APONTIS PHARMA

ANNUAL REPORT 2024

CONTENT

DEAR SHAREHOLDERS, LADIES AND GENTLEMEN,

The past financial year was eventful for APONTIS PHARMA in many respects. In addition to successfully repositioning the company and realigning our growth strategy, we were able to launch four new Single Pill combinations on the market, conclude a major distribution agreement and, most recently, receive the takeover bid from Zentiva.

With the takeover by Zentiva APONTIS PHARMA will most likely no longer operate as a listed company. We see our future under the umbrella of Zentiva, where we can drive the market penetration of our Single Pill combinations even further and accelerate our expansion into the European market. Being part of a large, internationally successful pharmaceutical Group will open up additional growth opportunities for us.

Our strategic realignment, which we initiated more than a year ago, is based on several key points: Increased efficiency in the area of sales, a targeted approach to multipliers and an increased focus on marketing our products instead of generally explaining their scientific basis. We have also opened up new communication and sales channels and are now benefiting from the international presence of our new partner in key EU markets.

We successfully completed the organizational implementation of our extensive measures at the beginning of March 2024. The changes took time to fully unfold both internally and externally. Nevertheless, our new go-to-market approach paid off quickly: In April 2024, we were able to conclude a major co-marketing partnership with Novartis that confirmed our strategic direction and opened up new growth potential.

The positive response from our target audiences confirms that we are on the right track. The takeover bid from Zentiva also underscores the attractiveness of our business model and the long-term success prospects of our company. The high acceptance rate of the offer also shows that our shareholders recognize the value of our strategy. We would like to take this opportunity to thank all of you for your trust and support over the past few years.

The successful implementation of our new strategy is also reflected in the development of the past financial year. Overall, APONTIS PHARMA generated sales of EUR 48.5 million in 2024, which represents a change of 31% compared to the previous year's figure of EUR 37.0 million. EBITDA amounted to EUR 3.5 million compared to EUR −13.3 million in the previous year, which was influenced by non-recurring restructuring costs of EUR 5.6 million.

Successful strategic realignment in the areas of sales, marketing and processes

Special thanks go to our employees this year. The necessary adjustments to personnel as part of our reorganization were challenging, but everyone involved worked constructively with us along the way. The takeover by Zentiva brings changes for our workforce, but it was important for us to secure a far-reaching job guarantee as part of the negotiations. The Management Board will also continue to manage the company in cooperation with Zentiva and consistently pursue the growth course we have embarked upon.

We would also like to thank our customers and business partners who have supported us in recent years, particularly during the transformation of the company. And of course we would like to thank you, our shareholders, for your trust and support.

Sincerely yours,

Bruno Wohlschlegel
CEO/Speaker of the Management Board

SUCCESSFUL REALIGNMENT AND GREAT PROSPECTS

MR. WOHLSCHLEGEL, MR. MILZ, MR. ZIMMERMANN, THE YEAR 2024 BROUGHT DRASTIC CHANGES FOR APONTIS PHARMA. FAR-REACHING RESTRUCTURING WAS FOLLOWED BY A TURNAROUND AND THEN A TAKEOVER BID IN THE FALL. HOW DID YOU EXPERIENCE THE YEAR?

BRUNO WOHLSCHLEGEL: The past year was a year of upheaval in many ways and very intense. However, we – the management and employees – can be very satisfied with what we have achieved. I took up my role with the company in September 2023. APONTIS PHARMA was in a crisis at the time. Supply bottlenecks for active ingredients, several profit warnings and slower-than-expected growth in the Single Pill business had a negative impact on the company's operational development and reputation. Added to this were structures that no longer met the requirements of the market. We had to quickly analyze the weak points and act quickly and decisively.

Bruno Wohlschlegl, CEO

After just three months, we had put together a comprehensive package of measures that addressed both sales and costs.

Overall, I have to look at the development with a smile and a tear in my eye. Laughing, because we did a great job and got the company back on track. The Supervisory Board's confidence in the Management Board and management team and the resulting freedom of action were an important basis for this success. Weeping, because we still have further plans for the growth and development of APONTIS PHARMA, which we originally wanted to pursue as an independent company. But of course we also see the takeover bid as an acknowledgement of our successful work – and, in addition, completely new prospects are opening up for us under the umbrella of Zentiva.

THOMAS MILZ: The crisis in which the company found itself in 2023 obviously kept us very busy. But besides the far-reaching measures to restore our competitiveness, the market side was relevant for us. Doctors and patients had to be kept from suffering as a result of these issues. And we succeeded in accomplishing this. We positioned the Single Pill combinations with their benefits for patients and the healthcare system, better efficacy at low cost, and were able to ensure both supply – despite strained supply chains in the pharmaceutical industry – and the announced development and launch of new preparations.

THOMAS ZIMMERMANN: The reorganization has led to drastic changes for APONTIS PHARMA. It was a bitter decision that we had to let go of employees, however our current capacities did not fit with a profitable business model. Communication with our investors was intense during this time. We had to hold many discussions and convince the capital market that the measures we had introduced made sense. We succeeded in doing so and are grateful for the trust placed in us by our shareholders.

LET'S PROCEED CHRONOLOGICALLY. THE RESTRUCTURING WAS IMPLEMENTED AHEAD OF SCHEDULE AND CAME INTO EFFECT ON MARCH 1, 2024. WHAT WAS THE GOAL OF THE MEASURES?

WOHLSCHLEGEL: The measures we implemented for the company were the result of a detailed analysis of strengths and weaknesses, which we started immediately after I joined the company. We examined the market, our sales concept, as well as our processes and organization very thoroughly.

It is obvious: Single Pill combinations have a high market potential

As a result, it was clear that Single Pill combinations have high market potential. However, we also realized that we needed to focus more on our own products in the future and less on the Single Pill concept as such. In general, we redesigned our entire go-to-market approach. We also reviewed our internal processes and reorganized them where necessary.

ONE KEY POINT WAS THE REALIGNMENT OF SALES THAT I JUST MENTIONED. WHAT SPECIFIC CHANGES WERE MADE?

MILZ: As of March 1, 2024, we had indeed completely realigned our go-to-market approach. We are now smaller with the current team, but more efficient and effective. You could call this deepening rather than broadening. Another approach is the targeted approach to health insurance companies and other multipliers in the healthcare industry. At the same time, we are working more intensively on different communication channels.

The realignment of the sales concept also meant a change for our employees, however. This change was fully supported by our employees.

HOW SUCCESSFUL WERE THE MEASURES?

WOHLSCHLEGEL: In view of the relatively short time – analysis and implementation took place in only six months – we are very satisfied.

The concept has also convinced our business partners. For instance, Novartis commissioned us to distribute two asthma products.

Thomas Milz, CPO

IN THE PAST FINANCIAL YEAR, APONTIS PHARMA ALSO EXPANDED ITS RANGE TO INCLUDE FOUR ADDITIONAL SINGLE PILLS. WHICH INDICATIONS DO THEY TREAT?

MILZ: APONTIS PHARMA focuses its products on cardiovascular diseases. On the one hand, this is a very large market and, on the other, we see the greatest added value for Single Pill combinations here. Older people are often the users. With Single Pills, they only have to take one preparation instead of many different pills. However, taking the prescribed medication regularly is a basic prerequisite for a good course of treatment. Single Pills can make an important contribution here. The four new combinations are also aimed at treatments in this area of expertise at APONTIS PHARMA.

THE EUROPEAN PHARMACEUTICAL GIANT ZENTIVA PUBLISHED A TAKEOVER BID TO THE SHAREHOLDERS OF APONTIS PHARMA IN THE FALL. WHO IS ZENTIVA?

ZIMMERMANN: Zentiva is a leading pan-European company with a 500-year history. Zentiva develops and distributes high-quality and affordable medicines for more than 100 million people in Europe. The company has more than 5,000 employees. In terms of gross sales, Zentiva outperformed the market by 11 percentage points in the period 2020 to 2023, driven by volume growth and a robust pipeline for new launches.

THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF APONTIS PHARMA HAVE APPROVED THE OFFER. WHY?

ZIMMERMANN: APONTIS PHARMA is the market leader in the field of Single Pill medication in Germany and Zentiva is convinced of the high value creation potential. The successfully completed restructuring is an excellent starting point for the future business development of APONTIS PHARMA.

The acquisition provides a good strategic fit for APONTIS PHARMA to achieve key value drivers, including improving market access across Europe, enabling increased investment in the product pipeline and expanding the number of product launches. Under the Zentiva umbrella, APONTIS PHARMA will be able to focus more quickly on longer-term goals, benefit from greater financial flexibility and ultimately offer high-quality and affordable products to more customers across Europe. That is the business view.

The attractive premium plays an important role for shareholders. This is 49.70 percent above the closing price of the share on October 15, 2024, i.e. before the takeover plan was announced. In relation to the weighted average price of the APONTIS PHARMA share in the three months prior to October 15, 2024, the premium is 42.85 percent. Comparable transactions in Germany in the last three years only amounted to an average premium of 31.4 percent.

AT THE END OF THE YEAR, ZENTIVA HAD ACHIEVED AN ACCEPTANCE RATE OF AROUND 88 PERCENT. DO THE REMAINING SHAREHOLDERS HAVE TO PREPARE FOR A DELISTING?

ZIMMERMANN: Zentiva has already indicated a planned delisting in its offer documents. Meanwhile, the group’s shareholding has exceeded the 90 per cent threshold that allows for a merger-squeeze-out in Germany. At the beginning of March, Zentiva submitted a request to us to negotiate and conclude a merger agreement. In addition, the Annual General Meeting of APONTIS PHARMA is to resolve the transfer of the shares of the remaining shareholders to Zentiva as the main shareholder in return for an appropriate cash settlement.

WHERE IS APONTIS PHARMA HEADED UNDER THE UMBRELLA OF ZENTIVA?

MILZ: Zentiva sees APONTIS PHARMA as a good strategic addition to its product portfolio. For this reason, both the APONTIS PHARMA brand and the products are to be retained. Accordingly, Zentiva intends to keep the headquarters, operations and assets of APONTIS PHARMA in Monheim am Rhein. The team, as a pillar of success, is also to remain on board.

For customers and partners, the long-term growth prospects offered by Zentiva should provide additional stability, but also faster success in regional expansion and the development of the product portfolio. Zentiva is looking forward to working with current customers and partners and finding new opportunities to grow together.

For APONTIS PHARMA, the umbrella of Zentiva offers considerable opportunities that we would have achieved much more slowly with the previous structure.

APONTIS PHARMA is the market leader for single pill medication in Germany and Zentiva is convinced of the high value creation potential convinced.

WHAT DOES THE TAKEOVER MEAN FOR THE EMPLOYEES OF APONTIS PHARMA ...

WOHLSCHLEGEL: Zentiva is aware of the quality and commitment of APONTIS PHARMA's employees. It is therefore important that the employees remain on board. Zentiva has communicated this clearly. For the workforce, being part of a European pharmaceutical Group brings with it the advantages of a large European employer as well as greater job security thanks to the financial strength, the strengthening of the product pipeline and the accelerated regional expansion.

... AND FOR YOU?

WOHLSCHLEGEL: Zentiva appreciates the result we have achieved with the restructuring of APONTIS PHARMA. They want to support the management in maintaining and developing an attractive and competitive framework to retain an excellent team. Zentiva has full confidence in the management, which is expected to continue to lead APONTIS PHARMA. In this respect, we are available for future cooperation.

THANK YOU FOR THE INTERVIEW.

Thomas Zimmermann, CFO

DEAR SHAREHOLDERS,

Fiscal year 2024 was a successful year in which a strong increase in sales and a return to profitability were achieved. The basis for this positive development was the realignment of the marketing concept and the sustainable reduction of the cost structure. The conclusion of the distribution agreement with Novartis for the two patent-protected drugs Atectura and Enerzair was yet another success.

One significant event for the company was the acquisition of the majority of the company's shares by Zentiva AG, Berlin, which was completed on December 6, 2024. The goal of the Zentiva Group is to acquire all shares. The company's Supervisory Board and Management Board supported the acquisition.

In fiscal year 2024, the Supervisory Board duly performed the duties incumbent upon it in accordance with the law, the Articles of Association and the Rules of Procedure. In particular, the Supervisory Board carefully and regularly monitored the work of the Management Board on the basis of the detailed written and verbal reports provided by the Management Board on business policy, key financial, investment and personnel planning and the course of business, and provided advice and support. In addition, a regular exchange of information took place between the Chairman of the Supervisory Board and the Chairman of the Management Board as well as the other members of the Management Board. The Supervisory Board was thus always informed about the intended business policy, company planning including financial, investment and personnel planning, the profitability of the company and the course of business as well as the situation of the company and the Group.

PERSONNEL CHANGES ON THE SUPERVISORY BOARD

In accordance with Section 9 (1) of the company's Articles of Association in conjunction with Sections 95 sentences 1 to 4, 96 and 101 AktG, the Supervisory Board of the company consists of five members to be elected by the Annual General Meeting.

At the Annual General Meeting held on May 12, 2022, Mr. Christian Bettinger, Mr. Olaf Elbracht, Dr. Edin Hadzic, Dr. Anna-Lisa Picciolo-Lehrke and Dr. Matthias Wiedenfels were elected Supervisory Board members by the shareholders. The Chairman of the Supervisory Board is Dr. Matthias Wiedenfels, the Deputy Chairman is Mr. Olaf Elbracht.

Due to the sale of the shares held by the previous main shareholder Paragon Fund II GmbH & Co KG, Munich, to Zentiva AG, Berlin, Dr. Edin Hadzic and Mr. Christian Bettinger resigned from office as of December 6, 2024. Dr. Picciolo-Lehrke also resigned from office on January 13, 2025.

The Supervisory Board has a Personnel Committee and an Audit Committee. The members of the Personnel Committee are Dr. Matthias Wiedenfels and, until his departure, Mr. Christian Bettinger. The Audit Committee consists of Mr. Olaf Elbracht and, until his departure, Mr. Christian Bettinger. There are no other committees.

With effect from February 14, 2025, the following persons were appointed by the court as new members of the company's Supervisory Board: Mrs. Julie Ross, Mr. Anant Atal and Mr. Martin Albert.

Mrs. Julie Ross, Mr. Anant Atal and Dr. Martin Albert are employees in management positions at the Zentiva Group.

WORK ON THE SUPERVISORY BOARD

The Supervisory Board held a total of 7 meetings in fiscal year 2024. The meetings were mainly held virtually in fiscal year 2024. The following table shows the attendance of the members of the Supervisory Board at the meetings:

Board Meetings	Dr. Wiedenfels	Elbracht	Dr. Picciolo-Lehrke	Dr. Hadzic	Bettinger
February 14, 2024	X; L	X	X	X	X
March 13, 2024	X; L	X	X	X	X
May 16, 2024	X; L	X	X	prevented	X
July 22, 2024	X; L	X	X	X	X
October 16, 2024	X; L	X	X	X	X
October 30, 2024	X; L	X	X	no participation	no participation
November 28, 2024	X; L	X	X	X	X
Board Member since	2021	2021	2022	2021	2021

X = participated / L = Lead

The Supervisory Board's deliberations focused on topics relating to strategy, long-term planning, business development, the risk situation, risk management and compliance at APONTIS PHARMA AG. The Supervisory Board also discussed Zentiva AG's purchase offer for the company's shares on several occasions. The focal points of the individual meetings are outlined below:

FEBRUARY 14, 2024 (MIXED VIRTUAL):

- Efficiency review of Supervisory Board work and report from the committees
- Presentation and update of the go-to-market model
- Budget planning for 2024
- Approval of current account credit line between APONTIS PHARMA AG and APONTIS PHARMA Deutschland GmbH & Co. KG

MARCH 13, 2024 (VIRTUAL):

- Audit of the Annual and Consolidated Financial Statements for 2023 and discussion with the auditor Ebner & Stolz
- Approval of the Annual Financial Statements, Consolidated Financial Statements and the Dependent Company Report 2023
- Resolution to propose RSM Ebner Stolz Wirtschaftsprüfungsgesellschaft to the Annual General Meeting as auditors for the year 2024
- Resolution on the Declaration of Conformity as part of the Corporate Governance Declaration
- Agenda and procedure of the Annual General Meeting
- Report by the Management Board on business development
- Update on business development

MAY 16, 2024 (MIXED VIRTUAL):

- Report by the Management Board on business development, the go-to-market model including presentation of the partnering model
- Business development/Market access update
- Outlook on new aspects of ESG reporting
- Discussion of the Annual General Meeting

JULY 22, 2024 (VIRTUAL):

- Report on the current status of talks with the Zentiva Group
- Performance of the Single Pill portfolio and the asthma collaboration with Novartis
- Discussion of the Q2 financial statements and the first half of 2024
- Business development/Market access update
- Update on the go-to-market model

OCTOBER 16, 2024 (VIRTUAL):

- Debate and vote on the conclusion of an investment agreement

OCTOBER 30, 2024 (VIRTUAL):

- Report by the Management Board, discussion and resolution on the joint statement of the Management Board and the Supervisory Board on the voluntary public purchase offer of Zentiva AG to the shareholders of APONTIS PHARMA AG dated October 24, 2024

NOVEMBER 28, 2024 (MIXED VIRTUAL):

- Purchase offer by Zentiva AG – current status
- Report by the Audit Committee
- Presentation of the 2024 budget

SITUATION OF THE BUSINESS AND BUSINESS DEVELOPMENT

The Supervisory Board meetings dealt regularly with the company's business situation and performance. The Management Board reported regularly on business developments in 2024 and presented the planning for fiscal year 2024. Particular focus was placed on the implementation of the restructuring program adopted in 2023 to reduce the cost structure and implement the new go-to-market model.

STRATEGIC ORIENTATION

The Supervisory Board dealt extensively and repeatedly with the strategic orientation of the APONTIS PHARMA Group.

The Supervisory Board discussed the launch of three new Single Pill combinations and the newly concluded cooperation agreement with Novartis for the two patented asthma products Enerzair and Atectura.

The Supervisory Board also dealt with the voluntary purchase offer from Zentiva AG in several meetings and issued a reasoned statement on the purchase offer together with the Management Board.

RISK MANAGEMENT AND COMPLIANCE

Compliance is of great importance to the Management Board and Supervisory Board. The Supervisory Board reviews the compliance management system implemented by the Management Board on a regular basis. The system introduced is intended to avoid compliance violations through preventive measures and to identify any misconduct at an early stage. This system is intended to respond quickly to confirmed violations and punish misconduct consistently.

The compliance targets set by the Management Board were achieved in the course of fiscal year 2024 and discussed in detail with the Supervisory Board. The compliance reporting structure did not lead to any indications of a compliance breach in fiscal year 2024. In addition, the risk management system was further developed together with the Management Board.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board had both an Audit Committee and a Personnel Committee in fiscal year 2024.

AUDIT COMMITTEE

The Audit Committee currently consists of the member Mr. Olaf Elbracht (Chairman). Mr. Christian Bettinger was also a member of the Audit Committee until his departure on December 6, 2024. The Audit Committee held 7 meetings in fiscal year 2024. The tasks of the Audit Committee include, in particular, auditing the accounting, monitoring the accounting process, the risk management system, compliance and the audit of the financial statements. It prepares the resolutions of the Supervisory Board on the Annual Financial Statements and the proposal for the appropriation of net retained profits, the Consolidated Financial Statements and the combined Group Management Report. Other tasks include discussing and reviewing the half-year financial reports and the quarterly statements. The committee submits a proposal to the Supervisory Board on the appointment of the auditor.

