a strong involvement of all departments of the Company which provide a more accurate forecast of the spending on a more granular level;
- the company has developed procedures relating to various business processes (procurement, payroll, IT, investments, cash management);

    - the company has developed procedures in the following cycles: expenditures, payroll, IT, cash management and books closing and reporting;
    - the company has developed a monthly reporting tool which allows a close monitoring of the financial information. The company has a monthly reporting of the actual spending;

- information systems have been developed to assist the company and are constantly being adjusted to meet new needs as they arise;
- external financial reports are produced twice a year (half year reports ended 30 June and full year reports ended 31 December);
- half-year and full-year reporting are discussed by the audit committee and all critical accounting issues and financial uncertainties are reported and discussed.

The Executive Committee supervises the implementation of internal controls and risk management, considering the recommendations of the Audit Committee.

The Executive Committee is also in charge of proposing the Audit Committee corrective actions when identified.

In 2024, the Company made the following improvements in its internal processes:

- Enterprise resource ERP (Business Central) was further developed to improve controls and reporting;
- the internal budgeting and forecasting process was further improved;
- improvements were made to the handling of payroll and consultants transactions and payments;
- credit risk reporting and committee have been developed and take place on a regular basis;

The Board of Directors has formally engaged a leading legal firm with recognized expertise in corporate governance and regulatory compliance to conduct a comprehensive review of the Company's existing governance and compliance frameworks. The objective of this engagement is to assess current practices and policies, and to formulate recommendations aimed at aligning them with prevailing best practices for listed entities, the applicable provisions of the Financial Services and Markets Authority (FSMA), and the commitments previously communicated to the market following the conclusion of the 2024 forensic investigation. The scope of this review will also include recommendations regarding the role and structure of the internal audit function within the Company.

The Company has not received any updates regarding the FSMA's review or any related matters concerning the QliniQ transactions since September 2024.

5. Market abuse regulations

To prevent insider trading and market manipulation, as required by the Market Abuse Regulation, we have a Dealing Code available on our website. This code outlines the rules for directors and executives when buying or selling our company's shares and other financial instruments. It restricts their trading activity to specific periods and requires them to declare their transactions.

Our Governance Charter also has safeguards to prevent the misuse of confidential information by anyone with access, including directors, shareholders, managers, and employees. While insiders may receive this information for their work, they are strictly prohibited from trading our company's related financial instruments.

We maintain a comprehensive insider list, which includes all current and past employees or associates who have (or had) access to confidential information. This list is regularly updated and provided to the Financial Services and Markets Authority (FSMA) upon their request.

6. Conflicts of interest and related parties

6.1. Conflicts of Interest

In the interest of fair and impartial decision-making, Belgian law (Article 7:96 of the Companies and Associations Code) requires directors to disclose any potential conflicts of interest arising from their personal financial holdings.

In such cases, directors must inform the board chair immediately. Conflicts can involve personal finances, family ties (up to second-degree relatives), or other outside activities. When a conflict arises, the director cannot participate in discussions or votes on that specific issue.

Hyloris has additional internal rules to manage potential conflicts beyond the legal requirements. These include situations where a close relative of a director or executive has a financial stake that conflicts with the company's decisions, or if the director/executive holds a position in another company with conflicting interests.

If a board member encounters such a conflict, they must inform the board at the meeting's start. The board then decides if the member can participate in the discussion and vote on the matter. The board meeting minutes will document how the situation was handled, but these details won't be made public.

For executive management conflicts, the issue is presented to the board for a decision.

Currently, no conflicts of interest exist among directors or executives that haven't been disclosed to the board. In any past instances, Hyloris has followed the legal procedures outlined in Article 7:96

6.2. Related Party Transactions

Hyloris adheres to a comprehensive procedure established to safeguard the integrity of decisions involving related parties, as defined by International Accounting Standard 24 (IAS 24) as adopted by the European Union. This procedure, mandated by Article 7:97 of the Belgian Companies and Associations Code (CCA), applies to all material transactions where a potential conflict of interest could arise between the Company and a related party.

To ensure objectivity, an independent committee comprised of three directors meticulously reviews such transactions. This committee issues a written and reasoned opinion to the Board of Directors, addressing the elements outlined in Article 7:97, Section 3.2 of the CCA. Notably, the Board is precluded from approving a transaction if a director with a conflict of interest is involved.

In such instances, or if all directors are conflicted, the proposed transaction is submitted for approval to the General Shareholders' Meeting. Following shareholder approval, the Board may then execute the transaction. The Board is obligated to document its adherence to this procedure within the meeting minutes, with

justifications provided for any deviations from the committee's opinion.

Furthermore, the statutory auditor verifies the financial and accounting information documented within the Board minutes and the committee's opinion for material inconsistencies, based on the information available within the scope of their audit. This auditor's opinion is then attached to the Board minutes.

In accordance with Article 7:97, Section 4.1 of the CCA, the Company publicly discloses all decisions or transactions falling under this procedure.

It's important to note that this procedure is not applicable to routine transactions conducted at market rates, transactions with a value less than 1% of the Company's consolidated net assets, decisions regarding director or executive committee remuneration, acquisitions or disposals of own shares, interim dividend payments, or capital increases authorized under the existing share capital without limitations or cancellation of existing shareholder preferential subscription rights.

6.2.1. Transactions with Related Parties

The Board of Directors of Hyloris has not applied the procedure set forth in Articles 7:96 and 7:97 CCA, in 2023.

6.2.2. Transactions with Affiliates

Article 7:97 of the Belgian Code on Companies and Associations provides for a special procedure which must be followed for transactions with the Company's affiliated companies or subsidiaries. Such a procedure does not apply to decisions or transactions that are entered into the ordinary course of business at usual market conditions or for decisions and transactions whose value does not exceed one percent of the Companies' consolidated net assets.

The Board of Directors of Hyloris has not applied the special procedure set forth in Article 7:97 CCA for transactions with the Company's affiliated companies or subsidiaries, in 2023.

7. Share capital, shares and shareholders

7.1. History of Capital – Capital Increase and Issuance of Shares

7.1.1. Securities Issued by the Company

As of December 31, 2024, the Company's capital amounted to €140,001.87 (excluding issue premium) represented by 28,000,374 ordinary shares without nominal value.

The Company created four stock option plans under which warrants were granted to employees, directors, consultants and shareholders of the Company and its subsidiaries: the transaction warrants in May 2017 and three ESOP Warrants plans in December 2019, December 2020, and June 2022. The 2019 ESOP Warrant plan expired on December 31, 2024 without any warrants being exercised. See Note 7.2 for additional information. A new 2025 ESOP Warrants plan has been created by the Company in January 2025 (see Note 29 – Subsequent Events).

7.1.2. History of Capital since IPO

Authorised Capital

In accordance with the Articles of Association, the Extraordinary General Shareholders' meeting of the Company authorised the Board of Directors to increase the share capital of the Company, in one or several times, and under certain conditions set forth in extenso in the articles of association.

On June 11, 2024, the General Meeting of Shareholders decided, in accordance with articles 604 juncto 607, para. 2, 2° of the Belgian Company Code to give, for a period of five years starting on June 11, 2024, the authorisation to the Board of Directors to increase the capital of the Company with a maximum amount of €140,001.87 (excluding issue premium). The General Meeting of Shareholders also decided to give this authorisation to the Board in case of reception by the Company of a communication by the Financial Services and Markets Authority (FSMA) stating that the FSMA has been informed of a public takeover bid regarding the Company, for all public take-over bids notified to the Company three years after June 11, 2024.

Consequently, the Board is therefore authorised to increase the share capital of the Company within the framework of the authorised capital for a maximum amount of €140,001.87 (as of December 31, 2024, excluding issue premium).

7.1.3. Changes in Capital

At any given time, the Shareholders' Meeting can resolve to increase or decrease the share capital of the Company. Such resolution must satisfy the quorum and majority requirements that apply to an amendment of the articles of association.

7.2. Warrants Plans

7.2.1. Warrant Plans Issued

The Company created five warrant plans under which warrants were granted to employees, directors, consultants and shareholders of the Company and its subsidiaries: the transaction warrants in May 2017 (exercised in June 2022) and the ESOP Warrants plans in December 2019 (expired on December 31, 2024), November 2020 and June 2022, as well as a new ESOP Warrant plan issued in January 2025.

7.2.2. Summary of the Outstanding Warrant Plans

ESOP Warrants

On December 31, 2019, the Company approved, in principle, the issue of 90,825 warrants in the context of an employee stock ownership plan, subject to the ESOP Warrants being offered to, and accepted by, the beneficiaries thereof, who must be employees, directors or consultants of the Company and/or its subsidiaries. As a result of the Share Split, each ESOP Warrant was automatically "divided" into four. All of these warrants expired on December 31, 2024 without being exercised.

On November 27, 2020, the Company approved, in principle, the issue of 400,000 warrants in the context of a second employee stock ownership plan, subject to the ESOP Warrants being offered to, and accepted by, the beneficiaries thereof, who must be employees, directors or consultants of the Company and/or its subsidiaries. Under this plan, 185,500 ESOP Warrants are granted and outstanding on 31 December, 2024 and 214,500 ESOP Warrants have lapsed or were cancelled or forfeited.

On June 22, 2022, the Company approved, in principle, the issue of 213,500 ESOP Warrants in the context of a third employee stock ownership plan. Under this plan, 123,813 ESOP Warrants are granted and outstanding on 31 December, 2024 and 89,688 ESOP Warrants have lapsed, were cancelled or forfeited.

On January 20, 2025, the Company approved, in principle, the issue of 650,000 ESOP Warrants in the context of a fourth employee stock ownership plan. Under this 2025 plan, 611,500 ESOP Warrants are currently granted and accepted as of the date of this Annual Report.

All ESOP Warrants have been granted free of charge.

Each ESOP Warrant entitles its holder to subscribe for one new Share at an exercise price determined by the Board of Directors in line with a report on the real value of the underlying Share at the date of the offering of the ESOP Warrants in accordance with article 43, §4, 2° of the Belgian Stock Option Act of March 26, 1999.

The exercise price for the ESOP Warrants is equal (a) to the average closing price of the Company's shares during the thirty (30) days preceding the offer or (b) to the last closing price preceding the day of the offer. It is possible that, when the evolution of the share price is such that such a discount is justified to grant to the beneficiaries of the warrant plan warrants with an exercise price similar to the exercise price of the warrants that others beneficiaries of the warrant plan have acquired and in order to ensure equality between the beneficiaries of the warrant plan as much as possible, that the exercise price of the Stock Option Warrants will be equal to eighty-five percent (85 %) of the average closing price of the Company's shares during the thirty (30) days preceding the offer or (b) at the last closing price preceding the day of the offer (i.e. a maximum discount of fifteen percent (15 %)).

The new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants,

will be ordinary shares representing the capital, of the same class as the then existing Shares, fully paid, with voting rights and without nominal value. They will have the same rights as the then existing Shares and will be profit sharing as from any distribution in respect of which the relevant ex-dividend date falls after the date of their issuance.

The ESOP Warrants shall only be acquired in a final manner ("vested") in cumulative tranches over a period of four years as of the starting date (determined for each beneficiary separately). ESOP Warrants can only be exercised by the relevant holder of such ESOP Warrants, provided that they have effectively vested, as of the beginning of the fourth calendar year following the year in which the Company granted the ESOP Warrants to the holders thereof. As of that time, the ESOP Warrants can be exercised during the first fifteen days of each quarter. However, the terms and conditions of the ESOP Warrants provide that the ESOP Warrants can or must also be exercised, regardless of whether they have vested or not, in several specified cases of accelerated vesting set out in the issue and exercise conditions.

The terms and conditions of the ESOP Warrants contain customary good leaver and bad leaver pro- visions in the event of termination of the professional relationship between the beneficiary and Hyloris. The terms and conditions of the ESOP Warrants also provide that all ESOP Warrants (whether or not vested) will become exercisable during a special exercise period to be organised by the Board in the event of certain liquidity events. These liquidity events include (i) a transfer of all or substantially all Shares of the Company; (ii) a merger, demerger or other corporate restructuring resulting in the share- holders holding the majority of the voting rights in the Company prior to the transaction not holding the majority of the voting rights in the surviving entity after the transaction; (iii) the launch of a public takeover bid on the Shares; and (iv) any action or transaction with substantially the same economic effect as determined by the Board of Directors.

The table below provides an overview of the shares and warrants held by the members of the Executive Committee at the date of December 31, 2024.

Name	Shares	
	Number	%[10]
Mr. Stijn Van Rompay	7,743,067	27.65%
Mr. Thomas Jacobsen	3,857,838	13.78%
Mr. Christophe Maréchal	0	0%
Mr. Dietmar Aichhorn	32,500	0.12%

Name	ESOP warrants	
	Number[11]	%[12]
Mr. Stijn Van Rompay	0	0%
Mr. Thomas Jacobsen	0	0%
Mr. Christophe Maréchal	0	0%
Dr. Dietmar Aichhorn	40,000	6.38%

10 Calculated as % of total number of voting rights at 31 December 2024 (28,000,374)

11 In the 2025 warrant plan (note 30), the Management team accepted the following number of warrants : Mr. Van Rompay : 45,000 ; Mr. Jacobsen : 30,000 ; Mr. Maréchal : 60,000 ; Mr. Aichorn : 60,000

12 Calculated as % of total number of warrants accepted at the date at 31 December 2024 (627,271)

HYLORIS ESOP SCHEMES

As of the date of this Annual Report, the following warrant schemes (which are called inschrijvingsrechten/ droits de souscription under the BCCA) are still active, of which the details (i.e., conditions for the granting, term, vesting period, exercise) are set out in the following table. The conditions for the granting of these warrants and the vesting period help to align the interests of the Executive Committee members with the longterm interests of Hyloris, its shareholders and other stakeholders.

	ESOP Scheme 2020	ESOP Scheme 2022	ESOP Scheme 2025
Conditions for Granting	Employees, directors or consultants of Hyloris Pharmaceuticals and/or its subsidiaries	Employees, directors or consultants of Hyloris Pharmaceuticals and/or its subsidiaries	Employees, directors or consultants of Hyloris Pharmaceuticals and/or its subsidiaries
Term	10 years	7 years	6 years
Vesting Period	The 2020 plan is subject to services conditions so that it will vest gradually over the next four years (25% after 1 year, and 1/48 for every additional month).	The 2022 plan is subject to services conditions so that it will vest gradually over the next four years (25% after 1 year, and 1/48 for every additional month).	The 2025 plan is subject to services conditions so that it will vest gradually over the next four years (10 after 1 year, 15% after 2 years, 25% after 3 years, 50% after 4 years).
Exercise	Warrants which are definitively acquired (“vested”) may be exercised from the first (1) of January of the fourth (4th) calendar year following that of the Date of the Offer and this, only during the first fortnight. (the first fifteen (15) days) of each quarter. The first fortnight (the first fifteen (15) days) of the last quarter of the validity period of the Stock Option Warrants constitutes the last possible exercise period. Each fiscal period will end on the last business day of the relevant fiscal period.	Warrants which are definitively acquired (“vested”) may be exercised from the first (1) of January of the fourth (4th) calendar year following that of the Date of the Offer and this, only during the first fortnight. (the first fifteen (15) days) of each quarter. The first fortnight (the first fifteen (15) days) of the last quarter of the validity period of the Stock Option Warrants constitutes the last possible exercise period. Each fiscal period will end on the last business day of the relevant fiscal period.	Warrants which are definitively acquired (“vested”) may be exercised from the first (1) of January of the fourth (4th) calendar year following that of the Date of the Offer and this, only during the first fortnight. (the first fifteen (15) days) of each quarter. The first fortnight (the first fifteen (15) days) of the last quarter of the validity period of the Stock Option Warrants constitutes the last possible exercise period. Each fiscal period will end on the last business day of the relevant fiscal period.

7.3. Consequences in Case of a Public Take-Over Bid

The Extraordinary Meeting of Shareholders of June 11, 2024 decided to give the authorisation to the Board to increase the capital of the Company in case of reception by the Company of a communication by the Financial Services and Markets Authority (FSMA) stating that the FSMA has been informed of a public takeover bid regarding the Company, for all public take-over bids notified to the Company three years after June 11, 2024. At the Extraordinary General Meeting of 11 June 2024, the Board of Directors approved the renewal of this authorisation for a period of three years from the date of the Extraordinary General Meeting.

Pursuant to the resolution of the Extraordinary Shareholders' Meeting of June 11, 2024, the Board of Directors of the Company is authorised to acquire and accept in pledge its own Shares without the total number of own Shares, held or accepted in pledge by the Company exceeds 20% of the total number of Shares, for a consideration of at least €1 and at most 30% above the arithmetic average of the closing price of the Company's Share during the last thirty days of stock exchange listing prior to the decision of the Board of Directors to acquire or accept in pledge.

The Board of Directors is furthermore authorised, subject to and with effect as from the completion of the Offering, to acquire or accept in pledge its own Shares where such acquisition or acceptance in pledge is necessary to prevent imminent serious harm to the Company.

The Company may transfer its own Shares in accordance with the Belgian Code of Companies and Associations and article 11 of its Articles of Association. And the Board of Directors of the Company is also authorised to transfer its own Shares to one or more specific persons other than employees.

The authorisations referred to above also apply to the Company, the direct subsidiaries of the Company, insofar as necessary, the indirect subsidiaries of the Company, and, insofar as necessary, every third party acting in its own name but on behalf of those companies.

There are no agreements between shareholders which are known by the Company and may result in restrictions on the transfer of securities and/or the exercise of voting rights.

There are no holders of any shares with special voting rights. Each shareholder is entitled to one vote per share. Voting rights may be suspended as provided in the Company's Articles of Association and the applicable laws and articles.

The Company is not a party to agreements which, upon a change of control of the Company or following a takeover bid can enter into force or, subject to certain conditions can be amended, be terminated by the other parties thereto or give the other parties thereto (or beneficial holders with respect to bonds) a right to an accelerated repayment of outstanding debt obligations of the Company under such agreements.

7.4. Shareholders

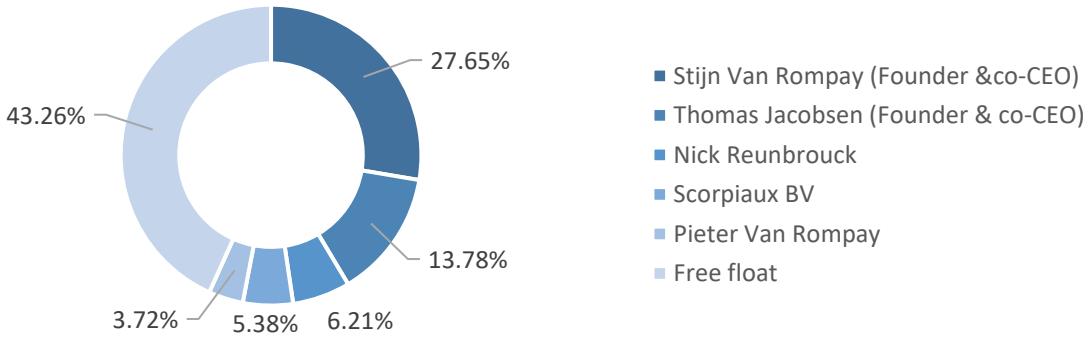
Belgian legislation (the Law of May 2, 2007 on the disclosure of major shareholdings in Companies whose shares are admitted to trading on a regulated market, and the Royal Decree of February 14, 2008 on the disclosure of major shareholdings) imposes disclosure requirements on each natural person or legal entity (including registered business associations without legal personality and trusts) that acquires or transfers, directly or indirectly, (i) securities with voting rights or (the right to exercise) voting rights, (ii) securities granting the right to acquire existing securities with voting rights, or (iii) securities that are referenced to existing securities with voting rights and with economic effect similar to that of the securities referred to in (ii), whether or not they confer a right to a physical settlement, if, as a result of such acquisition or transfer, the total number of voting rights (deemed to be) linked to securities referred to in (i) through (iii)) directly or indirectly held by such natural person or legal entity, acting alone or in concert with others, reaches, rises above or falls below a threshold of 5%, or a multiple of 5%, of the total number of voting rights attached to the securities of the Company.

A notification duty applies also if (a) the voting rights (linked to securities) referred to in (i) or (b) the voting rights deemed to be linked to securities referred to in (ii) and (iii), taken separately, reaches, rises above or falls below the threshold.

The Company has introduced additional disclosure thresholds of 3% and 7.5% in its Articles of Association.

The graph hereafter provides an overview of the shareholders of Hyloris Pharmaceuticals SA, taking into account the transparency notifications received pursuant to the Law of May 2, 2007 on the disclosure of large shareholders (situation as per December 31, 2024).

Major shareholdings



Based on transparency notifications and latest denominator
Based on online notification (FSMA website) of managers' transactions

Total number of outstanding voting rights (denominator)	28,000,374
Total number of securities carrying voting rights not yet issued	309,313
Share capital (*excluding share premium*)	€140,001

At December 31, 2024, there are 28,000,374 ordinary shares representing a total share capital of the Company of €140,001.87 (excluding issue premium). There are only ordinary shares, and there are no special rights attached to any of the ordinary shares, nor special shareholder rights for any of the shareholders of the Company. The Company has issued a total of (i) 400,000 ESOP warrants (November 2020) of which 213,500 warrants were forfeited, (iii) 213,500 ESOP Warrants (June 2022) of which 89,688 ESOP Warrants were forfeited. All the warrants give right to subscribe to an equal number of shares. As per 31 December 2024, a total of 309,313 ESOP warrants were outstanding.

7.5. Dividends and Dividend Policy

7.5.1. Entitlement to Dividends

In accordance with the Belgian Code of Companies and Associations, the distribution of profits to shareholders is determined through a vote at the Annual General Meeting. This vote is based on the most recently audited financial statements prepared in accordance with Belgian Generally Accepted Accounting Principles (Belgian GAAP). A non-binding proposal for dividend distribution is typically presented by the Board of Directors.

The Board of Directors also possesses the authority to declare interim dividends, subject to adherence to relevant legal restrictions.

The Company's capacity to distribute dividends hinges on the presence of sufficient "distributable profits" as defined by Belgian law. This determination is based on the Company's stand-alone statutory accounts prepared in accordance with Belgian GAAP.

