PROSPECTUS

Lytix Biopharma AS

A Norwegian private limited liability company with registration number 985 889 635

A Subsequent Offering of up to 3,333,333 Offer Shares in Lytix Biopharma AS at a Subscription Price of NOK 9.00 per share, with Subscription Rights for Eligible Shareholders

Subscription Period for the Subsequent Offering from 13:00 hours (CET) on 27 January 2026 to 16:30 hours (CET) on 10 February 2026

On 9 January 2026, Lytix Biopharma AS ("**Lytix**" or the "**Company**"), a private limited liability company incorporated under the laws of Norway, announced the completion of a private placement of 6,826,200 new shares in the Company, each with a par value of NOK 0.10 issued at a subscription price of NOK 9.00 per share, raising gross proceeds of approx. NOK 61 million (the "**Private Placement**").

This prospectus (the "**Prospectus**") has been prepared in connection with a subsequent offering (the "**Subsequent Offering**") of up to 3,333,333 new shares in the Company, each with a nominal value of NOK 0.10 (the "**Offer Shares**"), to be issued at a subscription price of NOK 9.00 per Offer Share (the "**Subscription Price**"), raising gross proceeds of up to approx. NOK 30 million.

Shareholders of the Company as of 8 January 2026 (registered in Euronext VPS, the Norwegian Central Securities Depository, on 12 January 2026 under VPS' standard two-day settlement procedure) (the "**Record Date**") who (i) were not included in the market sounding phase of the Private Placement, (ii) were not allocated shares in the Private Placement, and (iii) are not resident in a jurisdiction where such an offer would be unlawful or would (in jurisdictions outside Norway) require a prospectus, filing, registration or similar measures (jointly, the "**Eligible Shareholders**"), will be granted non-transferable subscription rights (the "**Subscription Rights**"), which will be registered in each Eligible Shareholder's VPS account. As the Subscription Rights are non-transferable, trading in them will not be permitted.

Each Eligible Shareholder will be granted 0.098381 Subscription Rights for each existing share in the Company registered as held by that Eligible Shareholder as of the Record Date, rounded down to the nearest whole Subscription Right. Each Subscription Right, subject to applicable law, entitles the holder to subscribe for and be allocated one (1) Offer Share at the Subscription Price; subscription without Subscription Rights is not permitted, over-subscription is permitted, and any Subscription Rights not exercised before the expiry of the Subscription Period will automatically lapse without compensation.

The subscription period in the Subsequent Offering commences at 13:00 hours Central European Time ("**CET**") on 27 January 2026 and expires at 16:30 hours (CET) on 10 February 2026, subject to any extensions (the "**Subscription Period**").

SUBSCRIPTION RIGHTS NOT EXERCISED TO SUBSCRIBE FOR OFFER SHARES BY THE EXPIRY OF THE SUBSCRIPTION PERIOD AT 16:30 (CET) ON 10 FEBRUARY 2026 WILL HAVE NO VALUE AND WILL LAPSE WITHOUT COMPENSATION TO THE HOLDER.

The Offer Shares will, when issued, be registered in the VPS in book-entry form with International Securities Identification Number ("**ISIN**") NO 0010405780 and are expected to be delivered to the subscriber's VPS account during mid-February 2026 (following registration of the share capital increase pertaining to the Subsequent Offering in the Norwegian Register of Business Enterprises (*Nw.: Foretaksregisteret*)). The Offer Shares issued in the Subsequent Offering will have equal rights and rank *pari passu* with the Company's existing shares. The Company's shares (the "**Shares**") are subject to public trading on Euronext Growth Oslo ("**Euronext Growth**"), a multilateral trading facility ("**MTF**"), under the ticker code "LYTIX". It is expected that the Offer Shares will be admitted to trading on Euronext Growth in connection with being delivered to the applicants' VPS accounts.

Investing in the Company's Shares, including the Offer Shares, involves a high degree of risk. See Section 4.10 "Risks related to the business and industry in which the Company operates" and Section 5.14 "Risk factors related to the Shares and the Offer Shares".

25 January 2026

*This Prospectus is a national prospectus (Norwegian: nasjonalt prospekt) and has been registered with the Norwegian Register of Business Enterprises in accordance with section 7-8 of the Norwegian Securities Trading Act for reasons of public verifiability, but neither the Financial Supervisory Authority of Norway (Norwegian: Finanstilsynet) (the "**Norwegian FSA**") nor any other public authority has carried out any form of review, control or approval of the Prospectus. This Prospectus does not constitute a European Economic Area ("**EEA**") prospectus, as defined in section 7-1 of the Norwegian Securities Trading Act.*

IMPORTANT INFORMATION

This prospectus dated 25 January 2026 (the "**Prospectus**") has been prepared by Lytix in connection with the Subsequent Offering. The Prospectus has been prepared to comply with Section 7-7 of the Norwegian Securities Trading Act of 29 June 2007 No. 75 (the "**Norwegian Securities Trading Act**") and related legislation and regulations. The Prospectus has been prepared solely in the English language. The Prospectus has not been approved by the Norwegian FSA or any other public authority, but has been registered with the Norwegian Register of Business Enterprises for reasons of public verifiability, pursuant to Section 7-8 of the Norwegian Securities Trading Act. The Prospectus is not subject to, and has not been prepared to comply with the "**EU Prospectus Regulation**" (Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017) and related legislation.

The Company has engaged DNB Carnegie, a part of DNB Bank ASA, as manager in the Subsequent Offering (the "**Manager**").

Prospective investors are expressly advised that an investment in the Offer Shares entails a high degree of risk and that they should therefore read this Prospectus in its entirety, including but not limited to Section 4.10 "Risks related to the business and industry in which the Company operates" and Section 5.14 "Risk factors related to the Shares and the Offer Shares", when considering an investment in the Offer Shares. The contents of this Prospectus are not to be construed as legal, financial or tax advice. Each reader should consult his, her or its own legal advisor, independent financial advisor or tax advisor for legal, financial or tax advice.

In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry into the Company and the terms of the Subsequent Offering, including the merits and risks involved. Neither the Company, the Manager nor any of their representatives or advisors are making any representation to any subscriber of the Offer Shares regarding the legality of an investment in the Offer Shares by such subscriber under the laws applicable to such subscriber.

Prospective investors should assume that the information appearing in the Prospectus is accurate only as at the date on the front cover of the Prospectus, regardless of the time of delivery of the Prospectus or the Offer Shares. The business, financial condition, results of operations and prospects of the Company could have changed materially since that date. The Company expressly disclaims any duty to update this Prospectus except as required by applicable law. Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances imply that there has been no change in the Company's affairs or that the information set forth in this Prospectus is correct as at any date subsequent to the date hereof.

All enquiries relating to this Prospectus must be directed to the Company. No other person is authorised to give information, or to make any representation, in connection with the Subsequent Offering or this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or its advisors.

The Manager is acting exclusively for the Company and no one else in connection with the Subsequent Offering. The Manager will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Subsequent Offering and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for the giving of advice in relation to the Subsequent Offering or any other transaction, matter or arrangement referred to in this Prospectus.

The Offer Shares are being offered only in those jurisdictions in which, and only to such persons to whom, offers and sales of the Offer Shares may lawfully be made, and, in jurisdictions other than Norway, where no filing, registration or similar action would be required. No action has been, or will be, taken in any jurisdiction other than Norway by the Company that would permit an offering of the Offer Shares, or the possession or distribution of any documents relating thereto, or any amendment or supplement thereto, in any country or jurisdiction where specific action for such purpose is required. Accordingly, this Prospectus may not be used for the purpose of, and does not constitute, an offer to sell or issue, or a solicitation of an offer to buy or apply for, any securities in any jurisdiction in any circumstances in which such offer or solicitation is not lawful or authorised. Persons into whose possession this Prospectus may come are required by the Company to inform themselves about and to observe such restrictions. The Company shall not be responsible or liable for any violation of such restrictions by prospective investors.

The securities described herein have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "U.S. Securities Act"), or with any securities authority of any state of the United States. Accordingly, the securities described herein may not be offered, pledged, sold, resold, granted, delivered, allotted, taken up, or otherwise transferred, as applicable, in the United States, except in transactions that are exempt from, or in transactions not subject to, registration under the U.S. Securities Act and in compliance with any applicable state securities laws.

For further information on the sale and transfer restrictions of the Offer Shares, see Section 5.4.5 "Selling and transfer restrictions".

The Prospectus and the Subsequent Offering are subject to Norwegian law. Any dispute arising in respect of or in connection with this Prospectus or the Subsequent Offering is subject to the exclusive jurisdiction of the Norwegian courts with Oslo District Court as legal venue in the first instance.

TABLE OF CONTENTS

1 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Subsequent Offering.

The board of directors of the Company (the "**Board of Directors**") accepts responsibility for the information contained in this Prospectus. The Board of Directors confirms that, after having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 25 January 2026

The Board of Directors of Lytix Biopharma AS

DocuSigned by:
D1D754FD14DF4ED...
Eric Michel Falcand
Chair of the board

Signed by:
B416CB7308984A8...
Brynjar Kristian Forbergskog
Board member

DocuSigned by:
871FEAB2E1244F1...
Kjetil Hestdal
Board member

Signed by:
8BE9CB55FF2C445...
Julie Helene Madeleine Dehaene
Board member

Signed by:
E9E29DA317FA4C8...
Helena Marie-Louise Fjällskog
Board member

Signed by:
3E1162BF7EAB452...
Claus Asbjørn Andersson
Board member

2 GENERAL INFORMATION

2.1 Third Party Information

Certain sections of this Prospectus contain reproductions of information sourced from third parties. To the best knowledge of the Company, such third-party information has been accurately reproduced. As far as the Company is aware and able to ascertain from information published by the relevant third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

2.2 Forward-looking information

This Prospectus contains forward-looking statements relating to, inter alia, the business, strategy, potential benefits of the Company's products, future operations, future progress and timing of development and commercialisation activities, future size and characteristics of the markets that could be addressed by the Company's products, expectations related to the use of proceeds from the Subsequent Offering, future financial performance results, projected costs, prospects, plans and objectives of the Company and/or the industry in which it operates.

Forward-looking statements concern future circumstances and results and other statements that are not historical facts, and may be identified by the use of forward-looking terminology, such as the terms "anticipate", "assume", "believe", "can", "could", "estimate", "expect", "forecast", "intend", "may", "might", "plans", "should", "projects", "will", "would", "seek to" or, in each case, their negative, or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company, or, as the case may be, the industry, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur. Neither the Company nor any of its officers or employees provide any assurance that the assumptions underlying such forward-looking statements are free from errors, nor do any of them accept any responsibility for the future accuracy of the opinions expressed in this Prospectus or the actual occurrence of the forecasted developments. The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to its actual results. Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.

3 INFORMATION ABOUT THE COMPANY

3.1 Name and corporate information

3.1.1 Current name and corporate information

The Company's legal name is Lytix Biopharma AS and the Company's commercial name is Lytix Biopharma. The Company is registered in the Norwegian Register of Business Enterprises with company registration number 985 889 635. The Company's LEI-code is 549300NXMIMRSBCDZO71.

3.1.2 Proposed name change

On 12 January 2026, the Board of Directors called an extraordinary general meeting (the "**General Meeting**") to be held on 26 January 2026 (the "**EGM**"). The Board of Directors has proposed that the EGM resolve to convert the Company into a Norwegian public limited liability company and, relatedly, change its legal name to Lytix Biopharma ASA. Please refer to Section 4.1 "Legal form and applicable law" for additional details.

3.2 The Company's address and contact information

The Company's registered business address is Sandakerveien 138, 0484 Oslo, Norway, which is the Company's principal place of business. The Company's website can be found at www.lytixbiopharma.com.

3.3 The Board of Directors and Management

3.3.1 Introduction

The overall management of the Company is vested with its Board of Directors and the senior management (the "**Management**"). In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and asset management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set by the Board of Directors. Among other responsibilities, the Company's Chief Executive Officer (the "**CEO**") is responsible for keeping the Company's accounts in accordance with applicable Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must, according to Norwegian law, brief the Board of Directors on the Company's activities, financial position and operating results at least once per month.

3.3.2 The Board of Directors

3.3.2.1 General

The Company's articles of association (the "**Articles of Association**") provide that the Board of Directors shall comprise between three and nine members, as elected by the Company's shareholders in an ordinary or extraordinary General Meeting (as applicable).

The Company's registered business address, Sandakerveien 138, 0484 Oslo, Norway, serves as business address for the members of the Board of Directors in relation to their directorship in the Company.

3.3.2.2 Composition of the Board of Directors

The names and positions of the members of the Board of Directors are set out in the table below.

Name[1]	Position	Served since	Term expires	Shares held	Options held[2]
Eric Michel Falcand.....	Chair	2025	AGM 2027	0	100,000
Brynjar Kristian Forbergskog	Director	2021	AGM 2026	8,026,714[3]	100,000
Julie Helene Madeleine Dehaene	Director	2025	AGM 2027	0	100,000
Helena Marie-Louise Fjällskog	Director	2021	AGM 2026	0	100,000
Claus Asbjørn Andersson.....	Director	2025	AGM 2027	0	100,000
Kjetil Hestdal	Director	2021	AGM 2026	13,500	100,000

1 The nomination committee has proposed that Darlene Deptula-Hicks is elected to the Board of Directors at the EGM, see Section 3.3.2.4 for additional details.

2 The Company's option program is described in Section 4.4.4.1.

3 The shares are held through Hifo Invest AS and Saturn Invest AS, two companies controlled by Brynjar Kristian Forbergskog.

3.3.2.3 Brief biographies of the board members

Set out below are brief biographies of members of the Board of Directors, including their managerial expertise and experience, in addition to an indication of any significant principal activities performed by them outside of the Company.

Eric Michel Falcand, Chair

Eric Falcand, PhD, is a pharmaceutical executive with over 37 years of international experience gained at pharma and biotech in business development, general management, market access, and commercialisation, primarily within the oncology sector. Lately he held senior leadership roles at Servier Group, including Vice President and Global Head of Business Development, where he led major acquisitions such as Shire Oncology and Agios' oncology portfolio and multiple other significant transactions. Eric has served as CEO of Neopharmed Gentili and currently advises Private Equity Firms and pharma/biotech companies in the health sector. He also holds a board position at Netris Pharma, supporting innovation in oncology. Eric holds a Doctorate in Veterinary Medicine, a Master's in Industrial Pharmacy, and an MBA from EM Lyon, France.

Brynjar Kristian Forbergskog, Board Member

Mr. Forbergskog is the CEO of his privately owned investment company, Saturn Invest AS and serves on the board of several companies. Mr. Forbergskog was previously the Chief Financial Officer and the Chief Executive Officer of Torghatten ASA. During Forbergskog's tenure at Torghatten ASA, the company grew from being a small locally based provider of transport services, into one of the largest of its kind in the Nordic region, with more than 7,000 employees and an annual turnover of more than NOK 11 billion.

Julie Helene Madeleine Dehaene, Board Member

Julie Dehaene-Puype is a pharmaceutical executive with over 25 years of international experience across the US and Europe, holding leadership roles at Schering-Plough, Merck/MSD, Takeda, Mundipharma and Kyowa Kirin. Julie has successfully led large-scale commercial organisations and held full P&L responsibility at country and regional levels, including as General Manager for Takeda in Switzerland and France, and as Chief Commercial Officer for Europe/Canada at Mundipharma. There, she also led the global commercial strategy for an infectious disease asset in the pre-launch phase. She recently joined Japan-based Kyowa Kirin as President for the International region, focusing on rare diseases. Julie has a strong track record of driving growth, leading transformations, and building high-performing teams in multicultural environments.

Helena Marie-Louise Fjällskog, Board Member

Marie-Louise Fjällskog, MD, PhD, is a senior life science executive with over 25 years of experience in clinical oncology and drug development, primarily within immuno-oncology. She currently leads Fjaellskog Oncotherapeutics LLC and serves on the boards of Biovica International AB and Faron Pharmaceuticals. Her prior roles include Chief Medical Officer at Sensei Biotherapeutics and Faron Pharmaceuticals. Marie-Louise holds a PhD in Oncology and is an Associate Professor (Docent) of Oncology affiliated with Uppsala University, Sweden.

Claus Asbjørn Andersson, Board Member

Claus Andersson, PhD, is an experienced venture capital investor specializing in life sciences, with over 20 years of expertise in building and funding biotech and pharmaceutical companies. Currently he serves as General Partner at Sunstone Life Science Ventures. He has served on more than 20 international boards across companies from preclinical to commercial stages. Claus focuses on strategic investments, business development, and company growth, helping companies navigate fundraising, M&A, and public listings. His work is supported by an extensive global network in the life sciences sector, emphasizing value creation and successful transaction outcomes. Claus holds a Master's degree in Civil Chemical Engineering and a PhD in Mathematical Statistics.

Kjetil Hestdal, Board Member

Kjetil Hestdal, MD, PhD, is a Senior Life Science Executive, who previously, among others, held the position as CEO of Photocure ASA, a commercial-stage company focused on bladder cancer, listed on the Oslo Stock Exchange. He presently serves on the board of directors of other life science companies and provides consulting and management services related to development and commercial expertise to pharma, medtech and biotech companies. Dr. Hestdal holds is a Medical Doctor and holds a Ph.D. in immunology.

3.3.2.4 Proposed additional board member

The nomination and compensation committee has proposed that Darlene Deptula-Hicks is elected as an additional board member at the EGM with a proposed term until the Company's annual General Meeting in 2027. The nomination and compensation committee has also proposed that Darlene Deptula-Hicks, if elected, shall be granted 100,000 share options.

Darlene Deptula-Hicks holds no shares in the Company.

Darlene Deptula-Hicks, MBA, is a seasoned biotech and life-sciences executive with more than two decades of senior leadership experience across public and private companies in therapeutics, diagnostics, medical devices and emerging technologies. A repeat CFO and strategic financial advisor, she has led companies through IPOs, major capital raises, strategic partnerships and value-creating exits, most recently as CFO of F-star Therapeutics (IPO 2020; acquisition 2023), and she currently serves as CFO of Normunity. She has expertise in capital markets, investor relations, governance and financial reporting (SEC, Nasdaq, IFRS, US GAAP, SOX), fund-raising experience, board and Audit Committee leadership since 2006, and operational knowledge of product development, clinical/regulatory processes, commercialisation, supply chain and business development. She holds an MBA from Rivier University and a B.S. in accounting from Southern New Hampshire University.

The notice convening the EGM, including the nomination and compensation committee's proposal to elect Darlene Deptula-Hicks is available at the Company's website. The minutes of the EGM will be published on the Company's website following the conclusion of the EGM and are expected to be available the same day

3.3.3 Management

3.3.3.1 General

As of the date of this Prospectus, the Company's Management consists of five individuals. The names of the members of the Management and their respective positions are presented in the table below.

Name	Position	Employed since	Shares held	Options held
Øystein Rekdal	Chief Executive Officer	11 September 2019	176,179	2,047,860
Gjest Breistein	Chief Financial Officer	1 September 2018	43,778	682,620
Baldur Sveinbjørnsson	Chief Scientific Officer	1 December 2019	24,213	1,023,930
Brent Meadows	Chief Business Officer	1 April 2025	0	614,358
Mette Husbyn	Chief Technical Officer	1 February 2025	0	341,310

The Company's registered business address, Sandakerveien 138, 0484 Oslo, Norway, serves as business address for the members of the Management in relation to their employment with the Company.

3.3.3.2 Brief biographies of the Management

Øystein Rekdal, Chief Executive Officer

Dr. Rekdal is a co-founder of Lytix and has previously served as CSO and Head of R&D within the Company. Dr. Rekdal commenced his PhD focusing on cytokines and tumour immunology. His postdoctoral research, centred around anticancer molecules derived from host defence peptides, laid the foundation for Lytix' oncolytic molecule platform. Dr. Rekdal's extensive experience in drug development has been pivotal in establishing collaborations with esteemed researchers and institutions worldwide, and he played a key role in executing the out-licensing deal with Verrica. Dr. Rekdal is regularly invited to deliver plenary lectures at international oncology, industry, and partnering conferences.

Gjest Breistein, Chief Financial Officer

Gjest Breistein is a state-authorised public accountant with a Master's degree in Applied Economics and Finance from Copenhagen Business School and a Master's degree in Professional Accountancy from BI Norwegian Business School. He serves as Chief Financial Officer of Lytix Biopharma AS, where he has been instrumental in the Company's listing on Euronext Growth Oslo and has led multiple fundraising transactions. Mr. Breistein is responsible for Lytix' financial reporting, capital markets activities, investor relations, and corporate governance. Prior to joining Lytix, he spent eight years at PricewaterhouseCoopers AS, including in PwC's Capital Markets group, advising on capital market transactions, financings, and listing processes.

Baldur Sveinbjørnsson, Chief Scientific Officer

Baldur Sveinbjørnsson, Dr. Philos, is Chief Scientific Officer of Lytix Biopharma AS and has been a pivotal contributor in the Company's research activities since its inception. He has led Lytix' research and preclinical development efforts and has played a central role in the establishment and advancement of the Company's oncolytic molecule platform. Dr. Sveinbjørnsson holds a Dr. Philos degree from the Medical Faculty of UiT The Arctic University of Norway, where his research focused on immunomodulation of experimental tumours. He has extensive experience in preclinical oncology from UiT The Arctic University of Norway and Karolinska Institutet in Stockholm.

Brent Meadows, Chief Business Officer

Mr. Meadows has more than 25 years of experience in biopharmaceutical strategy and business development leadership roles. Most recently, Mr. Meadows served as CBO at OncoOne, where he defined the company's overall business strategy and oversaw all aspects of business development and partnering, including deal execution. He has also held senior-level positions in business development, commercial strategy and global marketing at Regeneron, Bristol Myers Squibb, Biogen and Johnson and Johnson. While at AVEO Oncology and Baxalta/Shire, he co-led multiple transactions each worth over $1 billion, transforming these oncology franchises. Mr. Meadows holds a Master's in Business Administration from Babson College and a Bachelor's in Science in Finance from the University of Richmond.

Mette Husbyn, Chief Technical Officer

Dr. Mette Husbyn brings over 16 years of experience at GE Healthcare, where she held various scientific and managerial roles covering all aspects of CMC, from pre-clinical and early clinical phases to commercial products. Following her tenure at GE, Dr. Husbyn served as Head of CMC at Lytix Biopharma from 2012 to 2017, where she oversaw all CMC activities and established robust processes to enhance drug development. Most recently, she held the position of Head of CMC and CTO at Nykode Therapeutics, leading a team of 32 professionals focused on strategic partner selection, process development, and regulatory interactions across the US and Europe. Dr. Husbyn earned her doctorate from the Medical Faculty of the University of Oslo in 2003, specializing in peptide chemistry.

3.3.4 Disclosure regarding convictions, sanctions, bankruptcy, etc.

None of the members of the Board of Directors or the Chief Executive Officer or the Chief Financial Officer have during the last five years preceding the date of this Prospectus:

- been presented with any convictions related to indictable offences or convictions related to fraudulent or other financial offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership, liquidation or companies put into administration in his capacity as a founder, director or senior manager of a company.

The above is also confirmed with respect to proposed new board member Darlene Deptula-Hicks.

3.3.4.1 Benefits upon termination

Upon termination of employment by the Company, the CEO is entitled to severance pay equal to 100% of his ordinary fixed salary as at the date of the termination for a period of one year after the expiry of the notice period. Other than this, no employee, including any member of Management, has entered into employment agreements which provide for any special benefits upon termination. None of the members of the Board of Directors will be entitled to any benefits upon termination of office.

3.3.5 Corporate governance

The Company considers good corporate governance to be a prerequisite for value creation and trustworthiness and for access to equity. To secure strong and sustainable corporate governance, it is important that the Company ensures good business practices, reliable financial reporting and an environment of compliance with legislation and regulations.

The Company is not subject to the Corporate Governance Code, but the Board of Directors actively adheres to good corporate governance standards.

3.3.6 Nomination and compensation committee

The Company has established a nomination and compensation committee as required by the articles of association. The nomination and compensation committee comprises Steinar Thoresen (Chair), Lise von Tangen and Erik Rosen.

4 ADDITIONAL INFORMATION ABOUT THE COMPANY

4.1 Legal form and applicable law

The Company is a private limited liability company (Nw.: *aksjeselskap*), validly incorporated and existing under the laws of Norway and in accordance with the Norwegian Private Limited Liability Companies Act of 13 June 1997 No. 44 (the "**Private Companies Act**").

The Board of Directors has proposed that the EGM resolve to convert the Company into a public limited liability company (*Nw.: allmennaksjeselskap*), which, if approved, would result in the Company becoming subject to the Norwegian Public Limited Liability Companies Act of 13 June 1997 No. 45 (the "**Public Companies Act**"). In connection with such conversion, the Board of Directors has proposed changing the Company's legal name to Lytix Biopharma ASA (see Section 3.1 "Name and corporate information"). Additionally, the Board of Directors has proposed certain changes to the articles of association to comply with the requirements set out in the Norwegian Public Limited Liability Companies Act (see Section 4.4.1 "Shares and share capital" for additional details).

The notice convening the EGM, including the Board of Directors' proposal to convert the Company into a public limited liability company, is available on the Company's website. The minutes of the EGM will be published on the Company's website following the conclusion of the EGM and are expected to be available on the same day.

The Company's conversion to a public limited liability company will take effect upon registration in the Norwegian Register of Business Enterprises. Registration, subject to approval by the EGM, is expected to occur on or about 27 January 2026.

4.2 Date of incorporation

The Company was incorporated on 1 July 2003.

4.3 The purpose of the Company pursuant to the Articles of Association

The Company's business, as stated in the Articles of Association, is to develop, market and sell pharmaceutical and biotechnology products, as well as associated business activities. The Company may have ownership interests in entities within the same or related industries.