In addition, several coordination meetings were held between the head of the Audit Committee and the company's CFO, both by telephone and on site with the finance team. Besides the quarterly financial statements, the topics of risk management, the coordination of RSM Ebner & Stolz's offer for the audit engagement for fiscal year 2024, the forecasts for the current fiscal year and the 2025 budget were discussed. Other individual topics also included fundamental accounting issues.

The Chairman of the Audit Committee reports regularly to the full Supervisory Board on the committee's activities.

PERSONNEL COMMITTEE

The Personnel Committee consists of Dr. Matthias Wiedenfels (Chairman). Mr. Christian Bettinger was also a member of the Personnel Committee until his departure on December 6, 2024. The Personnel Committee held 6 meetings in fiscal year 2024. All members of the Personnel Committee took part in the meetings. The tasks of the Personnel Committee include, in particular, advising the Supervisory Board with regard to succession planning for the Management Board and with regard to the remuneration of the Management Board.

CORPORATE GOVERNANCE AND DECLARATION OF CONFORMITY

The company is not listed on the stock exchange as defined by the German Stock Corporation Act. The recommendations of the German Corporate Governance Code in the version dated December 16, 2019, therefore do not apply, which means that the Management Board and Supervisory Board are not legally obliged to issue a Declaration of Conformity in accordance with Section 161 AktG. In the interests of good corporate governance, the Management Board and Supervisory Board have therefore decided to issue a voluntary Declaration of Compliance in accordance with Section 161 AktG as of March 11, 2025.

The Declaration is available on the APONTIS PHARMA AG website at „www.apontis-pharma.de“ under the heading Corporate Governance.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The Annual Financial Statements of APONTIS PHARMA AG and the Consolidated Financial Statements as of December 31, 2024, including the Group Management Report, have been audited by RSM Ebner Stolz GmbH & Co KG Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Bonn. The Annual Financial Statements and the Consolidated Financial Statements, including the Group Management Report, have received unqualified audit opinions.

The Annual Financial Statements and Consolidated Financial Statements, including the Group Management Report and the auditor’s reports, were made available to all members of the Supervisory Board. The financial statement documents were discussed in detail at the balance sheet meeting of the Supervisory Board on March 26, 2025, following a report by the auditor.

The Supervisory Board also examined the Annual Financial Statements, including the combined Group Management Report and the Consolidated Financial Statements, and took note of the Auditor’s Report. Following the final result of its examination, the Supervisory Board had no objections to raise and approved the Annual Financial Statements and Consolidated Financial Statements prepared by the Management Board on March 26, 2025. The Annual Financial Statements are thus adopted.

DEPENDENCY REPORT

APONTIS PHARMA AG prepared a Dependent Company Report for its fiscal year ended December 31, 2024, in accordance with Section 312 AktG. The Dependent Company Report was audited by the auditor RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Bonn, in accordance with Section 313 (1) AktG.

The auditor issued a separate written report on the results of the audit. As there were no objections to the Management Board's report, the following audit certificate was issued on March 17, 2025, in accordance with Section 313 (3) AktG:

Following our mandatory audit and assessment, we confirm that

1. the actual disclosures in the report are correct,
2. the payments made by the companies in the legal transactions listed in the report were not unreasonably high,
3. there are no circumstances that indicate a materially different assessment of the measures listed in the report than that of the Management Board.

The Dependent Company Report and the corresponding audit report were submitted to all members of the Supervisory Board in good time prior to the balance sheet meeting. At the Audit Committee meeting on March 21, 2025, the auditor reported to the Audit Committee on the performance and results of the audit of both the Consolidated Financial Statements and the Separate Financial Statements of the audited companies. At the balance sheet meeting on March 26, 2025, the auditor reported on the results of its audit and was available to provide additional information. At its meeting on March 26, 2025, the Supervisory Board comprehensively reviewed the Dependent Company Report for completeness and accuracy. It approved the result of the audit of the Dependent Company Report and concluded that there were no objections to the declaration by the Management Board at the end of the report on relationships with affiliated companies and approved the Dependent Company Report.

THANKS FOR THE WORK DONE

The Supervisory Board would like to thank the employees and the Management Board of APONTIS PHARMA AG for their hard work. After an economically challenging year in 2023, the company was able to grow profitably again and at the same time manage the necessary staff reductions in a socially responsible manner. This laid the foundation for further successful development in the years to come.

Monheim/Rhine, March 26, 2025

The Supervisory Board of APONTIS PHARMA AG

Dr. Matthias Wiedenfels
Chairman of the Supervisory Board

APONTIS PHARMA AG ON THE CAPITAL MARKET

APONTIS PHARMA SHARE INFORMATION

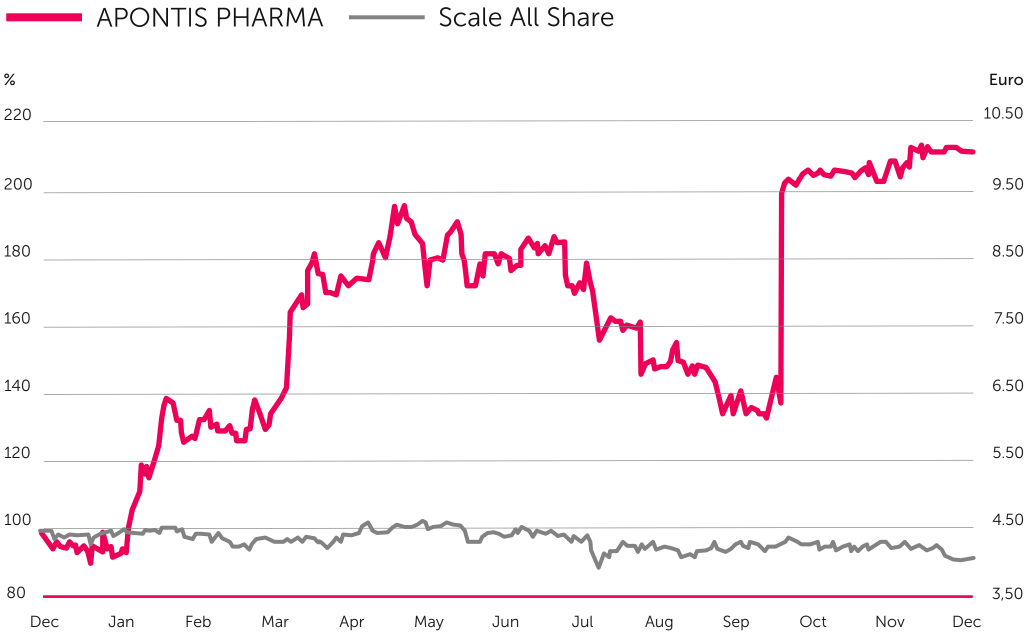
Ticker symbol	APPH
GSIN (German Securities Identification Number)	A3CMGM
ISIN (International Securities Identification Number)	DE000A3CMGM5
Stock exchanges	Xetra, Frankfurt, Berlin, Düsseldorf, Gettex, Munich, Quotrix, Stuttgart, Tradegate
Market segment	EU-registered SME growth market scale (over-the-counter)
Number of shares	8,500,000
Share class	Ordinary no-par value shares
Designated Sponsor	Hauck Aufhäuser Lampe Privatbank AG

CAPITAL MARKETS SHOW POSITIVE DEVELOPMENT – SECOND-LINE STOCKS LESS IN DEMAND

The global capital markets performed positively overall in stock market year 2024. At the beginning of the year, this was driven by good economic data from all economic regions, falling inflation rates and initially stable corporate profit margins, which acted as a counterbalance to the key interest rate hikes by the US Federal Reserve and the European Central Bank. In the second half of the year, weaker economic development and uncertainty over the outcome of the presidential election in the US then made themselves felt. The latter only became clearer with Donald Trump's election victory at the beginning of November. US stocks in particular benefited from this. The US blue-chip index S&P 500 ended 2024 nearly 24% higher at 5,906 points, while the technology stock index NASDAQ even gained close to 30%.

In Germany, on the other hand, the government collapsed at the beginning of November 2024 and new elections were scheduled for February 2025. This took place in a difficult economic environment in Germany and the eurozone. According to the ifo Business Climate Index, sentiment among German companies remained at a crisis level overall in 2024 and contracted for the third year in a row. Top-tier stocks benefited on the stock market. In the DAX, whose members do most of their business abroad, seven stocks in particular achieved high gains. While the DAX, the leading index in Germany, passed the 20,000 point mark for the first time and closed the year at 19,909 points, up nearly 19%, the MDAX (–5.7%) and SDAX (–1.8%) indices and small cap stocks in particular suffered from investors' reluctance to buy. The Scale All Share Index, which also includes the shares of APONTIS PHARMA, recorded a loss of 7.6% over the same period.

SHARE: PRICE PERFORMANCE 2023/2024



In the first six months of 2024, the APONTIS PHARMA share benefited from the positive news and the company's pleasing performance following the reorganization that was implemented. At the beginning of April, the announcement of the order win from Novartis and the resulting forecast increase led to a leap in the share price. From June on, the share price moved in a moderate downward trend. With the takeover bid made by Zentiva, the share then rose towards the EUR 10.00 mark. After starting the year at EUR 4.51 in Xetra trading, the APONTIS PHARMA share closed the trading year at EUR 10.05 on December 30, 2024, an increase of EUR 5.54 or 116% compared to the previous year's closing price of EUR 4.75.

The APONTIS PHARMA share has performed well since the beginning of 2025. On March 11, the share closed at EUR 11.40, around 13 per cent above the year-end price.

SHARE PRICE DEVELOPMENT IN 2023

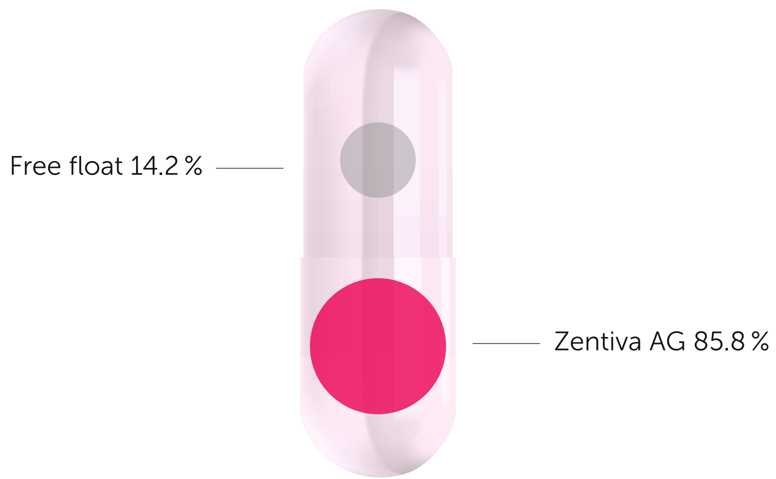
Opening price	January 2, 2024	EUR 4.51
Low	January 24, 2024	EUR 4.12
High	December 10, 2024	EUR 10.20
Closing	December 30, 2024	EUR 10.05
Performance		111.6%
Market capitalization	December 30, 2024	EUR 85.0 Mio.

The average daily trading volume in APONTIS PHARMA shares amounted to 10,725 shares on all German trading venues in the year under review. In the same period of the previous year, the average daily trading volume was 18,500 shares.

Hauck Aufhäuser Lampe Privatbank AG acted as designated sponsor and continuously supported the tradability of the APONTIS PHARMA share by providing binding bid and ask prices.

SHAREHOLDER STRUCTURE

On October 16, 2024, the pharmaceutical Group Zentiva announced a takeover bid for the shares of APONTIS PHARMA AG. Following the publication of the acquisition documents, 7,293,764 or 85.8% of APONTIS-PHARMA shares were tendered by shareholders by 31 December 2024. Among them were the major shareholder Paragon (The Paragon Fund II GmbH & Co. KG) as well as the members of the Management Board and the Supervisory Board. The remaining free float of the company thus amounts to 14.2%.



ANALYST RECOMMENDATIONS

In the year under review, the APONTIS PHARMA AG share was analyzed and evaluated by the investment banks and research firms Hauck Aufhäuser Lampe Privatbank, Warburg Research, First Berlin and Montega Research.

In their latest studies following the announcement of the acquisition of 37.5% of the shares and a reduction in the minimum acceptance rate of the takeover offer, the analysts at Warburg Research and Montega have adopted the offer price of EUR 10.00 as the target price.

Update	Institute	Analyst	Recommandation	Target
November 19, 2024	Warburg Research	Dr. Christian Ehmann	BUY (BUY)	10.00 (20.00)
Novembe 13,r 2024	Montega	Tim Kruse	BUY (BUY)	10.00 (16.60)
October 18, 2024	Hauck Aufhäuser Lampe	Alexander Galitsa	BUY (BUY)	16.00 (16.00)
August 16, 2024	First Berlin	Christian Orquera/ Simon Scholes	BUY (BUY)	17.00 (17.00)

INVESTOR RELATIONS ACTIVITIES

The APONTIS PHARMA AG share is listed on the EU-registered SME growth market Scale (Open Market) of the Frankfurt Stock Exchange. The company informs its shareholders and capital market participants immediately of important events in its business or of significance to the development of its share price by means of ad hoc announcements or Corporate News, as well as through webcasts/conference calls.

The Management Board of APONTIS PHARMA maintained a close dialogue with investors and analysts as well as the financial and business press in the stock market year 2024. Besides holding many one-on-one meetings, the company attended the Hamburg Investors' Day and the Equity Forum Spring Conference in Frankfurt/Main. There were also roadshows, such as the Investor Access Event in Paris, at which the Management Board presented the company's business model and development prospects.

ANNUAL GENERAL MEETING

The Annual General Meeting is the most important event for APONTIS PHARMA to enter into dialogue with its broad shareholder base. The 2024 Annual General Meeting was held online on May 17, 2024. In addition to the business performance in 2023, the Management Board also presented the restructuring program and the future strategy to the shareholders in attendance. There was then an opportunity to ask questions.

The Investor Relations section of the APONTIS PHARMA AG website at www.apontis-pharma.de/en/investor-relations provides comprehensive insights into business developments, upcoming events, financial reports and presentations.

MERGER-RELATED SQUEEZE-OUT

On March 5, 2025, Zentiva submitted a request to APONTIS PHARMA pursuant to Section 62 (1) and (5) of the German Transformation Act (UmwG) in conjunction with Section 327a et seq. of the German Stock Corporation Act (AktG), according to which a merger agreement is to be concluded between the company and Zentiva AG and the Annual General Meeting of APONTIS PHARMA is to resolve on the transfer of the shares of the remaining shareholders (minority shareholders) to Zentiva as the main shareholder in return for an equitable cash settlement (so-called merger squeeze-out). The reason for this is that Zentiva now holds around 93.83% of the company's share capital, making it the main shareholder. Zentiva will announce the amount of the equitable cash settlement that it will offer the remaining shareholders of the company for the transfer of their shares at a later date.

APONTIS PHARMA will now inform about the date of the Annual General Meeting, at which a corresponding transfer resolution is to be adopted, in accordance with legal requirements. Zentiva has also proposed the commencement of negotiations on a merger agreement between Zentiva and APONTIS PHARMA.

GROUP MANAGEMENT REPORT OF APONTIS PHARMA AG

Monheim/Rhine,
for financial year 2024

I. BASIS OF THE COMPANY

APONTIS PHARMA Group (APONTIS PHARMA for short) markets and sells innovative medical drugs for indication fields of internal medicine, most of which come from cooperation with other pharmaceutical companies. In the reporting year, APONTIS PHARMA's business activities mainly included the supply of Single Pills in the cardiovascular field to the German pharmaceutical market. Furthermore, APONTIS PHARMA markets drugs in the disease areas of respiratory diseases"and "diabetes"as part of co-marketing/co-promotion.

II. MACROECONOMIC TREND IN GERMANY[1, 2]

According to initial calculations by the Federal Statistical Office (Destatis), the price-adjusted Gross Domestic Product (GDP) fell by 0.2% in 2024. Overall economic development is characterized by economic weakness and structural challenges in the competitiveness of German industry. Due to the weakness of some of its main export countries and the increasing competitiveness of Chinese industry, German industry is having to make structural adjustments. Gross investment in fixed assets fell by 2.8% compared to the previous year, and private consumer spending also only provided weak positive signals in 2024.

The job market showed a slight year-on-year increase with an average of 46.1 million people in employment. However, the increase came to a standstill towards the end of the year and unemployment increased.

1) Press release no. 19 from January 15, 2025
https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/01/PD25_019_811.html
2) https://statistik.arbeitsagentur.de/Statistikdaten/Detail/202501/arbeitsmarktberichte/monatsbericht-monatsbericht/monatsbericht-d-0-202501-pdf.pdf?__blob=publicationFile&v=1 Page 14

III. INDUSTRY DEVELOPMENT IN 2024

A EXPENDITURE DEVELOPMENT[3]

Sales of drugs in the entire pharmaceutical market (pharmacies and hospitals) rose by 7.9% in the first nine months of 2024. Unit sales increased by 1.6%. A total of around 75.5 billion metered units (capsules, sachets, etc.) worth over EUR 47.7 billion were dispensed to patients.

PHARMACY MARKET[3]

The pharmacy market recorded sales growth of 7.8% to EUR 40.9 billion in the first nine months of 2024, including vaccines and test diagnostics. The prescription drugs market segment grew by 8.2% in terms of sales and 2.6% in the first nine months. The over-the-counter medicines market segment grew by 5% in terms of sales by posting volume growth of 1%.

STATUTORY HEALTH INSURANCE (GKV)[3]

SHI pharmaceutical expenditure less discounts from manufacturers (Section 130a (1) SGB V) and pharmacies (excluding savings from discount contracts) amounted to EUR 42.4 billion in the first nine months of 2024, which corresponds to growth of 9.7%.

Among the important drug groups for the company, sales of lipid regulators rose by 6.5%, calcium antagonists by 2.4%, beta blockers by 0.2% and diuretics by 1.0%, while sales of ACE inhibitors fell by 1.6%

The savings made by statutory health insurers, private health insurers and the hospital market through mandatory manufacturer discounts and rebates from reimbursement amounts amounted to EUR 7.1 billion in the first nine months of 2024.

3) IQVIA market report: "Development of the German pharmaceutical market in the first nine months of 2024,"p. 3, 4, 5, 30
https://www.iqvia.com/-/media/iqvia/pdfs/germany/library/publications/iqvia-pharma-marktbericht-classic-q3-2024.pdf

IV. ECONOMIC SITUATION

EARNINGS POSITION

APONTIS PHARMA generated sales of EUR 48,467 thousand in financial year 2024 (previous year: EUR 36,964 thousand), all of which was generated with customers in Germany. The sales forecast of EUR 50,700 thousand for financial year 2024 could not be achieved.