Specifically, dividend distribution can only proceed if, following the declaration and issuance of said dividends, the Company's net assets (as reflected in the non-consolidated financial statements at the most recent fiscal year-end) remain above a minimum threshold. This threshold is calculated by subtracting provisions, liabilities, and (in most cases) non-amortized incorporation and research & development costs from the total assets on the balance sheet (all in accordance with Belgian accounting rules). Additionally, the minimum threshold may be further increased by non-distributable reserves, such as any unamortized revaluation surpluses.

It is important to note that Belgian law and the Company's Articles of Association mandate the allocation of 5% of the annual net profit ("bénéfices nets"/"nettowinst") to a legal reserve within the stand-alone statutory accounts. This allocation continues until the legal reserve reaches 10% of the Company's share capital. As the legal reserve currently falls below this requirement, a portion of future annual net profits will be directed to this reserve, consequently limiting the available pool for dividend distribution.

Belgian law dictates that the right to collect declared dividends on ordinary shares expires five years after the date of declaration by the Board of Directors. Thereafter, the Company is no longer obligated to pay such dividends.

7.5.2. Dividend Policy

The Company has not previously distributed dividends on its shares. Any future declaration of dividends will be contingent upon a thorough examination of the Company's financial performance, current financial health, capital needs, and other factors deemed relevant by the Board of Directors.

Neither Belgian law nor the Company's Articles of Association mandate the distribution of dividends.

At present the Board of Directors intends to retain all generated earnings, if any, to fuel the Company's development and growth initiatives. Consequently, dividend payments to shareholders are not anticipated in the near future.

The determination of the Company's dividend policy remains within the purview of the Board of Directors and is subject to potential future adjustments.

Consolidated Financial Statements

Statement of the board of directors

On 28 April, 2025, we hereby confirm that, to the best of our knowledge:

- the consolidated financial statements, established in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, give a true and fair view of the equity, financial position and financial performance of Hyloris Pharmaceuticals SA and of the entities included in the consolidation as a whole;
- the annual report on the consolidated financial statements includes a fair overview of the development and the performance of the business and the position of Hyloris Pharmaceuticals SA and of the entities included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.
- the ESEF version of the annual financial report (official version) takes precedence over any other versions (PDF, etc.) in the event of a conflict between these different versions.

Signed by Stijn Van Rompay (Co-CEO), Thomas Jacobsen (Co-CEO) and Stefan Yee (Chairman) on behalf of the Board of Directors

Contents

Consolidated Financial Statements (as at 31 December 2024)

Consolidated Statement of Financial Position

ASSETS (in € thousands)	Note	31 December 2024	31 December 2023
Non-current assets		**11,628**	**12,373**
Intangible assets	7	3,838	3,828
Property, plant and equipment		340	429
Right-of-use assets	8	1,652	1,724
Equity accounted investees	9	2,748	3,801
Other financial assets	10	1,000	1,000
Trade and other receivables	11	2,050	1,591
Current assets		**29,707**	**35,308**
Trade and other receivables	11	4,858	3,565
Other financial assets	10	556	499
Current tax assets	24.3	508	244
Prepayments	12	191	594
Cash and cash equivalents	13	23,594	30,406
TOTAL ASSETS		**41,335**	**47,681**

EQUITY AND LIABILITIES (in € thousands)	Note	31 December 2024	31 December 2023
Equity	14	**32,143**	**39,069**
Share capital		140	140
Share premium		121,513	121,513
Retained earnings, excluding profit (loss) for the reporting period		(80,128)	(65,381)
Retained earnings, profit (loss) for the reporting period		(6,342)	(15,380)
Share based payment reserve	26	944	2,161
Cost of Capital		(4,460)	(4,460)
Other reserves		476	476
Liabilities		**9,192**	**8,613**
Non-current liabilities		**2,030**	**1,853**
Borrowings	15	1,489	1,510
Other financial liabilities	15	368	344
Provisions	16	173	-
Current liabilities		**7,162**	**6,759**
Borrowings	15	326	241
Other financial liabilities	15	3,000	3,200
Provisions	16	408	-
Trade and other liabilities	17	3,428	3,318
TOTAL EQUITY AND LIABILITIES		**41,335**	**47,681**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

(in € thousand)	Note	2024	2023
Revenues	19	8,458	2,087
Other operating income	22	1,584	2,127
Operating income		**10,043**	**4,214**
Cost of sales	20	(227)	(93)
Research and development expenses	20	(10,265)	(14,421)
General and administrative expenses	20	(5,627)	(5,546)
Share of result of equity-accounted investees, net of tax	9	(81)	(147)
Impairment(s) on equity-accounted investees	9	(972)	-
Operating expenses		**(17,172)**	**(20,207)**
Operating profit/(loss) (EBIT)		**(7,130)**	**(15,993)**
Financial income	23	1,165	898
Financial expenses	23	(378)	(285)
Profit/(loss) before taxes		**(6,342)**	**(15,380)**
Income taxes	24	-	-
PROFIT/(LOSS) FOR THE PERIOD		**(6,342)**	**(15,380)**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME OF THE PERIOD		**(6,342)**	**(15,380)**
Profit/(loss) for the period attributable to the owners of the Company		(6,342)	(15,380)
Total comprehensive income for the period attributable to the owners of the company			
Basic and diluted earnings/(loss) per share (in €)	25	(0.23)	(0.55)

The accompanying notes are an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity

(in € thousand)	Attributable to equity holders of the company						Total Equity
	Share capital	Share Premium	Other reserves			Retained earnings and result of the period	
			Share based payment reserve	Cost of Capital	Other reserves		
Balance at 31 December 2022	**140**	**121,513**	**1,622**	**(4,460)**	**476**	**(65,381)**	**53,909**
Share-based payments (note 26)			540				540
Total comprehensive income						(15,380)	(15,380)
Balance at 31 December 2023	**140**	**121,513**	**2,162**	**(4,460)**	**476**	**(80,761)**	**39,069**
Share-based payments (note 26)			(584)				(584)
Transfer of SBP reserves to retained earnings (note 26)			(633)			633	-
Total comprehensive income						(6,342)	(6,342)
Balance at 31 December 2024	**140**	**121,513**	**945**	**(4,460)**	**476**	**(86,471)**	**32,143**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

(in € thousand)	Note	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) for the period		(6,342)	(15,380)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation, amortization and impairments	20	648	349
Impairment on equity-accounted investees	9	972	-
Provisions	16	581	-
Share-based payment expense	26	(584)	540
Net finance result		(788)	(613)
Share of profit of equity-accounted investees, net of tax	9	81	147
Other non-cash adjustments		-	15
Bank fees paid		(56)	(48)
Changes in working capital:			
Trade and other receivables	11	(1,881)	29
Prepayments	12	403	1,155
Trade and other liabilities	17	140	1,050
Cash generated from operations		**(6,826)**	**(12,756)**
Interest paid	15/23	(77)	(52)
Net cash generated from operating activities		**(6,903)**	**(12,808)**
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received	23	556	638
Purchases of property, plant and equipment		(29)	(298)
Purchases of Intangible assets	7	(268)	(452)
Proceeds of other financial assets		-	10,000
Net cash provided by/(used in) investing activities		**259**	**9,889**
CASH FLOW FROM FINANCING ACTIVITIES			
Reimbursements of borrowings and other financial liabilities	15	(40)	-
Proceeds from borrowings and other financial liabilities	15	139	51
Reimbursements of lease liabilities	15	(267)	(170)
Interests paid	15	-	(12)
Net cash provided by/(used in) financing activities		**(168)**	**(131)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(6,812)**	**(3,051)**
CASH AND CASH EQUIVALENTS at beginning of the period		**30,406**	**33,457**
CASH AND CASH EQUIVALENTS at end of the period, calculated		**23,594**	**30,406**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. General information

Hyloris Pharmaceuticals SA (the "Company" or "Hyloris") is a limited liability company governed by Belgian law. The address of its registered office is Boulevard Patience et Beaujonc N°3/1, 4000 Liège, Belgium.

Hyloris is a specialty biopharma company identifying and unlocking hidden potential in existing medications for the benefit of patients and the healthcare system. Hyloris applies its knowhow and technological innovations to existing pharmaceuticals and has built a broad proprietary product pipeline that has the potential to offer significant advantages over currently available alternatives.

Hyloris currently has three partnered, commercial-stage products: Maxigesic® IV, a non-opioid analgesic for the treatment of pain and Podofilox Gel, the first drug product generic to Condylox Gel 0.5%® in the U.S. and Sotalol IV for the treatment of atrial fibrillation.

The Company's development strategy primarily focuses on the FDA's 505(b)2 regulatory pathway, which is specifically designed for pharmaceuticals for which safety and efficacy of the molecule has already been established. This pathway can reduce the clinical burden required to bring a product to market, and significantly shorten the development timelines and reduce costs and risks.

As mentioned in the Half Year report of 2024, the American Arbitration Association denied all AltaThera claims and confirmed Hyloris' ownership of its intellectual property. Hyloris is pleased that the damages claims from AltaThera have been rejected by the arbitration panel and remains dedicated to safeguarding its intellectual property rights while ensuring the continued development and growth of its portfolio and product candidates.

Please refer to section 4.2. of Corporate Governance for description of risks that may impact the consolidated financial statements of the Group.

The consolidated financial statements were authorized for issue by the Board of Directors on 28 April 2025.

2. Summary of material accounting policies

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group for the year ended December 31, 2024 have been prepared in accordance with IFRS ("International Financial Reporting Standards") as adopted by the European Union. These include all IFRS standards and IFRIC interpretations issued and effective as at December 31, 2024. No new standards, amendments to standards or interpretations were early adopted.

The consolidated financial statements are presented in euro, which is the Company's functional currency. All amounts in this document are represented in thousands of euros (€ thousands), unless noted otherwise. All references in this Annual Report to "$", "US dollars", "U.S. dollars" "dollar" and "USD" mean U.S. dollars and all references to "€", "EUR" and "euros" mean euros, unless otherwise noted.

Due to rounding, numbers presented throughout these Consolidated Financial Statements may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

The financial statements are prepared on an accrual basis and on the assumption that the entity is in going concern and will continue in operation in the foreseeable future (see also Note 3.1).

The preparation of financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Relevant IFRS accounting pronouncements adopted as from 2024 onwards

Several amendments and interpretations did apply for the first time in 2024; but did not have any material impact on the consolidated financial statements of the Group.

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (applicable for annual periods beginning on or after January 1, 2024);
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases (issued on 22 September 2022);
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures– Supplier Finance Arrangements (issued on 25 May 2023).

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2024, and have not been applied in preparing these consolidated financial statements:

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, issued on 15 august 2023, clarify when a currency

is exchangeable into another currency (and when it is not). When a currency is not exchangeable, a company needs to estimate a spot rate. The company's objective when estimating a spot rate is that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2025 with early adoption permitted. These amendments have been endorsed by the EU.

IFRS 18 Presentation and Disclosure in Financial Statements, issued on 9 April 2024, will replace IAS 1 Presentation of Financial Statements. The new standard will improve the quality of financial reporting by:

- requiring defined subtotals in the statement of profit or loss;
- requiring disclosure about management-defined performance measures; and adding new principles for aggregation and disaggregation of information.

The standard is effective for annual reporting periods beginning on or after 1 January 2027 with early adoption permitted. The standard has not yet been endorsed by the EU.

IFRS 19 Subsidiaries without Public Accountability: Disclosures, issued on 9 May 2024, will allow eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. A subsidiary will be to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date: it does not have public accountability; and its parent produces consolidated financial statements under IFRS Accounting Standards.

The standard is effective for annual reporting periods beginning on or after 1 January 2027 with early adoption permitted. The standard has not yet been endorsed by the EU.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7, issued on 30 May 2024, will address diversity in accounting practice by making the requirements more understandable and consistent. The amendments include: Clarifications on the classification of financial assets with environmental, social and corporate governance (ESG) and similar features—ESG- linked features in loans could affect whether the loans are measured at amortized cost or fair value. To resolve any potential diversity in practice, the amendments clarify how the contractual cash flows on such loans should be assessed.

Clarifications on the date on which a financial asset or financial liability is derecognized. The IASB also decided to develop an accounting policy option to allow a company to derecognize a financial liability before it delivers cash on the settlement date if specified criteria are met.

The IASB has also introduced additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income

and financial instruments with contingent features, for example features tied to ESG-linked targets.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with early adoption permitted. These amendments have not yet been endorsed by the EU.

Annual Improvements Volume 11, issued on 18 July 2024, include clarifications, simplifications, corrections and changes aimed at improving the

consistency of several IFRS Accounting Standards. The amended accounting standards are:

- FRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with early adoption permitted. These amendments have not been endorsed by the EU.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7, issued on 18 December 2024, will help entities better report on the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Nature-dependent electricity contracts help companies to secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions. Current accounting requirements may not adequately capture how these contracts affect a company's performance.
The amendments include:

- clarifying the application of the 'own use' requirements;
- permitting hedge accounting if these contracts are used as hedging instruments; and
- adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with early adoption permitted. These amendments have not been endorsed by the EU.

Except for IFRS 18, for which the analysis is ongoing, these amendments are not expected to have any significant impact on the consolidated financial statements of Hyloris.

2.2 CONSOLIDATION

Subsidiaries

Subsidiaries are all entities over which the Group has control. Control is established when the Group is exposed, or has the rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intra-group balances and transactions and any unrealized income and expenses (except for foreign currency transactions gains or losses) arising from intra-group transactions are eliminated. Unrealized gains arising from transactions with equity-accounted investees are also eliminated against the investment to the extent of the Groups interest in the investee.

Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Transactions under common control

For business combinations under common control (also "Transactions under common control"), the Group applies predecessor accounting.

The consideration for each acquisition is measured at the aggregate of the fair values (at the date of acquisition) of assets transferred and liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree.

Acquisition-related costs are recognized in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition- date fair value.

The acquiree's identifiable assets, liabilities, and contingent liabilities that meet the recognition criteria conditions for recognition under IFRS are recognized and measured at the carrying amounts as recognized in the acquiree's individual financial statements, but adjusted for any deviations with the accounting policies of the Group.

Any difference between the consideration transferred and the net assets at the acquisition date is recognized in retained earnings.

The Group elected the accounting policy choice to represent its comparatives and adjust its current reporting period before the date of the transaction as if the transaction had occurred before the start of the earliest period presented. This restatement should not extend to periods during which the entities were not under common control.

2.3 JOINT ARRANGEMENTS

Joint control is the contractually agreed sharing of control of an arrangement, which exists when decisions about relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified as either a joint venture or a joint operation.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The results, assets and liabilities of joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale (in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale).

Under the equity method, on initial recognition, investments in joint ventures are recognised in the consolidated statement of financial position at cost, and the carrying amount is adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment of the value of individual investments. Losses of a joint venture in excess of the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and (contingent) liabilities of the joint venture recognised at the date of acquisition is goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment.

Where a Group entity transacts with a joint venture of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant joint venture. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations of the liabilities relating to the arrangement.

A joint operator recognizes its assets, liabilities and

transactions, including its share of those incurred jointly. These assets, liabilities and transactions are accounted for in accordance with the relevant accounting standards.

2.4 FOREIGN CURRENCIES

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro, which is the Group's presentation currency.

Transactions in foreign currencies are translated into the respective rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within financial result.

The principal exchange rate that has been used is the US dollar. The following table presents the exchange rates used for the USD/EUR.

1 EUR = Rate	Closing Rate	Average Rate
December 31, 2024	1.0389	1.0824
December 31, 2023	1.1050	1.0813

2.5 INTANGIBLE ASSETS

Research and development

Internally-generated research and development

To assess whether an internally generated intangible asset meets the criteria for recognition, the Company classifies the internal generation of assets into a research phase and a development phase.

No intangible asset arising from research is recognized. Expenditure on research is recognized as an expense when it is incurred.

An intangible asset arising from development is recognized if, and only if, the Company can demonstrate all of the following:

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) the intention to complete the intangible asset and use or sell it;

(iii) the ability to use or sell the intangible asset;

(iv) how the intangible asset will generate probable future economic benefits;

(v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

With respect to the technical feasibility condition, strong evidence is achieved only when Phase III (i.e. final stage before filing for marketing approval) of the related development project is successfully completed, i.e. when filing for marketing approval from the relevant regulatory authorities. Consequently, internally generated development expenses arising before this

point, mainly the cost of clinical trials, are expensed as incurred within Research and development expenses.

In some cases (i.e. for high barrier generic products), market approval was obtained previously, but additional costs are incurred in order to improve the process for an active ingredient. To the extent that the above criteria are considered as having been met, such expenses are recognized as an asset in the balance sheet within intangible assets as incurred. Similarly, some clinical trials, for example those undertaken to obtain a geographical extension for a molecule that has already obtained marketing approval in a major market, may in certain circumstances meet the above capitalization criteria, in which case the related expenses are recognized as an asset in the balance sheet within intangible assets.

The cost of an internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. The cost of an internally-generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management, including any fees to register legal rights (patent costs) and borrowing costs.

Separately acquired research and development

Payments for separately acquired research and development are capitalized as intangible assets provided that the following conditions are met:

(i) the asset is identifiable, i.e. either separable (if it can be sold, transferred, licensed) or it results from contractual or legal rights;

(ii) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group;

(iii) the Group can control the resource; and

(iv) the cost of the asset can be measured reliably.

The second condition for capitalization (the probability that the expected future economic benefits from the asset will flow to the entity) is considered to be satisfied for separately acquired research and development. The management of the company assesses whether and to which amount milestone payments are to be considered as related to the purchase of an asset (capitalization) or related to outsourced research and development. The latter will be recognized as research and development expenses when they occur.

If the separately acquired research and development project meets the conditions for capitalization as mentioned above, related upfront and milestone payments to third parties are recognized as intangible assets, and amortized on a straight-line basis over their useful lives beginning when marketing approval is obtained. However, any subsequent expenditure on the relating projects is added to the carrying amount of the intangible asset only if it meets the recognition criteria for capitalizing development costs (see above section Internally-generated research and development).

Payments under research and development arrangements relating to access to technology or to databases and payments made to purchase generics dossiers are also capitalized as the conditions mentioned above are met upon acquisition, and amortized on a straight-line basis over the useful life of the intangible asset. Subsequent expenditure incurred are only capitalized if the expenditure meets the conditions mentioned above for capitalizing development costs.

Subcontracting arrangements, payments for research and development services, and continuous payments under research and development collaborations which are unrelated to the outcome of that collaboration, are expensed over the service term except if as part

of the development phase of the underlying assets.

Non-refundable advance payments for goods and services that will be used in future research activities are expensed when the activity has been performed or when the goods have been received rather than when the payment is made. Research and development expenses also include upfront and milestone payments, to the amount these payments are assessed to be outsourced research and development and to the amount of the costs effectively occurred.

Intangible assets acquired through exchange of assets

Intangible assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets.

In the event of such exchange of assets, the cost of the acquired asset is measured at fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received, nor the asset given up is reliably measurable. If the acquired asset is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

Other intangible assets acquired separately

An intangible asset is recognized on the statement of financial position when the following conditions are met:

(i) the asset is identifiable, i.e. either separable (if it can be sold, transferred, licensed) or it results from contractual or legal rights; it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group;

(ii) the Group can control the resource; and

(iii) the cost of the asset can be measured reliably.

The cost of a separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. Any directly attributable cost of preparing the asset for its intended use is also included in the cost of the intangible asset.

Subsequent measurement

Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a systematic basis over their useful life, using the straight-line method. Amortization begins when the asset is capable of operating in the manner intended by management.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The amortization expense is presented as part of Cost of Sales in the Statement of Profit or Loss. The applicable useful lives are determined based on the period during which the Company expects to receive benefits from the underlying project. Key factors considered to determine the useful life comprises the duration of the patent protection and access of competitors to the market.

Derecognition

An intangible asset is derecognized in case the intangible asset is sold or out-licensed, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

2.6 LEASES

Leases are recognized as a right-of-use asset and

corresponding liability at the date of which the leased asset is available for use by the Group.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (less any lease incentives receivable),
- variable lease payments that are based on an index or rate,
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Group's incremental borrowing rate, i.e. the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

The lease liability is subsequently measured at amortized cost under the effective interest method. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized.

Right-of-use assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- an estimate of the costs related to the dismantling and removal of the underlying asset.

If it is reasonably certain that the Group will exercise a purchase option, the asset shall be depreciated on a straight-line basis over its useful life. In all other circumstances the asset is depreciated on a straight-line basis over the shorter of the useful life of the asset or the lease term. The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets with indefinite useful lives and intangible assets not yet available for use are not subject to amortization, but are tested annually for impairment, and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Other assets which are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. To determine the value in use, the forecasted future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the

asset.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2.8 REVENUE RECOGNITION

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer.

In applying IFRS 15 Revenue from contracts with customers the Group determines the separate performance obligations included within the contract with the customer. Currently the Group has contracts in which it grants a license. Some contracts include additional services which are to be provided such as research and development services and/or cost sharing mechanisms. In general, these are all considered separate performance obligations.

The transaction price is allocated to each performance obligation on a stand-alone selling price basis.

The following paragraphs provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Royalties

Royalties received from commercialized products are recorded in accordance with the royalty's exception as foreseen in IFRS 15 Revenue from contracts with customers. Sales- or usage-based royalties that are attributable to a license of intellectual property of commercialized goods, are recognized at the later of:

- when the subsequent sale or usage occurs; and
- the satisfaction or partial satisfaction of the performance obligation to which some or all of the sales- or usage-based royalty has been allocated.

Currently, as well as at year-end 2023, the Group has 3 commercialized products for which royalties are recorded, i.e., Sotalol IV, Maxigesic® IV and Podofilox. For each commercialized product specific formulas are stipulated in the contract to determine the royalties attributable to the Group.

Payment terms in general are 30 days after the invoice date.

Milestone payments

The royalty's exception as applied for the revenue recognition of royalties does not apply to milestone payments which are determined with reference to other events or indicators, i.e., not sales or usage based. The current arrangements which are held with co-development partners can include a license of intellectual property and an obligation to finance research and development costs for which the Group receives a consideration of which a substantial portion of the total consideration is contingent on achieving milestones such as regulatory filling or FDA approval of the product candidate. These milestone payments are generally considered separate performance obligations within the co-development agreement and are recognized in accordance with the variable consideration guidance included within IFRS 15 Revenue from contracts with customers.

