



SoftOx Group

Financial Report

Q4 2024

SoftOx Solutions AS (ticker: SOFTX) is a clinical-stage pharmaceutical company listed on Euronext Growth Oslo. The company has developed a highly effective pan-antimicrobial technology targeting bacteria, viruses, and fungi. The patent-protected technology is based on extensive research and development in partnership with leading Nordic research institutes.

The SoftOx Solutions Group includes the holding company SoftOx Solutions AS, Water Innovation AB, and subsidiaries SoftOx Defense Solutions AS and SoftOx Wound & Skin Care AS (distributed as dividend 06.02.25). SoftOx is based in Oslo, Norway with subsidiaries in Malmö, Sweden, and Clinical Operations in Copenhagen, Denmark.

Highlights for the Q4 2024

The financial restructuring described in the Third Quarter Report 2024 has continued.

Reference is made to the stock notice of 6th December 2024, 20th December 2024, and 6th of February 2025 regarding the spin-out of the SoftOx Wound and Skin Care. As a part of a previously communicated plan to restructure the group, the Company has distributed the ownership of assets associated with the SoftOx Wound & Skin Care business to the subsidiary Softox Wound & Skin Care AS. The goal of the restructuring is to concentrate the Company's efforts into segmented business areas. The distribution will enable SoftOx Solution AS and SoftOx Wound & Skin Care AS to further develop and finance their operations.

The shares were distributed to all shareholders, who held shares in Softox Solutions AS at the close of business at 6:30 CEST on 23rd December 2024. The shares were distributed on a 1:1 basis, i.e. one share in the Company held on said date entitled the holder to receive one share in SoftOx Wound & Skin Care AS. Distribution of the shares was effectuated on February 6, 2025. Further information regarding the Wound & Skin Care AS will be made available at the SoftOx Wound & Skin Care AS website www.sow.no.

Perspectives from the Chairman

Since the extraordinary general assembly in September 2024, the new board and leadership team have been actively engaged in restructuring and refocusing efforts initiated by the previous board. This process has been supported by SoftOx's shareholders, both through their financial contribution in August 2024 and their confidence in the new leadership.

Following this transition, operations have been strategically narrowed to focus on inhalation-therapeutics opportunities, particularly the VAP (Ventilator-Associated Pneumonia) indication, which represents a significant unmet global clinical need. Previous results indicate that SoftOx's potential products could provide substantial value in this area.

As part of this strategic realignment, the application of SoftOx's technology in the wound and skin sector was transferred into a separate company. The shares of this new entity were distributed as an extraordinary dividend to SoftOx's shareholders in early February 2025, and from that point, the two companies have operated independently.

Meanwhile, SoftOx Solutions AS has continued its work on medical countermeasures against biological warfare agents through its subsidiary, SoftOx Defense Solutions AS. This initiative has progressed successfully under a collaborative agreement with the European Defence Fund (EDF) and the Norwegian Ministry of Defence (NMOD) and remains on track to deliver the Clinical Trial Application (CTA) for the Phase 1 clinical trial.

In parallel, significant efforts have been dedicated to cost reduction and resolving past commitments, including a legal dispute originating from activities in 2022. With many of these challenges now addressed, the primary focus is on planning and initiating the VAP 'Proof of Concept' Phase 2 clinical trial. Securing the necessary capital to fund the trial—estimated at approximately EUR 8 million over three years—remains a key priority.

To strengthen the Company's position ahead of upcoming investor discussions and ensure progress remains on schedule, the board has approved a private placement of shares to a select group of dedicated investors. This group includes both existing shareholders and international entities newly engaged with SoftOx Solutions. In evaluating financing alternatives, various options were considered to optimize the Company's financial position.

Reference is made to the stock notice of March 25, 2025, where the Board resolved to conduct the Private Placement and debt conversion, approving the issuance of 289 163 052 new shares at a subscription price of NOK 0,035 per share (the "Share Issue"). The subscription price reflects a 9,1% premium over the 7-day VWAP before March 21, 2025, aligning with market conditions. The Share Issue was executed under the authorization granted by the extraordinary general meeting on July 31, 2024.

