



SoftOx Group

Financial Report

Q1 2025

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

The SoftOx Solutions Group¹ includes the holding company SoftOx Solutions AS and subsidiaries Water Innovation AB and SoftOx Defense Solutions AS. SoftOx is based in Oslo, Norway, with a subsidiary in Malmö, Sweden, and Clinical Operations in Copenhagen, Denmark.

¹ Subsidiary SoftOx Wound & Skin Care AS was distributed as dividend 06.02.25 and is not covered in this report.



Highlights for the Q1 2025

The financial restructuring described in the Annual Report 2024 has continued. 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. SoftOx's shareholders have supported this process, 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, representing a significant unmet clinical need globally. Previous results indicate that SoftOx's inhalation drug candidate could provide substantial value as an inhaled antimicrobial therapeutic. In addition to its application in VAP (Ventilator-Associated Pneumonia), additional indications for the drug are being evaluated for proof-of-concept trials.

Furthermore, SoftOx Solutions AS has continued its work on inhaled 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). It remains on track to deliver the Clinical Trial Application (CTA) for the Phase 1 clinical trial.

As previously reported, SoftOx's technology in the wound and skin area was spun off to SoftOx's shareholders in early February 2025, and since then, the two companies have operated independently.

Significant efforts have recently 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 and solved, the primary focus is devoted to planning, prioritizing, and initiating the forthcoming clinical trials as well as securing the financial resources to execute clinical development plans, which can demonstrate the clinical usability of the company's inhaled therapeutics technology, and thereby unlock its significant value.

To strengthen the Company's position ahead of upcoming investor discussions and ensure progress remains on schedule, the board approved a private placement of shares to a selected group of dedicated investors in March 2025. The group included 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. The Share Issue generated approximately NOK 9 million in gross proceeds before transaction costs, providing the Company with a financial runway for the next 12 months and ensuring continued progress of the clinical development plans.

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Key figures for the SoftOx Solutions Group as of 31.03.2025

Financial figures for the SoftOx Solutions Group are not audited (figures in brackets are comparable figures for 2024).

SoftOx Solutions Group NOK 1,000	First quarter		Year	
	2025	2024	2025	2024
Total operating revenue	3 216	1 815	3 216	7 914
Total operating expenses	1 930	10 966	1 930	40 377
Operating result	1 286	-9 152	1 286	-32 463
Profit before tax	1 953	-21 346	1 953	-50 459
Net proceeds from equity issues	6 130	0	6 130	35 745
Net change in cash and cash equivalents	12 303	-4 603	12 303	2 861
Cash and cash equivalents at end of period	22 816	3 048	22 816	10 513
Outstanding shares, beginning of the period	1 951 253 942	10 727 871	1 951 253 942	10 727 871
Outstanding shares, end of the period	1 951 253 942	10 727 871	1 951 253 942	1 951 253 942

The Q1 2025 pre-tax results ended with NOK 2 million (a loss of NOK 21,3 million). The execution of the restructuring efforts impacted the results.

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Clinical Development Strategy

Narrow focus on therapeutics against Respiratory Tract Infections

Upon refocusing at the end of 2024, SoftOx Solutions is now fully dedicated to developing a completely new class of inhaled antimicrobial pharmaceuticals, effective against bacterial, viral, and fungal infections, 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 the prevention, as well as treatment, of infections in the respiratory tract. It is non-toxic and safe in humans, and a proof-of-concept (POC) clinical trial will now be initiated in the first indication. It also holds promise to be a long-awaited new tool to be applied towards multi-resistant infections and biological warfare threats.

The corporate 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. This model has proven effective globally for small innovative companies in the human therapeutics industry.



Lung Infection Applications

STRATEGY

The pharmaceutical product under development in SoftOx Solutions is termed 'SIS' (SoftOx Inhalation Solution) and has been tested to be safe in healthy volunteers (Phase 1). Preparation for a proof-of-concept trial in Ventilator-Associated Pneumonia (VAP) patients is ongoing, and in parallel, the new leadership is analyzing potential additional indications that could be viable targets for proof-of-concept studies in due time.