The Group only includes estimates of variable consideration in the transaction price to the extent

that it is 'highly probable' that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. In doing so, the Group assesses the likelihood of a revenue reversal arising from an uncertain future event and the potential magnitude of the revenue reversal when the uncertainty related to the variable consideration has been resolved. Given the fact that receiving the consideration is highly susceptible to factors outside the entity's influence and the fact that the uncertainty about the consideration is not expected to be resolved for a long period of time the Group only recognizes the milestone payments when the milestone is reached. As such this is not considered a significant estimate with a high level of estimation uncertainty.

Payment terms are 30 days after the invoice date except for AFT where the payment terms are agreed between parties.

Out-license agreements

When the Group grants a license, that is distinct from other promised goods or services in the contract, then it evaluates the nature of the license to determine if it is:

- a right to access the entity's intellectual property as it exists throughout the license period. If this is the case, then revenue from the license is recognized over time; or
- a right to use the entity's intellectual property as it exists at the point in time at which the license is granted. If this is the case, then revenue from the license is recognized at a point in time.

Up until December 31, 2024, the Group only granted licenses with the right to use.

For licenses which are not distinct from other performance obligations, the Group applies judgment to assess the nature of the combined performance obligations to determine whether the combined performance obligations are satisfied over time or at a point in time. If the performance obligation is satisfied over time, revenue is recognized based on a pattern that best reflects the transfer of control of the service to the customer.

Payment terms are 30 days after the invoice date.

Other operating income - Services rendered to co-development partners

Other operating income is measured based on the consideration specified in a contract with a customer. The Group recognizes income when it performs the service to the customer and thus recognizes the income over time.

These services are currently not presented as part of Revenue, as these are not considered output of the company's ordinary activities but it could become core business activities in the future.

2.9 COST OF SALES

Cost of sales are related to the sale of products and are recognized when the associated revenue is recognized. Cost of goods sold includes the amortization of intangible assets for the product candidates which are commercialized. Cost of sales does not include any R&D costs due to the lack of internal systems in place which would allow for proper registration and follow-up of costs (incl. personnel cost) and its allocation to cost of sales.

2.10 FINANCIAL ASSETS

The Group classifies its financial assets in the following categories: financial assets at fair value through profit and loss (FVTPL) or through other comprehensive income (FVOCI) and financial assets at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL (Fair Value Through Profit and Loss Statement):

- It is held within a business model whose objective is to hold assets to collect contractual cash flow; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by- investment basis.

All financial assets not classified as measured at amortized costs or FVOCI, as described above, are measured at FVTPL. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that is would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractile coupon rate, including variable-rate features,
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Trade receivables are initially recognized when they are originated. All other financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the financial result in profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investments. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less any impairment.

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost. For trade receivables, the group applies the simplified approach permitted by IFRS 9 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The amount of the allowance is deducted from the carrying amount of the asset and is recognized in the income statement within 'Cost of sales'.

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of

ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.11 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosure require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

2.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank balances and demand deposits meeting the criteria of cash

and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Deposits with the same level of liquidity as cash, i.e., can be withdrawn at any time without penalty fee are cash. Deposits that don't have the same liquidity level as cash are only considered cash equivalents if the following criteria are met:

- Short term investment, e.g. with a maturity date of three months or less. Three months is a presumption that may be rebutted when the investment is held for the purpose of meeting short-term commitments and when the instrument otherwise meets the definition of a cash equivalent;
- Highly liquid and readily convertible into a known amount of cash, i.e. the amount of cash that would be received is known at the time of the initial investment;
- Subject to an insignificant risk of changes in value;
- Held for the purpose of meeting short-term cash commitments.

Deposits which are excluded from cash and cash equivalents are presented as other financial assets in the statement of financial position.

2.13 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.14 GOVERNMENT GRANTS

The Company recognizes a government grant only when there is reasonable assurance that the Company will comply with the conditions attached to the grant and the grant will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs which the grants are intended to compensate. As a result, grants relating to costs that are recognized as intangible assets or property, plant and equipment (grants related to assets or investment grants) are deducted from the carrying amount of the related assets and recognized in the profit or loss statement consistently with the amortization or depreciation expense of the related assets.

The portion of grants not yet released as income is presented as deferred income in the statement of financial position, within the Other current liabilities. In the statement of comprehensive income, government grants are presented as other operating income or financial income depending on the nature of the costs that are compensated.

Government grants that become receivable as compensation for expenses or losses already incurred are recognized in profit or loss of the period in which they become receivable.

Recoverable cash advances

With respect to recoverable cash advances (RCA – "avances récupérables"), the RCAs are initially recognized, concomitantly with the occurrence of subsidized expense, as a financial liability at fair value (calculated based on present value of future repayment of grants), determined as per IFRS 9.

To determine the fair value of the cash advances received, the Company estimates future cash outflows considering (i) assumptions regarding the estimation of the timing and the probability of the future sales or (ii) the probability that the Company will notify the Walloon Region whether it will decide or not to use the results of the research phase and (iii) an appropriate discount rate.

If the amount of cash received would exceed the fair

value of the liability, the difference would be considered as a government grant, being recognized in the income statement as operating income on a systematic basis in order to match the expenses incurred in accordance with IAS 20. The RCA grant component is recognized in profit or loss under "Other income" on a systematic basis over the periods in which the entity recognizes the underlying R&D expenses subsidized by the RCA. The fair market value adjustments to the RCA liability are recognized in the consolidated statement of comprehensive loss under "Other income/expense" and as a non-cash adjustment in "cash flows from operating activities" in the consolidated statements of cash flows.

The RCAs liability component (RCA financial liability) is subsequently measured at amortized cost using the cumulative catch-up approach under which the carrying amount of the liability is adjusted to the present value of the future estimated revenue, discounted at the liability's original effective interest rate. When modifying the estimated contractual cash flows, the Company reviews if there are indicators, either positive or negative, influencing the estimation of the timing and level of the future sales of the products benefiting from the support of the Walloon Region. The difference between the recalculated carrying amount and the initial carrying amount is included in the caption "other operating income/expenses" in the consolidated income statement and in the financial expenses for the impact of the discounting .

When repayment of recoverable cash advances may be forgiven, the liability component of recoverable cash advances is treated as a government grant and taken to income only when there is reasonable assurance that the entity will meet the terms for forgiveness of the advance

R&D Tax Credit

In Belgium, companies that invest in environmentally friendly research and developments activities can benefit from increased investment incentives or a tax credit.

Since 2020, the Group applies for the R&D tax credit incentive set-up by the Federal government. When capitalizing its R&D expenses under tax reporting framework, the Group may either (i) get a reduction of its taxable income (if any) corresponding to 13.5% of the capitalized R&D expenses up to the year 2022, 20.5% for the year 2023 and 15.5% for the year 2024, or (ii) if no sufficient taxable income is available, apply for the refund of unutilized tax credits. The tax credit should be claimed in the year in which the investment takes place. Refund occurs five financial years after the tax credit application filed by the Group and for the part not yet recovered.

R&D tax credits are treated as a government grant under IAS 20 and booked into other operating income if the R&D activities are expensed, or as a reduction to intangible assets if the development activities are capitalized and subsequently amortized together with the underlying assets.

Exemption payroll taxes

The Group benefits from the Belgian tax incentive regime for companies employing researchers, which provides af partial exemption from payment of withholding tax.

Under this measure, eligible companies can retain up to 80% of the withholding tax on the salaries of employees involved in innovation and R&D activities.

These payroll tax rebates are recognized in the line Other Operating Income in the financial statements.

2.15 EMPLOYEE BENEFITS

Short-term employee benefits

Short-term employee benefits are recorded as an expense in the income statement in the period in which the services have been rendered. Any unpaid compensation is included in trade and other liabilities in the statement of financial position. A liability is recognized to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.16 SHARE-BASED PAYMENTS

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, if any, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest and the vesting period. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payment reserve.

2.17 INCOME TAXES

Income tax expense represents the sum of the current income tax and deferred tax.

Accounting for the current and deferred tax effects of a transaction or other event is consistent with the accounting for the transaction or event itself. Therefore, income taxes are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in OCI.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries operate and generate taxable income. In line with paragraph 46 of IAS 12 Income taxes, management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes uncertainty tax provisions within tax payable/receivable where appropriate on the basis of amounts expected to be paid to the tax authorities. This evaluation is made for tax periods open for audit by the competent authorities.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

However, the deferred tax is not recognized for:

- the initial recognition of goodwill (in case of taxable temporary differences arising);
- the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and
- deferred tax is recognized on temporary

differences arising on investments in subsidiaries and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax liability is recognized for all taxable temporary differences, unless one of the above exemptions would apply.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses and tax credits to the extent that it is probable that taxable profits will be available against which they can be utilized. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred taxes are calculated at the level of each fiscal entity in the Group. Deferred tax assets and liabilities are offset only if certain criteria are met.

2.18 FINANCIAL LIABILITIES

Financial liabilities (including borrowings and trade and other payables) are classified as at amortized cost.

All financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. A borrowing is classified as current liability if it meets any of the following conditions:

- it is expected to be settled in the entity's normal operating cycle;
- it is held primarily for trading purposes;
- it is due to be settled within 12 months after the reporting date; or
- it is not subject to the entity's right at the reporting date to defer its settlement for at least 12 months after the reporting date.

Where the loan is from a shareholder acting in the capacity of a shareholder, the difference between cash received and fair value of the loan at initial recognition is reflected in equity because the substance of the favorable terms is typically a contribution by a shareholder.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is

recognized at fair value.

When a financial liability measured at amortized cost is modified without this resulting in derecognition, a gain or loss is recognized in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

2.19 DERIVATIVE FINANCIAL INSTRUMENTS

The Group holds derivative financial instruments to hedge its foreign currency. Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date and changes therein are generally recognized in the financial result in profit or loss. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset ('Other investments, including derivatives) or a non-current liability ('Other financial liabilities') if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2.20 PROVISIONS

In accordance with IAS 37 – Provisions, contingent liabilities and contingent assets, a provision must be recognized when:

- A present obligation exists due to past events
- It is probable that an outflow of economic resources will be required to settle the obligation
- The amount of the obligation can be estimated

Provisions are determined by discounting the expected future cash-flows at a pre-tax rate that reflects current market assessments of the time of money and the risks specific to the liability. The unwinding of the discounting is recognized as finance costs.

3. Critical accounting estimates and judgments

In the application of the Group's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The followings are areas where key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, have a significant risk of causing a material adjustment to

the carrying amounts of assets and liabilities within the next financial year.

3.1 GOING CONCERN

The Company has incurred net losses since its inception, and for the 12 months ended December 31, 2024, its audited consolidated statement of profit and loss and other comprehensive income reflects both a net loss and accumulated losses carried forward. The Board has reviewed and approved the 10-year strategic business plan, which was updated with additional out-licensing milestones revenues following new commercial opportunities under negotiations. Taking into account the cash and cash equivalents position of €23.2 million as of December 31, 2024, the anticipated cash flows generated by revenues from its three commercialized products, the expected proceeds from out-licensing agreements in 2025, 2026 and beyond, the possibility of accelerating the execution of out-licensing agreements initially forecasted beyond 2026, the expected research and development expenditures, the ability to delay or defer research and development activities if necessary, and the Company's ability to secure additional financing if needed through ongoing discussions with financial counterparties, the Board is of the opinion that the audited consolidated financial statements should be prepared under the going concern assumption.

Whilst the current cash position is sufficient to meet the Company's immediate and mid-term operational needs under all contemplated scenarios, the Board acknowledges that, in one scenario, where the cash runway extends at least until July 2026, the Company may seek additional funding to support the ongoing development of its portfolio of new product candidates or to execute other business opportunities. Discussions with potential financial partners have already been initiated to address such needs if they arise.

Accordingly, management has not identified any material uncertainties that would cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months following the approval date of the financial statements at the General Meeting to be held on June 10, 2025, in compliance with IAS 1 §25–26.

3.2 JOINT COLLABORATIONS

The Company has entered into a number of arrangements for the development, co-promotion and/ or co-marketing of products. The Company believes that a presentation of the main arrangements is useful to an understanding of the financial statements.

Arrangement with FHP

In February 2021, Hyloris and FHP BV (FHP) entered into a partnership to develop and commercialise an innovative combination therapy for the treatment of severe and recurrent vulvovaginal candidiasis (rVVC). FHP is a special purpose vehicle founded to exclusively develop a local topical combination formulation of the well-known antifungal Miconazole with Domiphen Bromide (MCZ-DB).

Under the terms of the arrangement, Hyloris has committed to milestone-related investments of up to EUR 4.3 million in FHP (of which EUR 1.3 million is already paid). Hyloris holds 20% of the shares in FHP (Class B) and is eligible to receive up to a maximum of 45% and a minimum of 17.3% of the net profits generated by FHP irrespective of the % of shares held by Hyloris.

Hyloris is represented in the Board of Directors by one member out of a total of four members.

Despite the fact Hyloris holds 20% of the shares in FHP and is represented in the Board of Directors by one member out of a total of 4 members, the Company concluded that it has joint control based on IFRS 11 - Joint Arrangements considering that

reserved matters significantly affecting the returns of the joint arrangement require the unanimous consent of all shareholders. The joint arrangement is classified as a joint venture as the arrangement is structured through a separate vehicle and the investors do not have rights to the assets and obligations for the liabilities. Therefore, this arrangement is accounted for via equity accounting, see note 9.1

FHP is a related party, see note 29.1

Arrangement with Pleco Therapeutics

In November 2021, Hyloris and Pleco Therapeutics signed an agreement to co-develop and register HY-086, a novel combination product of chelating agents for the treatment of Acute Myeloid Leukaemia (AML) and Small Cell Lung Cancer (SCLC).

Under the arrangement, Hyloris has provided €1 million that was converted into equity in June 2022 (7,944 shares at €126 per share)

Hyloris obtained global exclusive co-development rights and future joint commercialization to the Pleco technology in AML and SCLC. Hyloris committed to fund (as R&D contribution) up to an additional €7.7 million in pre-defined R&D activities. Pleco funds all activities that are outside the scope of the maximum €7.7 million funding commitment from Hyloris. In exchange, Hyloris will be eligible to receive up to 65% of the gross product margin generated worldwide in AML and SCLC. Hyloris became co-owner on all Pleco patents (except for patents held by MD Anderson Cancer Center), inventions, co-development information and market information. The arrangement constitutes a joint operation.

Hyloris agreed in May 2022 to transfer its co-ownership rights on the patent and patent applications to Pleco in order for Pleco to be able provide a pledge to RVO for an innovation credit ("Innovatiekrediet") it received. Upon full reimbursement of the innovation credit, the co-ownership rights of the patent and patent applications under the collaboration agreement will revert back to Hyloris. The innovation credit will be reimbursed to the authorities with the first profits of PTX-252. Payment of profit share to the shareholders is subordinated until full reimbursement of the innovation credit.

At December 2024, The Group has invested €2.4 million within the co-development agreement which brings the outstanding maximum commitment to €5.3 million.

Furthermore, Hyloris entered into a Management Consultancy Agreement in July 2022 for a total amount of €2.5 million. Under this agreement, Hyloris has and will support Pleco Therapeutics with strategic advice until December 31st 2024 with the possibility of an extension as explained below. At reporting date, the Group already invoiced €1,562 thousand of which €62 thousand recognized in 2024. The nature of the strategic advice is holistic, and forward-thinking, with a focus on creating value. It covers a wide range of areas including business development, market entry strategies, organisational structure, operational efficiency, investor relations, and risk mitigation. After December 31st 2022, in case the total amount of the invoices exceeds 50% of the amount of the innovation credit ("Innovatiekrediet") made available to Pleco, further invoicing will be postponed until additional amounts are made available of the innovation credit and the agreement will be extended accordingly with the same number of months so that the total amount of invoices remains €2.5 million. The services rendered are booked as Other Operating Income over time. In analogy with IFRS15.B16, as a practical expedient, if the entity has the right to invoice a customer in an amount that corresponds directly with its performance to date, then it can recognize income for that amount.

End of December 2024, Hyloris holds an ownership interest of 5.00% in Pleco Therapeutics (corresponding to 5.35% of the voting rights) and is entitled to one observer ('waarnemer') within the Board of Directors of Pleco Therapeutics without voting rights.

Based on the guidance of IAS 28 – Investments in Associates and Joint Ventures, the Company concluded that it does not have a significant influence on Pleco Therapeutics considering the following elements:

- Holding of only 5.35% of the voting rights,
- No voting representation in the Board of Directors,
- No participation in policy-making processes,
- No interchange of key management
- Pleco is developing other products with other 3rd parties which are currently in the preclinical development stage, and
- Pleco is not financially dependent of Hyloris.

The arrangement between Hyloris and Pleco Therapeutics is a significant agreement for Pleco Therapeutics, but does not preclude Pleco Therapeutics from making strategic decisions or contracting other parties or other projects.

Based on these elements, Pleco is not in the consolidation scope. The investment (€1.0 million) is presented under "Other financial assets".

Arrangement with Vaneltix

In December 2021, Hyloris entered into a strategic collaboration with Vaneltix Pharma, Inc. ('Vaneltix') for the development and commercialization of Alenura™ as first-line drug treatment for acute pain in interstitial cystitis/bladder pain syndrome (IC/BPS).

Hyloris has committed to provide a maximum of $6.7 million for supporting development-related activities and granted a 6% interest bearing loan of $0.5 million.

Under this strategic co-development agreement Hyloris provided R&D services in the course of 2023 for a total amount of €145 thousand to Vaneltix. These services were cross-charged by Vaneltix since these are linked to the do-development agreement and are in scope of the Research and Development expenses to be funded by Hyloris

Hyloris will be eligible to receive a tiered percentage of the product margin generated by Vaneltix. The arrangement constitutes a joint operation.

Hyloris will be listed as co-owner on all Vaneltix patents, inventions, co-development information and market information. In addition, Hyloris hereby grants Vaneltix a license on Hyloris' share of the Vaneltix patents and inventions.

Hyloris also provided a loan of $0.5 million to Vaneltix. (note 10)

In October 2023, Hyloris' initial $6.7 million R&D commitment was lowered to $4.8 million. Separately, a $2.0 million Subscription Agreement was executed to invest in Series D convertible preferred stock.

Of the $2.0 million investment, $0.1 million was used to fund a market study on product pricing and positioning, the results of which were fully shared with Hyloris.

As of December 2024, Hyloris had contributed $3.3 million toward development-related activities. Hyloris holds 4 shares of Vaneltix and is not represented on the Board of Directors of Vaneltix.

Vaneltix is a related party, see note 29.1.

Although Hyloris is holding less than 1% of the

voting rights, and has no voting representation in the Board of Directors, the Company concluded, based on the guidance of IAS 28 - Investments in Associates and Joint Ventures, that it does have significant influence on Vaneltix considering the following elements: Hyloris is currently one of the main financial contributors for Vaneltix and Vaneltix is financially depending on the funding of Hyloris to be able to develop Alenura™.

The co-development agreement for Alenura™ is a material transaction between Hyloris and Vaneltix as Vaneltix primarily focused of the development of this product only (other product candidates are in a very early stage of development).

As a result, the Group is applying the equity method of accounting. As the percentage of ownership interest is very low (only 0.00053 %) the Group does not take its % share in the loss of Vaneltix in deduction of the equity value.

See note 9 on Equity Accounted Investees.

Arrangements with AFT

Maxigesic IV

Hyloris Pharmaceuticals SA and AFT have been collaborating in the development of the Maxigesic IV product. AFT has now licensed the product to a number of partners covering multiple countries. Maxigesic IV is protected by several granted and pending patent applications. Under the terms of the development collaboration agreement between Hyloris and AFT, Hyloris is eligible to receive a share on any product related revenues, such as license fees, royalties, milestone payments, received by AFT. The arrangement constitutes a joint operation.

HY-089

On December 21st, 2023, Hyloris entered into a partnership with AFT to co-develop HY-089, a novel locally-acting product candidate for the treatment of Burning Mouth Syndrome (BMS).

Under the terms of this equal partnership agreement, targeting co-development and worldwide commercialization, Hyloris is responsible for ensuring the product formulation, manufacturing activities and the coordination of the commercialization in Europe. AFT is responsible for managing the clinical trials, overseeing all aspects to ensure effective planning, execution and monitoring throughout the lifecycle, and the coordination of the commercialization outside of Europe. Parties are jointly responsible for the commercialization in the United States. The arrangement constitutes a joint operation. Hyloris and AFT will share the net profit and all external costs related to the collaboration.

HY-091

Hyloris has entered into a partnership with AFT on January 18th, 2024, to develop a novel mucoadhesive film for the treatment of Vulvar Lichen Sclerosus (VLS). HY-091 targets to have an extended duration release of a known molecular entity and to offer a convenient application method, ensuring simplicity and improving compliance.

Under the terms of the agreement, parties will co-develop HY-091 for the purpose of registration and worldwide commercialization. Hyloris is responsible for ensuring the product formulation, manufacturing activities and the coordination of the commercialization in Europe. AFT is responsible for managing the clinical trials, overseeing all aspects to ensure effective planning, execution and monitoring throughout the trial life cycle, and the coordination of the

commercialization outside of Europe. Parties are jointly responsible for commercialization in the United States. The arrangement constitutes a joint operation. Hyloris and AFT will share the net profit and all external costs related to the collaboration.

HY-095

On August 19th, 2024, Hyloris announced the development of HY-095, a long-acting injectable formulation of a well-known Proton Pump Inhibitor (PPI) designed to treat Equine Gastric Ulcer Syndrome (EGUS). The Group has secured a development partner that has product specific proprietary technology and intellectual property under development. Under the agreement the partner will manage the drug and device development within a predefined budget. Hyloris will manage the clinical trials and fund the development costs which are currently projected to remain well below €7 million. After the development costs are recovered, the profits will be shared, with Hyloris entitled to retain up to 90% of the net margin. Hyloris has also obtained an option to extend the license for development for human use under comparable terms. A global commercialization will be pursued through strategic partnerships, targeting all relevant markets. The arrangement constitutes a joint operation.

HY-094

Hyloris and AFT have entered into a late-stage research and development program to introduce an innovative injectable iron deficiency therapy to the global market. As part of this program, Hyloris and AFT have secured an exclusive global IP license covering human use.

Under the terms of the agreement, Hyloris and AFT will co-develop the candidate for registration and global commercialization. Hyloris will oversee product formulation, manufacturing and the commercialization efforts in Europe. AFT will manage the clinical trials, execution and the commercialization outside Europe. Parties are jointly responsible for commercialization in the United States. Development costs, as well as all net margin from sales and licensing, will be distributed equally between AFT and Hyloris, after a tiered profit participation for the licensor. The agreement constitutes a joint operation.