4.4 Description of the Shares and rights to Shares

4.4.1 Shares and share capital

As of the date of this Prospectus, the Company's registered share capital is NOK 7,508,820.20 divided into 75,088,202 Shares, each with a par value of NOK 0.10. All of the Company's Shares have been issued under the Private Companies Act and are validly issued and fully paid.

The Company has one class of shares, and accordingly there are no differences in the voting rights among the Shares. The Shares are freely transferable, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal. Pursuant to the Articles of Association, the Company's Shares shall be registered in VPS.

The Shares are registered in book-entry form with the VPS under the ISIN NO0010405780. The Company's register of shareholders in VPS is administered by the VPS Registrar, DNB Bank ASA, Dronning Eufemias gate 30, 0191 Oslo, Norway.

On 16 June 2021, the Company's Shares were admitted to trading on Euronext Growth. Euronext Growth is a multilateral trading facility (MTF). Euronext Growth is subject to the rules in the Norwegian Securities Trading Act and other applicable regulations as well as Euronext Growth's own rules. Euronext Growth is not a regulated market. The rules and regulations applicable to a company listed on Euronext Growth are adjusted to small growth companies and are less extensive than those applicable to a company listed on a regulated market.

4.4.2 Ownership structure

As of 22 January 2026, being the last practical date prior to the date of this Prospectus, the Company's twenty largest shareholders on record in the VPS were:

#	Shareholder	Number of Shares	Per cent of share capital
1	Jakob Hatteland Holding AS	8,214,714	10.9 %
2	Saturn Invest AS	6,707,801	8.9 %
3	Taj Holding AS	6,163,259	8.2 %
4	Citibank, N.A.	4,903,922	6.5 %
5	Skandinaviska Enskilda Banken Ab	2,750,000	3.7 %
6	Per Strand Eiendom AS	2,574,658	3.4 %
7	Lyr Invest AS	2,438,863	3.2 %
8	Brødrene Karlsen Holding AS	2,283,507	3.0 %
9	3T Produkter Holding AS	1,808,764	2.4 %
10	Nordnet Livsforsikring	1,449,539	1.9 %
11	Lysnes Invest AS	1,448,987	1.9 %
12	Ynni Invest AS	1,392,889	1.9 %
13	Hifo Invest AS	1,318,913	1.8 %
14	Kvasshøgdi AS	1,307,652	1.7 %
15	Lth Invest AS	896,786	1.2 %
16	Belvedere AS	892,292	1.2 %
17	Dragesund Invest AS	816,474	1.1 %
18	JPB AS	813,061	1.1 %
19	Vohra, Arun	731,038	1.0 %
20	Pettersen, Per Ove Løkke	704,000	0.9 %
Total top 20		49,617,119	66.1 %
Others		25,471,083	33.9 %
Total		75,088,202	100.0 %

As of the date of this Prospectus, the Company does not hold any treasury shares.

There are no arrangements known to the Company that may lead to a change of control in the Company.

4.4.3 Authorisations

4.4.3.1 Authorisation to increase the share capital

At the annual General Meeting held on 29 April 2025, the Board of Directors was granted an authorisation to increase the share capital in connection with the Company's option program by up to NOK 682,620; this authorisation remains effective and unused. The authorisation is valid until the annual General Meeting in 2027, but no later than 29 April 2027.

The Board of Directors has proposed that the EGM resolves to grant the Board of Directors an authorisation to increase the Company's share capital by up to NOK 1,501,764. The notice convening the EGM is available on the Company's website. The minutes of the EGM will be published on the Company's website following the conclusion of the EGM and are expected to be available the same day.

4.4.3.2 Authorisations to acquire treasury Shares

As of the date of this Prospectus, the Board of Directors does not hold any authorisations to acquire treasury Shares.

4.4.4 Financial instruments

4.4.4.1 Share option program

As of the date of this Prospectus, Lytix has an incentive program for the Company's Board of Directors, Management, employees, and consultants. A total of 6,259,984 share options have been awarded under the Company’s incentive program. Pursuant to the Company’s current policy, the aggregate number of share options that may be granted shall not exceed 10% of the Company’s issued share capital. Based on the Company’s issued share capital as at the date of this Prospectus, 10%

equals 7,508,820 share options, leaving 1,248,836 share options available for grant. If the Subsequent Offering is completed, the number of unawarded share options available for grant will increase.

	Management, employees, directors, consultants
No. of options in program	**7,508,820[1]**
No. of options allocated to employees, management, board members, chairpersons, and advisors	(6,259,984)
Remaining options (can be allocated to individuals)	***1,248,836***

1 Based on the Company's current option policy, the aggregate number of share options that may be granted shall not exceed 10% of the Company's issued share capital. Subject to completion of the Subsequent Offering, the number of unawarded share options available for grant, will increase.

The Board of Directors may allocate the remaining options to eligible individuals. The Nomination and Compensation Committee proposed in their recommendation to the EGM that Ms. Deptula-Hicks should be granted 100,000 share options with an exercise price of NOK 9.94, on the same terms and conditions as applicable to the other members of the Board of Directors and in accordance with the Company's approved share option program. As of the date of this Prospectus, there are no additional plans to allocate the remaining share options. However, such options may be granted in the future to new hires or existing employees, subject to applicable corporate approvals. Any future grants will be made in accordance with the share option program, with the exercise price determined based on the market price of the Company's shares at the time of allocation.

Under the incentive program, the option holder must comply with the following terms during the vesting period and up to the date for the actual and complete execution of the option rights:

(i) The option holder shall not, directly or indirectly and by any means, be involved in a business which might be in competition with the Company's business at any time, unless prior written acceptance is obtained from the Company; and

(ii) The option holder shall not, directly or indirectly, be involved in any activities related to or targeted towards the Company's customers, business partners or employees, unless prior written acceptance is obtained from the Company or the holder's ordinary position comprises carrying out the relevant activities.

A further description of the incentive program is set out below.

Award date	Expiry date	Exercise price	No options granted/ allocated to individuals	Vested as of 31 December 2025
14 December 2022	14 December 2027	8.50	749,500	593,401
18 April 2023	18 April 2028	7.30	180,000	120,000
21 May 2025	21 May 2030	5.00	420,000	0
2 September 2025	2 September 2030	7.98	4,910,484	2,389,170
Sum			**6,259,984**	**3,102,571**

The Board of Directors has determined that the Company shall apply a standard vesting schedule, subject only to limited exceptions approved by the Board of Directors. The options will vest pursuant to the vesting schedule inserted below. The options are vested (earned) over a period of four years. 25% of the options are vested on the date falling one year after the date of grant while the remaining options (75%) are vested over the three following years, with monthly vesting the last day of each month (each day of vesting a "**Vesting Date**"). The Strike Price is the same irrespective of Vesting Date and date of exercise of options.

The option holder must be an employee, director or consultant (an "**Eligible Participant**") of Lytix during the entire period of vesting, up to and including each Vesting Date, for the relevant options to vest.

	Date	Options vested	Cumulative options vested	
Year 1	Date of Grant	0.00 %	0.00 %	
	Date of Grant + 1 year	25.00 %	25.00 %	End of year 1
Year 2	Monthly vesting	=25%/12	50.00 %	End of year 2
Year 3	Monthly vesting	=25%/12	75.00 %	End of year 3
Year 4	Monthly vesting	=25%/12	100.00 %	End of year 4
Sum		**100 %**		

4.4.5 No other financial instruments

Other than the Company's share option program, the Company has not issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Shares in the Company.

4.5 Description of the Company's business

4.5.1 Introduction

Lytix is a clinical stage immuno-oncology company developing cancer immunotherapies designed to activate the patient's immune system to recognise and eliminate cancer cells. Founded in 2003, Lytix is headquartered in Oslo, Norway, and collaborates with internationally renowned research institutions and hospitals.

The Company is developing a portfolio of oncolytic molecules, generated from "host defence peptides", supported by more than 25 years of research. These molecules are designed to induce cell death by disrupting cancer cell membranes following intratumoral administration, leading to the release of tumour-specific neoantigens and immunostimulatory signals. This mechanism is intended to activate a broad, tumour specific immune response and promote immune-cell infiltration in both injected and non-injected tumour lesions.

Lytix believes that its platform may address key limitations of existing cancer immunotherapies, including tumour heterogeneity and insufficient immune-cell infiltration, which contribute to resistance and limited durability of response in many solid tumours.

Based on this platform, Lytix seeks to advance and expand its pipeline to realise the therapeutic and commercial potential of its technology. As the Company's product candidates are administered through intratumoral injection, Lytix primarily focuses on patients with solid tumours and accessible lesions. The Company has established a cross-functional organisation to support clinical development and will continue to pursue strategic partnerships where appropriate.

Today, Lytix has the following compounds in active development:

(i) Ruxotemitide, the Company’s lead product candidate, is a first-in-class oncolytic molecule designed to induce an in situ therapeutic vaccination effect and enhance anti-cancer immune responses. Ruxotemitide disrupts cancer cell membranes, resulting in immunogenic cell death and release of tumour-specific antigens, thereby enabling cytotoxic T cells to recognise, infiltrate, and attack cancer cells. Ruxotemitide is currently being investigated in one investigator-led Phase II clinical study in neoadjuvant melanoma.

(ii) LTX-401 is a novel small molecule product candidate intended for local treatment of deep-seated tumours and it shares key mechanistic features with ruxotemitide. In preclinical experimental models, including liver cancer models, LTX-401 has shown activity consistent with anti-tumour activity associated with increased T-cell infiltration and tumour regression. In combination with immune checkpoint inhibitors, LTX-401 has demonstrated abscopal effects in experimental models not observed with checkpoints inhibitors alone. LTX-401 has shown to be safe and well tolerated in preclinical safety studies and is currently in the final stages of preclinical development, with the first-in-human clinical study planned to be initiated 2027.

(iii) Additional undisclosed assets in the discovery phase.

Through its programs, Lytix has demonstrated the versatility of its technology platform across multiple cancer types in both clinical and preclinical settings. The data generated to date, form the basis for the Company's continued development strategy and its confidence in the potential of the platform, further supported by strategic partnerships.

Lytix will follow a strategic plan based on:

- An accelerated development of existing pipeline product candidates in selected solid tumour indications, both as monotherapy and in combination with established or emerging therapies.
- Discovery and development of novel molecules based on the Company's proprietary technology platform, including expansion into additional therapeutic areas and clinical settings.
- Continued pursuit of strategic partnerships to maximise the long-term value of the technology platform.

4.5.2 Technology background

Lytix' oncolytic molecules are a form of cancer immunotherapy derived from the optimisation of host defence peptides. Host defence peptides are a fundamental part of the innate immune system and are present across virtually all forms of life. Lytix' oncolytic molecule portfolio comprises both peptide- and small molecule product candidates that are administered by direct intratumoral injection. These molecules induce cancer cell death in a manner that activates the immune system through immunogenic cell death and enables recognition of tumour specific antigens.

The oncolytic molecules are developed for intratumoral administration, i.e., by injection directly into the tumour. Upon exposure to Lytix' molecules, the cancer cell membrane disintegrates, resulting in a necrotic cell death and destruction of intracellular organelles such as the mitochondria. As a result, "danger signals" (danger associated molecular patterns, DAMPs) and a wide spectrum of tumour antigens will be released from cancer cells, facilitating an optimal activation of dendritic cells and a subsequent cascade of anti-tumour immune responses. This process leads to an increased influx of T cells into the tumour.

Through local reprogramming of the tumour microenvironment, including reduction of immunosuppressive cell populations and subsequent infiltration of cytotoxic T cells, systemic anti-cancer immune responses may be initiated. Lytix' molecules address tumour heterogeneity through a membranolytic mechanism of action that is not dependent on specific molecular targets and are equally active against both therapy-resistant and therapy-sensitive cancer cells. As the oncolytic molecules' mode of action may increase immune cell infiltration into tumours, the oncolytic molecules may be suitable for use in combination with other immunotherapies, such as checkpoint inhibitors and cell-based therapies, where insufficient immune-cell infiltration represent one of the major hurdles for these therapies to be effective.

Despite significant advances in cancer immunotherapy, only a subset of patients achieves durable responses. Key factors contributing to limited response rates include tumour heterogeneity and tumour-mediated immunosuppression. Solid tumours often exhibit substantial tumour heterogeneity, arising from the accumulation of genetic alterations during tumour growth, resulting in cancer cell populations with varying sensitivity to treatment. This biological diversity of the tumour presents a major challenge in cancer therapy, as it can promote treatment resistance and disease recurrence. In a survey among high

prescribing oncologists, tumour heterogeneity was ranked as the major hurdle for the successful treatment of cancer.[1] Tumour heterogeneity represents a major challenge in effectively eliminating all cancer cells in one tumour and developing cancer therapies that work universally for different indications.

Tumour heterogeneity is considered one of the most significant challenges in cancer treatment for several reasons:

(i) Treatment resistance: Distinct cancer cell populations within a tumour may acquire genetic alterations that confer resistance to specific treatments. While one population of cells may respond well to a particular therapy, another population may continue to grow and evade treatment. This can lead to treatment failure and disease recurrence and an even harder-to-treat disease.

(ii) Metastasis: Tumour heterogeneity may contribute to metastatic spread. Certain subpopulations of cells within a tumour may acquire characteristics that enhance their ability to invade surrounding tissue and disseminate to distant organs, resulting in disease progression.

(iii) Challenges for personalized medicine: The presence of tumour heterogeneity poses challenges for the development of effective personalized cancer treatments. It is difficult to target all the diverse cell populations within a tumour with a single targeted therapy. Additionally, the genetic changes observed in a tumour at one point in time may evolve over the course of treatment, leading to further heterogeneity and therapy resistance.

(iv) Diagnostic and prognostic implications: Tumour heterogeneity can complicate accurate diagnosis and prognosis. Biopsies or genetic testing from a limited area within a tumour may not capture the full genetic landscape, potentially leading to incomplete or misleading information about the tumour characteristics and behaviour.

4.5.3 Assets

Lytix' technology platform is designed to generate multiple product candidates within the class of oncolytic therapies, with potential application across several cancer types.

The Company's lead candidate, ruxotemitide (formerly known as LTX-315), is being developed in multiple clinical settings. Ruxotemitide is currently being evaluated by Lytix in an investigator-led neoadjuvant Phase II clinical trial in combination with the immune checkpoint inhibitor pembrolizumab in melanoma patients with resectable tumours, and has also completed Phase II clinical development in dermatologic oncology indications by the Company's strategic partner, Verrica Pharmaceuticals. In addition, ruxotemitide has completed two phase II trials, both as monotherapy and in combination with pembrolizumab. Data generated from these studies indicate clinically relevant activity and a favourable safety and tolerability profile in the studied patient populations. Based on the results obtained to date, the Company is progressing ruxotemitide towards further late-stage clinical development, including preparation for pivotal, randomised studies in selected solid tumour indications.

LTX-401 is a second-generation, small molecule oncolytic product candidate in preclinical development, designed for the local treatment of deep-seated solid tumours, including liver cancer. LTX-401 is based on the same underlying platform as ruxotemitide and is being developed in a novel formulation intended to enhance anti-tumour activity and support extended intellectual property protection. LTX-401 is being prepared for entry into a first-in-human clinical trial planned to commence in 2027.

4.5.3.1 Ruxotemitide

Ruxotemitide is the Company's lead product candidate and is a small peptide derived from bovine lactoferricin. It is a first-in-class oncolytic molecule developed for intratumoral administration, i.e. direct injection into the tumour. In preclinical studies, intratumoral administration of ruxotemitide in solid tumour models has resulted in tumour growth inhibition and, in certain models, in tumour regression, as well as induction of tumour specific immune responses. The studies also demonstrated increased infiltration of T cells into the tumour microenvironment following treatment.

[1] GlobalData High-Prescriber Survey, Dec. 2020

Ruxotemitide has been evaluated across multiple clinical studies, both as monotherapy and in combination with other immunotherapeutic approaches, including immune checkpoint inhibitors and adoptive cell therapies. Across these studies, ruxotemitide has demonstrated an acceptable safety and tolerability profile and has shown immune-mediated anti-tumour activity consistent with its proposed mechanism of action.

In addition to early-phase studies, ruxotemitide is currently being evaluated in the investigator-initiated NeoLIPA neoadjuvant Phase II study in patients with resectable melanoma. The clinical development of ruxotemitide also includes completed Phase II studies in advanced melanoma (ATLAS-IT-05) and in basal cell carcinoma conducted by the Company's license partner, Verrica Pharmaceuticals. Collectively, these studies demonstrate that ruxotemitide has been evaluated across multiple tumour types, clinical settings, and combinations regimens, supporting its potential as an intratumoral immunotherapy.

4.5.3.2 LTX-401

LTX-401 is a preclinical, small-molecule oncolytic product candidate intended for the local treatment of deep-seated tumours, including hepatocellular carcinoma and liver metastases. LTX-401 shares key mechanistic features with ruxotemitide and has demonstrated anti-tumour activity in preclinical experimental models, including liver cancer models. LTX-401 is being developed in a novel formulation designed to improve anti-tumour effects.

In several experimental animal models, intratumoral administration of LTX-401 has resulted in tumour regression and induction of systemic immune responses in cured animals.[2] LTX-401 has demonstrated activity in combination with immune checkpoint inhibitors[3] in preclinical studies and has shown anti-tumour effects in liver cancer models (hepatocellular carcinoma).[4]

Based on the preclinical data generated to date, LTX-401 may represent an extension of the Company's oncolytic platform into deep-seated tumour indications. LTX-401 remains in preclinical development and is being prepared for entry into a first-in-human clinical trial planned to commence in 2027.

4.5.4 Development program

Lytix' technology platform may benefit the lives of patients across many cancer types with accessible lesions. Our lead candidate, ruxotemitide, has been studied in several Phase I/II studies where patients with various solid cancer types (e.g., melanoma, basal cell carcinoma, breast cancer, soft tissue sarcoma, and head and neck cancer) have been enrolled.

The program progresses the oncolytic molecules both as monotherapies, and as a combination partner to checkpoint inhibitors and as an adjunct to cell therapy.

While demonstrating the versatility of the Lytix technology platform, we have chosen to initially focus on skin cancers.

ATLAS-IT-05 (Recruitment completed)

The ATLAS-IT-05 study is a Phase II clinical trial designed to evaluate the safety and efficacy of ruxotemitide in combination with the immune checkpoint inhibitor pembrolizumab in patients with stage III-IV melanoma who are refractory to prior treatment with anti-PD-1/PD-L1 inhibitors. All enrolled patients had previously received checkpoint inhibitor therapy and had documented disease progression prior to enrolment.

The study was initiated in December 2021 at MD Anderson Cancer Center in Houston, Texas, and was conducted across a total of ten clinical sites including four sites in the United States and six sites in Europe. Patients received intratumoral administration of ruxotemitide for up to five weeks, while pembrolizumab treatment continued until disease progression or for up to 24 months following enrolment.

[2] Eike *et al*, PLoS One 11:e0148980, 2016.

[3] Xie, W. et al. Oncoimmunology, 8(7):1594555, 2019.

[4] Mauseth, B. et al. Mol Ther Oncolytics 14:139-148, 2019.

Top-line data from all 20 enrolled patients demonstrate disease control in approximately 40% of patients, with durable responses observed in certain patients for up to two years. One patient achieved a partial response. Long-term follow-up has shown durable disease stabilisation extending up to two years post-treatment in patients who had previously failed to respond to multiple prior lines of immuno-oncology therapy. Tumour shrinkage has been observed in both injected lesions and non-injected lesions in a subset of patients, consistent with a systemic immune-mediated effect.

The combination of ruxotemitide and pembrolizumab has been generally well tolerated, with a safety profile consistent with known effects of intratumoral immunotherapies and without evidence of additional toxicity attributable to ruxotemitide when administered in combination with pembrolizumab. Based on the data generated to date, the Company considers the results from ATLAS-IT-05 to support both the safety profile of the combination regimen and the proposed mechanism of action, particularly in a heavily pre-treated and immunotherapy-refractory patient population.

Verrica Phase II study (Completed)

The study was conducted by the Company's dermatologic oncology licensee, Verrica Pharmaceuticals, in patients with basal cell carcinoma (BCC). In this Phase II, open-label, multicenter, proof-of-concept study, ruxotemitide (named VP-315 by Verrica) was administered intratumorally as monotherapy. Verrica received IND clearance from the U.S. Food and Drug Administration (FDA) in November 2021, and the first patient was enrolled in April 2022.

In August 2024, Verrica reported preliminary top-line results from Part 2 of the Phase II study based on 93 confirmed BCC lesions treated in Part 2 (with certain tumour-size reduction data pending for three lesions). Ruxotemitide was generally well tolerated, and no dose-limiting toxicities or treatment-related serious adverse events were reported. Verrica reported that approximately 51% of treated lesions achieved complete histologic clearance, that patients with residual tumour had an average histologic tumour-size reduction of approximately 71%, and that the overall reduction in tumour size across lesions was approximately 86%.

In November 2025, Verrica presented additional exploratory translational analyses from a subset of Part 2 (22 subjects / 24 tumours) assessing immune responses in the tumour microenvironment 12–14 weeks post-treatment. Verrica reported increases in T-cell densities (including cytotoxic T cells), increased B-cell infiltration, and reductions in immunosuppressive cell populations, consistent with immune activation and reprogramming of the tumour microenvironment. Verrica also reported a post-hoc calculated objective response rate of 97% and noted histologic findings in non-injected lesions suggestive of a potential abscopal-like effect. The post-hoc, exploratory analysis calculating an objective response rate (ORR), was not a pre-specified primary or secondary endpoint of the study.

NeoLIPA (Ongoing)

NeoLIPA is an ongoing, investigator-initiated Phase II clinical study evaluating ruxotemitide administered intratumorally in combination with the immune checkpoint inhibitor pembrolizumab as neoadjuvant treatment in patients with clinically detectable and resectable stage III–IV melanoma. The study is conducted at Oslo University Hospital – The Norwegian Radium Hospital, under the leadership of Dr. Henrik Jespersen.

The study evaluates safety, feasibility, and pathological response at surgery, including pathological complete response (pCR), as well as exploratory immunologic readouts. The study is planned to enrol a total of 27 patients.

In November 2025, interim data from the NeoLIPA study were presented at the Nordic Melanoma Meeting in Tromsø. At the time of the interim analysis, 13 patients had been enrolled, of whom nine were evaluable for pathological response. Among these nine evaluable patients, an overall pathological response was observed in 88%, including a major pathological response (MPR) in 55% of patients and a pathological complete response (pCR), defined as no remaining viable tumour cells in the resected specimen, in 44% of patients. No disease relapses had been reported at the time of the interim analysis. The combination treatment was reported to have a favourable safety profile in the treated patients.

Pathological response, and in particular pCR, is considered an important surrogate endpoint in neoadjuvant melanoma studies and has been associated with improved event-free survival in published literature. While the number of patients evaluated to

date is limited and the dataset continues to mature, the interim findings support continued clinical development of ruxotemitide in the neoadjuvant melanoma setting.

Top-line data from the NeoLIPA study are expected in mid-2026. The Company intends to use the results from NeoLIPA, together with data from its broader ruxotemitide clinical program, to inform future late-stage development decisions in resectable melanoma.

ATLAS-IT-04 (Completed)

The ATLAS-IT-04 trial was an open-label, Phase II trial assessing the effect of ruxotemitide when used in combination with Adoptive Cell Therapy (ACT) in patients with progressive metastatic soft tissue sarcoma that had failed standard treatment.

The ATLAS-IT-04 trial included intra-tumoral injections of ruxotemitide ahead of surgical removal of tumour lesions, followed by in vitro expansion of T cells isolated from the resected tumour lesion. In a second step, the expanded T cells were infused back to the patients. Six heavily pretreated patients were included in the trial and treated with ruxotemitide, of which four patients proceeded to adoptive T-cell therapy. The treatment was safe, and the best overall clinical response was stabilisation of the disease for 208 days. The immune response data from the trial demonstrated that the treatment induces tumour-specific T cells in the blood, providing proof of concept that ruxotemitide generates an immune response that targets the tumour.

This Phase II study also showed that it is feasible to combine ruxotemitide and adoptive T-cell therapy and confirms that ruxotemitide can induce tumour specific immune responses resulting in stabilisation of the disease in sarcoma patients with otherwise progressive disease.

Results from the ATLAS-IT-04 study have been published in Oncoimmunology,[5] a peer-reviewed, open-access journal focusing on tumour immunology and immunotherapy. The Company continues to evaluate potential strategic collaboration opportunities related to adoptive cell therapy technologies.

ATLAS-IT-03 (Completed)

ATLAS-IT-03 was a Phase I/II dose-escalation study of ruxotemitide as monotherapy and in combination with checkpoint inhibitors (ipilimumab and pembrolizumab). A total of 65 patients with various solid tumour types (e.g., melanoma, triple-negative breast cancer and head and neck cancer) were treated with different doses of ruxotemitide.

The safety profile of ruxotemitide was generally manageable in clinical practice, both as monotherapy and when given in combination with checkpoint inhibitors. The immune analysis of tissue samples indicated that ruxotemitide has the ability to invoke necrosis and stimulate clonal expansion and increase the repertoire of T cells both within injected tumours as well as in the blood. There were also clear indications that ruxotemitide is clinically active, with a number of patients showing marked tumour regression in the injected lesions. Furthermore, there was evidence of systemic (abscopal) effect indicating that the T-cell clonal increase has an impact on peripheral non-injected lesions.

Results from this study informed the dose selection and dosing regimen of ruxotemitide in the subsequent clinical studies.

4.5.5 Market background

Lytix' oncolytic molecules belong to a class of investigational therapies within the field of immuno-oncology, which aims to treat cancer by activating the patient's immune system. Cancer represents a significant and growing global health burden, driven primarily by demographic trends such as an ageing population and continued improvements in diagnostic practices. As a result, the number of cancer diagnoses worldwide is expected to continue to increase over time.