The following table shows the revenue per product/service group for the years 2024 and 2023:

	2024		2023	
	EUR thousand	%	EUR thousand	%
Single Pills	**34,420**	**71.0**	**25,637**	**69.4**
Own brands (excl. Single Pills)	1,466	3.0	2,054	5.6
Asthma	9,039	18.7	0	0.0
COPD (respiratory diseases)	3,167	6.5	7,964	21.5
Cardiovascular	395	0.8	1,134	3.1
Diabetes	0	0.0	175	0.4
Cooperation business	**12,601**	**26.0**	**9,273**	**25.0**
	48,467	100.0	36,964	100.0

Single Pills and the cooperation business showed positive growth rates. By contrast, own brands excluding Single Pills declined as expected. The increase in Single Pills was partly due to the improved supply situation with Atorimib and partly to the broad growth of the other Single Pills.

Sales of Atorimib increased by EUR 7.9 million to EUR 16.7 million. By contrast, sales of the product Tonotec declined by EUR 2.3 million due to the entry of a competitor. Sales of the remaining Single Pills increased by EUR 3.6 million to EUR 13.6 million. This is where the new marketing approach has had its impact.

The cooperation business grew as a result of the agreement reached with Novartis in April for the two products Atectura and Enerzair for the treatment of asthma. This agreement was concluded for a period of five years. Sales of EUR 9.0 million were generated in the first nine months of marketing. By contrast, sales of the product Ulunar declined by EUR 2.1 million to EUR 3.2 million as expected, as this cooperation expired at the end of 2024 in accordance with the contract.

Other operating income amounted to EUR 2,423 thousand (previous year: EUR 1,690 thousand) and mainly included income from the reversal of provisions in the amount of EUR 1,315 thousand (previous year: EUR 602 thousand). In addition, the company generated income of EUR 534 thousand (previous year: EUR 672 thousand) from the provision of vehicles.

Cost of materials amounted to EUR 20,766 thousand in financial year 2024 (previous year: EUR 13,793 thousand). The cost of materials ratio was 42.8% (previous year: 37.3%). The increase in the cost of materials ratio was mainly due to the cooperation agreement concluded with Novartis for the products Atectura and Enerzair.

Personnel expenses amounted to EUR 13,464 thousand in the financial year (previous year: EUR 24,572 thousand), of which EUR 1,688 thousand (previous year: EUR 2,915 thousand) was attributable to social security contributions. Personnel expenses include EUR 0 thousand (previous year: EUR 5,565 thousand) for the restructuring program.

Other operating expenses amounted to EUR 13,156 thousand in the past financial year (previous year: EUR 13,523 thousand). These mainly comprised expenses for marketing amounting to EUR 1,475 thousand (previous year: EUR 1,909 thousand), expenses for distribution costs amounting to EUR 2,435 thousand (previous year: EUR 2,283 thousand), vehicle costs amounting to EUR 1,591 thousand (previous year: EUR 2,220 thousand) as well as expenses for temporary workers amounting to EUR 562 thousand (previous year: EUR 1,554 thousand).

The marketing costs resulted from the strategy communicated since the preparations for the IPO to promote the therapeutic superiority of Single Pills over the loose administration of single-agent drugs among the German medical profession, as proven by the START and SECURE studies, and thus to promote growth. As part of the distribution agreement with Novartis, intensive visits were also made to pulmonologists. Marketing costs also include costs for events with doctors and congresses.

Selling expenses include all sales force expenses except for other personnel expenses. Vehicle costs are mainly for the cars used by the sales force.

The financial result amounted to a negative figure of EUR 111 thousand in financial year 2024 (previous year: positive EUR 273 thousand). The financial result included interest income of EUR 59 thousand and interest expenses of EUR 170 thousand. Interest expenses include the interest portion of accrued pensions and anniversaries of EUR 158 thousand (previous year: EUR 109 thousand). This was offset against the interest income from plan assets in the amount of EUR 103 thousand (previous year: EUR 61 thousand).

Income taxes resulted in an expense of EUR 372 thousand (previous year: income of EUR 3,586 thousand). Of this, expenses from trade tax in the amount of EUR 21 thousand (previous year: income of EUR 51 thousand), income from corporate income tax and the solidarity surcharge in the amount of EUR 706 thousand (previous year: EUR 0 thousand), and deferred tax expenses in the amount of EUR 1,057 thousand (previous year: deferred tax income of EUR 3,535 thousand) were incurred.

APONTIS PHARMA closed financial year 2024 by posting a consolidated net profit of EUR 754 thousand (previous year: consolidated net loss of EUR 11,303 thousand).

ASSET POSITION

ASSETS

The fixed assets of APONTIS PHARMA of EUR 18,531 thousand (previous year: EUR 18,372 thousand) consist largely of license rights for products in the amount of EUR 12,050 thousand (previous: EUR 3,735 thousand) and milestone payments (advance payments) to contract developers and licensors for future product rights in the amount of EUR 5,603 thousand (previous year: EUR 13,805 thousand).

Inventories amounted to EUR 6,515 thousand as of December 31, 2024 (previous year: EUR 6,618 thousand) and mainly related to merchandise in the amount of EUR 5,468 thousand (previous: EUR 5,777 thousand) and advance payments on inventories in the amount of EUR 1,048 thousand (previous year: EUR 842 thousand).

Current receivables and other assets as of December 31, 2024, in the amount of EUR 570 thousand (previous year: EUR 1,419 thousand) were mainly attributable to advance payments to suppliers of EUR 339 thousand (previous year: EUR 215 thousand). Trade receivables in the amount of EUR 67 thousand (previous year: EUR 847 thousand) declined mainly in connection with low sales revenue in the second half of December and the agreement with a customer to collect early in December.

Cash and cash equivalents amounted to EUR 15,545 thousand as of December 31, 2024, (previous year: EUR 26,816 thousand) and are freely available in full (previous year: EUR 6,020 thousand restricted)..

LIABILITIES

As of December 31, 2024, APONTIS PHARMA's equity amounted to EUR 31,017 thousand (previous year: EUR 30,263 thousand), corresponding to an equity ratio of 69.9% (previous year: 52.7%). The increase in equity is the result of the profit for the financial year and a lower balance sheet total. In 2022, APONTIS PHARMA carried out two share buyback programs in connection with the variable remuneration for employees and the Management Board. The company's equity was reduced by a total of EUR 1,836 thousand through the acquisition of a total of 170,000 treasury shares.

Zentiva AG made a voluntary takeover offer to the company's shareholders on October 24, 2024, and concluded a share purchase and transfer agreement with the then main shareholder Paragon Fund II GmbH & Co KG on October 16, 2024, to acquire its shares. This takeover offer was completed on December 6, 2024. On this date, Zentiva AG acquired around 85% of the company's shares.

The negative difference from capital consolidation amounted to EUR 461 thousand (previous year: EUR 561 thousand).

Provisions amounted to EUR 7,761 thousand as of December 31, 2024 (previous year: EUR 15,245 thousand) and mainly comprised provisions for pensions in the amount of EUR 2,548 thousand (previous year: EUR 2,855 thousand), provisions for discounts granted in the amount of EUR 1,278 thousand (previous year: EUR 1,527 thousand), personnel provisions in the amount of EUR 1,854 thousand (previous year: EUR 8,592 thousand) and provisions for outstanding purchase invoices in the amount of EUR 846 thousand (previous year: EUR 977 thousand). In the previous year, personnel provisions included expenses for restructuring amounting to EUR 5,565 thousand.

The personnel provisions mainly comprised provisions for field service bonuses amounting to EUR 448 thousand (previous : EUR 639 thousand), provisions for internal service bonuses amounting to EUR 674 thousand (previous year: EUR 559 thousand), provisions for long-term incentives amounting to EUR 175 thousand (previous year: EUR 133 thousand) and provisions for long-service awards amounting to EUR 148 thousand (previous year: EUR 211 thousand).

As of December 31, 2024, liabilities totaled EUR 5,134 thousand (previous year: EUR 11,390 thousand) and included, in particular, trade payables of EUR 4,752 thousand (previous year: EUR 5,089 thousand). The current bank liability in the amount of EUR 6,020 thousand reported in the previous year was fully repaid in 2024. Other liabilities included, in particular, tax liabilities amounting to EUR 368 thousand (previous year: EUR 238 thousand).

FINANCIAL POSITION

Cash flow from operating activities was negative in financial year 2024 at EUR 2,901 thousand (previous year: negative EUR 12,596 thousand). The improvement is mainly due to the improvement in the consolidated result of APONTIS PHARMA.

Cash flow from investing activities was negative EUR 2,326 thousand (previous year: negative EUR 2,934 thousand). This is mainly due to investments in intangible assets.

Cash flow from financing activities amounted to negative EUR 6,135 thousand in financial year 2024 (previous year: positive EUR 6,000 thousand). The negative cash flow is due to the repayment of the bank loan taken out in the previous year.

As of December 31, 2024, cash and cash equivalents totaled EUR 15,455 thousand (previous year: EUR 26,816 thousand). Cash and cash equivalents consist exclusively of bank balances.

There was no guarantee credit line in financial year 2024.

APONTIS PHARMA has always been able to meet its payment obligations.

V. FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

APONTIS PHARMA is managed using the financial performance indicators sales, gross profit and EBITDA.

In financial year 2024, the performance indicators developed as follows compared to the previous year:

EUR thousand	2024	2023	Δ EUR k	Δ%
Revenue	48,467	36,964	11,503	31.1
Gross profit	27,702	23,171	4,531	19.6
EBITDA	3,476	–13,279	16,755	n/a

Sales increased in the reporting year, mainly due to improved sales of Single Pills and the effects of the cooperation agreement concluded with Novartis in April 2024 for the two products Atectura and Enerzair. This positive development is also the reason for the increase in gross profit. On the cost side, the positive effect of the restructuring cost-cutting efforts was noticeable.

In total, EBITDA increased from EUR –13,279 thousand in the previous year to EUR 3,476 thousand in financial year 2024. EBITDA excluding restructuring expenses amounted to EUR –7,714 thousand in the previous year.

In financial year 2024, the performance indicators developed as follows compared to the target figures (budget):

EUR thousand	2024	2024 Budget	Δ EUR k	Δ%
Revenue	48,467	41,717	6,750	16.2
Gross profit	27,702	26,611	1,091	4.1
EBITDA	3,476	1,791	1,685	94.1

The planned sales and EBITDA for 2024 shown in the Group Management Report for financial year 2023 were exceeded. This was mainly due to the additional sales and earnings from the cooperation with Novartis for the products Atectura and Enerzair, which were not included in the budget.

APONTIS PHARMA's controlling department provides the Management Board with a comprehensive picture of the current economic situation and future developments in regular reports and forecasts as well as in additional analyses.

Besides financial performance indicators, APONTIS PHARMA also reports non-financial performance indicators. These include employee matters in particular. APONTIS PHARMA cannot be successful without the contribution and commitment of its employees. With its comprehensive compliance system, APONTIS PHARMA strives to achieve gender equality, positive working conditions and safety in the workplace. Regular training courses contribute to the further qualification of the workforce. The company is bound by collective agreements and has a works council.

OVERALL ASSESSMENT

The development of APONTIS PHARMA as a company in 2024 can be described as very positive. APONTIS PHARMA was able to return to profitability thanks to the reduction in staff and the sharp increase in sales. The organizational change was accompanied by an adjustment of the marketing concept.

VI. RESEARCH AND DEVELOPMENT

APONTIS PHARMA concentrates on the contract development of Single Pills via co-development. APONTIS PHARMA works intensively in the area of business development on the definition of possible and sensible combinations of active ingredients and their patient potential. The active ingredient manufacturers and contract manufacturers (CMO) are selected together with the contract developers. In addition, Single Pills developed for the German market are licensed in from other European countries.

VII. SIGNIFICANT RISKS AND OPPORTUNITIES OF FUTURE DEVELOPMENT

1. RISK MANAGEMENT SYSTEM

APONTIS PHARMA uses a risk and opportunity management system, which is an essential and indispensable component of corporate management and control. The goal is to identify, categorize and manage the company's risks and opportunities. Particular attention is paid here to identifying and assessing risks that could jeopardize the company's continued existence and taking suitable measures to avoid the risks or to anticipate, minimize and, where possible, insure against the effects of the remaining risk.

As part of the risk and opportunity management system, the Management Board and Supervisory Board are informed of risks at an early stage. Operational and strategic risks are covered. APONTIS PHARMA has a risk management policy. According to this policy, significant risks for the company are listed and individually assessed according to probability of occurrence, risk impact and influenceability, and the impact is quantified in monetary units (risk matrix). Each risk is examined for mitigating internal and external countermeasures and how much of the original risk can be mitigated as a result. Each risk is assigned to a member of the management team, who is referred to as the "risk owner." If specific procedural, organizational or other countermeasures are possible, these are defined. The individual points of the risk matrix are updated by the risk owner. This makes the risk management system an integral part of both operational and strategic corporate management.

In addition, planning and forecasting systems are used and regular internal reports are prepared to provide the Management Board and the responsible management levels with timely and comprehensive information on achievement of the targets.

2. COMPLIANCE RISKS AND THE COMPLIANCE MANAGEMENT SYSTEM

These risks relate primarily to corruption, violations of antitrust and competition law, violations of pharmaceutical law and other criminal behavior.

Due to its activities as a pharmaceutical company, APONTIS PHARMA operates in a very strict legal environment, which is regulated by many laws specifically applicable to the pharmaceutical sector as well as state and private regulations. These include the following laws:

Medicines Act
Ordinance on the Manufacture of Medicinal Products and Active Substances
Pharmaceutical Trade Ordinance
Therapeutic Products Advertising Act

Furthermore, pharmaceutical companies must also comply with the respective EU guidelines on the following obligations (GxP):

Good Manufacturing Practice
Good Distribution Practice
Good Pharmacovigilance Practice

Due to this density of regulations, APONTIS PHARMA has established a comprehensive compliance management system. This consists of the following core elements:

Control system
Company organization
Training
Documentation
Monitoring

Regulatory system: There are various internal regulations. These include:

Code of Conduct
Anti-Bribery/Anti-Corruption Policy
Compliance guideline for dealing with health care professionals (“HCPs”)
Transaction and Signature Policy
Conflict of Interests Directive
Standard Operating Procedures system as the basis for the wholesale license

This control system is monitored on the basis of a separate SOP in terms of rules and deadlines and changes are documented.

Company organization: The implementation of these regulations and compliance with legal and internal association requirements are monitored in various departments. The Regulatory Affairs department, for example, has its own "Quality Assurance" unit. In the Medical Department, there is an Information Officer who checks compliance with legal requirements in the description of medicines and the documents used for sales purposes. There is also a Compliance Officer who helps to introduce, train and monitor company guidelines.

Training; documentation: The requirements and regulations are trained in mandatory face-to-face training sessions as well as in digital formats and checked by means of queries. The completeness of this training system is monitored and documented digitally in a separate system and is subject to official monitoring and self-inspection. The training courses are organized digitally in such a way that the successful and timely participation in the training courses is guaranteed and documented. Delays are reported to the employee, line manager and company management and the training is completed in a very timely manner. The digital training courses are checked for effectiveness by asking control questions in the digital system.

Monitoring: Compliance with GxP-relevant requirements is monitored regularly externally by German government agencies, by business partners and by internal audits and self-inspections. Any deviations arising from these inspections and audits are assessed according to their impact and instructed to be rectified within a schedule. The rectification of GxP-relevant deviations must be documented and is in turn subject to a review (so-called CAPA procedure (Corrective and Prevention Action)). Compliance with these regulations is the basis for the wholesale license that APONTIS PHARMA holds as a pharmaceutical entrepreneur. Furthermore, system-critical IT applications are validated to ensure that they comply with pharmaceutical regulations.

Employees of APONTIS PHARMA and external parties have the option of contacting the Compliance Officer as well as using an external whistleblower system.

3. RISK REPORT

RISK ENVIRONMENT

In order to be able to classify the risks of APONTIS PHARMA, it is important from the perspective of APONTIS PHARMA to classify and understand the risk environment APONTIS PHARMA is exposed to.

APONTIS PHARMA develops pharmaceutical products in cooperation with contract developers and distributes them in Germany. These are mainly prescription drugs. The development, manufacture, advertising or distribution of pharmaceutical products is subject to a comprehensive regulatory framework of the European Union and the Federal Republic of Germany and its regional authorities.

Prescription drugs can only be purchased in a pharmacy with the help of a prescription issued by a licensed doctor. Pharmaceutical companies are not permitted to advertise prescription drugs directly to patients. Of central importance here is the principle of the doctor's freedom to treat and prescribe, which is not allowed to be influenced by consumer advertising. However, doctors want to be informed individually of pharmaceutical innovations and possible applications of approved medicines. This is done by the highly qualified and motivated pharmaceutical sales force of APONTIS PHARMA.

The depth of regulation applicable to the pharmaceutical industry limits the risk of economic activity, as decisions become more predictable and competitive decisions are subject to certain rules.

The pharmaceutical market shows a very high level of transparency, which is helpful for identifying risks and managing the business. This transparency mainly lies in the following areas:

INNOVATION TRANSPARENCY

All pharmaceutical innovations undergo a long-term registration process supported by publications. Therefore, the introduction of competitor products can be recognized in advance and the risk to the company's own product innovations in indication fields not yet occupied by APONTIS PHARMA can be assessed by conducting a competitive analysis.

PRICE TRANSPARENCY

The prices of products sold by pharmacies are public and are regulated by law in the Pharmaceutical Price Ordinance. All price changes are published with a lead time of 14 days and can be viewed by market participants via a standardized list.

MARKET TRANSPARENCY

The pharmaceutical market is characterized by the availability of a wide variety of market data. This includes the number of products sold by wholesalers to pharmacies, for example. Prescription data can also be obtained at the product and regional level. This makes it possible to analyze the success of the company's products relative to the market average and the relevant competitors.

The healthcare sector and, in particular, the market segment served by APONTIS PHARMA, offers very good entrepreneurial opportunities. APONTIS PHARMA's business model is geared towards exploiting these opportunities. These opportunities are also accompanied by risks. Thanks to APONTIS PHARMA's many years of experience in this specific market segment, risks can be assessed and their impact reduced or controlled. The regular risk inventory has identified the following risk areas from which significant risks could arise for APONTIS PHARMA:

COMPETITIVE RISKS

APONTIS PHARMA is in competition with other pharmaceutical companies. By observing the market and the competition, risks to its own market position are analyzed regularly and countermeasures initiated where possible. APONTIS PHARMA's competitive strategy is based on the high marketing expertise of the sales force as well as the order development and in-licensing of new drugs.

Furthermore, APONTIS PHARMA's strategy is to focus on contract development and in-licensing of Single Pills. A few other pharmaceutical companies also market Single Pills. However, there is no company that has specialized in this type of medication, is scientifically advancing the Single Pill therapy concept and is building up a broad product portfolio.

The competitive situation is already evaluated as part of business development based on the possible combinations of active ingredients. The goal is to have drugs developed or in-licensed as part of contract development where there is a high patient potential for loose combinations and the corresponding Single Pill is not yet available on the German market. The products are protected for 10 years. This means that competitors cannot access the data, but can certainly develop the same combination of active ingredients. However, the entire development process, which takes between 3.5 and 5 years, must be carried out without reference to the APONTIS PHARMA documents. For imitators of APONTIS PHARMA, this is associated with costs and a considerable time lag. The competitive situation is also taken into account in the context of in-licensing. These strategic framework parameters help minimize competitive risks.

Another key factor in mitigating competitive risks is the marketing power of the sales force, as Single Pills only reach patients through a doctor's prescription. At present, there is no other pharmaceutical company that markets Single Pills with a comparable concept to the target audience of physicians visited by APONTIS PHARMA.