3.3 LOAN TO ACADEMIC PHARMACEUTICALS

Determining the fair value of the loan to API (see note 4.1) is assessed to a significant estimate as the fair value is determined on the basis of significant unobservable inputs.

3.4 RECOUP OF US LITIGATION COSTS

Determining the fair value of the recoup of US litigation costs against royalties payable to API (see note 4.1) is assessed to a significant estimate as the fair value is determined on the basis of significant unobservable inputs.

3.5 SHARE-BASED PAYMENTS

In accordance with IFRS 2 – Share-based Payment, the fair value of the warrants at grant date is recognized as an expense in the consolidated statement of comprehensive income over the vesting period, the period of service. Subsequently, the fair value is not re- measured.

The fair value of each warrant granted is calculated using the Black-Scholes pricing model.

This pricing model requires the input of subjective

assumptions, which are detailed in note 26.

The ESOP schemes are structured with a vesting period of 4 years (for each warrant scheme) with the specificity that participants lose their vested warrants in the event of termination at the initiative of the participant, even during the exercise period which varies between 1 and 6 years, depending on the warrant schemes. In light to this specificity, the length of the vesting period is variable depending on the estimated actual exercise date of the warrants by the participants.

3.6 IMPAIRMENT FHP

Please refer to the Equity Accounted Investees section. (note 9)

3.7 PROVISIONS – DISCRETIONARY FEE

A provision related to the AltaThera arbitration for discretionary fees to a law firm is recognized for €581 thousand (of which €173 thousand is non-current and €408 thousand is current).

Initial recognition (IAS 37)

- The obligation is initially recognized based on expected cashflows discounted using a pre-tax rate of 13.38%.
- Measurement is based on a probability-weighted cash flow approach (using 0.5% to 5% fee scenarios) which is detailed in note 16.

Sensitivity analysis

See note 16

4 . Financial instruments and financial risk management

4.1 OVERVIEW OF FINANCIAL INSTRUMENTS

(in € thousand)	IFRS 9 Category	Input level	December 31, 2024	December 31, 2023
Investment in Pleco (note 10) (non-current)	FVOCI	3	1,000	1,000
Loan to Vaneltix (note10)	At amortized cost		556	499
Loan to API (note 11)	FVTPL	3	99	317
Recoup US litigation costs from API (note 11)	FVTPL	3	292	0
Trade receivables (note 11)	At amortised cost		3,810	2,970
Cash and cash equivalents (note 13)	At amortised cost		23,594	30,406
Total financial assets			**29,351**	**35,192**
Borrowings (note 15.1)	At amortised cost		1,816	1,750
Other financial liabilities (note 15.2)	At amortised cost		3,368	3,543
Trade and other liabilities (note 16) [(1)]	At amortised cost		3,166	3,195
Total financial liabilities			**8,350**	**8,488**

[1]Trade and Other receivables (VAT / R&D tax credit receivables and other receivables), prepayments and trade and other liabilities (deferred income and employee benefit liabilities) that are not financial assets / liabilities are not included

The table above summarizes all financial instruments by category in accordance with IFRS 9. The fair value of the financial instruments measured at fair value are determined as follows:

Investment in Pleco: The investment is designated at FVOCI because it's not held for trading and it's kept for its expected future return on investment. Considering that Pleco is in the development phase of its product candidates and does not generate revenue yet, the cost of the investment at transaction date has been considered as an appropriate estimate of the fair value as per December 31, 2024 and 2023. In 2024 and 2023 there is no reason to adjust the fair value of this investment as the current development program is in line with the assumptions of the initial plan, and discussions with regulatory authorities do not indicate any significant hurdles at this stage.

Loan to API: Discounted cash flows: the valuation model considers the present value of expected payments, discounted using the market rate and a company risk premium at the reporting date. The assumption is that the loan will be offset by royalties payable to API from product candidates in 2042. The change compared to last year is primarily due to revised downward of future cash-flows related to products which, once commercialized, would generate royalties payable to API and that the determination of the fair value was impacted by a change in the risk- adjusted rate (WACC) from 11.6% to 13.38%.

Recoup of US litigation costs: Discounted cash flows similar to the Loan to API. The valuation model considers the present value of expected payments, discounted using a WACC of 13.38% at the reporting date. The assumption is that the recoup of US litigation costs will be offset by royalties on product candidates in 2044.

The Company considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost in the consolidated financial statements approximate their fair values.

4.2 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and price risk), credit risk and liquidity risk. There have been no changes in the risk management since last year-end or in any risk management policies.

4.3 FOREIGN EXCHANGE RISK

The Company is currently exposed to foreign currency risk, mainly relating to positions held in USD.

The exposure to exchange differences of the monetary assets and monetary liabilities of the Group at the end of the reporting period are as follows:

(in € thousand)	December 31, 2024	December 31, 2023
Assets	5,974	3,466
Liabilities	(2,411)	(817)

If the EUR had strengthened/weakened 1% against the USD with all other variables held constant, the impact on the consolidated statement of comprehensive income would have been - €36 thousand and +€35 thousand respectively. Comparative information for 2023: if the EUR had strengthened/weakened 1% against the USD with all other variables held constant, the impact on the consolidated statement of comprehensive income would have been - €24 thousand and + €24 thousand respectively.

By default, the company uses natural hedging

by matching the foreign currency-denominated revenues with the foreign currency-denominated expenses. This approach relies on the fact that when the company generates revenues and incurs expenses in the same currency, fluctuations in exchange rates have less impact on the overall financial position.

The Group could as well use derivative financial instruments to manage its exposure to the U.S. Dollar arising from operational activities in the form of cash flow hedges. This exposure is hedged with foreign exchange forward contracts. At the end of 2024 and 2023 there are no outstanding foreign exchange forward contracts.

4.4 INTEREST RATE RISK

The Company is currently not exposed to significant interest rate risk as the interest-bearing financial liabilities and assets bear a fixed interest rate, which are not subject to revision.

4.5 CREDIT RISK

Credit risk arises from cash and cash equivalents, short-term bank deposits, as well as credit exposure of collaboration partners. Credit risk refers to the risks that counterparty will default on its contractual obligations resulting in financial loss to the Company.

By the end of 2024, the Company has contracted with many different customers spread over the world (U.S., Europe and South-Asia). As a result, there is credit risk that is characterized by uncertainty in reimbursement value, delays in payment, and ultimately non-payment. This could potentially impact the Company's revenue recognition and cash collections.

For each customer, annually, the financial department reviews and sets a credit limit based on key financial criteria, geographical area, nature of the business and historical relationship.

We sort our customers into groups which will help to identify patterns and establish a risk profile. Usually, the credit risk related to milestones, royalties and profit share payment fall in one specific group which may lead to offer extended payments terms due to profile of the customers, the nature of the business whereas the credit risk related to other activities like services are classified differently, and are regularly and closely monitored.

Trade accounts receivable amounted to €3,810 million as of December 31, 2024, and no allowance for expected credit loss was recorded either in 2024 or during previous years. The increase compared to prior year (€2,970 million as of December 31, 2023) is mainly due to Valacyclovir milestones invoiced late 2024 and settled early 2025. During the first quarter of 2025, about €2.5 million EUR of outstanding trade receivables was collected.

Customer's compliance with agreed credit terms is regularly and closely monitored. The payment terms to our partner AFT are extended and exceed 12 months for the specific transactions (see note 11).

The average debtor's payment period is 30 days after invoice date. To measure the expected credit losses, trade receivables have been grouped based on credit risk characteristics and the days past due. In assessing the credit risk characteristics, the Company takes into account any indicators of impairment up until the reporting date, and it applies a pragmatic approach that is consistent with the definition used for internal credit risk management purposes. Given the high quality of our customers the loss allowance provision at year-end is zero. It is the management's opinion that at the above reporting date no further provision for doubtful debts was required.

Cash and cash equivalents and current financial assets are invested with several highly reputable banks and financial institutions. The financial

institutions have credit ratings varying from A to AA- and are consequently considered as low credit risk.

4.6 LIQUIDITY RISK

The Company's main sources of cash inflows are currently obtained through revenues. The liquidity risk for the Group arises from the financial liabilities but also from commitments and liquidities required to be able to develop product candidates.

The following table details the Company's remaining contractual maturity of its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. In Other financial liabilities the liability to Purna Female Healthcare of €3M (see note 9) is payable upon achievement of development milestones, for which €1.5 million is payable after the completion of the dose finding study required for being able to start a phase 3 study and the remaining €1.5 million is payable after the process validation report and completion of enrollment of the phase 3 studies.

December 31, 2024 (In € thousand)	Within one year	>1 and <5 years	>5 and <10 years	Total
Borrowings				
Lease liabilities	280	1,184	252	1,716
Borrowing of lab equipment	46	53		99
Other financial liabilities				
Other loans	3,000	314	54	3,368
Provisions	408	173		581
Trade and other liabilities	3,428			3,428
Total	**7,162**	**1,724**	**306**	**9,192**

December 31, 2023 **(In € thousand)**	Within one year	>1 and <5 years	>5 and <10 years	Total
Borrowings				
Lease liabilities	241	871	639	1,751
Other financial liabilities				
Other loans	3,200	344		3,544
Trade and other liabilities	3,318			3,318
Total	**6,759**	**1,215**	**639**	**8,613**

4.7 MARKET RISK

Market risk is the risk that changes in equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The primary goal of the Group's investment in equity securities is to hold the investments for the long term for strategic purposes.

5 . Operating segments

The chief operating decision maker (CODM) of the Company is the Board of Directors. The CODM reviews the operating results and operating plans, and makes resource allocation decisions on a company-wide basis; therefore, the Group operates as one segment.

According to IFRS 8, reportable operating segments are identified based on the "management approach". This approach stipulates external segment reporting based on the Group's internal organizational and management structure and on internal financial reporting to the chief operating decision maker.

The financial information is organized and reported to CODM under one management reporting covering all activities of the Company. There is no specific component in the financial information that would as such represent a specific operating segment.

Information reported to the CODM is aggregated and comprises all activities of the Company. The Group's activities are managed and operated in one segment, pharmaceuticals. Strategic decision and resources allocation are made at the Company level by the CODM.

In 2024, total revenue surged to €8,458 thousand, a fourfold increase compared to 2023 (€2,087 thousand). This impressive growth was primarily driven by substantial royalties from Maxigesic® IV and Podofilox, as well as a USD 2.1 million milestone payment related to the commercial launch of Maxigesic® IV in the U.S. Additionally, upfront and regulatory milestones payments related to the licensing and supply agreement on Valacyclovir Oral Suspension, signed in December 2024, contributed to the growth. In 2023, the revenue related to royalties for €1,9 million for Sotalol IV, Maxigesic IV and Padagis/Podofilox gel, out-license agreements that provide a right to use for €104 thousand and milestone billings for €54 thousand.

In € thousand	2024	2023
Royalties	4,901	1,929
Out-license agreements	247	104
Milestones	3,310	54
Total revenues	**8,458**	**2,087**

In 2024, there are 4 customers (three in 2023) individually exceeding 10% of total revenues, with respective amounts of €3,191 thousand (€804 thousand in 2023), €2,785 thousand (€244 thousand in 2023), €1,320 thousand and €914 thousand (€881 thousand in 2023). Those customers represent 97% of the total recognized revenues (92% in 2023).

In the revenue recognition there are no material contingencies nor amounts which are subject to

significant estimation uncertainty. In some cases, the payment terms extended to our partners such as AFT, which have a low liquidity risk profile, exceed 12 months. See note 11 for trade receivables.

5.1 GEOGRAPHICAL INFORMATION

Revenues reported in the consolidated statement of profit or loss and other comprehensive income are mainly generated in the United States: € 5,588 thousand (€1,125 thousand in 2023); but also in EMEA and Asia-Pacific regions. Non-current assets recorded in the consolidated statement of financial position are mainly located in Belgium, the country of domicile of the Company.

6 . List of consolidated companies

(AS AT DECEMBER 31, 2024)

Company name	Company number	Location	% financial interest
Hyloris Pharmaceuticals SA	BE 0674.494.151	Blvd Patience et Beaujonc N°3/1, 4000 Liège	Parent
Hyloris Developments SA	BE 0542.737.368	Blvd Patience et Beaujonc N°3/1, 4000 Liège	99.99%
Hyloris SA	BE 0669.738.676	Blvd Patience et Beaujonc N°3/1, 4000 Liège	100.00%
Dermax SA	BE 0667.730.677	Blvd Patience et Beaujonc N°3/1, 4000 Liège	100.00%

The voting rights equal the percentage of financial interest held.

7 . Intangible assets

(in € thousand)	Development costs	Assets Purchase	License fees	Prepayments	Total
Year ended December 31, 2024					
Opening carrying amount	2,060	642	1,126	-	3,828
Additions	229		23		252
R&D Tax Credit	(15)		(1)		(16)
Amortization expense	(194)	(32)			(226)
Closing carrying amount	2,080	610	1,148	-	3,838
At December 31, 2024					
Cost	2,854	4,247	1,171		8,272
Accumulated amortization and impairment	(774)	(3,637)	(23)	-	(4,434)
Carrying amount	2,080	610	1,148	-	3,838

(in € thousand)	Development Costs	Assets Purchase	License fees	Prepayments	Total
Year ended December 31, 2023					
Opening carrying amount	1,678	685	1,125	119	3,607
Additions	325				325
R&D Tax Credit	(11)				(11)
Amortization expense	119			(119)	-
Impairment losses	(50)	(43)			(93)
Closing carrying amount	2,061	642	1,125	-	3,828
At December 31, 2023					
Cost	2,640	4,247	1,148		8,036
Accumulated amortization and impairment	(580)	(3,605)	(23)	-	(4,208)
Carrying amount	2,060	642	1,126	-	3,828

In 2024, the Company acquired intangible assets for a total of €252 thousand, of which (i) €125 thousand related to the development costs of Maxigesic® IV, (ii) €56 thousand related to the development costs of HY-039, €48 thousand related to the development costs of HY-078 and €23 thousand related in-licensing HY-087.

Grouping of intangible assets of a similar nature and use:

- Capitalized development costs: external incurred development costs: Maxigesic IV, Podofilox gel, HY-039 and HY-078.
- Assets purchase: acquisitions of intangibles containing pharmaceutical development data, development analysis for clinical study and intellectual property rights. Used for Maxigesic® IV, Tranexamic Acid Mouth Rinse and HY-075.
- License fees: fees used in in-licensing agreements. For HY-029, Atomoxetine, Metolazone IV, Dofetilide IV, Aspirin IV U.S., HY-074, HY-076, Milrinone, HY-087 and HY-088.

The 4 largest product or product (candidates) in terms of intangible assets are Maxigesic® IV (carrying amount: €1,175 thousand), Aspirine IV U.S. (carrying amount: €623 thousand) Podofilox gel (carrying amount: €568 thousand) and Tranexamic Acid Mouth Rinse (carrying amount: €433 thousand). Only for Maxigesic® IV, the intangible assets are amortized.

The intangible assets are not amortized until the moment they are available for use as intended by management, i.e. ready for commercialization.

The company has amortized since 2014 the development costs of Sotalol IV, an asset for which regulatory approval had been obtained. The useful life of the development costs of Sotalol IV has ended.

In 2022 the Company began amortising the development costs of Maxigesic® IV for markets outside the United States of America where market approval had been obtained, currently totaling 64 countries. In 2024, as the product is available for use in the United States of America, the amortization has started for this market as well. Since the commercial sales for Podofilox gel started late-December 2023, the amortization started in 2024.

The amortization expenses are included in "Cost of sales" in the consolidated statement of profit or loss and other comprehensive income. The applied amortization rate for all classes of assets is 10%.

As long as the assets are not fully amortized, they are tested for impairment if specific indicators are

identified.

Intangible assets under construction are tested for impairment on an annual basis. The impairment test conducted is performed by product by estimating the recoverable amount. The recoverable amount of the product is estimated based on the forecasted future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The time horizon used for the impairment testing is based on the period during which the Company expects to generate cash flows from the project, which period does not exceed 10 years in the management estimates.

Based on the impairment tests conducted at year-end, the recoverable amount of the different products was estimated to be higher than their carrying amount and no impairment was required. The main assumptions used are the discount rate and the success of market penetration. As defined in Note 2.8, the discount rate reflecting current market assessments of the time value of money and the risks specific to the asset, and which was used for the impairment test, is estimated at 13.38% (was 11.85% in 2023).

The main input that lead to a discount rate of 13.38% are:

- a risk free rate of 2.97% corresponding to the 10-year OLO rate as of December 31, 2024 (2.58% last year)
- a beta factor of 0.99 (0.96 last year)
- a market risk rate of 2.28% (2.77% last year);
- a Company specific risk premium of 8.15% (6.6% last year)
- a cost of debt before tax of 6% (no change compared to 2023)

We tested the sensitivity analysis of the impairment tests by increasing the discount rate by 4%, leading the discount rate to 17.38%. We cumulatively decreased the success of market penetration up to 40%, leading the success to 60% and 20% respectively for the commercial products and product in developments. None of these changes to assumptions resulted in an impairment loss.

No intangible assets have been pledged in the context of financial liabilities.

8 . Right-of-use assets

(in € thousand)	Land and buildings	Vehicles and equipment	Total
Year ended December 31, 2024			
Opening carrying amount	1,486	238	1,724
Additions	89	141	230
Depreciation expense	(192)	(109)	(302)
Closing carrying amount	1,382	270	1,652
At December 31, 2024			
Cost	1,736	536	2,514
Accumulated depreciation and impairment	(353)	(266)	(862)
Carrying amount	1,382	270	1,652
Year ended December 31, 2023			
Opening carrying amount	809	76	885
Additions	822	211	1,033
Depreciation expense	(145)	(49)	(194)
Closing carrying amount	1,486	238	1,724
At December 31, 2023			
Cost	1,647	395	2,284
Accumulated depreciation and impairment	(161)	(157)	(560)
Carrying amount	1,486	238	1,724

The depreciation expenses are all presented as "General and administrative expenses".

The Group rents its headquarter building and leases all company cars. In 2023 the Group started with a new lease contract for the labs. These contracts do not include any purchase options. The lease term considered for the building is 9 years, while for the company cars the lease term ranges between 4 and 5 years.

The Group has lease contracts that include termination options. These options are negotiated by management to provide flexibility in managing the leased assets and align with the Group's business needs. In the lease contracts there are extension options. The lease contracts for the building and the lab will be tacitly renewed, at its end, for periods of one year unless notice given by one of the parties by registered letter sent month 6 before the current contractual expiry or renunciation accepted, expressly and in writing, by the other party.

The amounts recognized in profit or loss can be summarized as follows:

(in € thousand)	2024	2023
Depreciation expense of right-of-use assets	(302)	(194)
Interest expense on lease liabilities	(70)	(52)
Total amount recognized in profit or loss	(372)	(246)
of which as:		
General and administrative expenses (note 19)	(302)	(194)
Financial expenses (note 22)	(70)	(52)

9 . Equity accounted investees

FHP

On 5 February 2021, the Group entered into a partnership with FHP, located in Belgium, a spin-off founded to develop and commercialise Miconazole-Domiphen Bromide, and which is accounted under the equity method of accounting. At the acquisition date, the net assets of FHP were limited to the available cash in the company hence no fair value adjustment has been identified and as a result a goodwill of 4,3 million was included in the carrying amount, justified by the potential of the product candidate. Hyloris committed to an investment of €4,270 thousand, of which €1,270 thousand was paid at acquisition date. The unpaid balance of €3,000 thousand is recognized against a current financial liability for €3,000 thousand (see note 15.2).

Hyloris owns 20% of FHP (later payments done under the current contract) will not result in a higher percentage of ownership) and is eligible, based on contractual variables driven by the profitability of the company, to receive up to a maximum of 45% and a minimum of 17.3% of the net profits generated by FHP. As long as there is no commercialization of the product candidate, 20% presents the Group's economic interest in FHP's net assets. Hence the future economic interest of Hyloris in FHP will be changed and will be driven by the profitability of the company.

(in € thousand)	December 31, 2024	December 31, 2023
Opening carrying value	3,801	3948
Impairment on financial assets	(972)	-
Loss of the period	(81)	(147)
Carrying amount at December 31	2,748	3,801

The following tables summarize the financial information of FHP as included in its own financial statements, adjusted for fair value and differences in accounting policies, if needed.

(in € thousand)	December 31, 2024	December 31, 2024
Fixed Assets	-	-
Currents Assets	**388**	**834**
Amounts receivable within one year	14	36
Cash at bank and in hand	374	798
TOTAL ASSETS	**388**	**834**
Capital and reserves	**351**	**758**
Capital	6,103	6,103
Uncalled capital contribution	-3,000	-3,000
Accumulated profits (losses)	-2,752	-2,345
Provisions and deferred taxes	-	-
Creditors	**37**	**76**
Amounts payable within one year	37	76
TOTAL LIABILITIES	**388**	**834**

(in € thousand)	December 31, 2024	December 31, 2024
Operating income		
Operating charges	**-407**	**-737**
Services and other goods	-407	-736
Other operating charges (-)	0	-1
Operating profit (loss)	**-407**	**-737**
Profit (Loss) for the period before taxes (-)	**-407**	**-737**
Profit (loss) for the period available for appropriation	**-407**	**-737**
Hyloris % of interest	20	20
Profit (loss) for the period available for appropriation (20%)	**-81**	**-147**

Reconciliation between (a) the 20% of rights to net assets applied to FHP's equity/net assets and (b) the carrying amount of Hyloris' interest in FHP:

(a) 20% of 4,200 shares: 840 shares

The capital of FHP amounts to €6,103 thousand represented by 4,200 registered shares without nominal value, of which 2,100 A1 shares, 1,260 A2 shares and 840 B shares (held by Hyloris).

Hyloris acquired 840 B shares. In exchange for the 840 B shares, Hyloris Pharmaceuticals ("Hyloris") made a contribution in cash of €4,270 thousand, which was paid-up immediately for an amount of €1,270 thousand. The remaining €3,000 thousand will need to be paid when certain milestones are reached. The first milestone of €1,500 thousand, which is payable "upon completion of the dosefinding study required to initiate a Phase 3 trial". The second milestone, €1,500 thousand, payable "upon the process validation report, six-month stability data on registration batches and completion of Phase 3 enrollment" remains not due.(see note 4.6).