HIGHLIGHTS RESEARCH & PRODUCT DEVELOPMENT

- The SoftOx research department, led by CEO 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.

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- The recent clinical development efforts have been focused on the preparations for 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.
- Additional proof-of-concept study options are being evaluated.

OUTLOOK

- The Company's first Clinical Trial application (CTA) will be submitted to authorities in H2 2025.
- Pending funding, the first patient is expected to be enrolled in the proof-of-concept study during H1 2026.

Medical Countermeasure Applications

STRATEGY

SoftOx Defense Solutions (SDS) develops inhaled pharmaceuticals to be deployed as countermeasures against biological warfare threats through a contract with the European Defence Fund (EDF), together with the Norwegian Defence Research Establishment (FFI) and several 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 (EDF) and the Norwegian Ministry of Defence (NMOD) and has not been affected by the previous financial challenges in SoftOx Solutions AS. Commercial rights are retained by the SoftOx group.

HIGHLIGHTS RESEARCH & PRODUCT DEVELOPMENT

- SoftOx and its research collaboration partners were granted approximately NOK 97 million from the European Council in 2022 to initiate the development of SIS into an antimicrobial medical countermeasure for the armed forces within the EU and its allies.
- Several partners are conducting in vivo testing of SIS's efficacy in several animal infection/lung models. This work was initiated in the autumn of 2024, and results are expected in 2025. Preliminary results show good efficacy in a murine *P. aeruginosa* pneumonia model.
- A nebulization 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 by several partners 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 been successfully produced.
- Technical batches of the drug product have been successfully produced.
- Planning of the clinical Phase 1 trial is ongoing with the clinical team in Galway, Ireland. To support trial execution, the clinical operations team has been strengthened.

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OUTLOOK

- The work on developing SIS as a Medical Countermeasure against biological warfare agents is progressing according to the project plans.
- A CTA for the planned phase 1 trial will be submitted in Q3 2025.
- 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.

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Financial matters

Financial figures for the SoftOx Solutions Group are not audited (figures in brackets are comparable figures for 2024).

Profit and loss statement

During the first quarter of 2025, the company recognized NOK 3,2 million (NOK 1,8 million) as income in connection with funding from the European Defence Fund and Norwegian Research Fund.

In the first quarter of 2025, salary costs were NOK 1,4 million (NOK 1,1 million). NOK 1,3 million is related to the EDF/Counteract project.

Other operating costs of the first quarter 2025 are NOK –0,3 million (*) (NOK 8,1 million).

Total operating expenses of the first quarter 2025 are NOK 1,9 million (NOK 11 million).

Net Financial items for the first quarter of 2025 are NOK 0,7 million (NOK 12,2 million).

Pre-tax results ended with NOK 2 million (loss of NOK 21,3 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 costs worth NOK 14,8 million (NOK 26,4 million). The reduction in capitalized IP value in Q1/2025 is a consequence of the 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 forthcoming proof-of-concept clinical trial and the EDF/Counteract project. In parallel, further investor dialogues are being pursued to secure the approximately EUR 8 million needed to fund clinical activities, which can demonstrate the clinical utility of SIS and enable productive partnership discussions by 2027. 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 dated 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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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 a qualified external IP/Patent advisory team.

Option/Warrant Programme

According to the General Assembly on 28th June 2024, the Company has issued 30.006.250 stand-alone subscription rights/warrants to employees and board members, as outlined in 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 first quarter report 2025 accounts for the period 1st of January to 31^s of March 2025 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 report provides a true and fair view of the information specified in Section 5-6, fourth paragraph, of the Norwegian Securities Trading Act.