Cancer incidence varies geographically, with substantial patient populations across Europe, North America, and Asia. Differences in incidence and treatment patterns across regions reflect variations in demographics, healthcare systems, access to diagnostics, and treatment standards.

[5] Nielsen et al., 2024.

Current cancer treatment modalities include surgery, radiotherapy, chemotherapy, targeted therapy, hormonal therapy, and immunotherapy. These approaches are often used in combination, depending on tumour type, stage of disease, and patient-specific factors, and combination regimens have been shown to improve outcomes in certain patient populations.

Surgery is typically the primary treatment option for patients with localised disease. However, many patients are diagnosed at a more advanced stage, where tumours have spread beyond the primary site (metastatic disease), limiting the effectiveness of surgical intervention alone.

Radiotherapy uses ionising radiation to damage and destroy cancer cells and is widely used for both curative and palliative purposes. In addition to its local effects, radiotherapy has been shown to interact with the immune system, which may contribute to systemic anti-tumour effects in certain settings.

Chemotherapy targets rapidly dividing cells and remains an important treatment option across multiple cancer types. While chemotherapy can be effective, its use is often limited by systemic toxicity and the development of treatment resistance.

Hormonal therapies are used to treat hormone-dependent cancers by inhibiting hormone production or blocking hormone receptor signalling pathways involved in tumour growth. These therapies are typically used in specific cancer types and patient populations.

Targeted therapies are designed to interfere with specific molecular pathways or biomarkers involved in tumour growth and progression. While such therapies may offer improved selectivity compared to conventional chemotherapy, treatment resistance can emerge, limiting long-term effectiveness.

Immunotherapy has emerged as a major treatment modality in oncology by enabling the immune system to recognise and attack cancer cells. Immune checkpoint inhibitors and other immunotherapeutic approaches have demonstrated meaningful clinical benefit in certain cancer indications. However, a substantial proportion of patients do not respond, or experience limited durability of response. Key challenges in immuno-oncology include tumour heterogeneity and immunosuppressive tumour microenvironments that limit effective immune-cell infiltration.

Neoadjuvant immunotherapy

Neoadjuvant immunotherapy refers to the administration of systemic or local immune-based treatments prior to surgical resection of a tumour. In oncology, this approach has gained increasing attention as a means of inducing anti-tumour immune responses while the primary tumour is still present, potentially enabling broader immune priming and improved pathological responses at the time of surgery.

In melanoma and certain other solid tumours, neoadjuvant treatment with immune checkpoint inhibitors has demonstrated higher pathological response rates compared to adjuvant therapy in selected patient populations. Pathological response, including pathological complete response (pCR), is increasingly used as an early endpoint in neoadjuvant studies and has been associated with improved event-free survival in published clinical literature, although long-term outcomes continue to be evaluated.

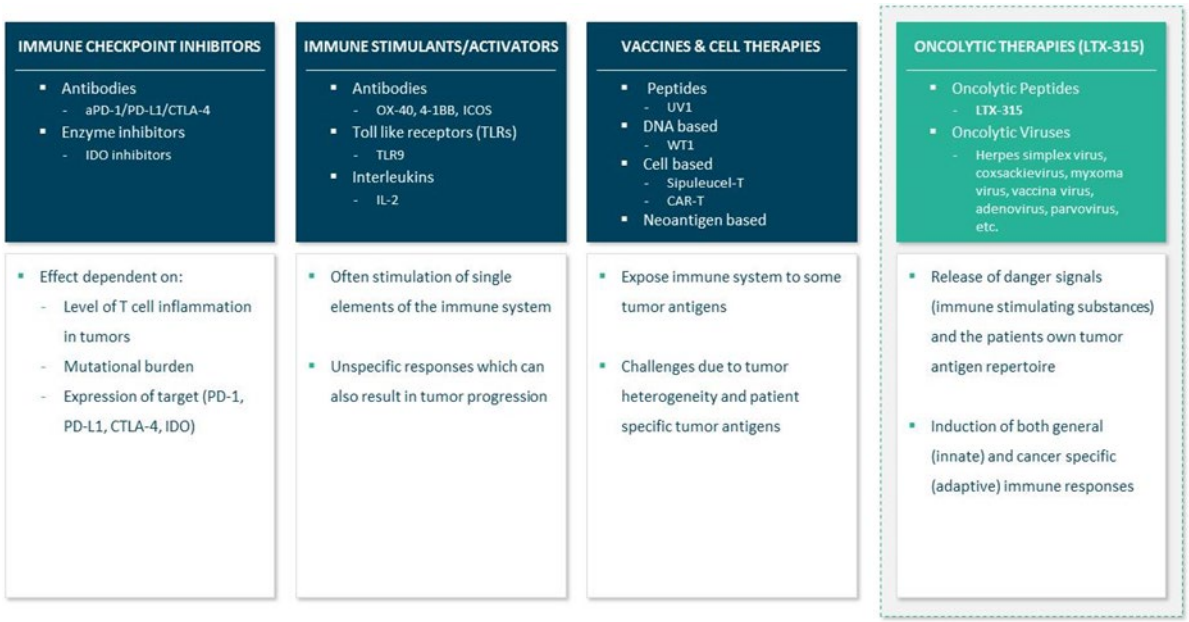
Despite these advances, a substantial proportion of patients treated with neoadjuvant checkpoint inhibitors experience incomplete responses or relapse, highlighting an unmet medical need for treatment strategies that enhance immune activation prior to surgery. One of the key challenges in the neoadjuvant setting is insufficient immune-cell infiltration and tumour heterogeneity, which may limit the effectiveness of checkpoint inhibition alone.

Intratumoral immunotherapies represent a complementary approach in the neoadjuvant setting by directly targeting the tumour microenvironment and promoting local immune activation before surgical resection. By inducing tumour cell death and release of tumour antigens within the intact tumour, such approaches may enhance systemic anti-tumour immune responses and increase the depth of pathological response.

As a result, the neoadjuvant setting is increasingly being explored for combination strategies that integrate intratumoral therapies with systemic immunotherapies, with the objective of improving pathological responses and reducing the risk of disease recurrence. This treatment paradigm represents an active area of clinical development in immuno-oncology.

4.5.5.1 Types of cancer immunotherapy

The immune-therapy landscape continues to evolve rapidly, with multiple established and emerging therapeutic approaches and treatment targets. Lytix' product candidates fall within the class of oncolytic therapies. Key categories of cancer immunotherapies are described below.



Immune checkpoint inhibitors

Immune checkpoint inhibitors have become an important treatment modality in oncology following the introduction of ipilimumab (Yervoy®) in 2011. Certain cancer cells evade immune destruction by activating inhibitory pathways that suppress immune responses. Checkpoint inhibitors act by blocking these inhibitory signals, thereby enabling immune cells to recognise and attack cancer cells.

Checkpoint inhibitors currently approved in various cancer indications include antibodies targeting CTLA-4 (ipilimumab), PD-1 (pembrolizumab, nivolumab, cemiplimab), PD-L1 (atezolizumab, avelumab, durvalumab), and LAG-3 (relatlimab).

Immune stimulants/activators

Immune stimulators and activators aim to enhance immune responses through mechanisms distinct from checkpoint inhibition. These approaches include agents designed to activate innate or adaptive immune pathways, increase immune-cell recruitment, or stimulate antigen presentation within the tumour microenvironment. Several immune stimulatory strategies are under clinical investigation, either as monotherapy or in combination with checkpoint inhibitors, to improve response rates and durability of effect.

Vaccines and Cell therapies

Cancer vaccines may be designed either to prevent cancer development (prophylactic vaccines) or to treat existing disease (therapeutic vaccines). Therapeutic cancer vaccines typically aim to stimulate immune responses against tumour-associated antigens.

Cell-based immunotherapies include adoptive cell therapy (ACT), which involves isolation, ex vivo expansion, and reinfusion of autologous tumour-infiltrating lymphocytes (TILs). More recent approaches include genetically modified T cells engineered to

express tumour-specific T-cell receptors (TCRs) or chimeric antigen receptors (CAR-T cells), which are being evaluated in multiple cancer indications.

Oncolytic Therapies

Oncolytic therapies are tumour-directed immunotherapies designed to induce cancer cell destruction, leading to release of tumour antigens and immune-stimulatory signals that may activate systemic anti-tumour immune responses. These therapies are typically administered locally, such as by intratumoral injection. Oncolytic viruses and oncolytic peptides represent two principal classes of oncolytic therapies under clinical development.

4.5.5.2 Competitive landscape within oncolytic therapy

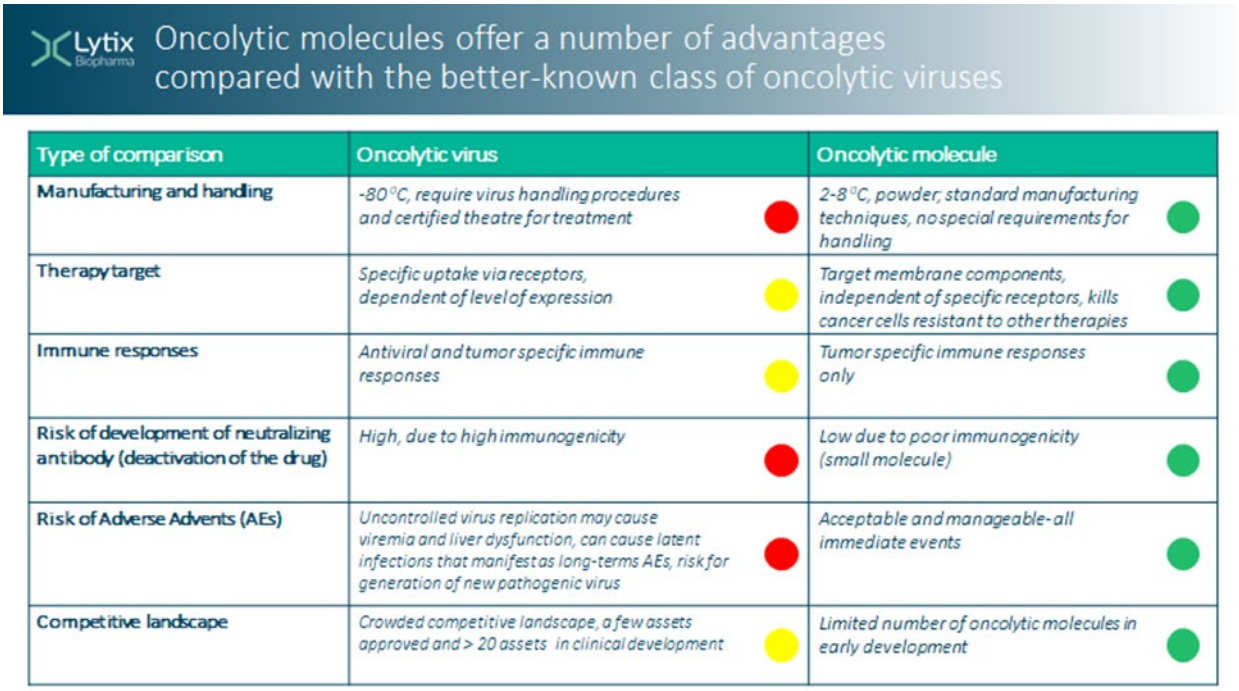
Lytix' oncolytic product candidates are designed to be used in combination with other immunotherapeutic approaches, including immune checkpoint inhibitors, immune stimulants and cell therapies. Within the broader immuno-oncology landscape, the Company's principal competitors are found within the class of oncolytic virus therapies.

Oncolytic virus therapy is based on the use of live viruses engineered or selected to preferentially infect and replicate within cancer cells, while limiting damage to normal tissue. Viral replication may amplify the administered dose and facilitate spread to adjacent tumour cells, resulting in tumour cell lysis and release of tumour antigens.

The first oncolytic virus-based gene therapies, Gendicine® and Oncorine®, were approved in China in 2003 and 2006, respectively. These products remain approved only in China. In Western markets, the only oncolytic virus approved to date is talimogene laherparepvec (Imlygic™), which was approved in 2015 for the treatment of advanced melanoma as monotherapy. Despite regulatory approval, the commercial uptake of oncolytic virus therapies have been limited.

The modest commercial penetration of oncolytic virus therapies to date has been attributed in part to a combination of biological and practical challenges, including viral tropism, delivery limitations, distribution within tumours, dosing constraints, antiviral immune responses, and variability in oncolytic activity. These factors have complicated both clinical development and broader clinical adoption.

Key differences between oncolytic viruses and the Company's lead oncolytic molecule, ruxotemitide, are summarized below.



4.5.5.3 Key indications for Lytix' oncolytic molecules

Lytix is focusing on selected solid tumour indications where intratumoral treatment is clinically feasible and immune checkpoint inhibitors are established components of standard of care. The prioritisation of indications is based on, among other factors, (i) the prevalence of patients with stage III–IV disease or resectable high-risk disease presenting with accessible lesions, and (ii) the opportunity to combine oncolytic therapy with existing immunotherapies.

Malignant melanoma

Malignant melanoma affects patients across a wide age range, with a median age at diagnosis of approximately 55 years. The disease is staged based on tumour characteristics, lymph node involvement, and the presence of distant metastases. Patients with stage III–IV disease or resectable high-risk melanoma represent the primary target population for immunotherapy-based treatment approaches.

Melanoma is one of the most established indications for immune checkpoint inhibitors, both in the advanced and neoadjuvant settings. A large proportion of patients with advanced or resectable stage III–IV disease present with injectable lesions, making intratumoral treatment feasible in the majority of cases. In addition to advanced disease, neoadjuvant treatment of resectable melanoma represents a growing segment with increasing clinical interest and a larger potential patient population compared to later-stage disease.

Breast cancer

Advanced and metastatic breast cancer represents a large and heterogeneous patient population. Patients are stratified based on molecular characteristics, including hormone receptor and HER2 status, which guide treatment selection. Immunotherapy has become part of standard treatment for certain subtypes, including triple-negative breast cancer, particularly in combination with chemotherapy.

Among patients with stage III–IV disease, a subset present with accessible lesions that may be suitable for intratumoral therapy. While the proportion of patients with injectable lesions is lower than in melanoma, the large overall incidence of breast cancer results in a meaningful addressable population for intratumoral immunotherapy approaches.

Soft tissue sarcoma

Soft tissue sarcomas are rare malignancies with limited treatment options in the advanced or metastatic setting and a high unmet medical need. Standard treatment typically includes surgery, chemotherapy and radiotherapy, while durable responses to immunotherapy have been limited in many sarcoma subtypes.

A substantial proportion of patients with advanced soft tissue sarcoma present with accessible lesions, making intratumoral treatment feasible. Due to the rarity of the disease, development in this indication may also offer the potential to seek orphan drug designation, which may provide regulatory and commercial incentives.

Liver cancer

Primary liver cancer and liver metastases from other solid tumours represent indications with significant unmet medical need. While systemic therapies have advanced in recent years, treatment outcomes remain limited for many patients.

Intratumoral treatment of liver tumours has historically been challenging due to anatomical considerations. Advances in image-guided delivery techniques have expanded the feasibility of intratumoral approaches in deep-seated tumours, including liver cancer, creating opportunities for local immunotherapies designed for direct tumour injection.

Basal Cell Carcinoma

Basal cell carcinoma (BCC) is the most common form of skin cancer. While the majority of cases are treated surgically, a subset of patients develop locally advanced disease that is not amenable to surgery or radiotherapy.

In this setting, intratumoral treatment may represent a treatment option for patients with accessible lesions. Development activity in BCC is being pursued by the Company's license partner, Verrica Pharmaceuticals, and provides additional clinical validation of the oncolytic platform in dermatologic oncology.

4.5.6 Intellectual property rights

Securing intellectual property rights ("**IPR**") is of critical importance for the protection of Lytix' technology platform/development candidates and the long-term value generation for the Company and its licensees. Lytix has designed and implemented an IPR strategy to secure and expand the protection of its technology platform.

The Company has succeeded in securing patent rights for its oncolytic peptides in the most relevant markets worldwide and has filed patent applications to protect new inventions related to its development candidates, LTX-315 and LTX-401, in key markets, including the United States, Europe, and Japan. At present, the Company's patent portfolio consists of the following patent families:

Lytix Ref. Patent Family	**Claim Types**	**Europe**	**USA**	**Japan**	**Expiry***
LTX-315 WO2010/060497	Composition of matter	Granted	Granted	Granted	US: 04/2032 ROW: 09/2029
LTX-401 WO2011/051692	Composition of matter	Granted	Granted	Granted	11/2030
LTX-315/Chemotherapeutics WO2016/091490	Method of use	Granted	Granted	Granted	JP: 06/2035 ROW: 11/2035
LTX-315/Checkpoint inhibitors WO2016091487	Method of use	Granted	Granted	Granted	JP: 06/2035 ROW: 11/2035
LTX-315 Formulation WO2024/133580	Composition and method of use claims	PCT application pending			If granted 12/2043
Chitosan Formulation WO2024/133588	Composition and method of use claims	PCT application pending			If granted 12/2043

1 Extension of patent term may be available in certain jurisdictions such as USA and countries in Europe upon approval of a drug comprising LTX-315/LTX-401. Further, regulatory authorities may grant a market exclusivity upon approval of such drug.

4.5.7 Collaborations and Scientific Advisory Board

Lytix has established scientific collaborations with several internationally recognized research institutions in Europe and the United States. These collaborations focus on advancing the understanding of immune responses to the Company's oncolytic molecules, both as monotherapy and in combination with other immunotherapies. Collaborative research activities are conducted with the Institute Gustave-Roussy (Paris, France) (Professors L. Zitvogel and G. Kroemer), Weill Cornell Medical College (Professor S. Demaria and Associate Professor Laurenzo Galluzzi) and UiT The Arctic University of Norway (Tromsø, Norway) and Oslo University Hospital, Department of Tumour Biology (Professor Gunhild M. Mælandsmo). These collaborations support mechanistic and translational research aimed at informing the continued development of the Company's oncolytic platform.

Lytix has also established a Scientific Advisory Board comprised of internationally recognised key opinion leaders in immuno-oncology, providing scientific and clinical guidance to the Company. Members of the advisory board include:

- James Allison (MD Anderson Cancer Center and recipient of the 2018 Nobel Prize in Physiology or Medicine for the discovery of cancer therapy by inhibition of negative immune regulation);
- Pam Sharma (MD Anderson Cancer Center);
- Aurélien Marabelle, (Institut Gustave-Roussy); and
- James Wooldridge, (Chief Medical Officer at Immunitas)

4.5.8 Legal and arbitration proceedings

From time to time, the Company may become involved in litigation, disputes, and other legal proceedings arising in the course of its business. The Company has not been, during the course of 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 financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

4.5.9 Trading update and publication of interim financial report for Q4 2025

The Company's fourth quarter 2025 unaudited interim financial report is scheduled to be published on 12 February 2026, following the completion of the Subscription Period for the Subsequent Offering. As of 31 December 2025, the Company's cash and cash equivalents and short-term financial investments amounted to NOK 72 million, compared to NOK 90 million as of 30 September 2025. The reduction primarily reflects increased operational activity during the fourth quarter, as well as normal quarterly cash flow fluctuations. In January 2026, the Company completed the Private Placement raising gross proceeds of approximately NOK 61 million. Based on the Company's current cash position following the Private Placement and its expected cost base, the Company estimates that its available liquidity is sufficient to fund operations well into 2027, subject to the execution of its development plans and prevailing assumptions.

4.6 History and important events

The table below shows the Company's key milestones from its incorporation and to the date of this Prospectus:

Year	Event
2003	Lytix was founded with a focus on developing novel anti-infective therapies. The Company's technology platform originated from research on host defence peptides.
2008	Ruxotemitide (formerly LTX-315) was selected as the Company's lead oncolytic molecule following extensive preclinical evaluation across multiple cancer cell lines.
2010-2012	Completion of a first-in-human exploratory Phase I clinical trial evaluating intratumoral administration of ruxotemitide as monotherapy in patients with solid tumours, demonstrating an acceptable safety profile and supporting further clinical development.
2013-	Initiation of Phase I/II clinical studies evaluating ruxotemitide as monotherapy in patients with solid tumours, including treatment of multiple lesions. Clinical data supported immune activation following intratumoral administration. LTX-401 was selected as a next-generation oncolytic molecule for potential use in deep-seated tumours.
2014-	Research collaboration established with Professors Laurence Zitvogel and Guido Kroemer at Institut Gustave Roussy, Paris.
2016	Research collaborations established with Professor Mikael Pittet (Harvard University), Dr. Joost Oppenheim (National Cancer Institute), and Professor Gunhild Mælandsmo (University of Oslo).
2016	Amendment of the ATLAS-IT-03 Phase I/II study to evaluate ruxotemitide in multiple lesions and in combination with immune checkpoint inhibitors and adoptive T-cell therapies across selected solid tumour indications.
2017	Additional scientific collaborations established with Professor Sandra Demaria (Weill Cornell Medicine), Professor Robert Schreiber (Washington University in St. Louis), and Professor Bengt Brodin (Karolinska Institutet).
2019	First patient enrolled in ATLAS-IT-04, a Phase II study evaluating ruxotemitide in combination with adoptive T-cell therapy in patients with advanced soft tissue sarcoma at Herlev Hospital, Denmark.
2019	Completion of the clinical study report for ATLAS-IT-03.
2019	Nobel laureate Professor James Allison and Professor Padmanee Sharma were appointed as members of the Company's Scientific Advisory Board.
2020	Lytix entered into an exclusive licensing agreement with Verrica Pharmaceuticals for ruxotemitide in specified dermatologic oncology indications. The agreement includes development and commercialisation milestones and tiered royalties on future sales.
2021	The Company completed an initial public offering and its shares were admitted to trading on Euronext Growth Oslo.
2021	First patient dosed in ATLAS-IT-05, a Phase II study evaluating ruxotemitide in combination with pembrolizumab in patients with advanced melanoma at MD Anderson Cancer Center, Houston, Texas.
2021	The U.S. Food and Drug Administration (the "**FDA**") accepted Verrica Pharmaceuticals' Investigational New Drug (IND) application for LTX-315 for the treatment of basal cell carcinoma.
2022	First patient dosed in Verrica Pharmaceuticals' Phase II study evaluating ruxotemitide (VP-315) for the treatment of basal cell carcinoma.
2022	Clinical results from ATLAS-IT-04 presented at the American Society of Clinical Oncology (ASCO) Annual Meeting.
2022	Translational data demonstrating immune activation following ruxotemitide treatment presented at the Society for Immunotherapy of Cancer (SITC) Annual Meeting.
2023	Lytix initiated support for an investigator-led neoadjuvant Phase II study (NeoLIPA) evaluating ruxotemitide in combination with pembrolizumab in patients with resectable stage III–IV melanoma at Oslo University Hospital, The Norwegian Radium Hospital.
2023	The Research Council of Norway approved Lytix' application for up to NOK 14.3 million in non-dilutive support under the SkatteFUNN R&D tax incentive scheme.
2024	Verrica Pharmaceuticals reported top-line results from its Phase II study of ruxotemitide (VP-315) in basal cell carcinoma.
2024	Interim clinical data from ATLAS-IT-05 in advanced melanoma were reported, demonstrating disease control and durable responses in a subset of heavily pre-treated patients.
2024	In April 2024 Lytix raised gross proceeds of NOK 50 million in a partially guaranteed share offering. A national prospectus was published in connection with the offering.
2024	In December 2024 Lytix raised gross proceeds of in total NOK 111 million through a private placement and retail offering via PrimaryBid.
2025	Verrica received FDA feedback supporting the proposed Phase III clinical development plan for VP-315 (ruxotemitide) in basal cell carcinoma.
2025	Interim results from the NeoLIPA neoadjuvant Phase II study were presented, showing pathological responses, including pathological complete responses, in patients with resectable melanoma.
2025	Verrica Pharmaceuticals presented additional translational and immune-response data from its Phase II basal cell carcinoma study at the Society for Immunotherapy of Cancer (SITC) Annual Meeting.
2026	On 9 January 2026 Lytix announced the successful completion of the Private Placement raising gross proceeds of approx. NOK 61 million.

4.7 Planned investments in the coming 12-months

Please see Section 5.1 "Background, reasons for the Subsequent Offering and use of proceeds".

4.8 Related party transactions

On 1 March 2024, the Company entered into a consulting agreement with Marie-Louise Fjällskog, a member of the Board of Directors, on customary terms. The agreement provided for a limited engagement, and the parties agreed to review the agreement after three months. In connection with this engagement Marie-Louise Fjällskog assumed the role of Interim CMO for a transitional period.

The consulting agreement has since expired, and Ms. Fjällskog is no longer engaged by the Company as a consultant. She currently serves solely as a member of the Board of Directors. Ms. Fjällskog has extensive experience as a Chief Medical Officer within the immuno-oncology field.

Other than as set out above, the Company has not entered into any related party transactions in the period from 1 January 2024 and up until the date of this Prospectus.

4.9 Material agreements

Except for the contracts listed below, the Company has not entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Furthermore, the Company has not entered into any other contract outside the ordinary course of business that contains provisions under which are, individually or in aggregate material to the Company as of the date of this Prospectus.

4.9.1 Verrica Pharmaceuticals, Inc.

On 11 August 2020 Lytix announced entering into an exclusive worldwide license agreement with Verrica Pharmaceuticals Inc. ("**Verrica**") (NASDAQ: VRCA), for the development and commercialisation of ruxotemitide in specified dermatologic oncology indications (the "**License Agreement**"). Verrica is a dermatology-focused therapeutics company developing treatments for skin diseases requiring medical intervention and has indicated an initial development focus on basal cell carcinoma (BCC) and squamous cell carcinoma (SCC).