PRICE RISK (ON THE SALES SIDE)

In principle, there is a price risk with Single Pills. The products are not subject to patent protection, which means that price changes can occur with several suppliers for the same product and comparable packaging units. For certain products, the Federal Joint Committee awards so-called reference prices in an orderly two-stage procedure. The manufacturer can deviate upwards or downwards from this price. If it deviates upwards, those with statutory health insurance must pay the difference to the reference price themselves as a co-payment.

Irrespective of this, the health insurance funds can also carry out tenders. There are two different types of tenders. The simplest variant is so-called "open house contracts." Here, a health insurance fund specifies the desired terms and any provider can join the contract. Each contract participant is then taken into account by the health insurance company and stored in the pharmacy software as an approved manufacturer for the specific health insurance company for the medication in question. The pharmacist is generally obliged – with exceptions where necessary – to dispense one of the contractually agreed products to the patient, regardless of which product from the same group of active ingredients the doctor has prescribed on the prescription.

The second variant is an exclusive or semi-exclusive contract between a health insurance fund and a manufacturer. In this case, the manufacturers of a drug are invited to submit a bid. In the case of an exclusive contract, the manufacturer who is awarded the contract wins the entire supply volume of the health insurance fund. In rare cases, two or a maximum of three manufacturers are also approved in order to improve the security of supply.

The risk from tenders described here exists for part of the portfolio that is currently marketed. This is due to the fact that APONTIS PHARMA had to focus on in-licensing and the development of Single Pills with current competitor products in the past with the financial resources available at the time due to its integration into the UCB Group and also after the sale of UCB Pharma GmbH to Paragon Partners.

In principle, there is a risk that health insurance funds will demand a bilateral and exclusive discount for the 90-packs introduced despite the lack of direct competition. There is also a risk that competitors (such as generics companies or parallel importers) will take measures to increase competition, by introducing so-called 90-packs for the products Atorimib, Caramlo and Tonotec, for example. Tenders for the product Tonotec that directly and indirectly also contain 90-packs from a competitor became active in 2024.

The developments launched since the IPO take greater account of the current and expected future competitive situation than before. A distinction is made here between proprietary developments and in-licensing. The contractually agreed proprietary developments relate to combinations of active ingredients that currently have no competing Single Pill. If the situation remains unchanged, no tender can be launched by the health insurance funds for these proprietary developments. In the case of in-licensing, a decision is made on a case-by-case basis as to whether to license products for which there are already competing products on the market. As either no or only low upfront payments are due, the economic risk is low and the sales potential is to be exploited opportunistically. Due to the marketing power of the sales force, APONTIS PHARMA sees advantages here compared to competitor products. In the medium term, the share of sales subject to tenders will therefore decrease, thus reducing the price risk.

APONTIS PHARMA also counters these risks through continuous cost efficiency measures and constant efforts to develop new sales potential.

RISKS OF FUTURE MARKET APPROVAL AND SUCCESSFUL MARKET LAUNCH

As for every pharmaceutical company, the uncertainty of the success of future market launches represents a key risk to business development at APONTIS PHARMA. APONTIS PHARMA has project evaluation systems and an adequate project management organization for the continuous monitoring of these risks.

Some license and supply contracts contain minimum purchase quantities. If these are not reached, rights of termination or significant compensation payments must be made.

RISKS DUE TO CHANGES IN THE LEGAL FRAMEWORK

The effects of increasing government intervention in national healthcare systems (e.g. by introducing or modifying various forms of price regulation) could lead to significant additional pressure on margins for important revenue drivers and have a negative impact on APONTIS PHARMA’s earnings situation.

Currently, healthcare policy is not giving the entire pharmaceutical industry tailwind. With the SHI Financial Stabilization Act, a further solidarity contribution was demanded by the pharmaceutical industry. At the same time, the current supply situation shows that Germany is less and less able to guarantee an adequate supply of essential medicines for the German population. This security of supply has not been a goal of German healthcare policy to date. Off-patent medicines are among the cheapest in the EU due to Germany’s unique pricing system and are sometimes manufactured and imported outside the EU due to discounts, which are usually close to 100% of the original price. In the event of supply-side bottlenecks, production volumes may be sold to higher-priced countries and Germany may not be supplied.

APONTIS PHARMA bears great responsibility for the supply of essential medicines and is convinced that it can fulfill this responsibility. The manufacturing facilities for the finished products are all located in the EU. This guarantees a short route to patients and reduces the impact of international supply chain problems and political influence from non-EU countries on the supply situation in Germany.

DEVELOPMENT RISKS

The development risk in the context of contract development of a Single Pill is low compared to new active ingredients, as the effects and the risk of side effects of the active ingredients used are already documented and do not need to be investigated again. The bioequivalence studies of the Single Pill compared to the loose combination with the same active ingredients pose the biggest development hurdle and harbor the risk of delays. So far, all Single Pill projects have been completed. The approval process is timed within the framework of the DCP procedure that is usually chosen, but delays can occur during the process (currently, in the granting of national approval, for example). To date, all applications submitted for approval have been successfully completed.

PROCUREMENT RISKS

On the procurement side, there are the usual risks for pharmaceuticals, such as recalls in the event of deviations in quality or limited delivery capacity on the part of the manufacturer. Drug manufacturers and suppliers are therefore initially and subsequently periodically reviewed and evaluated and risk minimization measures are established where necessary.

In addition, pharmaceutical suppliers are inspected by government authorities for compliance with GMP standards (GMP = Good Manufacturing Practices). APONTIS PHARMA itself is also inspected regularly by the supervisory authority responsible. APONTIS PHARMA supports compliance with these standards by implementing appropriate quality assurance measures both at contract manufacturers and suppliers as well as in internal company processes.

At present, there are still low procurement risks compared to the previous year due to capacity problems at one supplier for the product Atorimib. The manufacturer has not yet been able to provide a concrete, binding schedule.

INFLATION RISKS

APONTIS PHARMA basically has three areas that determine the inflation risk. These are personnel costs, product purchasing costs and structural costs such as rent and insurance. Salary costs are subject to the same laws as other companies in Germany, which means that there is no company-specific risk here. With regard to product costs, the majority of purchasing costs are protected by the fact that purchasing costs are defined as a percentage of APONTIS PHARMA's sales revenues. The so-called floor price only applies to a small share of products if the sales price has fallen to such an extent that the percentage purchase price is below the floor price. In contrast to the sales-dependent purchase prices, the floor price is subject to a price increase risk. On the sales side, the passing on of prices is effectively limited. In principle, the sales price can be set freely, however most of the products sold by the company are covered by fixed amounts set by the Federal Joint Committee. This is the upper limit of reimbursement. Prices above the reference prices must be borne by the insured person.

A so-called price moratorium applies to the remaining products. This means that any increase in the selling price must be reimbursed by an equivalent discount. However, once a year on July 1, an inflation adjustment can be made for these products in the amount of the difference between the consumer price index and the previous year, calculated by the Federal Statistical Office.

In the case of structural costs, the inflation risk can be reduced by selecting new suppliers or limiting expenditure.

FINANCIAL RISKS

APONTIS PHARMA continues to have a very good equity ratio. Liquidity was further reduced in 2024 mainly due to the repayment of the loan and payments for the restructuring, as well as investments in development and license projects. APONTIS PHARMA plans its liquidity with the help of an integrated income, asset and cash flow statement as well as a direct cash flow statement on a daily basis. According to current planning, sufficient liquidity is secured for APONTIS PHARMA and its subsidiaries. There are no interest rate or currency risks, as APONTIS PHARMA mainly conducts business in Germany and is not in need of external financing.

LEGAL RISKS

APONTIS PHARMA is currently not involved in any legal proceedings in the course of its normal business activities.

ENVIRONMENTAL RISKS

Due to its order development business model, APONTIS PHARMA does not have its own production facilities. In addition, merchandise management has been outsourced to an external service provider. As a result, APONTIS PHARMA is not exposed to any significant environmental risks. APONTIS PHARMA's business model with Single Pills leads to a relevant saving of resources, as the number of medicine packs is reduced from three or two to one pack. This leads to savings in production, packaging materials, warehousing and transportation.

PROTECTION AGAINST DAMAGE RISKS

The risk of property damage and liability claims is adequately covered by insurance, where possible and economically viable.

SIGNIFICANT OPPORTUNITIES

Significant opportunities in the coming years will arise from APONTIS PHARMA's activities in the area of contract development of proprietary Single Pills with EU-wide rights, the in-licensing of pharmaceutical products and the growing acceptance of Single Pill therapy among medical prescribers and the consistent implementation of the substitution of loose combinations with Single Pills in long-term therapy. For the next few years, APONTIS PHARMA has established a development pipeline of signed contracts for both in-house developments and in-licensing. Further growth options arise from the co-promotion of products from other pharmaceutical manufacturers interested in leveraging the strength and quality of our sales force.

SUMMARY RISK AND OPPORTUNITY ASSESSMENT

Some of APONTIS PHARMA's risk environment, such as economic influences or the legal environment, cannot be influenced by APONTIS PHARMA. The resulting influences are observed and recorded by APONTIS PHARMA and taken into account both in planning and in operational processes, insofar as this is necessary and possible.

The controllable risks are being monitored. A significant risk of future development is the acceptance of Single Pills as a superior therapeutic concept and the substitution of loose combinations in chronic patients in long-term therapy with cardiovascular diseases. Based on the results of the START Study, the EU-funded SECURE Study, the NEPTUNO Study and the international (WHO), European and German guidelines, the risk is considered to be low.

APONTIS PHARMA does not anticipate any change in the general risk environment or risks for the current financial year 2025. APONTIS PHARMA does not see any risks that could jeopardize the continued existence of the company.

VIII. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM WITH REGARD TO THE GROUP ACCOUNTING PROCESS

The internal control and risk management system with regard to the Group accounting process (ICSC) is designed by the Management Board, which also takes responsibility for it, and monitored by the Supervisory Board. This system is made up of processes, procedures and principles designed to ensure the correctness of internal and external accounting, compliance with legal regulations and the timely identification and elimination of risks. This process has been established and developed since the Group was founded. The new LucaNet® consolidation software was introduced for the first time in 2021. This forms the technical basis for these Consolidated Financial Statements.

The Group's business is only conducted in one of the subsidiaries, APONTIS PHARMA Deutschland GmbH & Co. The other subsidiaries are general partners and limited partners of the aforementioned GmbH & Co KG. The parent company of the Group itself is responsible for managing the Group and holds the cash raised through the IPO.

The ICSC is based on the principle of dual control, manual plausibility checks and reconciliations.

The accounting staff responsible for preparing the separate financial statements are also responsible for preparing the Consolidated Financial Statements. All persons are based at one location. The persons responsible for the Consolidated Financial Statements are qualified accountants or qualified tax clerks. The commercial Managing Director of APONTIS PHARMA Deutschland GmbH & Co KG worked as a tax consultant and auditor.

An external actuary was consulted for the valuation of the pension obligations, who assessed the value of the obligations under commercial and tax law in an expert opinion.

The functionality and effectiveness of the ICSC is reviewed by the auditors as part of the audit of the Annual Financial Statements.

IX. TAKEOVER-RELATED DISCLOSURES IN ACCORDANCE WITH SECTION 315 A (1) HGB

NO. 1: COMPOSITION OF SUBSCRIBED CAPITAL

As of the reporting date, the share capital of APONTIS PHARMA AG amounted to EUR 8,500,000 and is divided into 8,500,000 no-par value bearer shares. The notional interest in the share capital attributable to each no-par value share is EUR 1.00. The shares are fully paid up.

NO. 2: RESTRICTIONS AFFECTING VOTING RIGHTS OR THE TRANSFER OF SHARES

The shares carry full voting and dividend rights, unless stipulated otherwise by the German Stock Corporation Act. The 170,000 shares held as treasury shares are not entitled to vote or receive dividends.

All shares carry the same rights and obligations. The rights and obligations of shareholders are set out in detail in the provisions of the German Stock Corporation Act. In the cases of Section 136 AktG, voting rights from the shares concerned are excluded by law.

NO. 3: SHAREHOLDINGS EXCEEDING 10% OF THE VOTING RIGHTS

According to the information available to the company, there are the following direct shareholdings in the company that exceed 10% of the voting rights:

Zentiva AG, Berlin, with around 87.6%.

NO. 4: HOLDERS OF SHARES WITH SPECIAL RIGHTS

There are no shares with special rights.

NO. 5: TYPE OF CONTROL OF VOTING RIGHTS IN THE CASE OF EMPLOYEE SHAREHOLDINGS

There is no control of voting rights in the event that employees hold an interest in the capital of APONTIS PHARMA AG.

NO. 6: APPOINTMENT AND DISMISSAL OF MEMBERS OF THE MANAGEMENT BOARD AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Members of the Management Board can be appointed and dismissed in accordance with Sections 84 and 85 AktG. Accordingly, members of the Management Board are appointed by the Supervisory Board for a maximum of five years. Reappointment or extension of the term of office, in each case for a maximum of five years, is permitted. Appointments may be revoked by the Supervisory Board for good cause.

According to Article 6 of the Articles of Association of APONTIS PHARMA AG, the Management Board consists of at least two persons. The Supervisory Board appoints the members of the Management Board and determines their number. It may appoint deputy members of the Management Board. The Supervisory Board may appoint a Chairman of the Management Board and a Deputy Chairman of the Management Board.

Amendments to the Articles of Association are governed by Sections 179, 133 AktG and Section 15 No. 3 of the company's Articles of Association. Pursuant to Section 179 para. 1 sentence 1 AktG, any amendment to the Articles of Association requires a resolution by the Annual General Meeting. However, in accordance with Section 179 para. 1 sentence 2 AktG in conjunction with Section 15 no. 3 of the company's Articles of Association, the Supervisory Board is authorized to make amendments to the Articles of Association that only affect the wording.

NO. 7: POWERS OF THE MANAGEMENT BOARD TO ISSUE OR BUY BACK SHARES

The share capital is conditionally increased by up to EUR 3,250,000 divided into up to 3,250,000 no-par value bearer shares (Conditional Capital 2021). The conditional capital increase will only be carried out to the extent that the holders or creditors of option or conversion rights or those obliged to convert from bonds with warrants or convertible bonds issued against cash contributions by the company or a subordinated Group company of the company on the basis of the authorization of the Management Board by the Annual General Meeting resolution of 19 April 2021 until 19 April 2026 are entitled to exercise their option or conversion rights. In the case of bonds with warrants or convertible bonds issued or guaranteed against cash contributions by the company or a subordinate Group company of the company on the basis of the authorization of the Management Board by the Annual General Meeting resolution of April 19, 2021 to April 19, 2026, to exercise their option or conversion rights or, if they are obliged to convert, to fulfill their obligation to convert, or, if the company exercises an option, to grant shares in the company in whole or in part instead of payment of the cash amount due, unless cash compensation is granted or treasury shares or shares in another listed company are used to service the bonds.

The Management Board of the company is authorized, with the approval of the Supervisory Board, to increase the share capital on one or more occasions in the period up to 27 April 2026 by up to a total of EUR 4,250,000 by issuing up to 4,250,000 new no-par value bearer shares (ordinary shares) against cash and/or non-cash contributions (Authorized Capital 2021/1). The new shares will participate in profits from the beginning of the financial year in which they are issued.

Furthermore, the Management Board is authorized to acquire treasury shares for any permissible purpose in accordance with Section 71 para. 1 no. 8 AktG within the scope of the statutory restrictions and in accordance with the following provisions. This authorization is valid until 18 April 2026 and is limited to a total of 10% of the share capital existing at the time of the resolution by the Annual General Meeting – or if this figure is lower – at the time the authorization is exercised. The authorization may be exercised directly by the company or by a company dependent on or majority-owned by the company or by third parties commissioned by companies dependent on or majority-owned by the company and permits the acquisition of treasury shares in full or in partial amounts as well as one-off or repeated acquisitions. This authorization has been exercised twice to date and a total of 170,000 treasury shares have been acquired. These treasury shares are to be used to service two share programs launched in financial year 2022 for the company's employees.

NO. 8: MATERIAL AGREEMENTS OF THE COMPANY THAT ARE SUBJECT TO THE CONDITION OF A CHANGE OF CONTROL FOLLOWING A TAKEOVER BID

There are no agreements that are subject to the conditional of a change of control as a result of a takeover bid.

NO. 9: COMPENSATION AGREEMENTS BETWEEN THE COMPANY AND MEMBERS OF THE MANAGEMENT BOARD OR EMPLOYEES IN THE EVENT OF A TAKEOVER BID

There are no compensation agreements between the company and members of the Management Board or employees in the event of a takeover bid.

X. CORPORATE GOVERNANCE DECLARATION

The Corporate Governance Declaration in accordance with Sections 289f and 315d of the German Commercial Code (HGB) is made publicly available on our website at. www.apontis-pharma.de/en/corporate-governance.

XI. REMUNERATION REPORT ANALOGOUS TO SECTION 314 HGB OLD VERSION.

The remuneration system for the Management Board of APONTIS PHARMA AG is based on the objective of supporting an ambitious and continuous corporate management by linking the bonus of the Management Board members to both the short-term and long-term development of the company. At the same time, the selection of appropriate performance criteria provides important impetus for the implementation of APONTIS PHARMA AG's strategic orientation.

The Management Board remuneration system contains non-performance-related and performance-related components as well as a remuneration parameter with a long-term incentive effect, which further balances the objectives of management and the direct interests of shareholders.

The remuneration system of APONTIS PHARMA AG described in more detail below applies to all current and future Management Board employment contracts.

OVERVIEW OF THE REMUNERATION SYSTEM FOR THE MANAGEMENT BOARD OF APONTIS PHARMA AG

The following table contains all basic remuneration components and their structure. The individual components are explained in more detail below.

Compensation component	Assessment basis/parameters
Remuneration not dependent on performance	
Fixed remuneration	The fixed remuneration of the members of the Management Board is paid monthly as a pro rata salary.
Fringe benefits	Company car
Performance-related remuneration	
Short-Term Incentive (STI)	Target bonus model Basis for target achievement: – **60% financial performance criteria** (30% revenues; 30% EBITDA) – **40% non-financial performance criteria** (business development/pipeline development; organizational development/organizational commitment) The Supervisory Board determines financial and non-financial aspects based on the annual planning and individual performance criteria at the beginning of the financial year. Cap: 150% or 200% of the target amount.
Long-Term Incentive (LTI)	Share-based long-term remuneration Duration: Two (2) to four (4) years.
Other remuneration regulations	
Maximum remuneration	
Severance payment cap	Severance payments of a maximum of two years' remuneration; remuneration for the remaining term of the contract may not be exceeded.
Malus and clawback regulation	**Malus:** In the event of a serious breach of applicable law or internal guidelines, the Supervisory Board may partially reduce or completely waive the variable remuneration (STI / LTI) for the respective assessment period. **Clawback:** Possibility for the Supervisory Board to reclaim variable remuneration already paid out in the event of the subsequent discovery of a malus offense or incorrect Consolidated Financial Statements (difference amount).

REMUNERATION COMPONENTS AND STRUCTURE

Remuneration consists of a non-performance-related and a performance-related component, with the former comprising fixed remuneration and fringe benefits. The short-term incentive (STI), with a term of one (1) year, and the long-term incentive (LTI), with a term of four (4) years, together form the performance-related component, the amount of which is determined on the basis of the financial and non-financial parameters set by the Supervisory Board.