Oslo, 26th of June 2025

SIGNED

Ulrik Spork, Chairman of the Board

SIGNED

Christian Vinding Thomsen, Board Member

SIGNED

Adrian Bignami, Board Member

SIGNED

Ingrid Juven, Managing Director

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Profit and Loss Statement

Profit and loss statement				
Accounts for first quarter 2025				
SoftOx Solutions Group <i>NOK 1,000</i>	First quarter		Year	
	2025	2024	2025	2024
Other operating revenues	3 216	1 815	3 216	7 914
Total operating revenues	3 216	1 815	3 216	7 914
Personnel expenses	1 403	1 051	1 403	4 985
Other operating expenses	-252	8 131	-252	30 020
Depreciation	779	1 784	779	5 372
Depreciation, goodwill	0	0	0	0
Total operating expenses	1 930	10 966	1 930	40 377
Operating result	1 286	-9 152	1 286	-32 463
Net financial items	667	-12 194	667	-17 996
Profit before tax	1 953	-21 346	1 953	-50 459
Tax	0	0	0	7 515
Annual profit/loss	1 953	-21 346	1 953	-42 944

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Balance sheet 31.03.25

Statement of financial position	31.03.2025	31.12.2024
SoftOx Solutions Group		
<i>NOK 1,000</i>		
Other intangible assets	14 818	26 412
Deferred tax asset	84 203	84 203
Goodwill from acquisition of subsidiary	0	0
Total intangible assets	99 021	110 615
Production equipment	0	0
Total fixed assets	0	0
Non-current assets	99 021	110 615
Inventory	0	0
Total inventory	0	0
Other receivables	0	13
Total receivables	0	13
Cash and cash equivalents	22 816	10 513
Deposits	0	0
Current assets	22 816	10 526
Total assets	121 837	121 141

Share capital	39 025	39 025
Share premium reserve	65 026	52 917
Total paid up capital	104 051	91 942
Other equity	-351	3 242
Total equity	103 700	95 185
Other long term debts	0	0
Other non-current liabilities	0	0
Dividend	0	10 000
Public duties payable	-124	-569
Shareholder loans	0	0
Other current liabilities	14 946	10 143
Accounts payable	3 315	6 382
Total current liabilities	18 137	25 956
Total liabilities	18 137	25 956
Total equity and liabilities	121 837	121 141

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Cash Flow Statement

Cash flow statement	First quarter		Year	
	2025	2024	2025	2024
SoftOx Solutions Group				
<i>NOK 1,000</i>				
Cash flow from operating activities				
Net result before taxes	1 953	-21 346	1 953	-50 459
Tax paid	0	0	0	0
Depreciation	779	1 784	779	5 372
Change in current assets	13	-7	13	936
Change in current liabilities	-7 819	15 838	-7 819	-23 327
Conversion of debts/dividend	457		457	100 039
Net cash flow from operating activities	-4 616	-3 731	-4 616	32 561
Cash flow from investment activities				
Investments in non-current assets	10 815	-1 354	10 815	-19 835
Net cash flow from investment activities	10 815	-1 354	10 815	-19 835
Cash flow from financing activities				
Proceeds from equity issues	6 130	0	6 130	35 745
Other financing activities	0	479	0	-45 589
Translation differences	-23	3	-23	-19
Net cash flow from financing activities	6 107	482	6 107	-9 863
Net change in cash and cash equivalents	12 303	-4 603	12 303	2 861
Cash and cash equivalents at beginning of period	10 513	7 652	10 513	7 652
Cash and cash equivalents at end of period	22 816	3 048	22 816	10 513

Statement of changes in equity (*)

Statement of changes in equity				
SoftOx Solutions Group				
<i>NOK 1,000</i>				
	First quarter		Year	
	2025	2024	2025	2024
Equity at end of prior period	95 185	2 366	95 185	2 366
Share issues	6 586	0	6 586	135 783
Loss for the period	1 953	-21 346	1 953	-42 944
Other changes in equity	-25	3	-25	-21
Equity at end of period	103 700	-18 976	103 700	95 185

(*) The first quarter of 2025 is before tax, and 2024 is after tax. The full year 2024 is after tax, and the full year 2025 is before tax.

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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 the 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.

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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 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

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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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Bærum

Norway

<https://soft-ox.com/>