Under the terms of the License Agreement, Lytix is entitled to receive an upfront payment, development and regulatory milestone payments, and sales-based milestone payments, with aggregate potential payments of up to USD 113.5 million, in addition to tiered royalties based on worldwide annual net sales. Royalty rates begin in the low double-digit range and increase to the mid-teens based on sales thresholds. To date, Lytix has received an upfront payment and milestone payments related to IND clearance and first patient treated, totalling USD 3.5 million.

Verrica is solely responsible for the development, regulatory filings, and commercialisation of ruxotemitide within the licensed dermatologic oncology indications. Verrica is responsible for the manufacturing of the finished drug product, while Lytix retains responsibility for manufacture of the active pharmaceutical ingredient. The License Agreement grants Verrica worldwide rights for malignant and pre-malignant dermatologic indications, excluding metastatic melanoma and metastatic Merkel cell carcinoma, for which Lytix retains all rights.

Verrica's lead development program under the License Agreement is basal cell carcinoma. In November 2021, Verrica received IND clearance from the US FDA to initiate a Phase II clinical trial in BCC, and the first patient was enrolled in April 2022.

In August 2024, Verrica reported preliminary top-line results from Part 2 of its Phase II BCC study, demonstrating histologic tumour clearance and tumour size reduction in a substantial proportion of treated lesions, with a favourable safety profile and no treatment-related serious adverse events reported. In November 2025, Verrica presented additional exploratory translational analysis at the Society for Immunotherapy of Cancer (SITC) Annual Meeting, reporting immune-microenvironment changes consistent with local immune activation following treatment and a post-hoc calculated objective response rate. Verrica has indicated that these data support further advancement of the BCC program, including preparation for potential late-stage development.

Basal cell carcinoma is the most common form of cancer globally, with millions of new cases diagnosed annually. While surgery remains the standard treatment for most patients, a subset of patients develops locally advanced disease where non-surgical treatment options may be relevant. Development of ruxotemitide in dermatologic oncology is intended to address this unmet medical need.

The License Agreement is also described under Section 4.10 "Risks related to the business and industry in which the Company operates".

4.10 Risks related to the business and industry in which the Company operates

*Investing in the Offer Shares involves inherent risks. Before making an investment decision, investors should carefully consider the risk factors and all information contained in this Prospectus, including the audited financial statements of the Company for the years ending 31 December 2024 and 31 December 2023, and the unaudited financial statement for the third quarter of 2025 and related notes (the "**Financial Statements**"). The risks and uncertainties described in this Section 4.10 and Section 5.14 are the principal known risks and uncertainties faced by the Company as of the date hereof that the Company believes are the material risks relevant to an investment in the Offer Shares. An investment in the Offer Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The absence of a negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision.*

If any of the risks were to materialise, individually or together with other circumstances, it could have a material and adverse effect on the Company and/or its business, financial condition, results of operations, cash flow and/or prospects, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Offer Shares. The risks and uncertainties described below are not the only risks the Company may face. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on the Company's business, financial condition, results of operations and cash flow.

The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence or of their severity or significance. The risks mentioned herein could materialise individually or cumulatively.

The Company is dependent on the success of its product candidates ruxotemitide, LTX-401 and subsequent product candidates

Lytix is in the mid-to-early stage in the development of the Company's product candidates. The Company's main product candidate, ruxotemitide, has been tested in a combined Phase I/II study as monotherapy and in combination with two checkpoint inhibitors. Since then, ruxotemitide has demonstrated promising results in a completed Phase II study for basal cell carcinoma and is currently in the final stages of another Phase II study targeting late-stage melanoma. The Company is dependent on the success of its product candidate ruxotemitide and subsequent product candidates. As of the date hereof, the Company has a total of two product candidates in its project portfolio, with ruxotemitide being the product candidate which has been in development the longest and is the closest to commercialisation. Lytix has invested significant amounts in the development of ruxotemitide, and significant investments remain to be made before ruxotemitide can be commercialised. In addition, Lytix will need to invest significant amounts in the development of other product candidates. It is not possible to assess at present the level of future investment that will be required or when ruxotemitide and subsequent product candidates will be able to be commercialised (if at all).

In addition to ruxotemitide, the Company's portfolio includes LTX-401, a small molecule product candidate with a mechanism of action similar to ruxotemitide. LTX-401 is a preclinical product candidate and has not been evaluated in human clinical trials. Although LTX-401 has shown activity in certain preclinical models, there can be no assurance that these results will be replicated in clinical trials or that LTX-401 will be safe, tolerable or effective in humans.

Preclinical development is inherently uncertain, and product candidates frequently fail to progress to clinical development or commercialisation due to safety concerns, lack of efficacy, manufacturing challenges, or regulatory requirements. If LTX-401

fails to advance successfully into clinical development, or if development is delayed or discontinued, the Company's business, financial condition and future prospects could be materially adversely affected.

A new formulation developed by the Company offers improved anti-cancer effects and potentially extended patent life. Lytix is actively engaging with regulatory authorities to advance LTX-401 into clinical development, recognising its significant commercial potential. As with ruxotemitide, Lytix will need to make substantial investments to develop LTX-401 to the point of commercialisation.

There is a risk that the Company will need to stop the development of ruxotemitide, LTX-401 and subsequent product candidates, either temporarily or permanently, because of the occurrence of negative events that are beyond the Company's control. Such negative events could be, for example, lack of funding, negative results in clinical trials (in the form of lack of efficacy and/or serious side effects), or failure to obtain the necessary authorisations and approvals. Such events may occur suddenly, may be hard to predict and may potentially mean that investments in the product candidates no longer have any value.

The success of the Company's product candidate ruxotemitide, LTX-401 and subsequent product candidates will depend on various factors, including the successful completion of clinical trials, meaning clinical results that are statistically significant and clinically relevant, that the product candidates' quality and stability can be maintained at an adequate level and that the necessary authorisations and approvals are obtained from supervisory bodies.

In addition, it should be noted that Lytix' product candidates all relate to the treatment of cancer through what is known as immunotherapy. There is a risk that this non-diversified product portfolio will prove to be less adequate if the research area in general should suffer problems, or if one of the Company's competitors succeeds in developing and commercialising alternative products, i.e. products that do not utilise immunotherapy but which successfully treat the conditions and diseases for which the Company is developing its product candidates.

There is an overall risk that the future development of the Company's product candidate ruxotemitide and subsequent product candidates will not be successful. If the Company is unable to commercialise the product candidate ruxotemitide or subsequent product candidates, or if commercialisation is subject to significant delay, this will have a material adverse effect on the Company's operations, earnings and/or financial position.

The Company's compensation under the License Agreement with Verrica is dependent on the success of its product candidate ruxotemitide

The Company has entered into the License Agreement with Verrica dated 7 August 2020, pursuant to which the Company has granted Verrica an exclusive royalty-bearing license to research, develop, manufacture and commercialise ruxotemitide in dermatologic oncology indications. During the term of the License Agreement, the Company cannot research, develop or commercialise any products for use for non-metastatic dermatological indication. Verrica will run its own clinical program at own cost for ruxotemitide in selected indications within the rights granted.

Under the License Agreement, Verrica owns any know-how or inventions they develop within the licensed field, including patents. This allows Verrica to develop patentable methods or technologies related to ruxotemitide in the licensed field. While this may impact Lytix's commercialisation of ruxotemitide in retained indications, the Company’s clinical experience provides confidence its practices shall remain unaffected. Lytix retains the rights to develop and commercialise ruxotemitide for non-licensed indications and believes the risk of restrictions in this context is limited.

As compensation for the exclusive license, Verrica has paid the Company an upfront payment of USD 250,000, a one-time payment of USD 2,250,000, triggered by the recent IND clearance by FDA, and a one-time payment of USD 1,000,000, triggered by the first patient treated in Verrica’s Phase II trial with ruxotemitide in basal cell carcinoma. In addition, there are future regulatory milestone payments subject to the achievement of certain development milestone events (in total USD 20,000,000) and sales milestones (in total USD 90,000,000). Verrica is also obligated to pay tiered double-digit royalties in the teens on

aggregate annual net sales of all products in the licensed field during the applicable royalty term as further described in the License Agreement.

Verrica may terminate the License Agreement in accordance with its terms, including without cause. Any such termination would result in Verrica losing all rights to ruxotemitide within the licensed field and could lead to uncertainty, delays, or discontinuation or further development and commercialisation activities for those indications. In the event of termination, the Company would lose future milestone payments and royalty income associated with the licensed indications and may need to seek alternative development or commercialisation partners, which may not be available on acceptable terms or at all. Any such termination of the License Agreement could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

No assurances can be made that Verrica's further development of ruxotemitide within non-metastatic dermatological indications will be successful and that the milestone events will be achieved. Should Verrica's development and commercialisation of ruxotemitide be unsuccessful, or should the process prove more time-consuming and/or costly than expected, this will have a material adverse effect on the Company's operations, earnings and/or financial position going forward.

Verrica has filed a 10-Q with the U.S. Securities and Exchange Commission regarding the License Agreement. The License Agreement specifies rights and obligations for each party, and Verrica has rights to some, but not all indications Lytix is investigating regarding ruxotemitide. No assurances can be made that Lytix will be able to complete additional license agreements and business partnerships for ruxotemitide in those indications not already included in the License Agreement. This could have a material adverse effect on the Company's operations, earnings and financial position.

The License Agreement is also described under Section 4.9.1 "Verrica Pharmaceuticals, Inc.".

Clinical trials may produce negative results or fail to demonstrate the required safety and efficacy

The Company is currently carrying out a clinical trial with the product candidate ruxotemitide, both as monotherapy and in combination with other therapies. Within the framework of clinical trials, the Company may experience a lack of efficacy in studies on test groups, or unexpected side effects during the clinical development program, in some or all on-going and future programs. This may mean temporary delays in the Company's clinical studies, or that clinical studies have to be stopped completely.

If the clinical trials carried out by the Company produce negative and/or undesirable results, or fail to demonstrate the safety and efficacy required by the relevant supervisory body, this may involve extra costs for the Company, may mean delays in the completion of the product candidate, or may mean that the Company is unable to complete or commercialise the product at all. There is also a risk that the relevant supervisory body asks the Company to carry out further clinical trials, or that the Company abandons a product development program due to, for example, the risks of side effects.

Failures in clinical trials may occur at each step of the trial process. There is a risk that the result of the Company's preclinical studies will not accord with the results of more extensive trials, and results of earlier clinical trials do not necessarily mean that later clinical trials carried out by the Company will be successful. Moreover, interim results of a clinical trial are not necessarily an indication of the end result. In addition, it should be noted that preclinical and clinical data that the Company collects can as a rule be interpreted in different ways, and that there is a risk that the Company will fail to get a product candidate authorised for sale even in the event that the Company was of the opinion that the product candidate in question behaved satisfactorily in preclinical studies and clinical trials.

Overall, negative and/or undesirable results or failures to demonstrate the necessary safety and efficacy in clinical trials could have a material adverse effect on the Company's operations, financial position and/or earnings.

The initiation and completion of clinical trials depend on numerous factors outside the Company’s control, including the ability to recruit and retain a sufficient number of eligible patients within expected timelines, the performance of third-party clinical

sites and contract research organisations, and the availability of qualified investigators. Early stage clinical or preclinical results may not be predictive of outcomes in later stage studies, and data generated in investigator-initiated trials may be inconsistent with, or less favourable than, data generated in Company sponsored studies. Regulatory authorities may impose clinical holds, request additional data, or require protocol amendments that delay progress or increase costs. In addition, changes to manufacturing processes, formulation, or analytical methods during development may require the Company to generate comparability data or conduct additional studies, which could further delay clinical timelines. Any of these factors could result in negative or inconclusive trial results, delays in development, increased expenditures, or an inability to demonstrate the safety and efficacy required for regulatory approval.

The Company's value creation is highly dependent on a limited number of clinical development programs

The Company's business and prospects are currently highly dependent on a limited number of clinical development programs, in particular ruxotemitide. Several clinical studies evaluating ruxotemitide have been completed, and the Company's ongoing clinical activities are focused on a limited number of trials. Any delays, negative results, or inability to progress these programs into later-stage or pivotal clinical development could have a disproportionate adverse impact on the Company's business, financial condition, results of operations and prospects.

The Company may have limited control over investigator-initiated clinical trials

Certain clinical studies involving the Company's product candidates are investigator-initiated. In such studies, the Company does not act as the sponsor and may have limited control over study design, conduct, timelines, data collection, analysis, reporting, or publication. Investigator-initiated trials may be delayed, modified, suspended or terminated for reasons outside the Company's control, which could negatively affect development timelines, regulatory strategy, or the perceived value of the Company's product candidates.

Lytix may experience problems and unforeseen events during, or as a result of, clinical trials

The Company may experience problems and unforeseen events during, or as a result of, clinical trials, which may delay or impede the Company's ability to obtain the necessary authorisations from the relevant supervisory body or to commercialise a product candidate.

There is a risk, for example, that the Company will have difficulties identifying, evaluating and recruiting suitable patients who are able to take part in clinical trials of the Company's product candidates. Should this happen, it may delay or make it impossible to continue the research into and development of product candidates and products, which would have a material adverse effect on the Company's operations, financial position and/or earnings.

There is also a risk that operators with which the Company works, or that have been engaged by the Company to carry out clinical trials, fail to comply with statutory requirements or to meet their contractual obligations, either on time or at all. The Company may also be forced, e.g. by a supervisory body or institutional review committees, to temporarily stop or permanently end clinical research for various reasons, including but not limited to, the lack of compliance with statutory requirements or because the participants are exposed to unacceptable health risks. The cost of clinical trials may finally prove to be greater than was first estimated for a number of reasons, only some of which are within the Company's control. Should any of the risks discussed above occur, this would have a material adverse effect on the Company's operations, financial position and/or earnings.

The Company may encounter challenges in scaling up manufacturing and transitioning to later-stage or commercial production

The manufacture of pharmaceutical products, including intratumoral therapies, involves complex processes and stringent regulatory requirements. As the Company's product candidates progress toward later-stage clinical development or potential commercialisation, the Company may encounter difficulties in scaling up manufacturing, transferring processes to commercial-

scale facilities, or meeting regulatory expectations related to chemistry, manufacturing and controls (CMC). Any such challenges could result in delays, increased costs, or inability to supply clinical or commercial product.

There is a risk that the Company will not obtain the necessary authorisations and approvals

The Company does not, currently, have any regulatory approvals. Verrica is responsible for obtaining marketing authorisations for the indications covered by the License Agreement. There is a risk that the Company/Verrica will not obtain the necessary authorisations and approvals from supervisory bodies in relevant markets, such as the Norwegian Medicines Agency (Nw.: Statens legemiddelverk), the European Medicines Agency ("**EMA**") in the EU and the FDA in the USA, or that these authorisations will be considerably delayed. A meeting to discuss the design of and mandatory steps prior to starting the phase I study with LTX-401 has been held with the EMA in December 2024. However, if this risk materialises, it will mean that the Company is unable to commercialise products developed, which in turn would make the Company unable to generate revenue.

If the Company's product candidates and products do not have the quality, stability and effect expected, and/or prove to have undesirable side effects, there is an increased risk that the Company will not be able to obtain the necessary approvals from supervisory authorities, which may delay or hinder further pharmaceutical development and restrict or prevent commercial use of the product candidates.

The process of obtaining authorisation from supervisory bodies is costly and usually takes several years. The process may moreover be delayed significantly if further clinical trials are required, or if the quality of the Company's product candidates does not meet the requirements for carrying out clinical trials, and the process tends to vary in complexity between different jurisdictions because of, for example, the type of product candidate and the complexity of the product candidate. In addition, changes in applicable rules and policies may cause delays or rejections in the event that these changes take place during the development period for a product candidate or during the period in which the product candidate is subject to trials.

It should be noted that supervisory bodies generally have a significant margin of discretion in authorisation processes, and that these supervisory bodies may choose not to accept an application for various reasons. A supervisory body may also decide that the information in an application is not sufficient for an authorisation and require further preclinical, clinical or other studies. The fact that data that has been obtained in preclinical and clinical trials can normally be interpreted in different ways may also delay, limit or prevent authorisation of a product candidate.

Where the Company receives authorisation, this is generally for a limited geographical area or time period and/or is potentially subject to restrictions or further commitments after authorisation, which may make the product candidate not commercially viable. In addition, in certain jurisdictions the product candidate is required to be approved by public authorities that fund health care before the product can be authorised for sale in the jurisdiction concerned.

The Company's product candidates need to achieve a sufficiently high level of market acceptance in order to become a commercial success

Even if the Company's product candidates are given the necessary authorisations in relevant markets, there is a risk that the Company's product candidates will not succeed in achieving a sufficiently high level of market acceptance among doctors, patients, public authorities that fund health care and the rest of the health care and medical sector, and there is a risk that the Company, and/or its commercial partners, will not succeed in developing the necessary relationships with customers, users and buyers. Lytix has not commercialised a product candidate to date, and there is a risk that the Company will not be able to commercialise a product candidate successfully in the future. If the products do not achieve a sufficiently high level of market acceptance, this may result in the Company not becoming profitable. Assuming that they are authorised for commercial sale, the degree of market acceptance of the Company's product candidates will depend on a number of factors, including but not limited to: (i) the product's efficacy and potential advantages compared with alternative therapies, (ii) the possibility of offering the product for sale at competitive prices and with the necessary availability, (iii) the target patient population's willingness to try new therapies and doctors' willingness to prescribe these therapies, (iv) the effectiveness of sales, marketing and distribution support, and (v) the occurrence or degree of severity of side effects.

Lytix is dependent on being able to maintain its current intellectual property and being able to develop and protect future intellectual property

The Company's current patent portfolio consists of several patent families, including granted patents in some jurisdictions and patent applications that are pending in other jurisdictions. If the Company is unable to obtain and/or maintain patent protection for its technology, or if the scope of the patent protection obtained is not sufficiently broad, the Company's competitors may develop and commercialise technology and products that are similar or identical to the Company's products. For instance, pursuant to the License Agreement, Verrica has been granted exclusive rights to inventions and patents resulting from their own research on ruxotemitide. If this occurs, it will have a material adverse effect on the Company's ability to successfully commercialise its technology and its products.

If, by mistake or for other reasons, the Company, a third party or the inventors of the technology covered by the Company's patents or patent applications disclose the invention before the patent application in question is published, this may further affect the Company's patent protection or, where relevant, the prospects of obtaining patent protection. Furthermore, third parties may in the future undertake actions to invalidate the Company's granted patents. If Lytix does not succeed in protecting and maintaining its intellectual property, this may have a material adverse effect on Lytix operations, financial position and/or earnings.

In addition, patents granted already, and any patents granted in the future will be amended if the products change after a patent was granted, which may limit the scope of the patent protection. Moreover, inventors and/or others who have contributed to the invention of a technical object that has been granted a patent or is the subject of a patent application may bring claims against the Company. The claims may concern rights to the invention or rights to compensation because of the contribution that the inventor or another person made to the creation of the invention. There is a risk of the Company's present or future patent protection being adversely affected by one of the above factors. In the Company's opinion, the patent situation for biotechnology and pharmaceutical companies is generally uncertain, involves complex legal and factual issues and, in the Company's opinion, has been subject to a large number of disputes in recent years. Consequently, there is a risk that Lytix will not be able to maintain patents granted and other intellectual property, or that future registration applications will not be granted. If Lytix does not succeed in protecting and maintaining its intellectual property, this may have a material adverse effect on Lytix operations, financial position and/or earnings.

In addition, there is a risk that Lytix will be guilty of, or will be alleged to have been guilty of, infringement of others' intellectual property, which may result in costs for either the defence or settlement of disputes concerning infringement. In the event that Lytix has infringed the intellectual property of others, Lytix may be required to develop alternatives or buy licenses or other types of rights to use the intellectual property concerned. If these risks should materialise, it could have a material adverse effect on Lytix operations, financial position and/or earnings.

Lytix is dependent on key personnel

The Company is dependent on the knowledge, experience and commitment of its employees and of the consultants engaged by the Company for Lytix' future development. In addition, Lytix has a continuous need to recruit and retain personnel with a high degree of technical experience and specialist knowledge concerning the operations conducted by the Company, including, but not limited to, preclinical studies, clinical trials, manufacturing and supply and partnerships. If Lytix was to lose one or more key individuals and/or fail to recruit key personnel in the future, this could have a material adverse effect on the Company's operations, earnings and/or financial position.

Lytix is dependent on the Company's and the respective product candidate's brand and reputation, as well as on the brand and reputation of the Company's suppliers and partners

Lytix is dependent on the Company's and the respective product candidate's brand and reputation, as well as on the brand and reputation of the Company's suppliers and partners (e.g., in the form of researchers, academic institutions, clinical research organisations and contract manufacturing organisations), and Lytix is exposed to the risk of these brands being weakened. If Lytix, its suppliers or other parties with which it collaborates do not fulfil agreements entered into, comply with applicable laws

and rules, ensure the necessary ethical and moral conditions for the operations conducted or give due consideration to the environment and take adequate social responsibility, for example, this may damage Lytix' brand and reputation, and thus have an adverse effect on the Company's operations, financial position and/or earnings.

The Company is dependent on collaboration with various third parties and partners for the development and commercialisation of the Company's product candidates

The Company is dependent on collaboration with various third parties and partners for the development and commercialisation of the Company's product candidates. The Company has entered into agreements with external Contract Manufacturing Organisations (CMO) for the manufacture of both the drug substance and drug product used in all the clinical and preclinical studies. The Company has also contracted external Contract Research Organisations (CRO) to perform clinical and preclinical studies and for other development-related processes. There is a risk that these contractors will not comply with all the relevant laws, rules and ethical standards, such as Good Manufacturing Practice (GMP), Good Laboratory Practice (GLP) and Good Clinical Practice (GCP).

In addition, there is a risk that current and future manufacturers and operators with which the Company has signed agreements will fail to deliver in accordance with the agreements entered into. In this event, it may lead to delays and increased costs that affect the development of the Company's product candidates and products. Changing manufacturers and/or suppliers may also involve increased costs and be time-consuming.

If the Company is unable to establish the necessary collaborations in the future with relevant third parties and partners on advantageous terms for the Company, or if the Company's current partners fail to comply with applicable laws, rules and ethical standards, or fail to deliver in accordance with agreements entered into, there is a risk that the Company will be unable to commercialise the Company's product candidates' market potential at the rate that the Company would like to.

While the collaborations with third parties and partners are necessary for the Company, the collaborations expose Lytix to risks to which the Company would not be exposed to if these collaborations had not been entered into. For example, there is a risk that Lytix will not receive full financial and/or intellectual ownership rights to product candidates and products that Lytix develops together with third parties and partners. The fact that the development of the Company's product candidates and products takes place together with another party also automatically means that the Company does not retain full control over the operations. If the Company is not able to manage these collaborations adequately, and the risks that follow from the fact that to a certain extent Lytix has handed over control of the operations, this may have an adverse effect on the Company's operations, earnings and/or financial position.

Future selling prices and/or levels of reimbursement may vary substantially

Most national markets for pharmaceutical drugs are regulated, and drug prices and levels of reimbursement are affected by authorities, other care providers, insurance companies and/or health care organisations. The success of the commercialisation of Lytix' product candidates and products will depend in part on public care providers, public sickness insurance systems and private insurance solutions and other operators subsidising or bearing the full cost of the Company's products, and there is a risk that the Company's products will not meet the requirements for obtaining public or private subsidies or contributions. If the Company's product candidates and products should fail to be given the necessary public and private subsidies and contributions, this would have an adverse effect on Lytix operations, earnings, and financial position.

It is in the Company's opinion, that total health care costs have increased in recent decades and governments all over the world are endeavouring to control the costs of health care. There is a risk that the selling prices and/or levels of reimbursement for the Company's products will not reach the levels required in order for the Company's products to be profitable. The selling prices and levels of reimbursement may also vary substantially between different jurisdictions and over time, which may make it difficult for the Company to forecast which products will be profitable over time. A selling price level and/or level of reimbursement that is far too low or variable may overall have an adverse effect on the Company's operations, earnings and financial position.

The market for the development and commercialisation of drugs is highly competitive

The Company operates in a market that is very competitive, and there is a risk that the Company's competitors may discover, develop and/or commercialise products before, or more successfully, than the Company. The Company's competitors in the market for immunotherapy include not only large pharmaceutical corporations, but also specialised pharmaceutical companies and biotechnology companies, and the Company's competitors are geographically located all over the world. Potential competitors also include academic institutions, authorities and other public and private research organisations that conduct research, development, manufacture and commercialisation, and that apply for patent protection, which could limit the Company's freedom-to-operate, including these entities establishing partnerships with the Company's direct competitors.

The competitive situation is changeable, and third parties that Lytix does not currently consider to be competitors of the Company, may in future become so, for example because of greater financial resources or structural deals within the pharmaceutical sector.

It should be noted that there is a number of pharmaceutical and biotechnology companies that are more progressed than the Company in the commercialisation of products within immunotherapy. In addition, there is a risk that pharmaceutical and/or biotechnology companies will develop product candidates and products which are better than immunotherapy to treat the conditions and diseases for which the Company is developing its product candidates. The Company's products are injected intratumorally. There is a risk that pharmaceutical and/or biotechnology companies will develop product candidates and products which are deemed to have a more convenient route of administration by the health authorities depending on e.g. the patient population or re-imbursement regulations, including but not limited to tablets, capsules and infusions.

Lytix' commercial opportunities may decrease or be eliminated entirely if one or more of the Company's competitors develop and commercialise products that are safer, more effective, cheaper and/or have fewer or less serious side effects than the Company's future products. There is also a risk that Lytix' competitors will obtain authorisations from regulatory authorities, such as the EMA or FDA, before Lytix receives the necessary authorisations, which may result in Lytix' competitors being able to launch their products and potentially establish a strong market position before Lytix is able to get into the market. If this happens, it may have a material adverse effect on Lytix' ability to commercialise the Company's product candidates.