The sum of all remuneration components (performance-related and non-performance-related) constitutes the total remuneration of the members of the Management Board.

This structure is geared towards the effective and long-term development of the company.

No additional (special) remuneration, guaranteed remuneration or discretionary bonuses not listed in this remuneration system are paid.

The following overview shows the remuneration for 2024.

THE REMUNERATION SYSTEM IN DETAIL

Management Board remuneration	2024	2024	2024
EUR thousand	Bruno Wohlschlegel CEO	Thomas Milz CPO	Thomas Zimmermann[4] CFO
Fixed remuneration	324	264	90
Fringe benefits	6	13	5
Total	**330**	**277**	**95**
One-year variable remuneration (STI)[5]	100	72	30
Multi-year variable remuneration (LTI)	0	0	0
Total	**100**	**72**	**30**
Total remuneration	430	349	125

NON-PERFORMANCE-RELATED REMUNERATION COMPONENTS

FIXED REMUNERATION

The members of the Management Board receive their fixed remuneration as a monthly pro rata salary paid in cash. The fixed remuneration therefore represents a secure and predictable income for the members of the Management Board.

4) The figures for Thomas Zimmermann represent the remuneration for the period of appointment from July 1, 2024, to December 31, 2024.
5) The STI remuneration is based on 100% target achievement. The actual target achievement has not yet been determined.

FRINGE BENEFITS

The fringe benefits to which the members of the Management Board are entitled in addition to their fixed remuneration are granted in the form of benefits in kind. These are generally a car for business and private use. These fringe benefits are made available to each member of the Management Board in the same way, although the amount may vary depending on the individual situation.

The company has also taken out D&O insurance for its Management Board members.

PERFORMANCE-BASED REMUNERATION COMPONENTS

The performance-related remuneration components consist of the Short-Term Incentive (STI) and the Long-Term Incentive (LTI), for which different terms are defined. While the STI has a term of one (1) year, the term for the LTI is four (4) years. In addition, the two components differ in that the Supervisory Board sets specific (general and individual) criteria for the STI before each financial year, whereas the parameters for the LTI have already been set for the entire term in a separate agreement.

SHORT-TERM INCENTIVE (STI)

The amount of the STI is based on the improvement in sales and EBITDA. The remaining 40% is based on the strategic development of the business and the individual performance targets of the members of the Management Board.

The short-term incentive is intended to reward the continuous implementation of operational targets, the achievement of which is of fundamental importance as the basis for the company's ongoing development. As a result, the financial performance criteria emphasize the consistent increase in the performance of all business areas. This creates incentives in those areas where the greatest leverage for improvement is expected.

The Supervisory Board issues the target and threshold values for the defined financial performance criteria at the beginning of each financial year.

Before each financial year, the Supervisory Board sets individual targets for the members of the Management Board as a basis for individual performance, which, in addition to operational targets, are primarily based on strategic objectives. It is up to the Supervisory Board to decide whether the targets are relevant for several or all members of the Management Board together. The targets can contain both specific measurable key figures and expectations of the Management Board members. However, it is crucial that the achievement of targets is comprehensible and verifiable in each case. The individual targets can relate to the following areas, among others:

Portfolio
Optimization/increased efficiency
Strategy development
Personnel/Organization

The maximum payout amount from the STI is limited to a total of 150% or 200% of the target amount.

LONG-TERM INCENTIVE (LTI)

The LTI is the second component of the performance-related remuneration element. There are various LTI programs for members of the Management Board.

MR. MILZ'S LTI PROVIDES FOR THE FOLLOWING ARRANGEMENT:

The company issued a certain number of units based on an LTI target amount in relation to the price of the APONTIS PHARMA AG share at the time of listing on May 11, 2021, in the amount of EUR 19.00 ("LTI units"). At the end of the term of the LTI program, the LTI units may, depending on the allocation, lead to an entitlement to a certain benefit in the value of the number of APONTIS PHARMA AG shares corresponding to the units ("LTI entitlement"). At the company's discretion, the LTI entitlement is fulfilled either in cash or (in whole or in part) in the form of shares in the company.

The LTI units for this program are allocated to the participant in accordance with the following provisions if certain growth targets are achieved in the "Single Pills" segment. If the earnings before interest, taxes, depreciation and amortization (EBITDA) after the end of financial year 2024 ("performance date").

> EUR 10,000 thousand, the participant receives 1/3 of the LTI units awarded
> EUR 15,000 thousand, the participant receives a total of 2/3 of the LTI units awarded;
> EUR 20,000 thousand, the participant receives all of the LTI units awarded.

The company can fulfill the LTI claim against the participants either in whole or in part through equity settlement or cash settlement. If the company opts for cash settlement, the Supervisory Board may determine prior to payment of the cash amount that the participant must use the cash amount (insofar as this is a net payment) to acquire shares in the company.

If EBITDA of at least EUR 10,000 thousand is not achieved at the end of the performance period, the LTIs expire without any compensation. No provision was made for this obligation in the Consolidated Financial Statements for financial year 2024, as the lowest level of the program was not reached.

THE LTI FOR MR. WOHLSCHLEGEL PROVIDES FOR THE FOLLOWING ARRANGEMENT:

The company has offered 150,000 virtual options for Mr. Wohlschlegel. The virtual options are valued at EUR 10.00 per option ("strike price"). The difference between the strike price and the average closing price of the company's shares over the last 20 trading days prior to August 31, 2025, ("target price") determines the participant's entitlement to the LTI remuneration.

The LTI entitlement consists exclusively of a cash benefit.

THE LTI FOR MR. ZIMMERMANN PROVIDES FOR THE FOLLOWING ARRANGEMENT:

The company has offered 75,000 virtual options for Mr. Zimmermann. The virtual options are valued at EUR 12.00 per option ("strike price"). The difference between the strike price and the average closing price of the company's shares over the last three months prior to June 30, 2027, ("target price") determines the participant's entitlement to the LTI remuneration.

The LTI entitlement consists exclusively of a cash benefit.

No provision was made in the Consolidated Financial Statements for the obligations to Mr. Wohlschlegel and Mr. Zimmermann, as the purchase price by Zentiva was EUR 10.00 per share.

OTHER CONTRACTUAL PROVISIONS

MALUS AND CLAWBACK RULES

If the members of the Management Board seriously violate applicable law or the applicable company or Group-internal requirements and guidelines, the Supervisory Board has the option of partially reducing or completely eliminating the variable remuneration components (STI and LTI) that have not yet been paid out ("malus"). In this case, the Supervisory Board decides at its own discretion.

In addition, the Supervisory Board is responsible for reclaiming all or part of the variable remuneration components already paid out from the members of the Management Board (compliance clawback) if a malus offense subsequently becomes known. Furthermore, if the variable remuneration components are paid out on the basis of incorrect Consolidated Financial Statements, the Supervisory Board has the option of reclaiming the difference determined on the basis of a corrected determination (performance clawback).

REMUNERATION-RELATED LEGAL TRANSACTIONS

TERMS OF THE MANAGEMENT BOARD SERVICE CONTRACTS

The Management Board employment contract is concluded for the duration of the appointment of the Management Board member as a member of the company's Management Board. In the event of a reappointment or extension of the term of office, this employment contract shall be extended for the period for which the Supervisory Board resolves the reappointment as a member of the Management Board or the extension of the term of office.

If the appointment as a member of the Management Board is revoked or if the Management Board member resigns from office, the employment contract also ends. However, if the revocation is based on good cause within the meaning of Section 84 (3) AktG, which is not also good cause within the meaning of Section 626 BGB for the termination of the employment contract without notice, the employment contract shall only end at the end of a period of twelve (12) months to the end of the month or – if this date occurs earlier – at the end of the day until which the Management Board member was appointed a member of the company's Management Board. The same applies if the Management Board member resigns from office for good cause. The right to terminate the contract without notice for good cause remains unaffected.

The Management Board service contracts do not provide for ordinary termination by either party.

BENEFITS UPON TERMINATION OF CONTRACT

Payments to a member of the Management Board upon premature termination of their Management Board activity may not exceed a total of two years' remuneration and in any case may not remunerate more than the remaining term of the employment contract. Any compensation to be paid in lieu of notice is offset against such payments.

ENTRY AND EXIT DURING THE YEAR

If the activity of the Management Board member begins or ends during the year, the total remuneration is to be calculated pro rata for the period of activity and paid out *pro rata temporis*.

There is no entitlement to the Short-Term Incentive (STI) during the period of a leave of absence and suspension of the employment relationship, so that a pro rata reduction is also made if these periods begin or end during the year. The employment relationship is also deemed to be suspended as soon as the Management Board member's incapacity for work exceeds the period of continued remuneration under this employment contract.

If Mr. Milz's Management Board employment contract ends before the end of the four (4) year term of the Long-Term Incentive Program (LTI Program), the participant becomes a "leaver" and the LTI contract also ends at the same time ("leaver case"). If the end of a leaver case is due to the Management Board member reaching the standard retirement age, becoming permanently ill, dying or not having their appointment extended, or if they terminate their Management Board service contract for demonstrable good cause, they become a "good leaver." As a good leaver, he acquires a pro rata LTI entitlement (pro rata temporis), which is calculated on the basis of the term of the LTI contract completed at the time of termination of the employment relationship and otherwise in accordance with the provisions of the LTI contract.

In all other leaver cases and unless the parties agree otherwise, the Management Board member becomes a "bad leaver" for whom claims under the LTI contract are forfeited without replacement.

For Mr. Zimmermann, all claims under the LTI agreement will lapse without replacement or compensation if the employment relationship ends before December 31, 2025.

NON-COMPETE CLAUSE DURING THE TERM OF THE CONTRACT

During the term of this contract, the Management Board member undertakes not to work for any company that is in any way in competition with the company or its affiliated companies, without prejudice to corresponding or further-reaching legal obligations. Direct or indirect activity as an employee, self-employed person or consultant or as a direct or indirect shareholder in the company is not permitted. The acquisition of listed shares for the purpose of capital investment up to 5% of the share capital is excluded.

POST-CONTRACTUAL NON-COMPETITION CLAUSE

For a period of twelve months after termination of the employment contract, the Management Board member is prohibited from working in an independent, employed or other capacity for a company that is in direct or indirect competition with the company or its affiliates ("competitor company") or is affiliated with a competitor company. Similarly, he is prohibited from establishing, acquiring or participating directly or indirectly in a competitor company for the duration of this prohibition.

For the duration of the non-competition clause, the Management Board member receives compensation for non-competition, which amounts to 50% of their last fixed salary for each year of the ban. The Management Board member must allow any other earnings to be offset in accordance with Section 74c HGB.

At the end of each quarter, the member must state, without being asked, whether and to what extent he receives other income. This information must be substantiated upon request.

For each case of violation of the prohibition, the Management Board member undertakes to pay a contractual penalty in the amount of the last contractually agreed monthly fixed salary. In the event of a continuous breach, the contractual penalty shall be imposed anew for each month or part thereof. The company reserves the right to claim further damages.

The company can withdraw from the post-contractual non-competition clause at any time by observing a notice period of six months.

The Supervisory Board receives fixed remuneration. No further remuneration is paid. Justified expenses such as travel expenses are reimbursed. This reimbursement also includes any VAT incurred on these travel expenses or Supervisory Board remuneration.

The Chairman of the Supervisory Board receives EUR 40 thousand. The Deputy Chairman of the Supervisory Board receives EUR 30 thousand. Each additional member receives EUR 25 thousand. In addition, each member of a committee receives additional remuneration of EUR 5 thousand, and the Chairman of the committee receives EUR 10 thousand. Dr. Edin Hadzic and Mr. Christian Bettinger have waived payment of their Supervisory Board remuneration for as long as Paragon is a shareholder of this company.

The company also provides the members of the Supervisory Board with D&O insurance.

XII. EVENTS AFTER THE BALANCE SHEET DATE

Please refer to the Notes to the Financial Statements for information on events after the balance sheet date.

XIII. FORECAST REPORT

The German Economic Institute expects economic output to increase by just 0.1% in 2025.[6]

Due to APONTIS PHARMA's business model and the indications it serves, the business is decoupled from economic developments. This means that both a particularly positive and a negative development of the economy initially have no significant impact on APONTIS PHARMA's business development.

The Single Pill business will grow in 2025. This will mainly be achieved with the current Single Pill portfolio and the effects of the planned new launches in 2025. APONTIS PHARMA currently expects four new launches to take place in financial year 2025.

The cooperation business will grow overall due to the cooperation with Novartis on the products Atectura and Enerzair that was entered into in April 2024.

The strategic advantage of the Single Pill product portfolio is that it is not outdated and can be continued in the long term. The last product innovations in the cardiovascular field were more than ten years ago and no new active ingredients for the treatment of hypertension are currently being researched. Therefore, increasing physician prescriptions for Single Pills based on the results of the START and SECURE studies will have a positive impact on both the existing Single Pill portfolio and future product launches.

The following table shows the financial performance indicators of the budget for 2025 compared to 2024:

EUR thousand	2025 Budget	2024	Δ EUR k	Δ%
Sales	56,382	48,467	7,915	16.3
Gross profit	33,002	27,702	5,300	19.1
EBITDA	4,461	3,476	988	28.3

Based on the information currently available, the company expects sales to increase by 16.3% in 2025. The increase is due to the above-mentioned growth in Single Pills and the full 12 months of the cooperation agreement with Novartis for the products Atectura and Enerzair compared to the previous year.

6) www.iwkoeln.de/presse/pressemitteilungen/michael-groemling-deutsche-wirtschaft-waechst-2025-nur-um-01-prozent.html

The company expects EBITDA of EUR 4,441 thousand for 2025. The improvement in EBITDA is the result of a rise in sales.

The statements made in the Forecast Report on future developments are based on assumptions and estimates that were available to APONTIS PHARMA from information at the time the report was prepared. These statements are subject to risks and uncertainties. Therefore, actual results may differ from the expected results. Therefore no guarantee can be given for these statements.

XIV. DECLARATION OF CONFORMITY IN ACCORDANCE WITH SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

The Management Board and Supervisory Board voluntarily declare in accordance with Section 161 of the German Stock Corporation Act (AktG) that APONTIS PHARMA AG has complied with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated April 28, 2022, published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on June 27, 2022, since the last Declaration of Conformity was issued on March 13, 2024, has complied with them as of today with the following exceptions and will continue to comply with them in the future:

B.1: DIVERSITY OF THE MANAGEMENT BOARD

The company's Management Board consists of three men. In this respect, the company declares a deviation from recommendation B1 that diversity should be taken into account in its composition. The Supervisory Board does not consider a change in the composition of the Management Board or an increase in the number of members solely for the purpose of increasing the share of women to be appropriate.

B.3: CONTRACT DURATION FOR THE MANAGEMENT BOARD

In deviation from recommendation B.3, the initial appointment of the first Management Board member of APONTIS PHARMA AG was for five years instead of three. The Supervisory Board decided on the longer term of appointment in connection with the conversion of the company into the legal form of an AG and the subsequent IPO in order to show the shareholders and other stakeholders that the successful continuation of the company is secured in the long term. In the opinion of the Supervisory Board, investors wanted a corresponding signal of continuity.

The appointment of the new CEO Bruno Wohlschlegel in 2023 was limited to two years. Mr. Zimmermann has been appointed for three years.

B.5: AGE LIMIT FOR THE MANAGEMENT BOARD

There is currently no age limit for the Management Board. Here, the company reports a deviation from recommendation B.5 In the view of the Management Board and Supervisory Board, age should not be a criterion, but rather the individual ability of a Management Board member. The Supervisory Board is of the opinion that a company cannot afford the forced early departure of people with a high level of experience and passion for the office.

C.1: COMPETENCE PROFILE FOR THE SUPERVISORY BOARD

The Supervisory Board has not drawn up an abstract profile of skills and expertise, but has nevertheless specified criteria for the composition of the Board. The company reports a partial deviation in this respect. To date, the Supervisory Board has not seen any need to draw up an abstract profile of skills and expertise. In the past, the Supervisory Board has regularly been able to make appropriate appointments based on the defined criteria.

C.2: AGE LIMIT FOR THE SUPERVISORY BOARD

The Articles of Association do not currently stipulate an age limit. Here, the company reports a deviation from recommendation C.2. The Supervisory Board members are significantly younger than the statutory retirement age. The Management Board and Supervisory Board are of the opinion that age should not be a criterion, but rather the individual performance of a Supervisory Board member.

D.4: NOMINATION COMMITTEE

The company's Supervisory Board has not formed its own Nomination Committee, which is composed exclusively of shareholder representatives and nominates suitable candidates to the Supervisory Board for its proposals to the Annual General Meeting for the election of Supervisory Board members. Here, the company reports a deviation from recommendation C.4: The tasks of the Nomination Committee are performed by the full Supervisory Board.

G.: REMUNERATION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

Even though the Supervisory Board and the company are guided by the recommendations and suggestions of the code, there is no abstract remuneration system that fully complies with the recommendations in Section G. Here, the company reports a partial deviation from the recommendations in Section G. The company is not subject to the statutory requirements of Section 87a AktG. To date, the Supervisory Board has not considered it necessary to draw up an abstract remuneration system.

Monheim/Rhine, March 26, 2025

APONTIS PHARMA AG

For the Supervisory Board:
Dr. Matthias Wiedenfels
(Chairman of the Supervisory Board)

For the Management Board
Bruno Wohlschlegel
(CEO/Spokesman of the Management Board)

ASSURANCE OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Monheim/Rhine, March 26, 2025

The Management Board

Bruno Wohlschlegel
CEO/Spokesman of the Management Board

Thomas Milz
CPO

Thomas Zimmermann
CFO

CORPORATE GOVERNANCE STATEMENT

pursuant to Sections 289f and 315d of the German Commercial Code (HGB) for financial year 2024

In this statement, the Management Board and Supervisory Board report on the company's corporate governance in accordance with Sections 289f and 315d of the German Commercial Code (HGB) and in compliance with Principle 23 of the German Corporate Governance Code (hereinafter also referred to as the "GCGC" or "Code").

The Management Board and Supervisory Board of APONTIS PHARMA AG ('APONTIS PHARMA') are committed to sustainable corporate governance. The business model is designed for the long term and all measures are geared towards the goal of sustainable positive development.

COMPLIANCE MANAGEMENT SYSTEM

Due to its activities as a pharmaceutical company, APONTIS PHARMA operates in a very strict legal environment, which is regulated by many laws specifically applicable to the pharmaceutical and healthcare sector as well as government and private regulations.

Due to these diverse and very strict requirements, the topic of compliance is a top priority at APONTIS PHARMA.

We counter the compliance risks that exist in our industry by taking the following measures in particular:

- We prescribe ourselves an industry-standard code of conduct.
- We do not tolerate corruption (see our Anti-Bribery/Anti-Corruption Policy).
- We adhere to our Conflict of Interests Policy.
- We control processes with a legally binding effect through our Transaction and Signature Directive.
- We are committed to an appropriate approach through various compliance guidelines with health care professionals (HCPs).
- We offer whistleblowers protection through an externalized whistleblower hotline.
- We provide understandable, appropriate and practicable work instructions.