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The Share Issue will generate approximately NOK 9 054 500 in gross proceeds before transaction costs, providing the Company with a financial runway for the next 12 months and ensuring continued progress toward the Phase 2 Clinical Trial Application (CTA). In parallel, further investor dialogues are ongoing to secure the approximately EUR 8 million required to fully fund the VAP study, reinforcing the Company's commitment to advancing this critical clinical program.

Key figures for the SoftOx Solutions Group as of 31.12.2024

Financial figures for the SoftOx Solutions Group are not audited (figures in brackets are comparable figures for 2023).

SoftOx Solutions Group NOK 1,000	Fourth quarter		Year	
	2024	2023	2024	2023
Total operating revenue	1 619	-4 777	7 914	6 980
Total operating expenses	2 492	13 981	40 377	39 615
Operating result	-873	-18 758	-32 463	-32 635
Profit before tax	-3 576	-28 479	-50 459	-42 083
Net proceeds from equity issues	0	0	35 745	3 080
Net change in cash and cash equivalents	-3 996	-4 074	2 861	746
Cash and cash equivalents at end of period	10 513	7 652	10 513	7 652
Outstanding shares, beginning of the period	1 951 253 942	10 727 871	10 727 871	10 342 871
Outstanding shares, end of the period	1 951 253 942	10 727 871	1 951 253 942	10 727 871

The Q4 2024 pre-tax results ended with a loss of NOK 3,6 million (loss of NOK 28,5 million). The 2024 pre-tax results ended with a loss of NOK 50,5 million (loss of 42,1 million). The restructuring activities impacted the results.

Strategy and Business Segments

Strategy and Business Segments

SoftOx Solutions is dedicated to developing a completely new class of antimicrobials, effective against bacterial infections, viruses, and fungi, which can be deployed into clinical practice without inducing new antimicrobial resistance. This new type of antimicrobial is developed to work locally and non-systemically on tissue and biofilm and is intended for prevention as well as treatment of infections, in the respiratory tract. It has shown to be non-toxic and safe in humans, and a later-stage proof-of-concept (POC) clinical trial is now being initiated in the first key indication.

The Company has developed a patented antimicrobial technology platform over the last decade with several antimicrobial projects in the pipeline. Upon refocusing at the end of 2024, the Company's forthcoming business will be to develop therapeutics, aimed to prevent and treat complex microbial infections and illnesses in the respiratory tract, including multi-resistant infections and biological warfare threats.

SoftOx is committed to developing new ways of eradicating infections and fighting antimicrobial resistance. The focus will remain to advance projects from the concept stage, through clinical development, with the aim, leveraged by compelling pre-clinical and clinical data, to seek strong partnerships for later-stage development and global commercialization, as is customary for small innovative companies in the human therapeutics industry.



SoftOx Inhalation Solution (SIS)

Ventilator-Associated Pneumonia (VAP) Indication

STRATEGY

The SoftOx Inhalation Solution (SIS) has been tested to be safe in healthy volunteers (Phase 1). Preparation for a proof-of-concept trial (Phase 2) in Ventilator Associated Pneumonia (VAP) patients is ongoing.

HIGHLIGHTS RESEARCH & PRODUCT DEVELOPMENT

- After careful analysis and consideration, it is decided to focus the current development efforts on a proof of concept (Phase 2) trial in Ventilator Associated Pneumonia (VAP) patients. VAP is a common and lethal threat to hospitalized patients on ventilators. The company already has positive indications of efficacy against VAP.
- The University of Copenhagen on behalf of SoftOx has established proof-of-concept in mouse models for the use of SIS for both treatment and preventive use against viral infections in the respiratory tract. Animal studies of respiratory infections were concluded to be safe and efficacious.

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- The SoftOx Research Department led by Professor Thomas Bjarnsholt has shown broad antimicrobial efficacy of SIS in vitro. Also, in animal models reproducible dose-dependent virucidal and bacterial effects of inhaled SIS have been shown in mouse pneumonia models of Influenza A, and *Pseudomonas aeruginosa* respectively. In addition, the team has shown that the administration of SIS can prevent the spread of Sendai/Parainfluenza virus among co-housed mice. This makes SIS a very promising candidate to prevent and treat airway infections. The team continues to investigate the effects of SIS in animal models.