5 THE SUBSEQUENT OFFERING AND THE OFFER SHARES

5.1 Background, reasons for the Subsequent Offering and use of proceeds

5.1.1 Background

Lytix is a clinical-stage biotech company and has incurred accumulated financial losses. Prior to completing the Private Placement, the Company had cash resources expected to fund operations at least through the first half of 2026. The net proceeds from the Private Placement are expected to extend the Company's cash runway through 2026 and into 2027. Only certain larger existing shareholders and management were invited to participate in the Private Placement. The Private Placement attracted strong interest and was oversubscribed, with participation from 13 existing shareholders, including the CFO and CSO.

Although the Private Placement extended the Company's cash runway, as a Norwegian private limited company the Company is subject to equal-treatment obligations under the Private Companies Act. The Private Placement resulted in a deviation from those equal-treatment obligations. To give shareholders who did not participate in the Private Placement an opportunity to limit their dilution, the Board of Directors has proposed the Subsequent Offering. The Subsequent Offering is conditional upon approval by the EGM. If carried out, the Subsequent Offering will provide additional funding for the Company's operations and future development.

The Subsequent Offering comprises an offer by the Company to issue up to 3,333,333 Offer Shares, each with a nominal value of NOK 0.10, at a Subscription Price of NOK 9.00 per Offer Share, which is the same as the subscription price in the Private Placement. If all Offer Shares are issued, the Subsequent Offering will generate gross proceeds of NOK 29,999,997 (approx. NOK 30 million) to the Company.

Eligible Shareholders will be granted non-transferable Subscription Rights that, subject to applicable laws, provide the right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Over-subscription will be permitted. Subscription without Subscription Rights will not be permitted.

5.1.2 Reasons for the Subsequent Offering and use of proceeds

The purpose of the Subsequent Offering is to offer the Eligible Shareholders the possibility to subscribe for Offer Shares in the Company at the same subscription price as in the Private Placement, thus limiting the dilution of their shareholding resulting from the Private Placement. If the Subsequent Offering is completed, and the Company achieves gross proceeds of approx. NOK 30 million, the proceeds together with existing cash is expected to finance the Company's operations through the first half of 2027.

The Company currently anticipates that it will use existing cash and the net proceeds from the Subsequent Offering, *inter alia*, for the following purposes:

- **Neoadjuvant melanoma development (ruxotemitide):**

  To co-finance an investigator-initiated neoadjuvant clinical study of ruxotemitide in melanoma patients with resectable tumours in collaboration with Oslo University Hospital (The Norwegian Radium Hospital), and to support preparatory activities related to potential future pivotal clinical development of ruxotemitide in the neoadjuvant setting.

- **Completion of ATLAS-IT-05 (LTX-315):**

  To finance completion-related activities and follow-up associated with the ATLAS-IT-05 Phase II clinical trial evaluating ruxotemitide in combination with pembrolizumab in patients with advanced stage III–IV melanoma.

- **Support of partner-led dermatologic oncology development (Verrica):**

  To fund potential follow-up activities, including production and supply of active pharmaceutical ingredient (API), to support Verrica Pharmaceuticals' planned Phase III clinical development of VP-315 (ruxotemitide), subject to partner decisions and applicable regulatory requirements.

- **Advancement of LTX-401:**

  To finance activities required to advance LTX-401 through late preclinical development and into a first-in-human Phase I/II clinical trial.

- **Business development and commercial:**

  To support the Company's business development and commercial activities, including management and advancement of existing partnerships and the evaluation and pursuit of potential new strategic collaborations related to the Company's development portfolio. This includes activities aimed at strengthening the clinical and preclinical data package for the Company's product candidates, facilitating partnering discussions, and supporting potential out-licensing, co-development, or other strategic transactions.

At the date of this Prospectus, the Company cannot predict all of the specific uses for the net proceeds, or the amounts that will be actually spent on the uses described above. The exact amounts and the timing of the actual use of the net proceeds will depend on numerous factors, amongst others, progress, costs and results of the Company's preclinical and clinical development program as other developments in the field of cancer treatment, regulatory results and developments and business and commercial opportunities.

5.2 Conditions for completion of the Subsequent Offering

The completion of the Subsequent Offering is subject to: (i) approval by the EGM of (a) the issuance of the Subscription Rights and (b) the share capital increase necessary to issue the Offer Shares; (ii) payment in full for the subscribed Offer Shares; (iii) registration of the share capital increase relating to the issuance of the Offer Shares with the Norwegian Register of Business Enterprises; and (iv) registration of the Offer Shares in the VPS. If the conditions have not been fulfilled by 15 March 2026, the Subsequent Offering will be cancelled. The Company may, at any time prior to such date and at its sole discretion, cancel the Subsequent Offering for any reason without any liability for the Company or the Manager to the Eligible Shareholders.

5.3 Type and quantity of the Offer Shares

The Offer Shares are ordinary Shares in the Company with a nominal value of NOK 0.10 each. Up to 3,333,333 Offer Shares will be issued based on the subscriptions received by the Company during the Subscription Period.

5.4 Rights associated with the Shares, including the Offer shares

The Company has one class of shares in issue and all Shares provide equal rights in the Company, including the right to any dividends. Each of the Company's Shares carries one vote. The rights attached to the Shares are further described below.

5.4.1 The Articles of Association

The Articles of Association are enclosed in Appendix 1 to the Prospectus. Below is a summary of the provisions of the Articles of Association as of the date of this Prospectus.

The Board of Directors has proposed that the EGM resolve to convert the Company into a public limited liability company (*Nw.: allmennaksjeselskap*), which, if approved, would result in the Company becoming subject to the Public Companies Act (see Section 4.1 "Legal form and applicable law" for additional details). In connection with such conversion, the Board of Directors has proposed changing the Company's legal name to Lytix Biopharma ASA (see Section 3.1 "Name and corporate information"). Additionally, the Board of Directors has proposed certain changes to the articles of association to comply with the requirements set out in the Public Companies Act. See Section 5.4.3.11"Changes upon conversion to a public limited liability company" for further information about the legal implications of the Company's proposed conversion to a public limited liability company.

The Board of Directors' proposed new Articles of Association are enclosed as Appendix 2 to the Prospectus. In the summary below, the differences between the current and proposed Articles of Association are described.

The notice convening the EGM is available on the Company's website. The minutes of the EGM will be published on the Company's website following the conclusion of the EGM and are expected to be available the same day. The Company's

conversion to a public company will take effect upon registration in the Norwegian Register of Business Enterprises. Registration, subject to approval by the EGM, is expected to occur on or about 27 January 2026.

5.4.1.1 Name and corporate form

Pursuant to section 2 of the Articles of Association, the Company's name is "Lytix Biopharma AS".

Section 2 of the proposed Articles of Association sets out that the Company is a public limited liability company, and that the Company's name is "Lytix Biopharma ASA".

5.4.1.2 Objective of the Company

Pursuant to section 3 of the Articles of Association, the Company's business objective is to develop, market and sell pharmaceutical and biotechnology products, as well as associated business activities. The Company may have ownership interests in entities within the same or related industries.

There are no changes to section 3 in the proposed Articles of Association.

5.4.1.3 Share capital and par value

Pursuant to section 4 of the Articles of Association, the Company's share capital is NOK 7,508,820.20 divided into 75,088,202 shares, each with a par value of NOK 0.10. There are no changes to section 4 in the proposed Articles of Association.

Section 5 of the Articles of Association currently provides that the Shares shall be registered with a central securities depository (the Norwegian Central Securities Depository (VPS)). The proposed amendment to section 5 specifies that the Shares shall be registered specifically in the VPS.

5.4.1.4 Restrictions on transfer of Shares

The Articles of Association do not provide for any restrictions on the transfer of Shares. Pursuant to section 6 of the Articles of Association the Shares are freely transferrable. There are no changes to section 6 in the proposed Articles of Association.

5.4.1.5 The Board of Directors

Pursuant to section 7 of the Articles of Association, the Board of Directors shall consist of between three and nine members as decided by the General Meeting. The chairperson of the Board of Directors shall be elected by the General Meeting.

The proposed amendment to section 7 specifies that board members may be elected for a term of up to two years.

5.4.1.6 Signatory right

Pursuant to section 8 of the Articles of Association, two Board Members acting jointly have the right to sign on behalf of the Company. There are no changes to section 8 in the proposed Articles of Association.

5.4.1.7 General meetings

Pursuant to section 9 of the Articles of Association, the annual General Meeting shall address and decide upon the following matters:

(i) Approval of the annual report and the annual accounts, including distribution of dividend; and

(ii) Any other matters, which according to law or statutes shall be addressed at the General Meeting.

There are no changes to section 9 in the proposed Articles of Association.

5.4.1.8 Electronic distribution of documents

Pursuant to section 10 of the Articles of Association, documents relating to matters which shall be considered at the General Meeting, including documents which according to law shall be included in or attached to the notice convening the General

Meeting, do not need to be sent to the shareholders if the documents have been made available on the Company's webpage. A shareholder may nevertheless request that documents relating to matters to be considered at the General Meeting are sent to the shareholder.

There are no changes to section 10 in the proposed Articles of Association.

5.4.1.9 Nomination committee

Pursuant to section 11 of the Articles of Association, the Company shall have a nomination committee elected by the General Meeting, and instructions for such nomination committee shall be prepared.

In the proposed Articles of Association, section 11 has been renumbered to section 10. There are no other suggested changes.

5.4.1.10 Further additions in the proposed Articles of Association

The proposed Articles of Association contain a new section 11 permitting the Board of Directors, at its discretion, to allow shareholders to vote in advance at future General Meetings. In addition, a new section 13 provides that the Company may have only one general manager.

5.4.2 The Shares are subject to trading on Euronext Growth

As mentioned in section 4.4.1 "Shares and share capital" above, the Shares are subject to trading on Euronext Growth. It is expected that the Offer Shares, if the Subsequent Offering is completed, will be admitted to trading on Euronext Growth in connection with being delivered to the applicant's VPS account, expected to happen during mid-February 2026.

5.4.3 Certain aspects of Norwegian corporate law

5.4.3.1 General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that a written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting is sent to all shareholders with a known address no later than one week before the annual general meeting of a Norwegian private limited liability company shall be held, unless the articles of association stipulate a longer deadline. As the Company's shares are registered in the VPS, the notice of the annual general meeting must be sent to all shareholders at least two weeks before the annual general meeting.

A general meeting may be conducted either in person or electronically. If a general meeting is held in person, shareholders have the right to participate and vote electronically, unless the board of directors decides otherwise based on legitimate grounds. Shareholders who are registered in their own name in the shareholders' register kept and maintained with VPS as of five business days prior to the date of a general meeting, are entitled to participate at general meetings without any requirement of pre-registration. Beneficial owners of shares in a Norwegian private limited liability company that are registered in the name of a nominee who wish to participate at a general meeting, must give notice to the company no later than two business days prior to the general meeting, unless the board of directors have set a later deadline.

A shareholder may vote at the general meeting either in person or by proxy (the proxy holder is appointed at their own discretion). Although Norwegian law does not require the Company to send proxy forms to its shareholders for general meetings, the Company plans to include a proxy form with notices of general meetings.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the board of directors considers it necessary. An extraordinary general meeting of shareholders shall also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 10% of the share capital demands such in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings.

5.4.3.2 Voting rights – amendments to the articles of association

Each Share in the Company carries one vote. In general, decisions shareholders are entitled to make under Norwegian law or the articles of association may be made by a simple majority of the votes cast. In the case of elections or appointments (e.g. to the board of directors), the person(s) who receive(s) the greatest number of votes cast is elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe for shares in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the articles of association, to authorise an increase or reduction of the share capital, to authorise an issuance of convertible loans or warrants by the Company or to authorise the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at the general meeting in question. Moreover, Norwegian law requires that certain decisions, i.e. decisions that have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the articles of association.

There are no quorum requirements that apply to general meetings.

5.4.3.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Company's Articles of Association must be amended, which requires the same vote as other amendments to the articles of association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. The preferential rights may be deviated from by a resolution in the general meeting passed with the same vote required to amend the articles of association. A deviation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The General Meeting may, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new Shares, and to deviate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered par share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be effected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States and other jurisdictions upon the exercise of preferential rights may require the Company to file a registration statement or prospectus in the United States under United States securities laws or in such other jurisdictions under the laws of such jurisdictions. Should the Company in such a situation decide not to file a registration statement or prospectus, the Company's U.S. shareholders and shareholders in such other jurisdictions may not be able to exercise their preferential rights. To the extent that shareholders are not able to exercise their rights to subscribe for new shares, the value of their subscription rights will be lost and such shareholders' proportional ownership interests in the Company will be reduced.

5.4.3.4 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to, those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the General Meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 10% or more of the Company's share capital have a right to demand in writing that the Board of Directors convenes an extraordinary General Meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company places an item on the agenda for any General Meeting as long as the Company is notified in time for such item to be included in the notice of the General Meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the General Meeting has not expired.

5.4.3.5 Rights of redemption and repurchase of shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a General Meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a General Meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury Shares so acquired, and held by the Company must not lead to the share capital with deduction of the aggregate nominal of the holding of own Shares is less than the minimum allowed share capital of NOK 30,000, and treasury Shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting of the Company's shareholders cannot be granted for a period exceeding two years.

5.4.3.6 Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the General Meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate so, be made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

5.4.3.7 Liability of board members

Board Members owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Board Members may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the General Meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the General Meeting passing upon the matter. If a resolution to discharge a Board Member from liability or not to pursue claims against such a person has been passed by a General Meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board

Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

5.4.3.8 Indemnification of board members

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board Members against certain liabilities that they may incur in their capacity as such.

5.4.3.9 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

5.4.3.10 Takeover bids and forced transfers of shares

The Company is not subject to the takeover regulations set out in the Norwegian Securities Trading Act, or otherwise. The Shares are, however, subject to the provisions on compulsory transfer of shares as set out in the Norwegian Private Limited Companies Act. If a private limited liability company alone, or through subsidiaries, owns 9/10 or more of the shares in the subsidiary, and may exercise a corresponding part of the votes that may be cast in the general meeting, the board of directors of the parent company may resolve that the parent company shall take over the remaining shares in the company. Each of the other shareholders in the subsidiary have the right to require the parent company to take over the shares. The parent company shall give the shareholders a redemption offer pursuant to the provisions of the Norwegian Private Limited Companies Act. The redemption amount will in the absence of agreement or acceptance of the offer be fixed by a discretionary valuation.

5.4.3.11 Changes upon conversion to a public limited liability company

The EGM is expected to vote on the Company converting from a private limited liability company (Nw.: *aksjeselskap*) to a public limited liability company (Nw.: *allmennaksjeselskap*) pursuant to Chapter 15 of the Private Companies Act.

Upon registration of the conversion with the Norwegian Register of Business Enterprises, the Company's name will be amended to reflect the ASA designation, and the Company's articles of association will be updated to conform to the requirements applicable to public limited liability companies. The Company's shares are already registered with Euronext Securities Oslo (VPS), and the conversion will not in itself affect the VPS registration, the ISIN, or the tradability of the Company's shares. The Company's shares will continue to be admitted to trading on Euronext Growth, and the conversion will not in itself alter the terms of such admission to trading.

Following the conversion, the Company will be subject to a higher minimum share capital requirement of NOK 1 million as opposed to NOK 30,000 that applies to a Norwegian limited liability company. The Company has a share capital of NOK 7,508,820.20 as of the date of this Prospectus, and thus, already fulfils the minimum share capital requirement for public limited companies. The Company will also be subject to corporate governance and organisational requirements specific to Norwegian public limited liability companies. These include, among other matters, a larger minimum board size, enhanced independence and eligibility requirements for board members, and statutory rules on gender representation on the board of directors. The CEO will not be able to serve as the chairperson of the board of directors, and additional separation-of-roles and procedural requirements apply to the relationship between the board of directors and executive management.

The general meeting framework applicable to Norwegian public limited liability companies differ from that of Norwegian private limited liability companies, including longer statutory notice periods for general meetings, more prescriptive meeting documentation and proxy arrangements. A public limited company may invite the public to subscribe for shares and other securities, whereas a private limited company may invite only its shareholders and specified persons. Stricter requirements apply to public limited companies with respect to contributions in kind, related party transactions, and with respect to mergers and demergers.

All of the Company's assets, rights, obligations and contractual relationships will continue with the Company as the same legal person, and the shareholders' proportionate ownership interests will remain unchanged immediately upon completion of the conversion.

5.4.4 Dividends

5.4.4.1 Dividend policy

The Company did not pay any dividends during the financial years ended 31 December 2024 and 31 December 2025. The Company is focusing on the development of pharmaceutical products and does not anticipate paying any cash dividend until sustainable profitability is achieved.

5.4.4.2 Legal and contractual constraints on the distribution of dividends

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the Private Companies Act, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in force at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Private Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Dividends may be paid in cash or in some instances in kind. The Private Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Private Companies Act regulates what may be distributed as dividend, and provides that the Company may distribute dividends only to the extent that the Company after said distribution still has net assets to cover (i) the share capital and (ii) other restricted equity (i.e. the reserve for unrealized gains and the reserve for valuation of differences).

- The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorize the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Pursuant to the Private Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the General Meeting when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian private limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Private Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends.

5.4.4.3 Manner of dividend payment

Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder and will be paid to the shareholders through the VPS Registrar. Shareholders registered in the VPS who have not supplied the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) applied when denominating any future payments of dividends

to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

5.4.4.4 Changes upon conversion to a public limited liability company

The anticipated conversion of the Company to a Norwegian public limited liability company, as further described in section 5.4.3.11 "Changes upon conversion to a public limited liability company", is not expected to have any direct effect on the Company's ability declare or pay dividends or on the manner in which dividends may be recorded and distributed through the VPS Registrar. However, for completeness, it is mentioned that as a public limited liability company, the Company must have a share capital of a minimum of NOK 1 million, which could, theoretically in the future impact the Company's ability to pay dividends. The current share capital of the Company is NOK 7,508,820.20. Any future dividend level, timing and form will continue to depend on, among other factors, the Company's results of operations, financial condition, capital requirements, contractual restrictions and the board of directors' assessment and proposal to the General Meeting within the confines of Norwegian law.

5.4.5 Selling and transfer restrictions

5.4.5.1 General

The issue of Offer Shares upon applying to subscribe in the Subsequent Offering, to persons resident in, or who are citizens of countries other than Norway, may be affected by the laws of the relevant jurisdiction. Prospective investors should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other formalities to enable them to subscribe for Offer Shares in the Subsequent Offering.

The Company is not taking any action to permit the offering of the Offer Shares in any jurisdiction other than Norway. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

Any person wishing to subscribe for Offer Shares under the Subsequent Offering has the responsibility to satisfy himself/herself as to the full observance of the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. By applying for the Offer Shares, persons effecting applications will be deemed to have represented to the Company that they, and the persons on whose behalf they are applying for the Offer Shares, have complied with such restrictions.

5.4.5.2 The European Economic Area

In relation to each Member State of the EEA other than Norway, which has implemented the EU Prospectus Regulation (each a "**Relevant Member State**"), delivery of an offer of Offer Shares which are the subject of the Subsequent Offering contemplated by this Prospectus may not be made to the public in that Relevant Member State, except that delivery of an offer to the public in that Relevant Member State of any Offer Shares may be made at any time under the following exemptions under the Prospectus Regulation, provided such exceptions have been implemented in that Relevant Member State:

- to legal entities which are qualified investors as defined in the Prospectus Regulation;

- to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the Company for any such offer; and

- in any other circumstances falling within Article 1 (4) of the Prospectus Regulation;

provided that no such offer of Offer Shares shall require the Company to publish a Prospectus pursuant to the Prospectus Regulation or supplement a prospectus pursuant to the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable investors to decide to subscribe for any shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Regulation in that Member State (and amendments thereto to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State.

5.4.5.3 United Kingdom

This Prospectus and any other material in relation to the Subsequent Offering described herein are only being distributed to, and is only directed at persons in the United Kingdom who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Regulation, as the term is used in Article 1(4) and (6) of the Prospectus Regulation, that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); (ii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom distributions may otherwise lawfully be made (all such persons together being referred to as Relevant Persons). The Offer Shares are only available to, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, Relevant Persons. This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Persons who are not Relevant Persons should not take any action on the basis of this Prospectus and should not rely on it.

5.4.5.4 United States

The Subsequent Offering and the Offer Shares have not been registered and will not be registered under the U.S. Securities Act, as amended or under the securities law of any state or other jurisdiction of the United States, and may not be offered, sold, pledged, granted, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States, except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act; or (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

5.4.5.5 Other jurisdictions

The Offer Shares being granted or offered, respectively, in the Subsequent Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into any jurisdiction in which it would not be permissible to offer the Offer Shares, including Australia, Canada, Hong Kong, Japan, the United States (other than as set out above), the EEA (other than as set out above) and the United Kingdom (other than as set out above) (together the "**Ineligible Jurisdictions**"). This Prospectus may not be sent to, or accessed by, any person in any Ineligible Jurisdiction.

5.5 ISIN of the Offer Shares

The Offer Shares will be issued electronically under the ordinary ISIN of the Company, NO 0010405780.

5.6 Subscription Price

The Subscription Price is NOK 9.00 per Offer Share, being the same subscription price as in the Private Placement. No expenses or taxes are charged to the subscribers in the Subsequent Offering by the Company.

5.7 Gross and net proceeds from the Subsequent Offering

The gross proceeds of the Subsequent Offering will depend on the number of issued Offer Shares. If the Subsequent Offering is completed, the gross proceeds will be up to NOK 29,999,997.

The net proceeds will correspond to the gross proceeds less a deduction of the fees and expenses paid by the Company in connection with the Subsequent Offering (please see section 5.8 "Expected costs in connection with the Subsequent Offering").

5.8 Expected costs in connection with the Subsequent Offering

The Company will pay fees and expenses related to the Subsequent Offering, which are estimated to amount to approximately NOK 600,000 (excluding VAT).

5.9 Participants in the Subsequent Offering and allocation

5.9.1 Eligible Shareholders and Ineligible Shareholders

The Offer Shares may be subscribed for by Eligible Shareholders

The Eligible Shareholders will, subject to approval by the EGM, receive 0.098381 Subscription Rights for each existing share in the Company registered as held by that Eligible Shareholder as of the Record Date, rounded down to the nearest whole Subscription Right.

Shareholders resident in Ineligible Jurisdictions, and/or with legislation that, according to the Company's assessment, prohibits or otherwise restricts subscription of the Offer Shares or would require any filing, registration or similar action to offer the Offer Shares (the "**Ineligible Shareholder**") should not be perceived as being invited to apply to subscribe for Offer Shares, and will under no circumstances be allotted Offer Shares. Shareholders who are not allotted Offer Shares for any reason shall not be entitled to any form of compensation.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful.

5.9.2 Subscription Rights

Subject to approval by the EGM, the Subscription Rights will be credited to and registered in each Eligible Shareholder's VPS account on or about 27 January 2026, under the ISIN NO0013712851. The Subscription Rights will be distributed free of charge to Eligible Shareholders. The Subscription Rights are non-transferable.

The Subscription Rights must be used to subscribe for Offer Shares before the expiry of the Subscription Period on 10 February 2026 at 16:30 hours CET. Subscription Rights that are not exercised prior to 16:30 hours CET on 10 February 2026, will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus and the Application Form (as defined below) attached hereto as Appendix 4, and that the receipt of Subscription Rights does not itself constitute a subscription of Offer Shares.

Should any Subscription Rights be credited to Ineligible Shareholders, such credit specifically does not constitute an offer to Ineligible Shareholders. The Company will seek to, as far as possible, withdraw the Subscription Rights from such Ineligible Shareholders' VPS accounts.

Shareholders holding their Shares, and thereby Subscription Rights, through financial intermediaries should contact their financial intermediary as further described in Section 5.11.2 "Financial intermediaries" below.

5.9.3 Subscription Procedures

Subscriptions for Offer Shares by Eligible Shareholders holding a VPS account must be made (i) by submitting a correctly completed application form attached hereto as Appendix 4 (the "**Application Form**"), to the Manager during the Subscription Period, or (ii) may, for subscribers who are residents of Norway with a national identity number, be made online through the

VPS online subscription system as further described below in this Section Subscription Procedures". **Subscriptions by Eligible Shareholders who do not have a VPS account, but instead hold Shares (and Subscription Rights) through a financial intermediary (i.e. broker, custodian, nominee, etc.) can be made by contacting their respective financial intermediary as further described in Section 5.11.2 "Financial intermediaries" below.**

Correctly completed Application Forms must be received by the Manager at the following postal or e-mail address, or in the case of online subscriptions, through the VPS online subscription system, be registered, no later than 16.30 hours (CET) on 10 February 2026:

DNB Carnegie, a part of DNB Bank ASA

Dronning Eufemias gate 30

N-0021 Oslo

Norway

Tel: +47 915 04800

E-mail: retail@dnb.no

Website: www.dnb.no/emisjoner

Subscribers who are residents of Norway with a Norwegian national identity number are encouraged to subscribe for Offer Shares through the VPS online subscription. All online subscribers must verify that they are Norwegian residents by entering their national identity number (Nw.: *personnummer*). In addition, the VPS online subscription system is only available for individual persons and is not available for legal entities. Legal entities must thus submit an Application Form in order to subscribe for Offer Shares. Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period.

All subscriptions will be treated in the same manner regardless of whether it is submitted by using the Application Form or online through the VPS subscription system. None of the Company or the Manager may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Manager. Application Forms received after the end of the Subscription Period and/or incomplete or incorrect Application Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Manager without notice to the subscriber.

Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Manager, or in the case of subscriptions through the VPS online subscription system, upon registration of the subscription. The subscriber is responsible for the correctness of the information filled into the Application Form, or, in case of applications through the VPS online subscription system, the online subscription form. By signing and submitting a Application Form, or by subscribing via the VPS online subscription system, the subscriber confirms and warrants that it has read this Prospectus including its appendices and is eligible to subscribe for Offer Shares pursuant to the terms set forth herein.

There is no minimum subscription amount for which subscriptions in the Subsequent Offering must be made. Over-subscription (i.e. subscription for more Offer Shares than the number of Subscription Rights held by the subscriber entitles the subscriber to be allocated) is permitted. Subscription without Subscription Rights is not permitted.

Multiple subscriptions (i.e. subscriptions on more than one Application Form) are allowed. Please note, however, that two separate Application Forms submitted by the same subscriber with the same number of Offer Shares subscribed for on both Application Forms will only be counted once unless otherwise explicitly stated in one of the Application Forms. In the case of multiple subscriptions through the VPS online subscription system or subscriptions made both on an Application Form and through the VPS online subscription system, all subscriptions will be counted.

The Subsequent Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**").

Subscribers who are not registered as existing customers of the Manager must verify their identity to the Manager with which the order is placed in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares.

Furthermore, participation in the Subsequent Offering is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the Application Form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee (i.e., a financial intermediary). The nominee must be authorised by the Norwegian FSA. The establishment of a VPS account requires verification of identification to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

5.9.4 Allocation of Offer Shares

Subject to approval by the EGM, the Offer Shares will be allocated as follows:

a) Offer Shares will first be allocated to Eligible Shareholders who have validly exercised Subscription Rights during the Subscription Period. Each Subscription Right entitles the holder to subscribe for, and be allocated, one (1) Offer Share.

b) If all Subscription Rights are not validly exercised during the Subscription Period, Eligible Shareholders who have exercised their Subscription Rights and have over-subscribed will be allocated additional Offer Shares on a pro rata basis, based on the number of Subscription Rights exercised by each such subscriber. To the extent pro rata allocation is not possible, the Company will determine the allocation by lot.

No Offer Shares shall be allocated to Ineligible Shareholders.

No fractional Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not validly made or covered by Subscription Rights. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated.

The result of the Subsequent Offering is expected to be published on or about 11 February 2026 in the form of a press release from the Company through the Oslo Stock Exchange's information system, www.newsweb.no. Subject to the extraordinary General Meeting approving the Subsequent Offering, notifications of allocated Offer Shares and the corresponding subscription amount to be paid within the Payment Date (as defined below) will be sent on or about 11 February 2026. Subscribers having access to investor services through their VPS account managers will be able to check the number of Offer Shares allocated to them from 12:00 (CET) on or about 11 February 2026. Subscribers who do not have access to investor services through their VPS account managers may contact the Manager from 12:00 (CET) on the same date to obtain information about the number of Offer Shares allocated to them.

5.10 Resolution regarding the Subsequent Offering

The Company has called for the EGM, whereby the General Meeting is expected to resolve to increase the share capital in connection with the Subsequent Offering and issue the Subscription Rights. The minutes from the EGM will be published on the Company's website following the conclusion of the EGM and are expected to be available the same day.

5.11 Subscription Period and application procedures

5.11.1 Subscription Period and timetable

The timetable set out below provides key dates for the Subsequent Offering:

Event	Date
Record Date	12 January 2026
Subscription Period commences	27 January 2026 at 13:00 hours CET
Subscription Period ends	10 February 2026 at 16:30 hours CET
Allocation of the Offer Shares	On or about 11 February 2026
Publication of the results of the Subsequent Offering	On or about 11 February 2026
Distribution of allocation letters	On or about 11 February 2026
Payment Date	13 February 2026
Registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises	Expected to occur on or about mid-February 2026
Delivery of the Offer Shares	Expected to occur on or about mid-February 2026

The above dates are indicative and subject to change.

The Subscription Period commences on 27 January 2026 at 13:00 hours (CET) and expires at 16:30 hours (CET) on 10 February 2026. The Company may at its discretion extend the Subscription Period at any time and for any reason, with a short notice, but in no event shall the Subscription Period be extended with more than four weeks. If the Subscription Period is extended the other dates referred to herein may be amended accordingly.

5.11.2 Financial intermediaries

5.11.2.1 General

All persons or entities that hold their Shares, and thus Subscription Rights, through financial intermediaries (e.g. brokers, custodians and nominees) should read this Section 5.11.2 "Financial intermediaries" carefully. All questions concerning timeliness, validity and form of instructions to a financial intermediary in relation to the exercise of Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder. Such shareholders are therefore encouraged to contact its financial intermediary if it wants to get more information about how to utilise its Subscription Rights.

The Company will not be liable for any action or failure to act by a financial intermediary through which Shares are held.

5.11.2.2 Subscription Rights

If a shareholder holds Shares through a financial intermediary on the Record Date, the financial intermediary will, subject to the terms of the agreement between the shareholder and the financial intermediaries customarily give the shareholder details of the aggregate number of Subscription Rights to which it will be entitled and the relevant financial intermediary will customarily supply such shareholder with this information in accordance with its usual customer relations procedures. Shareholders holding Shares through a financial intermediary should contact the financial intermediary if they have received no information with respect to the Subsequent Offering.

Shareholders who hold their Shares through a financial intermediary and who are Ineligible Shareholders will initially be credited Subscription Rights. Such credit specifically does not constitute an offer to Ineligible Shareholders. The Company will seek to withdraw the Subscription Rights from such financial intermediary's VPS accounts with no compensation to the holder, and in no event will Ineligible Shareholders be entitled to exercise any received Subscription Rights.

5.11.2.3 Subscription Period

The time by which notification of exercise instructions for subscription of Offer Shares must validly be given to a financial intermediary may be earlier than the expiry of the Subscription Period. Such deadline will depend on the financial intermediary. Eligible Shareholders who hold their Shares through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to deadlines.

5.11.2.4 Subscription

Any shareholder who is not an Ineligible Shareholder and who holds its Subscription Rights through a financial intermediary and wishes to exercise its Subscription Rights, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the respective shareholders and for informing the Company of their exercise instructions.

Please refer to Section 5.4.5 "Selling and transfer restrictions" for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions outside Norway.

5.11.2.5 Method of payment

Any Eligible Shareholder who holds its Subscription Rights through a financial intermediary should pay the Subscription Price for the Offer Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Subscription Price in accordance with the instructions in the Prospectus. Payment by the financial intermediary for the Offer Shares must be made to the Manager no later than the Payment Date (as defined below). Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Date.

5.12 Payment date for and delivery of the Offer Shares

5.12.1 Payment due date

The payment for Offer Shares allocated to an applicant falls due on a date notified by the Company to the applicants (the "**Payment Date**"). Payment instructions, provided that the conditions for the Subsequent Offering are fulfilled, are expected to be sent on or about 11 February 2026. Payment must be made in accordance with the requirements set out below in this Section. The Payment Date is expected to be 13 February 2026.

5.12.2 Subscribers who have a Norwegian bank account

Subscribers who have a Norwegian bank account must, and will by signing the Application Form or by the online subscription registration for subscriptions through the VPS online subscription system, provide the Manager, acting as the settlement agent on behalf of the Company in the Subsequent Offering, with a one-time irrevocable authorisation to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares which are allocated to the subscriber.

The specified bank account is expected to be debited on or after the Payment Date. The Manager is only authorised to debit such account once, but reserve the right to make up to three debit attempts, and the authorisation will be valid for up to seven business days after the Payment Date.

The subscriber furthermore authorises the Manager to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment.

If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorisation from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue.

Payment by direct debiting is a service that banks in Norway provide in cooperation. In the relationship between the subscriber and the subscriber's bank, the standard terms and conditions for "Payment by Direct Debiting – Securities Trading", which are set out on page 2 of the Application Form, will apply, provided, however, that subscribers who subscribe for an amount exceeding NOK 5 million will be contacted by the Manager to manually pay the subscription amount after allocation of the Offer Shares.

The contact information to the Manager is included in Section 5.9.3 "Subscription Procedures".

5.12.3 Subscribers who do not have a Norwegian bank account

Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date. Prior to any such payment being made, the subscriber must contact

the Manager for further details and instructions. The contact information to the Manager is included in Section 5.9.3 "Subscription Procedures".

5.12.4 Overdue payments

Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 No. 100, currently 12.00% per annum as of the date of this Prospectus. If an applicant who has been allotted Offer Shares fails to comply with the terms of payment or should payments not be made when due, the applicant will remain liable for payment of the Offer Shares allocated to them and the Offer Shares allocated to such applicant will not be delivered to the applicant. If payment has not been received by the seventh day after the Payment Date, the Company reserve the right to, at the risk and cost of the applicant, cancel the subscription and to re-allocate Offer Shares for which payment is overdue, or without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Company may decide in accordance with Norwegian law. If Offer Shares are sold on behalf of the applicant, such sale will be for the applicant's account and risk and the applicant will be liable for any loss, costs, charges and expenses suffered or incurred by the Company as a result of, or in connection with, such sales. The Company may enforce payment for any amounts outstanding in accordance with applicable law.

5.12.5 Delivery of the Offer Shares

Subject to timely payment by the applicants allotted Offer Shares, the Company expects that the share capital increase pertaining to the Subsequent Offering will be registered with the Norwegian Register of Business Enterprises during mid-February 2026 and that the Offer Shares will be delivered to the VPS accounts of the applicants to whom they are allocated shortly thereafter and at the same time admitted to trading on Euronext Growth. Upon registration of the share capital increase, the allocated Offer Shares will be registered with the same ISIN as the existing Shares of the Company.

The Offer Shares may not be transferred or traded before they are fully paid for and said registrations in the Norwegian Register of Business Enterprises and the VPS have taken place.

5.13 Interests of natural and legal persons involved in the Subsequent Offering

The Manager and its affiliates have, from time to time, provided, and may provide in the future, investment banking services to the Company and its affiliates in the ordinary course of business, for which they may receive and may continue to receive customary fees and commissions. The Manager, its employees and any affiliate may currently own Shares in the Company. Further, in connection with the Subsequent Offering, the Manager, its employees and any affiliate acting as investor for its own account may receive Subscription Rights (if they are Eligible Shareholders) and may exercise its right to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares or Subscription Rights and any other securities of the Company or other investments for its own account and may offer or sell such securities (or other investments) otherwise than in connection with the Subsequent Offering. The Manager does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Further, the Manager will receive a fee in connection with the Subsequent Offering and, as such, have an interest in the Subsequent Offering.

Beyond what is mentioned above in this Section, the Company is not known with any interest, including conflicting ones, or natural and legal persons involved in the Subsequent Offering.

5.14 Risk factors related to the Shares and the Offer Shares

Investing in the Offer Shares involves inherent risks. Before making an investment decision, investors should carefully consider the risk factors and all information contained in this Prospectus, including the Financial Statements and related notes. The risks and uncertainties described in this Section 5.14 and Section 4.10 are the principal known risks and uncertainties faced by the Company as of the date hereof that the Company believes are the material risks relevant to an investment in the Offer Shares. An investment in the Offer Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss

of all or part of their investment. The absence of a negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision.

If any of the risks were to materialise, individually or together with other circumstances, it could have a material and adverse effect on the Company and/or its business, financial condition, results of operations, cash flow and/or prospects, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Offer Shares. The risks and uncertainties described below are not the only risks the Company may face. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on the Company's business, financial condition, results of operations and cash flow.

The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence or of their severity or significance. The risks mentioned herein could materialise individually or cumulatively.

5.14.1 Legal and regulatory risk

The Company may be the subject of product liability claims

There is a risk that product liability claims will be brought against the Company in connection with clinical trials of product candidates on humans, and in the subsequent commercialisation of product candidates. If Lytix' product candidates cause, or are accused of causing, personal injuries there is a risk that this will lead to the Company being forced to pay significant damages. The risk of product liability becoming a relevant issue is assessed to further increase after any commercialisation of one or more product candidates, since the number of users is then likely to increase markedly. If the Company is not able to successfully defend itself against claims that product candidates or finished products caused harm, this could give rise to significant costs for Lytix. If this occurs, there is a risk that these costs will not be covered by the Company's insurance cover (see next risk factor). Overall, these factors could have a material adverse effect on the Company’s operations, earnings and/or financial position.

Inappropriate or fraudulent conduct, criminal acts or failure to comply with laws and orders in force and with ethical and other applicable norms and standards may have an adverse effect on the Company's operations and reputation

In its operations, Lytix is dependent on the Company, and the Company's employees, contractors and partners, respecting and complying with laws and rules in force and with ethical and other applicable norms and standards. Inappropriate or fraudulent conduct, criminal acts or failure to comply with laws and orders in force and with ethical and other applicable norms and standards may have an adverse effect on the Company's operations and reputation. Such actions may, for example, include failure to obtain and maintain the necessary authorisations and approvals, failure to fulfil requirements for the products' quality and safety, intellectual property and compliance with rules on, for example, the protection of classified information, personal data and financial reporting, and the respect of ethical norms and standards. Inappropriate conduct, criminal acts or failure to comply with applicable laws and rules as well as ethical norms and standards may damage the Company's operations and reputation, and have an adverse effect on revenues and earnings as a result of, for example, sanctions and penalties under administrative regulations, civil law and/or criminal law.

Changes in legislation and authorities' rules may involve greater requirements and changed terms, or a development towards a stricter application by authorities of laws and rules, which may require additional investment and result in increased costs and other commitments for Lytix. Adapting Lytix' operations and services in order to comply with applicable laws and other regulations may involve costs that may have an adverse effect on the Company's operations, financial position and earnings. In addition, there is a risk that new or changed laws or rules are implemented suddenly and/or needs to be fulfilled within a short period of time, which may have an adverse effect on Lytix' operations, financial position and/or earnings.

There is a risk that Lytix' existing insurance cover will not be sufficient for possible current or future needs, and that in the future, the Company will not be able to maintain the existing insurance cover at reasonable cost or at all

It is of importance for Lytix' operations that the Company is able to procure the necessary and sufficient insurance cover at reasonable cost. There is a risk that Lytix' existing insurance cover will not be sufficient for possible current or future needs, and that in the future, the Company will not be able to maintain the existing insurance cover at reasonable cost or at all.

Moreover, the protection that the Company obtains through its insurance policies may be limited due to, for example, limits on amounts and claims for payment of a deductible, or that not all of the amount lost is compensated by the insurance company in the event of, for example, successful product liability claims. If one or more losses are covered by the Company's insurances, there is in addition a risk that it is difficult and/or time-consuming to obtain compensation from the insurance company concerned.

There is therefore a risk that Lytix' insurance will not cover all potential losses, regardless of cause, or that relevant insurance cover will not always be available at an acceptable cost, which could have an adverse effect on Lytix' operations, financial position and earnings. Claims against Lytix may also, notwithstanding the Company's insurance cover, result in an increase in the premiums that the Company pays under its insurance contracts. Significant increases in insurance premiums could have an adverse effect on the Company's operations, financial position and earnings.

The Company may become involved in disputes, administrative proceedings, claims, investigations and legal proceedings, which may have a material adverse effect its operations, financial position and earnings

Within the framework of its normal business operations, Lytix may become involved in disputes, and risks being subject to civil claims in legal proceedings concerning, inter alia, intellectual property, product liability and agreements with suppliers. In addition, the Company may from time to time determine that it is necessary to initiate legal or administrative proceedings to protect its interests, enforce contractual or intellectual property rights, or prevent conduct by third parties that could adversely affect the Company's business. In addition, Lytix (or executives, managers, employees or related parties) could become the subject of administrative proceedings, criminal investigations, regulatory investigations and similar proceedings. Disputes, administrative proceedings, claims, investigations and legal proceedings of these types may be time-consuming, disrupt normal operations, result in significant costs, including legal fees, damages, fines and/or penalties, have an adverse effect on relations with partners and users, and result in both administrative and legal sanctions and measures at considerable cost. If such disputes, administrative proceedings, claims, investigations and legal proceedings occur and Lytix is held liable, there is a risk that the claims will not be fully covered by the Company's insurance cover. Future disputes, administrative proceedings, claims, investigations and legal proceedings may consequently have a material adverse effect on Lytix' operations, financial position and earnings. Exposure to disputes, fines and other injunctions issued by relevant authorities and public bodies may also adversely affect Lytix' reputation and brand, even if the financial effects are not necessarily substantial.

The Company's processing of personal data is subject to complex and evolving laws and regulations regarding data protection and privacy

The Company records, processes, stores and uses significant amounts of personal data within the framework of its operations. Within the EU and the EEA and in certain other jurisdictions, the processing of personal data is subject to complex and extensive regulation. The Company is also responsible for the processing of personal data that is carried out on behalf of the Company by subcontractors and partners, and for ensuring that personal data is not disclosed or transferred outside the EU and the EEA in contravention of the legislation.

The Company's processing of personal data is subject to complex and evolving laws and regulations regarding data protection and privacy (the "**Data Protection Laws**"), including, but not limited, to the General Data Protection Regulation (EU) 2016/679 (the "**GDPR**") in the EU/EEA, which has been incorporated into and made part of local law in the jurisdictions in which the Company mainly operates. These general requirements for processing personal data is supplemented by health sector specific laws and regulations for processing health data and supplying services to the health sector, as well as industry code of conducts which the Company's potential customers and partners expect the Company to comply with.

Although the Company has strengthened its internal procedures on the handling of personal data, the measures taken may not be sufficient to ensure compliance with the above-mentioned laws and regulations. If the Company is found not to be in compliance with applicable legal and regulatory requirements it could be subject to civil remedies, including fines and injunctions and potentially cancellation of customer agreements, as well as potential criminal sanctions, any of which could have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects.

The Company's processing of personal data requires that the Company continuously invests in measures and guidelines for complying with Data Protection Laws, the GDPR and applicable legislation, which the Company is aware of and dedicated to undertaking. Changes in the regulatory framework, sudden changes in established interpretations or practice by government or other regulatory standards could require the Company to adapt its business activities, re-design, revise its strategy, or invest additional resources in ensuring compliance. The Company has invested financial and managerial resources to ensure compliance with such legal and regulatory requirements and expects to continue to be in compliance in the future. Changes in the legal and regulatory requirements could result in a material expenditure, which could have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects.

The Company is subject to cybersecurity and data integrity risks

The Company relies extensively on information technology systems, digital infrastructure, and electronic data to conduct its research, manage clinical trials, operate its business, and maintain regulatory required records. These systems are vulnerable to a wide range of internal and external threats, including cyberattacks, ransomware, phishing, data breaches, system failures, and other security incidents. The Company also relies on third party vendors, clinical sites, contract research organisations, and manufacturing partners who may have access to sensitive data and whose systems may be subject to similar vulnerabilities. Cybersecurity incidents, whether targeted or opportunistic, could result in unauthorised access to or loss of clinical data, personal data, proprietary information, or confidential business documents. Any such incident could disrupt the Company's operations, delay clinical development, compromise data integrity, require significant remediation costs, or lead to regulatory investigations, penalties, or liabilities under data protection laws such as the GDPR. Even with robust security measures, no system is fully immune to attack, and the Company may not detect security breaches in a timely manner. Any failure to maintain the confidentiality, integrity, and availability of critical data and systems could materially and adversely affect the Company's business, reputation, and prospects.

Norwegian law may limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Company's Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In addition, it may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in jurisdictions other than Norway.

Preferential rights may not be available to U.S. or other shareholders

Under Norwegian law, existing shareholders will have preferential rights to participate on the basis of their existing share ownership in the issuance of any new Shares for cash consideration, unless those rights are waived by a resolution of the shareholders at a General Meeting or the Shares are issued on the basis of an authorisation to the Board of Directors under which the Board of Directors may waive the preferential rights. Shareholders in the United States, however, may be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be reduced and they may be financially diluted.

5.14.2 Risk related to the Company's financial situation

The Company cannot guarantee that it will generate revenue or sustainable income that is significant enough to achieve profitability

The Company's operations have consumed substantial amounts of cash since inception and the Company has not yet developed a product that generates income to finance further operations. The Company is not likely to generate sustainable income that is significant before one or more of its product candidates have been successfully commercialised. Even if a product

candidate would become successfully developed and commercialised, the Company cannot guarantee that it will generate revenue or sustainable income that is significant enough to achieve profitability.

There is a risk that Lytix will not be able to procure sufficient capital

In brief, Lytix' operations are based on conducting research into and developing drugs (and associated activities). Pharmaceutical research and development is a capital-intensive business, and historically Lytix has been financed by new share issues and capital deposits from existing and new investors. Lytix has only limited revenues, and since the Company was established, it has not reported a positive operating result in any fiscal year. In all likelihood Lytix will need further deposits of capital in the future from new and existing investors in order to be able to continue conducting the Company's operations and in order to commercialise the Company's product candidates.

There is a risk that the Company will not have access to the necessary capital in the future, or that funding can only be obtained on disadvantageous terms for Lytix. Access to funding is affected by a number of factors, such as the general supply of funding, market conditions in the sector in which Lytix operates and Lytix' commercial and financial situation. Disruptions and uncertainty in the capital and credit markets may also restrict the supply of the capital required to conduct operations. If Lytix is unable to procure the necessary capital on acceptable terms, it may mean that the Company needs to reduce its operations, e.g. by carrying out fewer preclinical studies and clinical trials, which may in itself mean that any commercialisation of Lytix' product candidates is delayed or abandoned, or divest or out-license all or some of its product candidates. If Lytix fails to procure the necessary capital in the future, this may consequently have a materially adverse effect on Lytix' operations, financial position and/or earnings.

There is a risk that the Company may in the future infringe conditions associated with research and development grants obtained and/or paid out because of conscious actions, oversight or as an effect of events beyond the Company's control

Lytix has historically received, and may in the future receive, research and development grants within the framework of the Company's operations. Research and development grants are generally associated with conditions, for example relating to how the research is carried out and how the results of certain research are used. There is a risk that the Company may in the future infringe conditions associated with research and development grants obtained and/or paid out because of conscious actions, oversight or as an effect of events beyond the Company's control. In this event, the result may be that the Company is forced to repay research and development grants paid out, or that research and development grants obtained but not paid out, are not paid out. An inability to comply with the conditions of previously obtained and/or paid out research and development grants may further result in a deterioration in the Company's ability to obtain grants applied for. Should these risks occur, it may have a material adverse effect on the Company's operations, earnings and/or financial position.

Future acquisitions may involve significant costs and result in undesired liabilities and contingent liabilities being assumed by the Company

In the future, Lytix may make acquisitions of companies and operations. When acquiring other companies, there is a risk that the due diligence carried out by the Company does not include all the information needed to make adequate decisions from a financial and/or legal perspective. Future acquisitions may consequently result in undesired liabilities and contingent liabilities being assumed. This may have an adverse effect on Lytix' operations, earnings and financial position.

Moreover, Lytix may incur significant acquisition and administrative costs as well as restructuring costs in conjunction with acquisitions and expected positive effects may be delayed or may not occur.

Disposals of operations carried out, and future disposals, may expose Lytix to risks such as those that follow from the terms of the transfer of the operations concerned, e.g. guarantees, damages and promises in favour of the purchaser as regards the operations disposed of. Should any of these risks related to disposals made, or future disposals, be realised, this may have an adverse effect on Lytix operations, financial position and earnings.

Lytix' operations are conducted and performed in accordance with the Company's interpretation and understanding of current tax legislation, tax agreements and other relevant provisions and requirements from the tax authorities, which may prove incorrect

At present, Lytix conducts operations only in Norway. The operations are conducted and performed in accordance with the Company's interpretation and understanding of current tax legislation, tax agreements and other relevant provisions and requirements from the tax authorities concerned. However, it may prove that Lytix' interpretation and understanding of these laws, agreements and other provisions is not correct in all respects. The tax authorities in the countries where the Company will in future conduct operations may also make assessments or take decisions that differ from Lytix' understanding and interpretation of current laws and rules. The Company's tax position, for previous, current and future years, may change as a result of decisions made by the tax authorities concerned or as a result of amendments to laws, rules, tax agreements and other provisions. Such decisions or amendments, which may possibly have retrospective effect, may have a negative effect on Lytix' financial position and earnings.

Furthermore, Lytix has made deductions for value added tax in relation to the development of the Company's pharmaceuticals, and has received reimbursement of value added tax as a consequence of this. If the developed pharmaceuticals do not generate any value added tax income, there is a risk that relevant tax authorities may demand that these deductions be recovered. There is also a risk that Lytix will be required to pay value added tax as a result of the transfer of patents in a past demerger. Should any of these risks be realised, it may have an adverse effect on the Company's operations and/or financial position.

Lytix is exposed to foreign currency risk

Lytix is exposed to foreign currency risk, both through ongoing business transactions in different currencies, such as USD, EUR and GBP, and through the fact that the Company runs clinical trials in different countries. There is a risk that the measures taken by the Company to minimise currency risk are not sufficient and that changes in exchange rates may therefore have an adverse effect on Lytix' operations, earnings and financial position.

5.14.3 Risk related to the Shares and the Subscription Rights

The Company is in a development phase and an investment may not be suitable for all investors

The Company is in a development phase, and no assurance can be made as to the future of the Company's operations or its success with respect to the commercialisation of its product candidates. An investment in the Shares is suitable only for investors who understand the risks associated with investments in this type of company. Further, the Company is not expected to generate sufficient cash in the short to medium term, meaning that it is not expected that the Company will be positioned to declare dividends. As a result, the Shares may not be a suitable investment for all investors, which could affect the liquidity of the Shares in the secondary market.

Subscribing for Offer Shares may be prohibited for non-Norwegian investors

Physical and legal persons located in countries outside of Norway may be restricted or prohibited by applicable securities law from subscribing for Offer Shares.