The guidelines, instructions and Code of Conduct are constantly reviewed and kept up to date; our employees are regularly trained on their use. The training courses are organized in such a way as to ensure monitoring of successful participation in the training courses held. Depending on the content of the training courses, our employees must answer control questions in order to successfully complete a training course. Compliance with the training deadlines is ensured by a reminder process.

The Code of Conduct for the employees of the APONTIS Group can be viewed on the website www.apontis-pharma.de under the heading “Corporate Governance.”

SHAREHOLDERS AND THE ANNUAL GENERAL MEETING

The Annual General Meeting is the body in which shareholders exercise their rights under stock corporation law, in which they exercise their voting rights. Each APONTIS PHARMA share grants one vote. Last year, the Annual General Meeting was held in virtual format.

The Annual General Meeting is of great importance for the dialogue between shareholders and the Management and Supervisory Boards. By providing comprehensive information in advance of the Annual General Meeting, the company ensures that shareholders can fully exercise their rights. The most important information and notes about the Annual General Meeting are published on the APONTIS PHARMA website.

The Annual General Meeting adopts its resolutions by a simple majority of the votes cast and, where a capital majority is required, by a simple majority of the share capital represented at the time of adopting the resolution, unless the law or the Articles of Association stipulate otherwise.

MANAGEMENT BOARD AND SUPERVISORY BOARD

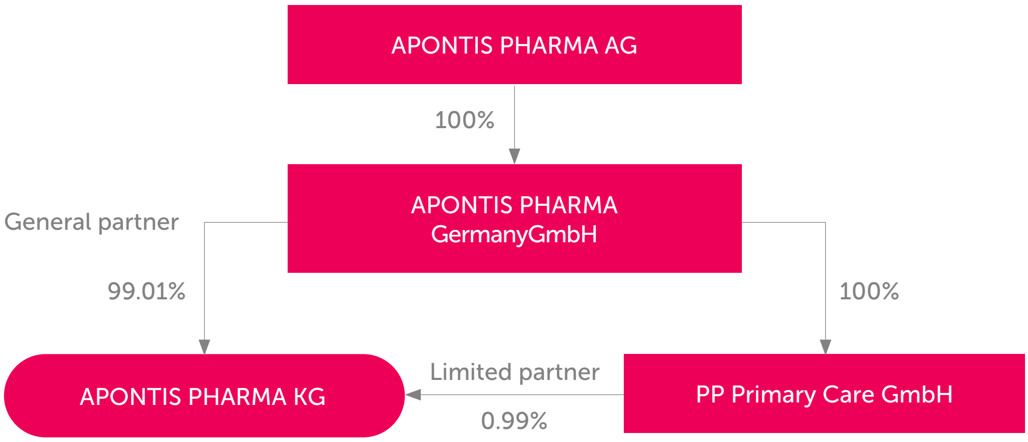
The Management Board is responsible for managing the company. The Management Board and Supervisory Board work together closely and in a spirit of trust within the scope of their legally defined duties. The Supervisory Board monitors and advises the Management Board.

The Management Board informs the Supervisory Board regularly, promptly and comprehensively about the details of corporate planning, strategic development, the current earnings and financial situation and the findings resulting from the risk management system.

The Supervisory Board’s Rules of Procedure contain a catalog of transactions requiring the approval of the Supervisory Board. In the past two fiscal years, no remuneration or benefits were granted to members of the Supervisory Board for services rendered personally. Neither members of the Management Board nor members of the Supervisory Board had any conflicts of interest.

The members of the Management Board of APONTIS PHARMA are also Managing Directors of APONTIS PHARMA Deutschland GmbH & Co KG. This company primarily performs holding functions for the APONTIS Group.

Our Group companies are organized as follows.



MANAGEMENT BOARD

The Management Board is responsible for managing APONTIS PHARMA. The Management Board manages the business of APONTIS PHARMA. The company's business is managed in accordance with the law, the Articles of Association of APONTIS PHARMA and the Rules of Procedure issued by the Supervisory Board. The Management Board is responsible for the strategic development of the company. To this end, it submits proposals to the Supervisory Board and approves them. As part of the agreed long-term strategy, the Management Board develops and sets annual targets as part of an annual plan. The Management Board is also responsible for developing, introducing, implementing and monitoring the effectiveness of an internal control system and a risk management system. The Management Board must monitor compliance with these systems and take corrective action in the event of deviations.

In addition, the Management Board prepares the separate financial statements of APONTIS PHARMA and the Consolidated Financial Statements. The Management Board bases its actions and decisions on the interests of the company. The Supervisory Board issued Rules of Procedure that regulate the responsibilities of the Management Board as well as which business transactions require the approval of the Supervisory Board and in which cases the Management Board must report to the Supervisory Board.

In the reporting year, the Management Board consisted of Mr. Bruno Wohlschlegel (Spokesman of the Management Board), Mr. Thomas Milz (Chief Product Officer) and, since July 1, 2024, Mr. Thomas Zimmermann (Chief Financial Officer).

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RELEVANT DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES

The members of the Management Board conduct the company's business with the diligence of a prudent and conscientious manager in compliance with the statutory provisions, the Articles of Association and the Rules of Procedure of the Management Board. In addition, the Code of Conduct contains the basic rules and principles for our actions, including our conduct towards customers, business partners, competitors, other third parties and the public, which arise from our self-image.

In addition to the corporate governance requirements, APONTIS PHARMA complies with the strict requirements arising from European and German pharmaceutical law. Compliance with these requirements is monitored regularly externally by German government agencies, by business partners and by performing internal audits as well as self-inspections with regard to GxP-relevant processes.

LONG-TERM SUCCESSION PLANNING FOR THE MANAGEMENT BOARD

Together with the Management Board, the Supervisory Board ensures long-term succession planning for the Management Board. The Supervisory Board regularly deals with succession planning for Management Board members, also independently of specific events. The Supervisory Board draws up a requirements profile with the key professional and personal qualifications and characteristics of candidates. The department to be filled and the fit with strategic corporate planning have a particular influence here.

The Supervisory Board has established a structured selection process with a qualitative and quantitative assessment system in the event that new appointments or replacements need to be made to the Management Board.

SUPERVISORY BOARD

The Supervisory Board appoints the Management Board, monitors its management and advises it on management of the company. The Supervisory Board of APONTIS PHARMA consists of five members in accordance with the Articles of Association.

In the reporting year, the Supervisory Board consisted of Dr. Matthias Wiedenfels (Chairman), Mr. Olaf Elbracht (Deputy Chairman), Dr. Edin Hadzic (until December 6), Mr. Christian Bettinger (until December 6, 2024) and Dr. Anna-Lisa Picciolo-Lehrke. In the opinion of the Supervisory Board, Dr. Wiedenfels, Mr. Elbracht and Dr. Picciolo-Lehrke were to be considered independent of the company.

Dr. Edin Hadzic and Mr. Bettinger resigned from the Supervisory Board for good cause on December 6, 2024, due to the sale of Paragon's shares to Zentiva AG. Dr. Picciolo-Lehrke resigned from the Supervisory Board for good cause after the end of the financial year on January 13, 2025. The court appointed Mr. Anant Atal, Mrs. Julie Ross and Mr. Martin Albert as her successors.

Two members of the Supervisory Board are currently qualified as financial experts in accordance with Section 100 (5) of the German Stock Corporation Act (AktG). The members of the Supervisory Board as a whole are familiar with the pharmaceutical industry in which the company operates.

An Audit Committee and a Personnel Committee have been formed. Dr. Matthias Wiedenfels and, until his resignation, Mr. Christian Bettinger, were members of the Personnel Committee. The Audit Committee consists of Mr. Olaf Elbracht and, until his resignation, Mr. Christian Bettinger. The vacancies on the committees have not yet been filled.

In accordance with the requirements of the law and the Articles of Association, the Supervisory Board has adopted Rules of Procedure, which are published on the website www.apontis-pharma.de under "Corporate Governance." The Chairman coordinates the work of the Supervisory Board, chairs its meetings and represents the interests of the Supervisory Board externally.

8 Supervisory Board meetings were held in the financial year, which were attended by all members of the Supervisory Board. The current members of the Management Board also took part in 7 Supervisory Board meetings.

The efficiency review of the Supervisory Board's work was carried out for the first time on February 15, 2022, and has continued ever since.

AUDIT COMMITTEE

Mr. Olaf Elbracht has expertise in the field of accounting and auditing.

The Audit Committee met a total of seven times in the reporting year 2024, including three meetings with the auditor.

COMPOSITION OF THE SUPERVISORY BOARD AND DIVERSITY OF THE SUPERVISORY BOARD, MANAGEMENT BOARD AND EXECUTIVES

According to recommendation C.1 sentence 1 of the GCGC, the Supervisory Board is to specify concrete objectives for its composition and draw up a profile of skills and expertise for the entire Board. In doing so, the Supervisory Board should pay attention to diversity. The competence profile of the Supervisory Board should also include expertise on sustainability issues of importance to the company. The Supervisory Board of APONTIS PHARMA has defined a long-term target quota for the share of women of 50%.

The areas of expertise to be covered by the Supervisory Board of APONTIS PHARMA include, in particular, the pharmaceutical market, pharmaceutical law, pharmaceutical compliance, auditing, accounting and monitoring the effectiveness of the internal control system ("financial expert"), sustainability expertise, capital market experience, entrepreneurial expertise and experience as well as broad-based expertise relating to strategic, operational and financial entrepreneurial functions. The Supervisory Board believes that these skills are fully covered by the current composition. The following table provides an overview of the areas of expertise and their allocation to the individual Supervisory Board members:

Field of competence	Dr. Wiedenfels	Elbracht	Dr. Picciolo-Lehrke	Dr. Hadzic	Bettinger	Ross	Albert	Atal
Organization of the Supervisory Board's work	x			x	x			
Corporate Governance	x	x		x	x	x	x	x
Legal	x			x				
Taxes		x			x			
Controlling and risk management	x	x		x	x	x	x	x
Accounting	x	x		x	x			x
Auditing		x						
Sustainability		x						
HR	x	x	x	x	x	x	x	x
Financing	x	x		x	x	x	x	x
Capital market	x	x	x	x	x	x	x	x
M&A	x	x	x	x	x	x	x	x
Strategy	x	x	x	x	x	x	x	x
Internationalization	x	x	x	x		x	x	x
Pharmaceutical law	x	x	x			x	x	x
Pharmaceutical market	x	x	x	x		x	x	x
Member of the Supervisory Board since:	2021	2021	2022	2021	2021	2025	2025	2025

The Articles of Association and the Supervisory Board's Rules of Procedure do not currently stipulate an age limit.

The details regarding the election and term of office of Supervisory Board members, its meetings, the constitution of the Supervisory Board and the passing of resolutions, as well as the rights and obligations of its members, are governed by the Articles of Association of APONTIS PHARMA and the Rules of Procedure of the Supervisory Board. The members were elected at the Annual General Meeting on May 12, 2022, for a term of office of five years.

TARGET QUOTAS FOR THE SHARE OF WOMEN

According to the "Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector," target quotas for the share of women on the Supervisory Board, Management Board and in the two top management levels must be specified, as well as the date by which these target quotas are to be achieved. In fiscal year 2024, the Supervisory Board of APONTIS PHARMA AG consisted and currently still consists of one woman and four men. It has set a target quota of 50% for its future composition.

The company's Management Board consists of three men. The composition of the Management Board resulted from the long-standing membership of Mr. Milz as co-founder of APONTIS PHARMA Deutschland GmbH & Co. KG as well as Mr. Wohlschlegel due to his expertise.

The company has not yet set any targets for the Management Board and senior management.

COMPREHENSIVE AND TRANSPARENT COMMUNICATION

APONTIS PHARMA informs its shareholders, the capital market, the media and the general public about all relevant events and the economic development of the company at the same time and with the same content. Under the heading "Investor Relations," we make financial reports, announcements, a financial calendar, documents relating to the Annual General Meeting and a wide range of other information available on our website.

The company is not obliged to publish quarterly reports. We provide information in an appropriate form on the development of business and, where applicable, on significant changes in the business outlook.

SHAREHOLDINGS OF MEMBERS OF GOVERNING BODIES

APONTIS PHARMA immediately reports, in accordance with the statutory provisions, the transactions in shares of the company or related financial instruments by the persons named therein, in particular the members of the executive bodies and persons closely related to them, that are subject to reporting pursuant to Article 19 of the Market Abuse Regulation.

In fiscal year 2024, the following persons conducted reportable transactions:

Board member	Date	Transaction	Quantity	Price	Value	Acquirer	Location
Bruno Wohlschlegel	05-13-24	Purchase	1,000	8.88	8,880 €	be executive GmbH	Tradegate
Bruno Wohlschlegel	12-04-24	Sale	1,000	10	10,000 €	be executive GmbH	outside a trading venue
Bruno Wohlschlegel	12-04-24	Sale	14,706	10	147,060 €	Karin Wohlschlegel	outside a trading venue
Thomas Milz	01-15-24	Purchase	43	4.65	200 €	Julia Milz	LS Exchange Hamburg Stock
Thomas Milz	05-13-24	Purchase	1,000	8.96	8,960 €	Thomas Milz	Tradegate
Thomas Milz	12-04-24	Sale	105,897	10	1,058,970 €	Thomas und Ariane Milz	outside a trading venue
Thomas Milz	12-04-24	Sale	1,103	10	11,030 €	Thomas und Ariane Milz	outside a trading venue
Thomas Zimmermann	05-08-24	Purchase	1,200	8.44	10,128 €	Thomas Zimmermann	Tradegate
Thomas Zimmermann	05-09-24	Purchase	200	8.44	1,688 €	Thomas Zimmermann	Baader Bank
Thomas Zimmermann	05-10-24	Purchase	400	8.49	3,396 €	Thomas Zimmermann	Düsseldorf
Thomas Zimmermann	05-11-24	Purchase	200	8.46	1,692 €	Thomas Zimmermann	Stuttgart
Thomas Zimmermann	05-12-24	Purchase	200	8.44	1,688 €	Thomas Zimmermann	Xetra
Thomas Zimmermann	12-04-24	Sale	2,200	10	22,000 €	Thomas Zimmermann	outside a trading venue

ACCOUNTING AND AUDITING

Both the separate financial statements and the Consolidated Financial Statements of APONTIS PHARMA are prepared in accordance with the German Commercial Code. The separate and Consolidated Financial Statements were audited by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Bonn. The responsible auditor is Mrs. Tiefenbach-Yasar.

In accordance with statutory requirements, the auditor is appointed by the Annual General Meeting for one financial year at a time. At the Annual General Meeting on May 17, 2024, Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Bonn, was appointed the auditor of the annual and Consolidated Financial Statements for financial year 2024 at the proposal of the Supervisory Board.

Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft has audited the separate and Consolidated Financial Statements of APONTIS PHARMA AG since 2021 and the financial statements of APONTIS PHARMA Deutschland GmbH & Co. KG since 2018.

CORPORATE GOVERNANCE

The Management Board and Supervisory Board of APONTIS PHARMA identify with the objective of the German Corporate Governance Code to promote good, trustworthy corporate governance that is oriented towards the benefit of shareholders, employees and customers. Section 161 of the German Stock Corporation Act (AktG) requires listed companies to make an annual Declaration of Conformity regarding compliance with the Code's recommendations. APONTIS PHARMA is not obliged to make a declaration according to § 161 AktG, the Management Board and Supervisory Board did so voluntarily for the first time in March 2022 and made it permanently available to shareholders on the company's website at https://apontis-pharma.de/corporate-governance.

The updated Declaration of Conformity from March 2025 is part of this Corporate Governance Statement. Historical declarations of conformity must also be made available to shareholders and interested parties. We have also published the current Articles of Association of APONTIS PHARMA on our website.

APONTIS PHARMA AG, MONHEIM AM RHEIN
GERMAN SECURITIES IDENTIFICATION NUMBER A3CMGM
ISIN DE000A3CMGM5

DECLARATION OF CONFORMITY IN ACCORDANCE WITH SECTION 161 OF THE GERMAN STOCK EXCHANGE ACT (AKTG)

The Management Board and Supervisory Board voluntarily declare in accordance with Section 161 of the German Stock Corporation Act (AktG) that APONTIS PHARMA AG has complied with the recommendations of the "Government Commission on the German Corporate Governance Code," as published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on June 27, 2022 in the version dated April 28, 2022, since the last Declaration of Conformity was submitted on March 13, 2024, and will continue to do so in the future, with the following exceptions:

B.1: DIVERSITY ON THE MANAGEMENT BOARD

The company's Management Board consists of three men. In this respect, the company declares a deviation from recommendation B1 that diversity should be taken into account in its composition. The Supervisory Board does not consider a change in the composition of the Management Board or an increase solely for the purpose of increasing the share of women to be appropriate.

B.3: CONTRACT DURATION FOR THE MANAGEMENT BOARD

In deviation from recommendation B.3, the initial appointment of the first Management Board of APONTIS PHARMA AG was for five instead of three years. The Supervisory Board decided on the longer term of appointment in connection with the conversion of the company into the legal form of an AG and the subsequent IPO in order to demonstrate to the shareholders and other stakeholders that the successful continuation of the company is secured in the long term. In the opinion of the Supervisory Board, investors wanted a corresponding signal of continuity.

The appointment of the new CEO Bruno Wohlschlegel in 2023 was limited to two years. Mr. Zimmermann was appointed for three years.

B.5: AGE LIMIT FOR THE MANAGEMENT BOARD

There is currently no age limit for the Management Board. Here, the company reports a deviation from recommendation B.5. Here, the Management Board and Supervisory Board do not agree that age should be a criterion, but rather the individual ability of a Management Board member. The Supervisory Board is of the opinion that a company cannot afford the forced early departure of people with a high level of experience and passion for the position.

C.1: COMPETENCE PROFILE FOR THE SUPERVISORY BOARD

The Supervisory Board has not developed an abstract competence profile, but has nevertheless stated criteria for the composition of the board. The company reports a partial deviation in this respect. The Supervisory Board has not yet seen any need to create an abstract competence profile. In the past, the Supervisory Board has been able to make appropriate appointments on the basis of the established criteria.

C.2: AGE LIMIT FOR THE SUPERVISORY BOARD

The Articles of Association do not currently stipulate an age limit. Here, the company reports a deviation from recommendation C.2. The members of the Supervisory Board are significantly younger than the statutory retirement age. The Management Board and Supervisory Board believe that age should not be a criterion, but rather the individual performance of a member of the Supervisory Board.

D.4: NOMINATION COMMITTEE

The Supervisory Board of the company has not formed a Nomination Committee composed exclusively of shareholder representatives, which nominates suitable candidates for the Supervisory Board for its proposals to the Annual General Meeting for the election of Supervisory Board members. In this case, the company reports a deviation from recommendation C.4: The tasks of the Nomination Committee are performed by the Supervisory Board as a whole.

G: REMUNERATION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

Even though the Supervisory Board and the company follow the recommendations and suggestions of the Code, there is no abstract remuneration system that fully complies with the recommendations in Section G. The company reports a partial deviation from the recommendations in Section G. The company is not subject to the legal requirements of Section 87a of the German Stock Corporation Act (AktG). The Supervisory Board has not yet considered it necessary to create an abstract remuneration system.