OUTLOOK

- A CTA will be submitted in Q3 2025.
- The study will be executed together with “The Intensive Care Platform Trial” (INCEPT) (<https://incept.dk/>) in Copenhagen, with whom an LOI has been signed.
- The preparatory activities are on track, and, pending funding, the first patient is expected to be enrolled in the Phase 2 trial, by Q1 2026.

Medical Countermeasure Indication

STRATEGY

SoftOx Defense Solutions (SDS) develops countermeasures against biological threats through the contract with the European Defence Fund (EDF) together with the Norwegian Defence Research Establishment (FFI) and other European partners. The project started in December 2022 and runs until November 2026. The activity in SDS is financed by the contract with the European Defence Fund and the Norwegian Ministry of Defence and has not been affected by the previous financial challenges in SoftOx Solutions AS.

HIGHLIGHTS RESEARCH & PRODUCT DEVELOPMENT

- SoftOx and its partners were granted approximately NOK 97 million from the European Council in 2022 to develop an antimicrobial inhalation solution, as a medical countermeasure, for the armed forces within the EU and its allies.
- The in vivo testing of the efficacy of SIS in several animal infection/lung models is being tested by several partners. This work was initiated in the autumn of 2024, and results are expected during 2025. Preliminary results show good efficacy in a murine *P. aeruginosa* pneumonia model.
- A device for the upcoming phase 1 trial has been selected.
- A second-generation SIS has been developed under the EDF project.
- The testing of the second-generation SIS has shown great efficacy against a variety of relevant respiratory pathogens including severe pathogens/biological weapons like *Bacillus anthracis*.
- For the Phase 1 trial, a new Drug Substance has been developed through a CMO, and a verification batch has successfully been produced.
- Further, a CMO for the Drug Product production has been contracted.
- Planning of the clinical Phase 1 trial is ongoing with the clinical team in Galway, Ireland. To support the trial management, a Director of Clinical Operations has been employed.

OUTLOOK

- The work on developing Medical Countermeasures against biological warfare agents is progressing according to the project plans.
- A CTA will be submitted in Q3 2025.

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- In the clinical Phase 1 trial the concentrations of SIS will be increased to achieve a larger therapeutic window.
- The Phase 1 study will be started in Q1 2026.

SoftOx Wound & Skin Care (spun off February 6th, 2025)

Reference is made to the stock notice of 6th December 2024, 20th December 2024, and 6th of February 2025 regarding the spin-off of the SoftOx Wound and Skin Care. As a part of a previously communicated plan to restructure the group, the Company has distributed the ownership of assets associated with the SoftOx Wound & Skin Care business to the subsidiary Softox Wound & Skin Care AS. The goal of the restructuring is to concentrate the Company's efforts into segmented business areas. The distribution will enable SoftOx Solution AS and SoftOx Wound & Skin Care AS to further develop and finance their operations fully independently.

The shares were distributed to all shareholders, who held shares in Softox Solutions AS at the close of business 6:30 CEST on 23rd December 2024. The shares were distributed on a 1:1 basis, i.e. one share in the Company held on said date entitled the holder to receive one share in SoftOx Wound & Skin Care AS. Distribution of the shares was effectuated on February 6, 2025 Further information regarding the Wound & Skin Care AS will be made available at the SoftOx Wound & Skin Care AS website www.sow.no.

Going further, the activities of SoftOx Wound & Skin Care AS, will not be included in the reporting from SoftOx Solutions AS.

Financial matters

Financial figures for the SoftOx Solutions Group are not audited (figures in brackets are comparable figures for 2023).

Profit and loss statement

During the four quarters of 2024, the company recognized NOK 7,9 million (NOK 7 million) as income in connection with funding from the European Defence Fund and Norwegian Research Fund.

In the four quarters of 2024, salary costs were NOK 5 million (NOK 7,8 million). NOK 2,8 million is related to the EDF/Counteract project.