An active trading market for the Company's shares on Euronext Growth may not sustain and the market price of the Shares may be volatile

The Shares are currently listed on Euronext Growth, which is an MTF and not a regulated market. As a result, trading in the Shares may be characterised by limited liquidity, wide bid-ask spreads, and potential difficulty for investors in acquiring or disposing of Shares in a timely or cost-effective manner. No assurances can be given that an active trading market for the Shares will develop or be sustained.

The market value of the Shares could be substantially affected by the extent to which a secondary market develops or sustains, and investors may experience low liquidity, wide bid-ask spreads (increasing implicit transaction costs and valuation uncertainty), and potential difficulty exiting positions in a timely or cost-effective manner due to limited market depth, trading

halts or other constraints. An investment in the Shares involves risk of loss of capital, and securities markets in general have been volatile in the past.

The trading volume and price of the Shares may fluctuate significantly in response to a number of factors beyond the Company's control, including adverse business and technical developments and prospects, variations in revenue and operating results, changes in financial estimates, announcements by the Company or its competitors of new development or new circumstances within the industry, legal actions against the Company, unforeseen events and liabilities, changes in Management, changes to the composition of shareholders, changes to the regulatory environment in which the Company will operate or general market conditions. The market value of the Shares could also be substantially affected by the extent to which a secondary market develops or sustains for the Shares.

The value of the Shares could for foreign investors be adversely affected by exchange rate fluctuations

The Shares are priced in NOK on Euronext Growth, and any future payments of dividends on the Shares will be made in NOK. Investors registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) applied when denominating any future payments of dividends to the relevant investor's currency will be the VPS Registrar's exchange rate on the payment date. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Further, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not NOK.

The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions

None of the Shares have been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. In addition, there is no assurances that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings. Further, investors in the United States and other jurisdictions may have difficulty enforcing any judgment obtained in their local jurisdiction against the Company or its directors or executive officers in Norway.

The Company is subject to the Euronext Growth Rule Book which may deviate from the regulations for securities trading on the Oslo Stock Exchange and Euronext Expand, and which may imply a risk of a lower degree of transparency and minority protection

The Company is, as a consequence of being listed on Euronext Growth, subject to the rules of the Market Abuse Regulation ((EU) No. 596/2014, MAR) and the Norwegian Securities Trading Act applicable to securities admitted to trading on a multilateral trading facility and the Euronext Growth Rule Book. Such obligations may differ from the obligations imposed on companies whose securities are listed on the Oslo Stock Exchange or Euronext Expand. The Company is not subject to any takeover regulations, meaning that an acquirer may purchase a portion of the Shares exceeding the applicable thresholds for a mandatory offer for a company listed on the Oslo Stock Exchange or Euronext Expand without triggering a mandatory offer for the remaining Shares. In accordance with Euronext Growth Rule Book Part I, section 4.3, and without prejudice to national regulations, the Company shall make a public disclosure within five trading days of becoming aware of any situation where a person, acting alone or in concert, reaches, exceeds or falls below a major holding threshold of 50% or 90% of the capital or voting rights. Other than this, there is no requirement to disclose large shareholdings in the Company (Nw.: flaggeplikt).

These deviations from the regulations applicable to securities trading on the Oslo Stock Exchange or Euronext Expand may, alone or together, impose a risk to transparency and the protection of minority shareholders. An investment in the Shares is suitable only for investors who understand the risk factors associated with an investment in a company admitted to trading on Euronext Growth.

Enforceability of civil liabilities

The Company is a private limited liability company organised under the laws of Norway. The majority of the directors of the Company and executives reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgements obtained in non-Norwegian courts, or to enforce judgements on such persons or the Company in other jurisdictions.

Risks pertaining to dilution of the Shares of the Company's shareholders

The Company is in a development phase and as such there is a risk that the Company may require additional financing, for instance, through subsequent offerings. If such offerings are carried out, the current shareholders' shareholding in the Company will be diluted unless the shareholder participates in the applicable offering. Further, the Company has in place a share option program for certain of the Company's employees and consultants. If the option holders proceed to exercise their options and subscribe for shares in the Company, this will result in dilution of the Company's other shareholders.

Risks pertaining to foreign shareholders

Foreign shareholders may be diluted if they are unable to participate in future offerings.

Because non-Norwegian investors may be unable to participate in future offerings, their percentage shareholding, if they have been allotted Shares in the offering, may be diluted. Unless, otherwise resolved by the general meeting, shareholders in Norwegian limited liability companies such as the Company, have pre-emptive rights proportionate to the aggregate amount of the Shares they hold with respect to new Shares issued by the Company for payment in cash. For reasons relating to foreign securities laws or other factors, foreign investors may not be able to participate in a new issuance of Shares or other securities and may face dilution as a result.

Limitations imposed by Norwegian law

Norwegian law may limit the shareholders' ability to bring an action against the Company.

The Company is a private limited liability company incorporated under the laws of Norway. The rights of holders of Shares are governed by Norwegian law and by the articles of association. These rights differ from the rights of shareholders in other jurisdictions. After the proposed conversion of the Company to a Norwegian public limited liability company mentioned in Section 5.4.1 "The Articles of Association", the Company will continue to be incorporated under the laws of Norway.

In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. Under Norwegian law, any action brought by a company in respect of wrongful acts committed against the company takes priority over actions brought by shareholders in respect of such acts. In addition, it may be difficult to prevail in a claim against the Company.

The Subscription Rights are non-transferable will lapse at the expiry of the Subscription Period

The Subscription Rights are non-transferable and will automatically lapse and become void if not validly exercised before the end of the Subscription Period. Holders of lapsed Subscription Rights will have no claim for compensation, and failure to exercise may result in dilution of their percentage ownership and the loss of the opportunity to acquire Offer Shares on the terms described in this Prospectus.

5.15 Governing law and jurisdiction

The Prospectus and the Subsequent Offering are subject to Norwegian Law. Any dispute arising in respect of or in connection with this Prospectus or the Subsequent Offering is subject to the exclusive jurisdiction of the Norwegian courts with Oslo District Court as legal venue in the first instance.

5.16 Advisors

DNB Carnegie, a part of DNB Bank ASA (Dronning Eufemias gate 30, 0021 Oslo, Norway) is acting as Manager in connection with the Subsequent Offering.

Advokatfirmaet Thommessen AS, Ruseløkkveien 38, P.O. Box 1484 Vika, 0116 Oslo, Norway, is acting as legal advisor to the Company.

6 DEFINITIONS

In this Prospectus, the following defined terms have the following meanings:

Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324.
Application Form	The application form included as Appendix 4 to the Prospectus.
Articles of Association	Articles of Association of the Company.
Board of Directors	The board of directors of the Company.
CEO	Chief Executive Officer.
CET	Central European Time.
Company	Lytix Biopharma AS.
Data Protection Laws	Laws and regulations regarding data protection and privacy.
EEA	European Economic Area.
EGM	The extraordinary general meeting in the Company to be held on 26 January 2026.
Eligible Shareholder	Shareholders of the Company as of 8 January 2026 (registered in Euronext VPS, the Norwegian Central Securities Depository, on 12 January 2026 under VPS' standard two day settlement procedure) who (i) were not included in the market sounding phase of the Private Placement, (ii) were not allocated shares in the Private Placement, and (iii) are not resident in a jurisdiction where such an offer would be unlawful or would (in jurisdictions outside Norway) require a prospectus, filing, registration or similar measures.
EMA	The European Medicines Agency.
Euronext Growth	Euronext Growth Oslo, a multilateral trading facility for equity instruments operated by Oslo Børs ASA.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
FDA	The Food and Drug Administration.
Financial Statements	The audited financial statements of Lytix Biopharma AS for the years ending 31 December 2024 and 31 December 2023, and the unaudited financial statement for the third quarter of 2025.
GDPR	The General Data Protection Regulation (EU) 20167679.
General Meeting	The general meeting of the shareholders in the Company.
Ineligible Jurisdictions	Has the meaning ascribed to such term in Section 5.4.5.5.
Ineligible Shareholders	Shareholders resident in Ineligible Jurisdictions, and/or with legislation that, according to the Company's assessment, prohibits or otherwise restricts subscription of the Offer Shares or would require any filing, registration or similar action to offer the Offer Shares
IPR	Intellectual property rights.
ISIN	The Company's International Securities Identification Number NO 0010405780 and the International Securities Identification Number for the Subscription Rights NO0013712851 .
License Agreement	The exclusive license agreement entered into between the Company and Verrica dated 7 August 2020.
Lytix	Lytix Biopharma AS.
Management	The senior management of the Company.
Manager	DNB Markets as manager in the Subsequent Offering
MTF	Multilateral Trading Facility.
NOK	Norwegian kroner, the currency of the Kingdom of Norway.
Norwegian FSA	Financial Supervisory Authority of Norway (*Norwegian: Finanstilsynet*).
Norwegian Securities Trading Act	Norwegian Securities Trading Act of 29 June 2007 no. 75.

Offer shares	Up to 3,333,333 new Shares in the Company, each with a nominal value of NOK 0.10
Option Holder	Has the meaning ascribed to such term in Section 4.4.4.1.
Payment Date	The date notified by the Company in the payment instructions, expected to be sent on 13 February 2026.
Private Companies Act	The Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44 (as amended).
Private Placement	The private placement of 6,826,200 new shares in the Company, each with a par value of NOK 0.10 issued at a subscription price of NOK 9.00 per share, raising gross proceeds of approx. NOK 61 million.
Public Companies Act	The Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45.
Prospectus	This prospectus dated 25 January 2026.
Record Date	12 January 2026.
Relevant Member State	Each Member State of the EEA other than Norway, which has implemented the Prospectus Regulation.
Shares	The Company's shares.
Subscription Period	The subscription period in the Subsequent Offering from 13:00 hours CET on 27 January 2026 and expires at 16:30 hours (CET) on 10 February 2026, subject to any extensions.
Subscription Price	The subscription price per Offer Share of NOK 9.
Subscription Rights	The non-transferable subscription rights that, subject to applicable law, give a right to subscribe for and be allocated Offer Shares in the Subsequent Offering at the Subscription Price.
Subsequent Offering	Share issue of up to 3,333,333 Offer Shares in Lytix Biopharma AS at a Subscription Price of NOK 9 per share.
USD	United States Dollars, the currency of the United States.
U.S. Securities Act	United States Securities Act of 1933, as amended.
Verrica	Verrica Pharmaceuticals, Inc.
Vesting Date	Has the meaning ascribed to such term in Section 4.4.4.1.
VPS	Norwegian Central Securities Depository.

Appendix 1: Articles of association of the Company

VEDTEKTER FOR LYTIX BIOPHARMA AS

(Vedtatt 8. januar 2026)

§ 1 Foretaksnavn
Selskapets foretaksnavn er Lytix Biopharma AS.

§ 2 Forretningskontor
Selskapets forretningskontor er i Oslo kommune.

§ 3 Virksomhet
Selskapets virksomhet er:
Utvikling, markedsføring og salg av farmasøytiske og bioteknologiske produkter, samt dertil hørende virksomhet. Selskapet kan ha eierinteresser i foretak innen samme eller tilstøtende bransjer.

§ 4 Selskapets aksjekapital
Selskapets aksjekapital er NOK 7.508.820,20 fordelt på 75.088.202 aksjer hver pålydende NOK 0,1.

§ 5 Aksjeeierregistrering
Selskapets aksjer skal være registrert i et verdipapirregister (VPS).

§ 6 Overdragelse av aksjer
Selskapets aksjer er fritt omsettelige, uten krav til samtykke fra styret eller forkjøpsrett for de øvrige aksjeeiere.

§ 7 Styre
Selskapets styre skal ha tre til ni medlemmer etter generalforsamlingens nærmere beslutning. Styrets leder velges av generalforsamlingen.

§ 8 Signatur
Selskapets firma skal tegnes av to styremedlemmer i fellesskap.

§ 9 Generalforsamlinger
På den ordinære generalforsamlingen skal følgende saker behandles og avgjøres:

1. Godkjennelse av årsregnskapet og årsberetningen, herunder utdeling av utbytte.

2. Andre saker som etter loven eller vedtektene hører under generalforsamlingen.

§ 10 Bruk av elektronisk kommunikasjon ved innkalling til generalforsamling
Dokumenter som gjelder saker som skal behandles på generalforsamlingen behøver ikke sendes til aksjeeierne dersom dokumentene er tilgjengelige på selskapets internettsider. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen. En aksjeeier kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

§ 11 Valgkomité
Selskapet skal ha en valgkomité som velges av generalforsamlingen for ett år av gangen og det skal utarbeides en instruks for valgkomitéen. Valgkomiteens leder velges av generalforsamlingen.

STATUTES OF LYTIX BIOPHARMA AS

(Adopted on 8 January 2026/ *Translation to English***)**

§ 1 Company name

The company's name is Lytix Biopharma AS.

§ 2 Office

The company's registered office is in the municipality of Oslo, Norway.

§ 3 Business

The company's activities are:
Development, marketing and sales of pharmaceutical and biotechnology products, as well as associated business activities. The company may have ownership interests in entities within the same or related industries.

§ 4 The company's share capital

The company's share capital is NOK 7,508,820.20 divided into 75,088,202 shares each with a nominal value of NOK 0.1.

§ 5 Shareholders Registration

The company's shares shall be registered in a central securities depository (VPS).

§ 6 Transfer of shares

The company's shares are freely transferable, without requiring the consent of the board and without first refusal for the remaining shareholders.

§ 7 Board of directors

The company's board of directors shall consist of three to nine members as decided by the general meeting. The chairperson shall be elected by the general meeting.

§ 8 Signature

Two members of the board of directors jointly have the authority sign for and on behalf of the company.

§ 9 Annual general meeting

The annual general meeting shall address and decide upon the following matters:

1. Approval of the annual report and the annual accounts, including distribution of dividend.

2. Any other matters, which according to law or statutes shall be addressed at the general meeting.

§ 10 Electronic distribution of documents for the general meeting

Documents relating to matters which shall be considered at the general meeting, including documents which according to law shall be included in or attached to the notice convening the general meeting, do not need to be sent to the shareholders if the documents have been made available on the company's webpage. A shareholder may nevertheless request that documents relating to matters to be considered at the general meeting are sent to the shareholder.

§ 11 Nomination committee

The Company shall have a nomination committee elected by the General Assembly for one-year terms and instructions for the nomination committee shall be prepared. The chairperson of the nomination committee shall be elected by the general meeting.

Appendix 2: The proposed new Articles of Association of the Company

VEDTEKTER FOR LYTIX BIOPHARMA ASA

(Vedtatt ~~8.~~[26]. januar 2026)

§ 1 Foretaksnavn og selskapsform

Selskapets foretaksnavn er Lytix Biopharma ~~AS.~~ ASA. Selskapet er et allmennaksjeselskap.

§ 2 Forretningskontor

Selskapets forretningskontor er i Oslo kommune.

§ 3 Virksomhet

Selskapets virksomhet er:
Utvikling, markedsføring og salg av farmasøytiske og bioteknologiske produkter, samt dertil hørende virksomhet. Selskapet kan ha eierinteresser i foretak innen samme eller tilstøtende bransjer.

§ 4 Selskapets aksjekapital

Selskapets aksjekapital er NOK 7.508.820,20 fordelt på 75.088.202 aksjer hver pålydende NOK 0,1.

§ 5 Aksjeeierregistrering

Selskapets aksjer skal være registrert i ~~et verdipapirregister~~Verdipapirsentralen (VPS).

§ 6 Overdragelse av aksjer

Selskapets aksjer er fritt omsettelige, uten krav til samtykke fra styret eller forkjøpsrett for de øvrige aksjeeiere.

§ 7 Styre

Selskapets styre skal ha tre til ni medlemmer etter generalforsamlingens nærmere beslutning. Styrets leder velges av generalforsamlingen. Styrets medlemmer velges for inntil to år.

§ 8 Signatur

Selskapets firma skal tegnes av to styremedlemmer i fellesskap.

§ 9 Generalforsamlinger

På den ordinære generalforsamlingen skal følgende saker behandles og avgjøres:

1. Godkjennelse av årsregnskapet og årsberetningen, herunder utdeling av utbytte.

2. Andre saker som etter loven eller vedtektene hører under generalforsamlingen.

§ 10 Bruk av elektronisk kommunikasjon ved innkalling til generalforsamling

Dokumenter som gjelder saker som skal behandles på generalforsamlingen behøver ikke sendes til aksjeeierne dersom dokumentene er tilgjengelige på selskapets internettsider. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen. En aksjeeier kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

§ 11 Stemmegivning før generalforsamlingen

Styret kan bestemme at aksjonærene skal kunne avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. For slik stemmegivning skal det benyttes en betryggende metode for å autentisere avsenderen.

§ 12 Valgkomité

Selskapet skal ha en valgkomité som velges av generalforsamlingen for ett år av gangen og det skal utarbeides en instruks for valgkomitéen. Valgkomiteens leder velges av generalforsamlingen.

§ 13 Daglig leder

Selskapet skal ha én daglig leder.

STATUTES OF LYTIX BIOPHARMA ASA

(Adopted on ~~8~~[26] January 2026 / *Translation to English*)

§ 1 Company name and corporate form

The company's name is Lytix Biopharma ~~AS.~~ ASA. The company is a public limited company.

§ 2 Office

The company's registered office is in the municipality of Oslo, Norway.

§ 3 Business

The company's activities are:
Development, marketing and sales of pharmaceutical and biotechnology products, as well as associated business activities. The company may have ownership interests in entities within the same or related industries.

§ 4 The company's share capital

The company's share capital is NOK 7,508,820.20 divided into 75,088,202 shares each with a nominal value of NOK 0.1.

§ 5 Shareholders Registration

The ~~company's~~Company's shares shall be registered ~~in a central securities depository~~with the Norwegian Central Securities Depository (VPS).

§ 6 Transfer of shares

The company's shares are freely transferable, without requiring the consent of the board and without first refusal for the remaining shareholders.

§ 7 Board of directors

The company's board of directors shall consist of three to nine members as decided by the general meeting. The chairperson shall be elected by the general meeting. The board members are elected for up to two years.

§ 8 Signature

Two members of the board of directors jointly have the authority to sign for and on behalf of the company.

§ 9 Annual general meeting

The annual general meeting shall address and decide upon the following matters:

1. Approval of the annual report and the annual accounts, including distribution of dividend.

2. Any other matters, which according to law or statutes shall be addressed at the general meeting.

§ 10 Electronic distribution of documents for the general meeting

Documents relating to matters which shall be considered at the general meeting, including documents which according to law shall be included in or attached to the notice convening the general meeting, do not need to be sent to the shareholders if the documents have been made available on the company's webpage. A shareholder may nevertheless request that documents relating to matters to be considered at the general meeting are sent to the shareholder.

§ 11 Right to vote prior to the general meeting

The board of directors may determine that the shareholders shall be able to cast their votes in writing, including by electronic means, during a period preceding the general meeting. Where such a form of voting is used, a satisfactory method shall be employed to authenticate the identity of the sender.

§ 12 Nomination committee

The Company shall have a nomination committee elected by the General Assembly for one-year terms and instructions for the nomination committee shall be prepared. The chairperson of the nomination committee shall be elected by the general meeting.

§ 13 General manager

The Company shall have one general manager.

Appendix 3: The Company's audited financial statements for 2024 and 2023, and the unaudited financial statement for the third quarter of 2025

Lytix Biopharma

Annual Report

2024

This is Lytix Biopharma

Lytix in Brief

Lytix Biopharma develops innovative cancer treatments that combine the best of two worlds: local tumor destruction with broad immune system activation. Lytix has built a strong clinical pipeline and are already commercially validated through a license agreement with US listed Verrica Pharmaceuticals. Throughout 2024, the company's lead drug candidate LTX-315 showed impressive efficacy and strong results from multiple Phase II studies in different types of skin cancer. Entering 2025, Lytix is advancing the next generation technology for cancer treatment, overcoming the limitations of current immunotherapies and preparing for commercialization.

3
Clinical phase II studies

1
Commercial license agreement

20+
Years of research and development

2
Main drug candidates

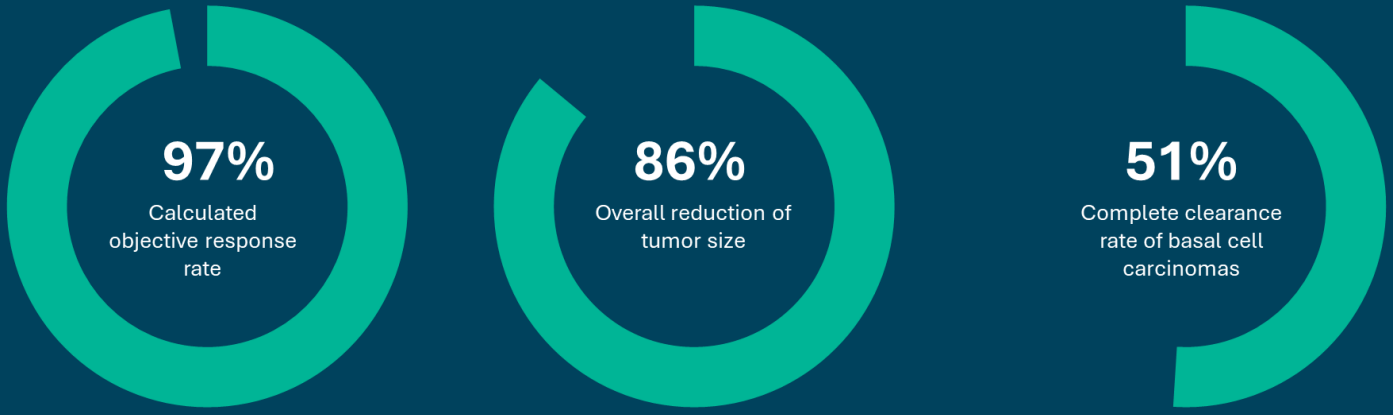
Lytix Biopharma is a clinical-stage biotech company, focusing on bringing LTX-315 to market. One phase II study is completed, and two phase II studies are ongoing, both as monotherapy and in combination. Notably, LTX-315 has demonstrated strong results in treating basal cell carcinoma (BCC), achieving a 97% calculated objective response rate (ORR) in a study led by our partner Verrica Pharmaceuticals. These results will be presented to the U.S. Food and Drug Administration (FDA) in H1 2025, marking an important step toward the final phase of clinical development and positioning Lytix to unlock up to USD 110 million in milestone payments.

Further strengthening its robust pipeline, Lytix is advancing LTX-315 towards early-stage malignant melanoma patients in the ongoing NeoLIPA study, with interim Phase II results expected in Q3 2025. In parallel, Lytix is progressing the next generation candidate, LTX-401, towards clinical stage.

With a differentiated approach, validated clinical progress, and a clear path to market, Lytix is well-positioned to drive the future of cancer treatment.

LTX-315 showed strong results in the treatment of patients with skin cancer disease basal cell carcinoma

Key results summary, phase II study conducted by Verrica Pharmaceuticals enrolled 90 patients



Targeting a large market with huge potential

Market size
The global immuno-oncology market is substantial, potentially exceeding **USD 150 billion by 2030.***

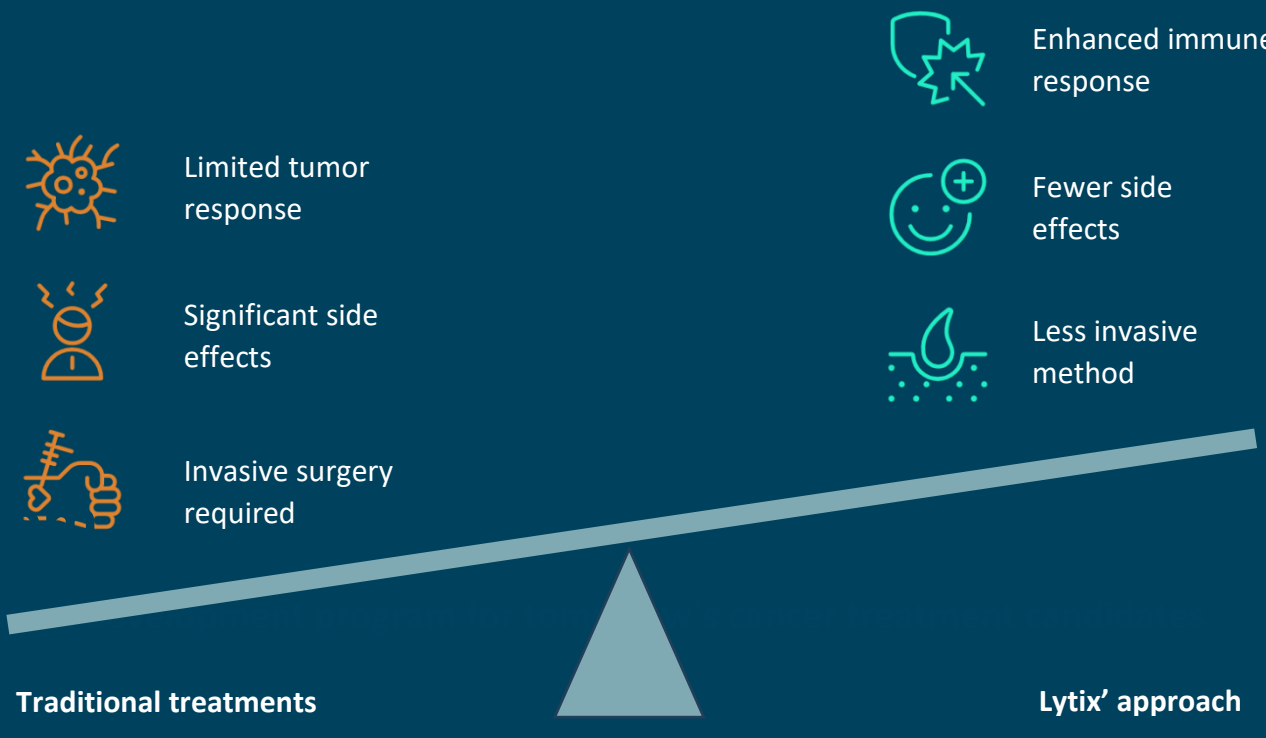
Growing demand
Driven by the high incidence of skin cancers, the market is expected to grow at a **CAGR of 10 to 15%.***

High incidents
Skin cancer is the most common cancer type globally. For BCC, more than 3.6 million patients are diagnosed annually in the US alone**

Challenges in current cancer treatment and Lytix approach to bridge the gap

Skin cancer treatment relies on advanced science, but challenges remain. Solid tumors often resist treatment, leaving them “cold” and prone to relapse. Tumor heterogeneity further complicates therapy, as different cancer cells, including resistant ones, coexist. For skin cancers like BCC, surgery is the standard of care but frequently comes with significant side effects and there is an urge for new treatment modalities.