Monheim/Rhine, March 26, 2025

APONTIS PHARMA AG

For the Supervisory Board:
Dr. Matthias Wiedenfels
(Chairman of the Supervisory Board)

For the Management Board:
Bruno Wohlschlegel
(Chairman of the Management Board)

CONSOLIDATED BALANCE SHEET

Assets

EUR		Dec. 31, 2024	Dec. 31, 2023
A.	**Fixed assets**		
I.	Intangible assets		
	1. Purchased concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assetss	12,049,932.00	3,735,324.00
	2. Advance payments and intangible assets under development	5,603,431.00	13,805,079.05
		17,653,363.00	**17,540,403.05**
II.	Property, plant and equipment		
	1. Tenant fixtures	5,378.00	13,453.00
	2. Other equipment, factory and office equipment	12,955.00	16,786.00
		18,333.00	**30,239.00**
III.	Financial assets		
	1. Securities held as fixed assets	858,903.23	801,152.65
		18,530,599.23	**18,371,794.70**
B.	**Current assets**		
I.	Inventories		
	1. Goods	5,467,524.20	5,776,577.42
	2. Advance payments made	1,047,856.50	841,666.68
		6,515,380.70	**6,618,244.10**
II.	Receivables and other assets		
	1. Receivables from goods and services	67,068.25	846,558.35
	2. Other assets	756,389.59	825,885.55
		823,457.84	**1,672,443.90**
III.	Credit balances with banks	15,454,505.82	26,815,647.03
		22,793,344.36	**35,106,335.03**
C.	**Prepaid expenses and deferred charges**	645,604.38	520,507.57
D.	**Deferred tax assets**	2,404,000.00	3,461,000.00
		44,373,547.97	57,459,637.30

CONSOLIDATED BALANCE SHEET

Liabilities

EUR		Dec. 31, 2024	Dec. 31, 2023
A.	Equity		
I.	Issued capital		
	1. Subscribed capital	8,500,000.00	8,500,000.00
	2. Less imputed value of treasury shares	– 170,000.00	– 170,000.00
		8,330,000.00	**8,330,000.00**
II.	Capital reserve	**34,612,378.60**	**34,612,378.60**
III.	Consolidated net loss		
	1. Consolidated loss carried forward	–12,679,193.90	–1,376,239.72
	2. Consolidated net profit for the year (previous year: consolidated net loss)	753,569.77	–11,302,954.18
		–11,925,624.13	**–12,679,193.90**
		31,016,754.47	**30,263,184.70**
B.	Difference from capital consolidation	461,455.00	561,349.00
C.	Provisions		
	1. Provisions for pensions and similar obligations	2,548,044.00	2,855,339.00
	2. Tax provisions	55,993.00	828,516.00
	3. Other provisions	5,157,438.15	11,561,266.25
		7,761,475.15	**15,245,121.25**
D.	Liabilities		
	1. Liabilities to a credit institution	0.00	6,019,578.67
	2. Liabilities from deliveries and services	4,751,419.08	5,089,944.66
	3. Other liabilities – thereof from taxes: EUR 368,490.56 (previous year: EUR 237,942.24)	382,444.27	280,459.02
		5,133,863.35	**11,389,982.35**
		44,373,547.97	57,459,637.30

CONSOLIDATED INCOME STATEMENT

EUR	2024	2023
1. Sales revenue	48,467,454.10	36,963,795.61
2. Other operating income	2,422,906.62	1,689,789.90
3. Cost of materials	20,765,786.06	13,793,272.94
4. Personnel expenses		
a) Wages and salaries	11,776,239.77	21,656,810.53
b) Social security contributions and expenses for pensions and other employee benefits	1,688,148.00	2,915,328.31
	13,464,387.77	**24,572,138.84**
5. Amortization of intangible assets and depreciation of property, plant and equipment	2,239,397.06	1,884,485.90
6. Other operating expenses	13,156,359.25	13,523,183.61
7. Other interest and similar income	59,123.74	344,208.04
8. Interest and similar expenses	170,441.21	70,527.75
9. Taxes on income and earnings (previous year: refunded taxes on income and earnings)		
a) Refunded taxes on income and earnings	−685,143.66	−51,397.31
b) Deferred taxes	1,057,000.00	−3,535,000.00
	371,856.34	**−3,586,397.31**
10. Earnings after taxes	781,256.77	−11,259,418.18
11. Other taxes	27,687.00	43,536.00
12. Consolidated net profit/loss for the year	753,569.77	−11,302,954.18
13. Consolidated loss carried forward	−12,679,193.90	−1,376,239.72
14. Consolidated net loss	−11,925,624.13	−12,679,193.90

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR			2024	2023
1.	Profit for the period		753,569.77	−11,302,954.18
2.	+/−	Depreciation/write-ups of property, plant and equipment Fixed assets	2,239,397.06	1,884,485.90
3.	+/−	Increase/decrease in provisions	−1,201,286.10	−1,453,658.63
4.	+/−	Other non-cash expenses/income	957,106.00	−3,604,884.00
5.	−/+	Increase/decrease in inventories, trade receivables and other assets Services and other assets that are not attributable to investment or financing activities	741,578.93	−2,172,600.24
6.	+/−	Increase/decrease in trade payables and other liabilities that cannot be allocated to the investment or financing activities	−236,540.33	−722,591.77
7.	+/−	Interest expenses/interest income	111,317.47	−273,680.29
8.	+/−	Expenses/income of exceptional magnitude or exceptional importance	0.00	5,565,200.00
9.	+/−	Income tax expense/income	−685,143.66	−51,397.31
10.	−	Payments in connection with extraordinary expenses or expenses of exceptional importance[7]	−5,565,200.00	0.00
11.	−/+	Income tax expense/income	−15,648.99	−463,438.39
12.	Cash flow from operating activities		−12,595,518.91	−12,595,518.91
13.	−	Payments for investments in intangible assets	−2,325,843.02	−3,257,055.05
14.	−	Payments for investments in property, plant and equipment	−14,607.99	−5,467.90
15.	+	Proceeds from disposals of financial assets	0.00	55,900.00
16.	−	Payments for investments in financial assets	−57,750.58	−57,856.65
17.	+	Interest received	72,567.11	330,764.67
18.	Cash flow from financing activities		−2,325,634.48	−2,933,714.93
19.	−	Proceeds from the raising of (financial) loans	0.00	6,000,000.00
20.	+	Payments from the repayment of (financial) loans	−6,000,000.00	0.00
21.	−	Interest paid	−134,656.88	−142.08
22.	Cash flow from financing activities		−6,134,656.88	5,999,857.92
23.	Cash-effective changes in cash and cash equivalents		−11,361,141.21	−9,529,375.92
24.	+	Cash and cash equivalents at the beginning of the period	26,815,647.03	36,345,022.95
25.	Cash and cash equivalents at the end of the period		15,454,505.82	26,815,647.03

Composition of cash and cash equivalents		
Cash at banks	15,454,505.82	26,815,647.03
Thereof restricted cash	0.00	6,019,578.67

7) relates to the payments in connection with the utilization of the restructuring provision formed in the previous year

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity of the					
	Subscribed capital / Issued capital					
	Share capital	Treasury shares	Total	Capital reserve		
				in accordance with Section 272 para. 2 no.1 HGB	in accordance with Section 272 para. 2 no. 4 HGB	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Balance as of December 31, 2022	8,500,000.00	−170,000.00	8,330,000.00	34,612,378.60	0.00	34,612,378.60
Transfer of loss carried forward	0.00	0.00	0.00	0.00	0.00	0.00
Consolidatet net loss	0.00	0.00	0.00	0.00	0.00	0.00
Balance as of December 31, 2023	8,500,000.00	−170,000.00	8,330,000.00	34,612,378.60	0,00	34,612,378.60
Transfer of loss carried forward	0.00	0.00	0.00	0.00	0.00	0.00
Consolidated net profit	0.00	0.00	0.00	0.00	0.00	0.00
Balance as of December 31, 2024	8,500,000.00	−170,000.00	8,330,000.00	34,612,378.60	0.00	34,612,378.60

parent company							Group equity
Reserves				Profit/loss carried forward	Consolidated net loss/ consolidated net profit attributable to the parent company	Total	Total
Retained earnings			Total				
Statutory reserves	Other revenue reserves	Total					
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
0,00	0,00	0,00	34,612,378.60	−4,064,996.08	2,688,756.36	−1,376,239.72	41,566,138.88
0.00	0.00	0.00	0.00	2,688,756.36	−2,688,756.36	0,00	0,00
0.00	0.00	0.00	0.00	0.00	−11,302,954.18	−11,302,954.18	−11,302,954.18
0.00	0.00	0.00	34,612,378.60	−1,376,239.72	−11,302,954.18	−12,679,193.90	30,263,184.70
0.00	0.00	0.00	0.00	−11,302,954.18	11,302,954.18	0.00	0.00
0.00	0.00	0.00	0.00	0.00	753,569.77	753,569.77	753,569.77
0.00	0.00	0.00	34,612,378.60	−12,679,193.90	753,569.77	−11,925,624.13	31,016,754.47

CONSOLIDATED STATEMENT OF ASSETS

	Acquisitions/production costs				
	Balance on Jan. 1, 2024 EUR	Additions EUR	Disposals EUR	Repostings EUR	Balance on Dec. 31, 2024 EUR
Intangible assets					
Purchased concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets	26,201,235.83	1,272,301.02	0.00	9,255,190.05	36,728,726.90
Advance payments and intangible assets under development	13,930,079.05	1,053,542.00	0.00	−9,255,190.0	5,728,431.00
	40,131,314.88	**2,325,843.02**	**0.00**	**0,00**	**42,457,157.90**
Property, plant and equipment					
Leasehold fixtures	24,220.00	0.00	0.00	0.00	24,220.00
Other equipment, operating and office equipment	665,188.26	14,607.99	0.00	0.00	679,796.25
	689,408.26	**14,607.99**	**0.00**	**0.00**	**704,016.25**
Financial assets					
Securities held as fixed assets	801,152.65	57,750.58	0.00	0.00	858,903.23
	41,621,875.79	**2,398,201.59**	**0.00**	**0.00**	**44,020,077.38**

	Cumulative depreciation				Carrying amounts	
	Balance on Jan. 1, 2024 EUR	Additions EUR	Disposals EUR	Balance on Dec. 31, 2024 EUR	Balance on Dec. 31, 2024 EUR	Balance on Dec. 31, 2023 EUR
	22,465,911.83	2,212,883.07	0.00	24,678,794.90	12,049,932.00	3,735,324.00
	125,000.00	0.00	0.00	125,000.00	5,603,431.00	13,805,079.05
	22,590,911.83	**2,212,883.07**	**0.00**	**24,803,794.90**	**17,653,363.00**	**17,540,403.05**
	10,767.00	8,075.00	0.00	18,842.00	5,378.00	13,453.00
	648,402.26	18,438.99	0.00	666,841.25	12,955.00	16,786.00
	659,169.26	**26,513.99**	**0.00**	**685,683.25**	**18,333.00**	**30,239.00**
	0.00	0.00	0.00	0.00	858,903.23	801,152.65
	23,250,081.09	2,239,397.06	0.00	25,489,478.15	18,530,599.23	18,371,794.70

NOTES

of APONTIS PHARMA AG, Monheim/Rhine,
for the financial year from January 1 to December 31, 2024

APONTIS PHARMA AG (APONTIS PHARMA), (Local Court of Düsseldorf, HRB 93162) is obliged to prepare Consolidated Financial Statements in accordance with Section 290 of the German Commercial Code (HGB). The Consolidated Financial Statements for the financial year from January 1 to December 31, 2024, were prepared in accordance with the provisions of the German Commercial Code (HGB) and the relevant provisions of the German Stock Corporation Act (AktG).

The total cost method is used for the Consolidated Statement of Income.

In order to improve the clarity of the presentation, we have listed all the notes to be made in accordance with the statutory provisions for the individual items of the Consolidated Balance Sheet and the Consolidated Statement of Income, as well as the notes that are optionally to be made in the Consolidated Balance Sheet or the Consolidated Statement of Income and the Consolidated Notes, in these Consolidated Notes.

Some of the Notes to the Consolidated Financial Statements are presented in EUR thousand.

I. SCOPE OF CONSOLIDATION

In addition to APONTIS PHARMA, three affiliated companies were included in the Consolidated Financial Statements within the scope of full consolidation.

As of December 31, 2024, the scope of consolidation was as follows:

1.	APONTIS PHARMA AG, Monheim/Rhine, HRB 93162 at the Local Court of Düsseldorf
2.	APONTIS PHARMA Deutschland GmbH, Düsseldorf, HRB 85556 at the Local Court of Düsseldorf
3.	PP Primary Care GmbH, Monheim/Rhine, HRB 73436 at the Local Court of Düsseldorf
4.	APONTIS PHARMA Deutschland GmbH & Co. KG, Monheim/Rhine, HRA 23282 at the Local Court of Düsseldorf

The affiliated company 2. is 100.00% held by the parent company 1., the company 3. is 100% held by the affiliated company 2. and the affiliated company 4. is 99.01% held by the affiliated company 2. and 0.99% by the affiliated company 3.

II. REPORTING DATE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The reporting date for the Consolidated Financial Statements is December 31, 2024, in accordance with Section 299 (1) of the German Commercial Code (HGB).

III. CONSOLIDATION PRINCIPLES

The Consolidated Financial Statements are based on the annual financial statements of the consolidated companies.

The principle of consistency in the consolidation methods was also observed.

1. CAPITAL CONSOLIDATION

Capital consolidation for acquisition transactions is carried out in accordance with Section 301 (1) sentence 2 of the German Commercial Code (HGB) using the revaluation method. For acquisition transactions, the carrying amount of the shares belonging to the parent company is offset against the amount of equity of the subsidiaries attributable to these shares. In accordance with the revaluation method, equity is recognized at the amount corresponding to the fair value of the assets, liabilities, prepaid expenses, deferred income and special items to be included in the Consolidated Financial Statements at the time of initial consolidation. Provisions are measured in accordance with Section 253 (1) sentences 2 and 3 and (2) of the German Commercial Code (HGB) and deferred taxes in accordance with Section 274 (2) HGB. They are offset in accordance with Section 301 (2) HGB at the time at which the company became a subsidiary.

The annual surpluses/deficits of the consolidated companies – insofar as these are not offset as part of the capital consolidation – are combined with the effects of consolidation measures recognized in profit or loss and reported under the item "Consolidated annual surplus/ consolidated annual deficit."

The negative goodwill of EUR 843 thousand resulting from the first-time capital consolidation as of September 28, 2018, is recognized as income over the weighted average remaining useful life of the acquired depreciable assets. In financial year 2024, this resulted in income of EUR 100 thousand (previous year: EUR 70 thousand), which was recognized in the 2024 Consolidated Statement of Income under "Other operating income." The negative goodwill as of December 31, 2024, therefore amounted to EUR 461 thousand (previous year: EUR 561 thousand).

The subsequent consolidation – and thus also the consolidation as of December 31, 2024 – recognizes the Group's share of the results of the Group companies generated after the date of initial consolidation in the Group result.

2. DEBT CONSOLIDATION

The mutual receivables and liabilities between the Group companies are offset against each other as part of debt consolidation.

3. ELIMINATION OF INTERIM RESULTS

Interim results resulting from service relationships within the Group are eliminated. In the financial year from January 1 to December 31, 2024, there were no intercompany profits or losses subject to elimination.

4. CONSOLIDATION OF EXPENSES AND INCOME

In the Consolidated Statement of Income, intercompany sales are offset against the expenses of the receiving companies. Intra-Group expenses and income are offset against each other. Intra-group investment income is eliminated through profit or loss.

5. DEFERRED TAXES FROM CONSOLIDATION MEASURES

Deferred taxes from consolidation measures were recognized in accordance with Section 306 HGB to the extent that the deviating tax expense is offset in subsequent financial years. Deferred taxes were calculated on the basis of the future tax burden or relief of the respective companies. Deferred tax assets and liabilities were netted. In financial year 2024, there was a surplus of assets due to tax loss carryforwards.

IV. ACCOUNTING AND VALUATION METHODS

The items are reported in accordance with Section 266 (2) HGB, Section 264c HGB and Section 275 (2) HGB (total cost method).

The Annual Financial Statements of the companies included in the Consolidated Financial Statements are prepared using uniform accounting and valuation methods.

The assets and liabilities of the fully consolidated companies are valued in accordance with the valuation regulations under commercial law, taking into account the principles of proper accounting and financial reporting.

Acquired intangible assets are recognized at cost and, if they are subject to wear and tear, they are amortized over their useful life using the straight-line method. Incidental acquisition costs and reductions in acquisition costs are taken into account when determining acquisition costs. In addition, impairment losses are recognized to the lower fair value where necessary.

Payments on account are recognized at nominal value and intangible assets under development are recognized at cost.

Property, plant and equipment is recognized at cost and, where depreciable, is depreciated over its useful life. In addition, impairment losses are recognized to the lower fair value where necessary.

Movable fixed assets are depreciated on a straight-line basis.

Low-value assets with a net individual value of up to EUR 250.00 were recognized as an expense in the year of acquisition; their immediate disposal was assumed. As in the previous year, assets with a net individual value of more than EUR 250.00 and up to EUR 800.00 were recognized as low-value assets with immediate depreciation. For fixed assets with a net individual value of more than EUR 250.00 to EUR 1,000.00 that already existed before 2019, the annual collective item to be formed for tax purposes was transferred to the commercial balance sheet for reasons of simplification. In accordance with the tax regulations, 20% p.a. of the annual compound item, the total amount of which is of minor importance, is depreciated on a flat-rate basis in the year in which it was created and the four following years. Depreciation on additions to property, plant and equipment is otherwise recognized pro rata temporis.

Securities held as fixed assets are recognized at cost. In the past financial year, the asset values were offset against the pension obligations in accordance with Section 246 (2) sentence 2 HGB. An exception to this is an insurance contract that does not meet the requirements of Section 246 (2) sentence 2 HGB due to the lack of a pledge to the beneficiaries and their potential surviving dependents and is therefore not protected from access by all other creditors.

Inventories are recognized at the lower of cost or fair value.

Receivables and other assets are recognized at nominal value. All risky items are taken into account by means of flat-rate discounts.

Bank balances are assessed at nominal value.

Payments made before the balance sheet date are recognized as prepaid expenses if they represent expenses for a specific period after this date.

The subscribed capital of the parent company, APONTIS PHARMA AG, is fully paid up and recognized at nominal value.

The provisions for pensions are calculated according to actuarial principles and based on an interest rate of 1.90% p.a. (previous year: 1.83%) with a financing start date of 25 years using the projected unit credit (PUC) method. The interest rate corresponds to the average market interest rate of the past ten years published by Deutsche Bundesbank with a remaining term of the pension obligations of 15 years. Expected salary and pension trends of 3.00% and 2.00% respectively were used as a basis for the calculation. The corresponding asset values have been offset against the obligations as far as possible under HGB. Insofar as expenses and income are incurred in this context, these are netted in the financial result. The pension provisions were measured as of December 31, 2024, in accordance with the Heubeck 2018 G mortality tables.

The following table contains the fluctuation probability for active beneficiaries; it applies to pensions and similar obligations.