Other operating costs of 2024 are NOK 30 million (*) (NOK 24,3 million).

- NOK 11,2 million in lawyers and consultancy fee restructuring
- NOK 4 million project costs EDF/Counteract
- NOK 6,4 million costs set aside for un-invoiced and precautionary reasons
- NOK 8,4 million operating costs corresponding to monthly costs NOK 0,7 million.

Total operating expenses for 2024 are NOK 40,4 million (NOK 39,6 million).

Net Financial items for the four quarters of 2024 are NOK 18 million (NOK 9,4 million).

Pre-tax results ended with a loss of NOK 50 million (loss of NOK 42 million) for 2024. Results are impacted by the execution of the restructuring efforts.

Cash flow and consolidated balance sheet

Of the capitalized assets, the company has activated its IP and patent cost worth NOK 26 million (NOK 11,3 million). Most of the jump in capitalized IP value in Q4/2024, is a consequence of materialization of value from the spinout of the Skin & Wound care activities. The IP/Patent costs are depreciated over 5 years. Deferred tax assets will not be addressed here, as the tax calculations will be performed for the end-of-the-year reporting, based on audited figures.

The Company's cash position has been strengthened following the successful completion of the Private Placement, as announced in the stock notice on March 25, 2025. The proceeds provide liquidity to support ongoing operations and strategic initiatives, including preparations for the VAP Phase 2 clinical trial and the EDF/Counteract project. In parallel, further investor dialogues are being pursued to secure the approximately EUR 8 million needed to fully fund the VAP study. Additionally, efforts to optimize cost structures and streamline operations have improved financial resilience, ensuring efficient capital allocation in alignment with the Company's long-term objectives.

Legal Matters

Reference is made to the stock notice 27 February 2025 where the Company has settled the legal dispute between the Company and a former consultant claiming to have a bonus claim for services rendered in 2022. The Company has settled MNOK 1,5 ex VAT for immediate payment and MNOK 0,8 ex VAT for payment within 30.06.2026.

The Company also has settled an issue related to immaterial rights related to the further development of certain aspects of SoftOx's technology, by issuing 16,5 million shares in the company to its counterpart.

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Furthermore, as part of the reorganization of the Company and as informed by the Company by stock notice on the 12th of August 2024, the employment contracts with the former ECOB and former CEO were terminated amicably against the issue of approximately 68 million shares in the Company.

Other than a dispute with a former employee that has been settled, and the two cases mentioned above, the Company is not, nor has it been, during the preceding 12 months involved in any legal, governmental, or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

Patent Strategy

The Company pursues an active patent strategy including improvements as well as pruning of the existing portfolio and filing of new patent applications to further protect the SoftOx technology platform. The company takes advice from recognized IP/Patent advisory teams in both the US and Europe.

Option/Warrant Programme

According to the General Assembly 28th June 2024 the Company has issued 30.006.250 stand-alone subscription rights/warrants to employees and board members, as outlined at the list below.

KEY PERSONELL & BOARD			Warrants amount	Warrants	Duration	Strike
Hermod Farms	Geir Almås	Key Personell	1.944.000	9.720.000	5 years	0,4
Harstad Experience	Christian Harstad	Key Personell	1.194.750	5.973.750	5 years	0,4
Medical Consulting	Thomas Bjarnsholdt	Key Personell	895.000	4.475.000	5 years	0,4
Bonica	Ingrid Juven	Key Personell	1.080.000	5.400.000	5 years	0,4
Elin Jørgensen		Key Personell	171.875	859.375	5 years	0,4
Henrik Nielsen		Board	171.875	859.375	5 years	0,4
Olav Jarlsby		Board	171.875	859.375	5 years	0,4
Adrian Bignami		Board	171.875	859.375	5 years	0,4
Jørgen Berggrav		Board	200.000	1.000.000	5 years	0,4
Total			6.001.250	30.006.250		

Significant risk factors for the company

- Clinical research studies always involve an inherent risk of being delayed and not delivering results as expected.
- Financial risks mainly consist of currency, credit, and liquidity risk. The company depends on funding it's R&D activities with funds from investors.
- Intellectual property risks. SoftOx works closely with external patent counsels to minimize the risk of patent infringement claims and prepare any patent defence if necessary.