(b) 2,748 thousand
Committed investment of Hyloris: €4,270 thousand
- 20% of Retained earnings of FHP (loss): €550 thousand
- Impairment of financial asset : €972 thousand
= Hyloris' carrying amount in FHP : €2,748 thousand

All shares are entitled to profit distribution. However, the interest in the profits is not necessarily equal to the ownership interest and may vary depending on the performance of FHP. Before a commercial launch no dividends will be distributed. As of the point in time of a commercial launch profits will be distributed to the shareholders according to the distribution mechanism set forth in the shareholders' agreement. When FHP is exactly reaching its net profit target established in the shareholder's agreement class B shares will be entitled to 20% and class A (A1 + A2) shares will be entitled to 80% of the net profits. If FHP does not reach its net profit target, a higher interest in these net profits will be allocated to the Class B shares (preferential class). As such, the interest of the Class B shares in the net profits may increase to 45%. On the other hand, if FHP exceeds its net profit target, Class A shareholders will be entitled to a higher interest in the net profits (and Class B shareholders to a lower interest).

Impairment testing

Based on the revised business case (which does not take into account any potential revised developments strategy) it is very likely that the net profit target set in the Subscription and Shareholders' Agreement will not be achieved, leading to the conclusion that Hyloris' current 20% stake in FHP could increase to 45% of the company's value upon sale or alternatively entitle Hyloris to 45% of the annual profits in accordance with the agreement mechanism as explained above. Multiple discussions took place with the FHP BV shareholders until the key assumptions used to estimate the recoverable amount could be determined based on all facts and circumstances available at the reporting date and approved by the Board.

The future cash flows of the Miconazole-Domiphen Bromide asset were re-assessed and led to a result of €2,748 thousand for the Value in Use of FHP, reflecting a reduction of €1,053 thousand, taken into account the result of €81 thousand share of result of equity-accounted investees and thus resulting in a €972 thousand impairment of the equity-accounted investee. This re-assessment was done using a discount rate of 13.38%, a forecasting period of 15 years and risk-weighted cashflows versus non-weighted cashflows.

The discount rate is based on a risk free rate of 2.97%, a risk premium of more than 10.00% and a cost of debt after tax of 4.50%. Risk weighted cashflows were used to reflect the actual circumstances. The result of €2,748 thousand is a weighted average of a risk adjusted valuation (2/3rd weight) and a non-adjusted valuation (1/3rd weight).

In accordance with IAS 36, the Group considered the higher of VIU (Value in Use) and FVLCS (Fair Value Less Cost to Sell).

A sensitivity analysis shows that when the timing of the underlying expected annual profits differs one year earlier or later than the calendar used, the impairment would decrease by €368 thousand or increase by €324 thousand. When the discount rate increases or decreases by 1%, the impairment would increase by €196 thousand or decrease by €217 thousand. A change in weight to 50/50 for calculating the average would decrease the impairment by €458 thousand. Using a stake of 35% instead of 45% in the calculation would increase the impairment by €610 thousand.

The investment balance of €3,000 thousand, to be paid upon achievement of certain milestones was accounted as a "Current Other Financial Liability" at 31 December, 2023. The Subscription and Shareholders' Agreement clarifies that any unpaid balance at the time of the first dividend distribution, an Exit or Exit Liquidation, shall be paid-up in full immediately prior to such dividend distribution, Exit or Exit Liquidation. As such, the €3,000 thousand liability stays under "Other Financial Liability at 31 December 2024 and is reported as "Current".

Hyloris and FHP are currently considering a revised development plan with adjusted milestone payments.

Transactions with FHP

In 2024, there are no transactions with FHP. In 2023 Hyloris invoiced FHP for a total amount of €55 thousand related to PIND/IND services (€45k) and CRO selection and qualification services (€9k).

Vaneltix

On 13 December 2021, the Group entered into a Collaboration Agreement with Vaneltix Pharma Inc. for the development and commercialization of "Alenura", a first line drug treatment for acute pain in interstitial cystitis/bladder pain syndrome (IC/BPS). Under the terms of the Agreement, the Group provides staged investments of maximum $6,700 thousand relating to R&D activities incurred under the Agreement. An amount of $2,000 thousand was invested in an equity raise through a Subscription Agreement signed on 17 October 2023 against 4 fully paid and non-assessable shares (series D preferred stock) at $500 thousand per share. This capital increase (part of the maximum investment of $6,700 thousand) was provided to cover R&D costs and has been recognized in 2023 as R&D expenses.

The Group applies the equity method in the consolidated financial statements as the Group has significant influence over Vaneltix (see note 3.2). As the percentage of ownership is very low (only 0.00053%) the Group does not take its % share in the loss of Vaneltix in deduction of the equity value. In addition, the investor's share of losses of an equity-accounted investee is recognized only until the carrying amount of the investor's equity interest in the investee is reduced to zero. After the

investor's interest is reduced to zero, a liability is recognized only to the extent that the investor has an obligation to fund the investee's operations or has made payments on behalf of the investee. Given the losses of Vaneltix and the fact that Hyloris does not have an obligation to fund the investee (other than funding the product co-developed with Vaneltix) under the terms of the Collaboration Agreement), the carrying amount would be zero.

In an Addendum signed on 13 January 2025 parties confirmed that the agreed investment amount of $6,700 thousand, was allocated across distinct activity "buckets", each having a capped limit. Any expenditures exceeding those individual caps are not covered by Hyloris. Each quarter, all expenditures incurred by Vaneltix, supported by an invoice or similar proof and approved by Hyloris, are allocated to the appropriate bucket. Hyloris is only required to fund expenditures within buckets that still have available financial reserves. The Addendum also includes the agreement to offset the trade receivables outstanding as at 31 December 2024 (€137 thousand) with R&D funding.

Under the Agreement, The Group also granted a 6% interest bearing loan of $500 thousand. In the Amendment of 13 January 2025, the loan is extended till 31 March 2025. If at that point, principal amount and interest are not paid, Hyloris may offset the amount against R&D fundings amounts under the Agreement that become due.

Transactions with Vaneltix

In 2024 no services were provided to Vaneltix. In 2023 services for a total amount of €145 thousand were provided under this co-development with Vaneltix. These services were cross-charged by Vaneltix since these are linked to the co-development agreement in scope of the Research and Development Expenses to be funded by Hyloris and therefore the income is netted with the cross-charged Research and Development expenses by Vaneltix.

10. Other financial assets

The other financial assets can be detailed as follows:

(in € thousand)	December 31, 2024	December 31, 2023
Shares Pleco Therapeutics BV	1,000	1,000
Vaneltix loan	556	499
Other financial assets	**1,556**	**1,499**
of which as:		
Non-current	1,000	1,000
Current	556	499

Shares: Pleco Therapeutics BV

In 2021, the Group entered into a partnership with Pleco Therapeutics to develop PTX-252, a novel chelating agent for the treatment of Acute Myeloid Leukaemia (AML) and Small Cell Lung cancer (SCLC). Hyloris provided a non-interest bearing convertible loan of €1,000 thousand which has been converted into 7,944 preferred shared (1 June 2022) at an issuing price of €126 per share (which resulted in a 4.5% ownership of the company Pleco Therapeutics). See note 4.1 for the valuation.

The Group is committed to fund up to an additional €7,700 thousand; of which €2,4 million has been already funded.

Pleco will fund all activities that are outside the scope of the maximum €7,700 thousand funding commitment from Hyloris. Hyloris will be eligible to receive up to 65% of the net gross product margin generated worldwide in AML and SCLC. Hyloris will be co-owner on all Pleco patents (except for patents held by MD Anderson Cancer Center), inventions, co-development information and market information. The arrangement constitutes a joint operation.

In 2024 the Group had a few purchase transactions with Pleco Therapeutics for product development related services regarding pre-clinical, clinical and CMC-related activities for a total amount of €297 thousand. In 2023, Hyloris had sales related to strategic advice for an amount of €500 thousand and purchases for product development regarding pre-clinical, clinical and CMC-related activities for a total amount of €2.2 million. As of 31 December 2024 the outstanding commitment is €5.3 million (€7.7 million - €2.4 million).

As of the reporting date, no impairment loss has been recognized on the investment in Pleco Therapeutics. A capital increase was completed by Pleco in December 2024 as part of a Series B funding round, based on an unchanged pre-money valuation of EUR 25 million. This valuation was confirmed by Pleco's management and served as the basis for recent capital contributions.

Pleco achieved significant progress in its preclinical, technical, and regulatory development. The phase 1a clinical study program is scheduled to commence in 2025, marking a key milestone in the project's advancement. Early results from the Single Ascending Dose (SAD) portion of the study are expected approximately three months after initiation and will provide critical insights into the therapy's safety and tolerability.

In parallel, a portion of the targeted Series B funding has already been secured, with additional commitments in place. Pleco's management remains confident in its ability to attract a lead investor as soon as the initial clinical results become available.

These elements support and justify the conclusion that no impairment of the investment is required at this stage.

Vaneltix loan

On 13 December 2021, the Group entered into a collaboration with Vaneltix Pharma, Inc. (a related party of Hyloris) for the development and commercialization of Alenura™ as first-line drug treatment for acute pain in interstitial cystitis /bladder pain syndrome (IC/BPS). Under the terms of the agreement, the Group granted a 6% interest bearing loan of $500 thousand.

The initial above agreement included a reimbursement at the earliest of i) 31 December 2023 or ii) sale of equity or other equity-linked instruments by the Borrower to unaffiliated third parties for financing purposes for an amount of at least $5 million (the "Capital Increase"). A loan amendment dated 17 October 2023 extended the reimbursement date from 31 December 2023 to 31 August 2024. In a new Amendment dated 13 January 2025, the reimbursement date has been extended till 31 March 2025. If at that point, the loan has not repaid, Hyloris may offset the amount against R&D fundings amounts under the Agreement that become due.

In case of a capital increase on or prior to the reimbursement of the Loan in full, Hyloris shall have the option to convert the entire principal amount of the loan and all interest accrued into shares.

Also under the terms of the agreement, the Group will provide staged investments of in total maximum $ 6,700 thousand for Phase 2, manufacturing and regulatory related activities (see **note 28.2**) upon which $5,313 thousand has

already been provided.

In 2024, Hyloris incurred 789 thousand of R&D expenses compared to 2,744 thousand in 2023.

Management identified Vaneltix Pharma, Inc as a related party of Hyloris (see note 28.2).

11. Trade receivables and other receivables

(in € thousand)	December 31, 2024	December 31, 2023
Trade receivables	3,710	2,970
Contract assets	100	-
API loan	99	317
Recoup US litigation costs from API	292	-
R&D Tax Credits	1,774	1,256
Tax Credit - Alenura™	581	368
VAT	329	218
Other amounts receivable	23	26
Total trade and other receivables	6,908	5,156
of which as:		
Current	4,858	3,565
Non Current	2,050	1,591

At 53%, the greater part of the carrying amount of the Group's trade receivables (gross) is still denominated in USD; the remaining portion of outstanding trade receivable being denominated in EUR. In 2023, it was mainly denominated in USD.

During the year, the payment terms for the receivables have neither deteriorated nor been renegotiated.

The maximum credit risk exposure at the end of the reporting period is the carrying value of each caption of receivables mentioned above. The Group does not hold any collateral as security.

A contract assets of €100 thousand, relating to a regulatory milestone for Valacyclovir Oral Suspension, has been recognized as the underlying performance obligation has largely been satisfied.

Other amounts receivable mainly includes guarantees.

API loan

A loan to API of $700 thousand is granted by Hyloris to API, carrying a 0.1% interest per year. This loan is presented as non-current. When the royalties (or other payments) of 3 product candidates, or any other product parties may develop together in the future, exceed $200 thousand in a calendar year then the amount exceeding $200 thousand will be used to repay the loan. Hyloris can then withhold this amount from royalty payments. The loan has been measured at FVTPL using a discounting rate of 13.38% (11.6% in 2023) resulting in the recognition of a loss of €241 thousand, excluding FX effect, recognized as financial expenses in 2024. For comparative information, the financial expense in 2023 was €173 thousand. The decrease of the fair value in comparison to 2023 is mainly due to revision of business cases used that now foresee a generation of excess royalties (used to reimburse the loan) by 2042, instead of 2029, and the increase of the discount rate.

The reimbursement of the loan is depending on the success of the product candidates being developed by the Group and not depending on any action from the counterparty. (see note 4.1).

A sensitivity analysis shows that when the year of reimbursement differs 1 year earlier or later than the estimated calendar year of reimbursement, the fair value increases by €13 thousand or decreases by €12 thousand. When the discount rate increases or decreases by 1%, the fair value of the loan decreases by €12 thousand or increases by €14 thousand.

Recoup US litigation costs from API.

In the context of its now concluded US arbitration proceedings against Alta Thera Pharmaceuticals LLC, Hyloris is contractually entitled to recover from API 50% of all litigation costs incurred. As of end 2024, total litigation costs incurred and supported by Hyloris amounted to $4,755 thousand; out of which $2,377 thousand can be recovered from royalties payable to API.

Same mechanism of excess royalties as for the API loan (see above) will be used to recover those expenses and reimbursement will start once the loan has been repaid. Business cases used foresee a reimbursement by 2044.

The receivable has been measured at FVTPL using a discounting rate of 13.38% resulting in the first time recognition of a receivable of €292 thousand. This amount is sensibly lower than the one previously disclosed in the Subsequent Events section of our 2024 Half-year Report (€0.9 million) as a result of downward revision of underlying future forecasts and increased discounting rate.

The reimbursement of these expenses is depending on the success of the product candidates being developed by the Group and not depending on any action from the counterparty. (see note 4.1). A sensitivity analysis shows that when the year of reimbursement differs 1 year earlier or later than the estimated calendar year of reimbursement, the fair value increases by €39 thousand or decreases by €34 thousand. When the discount rate increases or decreases by 1%, the fair value of the loan decreases by €38 thousand or increases by €45 thousand.

R&D Tax Credits

The Group applies for R&D tax credit incentives set-up by the Federal government and obtained reasonable assurance in the current reporting period that the Group will comply with the conditions attached to the grant and that the grant will be received. The Group recognized R&D tax credits for a total of €499 thousand in Other Operating Income (see note 21) and €15 thousand in Intangible assets (see note 7). Also, in 2024, the company corrected the Belgian R&D tax credit calculation for 2023 by applying the correct

deduction rate of 20.5% instead of the 13.5% rate that had been incorrectly used, representing an additional other income of €225 thousands. Based on applicable tax regulations, a first cash reimbursement of €130 thousand under the Belgian tax credit regime is expected in 2025 .

Tax Credit - Alenura™

A Tax Credit of €576 thousand was granted from an American state government for the clinical development costs of the Alenura™ product candidate which were incurred in 2023. The Tax Credit is recognized when the approval of the grant request has been confirmed by the authorities.

As of December 31, 2024, there are no outstanding requests for Tax Credit related to development costs of the Alenura™ being assessed by the American state authorities. The amount of €368 thousand, recognized in 2023, has been paid in full in November 2024.

12. Prepayments

Pre-paid R&D expenses relate to payments made by the Group for research and development projects conducted by partners (co-development projects) and will be recorded in profit and loss when incurred.

At reporting date, the outstanding prepayments (€191 thousand) have decreased by €403 thousand compared to December 31st 2023 (594 thousand). The change in prepayments was mainly determined by the collaboration with Vaneltix. Under this collaboration, prepayments became payables, presented as Trade Payable on the balance sheet, as incurred R&D costs for this project exceeded the project funding.

Prepayments apply to both research and development activities. Prepayments related to research are expensed when they are incurred.

Development costs are also expensed in the Profit or Loss when they are incurred up until the moment that the recognition criteria under IAS 38 are met, i.e. upon filing for market authorization in the context of 505b2 or when an asset is acquired as an intangible asset, from when any further development costs are capitalized as intangible assets. Prepayments relating to development costs are presented as intangible assets.

13. Cash and cash equivalent

The net cash position as presented in the consolidated statement of cash flows is as follows:

(in € thousand)	December 31, 2024	December 31, 2023
Cash at bank	23,594	20,196
Short-term deposit	-	10,210
Total cash and cash equivalents	23,594	30,406

There are no outstanding short-term deposit as of year-end 2024 as the latest one(s) had maturity date(s) in late December, 2024.

The term of the only deposit at year-end 2023 was from January 3, 2023 to January 3, 2024. It was classified as cash equivalent as the nominal value of €10 million could be withdrawn considering a notice period of 32 days. A penalty was due if the amounts were withdrawn during the entire term. The penalty due depended on when the deposit was withdrawn, during the initial 180 days the penalty would have amounted to 50% of the already earned interest and after the initial 180 days the penalty would have amounted to 25% of the already earned interest.

14. Equity

14.1 OVERVIEW

(in € thousand)	December 31, 2024	December 31, 2023
Share capital	140	140
Share premium	121,513	121,513
Retained earnings	(86,470)	(80,761)
Other reserves	(3,070)	(1,823)
Total Equity attributable to owners of the parent	32,143	39,069

14.2 CAPITAL MANAGEMENT

The Group manages its capital with the objective of maintaining a solid equity position to support the long-term development of the business and reinforce the confidence of current and potential investors and partners.

This approach aims to ensure that the Group can continue as a going concern while preserving strategic flexibility to finance its research and development pipeline and future growth opportunities. Also refer to note 3.1 for further details on going concern.

The Group is not subject to any externally imposed capital requirements except those provided for by law. The Group's management reviews the capital

structure of the Group on a regular basis. As part of this review, management considers the cost of capital and the risks associated with each financing options. The Group's objectives, policies and processes for managing capital have remained unchanged over the past few years.

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

14.3 SHARE CAPITAL AND SHARE PREMIUM

Share Capital

As per December 31, 2023 and December 31, 2024, the share capital of the Group amounts to € 140,001.87 represented by 28,000,374 shares, without nominal value, each representing 1/28,000,374th of the share capital of the Group. The share capital of the Group is fully and unconditionally subscribed for and is fully paid up. All shares rank equally with regard to the Group's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

On June 8, 2020, the General Assembly issued an authorized capital of €117,758.84. The Board is allowed to use the authorized capital for a period of 5 years.

On June 11, 2024, the General Assembly renewed the authorized capital for a period of 5 years (as from the date of the publication of the resolution) amounting to €140,001.9 (excluding emission premium).

As per December 31, 2024, the remaining authorized capital amounted to €140,001.87 (compared to €110,920.13 as per December 31, 2023).

The following capital transactions have taken place since January 1, 2017:

Date	Transaction	Increase of share capital (incl. share premium) (€)	Number of securities issues	Issue price / share (rounded, incl. share premium) (€)	Number of shares after the transaction
7 June 2012	Incorporation	50,000	10,000 Shares	5.00	10,000
31 March 2017	Capital increase	11,500	2,300 Shares	5.00	12,300
12 May 2017	Share split	-		-	3,075,000
31 May 2018	Capital increase	2,750,000	248,711 Shares	11.06	3,323,711
31 May 2018	Capital increase	3,000,000	271,322 Shares	11.06	3,595,033
31 December 2019	Capital increase	18,259,783[2]	855,409 Shares	21.35	4,450,442
8 June 2020	Share split	-	Share split (1 to 4)	-	17,801,768
30 June 2020	IPO on Euronext	61,821,500	5,750,000 shares	10.75	23,551,768
30 June 2020	Conversion of convertible bonds	15,358,025	2,040,864 shares	10.75	25,592,632
31 July 31 2020	Over allotment option	2,580,000	240,000 shares	10.75	25,832,632
31 March 2022	Accelerated bookbuild	15,000,000	967,742 shares	15.50	26,800,374
22 June 2022	Transaction warrants exercised	2,832,000	1,200,000 shares	2.36	28,000,374

[2] Accounting wise, the share issue of December 2019 was accounted for as from the date of establishment of common control in Dermax.

Share premium

As per December 31, 2023 and December 31, 2024, the share premium of the Group amounts to €121,513 thousand.

Other reserves

(in € thousand)	December 31, 2024	December 31, 2023
Share based payment	944	2,161
Cost of Capital	(4,460)	(4,460)
Other	476	476
Total Other reserves	(3,040)	(1,824)

The movement of the other reserves over the period can be explained by the decrease of €1,217 thousand resulting from the share based payment expenses associated with the ESOP warrants (see note 26).

15. BORROWINGS AND OTHER FINANCIAL LIABILITIES

15.1 BORROWINGS

(in € thousand)	December 31, 2024	December 31, 2023
Lease liabilities	1,717	1,751
Borrowing lab equipment	99	-
Total borrowings	1,816	1,751
of which as:		
Non-current borrowings	1,489	1,510
Current borrowings	326	241

For more details on the leases, we refer to note 8 on "Right-of-use assets".

The increase in lease liabilities, largely offset by reimbursements, is due to new cars for a value of €141 thousand and the index effect of €89 thousand on the leasing of the building and lab offices. Borrowing of lab equipment represents the financing arrangements (duration of 36 months starting in February 2024 for an amount of €139 thousand with an annual interest rate of 6.05%) contracted in 2024 with a financial partner for equipment acquired for the lab.

The sale and lease back agreement, for an amount of €139 thousand, is considered a financing arrangement. To determine how to account for a sale-and-lease back transaction, the Group first considered whether the initial transfer of the underlying asset from the Group to the buyer-lessor was a sale. IFRS 15 was applied to determine whether a sale had taken place. Based upon the facts and circumstances, i.e. the lessor did not obtain control over the asset, there was no sale in accordance with IFRS 15. As a result, the Group continued to recognize the underlying asset and recognized a financial liability under IFRS 9 for the amount received from the buyer-lessor. The financial liability is presented in the line borrowings (note 15.1) and is measured at amortized cost.

The weighted average incremental borrowing rate used for the measurement of the lease liabilities is 3.95%. The incremental borrowing costs for the cars is in a range between 1.6% and 3.16%. The Group is not subject to financial covenants. The underlying leased assets act as pledge in the context of the lease liabilities.

15.2 OTHER FINANCIAL LIABILITIES

The other financial liabilities can be detailed as follows:

(in € thousand)	December 31, 2024	December 31, 2023
Recoverable cash advance	68	44
Other financial liabilities	3,300	3,500
Other financial liabilities	3,368	3,544
of which as:		
Non-current other financial liabilities	368	344
Current other financial liabilities	3,000	3,200

Recoverable cash advance

In June 2023 a recoverable cash advance related to the government grant for HY-083 was received from the Walloon region. A part of this cash advance is a non-refundable grant (€88 thousand) and the other part is refundable to the Walloon region (€169 thousand). In relation to the €169 thousand if the development of the product candidate is successful and will be commercialized the Group has to reimburse the advance. The reimbursement includes a fixed amount and a variable amount depending on the sales of the product. If the product candidate is not successful the Group is not required to refund the advance but only if the Group decides to transfer the IP rights of the product candidate to the Walloon region. In case the Group decides to keep the IP rights, the fix part of the advance has to be reimbursed and the financial liability will be derecognized.