Probability of fluctuation	Men	Women
Age 20 – 25 years	6.00%	8.00%
Age 26 – 30 years	5.00%	7.00%
Age 31 – 35 years	4.00%	5.00%
Age 36 – 45 years	2.50%	2.50%
Age 46 – 50 years	1.00%	1.00%
Over 50 years	0.00%	0.00%

The pension plans presented below were taken over by UCB Pharma GmbH as part of the acquisition of the business operations of the affiliated company APONTIS PHARMA Deutschland GmbH & Co. KG on September 28, 2018, including all contractually stipulated assets and liabilities.

Starting on July 1, 2000, a new pension plan was introduced in Germany, in which all employees are entitled to participate, provided they are in a permanent and non-terminated employment relationship and have completed a period of service of six months. The new plan provides company pension benefits via a group provident fund, which is an independent company. The provident fund is obliged to take out individual reinsurance policies for each beneficiary employee in order to secure future pension payments.

Since July 1, 2000, there has therefore been an indirect obligation for pensions and entitlements. Claims from the previous pension scheme were written down in installments as of June 30, 2000.

The "Deferred Compensation" company pension scheme was launched in Germany on January 1, 2002. All employees in a permanent and non-terminated employment relationship who are in a permanent employment relationship and have not given notice and whose remuneration exceeds the contribution assessment threshold for statutory pension insurance in a calendar year after the corresponding deferred compensation has been paid are entitled to benefits. Part of the gross fixed salary or variable remuneration of employees participating in this program is not paid out directly, but invested as a company pension. The capital contributions made by the employees are currently paid into a share fund and a pension fund. The company's pension commitment guarantees employees the nominal pension contribution they have paid in.

The fund assets used to reinsure the pension commitments from the Deferred Compensation program, which mainly originates from the capital contributions of the employees, was transferred to a so-called Contractual Trust Arrangement (CTA) in financial year 2004. The assets were transferred to Mercer Treuhand GmbH, which acts as trustee for APONTIS PHARMA Deutschland GmbH & Co KG. The assets were transferred with the proviso that they may only be used for the purpose of financing the direct pension obligations of the affiliated sponsoring companies resulting from the deferred compensation program. The beneficiary employees retain their direct claim against APONTIS PHARMA Deutschland GmbH & Co. KG in the event of a benefit claim, even with the CTA model implemented.

The obligations resulting from the pension program were taken into account on the balance sheet date by allocating corresponding pension provisions.

Obligations from pensions and similar obligations are offset against assets that serve exclusively to meet pension obligations and similar obligations and are not accessible to all other creditors (so-called cover assets). If expenses and income are incurred in this context, they are netted. The plan assets are measured at fair value.

Anniversary provisions are calculated according to actuarial principles using an actuarial interest rate of 1.96% (previous year: 1.76%) and taking into account the 2018 G mortality tables by Prof. Dr. Klaus Heubeck.

Other provisions are reported at the settlement amount to be recognized on the basis of prudent business judgment. They take into account all recognizable risks and contingent liabilities. With the exception of provisions for anniversary expenses and provisions for long-term incentives (LTI provisions) and provisions for post-launch milestone payments, other provisions are exclusively current provisions.

Liabilities were measured at the respective settlement amounts.

V. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. FIXED ASSETS

The development of the individual items of the consolidated fixed assets is shown in the depreciation and amortization for financial year 2024 in the Consolidated Statement of Changes in Non-current Assets (Annex 4).

2. SECURITIES HELD AS FIXED ASSETS

In the Consolidated Financial Statements as of December 31, 2024, APONTIS PHARMA AG reports the assets transferred to Mercer Treuhand GmbH as a trustor in accordance with Section 246 (1) HGB. This relates to the actuarial reserve of the reinsurance policies for part of the pension of the pension obligations of the subsidiary APONTIS PHARMA Deutschland GmbH & Co. KG included in the Consolidated Financial Statements.

3. INVENTORIES

Inventories are attributable to merchandise with a value of EUR 5,468 thousand (previous year: EUR 5,777 thousand) and advance payments of EUR 1,048 thousand (previous year: EUR 842 thousand).

4. ACCOUNTS RECEIVABLE AND OTHER ASSETS

All trade receivables have a remaining term of up to one year.

Other assets are recognized at nominal value and mainly include advance payments to suppliers amounting to EUR 592 thousand (previous year: EUR 468 thousand), tax receivables amounting to EUR 41 thousand (previous year: EUR 206 thousand) and creditors with debit balances amounting to EUR 44 thousand (previous year: EUR 26 thousand).

Other assets amounting to EUR 253 thousand (previous year: EUR 253 thousand) have a term of more than one year.

5. PREPAID EXPENSES

Prepaid expenses amounted to EUR 646 thousand (previous year: EUR 521 thousand) as of the balance sheet date and include payments for expenses relating to the subsequent period. They do not include any amounts for discounts.

6. DEFERRED TAXES

The calculation of deferred taxes from valuation differences between the commercial balance sheet and the tax balance sheet in accordance with Section 274 HGB resulted in tax relief, which was offset against the deferred tax liabilities from consolidation measures in the Consolidated Statement of Financial Position. In addition, there were deferred tax assets on tax loss carryforwards that will lead to tax relief in future periods. These were also offset against the other deferred taxes. As of the balance sheet date, deferred tax assets amounted to EUR 2,404 thousand (previous year: deferred tax assets of EUR 3,461 thousand). The calculation of deferred taxes was based on the individual tax rates of the companies. The tax rate for the consolidated corporations is 24.575% and includes corporation tax, the solidarity surcharge and trade tax. The income tax rate for the partnership included is 8.75% and includes trade tax.

7. EQUITY

The company's issued capital amounts to EUR 8,330 thousand (previous year: EUR 8,330 thousand) and is fully paid in.

By resolution of the Annual General Meeting on April 19, 2021, the Management Board was authorized until April 18, 2026 to acquire treasury shares for any permissible purpose up to a maximum of 10% of the share capital existing at the time of the resolution of the Annual General Meeting or – if this value is lower – of the share capital existing at the time the authorization is exercised and to use them for all legally permissible purposes.

The company acquired a total of 170,000 treasury shares at a purchase price of EUR 1,836 thousand in 2022 in connection with the variable remuneration it issued for employees. The notional value of EUR 1.00 per share (a total of EUR 170 thousand, 2.0% of the share capital) was deducted from the "Subscribed capital" item in the column above in accordance with Section 272 (1a) HGB. The portion of the purchase price that exceeds the calculated value was offset against the capital reserve in accordance with Section 272 para. 2 no. 4 HGB in the amount of EUR 278 thousand and against the capital reserve in accordance with Section 272 para. 2 no. 1 HGB in the amount of EUR 1,388 thousand.

8. PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Provisions for pensions and similar obligations are generally measured in accordance with Section 253 HGB. For further information, please refer to the Notes on the measurement of pension obligations.

The difference between the recognition of the pension provision in accordance with the corresponding average market interest rate from the past ten financial years and the recognition of the pension provision based on the corresponding average market interest rate from the past seven financial years in accordance with Section 253 (6) HGB amounted to 24 thousand (previous year: EUR 32 thousand).

The asset values were offset against the pension obligations as far as possible. The offset values of securities held as fixed assets in accordance with Section 246 (2) sentence 2 HGB are as follows:

	Dec 31, 2024	Dec 31, 2023
	EUR thousand	EUR thousand
Pensions and similar obligations	3,943	4,123
Recognized asset values (acquisition costs = fair value)	– 1,395	– 1,267
Carrying amount as of December 31	2,548	2,855

9. OTHER PROVISIONS

	Dec 31, 2024	Dec 31, 2023
	EUR thousand	EUR thousand
Personnel provisions	1,854	8,592
Provisions for discounts granted	1,278	1,527
Outstanding invoices	846	977
Other	1,179	465
	5,157	11,561

10. LIABILITIES

		Of which with a remaining term of			
	Total Dec 31, 2024	Up to 1 year	More than 1 year	More than 5 years	Total Dec 31, 2023
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Liabilities to a credit institution	0	0	0	0	6,020
Liabilities from deliveries and services	4,752	4,752	0	0	5,089
Other liabilities	382	382	0	0	281
– of which from taxes	(368)	(368)	(0)	(0)	(238)
– of which within the scope of social security	(0)	(0)	(0)	(0)	(0)
	5,134	5,134	0	0	11,390

Trade payables and other liabilities are unsecured in rem.

The liabilities reported as of December 31, 2024, totaling EUR 5,134 thousand all had a term of up to one year.

VI. NOTES TO THE CONSOLIDATED STATEMENT OF INCOME

1. SALES REVENUE

Sales by area of activity and area of application:

	2024		2023	
	EUR thousand	%	EUR thousand	%
Single Pills	**34,420**	**71.0**	**25,637**	**69.4**
Own brands (excluding Single Pills)	**1,446**	**3.0**	**2,054**	**5.6**
Asthma	9,039	18.7	0	0.0
COPD (respiratory diseases)	3,167	6.5	7,964	21.5
Cardiovascular	395	0.8	1,134	3.1
Diabetes	0	0.0	175	0.4
Co-Marketing	**12,601**	**26.0**	**9,273**	**25.0**
	48.467	**100.0**	**36.964**	**100.0**

As in the previous year, all sales were generated in Germany.

2. OTHER OPERATING INCOME

Other operating income amounts to EUR 2,423 thousand (previous year: EUR 1,690 thousand) and in fiscal year 2024 mainly includes income relating to other periods from the reversal of provisions in the amount of EUR 1,315 thousand (previous year: EUR 602 thousand) and income from non-cash benefits from the provision of vehicles in the amount of EUR 534 thousand (previous year: EUR 672 thousand).

3. PERSONNEL EXPENSES

	2024	2023
	EUR thousand	EUR thousand
Wages and salaries	11,776	21,657
Social security contributions and expenses for pensions and support	1,688	2,915
– of which expenses for pensions	(114)	(234)
	13,464	24,572

The previous year's personnel expenses include extraordinary expenses of EUR 5,565 thousand from the restructuring program resolved in 2023.

4. AMORTIZATION OF INTANGIBLE ASSETS AND DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

	2024	2023
	EUR thousand	EUR thousand
Intangible assets	2,213	1,865
Property, plant and equipment	13	14
Low-value assets	13	5
	2,239	1,884

5. OTHER OPERATING EXPENSES

Other operating expenses amounted to EUR 13,156 thousand in fiscal year 2024 (previous year: EUR 13,523 thousand) and mainly comprised expenses for distribution costs of EUR 2,435 thousand (previous year: EUR 2,283 thousand), vehicle costs of EUR 1,592 thousand (previous year: EUR 2,220 thousand), marketing expenses of EUR 1,475 thousand (previous year: EUR 1,909 thousand) and expenses for temporary employees of EUR 562 thousand (previous year: EUR 1,554 thousand).

6. FINANCIAL RESULT

OTHER INTEREST AND SIMILAR INCOME

	2024	2023
	EUR thousand	EUR thousand
Other	59	344
	59	344

INTEREST AND SIMILAR EXPENSES

	2024	2023
	EUR thousand	EUR thousand
Accrued interest on provisions (pensions/anniversaries)	55	51
Bank interest	115	20
	170	71

Disclosures on the offsetting of plan assets in accordance with Section 246 (2) HGB in the income statement:

	2024
	EUR thousand
Interest expense from pension obligations	155
Income from cover assets	103
Interest expense	52

7. TAXES ON INCOME AND EARNINGS

In the past fiscal year, income taxes resulted in an expense EUR 372 thousand (previous year: income of EUR 3,586 thousand) and include EUR 706 thousand relating to other periods in income from corporation tax and solidarity surcharge and EUR 21 thousand in expenses for trade tax relating to other periods.

In detail, taxes on income are made up as follows (tax income is shown with a negative sign):

	2024	2023
	EUR thousand	EUR thousand
Trade tax	21	−51
Corporate income tax and solidarity surcharge	−706	0
Deferred taxes	1,057	−3,535
	372	−3,586

VII. OTHER INFORMATION

1. OTHER FINANCIAL OBLIGATIONS

The other financial obligations are recognized at nominal value and are as follows as of December 31, 2024:

	EUR thousand
Payment obligations from rental and lease agreements	
in 2025	1,622
from 2026 to 2029	2,433
	4,055

The advantage of these contracts lies in the lower capital commitment compared to acquisition and the elimination of the realization risk. Risks could arise from the term of the contract if the assets can no longer be fully utilized, however there are currently no indications of this.

There are no other financial obligations to affiliated companies as of the balance sheet date.

The company is a contractual partner in various development cooperations. Depending on the progress of development, certain milestone payments must be made. The agreements include exit clauses in the event that projects do not develop as planned. With regard to the contractual targets to be met up to and including after 2030, the contracts in place as at the reporting date of December 31, 2024, result in outstanding financial obligations of approx. EUR 17,877 thousand. To the extent that development progress had been sufficiently substantiated by the reporting date, the resulting contractual obligations were recognized as liabilities in the balance sheet.

2. AVERAGE NUMBER OF EMPLOYEES PER YEAR

The average number of employees during the financial year amounted to:

	2024	2023
Senior employees	4	5
Employees	133	172
	137	177

3. MANAGEMENT BOARD

APONTIS PHARMA AG, Monheim/Rhine, is managed and represented by members of the Management Board who are exempt from the restrictions of Section 181 of the German Civil Code (BGB):

Bruno Eugen Wohlschlegel, graduate chemist, Darmstadt
Thomas Milz, Diplom-Kaufmann, Hilden (authorized sole representative)
Thomas Zimmermann, business graduate, Düsseldorf from July 1, 2024

With regard to the remuneration of the members of the Management Board, we refer to the voluntary Remuneration Report included in the Management Report in accordance with Section 314 HGB (old version).

4. SUPERVISORY BOARD

The Supervisory Board of the company consists of the following members:

Dr. Matthias Wiedenfels, Attorney at Law, Frankfurt/Main
Olaf Elbracht, Management Consultant, Ostseebad Boltenhagen
Dr. Edin Hadzic, Investor, Munich (resigned on December 6, 2024)
Christian Bettinger, Investor, Polling (resigned on December 6, 2024)
Dr. Anna Lisa Picciolo-Lehrke, biologist, Cologne (resigned on January 13, 2025)
Anant Anand Atal, Head of Strategy, Prague (since December 6, 2024)
Julie Ross, veterinarian, Zurich (since December 6, 2024)
Dr. Martin Albert, chemist, Prague (since December 6, 2024).

Dr. Wiedenfels is Chairman of the Supervisory Board and Mr. Olaf Elbracht is Deputy Chairman of the Supervisory Board. With regard to the remuneration of the Supervisory Board members, we refer to the voluntary Remuneration Report included in the Management Report in accordance with Section 314 HGB (old version).

5. FEE FOR SERVICES OF THE AUDITOR

The fee for the auditor's services relates to auditing services in the amount of EUR 358 thousand and tax consulting services in the amount of EUR 56 thousand.

6. SUPPLEMENTARY REPORT

On March 5, 2025, Zentiva AG, Berlin, acquired around 93.83% of the share capital of APONTIS PHARMA AG, Monheim/Rhine, after deducting treasury shares in accordance with Section 62 (1) sentence 2 UmwG. In this context, ZENTIVA AG, Berlin, has submitted a request to APONTIS PHARMA AG, Monheim/Rhine, pursuant to Section 62 para. 1 and 5 UmwG in conjunction with Sections 327a ff AktG, according to which a merger agreement is to be concluded between the company and ZENTIVA AG, Berlin, and the Annual General Meeting of APONTIS PHARMA AG, Monheim/Rhine, is to resolve on the transfer of the shares of the remaining shareholders (minority shareholders) to ZENTIVA AG, Berlin, as the majority shareholder in return for the granting of appropriate cash compensation (so-called squeeze-out under merger law).

Monheim/Rhine, March 26, 2025

APONTIS PHARMA AG
Management Board

Bruno Wohlschlegel CEO	Thomas Milz CPO	Thomas Zimmermann CFO

INDEPENDENT AUDITOR'S REPORT

To APONTIS PHARMA AG, Monheim am Rhein

AUDIT ASSESSMENTS

We have audited the Consolidated Financial Statements of APONTIS PHARMA AG, Monheim/Rhine, and its subsidiaries (the Group), which comprise the Consolidated Statement of Financial Position as of December 31, 2024, and the Consolidated Statement of Profit or Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the fiscal year from January 1 to December 31, 2024, and the Notes to the Consolidated Financial Statements, including the recognition and measurement policies presented therein. In addition, we have audited the Group Management Report of APONTIS PHARMA AG, Monheim/Rhine, for the fiscal year from January 1 to December 31, 2024.

In our opinion, based on the findings of our audit,

- the accompanying Consolidated Financial Statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as of December 31, 2024, and of its financial performance for the fiscal year from January 1 to December 31, 2024, in compliance with German Legally Required Accounting Principles, and
- the accompanying Group Management Report as a whole provides an appropriate view of the Group's position. In all material respects, this Group Management Report is consistent with the Consolidated Financial Statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 para. 3 sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the Consolidated Financial Statements and of the Group Management Report.

BASES FOR THE AUDIT OPINIONS

We conducted our audit of the Consolidated Financial Statements and of the Group Management Report in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the *Institut der Wirtschaftsprüfer* [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the

Group Management Report" section of our Auditor's Report. We are independent of the Group companies in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the Consolidated Financial Statements and on the Group Management Report.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The management is responsible for the preparation of the Consolidated Financial Statements that comply, in all material respects, with the requirements of German commercial law, and that the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, the management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud (i.e. accounting fraud or error) or error.

In preparing the Consolidated Financial Statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing, as applicable, matters related to a going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there are factual or legal circumstances to the contrary.

Furthermore, the management is responsible for the preparation of the Group Management Report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the Consolidated Financial Statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Group Management Report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the Group Management Report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the Consolidated Financial Statements and the Group Management Report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

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 whether the Group Management Report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the Consolidated Financial Statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an Auditor's Report that includes our opinions on the Consolidated Financial Statements and on the Group Management Report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements and this Group Management Report.

We exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we

- identify and assess the risks of material misstatement of the Consolidated Financial Statements and of the Group Management Report, 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud can involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the Consolidated Financial Statements and of arrangements and measures relevant to the audit of the Group Management Report in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or on the effectiveness of these arrangements and measures.

- evaluate the appropriateness of accounting policies used by the Managing Directors and the reasonableness of accounting estimates and related disclosures made by the Managing Directors.
- conclude on the appropriateness of the management's 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 could 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 the Auditor's Report to the related disclosures in the Consolidated Financial Statements and in the Group Management Report or, if such disclosures are inadequate, to modify our respective opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions could cause the Group to cease to be able 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 present the underlying transactions and events in a manner that the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.
- plan and perform the audit of the Consolidated Financial Statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to express opinions on the Consolidated Financial Statements and on the Group Management Report. We are responsible for the direction, supervision and review of the audit activities performed for the purpose of the audit of the Consolidated Financial Statements. We bear sole responsibility for our audit opinions.
- evaluate the consistency of the Group Management Report with the Consolidated Financial Statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the legal representatives in the Group Management Report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bonn, March 26, 2025

RSM Ebner Stolz GmbH & Co. KG
Auditing Company Tax Consultancy

Torsten Janßen	Barbara Tiefenbach-Yasar
Auditor	Auditor

LEGAL DISCLAIMER

The German version of the annual report and the present English translation are available for download on the Internet at www.apontis-pharma.de/en/investor-relations. If there are any discrepancies, the German version of the annual report has priority over the English translation.

IMPRINT

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