Declaration by the Board

We confirm, to the best of our knowledge, that the unaudited, summarised half-year report 2024 accounts for the period 1st of January to 31st of December 2024 have been prepared following accounting standards for the group and that the information contained in these accounts gives a true and fair view of the group's assets, liabilities, financial position and profits as a whole, and that the half-year report provides a true and fair view of the information specified in Section 5-6, fourth paragraph, of the Norwegian Securities Trading Act.

Oslo, 25th of March 2025

SIGNED

Ulrik Spork, Chairman of the Board

SIGNED

Christian Vinding Thomsen, Board Member

SIGNED

Henrik Nielsen, Board Member

SIGNED

Adrian Bignami, Board Member

SIGNED

Eskil Zapffe, Board Member

SIGNED

Ingrid Juven, Managing Director

Profit and Loss Statement

Profit and loss statement				
Accounts for fourth quarter 2024				
SoftOx Solutions Group <i>NOK 1,000</i>	Fourth quarter		Year	
	2024	2023	2024	2023
Other operating revenues	1 619 -	4 777	7 914	6 980
Total operating revenues	1 619 -	4 777	7 914	6 980
Personnel expenses	1 007	783	4 985	7 795
Other operating expenses	18	9 182	30 020	24 341
Depreciation	1 467	4 016	5 372	7 479
Depreciation, goodwill	0	-	0	0
Total operating expenses	2 492	13 981	40 377	39 615
Operating result	-873 -	18 758	-32 463	-32 635
Net financial items	-2 704 -	9 721	-17 996	-9 449
Profit before tax	-3 576 -	28 479	-50 459	-42 083
Tax	0	2 635	0	2 635
Annual profit/loss	-3 576 -	25 844	-50 459	-39 449

Balance sheet 31.12.24

Statement of financial position	31.12.2024	31.12.2023
SoftOx Solutions Group		
<i>NOK 1,000</i>		
Other intangible assets	26 412	11 301
Deferred tax asset	84 203	76 688
Goodwill from acquisition of subsidiary	0	0
Total intangible assets	110 615	87 989
Production equipment	0	647
Total fixed assets	0	647
Non-current assets	110 615	88 637
Inventory	0	0
Total inventory	0	0
Other receivables	13	949
Total receivables	13	949
Cash and cash equivalents	10 513	6 025
Deposits	0	1 627
Current assets	10 526	8 602
Total assets	121 141	97 238

Share capital	39 025	215
Share premium reserve	52 917	58 073
Total paid up capital	91 942	58 287
Other equity	3 242	-55 921
Total equity	95 185	2 366
Other long term debts	0	45 589
Other non-current liabilities	0	45 589
Dividend	10 000	
Public duties payable	-569	-70
Shareholder loans	0	0
Other current liabilities	10 143	28 410
Accounts payable	6 382	20 942
Total current liabilities	25 956	49 283
Total liabilities	25 956	94 872
Total equity and liabilities	121 141	97 238

Cash Flow Statement

Cash flow statement	Fourth quarter		Year	
	2024	2023	2024	2023
SoftOx Solutions Group				
<i>NOK 1,000</i>				
Cash flow from operating activities				
Net result before taxes	-3 576	-28 479	-50 459	-42 083
Tax paid	0	0	0	0
Depreciation	1 467	4 016	5 372	7 479
Change in current assets	889	-67	936	6 841
Change in current liabilities	8 518	16 543	-23 327	28 521
Conversion of debts/dividend	5 328		100 039	
Net cash flow from operating activities	12 626	-7 987	32 561	757
Cash flow from investment activities				
Investments in non-current assets	-16 622	-2 033	-19 835	-7 609
Net cash flow from investment activities	-16 622	-2 033	-19 835	-7 609
Cash flow from financing activities				
Proceeds from equity issues	0	0	35 745	3 080
Other financing activities	0	4 900	-45 589	4 524
Translation differences	0	1 047	-19	-4
Net cash flow from financing activities	0	5 947	-9 863	7 600
Net change in cash and cash equivalents	-3 996	-4 074	2 861	746
Cash and cash equivalents at begining of period	14 509	11 726	7 652	6 907
Cash and cash equivalents at end of period	10 513	7 652	10 513	7 652