Of the €169 thousand, 30% is fixed (€51 thousand) and is, in accordance with the accounting policies, considered a financial liability measured at fair value (with changes in fair value recognised in profit and loss) and 70% (€118 thousand) is variable and accounted for as a government grant and recognised in profit and loss on a systematic basis over the period in which the related costs which the grant is intended to compensate are recognized as expenses. The variable part of the refundable advance will be reimbursed via royalties to be paid as of commercialization. In 2023 the variable part of the refundable advance has been fully recognized as Other income since sufficient related costs have been incurred during the year. In 2024, Hyloris has incurred sufficient costs to recognize additional grants but decided not to proceed with any additional recognition as the project has now a different approach than the original development plan. The indication of the product remains the same and this new approach enhances the patentability which is an important factor for the Walloon Region. A recall of the received cash advance is unlikely. At a minimum, this evolution might necessitate an amendment to the Convention with the Walloon Region.

Other financial Liabilities

The Group has license agreements with A.forall Group (formerly Alter Pharma Group), including a current financial liability of €200 thousand, which became payable upon the first commercial launch of Maxigesic IV in the US in early 2024 and a non-current financial liability of €300 thousand, which will become payable when worldwide annual sales for Maxigesic IV reach €50 million. In a separate agreement, A.forall Group had agreed to carry out certain R&D activities (related to a specific product) for Hyloris through a development partner. Hyloris agreed to prepay and fund these R&D activities. After reviewing the related costs incurred, Hyloris sought reimbursement for the excess amount funded. In August 2024, both parties reached a final agreement on a repayment of €0.4 million.

Hyloris and A.forall Group agreed to offset this amount against the outstanding €0.2 million financial liability for the commercial launch of Maxigesic IV (presented as Other non-cash movements in table in note 15.3). A.forall Group paid the remaining balance to Hyloris in August 2024.

Committed to milestone related investments (contributions to the equity) in FHP (see note 9) the Group has a current other financial liability of €3 million.

15.3 LIQUIDITY AND CASH FLOW RECONCILIATION

The maturity table of the borrowings and the other financial liabilities is presented in note 4.6 on the liquidity risk.

The following tables reconcile the movements of the financial liabilities to the cash flows arising from financing activities:

			Non-cash movements							
31/12/2024 (in € thousand)	Opening carrying amount	Cash flows	Acqui-sition	Interest expenses	Modifi-cation	Other	Re-classes	Change in fair value	Accrued interests and exchange differences	Closing carrying amount
Non-current financial liabilities										
Lease liabilities	1,509		141	70	89		-374			1,435
Borrowing lab equipment		139					-85			54
Other financial liabilities	343							22	3	368
Current financial liabilities										
Lease liabilities	241	-337					374		3	281
Borrowing lab equipment		-47		7			85			45
Other financial liabilities	3,200					-200				3,000
Total liabilities from financing activities	**5,294**	**-245**	**141**	**77**	**89**	**-200**	**0**	**22**	**6**	**5,184**
Presented in the statement of cash flows as follows:										
Operating activities – interests paid		-77								
Financing activities - reimbursement of borrowings		-40								
Financing activities - reimbursement of lease liabilities		-267								
Financing activities – proceeds from borrowings		139								

31/12/2023 (in € thousand)	Opening carrying amount	Cash flows	Non-cash movements						Closing carrying amount
			Acquisition	Interest expenses leases	Modification	Other	Reclasses	Accrued interests and exchange differences	
Non-current financial liabilities									
Lease liabilities	747	-	903		-1		-149	9	1,509
Other financial liabilities	300	51						-8	343
Current financial liabilities									
Lease liabilities	134	-223	130	52			149		241
Other financial liabilities	3,212	-12	0				0		3,200
Total liabilities from financing activities	**4,394**	**-184**	**1,033**	**52**	**-1**	**0**	**0**	**1**	**5,295**
Presented in the statement of cash flows as follows:									
Financing activities – interests paid		-12							
Financing activities - reimbursement of lease liabilities		-170							
Financing activities – proceeds from borrowings		51							
Operating activities – interest paid		-52							

16. Provisions

On September 2022, an engagement letter was signed with the law firm for the defense of Hyloris joint clients against AltaThera Pharmaceuticals.

Discussions are ongoing for payment of discretionary fees to a law firm related to the AltaThera arbitration. Final terms and conditions are not yet agreed but a provision is recognized for €581 thousand (of which €173 thousand is non-current and €408 thousand is current) because of existing present obligation at reporting date as a result of past event based upon facts and circumstances available, with estimation uncertainty on the amount and timing. These amounts represent a best estimation. These discretionary fees consist of a fixed part and a variable part which is partially current and partially non current. The payment structure for the non current portion is variable and based on a % share of the future profits generated by a product candidate. The % share is currently estimated between 0.5% and 5%. The number of years that the payments will occur is depending on the % share and if Hyloris will out-license the commercialization or does the commercialization of the product candidate by itself. The payment schedule is different between the 2 scenarios because the estimated sales profits are different. In the scenario of out-licensing the payments of the non current part will occur between 2025 and 2035 when 0.5% share is applied. When 5% share is applied the payment will occur in 2025 till 2027 since the amounts are much higher. In the scenario of self-commercialization the payments will occur between 2026 and 2033 if 0.5% share is applied and between 2026 and 2028 if 5% is applied.

Although uncertainties remain regarding the commercialization timeline of the product candidate, the regulatory approval process (FDA/EMA) and the final percentage to be applied for future profits, the discretionary fees meet the criteria of IAS 37 hence a provision must be recognized:

- The present obligation is a result of past events
- The settlement is expected to result in an outflow of resources (payment)

These uncertainties primarily affect timing and amount of payment, rather than the existence of an obligation. The expected timing of the payment is between 2025 and 2035 if the commercialization of the product candidate is out-licensed and between 2026 and 2033 if the commercialization is done by Hyloris.

Valuation approach

The current portion of the provision is a fixed amount and will be paid in the short term.

The non-current portion for the discretionary fee is related to the variable part and the fair value is determined by applying a discounted cash flow approach with a discount rate of 13.38% and using the business case of a product candidate which is not yet commercialized.

This discretionary fee will be part the US litigation costs to be recovered from API (see note 11). The fair value of the receivable recognized as other receivable for the discretionary fee amounts to €196 thousand.

Sensitivity analysis

A sensitivity analysis shows that when the discount rate increases or decreases by 1%, the non current part of the provision would decrease by €5 thousand or increase by €6 thousand. There is no material impact on the current part of the provision.

17. Trade and other liabilities

(in € thousand)	December 31, 2024	December 31, 2023
Trade payables	3,166	3,195
Employee benefit liabilities	262	116
Deferred income	-	7
Trade and other liabilities - Current	3,428	3,318

The trade payables relate mainly to the R&D activities, payables for lawyers for the litigation case (note 27) and remuneration of different committees and the executive management team, including the accrued bonuses.

The fair value of trade payables approximates their carrying amount.

Liquidity and currency risk are detailed in note 4.

18. Deferred taxes

Deferred tax assets are recognized only if management assesses that these tax assets can be offset against taxable income within a foreseeable future.

This judgment is made on an ongoing basis and is based on budgets and business plans for the coming years, including planned commercial initiatives.

Although, no going concern issues have been identified and significant profits are expected as from the moment more product candidates will be commercialized, the moment of commercialization and the amount of revenue to be generated from commercialization remain uncertain. Given the history of tax losses and the fact that there are at this moment, no agreements yet for commercialization of additional products that would result in taxable profit in the future against which the tax losses or tax credits can be utilized, no deferred tax asset has been recognized as of 31 December 2024.

Deferred tax assets are reviewed at each reporting date and will be recognised as from and to the extent that it is probable that taxable profit will be available, against which the unused tax losses, unused tax credits and deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred taxes relate to the same fiscal authority. The deferred tax assets and liabilities are attributable to the following items:

in € thousand	December 31, 2024 Deferred tax asset	December 31, 2024 Deferred tax liability	December 31, 2023 Deferred tax asset	December 31, 2023 Deferred tax liability
Intangible assets	67	67	17	17
RoU Assets		413		431
Financial liabilities	413		431	
Total deferred tax assets & liabilities	**480**	**480**	**448**	**448**
Offsetting	-480	-480	-448	-448
Total deferred tax assets & liabilities	**0**	**0**	**0**	**0**

Deferred tax assets have not been recognized in respect of the following items, because it is not probable that future taxable profits are available against which the Group can use the benefits of therefrom:

In € thousand	2024	2023
Deductible temporary differences	15,074	16,673
Deductible temporary differences related to investment in associates	550	469
Tax losses	56,097	53,155
Total	**71,721**	**70,297**

The deductible temporary differences disclosed above would reverse over a period ranging between 5 to 10 years. The tax losses carried forward, however, are available indefinitely.

19. Revenue

The revenue can be detailed as follows:

(in € thousand)	**2024**	**2023**
Royalties	4,901	1,929
Out-license agreements	247	104
Milestones	3,310	54
Total revenues	**8,458**	**2,087**

Currently, more than half of the revenue of the Group consists of sales-based royalties. The increasing sales-based royalties is income from the Group's launched products, Sotalol IV, Maxigesic IV and Podofilox gel, launched in December 2023, which had the biggest impact. Revenue from sales-based royalties is recognized when the subsequent sale occurs

A USD 2.1 million milestone related to the commercial launch of Maxigesic IV in the U.S. as well as, amongst others, upfront and regulatory milestones payments related to the licensing and supply agreement on Valacyclovir Oral Suspension, signed with Rosemont Pharmaceuticals in December 2024, contributed to the strong growth of milestones revenue. Revenue from milestones is recognized when the performance obligation has been met.

20. Expenses by nature

Expenses by nature represent an alternative presentation for amounts included in the consolidated statement of comprehensive income. They are classified under "Cost of sales", "Research and development expenses", "General and administrative expenses" and "Other operating expenses" in respect of the years ended December 31:

In € thousand	2024	2023
Out-sourced R&D	(6,186)	(11,070)
Employee benefit expenses (Note 21)	(4,110)	(3,761)
Management consultancy fees	(1,092)	(1,137)
Board related expenses	(171)	(176)
Share based payments	584	(539)
Legal & paralegal fees	(2,561)	(2,205)
Audit and related consultancy fees	(853)	(125)
Hiring fees	(64)	(27)
Office equipment, rent and utilities	(433)	(290)
Travel expenses	(300)	(304)
Other expenses	(287)	(78)
Amortisation expense of intangible assets (Note 8)	(227)	(93)
Depreciation expense on PPE and Right-of Use	(421)	(255)
Total operating expenses	**(16,119)**	**(20,060)**
of which as:		
Cost of sales	(227)	(93)
Research and development expenses	(10,265)	(14,421)
General and administrative expenses	(5,627)	(5,546)

[1] The loss and the impairment on the investment in FHP are not included in the Operating expenses (€81 thousand and €972 thousand)

[2] In the financial statements of 2023 Travel expenses were presented under Out-sourced R&D

In accordance with IAS 38, we do not capitalize our research and development expenses until we file for marketing authorization for the applicable product candidate. Research and development expenditures incurred during the period were accounted for as operating expenses.

The Groups' research and development expenses decreased by 29%, from €14,421 thousand in 2023 to €10,265 thousand in 2024. The decrease was principally driven by the timing and phasing of development projects. Additionally, a $2 million investment (provided to cover R&D costs) in Vaneltix was booked as R&D expenses in 2023, whereas no additional investment was made in 2024 outside of contractual R&D funding, further contributing to the overall reduction.

In 2024, the Group capitalized development costs for a total of €229 thousand (was €325 thousand in 2023). (See note 7)

Hyloris' General and administrative expenses remained elevated, totaling €5,627 thousand in 2024, compared to €5,546 thousand in 2023. This was primarily driven by high legal and investigation costs of € 2,172 thousand, including AltaThera arbitration costs, provisions for lawyers' discretionary fees and forensic audit fees. This amount of €5,627 thousand includes the reversal of share-based payments costs for 2019, 2020 and 2022 Warrants Plans (-€584 thousand), which is a non-cash item. Excluding shared based payments adjustments, General and Administrative expenses would have amounted to €6,211, compared to €5,006 thousand in 2023. With the arbitration now concluded, and all else being equal, General and Administrative expenses are expected to be lower going forward.

21. Employee benefit expenses

(in € thousand)	December 31, 2024	December 31, 2023
Wages and salaries	(3,588)	(3,277)
Social security costs	(274)	(247)
Defined contribution costs	(35)	(37)
Other employee Benefit expenses	(213)	(200)
Total employee Benefit expense	**(4,110)**	**(3,761)**
Average number of total employees in full-time equivalents	40.46	34.70

Long-Term variable remuneration

A long-term variable remuneration will be rolled out starting January 1, 2025. This long-term variable remuneration scheme will replace the long-term incentive plan that was approved in 2024 but is now cancelled. (see note 3.3.4 in Corporate Governance)

22. OTHER OPERATING INCOME

(in € thousand)	December 31, 2024	December 31, 2023
Services rendered related to co-developments	63	501
R&D tax credit	499	434
Government grants	576	578
Grants income related to exemption on withholding taxes	164	159
Recoup US litigation costs	292	-
Other income	(10)	455
Other operating income	1,584	2,127

The decrease compared to last year is mainly related to:

1) services rendered which primary consist of strategic advice provided by the Group to Pleco Therapeutics BV to support a co-developer and recharge of services rendered. These strategic advice and services are related to:

- Business Development: advice on strategic partnerships, that could secure additional funding or distributor that could and expand the market reach.
- Market Entry Strategies: assistance in developing effective plans to introduce the therapy to the market and gain traction among healthcare providers and patients.
- Operational Efficiency: guidance on optimizing their internal processes for maximum efficiency, ensuring resources are strategically directed towards achieving their goals.
- Investor Relations: assistance on effectively communicating with potential investors and secure future funding rounds.
- Risk mitigation

2) a settlement agreement in 2023 with a partner of €394 thousand resulting from a long-lasting discussion on disputed costs incurred in the past that was presented as Other income.

Furthermore the Other Operating Income consists of:

- the R&D tax credit for a total of €515 thousand, of which €499 thousand is recognised as other operating income, and €15 thousand is recognised as a deduction from the carrying amount of the related assets, which are recognized in the profit or loss statement in line with the amortization or depreciation expense of the related assets (note 11). In 2023 the Group recognized R&D tax credits for a total of €445 thousand, of which €434 thousand as other operating income, and €11 thousand deduction from the carrying amount of the related assets.
- a tax credit from an American State government for the clinical development of the Alenura™ product candidate of €576 thousand (note 11). In 2023 the tax credit from an American State government for this product candidate was €369 thousand.

- an exemption of withholding taxes on the employee's wages for €164 thousand. In 2023 the amount was €159 thousand.
- the first-time recognition of the fair value (€292 thousand) of AltaThera litigation costs (classified as financial assets under IFRS), which are to be recouped from royalties payable to API once several cardio assets are commercialized (note 11).

23. FINANCIAL RESULT

The various items comprising the net finance cost are as follows:

(in € thousand)	2024	2023
Realized gain on FX forward contracts	-	29
Interest income on deposits	901	869
Exchange differences	259	-
Other	6	-
Total financial income	**1,166**	**898**
Interest expense on lease liabilities	(70)	(52)
Interest expense on other financial liabilities	(7)	-
Total interest expenses	**(77)**	**(52)**
Fair Value of API loan (note 11)	(241)	(173)
Bank fees	(58)	(48)
Exchange differences	-	(12)
Total financial expenses	**(378)**	**(285)**

24. Income tax expense

24.1 AMOUNTS RECOGNIZED TO PROFIT AND LOSS

The income tax (charged)/credited to the income statement during the year is as follows:

(in € thousand)	2024	2023
Tax (expense) / income	-	-
Income taxes	-	-

24.2 RECONCILIATION OF EFFECTIVE TAX

The income tax expense can be reconciled as follows:

(in € thousand)	2024	2023
Loss before income tax	(6,342)	(15,380)
Income tax expense calculated at domestic tax rates (25%)	1,585	3,845
Tax effect of :		
Share of Loss of equity-accounted investees reported, net of tax	(20)	(37)
Tax incentives (R&D Tax Credit)	125	109
Non-deductible expenses	(413)	-
Effect of unused tax losses not recognized as deferred tax assets	(1,277)	(3,916)
Total tax Expenses	0	0

24.3 CURRENT TAX ASSETS

The withholding tax on our deposits in Belgium can be fully recovered via the corporate income tax return.

The Group will get a refund for the difference between on one hand the recoverable Belgian withholding tax, and on the other hand the corporate income tax due on the minimum taxable basis corresponding to 40% of the benefit in kind for the private use of company cars. The refundable amount for 2024 is €508 thousand and booked on Current tax assets.

25. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for the effects of all dilutive potential ordinary shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. No effects of dilution affect the net profit attributable to ordinary equity holders of the Group. The table below reflects the income and share data used in the basic and diluted earnings per share computations:

Number of shares	December 31, 2024	December 31, 2023
Weighted average number of ordinary shares outstanding during the period	28,000,374	28,000,374
Basic earnings per share	(0.23)	(0.55)
Diluted earnings per share	(0.23)	(0.55)

Earnings per share based on the existing number of ordinary shares:

(in € thousand)	December 31, 2024	December 31, 2023
Basic earnings		
Profit (Loss) from continuing operations attributable to owners of the parent	(6,342)	(15,380)
Diluted earnings		
Dilution effect of share-based payments		
Profit from continuing operations attributable to owners of the parent, after dilution effect	(6,342)	(15,380)

As the Company is suffering operating losses, the stock options have an anti-dilutive effect. As such, there is no difference between basic and diluted earnings per ordinary share. There are no other instruments that could potentially dilute earnings per share in the future.

26. Share-based payments

The Company has a stock option scheme for the employees, consultants and directors of the Company and its subsidiaries for rendered services. In accordance with the terms of the plan, as approved by shareholders, employees may be granted options to purchase ordinary shares at an exercise price as mentioned below per ordinary share.

Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option.

The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share-based payment arrangements were in existence during the current and prior periods, there is no new plan emitted in 2024:

	Warrants authorised	Warrants cancelled	Warrants granted	Warrants outstanding 31/12/2019	Warrants forfeited	Warrants outstanding 31/12/2020	Warrants granted	Warrants forfeited	Warrants outstanding 31/12/2021	Warrants forfeited	Warrants exercised
PLAN 2017											
Warrants	1.200.000		1.200.000	1.200.000		1.200.000			1.200.000		-1.200.000
PLAN 2019											
Warrants	363.300	-10.300	353.000	353.000	-20.000	333.000		-20.000	313.000	-6.875	
PLAN 2020	400.000	-213.500	186.500				186.500		186.500		
Warrants						-	69.500		69.500		
Warrants						-	55.000		55.000		
Warrants						-	60.000		60.000		
Warrants						-	2.000		2.000		
PLAN 2022	213.500	-71.500	142.000								
Warrants						-			-		
Warrants						-			-		
Warrants						-			-		
Total Warrants	**2.176.800**	**-295.300**	**1.881.500**	**1.553.000**	**-20.000**	**1.533.000**	**186.500**	**-20.000**	**1.699.500**	**-6.875**	**-1.200.000**

	Warrants outstanding 31/12/2022	Warrants forfeited	Warrants exercised	Warrants outstanding 31/12/2023	Warrants forfeited	Warrants exercised	Warrants outstanding 31/12/2024	Expiry Date	Weighted Average Exercise Price per warrant (€)	Fair value at grant date (€)
PLAN 2017										
Warrants	0			0			0	04-05-22	2,36	1,11
PLAN 2019										
Warrants	306.125			306.125	-306.125		0	31-12-24	5,34	2,47
PLAN 2020	186.500			186.500			185.500		11,89	5,40
Warrants	69.500			69.500			69.500	27-11-30	9,88	4,44
Warrants	55.000			55.000			55.000	27-11-30	12,04	5,68
Warrants	60.000			60.000			60.000	27-11-30	13,92	6,20
Warrants	2.000			2.000	-1.000		1.000	27-11-30	16,64	7,39
PLAN 2022	142.000	-7.354		134.646			123.813		14,12	5,36
Warrants	62.000	0		62.000	-10.833		51.167	30-06-29	15,20	6,06
Warrants	55.000	-7.354		47.646			47.646	30-06-29	12,92	4,76
Warrants	25.000	0		25.000			25.000	01-01-30	13,71	4,76
Total Warrants	**634.625**	**-7.354**	**0**	**627.271**	**-317.958**	**0**	**309.313**		12,78	-

On 31 December 2019, the Company issued a plan of 363,300 warrants in the context of an employee stock ownership plan (ESOP warrants). The 2019 plan is subject to conditions so that it will vest gradually over the next four years (25% after 1 year, and 1/48 for every additional month during 3 years). The Company offered in total 353,000 warrants. For this plan, the expense in the profit or loss is €23 thousand in 2023. The plan expired on 31 December 2024 with no exercise of the (vested) ESOP warrants. As a result, the expired warrants of this plan were transferred from Other reserves to Retained earnings for an amount of €633 thousand. The P&L impact of the cancellation related to the resignation of the CLO is -€124 thousand.

On 27 November 2020, the Company issued a plan of 400,000 warrants. The 2020 plan is subject to services conditions so that it will vest gradually over the next four years (25% after 1 year, and 1/48 for every additional month during 3 years). In the 2020 plan, 191,500 warrants were offered to new employees of which 186,500 warrants were accepted. The remaining warrants of the 2020 plan were cancelled. In 2024 1,000 warrants additionally have forfeited due to the leave of a participant. For the 2020 plan, the expense is €161 thousand in 2023 and -€282 thousand in 2024. Reason for this credit amount in 2024 is the revision of the vesting period. (see explanation below)

On 22 June 2022, the Group issued a new plan of 213,500 warrants. The 2022 plan is subject to services conditions so that it will vest gradually over the next four years (25% after 1 year, and 1/48 for every additional month during 3 years). As of 31 December 2022, 142,000 warrants were accepted

by new employees. In 2023, 7,353 warrants and in 2024, 10,833 warrants additionally have forfeited due to the leave of a participant hence in total 89,687 warrants have forfeited. For the 2022 plan, the expense is €356 thousand in 2023 and -€178 thousand in 2024. Reason for this credit amount in 2024 is the revision of the vesting period. (see explanation below).