Statement of changes in equity (*)

Statement of changes in equity				
SoftOx Solutions Group				
<i>NOK 1,000</i>				
	Fourth quarter		Year	
	2024	2023	2024	2023
Equity at end of prior period	85 917	27 164	2 366	38 741
Share issues	5 328	4 738	135 783	3 080
Loss for the period	-3 576	-28 479	-50 459	-39 449
Other changes in equity	0	-1 057	-21	-6
Equity at end of period	87 670	2 366	87 670	2 366

(*) The fourth quarter of 2024 is before tax, 2023 is after tax. The full year 2023 is after tax, The full year 2024 is before tax.

General Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in small companies in Norway.

Basis for consolidation

The Group's consolidated financial statements comprise SoftOx Solutions AS and companies in which SoftOx Solutions AS has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50% of the shares in the company and can exercise control over the company. Minority interests are included in the Group's equity. Transactions between group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary.

The purchase method is applied when accounting for business combinations. Companies that have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

An associate is an entity in which the Group has a significant influence but does not exercise control the management of its finances and operations (normally when the Group owns 20-50% of the company). The consolidated financial statements include the Group's share of the profits/losses from associates, accounted for using the equity method, from the date when a significant influence is achieved and until the date when such influence ceases.

When the Group's share of a loss exceeds the Group's investment in an associate, the amount carried in the Group's balance sheet is reduced to zero and further losses are not recognized unless the Group has an obligation to cover any such loss.

Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

Revenue recognition

Revenues from the sale of goods are recognized in the income statement once delivery has taken place and most of the risk and return has been transferred. Revenues from the sale of services are recognized in the income statement according to the project's level of completion provided the outcome of the transaction can be estimated reliably. Progress is measured as the number of hours spent compared to the total number of hours estimated. When the outcome of the transaction cannot be estimated reliably, only revenues equal to the project costs that have been incurred will be recognized as revenue. The total estimated loss on a contract will be recognized in the income statement during the period when it is identified that a project will generate a loss.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as the tax rate of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will

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be utilized. Taxes payable and deferred taxes are yearly recognized directly in equity to the extent that they relate to equity transactions.

Balance sheet classification

Current assets and short-term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities. Current assets are valued at the lower of cost and fair value. Short-term liabilities are recognized at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Long-term liabilities are recognized at nominal value.

Research and development

Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. Otherwise, the costs are expensed as incurred. Capitalized development costs are amortized linearly over their useful life. Research costs are expensed as incurred.

Plant and equipment

Plant and equipment are capitalized and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If the carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realisable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are discounted.

Subsidiaries

Subsidiaries are valued at cost in the company accounts. The investment is valued as the cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Inventories

Inventories are recognized at the lowest of cost and net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Pensions

Under the defined contribution scheme the Group does not commit itself to paying specific future benefits but makes annual contributions to the employees' pension savings. The Group's payment to the defined contribution scheme amounts to 7% of salary for Norwegian employees.

Cash flow statement

The cash flow statement is presented using an indirect method. Cash and cash equivalents include cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

Glossary

CBRN	Chemical, Biological, Radiological and Nuclear
EDF	European Defence Fund
EN	European Norm
EU	European Union
FDA	U.S. Food and Drug Administration
IP	Intellectual property
Kemi	Swedish Chemicals Agency
MRSA	Methicillin-resistant <i>Staphylococcus aureus</i>
OTA	Other Transaction Agreement
R&D	Research and Development
SBE	SoftOx Biofilm Eradicator (SoftOx Infection Remover)
SDS	SoftOx Defense Solutions AS
Shares	SoftOx Solutions issued and outstanding shares, unless the context indicates otherwise, including the Offer Shares offered in the Offering.
SIS	SoftOx Inhalation Solution
SWIS	SoftOx Wound Irrigation Solution

Contact us

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