The ESOP schemes are structured with a vesting period of 4 years (same for all warrant schemes) with the specificity that participants lose their vested warrants in the event of termination at the initiative of the participant, even during the exercise period which varies between 1 and 6 years, depending on the warrant schemes. In light to this specificity, the length of the vesting period is variable depending on the estimated actual exercise date of the warrants by the participants. Until 31 December 2023, the Board of Directors had no historical experience regarding the timing by which the participants would exercise their warrants and took the assumption that the participant would exercise their warrant as soon as possible (just after the end of the vesting period of 4 years) so that the fair value at grant date was expensed over the 4 years. 2024 was the first year that warrants became exercisable for one of the warrants schemes.

The Board of Directors noted that none of the warrants have been exercised by the participants which triggers a need to revise the assumption regarding the length of the vesting period as defined under IFRS2.

As included in the 2024 half year report, Hyloris' CFO and CLO have left their roles within the Company: the CLO resigned and the CFO's agreement was terminated. The warrants accepted by the CLO become null and void as a result of the resignation.

The fair value of the warrants has been determined based on the Black Scholes model. For the plan issued in 2019, the expected volatility is based on the historical share price volatility over the past 5 years of listed peer companies. For the plan issued on 27 November 2020, the expected volatility is based on the historical share price volatility since listing of the Company and bench marked with listed peer companies.

The warrants of the CFO which are vested, can be exercised. As a result of this, in accordance with the stipulations as included in the Plan(s) and IFRS 2 Share-based payments, the previously recognized expense for the granted warrants was reversed for an amount of €124 thousand (credit P&L).

In the 2024 year end report, the estimate of the length of the expected vesting period has been revised to the mid-range of the exercise period of each plan. The cumulative share-based payment costs with this new assumption (as it had always been used) is significantly lower than the cumulative cost recorded under 'Other reserves' so far and the impact of the revision of the original estimate (€460 thousand) has been recognized in profit or loss (deduction of 'General and administrative costs') such that cumulative expense reflects the revised estimate, with a corresponding adjustment to equity-settled share-based payment reserve.

The total P&L impact in 2024 is a deduction in expenses of €584 thousand:

- Revised vesting period ESOP 2020 plan (including forfeiture effect): €282 thousand
- Revised vesting period ESOP 2022 plan (including forfeiture effect): €178 thousand
- CLO resignation: €124 thousand

Below is an overview of all the parameters used in this model:

	PLAN 2019	PLAN 2020	PLAN 2022
Average share price (€)	5.34	11.73	14.84
Average exercise price (€)	5.34	11.89	15.2
Expected volatility of the shares (%)	55%	40%	35%
Expected dividends yield (%)	0%	0%	0%
Average risk free interest rate (%)	0.10%	0.00%	2.66%

The Risk Free interest rate (%) is based on an OLO with a maturity in relation to the exercise period of each individual plan, which goes within a range between 5 and 10 years.

27. Contingencies

Ongoing legal proceedings

Tax expense

In 2021, The Group recognized an additional Tax Expense of €297 thousand related to a request for payment of Taxes related to taxable income realized in 2017, when the Company was still located in Grand Duchy of Luxembourg. Although the company filed timely her Tax Return related to income year 2016, the company did not receive any Tax Assessments prior to the request for payment. Management protested to the relevant Authorities and decided to adopt a cautious approach and recognized the Tax Expense in 2021.

Payment has been done to the Authorities in 2022. The current status is that the first hearing took place before the Administrative Tribunal in first instance in December 2024 and the ruling was confirmed in early 2025 determining that the tax administration should resume handling our case. The probability criteria are still not met to recognize a receivable given the current status of the procedure.

Concluded legal proceedings

In August 2022, AltaThera filed a lawsuit against Hyloris and its development partner centered around alleged misappropriation of trade secrets, improper inventorship, unjust enrichment, and breach of the licensing agreement governing the distribution of Sotalol IV, a cardiovascular drug licensed to AltaThera by Hyloris. AltaThera made significant claims for damages and rights specifically relating to Hyloris' intellectual property.

Hyloris responded by initiating arbitration proceedings against AltaThera for breach of the

same licensing agreement, including the failure of AltaThera to use commercially reasonable efforts in selling Sotalol IV and sought damages and termination of the licensing agreement.

The American Arbitration Association denied all AltaThera claims, except for a limited use of confidential information, and imposed no financial liabilities on Hyloris. This decision was an endorsement of Hyloris' position and a clear rejection of the damages claims. In addition, Hyloris' ownership of its intellectual property was confirmed. The arbitration panel confirmed termination of the license agreement as requested by AltaThera, confirming a perpetual survival of the Sotalol IV license allowing AltaThera to continue commercialization. Hyloris' claims were denied but Hyloris will continue to receive sales related royalties, as defined in the license agreement in accordance with the royalty structure already applied. Hyloris is pleased that the damages claims from AltaThera have been rejected by the arbitration panel and remains dedicated to safeguarding its intellectual property rights while ensuring the continued development and growth of its portfolio and product candidates.

28. COMMITMENTS AND CONTINGENT LIABILITIES

Hyloris has contractual commitments related to asset purchase, licenses and development agreements. The amounts are due upon reaching certain milestones depending on successful completion of development stages of the different product candidates (including FDA approval) or on meeting specified sales targets. The Company disclosed as commitments the maximum that would be paid if all milestones and sales targets are achieved. The amounts are not risk-adjusted or discounted.

As at December 31, 2024, Hyloris has contractual commitments and contingent liabilities for a maximum amount of €45,902 thousand related to asset purchase, licenses and development agreements recorded under intangible assets and R&D expenses.

Commitments are unconditional promises made by the Group to other parties resulting from legal or contractual requirements and related to R&D liabilities (i.e. a commitment to fund R&D activities as part of a (co-)development agreement with a partner). Contingent liabilities are possible obligations of the Group which are dependent on (future) sales milestones that will occur when the product is commercialized (eg. If a certain sales threshold is met). The table includes the contingent liabilities if all sales milestones were reached (maximum exposure).

The accounting treatment of the contractual commitments and contingent liabilities will vary per nature of triggering event. Development milestones up until commercialization will be expensed or capitalized. Sales related commitments such as royalties, profit sharing and sales milestones will be expensed when incurred.

The following table details the total maximum contractual commitments and contingent liabilities (milestone payments only) at December 31, 2024 per product candidates if such products are successfully marketed (in € thousand):

		Maximum contractual commitments			Contingent Liabilities		
Product Candidate	**Expected timing**	**In k$**	**In k€**	**Converted in k€**	**In k$**	**In k€**	**Converted in k€**
HY-004		**225**		**217**			**0**
	2025	*125*		*120*			
	2026	*100*		*96*			
HY-029			**300**	**300**			**0**
	2025		*200*	*200*			
	2026		*100*	*100*			
Atomoxetine oral		**75**		**71**			**0**
	2025	*50*		*48*			
	2026	*25*		*24*			
Metolazone IV		**325**		**313**	**1,300**		**1,251**
	2025	*75*		*72*			
	2026	*100*		*96*			
	2027	*150*		*144*			
	2028				*100*		*96*
	2030				*200*		*193*
	2032				*1,000*		*963*
Dofetilide IV		**200**		**193**			**0**
	2025	*50*		*48*			
	2026	*150*		*144*			
HY-073		**6,940**		**6,680**	**28,000**		**26,952**
	2025	*6,822*		*6,567*			
	2026	*118*		*114*			
	2027				*1,000*		*963*
	2029				*2,000*		*1,925*
	2030				*2,000*		*1,925*
					23,000		*22,139*
HY-074		**100**		**96**			
	2025	*25*		*24*			
	2027	*75*		*72*			
Alenura (note 29.2)		**1.780**		**1,713**			
	2025	*1,780*		*1,713*			

HY-086 (note 10)			**5,313**	**5,313**			
	2025		*4,813*	*4,813*			
	2026		*500*	*500*			
HY-088			**200**	**200**			
	2025		*200*	*200*			
HY-095		**2,705**		**2,603**			
	2025	*131*		*126*			
	2026	*1,123*		*1,081*			
	2027	*676*		*650*			
	2028	*625*		*602*			
	2029	*50*		*48*			
	2030	*100*		*96*			
TOTAL		**12,350**	**5,813**	**17,699**	**29,300**	**0**	**28,203**

For HY-073 the contingent liability is related to future sales milestones for which only the 3 first years can be estimated that the sales threshold will be met.

Contingent liabilities attached to profit split and royalties which percentage varies based on achieved profit and/ or sales are not considered in the above table as no maximum amount can be determined. The company believes that the list of these candidate products should, in principle, generate more revenue compared to the total value of €45,902 thousand (maximum commitments).

29. RELATED PARTY TRANSACTIONS

As part of the business, the Company has entered into several transactions with related parties. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

The related parties presented below are identified as:

- FHP, in which the Group has a control of 20% (**note 9**);
- Vaneltix Inc and its affiliates, in which former non-executive independent member of the Board of directors, Carolyn Myers her partner, Dr. Dan Vickery is CEO and over which Hyloris has significant influence (see **note9**);

- The shareholders; Mr. Stijn Van Rompay, and executive member of the Board of the Company, Co-CEO and reference shareholder of the Company; Mr. Thomas Jacobsen, an Executive Member of the Board of the Company and co-CEO;
- The Executive Management Team; and
- The Board of Directors (Non-Executive Directors).

29.1 TRANSACTIONS WITH FHP

The table below provides an overview as per December 31, 2024:

2024		Transactions for the period	
€ thousand	Financial position	Profit Loss	Commitments
Equity accounted investees	2,748		
Impairment on financial assets		(972)	
Other financial liabilities (note 15.2.)	(3,000)		
Total	**(252)**	**(972)**	**0**

The table below provides an overview as per December 31, 2023:

2023		Transactions for the period	
€ thousand	Financial position	Profit Loss	Commitments
Equity accounted investees	3,801		
Impairment on financial assets	(3,000)		
Other financial liabilities (note 15.2.)		54	
Total	**801**	**54**	**0**

29.2 TRANSACTIONS WITH VANELTIX, INC.

In 2021 the Group entered into a strategic collaboration with Vaneltix Pharma Inc. for the development and commercialization of Alenura™ as first-line drug treatment for acute pain in interstitial cystitis /bladder pain syndrome (IC/BPS). See note 3.2. and note 9

At 31 December 2024, , the costs incurred exceeded the current funding resulting in a trade payable position of €421 thousand, presented as “Trade Payable” (current). The R&D expenses incurred during the past year reached €789 thousand. Hyloris invested a total amount of €5,114 thousand since the signing of the Collaboration Agreement, bringing the remaining commitment to €1,713 thousand compared to €1,810 thousand last year.

2024	Transactions for the period		
(in € thousand)	Financial Position	Profit / Loss	Commitments
Convertible loan	556		
Shares (Equity investee) (see **note 9)**	0.0001		
Accounts receivable	178		
Trade payables	-421		
R&D Expenses		(789)	
Interest income		28	
Commitments and Contingent Liabilities (see **note 28**)			1,713
Total	**313**	**(761)**	**1,713**

2023	Transactions for the period		
(in € thousand)	Financial Position	Profit / Loss	Commitments
Convertible loan	499		
Shares (Equity-investee) (see **note 9**)	0.0001		
Accounts receivable	174		
Prepayments	155		
R&D Expenses		(2,744)	
Interest income		47	
Commitments and Contingent Liabilities (see **note 28**)			1,810
Total	**828**	**(2.697)**	**1,810**

29.3 TRANSACTIONS WITH THE SHAREHOLDERS

In 2024 and 2023 there were no transactions with the shareholders as defined in this section.

29.5 TRANSACTIONS WITH THE EXECUTIVE MANAGEMENT TEAM

Executive management team personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Group Members of the Executive Management Team at 31 December 2024 are:

- SVR Management BV, an entity controlled by Stijn Van Rompay, an executive member of the Board of the Company, co-CEO and reference shareholder of the Company
- Jacobsen Management BV, an entity controlled by Thomas Jacobsen, an executive member of the Board of the Company and co-CEO
- CMM&C BV, an entity controlled by Christophe Maréchal, Chief Financial Officer
- Dr Dietmar Aichhorn, Chief Operating Officer

Finsys Management, represented by Jean-Luc Vandebroek, and Herault BV, represented by Koenraad Vanderelst are no longer members of the Executive Committee.

The table below presents the compensation of all members of Executive Management Team by type of compensation[1].

In € thousand)	2024	2023
ST compensation (incl. management fees)	1,092	1,137
Share-based payments	(238)	64
Total	**854**	**1,201**

At reporting date, there were outstanding trade payables related to transactions with the Executive Management Team:

In € thousand)	2024	2023
Management fees	104	143
Total	**104**	**143**

[1] The remuneration of Herault BV is included till August 2024, Finsys till November 2024

As of December 31, 2024, members of the Executive Management Team owned the following securities of the Company [2]:

December 31, 2024	Shares		Warrants	
	Number (#)	Pct (%)	Number (#)	Pct (%)
Mr. Van Rompay	7,743,400	27.65	-	0.00
Mr. Jacobsen	3,857,838	13.78	-	0.00
Mr. Maréchal	-	-	-	0.00
Mr. Aichorn	32,500	0.12	40,000	12.93
TOTAL	**11,633,405**	**41.55**	**40,000**	**12.93**

At 31 December 2023, members of the Executive Management Team owned the following securities of the Company [3]:

December 31, 2023	Shares		Warrants	
	Number (#)	Pct (%)	Number (#)	Pct (%)
Mr. Van Rompay	7,743,400	27.65	68.000	10.84
Mr. Jacobsen	3,857,838	13.78	-	0.00
Mr. Vandebroek	9,000	0.03	40,000	6.38
Mr. Aichorn	32,500	0.12	40,000	6.38
Mr. Vanderelst	17,443	0.06	50,000	7.97
TOTAL	**11,659,848**	**41.55**	**198,000**	**31.57**

Compared to 31 December 2023, at reporting date there were 28,000,374 shares (unchanged) and 309,313 warrants (627,271 in 2023). During 2024, 306,125 warrants from the 2019 plan expired without any exercised and 11,833 were forfeited because of participants leaving the Company (1,000 from 2020 plan, 10,833 from the 2022 plan). This makes a total of 317,958 warrants.

[2] In the new warrant plan 2025,see note 30, the Management team accepted following number of warrants : Mr. Van Rompay : 45,000; Mr. Jacobsen : 30,000; Mr. Maréchal : 60,000; Mr. Aichorn : 60,000.
[3] Mr. Vandebroek kept his warrants, the warrants of Mr. Vanderelst were cancelled.

29.6 TRANSACTIONS WITH THE BOARD OF DIRECTORS (NON-EXECUTIVE DIRECTORS)

As of December 31, 2024, non-executive members of the Board of Directors are:

- Stefan Yee, Chairman
- Leon Van Rompay
- Marc Foidart
- Revital Rattenbach
- Vincent Van Dessel

At September 30, 2024, the mandate of Chris Buyse, Jim Gale and Carolin Myers ended. They were replaced by Vincent Van Dessel and Revital Rattenbach for a period of 4 years.

At December 31,2023, Stefan Yee held 100,000 warrants of the 2019 plan. As explained in note 29.4, all of these expired at December 31, 2024, none were exercised[4].

The table below presents the compensation of all non-executive members of the Board of directors by type of compensation:

(In € thousand)	2024	2023
Board fees	112	110
Share-based payments	(247)	7
Total	**(135)**	**117**

At reporting date, there were outstanding trade payables related to transactions with the non-executive members of the Board of directors:

(In € thousand)	December 31, 2024	December 31, 2023
Board fees	50	110
Total	**50**	**110**

[4] In the 2025 warrant plan, Stefan Yee was offered and accepted 60,000 warrants

30. SUBSEQUENT EVENT (AFTER THE END OF THE REPORTING PERIOD)

22.01.2025: New warrant plan

Cancellation of 2020 and 2022 plan

Pursuant to the ESOP Warrants plan 2020: 124,500 subscription rights cancelled and 61,000 remaining subscription rights giving right to 61,000 ordinary shares. Pursuant to the ESOP Warrants plan 2022: 99,000 subscription rights cancelled and 28,813 remaining subscription rights giving right to 24,813 ordinary shares.

The financial impact in 2025 related to the partial cancellation of 2020 and 2022 plan is a transfer from Other Reserves to Retained Earnings for €507 thousand.

New warrant plan

Following the expiry of 306,125 warrants under the ESOP Warrants plan 2019 on December 31, 2024, Hyloris announced that the Board of Directors approved the issuance of 650,000 warrants on 20 January 2025. These new warrants, issued under the ESOP Warrant plan 2025 are intended for key employees, consultants, members of the management team and certain directors. These new warrants were issued on 20 January 2025 concomitantly with the cancellation of 223,500 existing warrants. The warrants issued under the ESOP Warrant plan 2025 have a duration of six years as of the date of issuance.

The warrants are subject to vesting conditions over a four-year period. They are generally not transferable and, in principle, cannot be exercised prior to the fourth anniversary of the grant date (i.e. 20 January 2029). Each warrant gives the right to subscribe to one new share of Hyloris. Should the warrants be exercised, Hyloris will apply for the listing of the resulting new shares on Euronext Brussels. The warrants as such will not be listed on any stock exchange market.

The Company offered 626.500 warrants. 611.500 warrants were accepted of which 195.000 from the Executive Management Team and 60.000 from the chairman of the Board of Directors.

Parameters used in this model:

TOTAL	**611.500,00**
Average Share price (€)	€ 5.76
Average Exercise Price (€)	€ 5.58
Expected volatility of the shares (%)	65,0%
Expected dividends yield (%)	0,00%
Risk free interest rate (%)	2.76%
Fair Value (€)	€ 3.55

This new warrant plan is not considered as a replacement as:

- The old plans are formally partially cancelled
- There is no clear link between the employees' cancellation of participation in the old plan and acceptance of the share-

based payment under the new plan, eg. number of offered warrants is not the same for some participants

The financial impact in 2025 of the cancellation is €506thousand in Other Reserves and the Profit or Loss. The financial impact in 2025 of the new warrant plan is €802 thousand.

03.02.2025: Hyloris Announces Partnership with Colonis Pharma for XTRAZA in the UK

An exclusive licence and distribution agreement has been signed with Colonis Pharma Limited ("Colonis") for XTRAZA.

XTRAZA™ is a proprietary oral rinse designed to deliver tranexamic acid (an antifibrinolytic agent) to patients on anticoagulant therapies (blood thinners) undergoing dental procedures with bleeding risks, such as tooth extractions. Tranexamic acid has a long history of use in other dosage forms to reduce or prevent postoperative bleeding. XTRAZA represents a novel application in a localised format for optimal coagulation during or after dental interventions.

Under the terms of the agreement Hyloris will receive milestone payments, primarily tied to regulatory achievements, and will exclusively supply XTRAZA in the UK to Colonis.

Financial impact: under the terms of the agreement, Hyloris is entitled to receive a total of four milestone payments: at signature, upon regulatory events, and in connection with commercial launch events.

13.02.2025: Hyloris Broadens Pipeline with Ready-To-Use Pantoprazole IV

Hyloris has entered into an exclusive licensing agreement to develop a ready-to-use formulation for intravenous (IV) administration of pantoprazole, a molecule used to treat gastric acid-related conditions. The new ready-to-use pantoprazole formulation represents a substantial advancement over the existing lyophilized (freeze-dried) version, which requires reconstitution prior to administration. Reconstitution is a more complex and resource-intensive process that adds unnecessary preparation time, effort, and cost for administration. In contrast, the ready-to use formulation eliminates the need for reconstitution, offering an immediate and efficient solution for healthcare professionals.

Financial impact: under the terms of the agreement, Hyloris shall pay development milestones and a portion of any licensing fees received from commercial partners.

25.02.2025: Hyloris Broadens Pipeline with RedHill's Ondansetron Extended-Release

Hyloris has entered into an exclusive licensing, development and commercialization agreement with RedHill Biopharma (Nasdaq: RDHL) for a once-daily, proprietary, bimodal extended-release oral tablet formulation of ondansetron1. The agreement grants Hyloris exclusive global rights outside of North America. This extended-release formulation of the 5-HT3 antagonist ondansetron is designed to provide prolonged relief from nausea and vomiting associated with chemotherapy, radiotherapy (also known as CINV/RINV), and post-operative recovery. It aims to enhance patient convenience and facilitate better management of symptoms during intensive treatments. The global CINV/RINV 5-HT3 antagonist market was estimated at USD 1.5 billion in 2024 and is growing at a compounded annual growth rate (CAGR) of approximately 5.3%.

Hyloris will be responsible for further development and regulatory activities in its

territories while leveraging RedHill's clinical data from its U.S. development program.

Financial impact: under the terms of the agreement, Hyloris shall pay RedHill a fixed license fee upon achievement of milestones and a royalty of Hyloris' share of any downpayments.

31.03.2025: Hyloris Announces a New Product Candidate Targeting Iron Deficiency

Hyloris has entered into a late-stage research and development program in collaboration with AFT Pharmaceuticals (AFT) to introduce an innovative injectable iron deficiency therapy (HY-094) to the global market. As part of this program, Hyloris and AFT have secured an exclusive global IP license covering human use.

Iron deficiency remains a common condition that affects 15% of the world population. The global intravenous iron drug market is forecasted to grow from around USD 3.2 billion in 2023 to more than USD 7.41 billion by 2033[2]. Existing iron treatments often present significant challenges and frequently require multiple infusions. The new innovative product candidate, which has completed Phase 2b trials, aims to address limitations of current options by offering a more patient–friendly treatment.

Under the terms of the agreement, Hyloris and AFT will co-develop the candidate for registration and global commercialization. Hyloris will oversee product formulation, manufacturing, and the commercialization efforts in Europe. AFT will manage the clinical trials, execution and the commercialization outside Europe. Parties are jointly responsible for commercialization in the United States. A Phase 3 clinical trial(s) involving approximately 1,000 or more patients will be conducted for investigation of efficacy and safety.

Development costs, as well as all net margin from sales and licensing, will be distributed equally between AFT and Hyloris, after a tiered profit participation for the licensor.

An estimate of the financial impact for the Group cannot be made.

31. AUDIT FEES

During 2023 and 2024, the statutory auditor provided services for the group Hyloris which fees were as follows:

(In € thousand)	2024	2023
Audit services	104	91
Audit related services - legal engagements	7	-
Tax services	-	28
Total	**111**	**119**

Abbreviated Statutory Financial Statements of Hyloris Pharmaceuticals SA

The following information is extracted from the separate standalone annual accounts of Hyloris Pharmaceuticals SA ("the Company") and is included as required by article 3:17 of the Belgian Company and Association Code.

The statutory auditor's report is qualified and certifies that the standalone annual accounts of Hyloris Pharmaceuticals SA prepared in accordance with the financial reporting framework applicable in Belgium for the year ended December 31, 2024 give a true and fair view of the Company's equity and financial position as at December 31, 2024 and of its financial performance for the year then ended in accordance with the financial reporting framework applicable in Belgium with the exception of the matter described in the "Basis for qualified opinion" section of the audit report relating to an agreement with Pleco Therapeutics BV and a partial recovery of legal costs relating relating to the Alta Tera arbitration proceedings which is also included in the statutory auditor's report on the consolidated financial statements.

The standalone financial statements, together with the annual report of the Board of Directors to the general meeting of shareholders as well as the auditors' report, will be filed with the National Bank of Belgium within the legal deadline.

These documents are also available on request, addressed to:

Hyloris Pharmaceuticals SA

Boulevard Patience et Beaujonc, N°3/1, 4000 Liège, Belgium

Statement of Financial Position

(In €)	2024	2023
ASSETS		
FIXED ASSETS	**62,839,120**	**76,097,212**
Intangible fixed assets	**178,117**	**121,042**
Tangible fixed assets		
Financial fixed assets	**62,661,003**	**75,976,170**
Affiliated companies - Participations	61,661,002	73,161,002
Affiliated companies - Receivables	-	1,815,167
Investment	1,000,001	1,000,001
CURRENT ASSETS	**32,824,107**	**38,607,279**
Receivables over one year	**664,387**	**634,434**
Trade receivables	-	0
Others amounts receivable	664,387	634,434
Amounts receivable within one year	**9,652,523**	**7,054,248**
Trade receivables	3,595,091	5,695,222
Others amounts receivables	6,057,472	1,359,026
VIII. Cash Investment	**0**	**10,000,000**
IX. Cash at bank and in hand	**22,390,031**	**18,817,284**
X. Deferred charges and accrued income	**117,166**	**2,101,313**
TOTAL ASSETS	**95,663,227**	**114,704,491**

(In €)	2024	2023
CAPITAL AND RESERVES	**88,360,668**	**102,751,874**
Capital	140,002	140,002
Share Premium	121,513,447	121,513,447
Reserves	5,000	5,000
Accumulated profits (losses)	(33,297,781)	(18,906,575)
PROVISIONS AND DEFERRED TAXES	**385,023**	**0**
CREDITORS	**6,917,536**	**11,952,617**
Amounts payable after more than one year	**300,000**	**300,000**
Other financial loans		
Other debts	300,000	300,000
IX. Amounts payable within one year	**6,585,530**	**10,624,769**
Current portion of amounts payable after one year	-	-
Other financial loans	-	3,072,421
Suppliers	3,108,840	3,122,209
Taxes, remuneration and social charges	44,917	15,100
Other debts	3,431,773	4,415,039
X. Accrued charges and deferred income	32,006	1,027,848
TOTAL LIABILITIES	**95,663,227**	**114,704,491**

Income Statement

(In €)	2024	2023
Operating income	**6,219,903**	**3,639,978**
Turnover	5,966,698	1,120,551
Other operating income	253,205	709,473
Non-recurrent income	-	1,809,954
Operating charges	**(10,778,311)**	**(5,777,848)**
Services and other goods	(10,083,206)	(5,409,842)
Other operating charges (-)	(5,956)	(1,859)
Remunerations, social charges and pensions	(189,483)	(346,393)
Depreciations	(114,643)	(19,754)
Provisions for liabilities and charges	(385,023)	-
Non-recurring operating expenses	-	-
Operating profit (loss)	**(4,558,408)**	**(2,137,870)**
Financial income	**1,831,611**	**1,159,948**
Income from financial fixed assets	-	-
Income from current assets	1,521,112	1,094,291
Other financial income	310,499	65,657

Financial charges (-)	**(11,671,555)**	**(2,446,796)**
Interest on financial debts	(145,699)	(360,181)
Other financial charges	(25,856)	(276,661)
Non-recurring financial charges	(11,500,000)	(1,809,954)
Profit (Loss) for the period before taxes (-)	**(14,398,352)**	**(3,424,718)**
Income taxes (-)	**7,146**	**22,406**
Profit (loss) for the period available for appropriation	**(14,391,206)**	**(3,402,312)**

Statutory Notes

Statement of financial fixed assets

In €	2024	2023
Affiliated companies - Participations		
Acquisition value at the end of the preceding period	73,161,002	73,161,002
Movements during the period		
Acquisition, included produced fixed assets		
Acquisition value at the end of the period	73,161,002	73,161,002
Depreciation and amounts written down at the end of the preceding period		
Movements during the period		
Recorded	(11,500,000)	
Depreciation and amounts written down at end of the period	(11,500,000)	
Net book value at the end of the period	61,661,002	73,161,002
Affiliated companies - Receivables		
Net book value at the end of preceding period	1,815,167	2,101,122
Movements during the period		
Additions		
Reimbursement	(1,815,167)	-285,855
Net book value at the end of the period	0	1,815,167

In €	2024	2023
Investment		
Acquisition value at the end of the preceding period	2,809,955	1,000.000
Movements during the period		
Acquisition, included produced fixed assets		1,809,955
Acquisition value at the end of the period	2,809,955	2,809,955
Depreciation and amounts written down at the end of the preceding period	(1,809,954)	
Movements during the period		
Recorded		
Depreciation and amounts written down at end of the period	(1,809,954)	(1,809,954)
Net book value at the end of the period	1,000,001	1,000,001

Company	Company code	Participation held				Data extracted from last available annual accounts			
		Nature	Number	Direct	By Subsidiaries	Annual accounts at	Currency	Capital and reserves	Net profit (loss)
				%	%				
Hyloris Developments SA Boulevard Patience et Beaujonc 3 4000 Liège - Belgium	542.737.368	Shares	74,066	99.99%	0%	31-12-23	EUR	7,853,337	(12,069,087)
Hyloris Supply SA Boulevard Patience et Beaujonc 3 4000 Liège - Belgium	669.738.676	Shares	62,000	100%	0%	31-12-23	EUR	(1,716,017)	(146,630)
Dermax SA Boulevard Patience et Beaujonc 3 4000 Liège - Belgium	667.730.677	Shares	65,875	100%	0%	31-12-23	EUR	3,164,916	1,116,681
FHP BV Schaldestraat 31 2880 Bornem - Belgium	762.693.578	Shares	840	20%	0%	31-12-23	EUR	758,157	(736,656)
Vaneltix Pharma Inc. 317 George Street 400 New Brunswick NJ 08901 - United States		Shares	4	<0.1%	0%	31-12-23	EUR	30,712	(33,955)

Deferred Charges and Accrued Income

(In €)	2024	2023
Deferred charges and accrued income		
Interest earned on receivables from related companies	74,706	1,725,351

Statement of Amounts Payable

(in €)	December 31, 2024	December 31, 2023
Analysis by current position of amounts initially payable after more than 1 year, maturing in 1 year	-	-
Analysis by current position of amounts initially payable after more than 1 year, maturing in max. 5 years		
Other debts	300,000	300,000
Taxes payable	7,167	0
Other salary and social debts	22,650	15,100
Accrued bonuses	14,217	10,379
AFT - Milestone due at the start of the first commercial manufacturing batch of Maxigesic IV	-	904,977

Auditors' Report

Statutory auditor's report to the general meeting of Hyloris Pharmaceuticals SA on the consolidated financial statements as of and for the year ended 31 December 2024

In the context of the statutory audit of the consolidated financial statements of Hyloris Pharmaceuticals SA ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements and the other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 14 June 2022, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2024. We have performed the statutory audit of the consolidated financial statements of the Group for 6 consecutive financial years.

Report on the consolidated financial statements

Qualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2024, prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising material accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to 41.335 KEUR and the consolidated statement of profit or loss and other comprehensive income shows a loss for the year of 6.342 KEUR.

In our opinion, except for the possible effect (Strategic Advice to Pleco) and except for the effect (Recovery of legal costs) (hereafter "the (possible) effect") of the matters described in the "Basis for qualified opinion" section of our report, the consolidated financial statements give a true and fair view of the Group's equity and financial position as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Basis for our qualified opinion

Strategic Advice to Pleco

As described in note 3.2 to the consolidated financial statements, the Group entered into an agreement with Pleco Therapeutics BV ("Pleco") in July 2022. Under the terms of this agreement the Group agreed to provide strategic advice to Pleco until 31 December 2024 for a maximum consideration of EUR 2,5 million. The Group recognized cumulatively an amount of 1.562 KEUR in retained earnings and an amount of EUR 0,5 million and 62 KEUR as other operating income in the consolidated financial statements for the years ended 31 December 2023 and 2024 respectively.

This agreement is written in a general way ("provision of strategic advice") and does not specify the different performance obligations to be provided by the Group to Pleco. The Group has recognized income from this agreement based on a contractual payment schedule, without analyzing specific agreed-upon performance obligations, milestones, or other objective allocation methods. In the absence of such an analysis, it is impossible for us to assess whether the accounting treatment of this agreement meets the requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board and as adopted by the European Union. There were no alternative procedures we could have performed to assess whether the income related to this agreement was correctly accounted for and disclosed in note 3.2 to the consolidated financial statements in accordance with the applicable accounting standards.

Recovery of legal costs

As described in note 11, the Company is contractually entitled to offset a substantial part of legal expenses incurred related to the arbitration proceedings against Alta Thera Pharmaceuticals LLC by the future royalties that it will owe to its development partner who was part of the proceedings. In 2024 a first-time recognition of a receivable for an amount of 292 KEUR has been accounted for whereas the first-time recognition of a receivable should have been recognized in the consolidated financial statements for the year ended 31 December 2023 for an amount of 510 KEUR. The Group has corrected the error by recording the net impact in the consolidated financial statements for the year ended 31 December 2024. However, in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the Group should have corrected the error retrospectively by restating the comparative consolidated information for the year ended 31 December 2023. Not restating comparative consolidated information has understated the Operating loss for the year ended 31 December 2024 by 510 KEUR. The Trade and Other receivables and the corresponding Other income for the year ended 31 December 2023 are also understated for an amount of 510 KEUR.

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report. We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

Except for the matter described above (Strategic advice to Pleco), we have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit.

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

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the "Basis for our qualified opinion" section of our report we have determined the matter described below to be a key audit matter to be communicated in our report.

Collaboration agreements between the Group and its partners for product candidates

- Description

We refer to note 3.2 of the consolidated financial statements in which the Group describes that they have entered into several collaboration agreements with partners for the development of product candidates. These agreements can take various forms such as equity investments, loans (convertible or non-convertible), research & development (R&D) funding, strategic advice, etc., and can be subject to contract amendments.

The existence of such collaboration agreements is considered to be a key audit matter due to the complexity in determining the appropriate accounting based on i) their nature including the existence of multiple or mutual obligations with the same party, ii) the existence of contract amendments that could affect their subsequent accounting, iii) the level of judgment required to assess whether the collaboration agreements give rise to significant influence by the Group over the partners and iv) the absence of effective internal controls related to the identification, structuring, modification of and accounting for collaboration agreements.

- Our audit procedures

  We performed the following audit procedures, amongst others:

  - We evaluated the substance of the various elements of significant collaboration agreements and discussed the contract terms with management and those charged with governance.
  - For a sample of R&D costs recharged by the Group's partners, we traced these costs back to the underlying invoices originating from the partners' subcontractors to verify their existence and accuracy. When deemed necessary, we obtained direct confirmation from the Group's partner as to the existence, completeness and accuracy of R&D costs recharged.
  - We evaluated the substance of revenue/other operating income charged by the Group to its partners by obtaining supporting evidence on the performance obligations. In this respect, we also refer to the matter described in the "Basis for our qualified opinion" section of our report.
  - We analyzed the level of influence the Group has over its partners by considering amongst others the significance of the Group's relationships to the partners and challenged the judgment made by management. For partners where the Group was determined to have significant influence, we evaluated the appropriateness of the accounting treatment.
  - We evaluated management's assessment of impairment for the equity accounted investee FHP and challenged, together with the assistance of our internal valuation specialists, the applied methodology, its mathematical accuracy and the key assumptions used such as weighted average cost of capital.
  - We assessed the adequacy of the disclosures in the consolidated financial statements, particularly under note 3.2 "Joint collaborations", note 9 "Equity accounted investees" and note 22 "Other operating income" with respect to the collaboration agreements. In this respect, we also refer to the matter described in the "Basis for our qualified opinion" section of our report.

Board of directors' responsibilities for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated 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 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 the users taken on the basis of these consolidated financial statements.

When performing our audit, we comply with the legal, regulatory and professional requirements applicable to audits of the consolidated financial statements in Belgium. The scope of the statutory audit of the consolidated financial statements does not extend to providing assurance on the future viability of the Group nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Group. Our responsibilities regarding the going concern basis of accounting applied by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the consolidated 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 controls 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 Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors;
- Conclude on the appropriateness of board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee 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.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the Board of directors

The board of directors is responsible for the preparation and the content of the board of directors' annual report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian additional standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the consolidated financial statements, and the other information included in the annual report, and to report on these matters.

Aspects concerning the board of directors' annual report on the consolidated financial statements and other information included in the annual report on the consolidated financial statements

Based on specific work performed on the board of directors' annual report on the consolidated financial statements and except for the (possible) effect of the matters described in the "Basis for our qualified opinion" section of our report, we are of the opinion that this annual report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the consolidated financial statements and other information included in the annual report on the consolidated financial statements, being:

- Business overview;
- Key figures; and
- Corporate Governance.

contain material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out and except for the (possible) effect of the matters described in the "Basis for our qualified opinion" section of our report, we did not identify any material misstatements that we have to report to you.

Information about the independence

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group

during the term of our mandate.

- The fees for the additional engagements which are compatible with the statutory audit referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the consolidated financial statements.

European Single Electronic Format (ESEF)

In accordance with the draft standard on the audit of compliance of the annual report with the European Single Electronic Format (hereafter "ESEF"), we have also audited whether the ESEF-format is in accordance with the regulatory technical standards as laid down in the EU Delegated Regulation nr. 2019/815 of 17 December 2018 (hereafter "Delegated Regulation") and the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market (hereafter the "Royal Decree of 14 November 2007").

The Board of Directors is responsible for the preparation of an annual report, in accordance with the ESEF requirements, including the consolidated financial statements in the form of an electronic file in ESEF format (hereafter "digital consolidated financial statements").

It is our responsibility to obtain sufficient and appropriate information to conclude whether the format of the annual report and the XBRL tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements under the Delegated Regulation and the Royal Decree of 14 November 2007.

In our opinion, based on our work performed, the digital format of the annual report and the tagging of information in the English version of the consolidated financial statements included in the annual report of Hyloris Pharmaceuticals SA as per 31 December 2024, and which will be available in the Belgian official mechanism for the storage of regulated information (STORI) of the FSMA, are, in all material respects, in compliance with the ESEF requirements under the Delegated Regulation and the Royal Decree of 14 November 2007.

For the annual report with the consolidated financial statements relating to the prior financial year, we have concluded in a separate report prepared in accordance with ISAE 3000 (Revised) "*Assurance engagements other than audits or reviews of historical financial information*" that the format of the annual report and the XBRL tagging of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation and the Royal Decree of 14 November 2007.

Other aspect

- This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Zaventem, 2 May 2025

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Tanguy Legein
Bedrijfsrevisor / Réviseur d'Entreprises

Glossary and Other Info

Glossary of Terms

Active pharmaceutical ingrediant (API)	The biologically active component in a medication that produces the intended effect on the body
Atrial fibrillation (AF)	An abnormal heart rhythm (arrhythmia) characterised by the rapid and irregular beating of the atrial chambers of the heart. It often begins as short periods of abnormal beating, which become longer or continuous over time
Attention Deficit Hyperactivity Disorder	One of the most common neurodevelopmental disorders of childhood. It is usually first diagnosed in childhood and often lasts into adulthood. Children with ADHD may have trouble paying attention, controlling impulsive behaviours (may act without thinking about what the result will be), or be overly active
Bioavailability	Assessment of the amount of product candidate that reaches the body's systemic circulation after administration
Burning Mouth Syndrome (BMS)	A chronic condition characterized by a burning or scalding sensation in the mouth, often without any visible cause
Cardiovascular (CV)	Refers to the heart, blood vessels, and the circulatory system as a whole
Chemistry, Manufacturing, and Controls (CMC)	To appropriately manufacture a pharmaceutical or biologic, specific manufacturing processes, product characteristics, and product testing must be defined in order to ensure that the product is safe, effective and consistent between batches.
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization is a financial metric used to assess a company's operating profitability
Food and Drug Administration (FDA)	The agency responsible for protecting and promoting public health and in charge of American market approval of new medications
FSMA	The Belgian market authority: Financial Services and Markets Authority, Or Autoriteit voor Financiele Diensten en Markten; Autorité des Services et Marchés Financiers
Full-Time Equivalent	A way to measure an employee's involvement in a project. For example, an FTE of 1.0 means that the equivalent work of one full-time worker was used on the project
HY-029	A liquid formulation of an existing anti-viral drug that is currently only available in oral solid form to treat a non-disclosed viral infection
HY-038	A prefilled syringe of a commonly used product to treat a specific, non-disclosed deficiency
HY-074	IV formulation of oral antiplatelet drug, offering faster onset of action in patients suffering from coronary heart disease
HY-075	a liquid formulation of a commonly used drug for the treatment of coronary heart disease requiring frequent dose adjustments

Initial Public Offering (IPO)	Refers to the process of offering shares of a private corporation to the public in a new stock issuance. A public share issuance allows a company to raise capital from public investors. The transition from a private to a public company can be an important time for private investors to fully realise gains from their investment as it typically includes share premiums for current private investors. Meanwhile, it also allows public investors to participate in the offering.
Intellectual Property (IP)	Creations of the mind that have commercial value and are protected or protectable, including by patents, trademarks or copyrights
Intravenous (IV)	Administration of medications directly into the veins using a needle or tube
Key Opinion Leader (KOL)	An influential physician or researcher who is held in high esteem by their colleagues
Investigational New Drug (IND)	A drug that is ready for clinical trials in humans. When a drug reaches this point, the drug developer submits an application to get the consent of the FDA to begin the trials
Net Present Value (NPV)	A tool of capital budgeting to analyse the profitability of a project or investment. It is calculated by taking the difference between the present value of cash inflows and present value of cash outflows over a certain period
New Chemical Entity (NCE)	A compound, without any precedent among the regulated and approved drug products
Pharmacokinetics (PK)	The study of drug absorption, distribution, metabolism, and excretion. A fundamental concept in pharmacokinetics is drug clearance, i.e., elimination of drugs from the body, analogous to the concept of creatinine clearance
Phase 1 Study	First stage of clinical testing of an investigational drug designed to assess the safety and tolerability, pharmacokinetics of a drug, usually in a small number of healthy human volunteers
Phase 2 Study	Second stage of clinical testing of a investigational drug, usually performed in <several hundreds patients in order to determine efficacy, tolerability and drug dose
Phase 3 Study	Large clinical studies, usually conducted in hundred (and in some indications, thousand) patients to gain a definitive understanding of the efficacy and tolerability of the drug candidate – serves as a basis for approval
Pivotal Study	Registrational clinical study
Ready-to-Use (RTU)	Pre-diluted medicines for intravenous use, known as “ready to use” preparations, help to reduce the amount of errors associated with the preparation and administration of medicines
Return on Investment (ROI)	A performance measure used to evaluate the efficiency or profitability of an investment or compare the efficiency of a number of different investments. ROI tries to directly measure the amount of return on a particular investment, relative to the investment’s cost
Vulvar Lichen Sclerosis (VLS)	A chronic inflammatory skin condition that affects the vulva, the external genitalia in females

DISCLAIMER & OTHER INFORMATION

This report contains all information required by Belgian law. Hyloris Pharmaceuticals SA is a limited liability company organised under the laws of Belgium and has its registered office at Boulevard Patience et Beaujonc N°3/1, 4000 Liège.

Throughout this report, the term "Hyloris Pharmaceuticals" refers solely to the non-consolidated Belgian company and references to "we," "our," "the group" or "Hyloris".

All references in this Annual Report to "$", "US$", "U.S. dollars", "dollars" and "USD" mean U.S. dollars and all references to "€", "EUR" and "euros" mean euros, unless otherwise noted.

The Company has prepared its Annual Report in English and provided a French translation of the Annual Report, in accordance with Belgian laws. Hyloris is responsible for the translation and conformity between the French and English versions. In case of inconsistency between the French and the English versions, the English version shall prevail.

The **ESEF version** of the annual financial report (**official version**) takes precedence over any other versions (PDF, etc.) in the event of a conflict between these different versions.

This report, including the statutory financial statements of Hyloris Pharmaceuticals SA, is available on the Company's website www.hyloris.com.

Forward Looking Statements

Certain statements in this annual report are "for- ward-looking statements." These forward looking statements can be identified using forward-looking terminology, including the words "believes", "estimates," "anticipates", "expects", "intends", "may", "will", "plans", "continue", "ongoing", "potential", "predict", "project", "target", "seek" or "should", and include statements the Company makes concerning the intended results of its strategy.

These statements relate to future events or the Company's future financial performance and involve known and unknown risks, uncertainties, and other factors, many of which are beyond the Company's control, that may cause the actual results, levels of activity, performance or achievements of the Company or its industry to be materially different from those expressed or implied by any forward looking statements.

The Company undertakes no obligation to publicly update or revise forward looking statements, except as may be required by law. You should not place undue reliance on forward looking statements. Certain monetary amounts and other figures included in this annual report have been subject to rounding adjustments.

Accordingly, any discrepancies in any table between the totals and the sums of amounts listed are due to rounding.

FINANCIAL CALENDAR

September 25, 2025: Half year results

CONTACT

investorrelations@hyloris.com
Hyloris Pharmaceuticals SA
Boulevard Patience et Beaujonc N°3/1
4000 Liège, Belgique

Hyloris Pharmaceuticals SA
Boulevard Patience et Beaujonc N°3/1
4000 Liège, Belgium