Lytix Biopharma addresses these challenges with LTX-315, by local killing of cancer cells converting “cold” tumors into “hot” and activation of systemic immune responses . This local treatment allows higher dosing with fewer systemic side effects, targeting both primary and distant tumors while reducing pain, infection, bleeding, and scarring.



Sources: *) *GlobalData, Pharma Intelligence Center*, **) https://www.skincancer.org/skin-cancer-information/skin-cancer-facts/

Letter from the CEO

Lytix Biopharma: A defining year on the path to market

Dear Shareholders,

At Lytix Biopharma, our mission is clear: to transform cancer treatment by harnessing the power of the immune system. Cancer remains one of the greatest global health challenges, and we are committed to delivering innovative, effective, and accessible therapies that improve patient outcomes. With each step forward, we are not just advancing our technology, we are making a tangible difference in the lives of patients and their families.

As we reflect on 2024, Lytix Biopharma is nearing commercialization, with a de-risked and validated immuno-oncology technology that has demonstrated strong efficacy through several phase II studies. This year has been transformative, bringing us one step closer to the market with a potential Phase III clinical trial on the horizon.

A defining moment: approaching the market with Verrica
Our partnership with Verrica Pharmaceuticals has delivered groundbreaking results. The Phase II study for basal cell carcinoma (BCC) achieved an impressive 97% calculated objective response rate, reinforcing the potential of LTX-315 as a first-line treatment. With discussions planned with the FDA in the first half of 2025, we are preparing for the pivotal Phase III study—the final step before bringing this therapy to market. This is a major milestone, not just for Lytix, but for patients in need of more effective treatment options.

A de-risked biotech with proven efficacy
Our technology is clinically validated, with demonstrated efficacy in multiple studies across various indications. The success of our partnership with Verrica, combined with our robust clinical pipeline, highlights the strength of our approach. This significantly reduces the risks often associated with biotech investments and underscores our position as a company with a clear and credible path to commercialization.

Expanding our clinical pipeline
Beyond the Verrica partnership, our own clinical development program continues to progress. The NeoLIPA Phase II study in resectable melanoma is ongoing, with the first patient treated in November 2024. This patient population can be surgically cured, though it carries a high risk of cancer recurrence. The use of anti-PD1 checkpoint inhibitors has reduced the risk of cancer recurrence. By adding LTX-315 we aim to provide a treatment that significantly reduces the risk of recurrence after surgery for in this patient population compared to immune checkpoint inhibitors alone. This patient population represents a highly attractive commercial opportunity, as these individuals typically have a well-functioning immune system, making them particularly suitable for our drug. We anticipate interim

results in Q3 2025, which will provide further insight into the potential of LTX-315 in earlier-stage cancers. Meanwhile, the ATLAS-IT-05 study in late-stage melanoma patients has shown encouraging disease control rates, and we are preparing for the clinical launch of LTX-401 in 2026 with a new and improved formulation.

Financial foundation for future development
In a challenging biotech market, we successfully raised NOK 161 million in 2024 from both existing and new shareholders. The funds provide critical financial stability, ensuring that we can execute our strategy and reach key milestones. With our focus on late-stage development and commercialization through partnerships, Lytix is well-positioned to capitalize on the growing demand for innovative intra-tumoral immunotherapies. This innovative treatment approach has garnered significant interest among mid- and large-sized pharmaceutical companies, making Lytix a highly attractive partner candidate.

2025: the year Lytix stands out
The year ahead is poised to be one of the most significant in Lytix Biopharma's history. With a potential first pivotal Phase III study being initiated and multiple clinical milestones approaching, we are closer than ever to delivering our breakthrough therapies to patients. Our combination of validated science, a clear regulatory path, and strong financial standing makes Lytix a standout in the biotech landscape.

I extend my deepest gratitude to our team, partners, and shareholders for their continued trust and commitment. Together, we are driving Lytix toward its ultimate goal: bringing life-changing treatments to market and creating lasting value for patients and investors alike.

Sincerely,

Øystein Rekdal
CEO and Co-founder
Lytix Biopharma

Highlights and key figures

Partnership – Strong phase II results and advancements with Verrica

- Licensing partner Verrica Pharmaceuticals reported a 97% calculated objective response rate in its Phase II study for basal cell carcinoma (BCC)
- Verrica showcased three posters at the 2025 Winter Clinical Dermatology Conference, highlighting LTX-315's potential and Lytix's oncolytic technology
- FDA discussions are planned for H1 2025 to outline the path for Phase III, further advancing the program after demonstrating strong results from phase II study in the treatment of patients with basal cell carcinoma

Robust clinical pipeline with important advancements in 2024

- NeoLIPA: Phase II study in early-stage melanoma initiated at Oslo University Hospital, with the first patient treated in November 2024. Interim results expected in Q3 2025
- LTX-401: New formulation enhances anticancer effects and extends patent life. Clinical trial preparations underway, targeting launch in 2026
- ATLAS-IT-05: Promising interim data show 40% disease control in heavily pre-treated late-stage melanoma patients. Study completion expected in H2 2025

Intellectual property and organization:

- Lytix Biopharma secured a key U.S. patent for combining its oncolytic peptide, LTX-315, with PD-1 immune checkpoint inhibitors, strengthening its intellectual property position
- Mette Husbyn joined as Chief Technology Officer (CTO), and Maciej Gil was appointed Executive Director of Clinical Development, further strengthening Lytix's leadership team

Strengthened financial position and strategic business focus

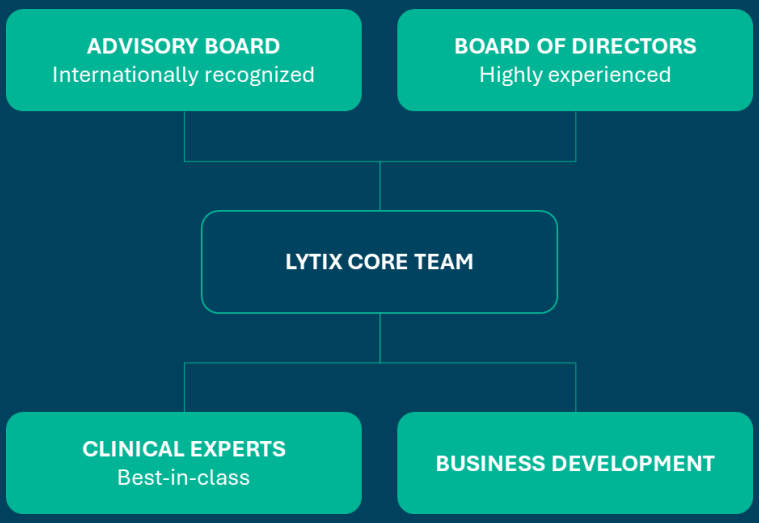
- Successfully raised NOK 161 million from existing and new shareholders, securing capital to support key milestones and ensure operational stability
- Increased focus on late-stage development and commercialization through strategic partnerships, with heightened activity anticipated following NeoLIPA interim results

Key figures

NOK '000	2024	2023
Total operating income	**11,134**	3,991
Total operating expenses	**(107,029)**	(100,776)
Loss from operations	**(95,896)**	(96,785)
Loss for the period	**(94,265)**	(87,897)
Short-term financial investments	**-**	23,183
Cash and cash equivalents	**130,791**	27,365

Strategic approach

Lean and effective team structure supported by international expertise



Lean team

Lytix employs a lean, adaptable team structure, combining a core team in Norway with top notch expert support across the US and Europe.

Flexible optionality

This approach ensures the right expertise is engaged at the right time, optimizing progress for our drug candidates.

Lytix is focused on positioning its lead immuno-oncology asset as a high-value, differentiated opportunity for potential partners. By presenting strong clinical data and highlighting the assets market potential, the company aims to attract interest from pharmaceutical companies.

To drive engagement, Lytix actively identifies and build relations with firms whose expertise and strategic priorities align with Lytix asset, prioritizing those with complementary immuno-oncology pipelines or portfolio gaps. Relationship-building and educational activities remains a key component, leveraging conferences, virtual meetings, and intermediaries to foster connections.

The ultimate goal is to secure more licensing agreements or acquisition by a large or mid-sized pharmaceutical company, ensuring the successful commercialization of the innovation.

Lytix Biopharma's roadmap to create shareholder value

Clinical studies

Solid portfolio of clinical studies

Commercialization

Clear path towards commercialization, demonstrated through licensing with Verrica Pharmaceuticals

Additional opportunities

Multiple future opportunities for additional value generation, both via new molecules, as well as potential new markets

Director's Report

Operational Review

Partnerships

LTX-315 development in partnership with Verrica
Verrica Pharmaceuticals, a Nasdaq-listed dermatology therapeutics company, is advancing the clinical development and commercialization of LTX-315 for skin cancers through an exclusive global license agreement. This agreement offers Lytix significant value, with potential milestone payments of up to USD 110 million in addition to tiered royalties on global sales.

In 2024, LTX-315 showed outstanding results in patients with basal cell carcinoma (BCC). In January, Verrica completed patient enrollment for the Phase II BCC study. By August, positive top-line data revealed:

- 86% overall tumor reduction
- 51% complete clearance rate
- 71% reduction in tumor size on patients with residual carcinomas
- Updated results in November confirmed a **97% calculated objective response rate** (ORR)

The study had a favorable safety profile, with no severe adverse events, based on data from 90 patients.

With these positive results, Verrica plans an End-of-Phase 2 meeting with the FDA in H1 2025, signaling progress toward Phase III and commercialization. Additionally, Verrica's USD 42 million capital raise in November 2024 further strengthens their financial position and supports continued development. With strong clinical data and a clear regulatory path, LTX-315 is well-positioned for further advancement, reinforcing Lytix's leadership in oncolytic immunotherapy.

ClinicalTrials.gov Identifier: NCT05188729

Research and development

Lytix Biopharma's R&D process combines extensive experience with a structured approach to cancer treatment. By leveraging expert insights, the company evaluates the best indications, combinations, and dosages to maximize the success rate of the clinical portfolio. Positioned to advance therapies effectively, Lytix prioritizes safety, quality, and regulatory compliance across its supply chain and ensures thorough documentation at each phase of development.

NeoLIPA: A highly compelling Phase II study with strong potential
Neoadjuvant immunotherapy uses immune-boosting treatments, such as checkpoint inhibitors, before surgery to shrink tumors and eliminate undetectable cancer cells. This approach is expected to play an important role for future melanoma treatment, positioning Lytix at the forefront of innovation through its investigator-led NeoLIPA study at Oslo University Hospital's Radiumhospitalet, led by Dr. Henrik Jespersen. The primary goal is to evaluate the efficacy of combining LTX-315 with pembrolizumab, a PD-1 inhibitor, to enhance the immune system's ability to recognize and eliminate cancer cells, potentially improving surgical outcomes and reducing the risk of recurrence.

The Phase II, open-label study, involving approximately 27 patients with early-stage melanoma, evaluates LTX-315 administered prior to curative surgery in combination with pembrolizumab. With its dual mode of action, LTX-315 aims to shrink tumors locally while increasing tumor-specific immune cells, potentially reducing risk of cancer recurrence. The study offers a promising opportunity to demonstrate whether combining LTX-315 with standard of care in the neoadjuvant setting could improve clinical outcomes for early-stage melanoma patients. The first patient was treated in November 2024, with interim results expected in H2 2025.

The potential for LTX-315 in the neoadjuvant setting is significant. Early-stage melanoma represents a much larger patient population than later-stage melanoma, and current treatments, like adjuvant PD-1 inhibitors, often have limited durability. LTX-315's dual action of direct tumor destruction combined with immune system activation could offer a more robust treatment option, potentially improving clinical outcomes and offering an innovative alternative to existing therapies.

ATLAS-IT-05 trial (LTX-315 in combination with pembrolizumab in patients with advanced solid tumors)
The ATLAS-IT-05 trial has validated Lytix's technology, demonstrating that LTX-315 can offer significant therapeutic benefits even for the difficult-to-treat population subject to this study. Interim results on all 20 evaluable melanoma patients from the trial showed a disease control rate of 40%, with tumor stabilization lasting up to 22 months. Two patients have achieved durable responses, showing 96% and 43% tumor shrinkage in non-injected lesions, demonstrating abscopal effect.

The aim of the study was to evaluate the efficacy and safety of the combination of LTX-315 and pembrolizumab (Keytruda®) in patients with metastatic melanoma who have previously failed treatment with PD-1/PD-L1 inhibitors and several other lines of treatment. These patients represent a particularly challenging group for successful therapy, experiencing rapid disease progression with generally few treatment options remaining.

The study highlights the ability of LTX-315 to provide both local and systemic anti-tumor effects, even in patients with heavily pre-treated, high-risk cancer. The results support the broader potential of Lytix's platform technology and the promise of LTX-315 as a viable treatment option.

ClinicalTrials.gov Identifier: NCT04796194

LTX-401
In addition to advancing LTX-315 towards commercialization, Lytix is progressing with its next-generation molecule, LTX-401, which is set to enter clinical trials in 2026. While LTX-315 targets superficial cancer types, LTX-401 aims to also target deep seated tumors, expanding Lytix's scope of potential treatments.

In December 2023, Lytix filed a PCT application for an improved LTX-401 formulation, which was published on June 27, 2024. This new formulation not only strengthens intellectual property protection but also demonstrates enhanced therapeutic efficacy Preclinical results from two challenging cancer models, K7 osteosarcoma and B16F1 melanoma, showed superior anti-cancer effects compared to the original version of LTX-401.

In December 2024, Lytix met with European regulatory authorities to discuss the development of LTX-401, including its new formulation and the proposed clinical study design. The feedback received on key aspects of study preparation, including manufacturing, dosing, and safety assessments, ensure alignment with regulatory expectations and marks an important step toward advancing LTX-401 to its first clinical trials.

Intellectual property (IP) rights
Lytix Biopharma has strengthened its intellectual property with a new U.S. patent covering the use of LTX-315 with PD-1 checkpoint inhibitors, extending its patent protection in the U.S. LTX-315 is currently being tested in two Phase II trials: the NeoLIPA study for earlier-stage melanoma at Oslo University Hospital and the ATLAS-IT-05 study for late-stage melanoma patients who failed previous treatments. Securing this patent is an important step in supporting Lytix's long-term growth and expanding its global reach. Additionally, the PCT application for an improved formulation of LTX-401 published in August 2024, further strengthening Lytix's intellectual property portfolio. The milestone reinforces the company`s commitment to innovation and paves the way for advancing LTX-401 into clinical development.

Business
In March 2024, Lytix published a peer-reviewed paper in Frontiers in Immunology detailing how LTX-315 mediates anti-tumor activity through multiple mechanisms, including activation of dendritic cells - key players in the priming of tumor-specific T cells. The study, conducted in collaboration with leading U.S. research institutions, highlights LTX-315's dual mode of action: inducing immunogenic cancer cell death and activating antigen-presenting cells. These findings provide further scientific validation of LTX-315's potential as a powerful immunotherapeutic agent.

During 2024, Lytix successfully raised a total of NOK 161 million through two funding rounds, securing a healthy balance sheet with sufficient liquidity to extend the company's runway into 2026. In April, Lytix raised NOK 50 million, and in December the company raised an additional NOK 111 million through a private placement and a PrimaryBid offering, with over 200 retail investors across Norway, Denmark, and Finland participating. These successful capital raises reflect strong confidence in Lytix's innovative technology and growth potential, supporting the company's progress toward key milestones and advancing its clinical development.

Financial review

Accounting policies
The financial statements of Lytix Biopharma AS (Lytix Biopharma or the Company) is prepared in accordance with IFRS® Accounting Standards as endorsed by the European Union (EU) (IFRS Accounting Standards) and Norwegian authorities and effective as of 31 December 2024.

Profit and loss
Revenue for 2024 totaled NOK 11.1 million, up from NOK 4.0 million in 2023, primarily driven by the production and sale of API (LTX-315) to the Company's licensee, Verrica Pharmaceuticals, along with related services.

Personnel expenses totaled NOK 22.6 million in 2024, down from NOK 24.3 million in 2023. The reduction reflects cost-saving initiatives implemented at the end of 2023, including a reduction in headcount, aimed at extending the Company's cash runway.

Depreciation and amortization expenses totaled NOK 0.9 million in 2024, reflecting a similar and linear amount of depreciation on leased assets as in 2023.

Direct R&D expenses amounted to NOK 72.6 million in 2024 compared to NOK 63.2 million in 2023. The increase is primarily due to the continued progress of the ATLAS-IT-05 study, with all patients enrolled and responding patients having completed treatment. By year-end, most patients had exited the study, with a few remaining in follow-up. The last patient is expected to complete the study by mid-2025. As most study related costs have now been recognized, Lytix anticipates a decline in associated R&D expenses going forward.

Other operating expenses decreased to NOK 11.0 million in 2024, down from NOK 12.3 million in 2023.

The loss from operations was slightly lower at NOK 96.0 million, compared to NOK 96.8 million in 2023.

Cash flow
Cash flow from operating activities amounted to a negative NOK 70.4 million in 2024, compared to the negative NOK 95.7 million in 2023.

Cash flow from investing activities totaled NOK 24.7 million in 2024, lower than the NOK 29.7 million reported in 2023.

As a result of successful capital raises throughout the year, cash flow from financing activities amounted to NOK 149.1 million in 2024. Transaction costs totaled NOK 3 million for the Q2 2024 capital increase and NOK 8.3 million for the December 2024 private placement.

Statement of financial position / balance sheet
Cash and cash equivalents as of December 31, 2024, totaled NOK 130.8 million, up from NOK 27.4 million at the end of 2023.

Total assets increased to NOK 146.5 million by December 31, 2024, compared to NOK 63.9 million at the end of 2023.

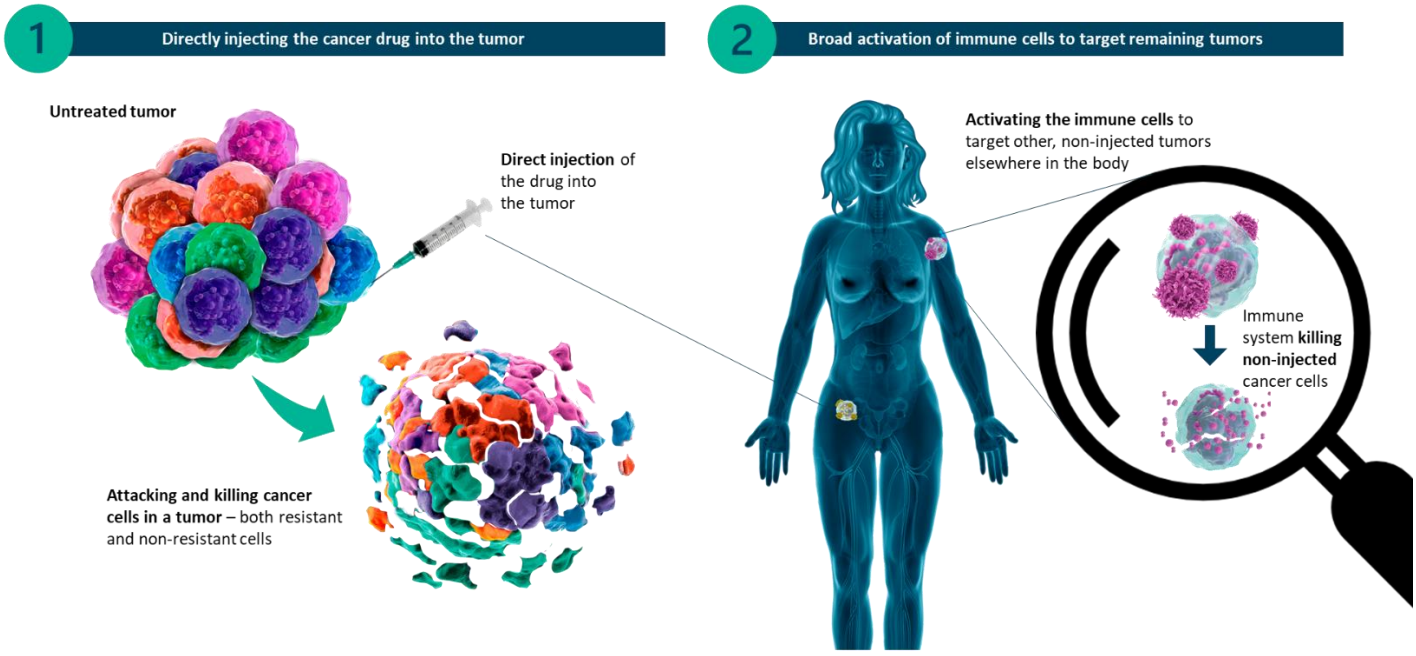
Equity at the end of 2024 amounted to NOK 107.9 million, up from NOK 51.3 million at the end of 2023, corresponding to an equity ratio of 73.6%, down from 80.3% in 2023.

Total liabilities increased to NOK 38.6 million by December 31, 2024, compared to NOK 12.6 million at the end of 2023.

Allocation of the 2024 result
The Company reported a loss of NOK 94.3 million in 2024. The Board of Directors has proposed that the loss be transferred from the Share Premium Reserve.

Platform technology

Lytix platform technology is based on extensive preclinical and clinical research, originating from UiT, The Arctic University of Norway. The company has generated several highly active oncolytic molecules derived from naturally occurring host defense peptides. Lytix' approach activates the patient's immune system to fight cancer in a unique way.



Lytix's molecules work by both directly killing cancer cells and activating the immune system. When these molecules are injected straight into tumors, they trigger the release of tumor neoantigens and immune-activating molecules, stimulating the patient's own T cells to target and destroy cancer cells throughout the body. This approach has shown the potential to generate a systemic and lasting anti-tumor immune response.

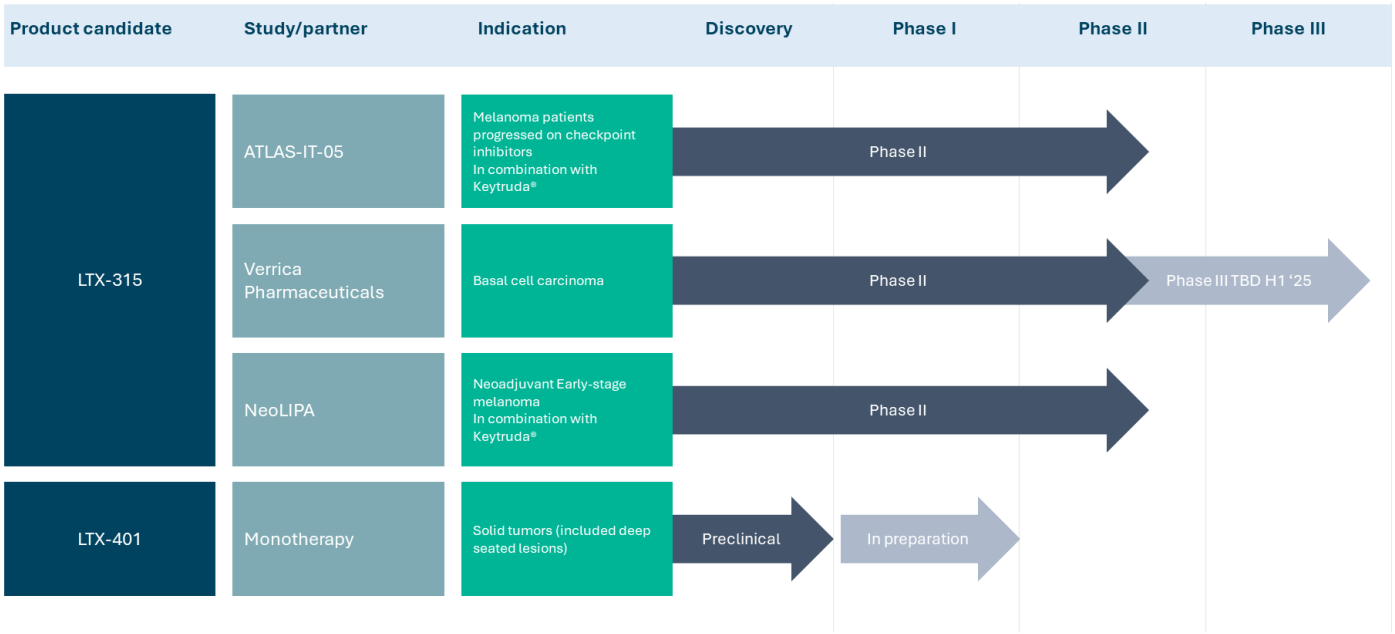
Additionally, Lytix's oncolytic molecules are ideal for combination with other immune therapies, addressing the challenge of insufficient immune cells in tumors, a major hurdle for the effectiveness of current treatments. As oncology remains the largest pharmaceutical market by revenue and demand for immune-based cancer therapies continues to grow, Lytix is well-positioned to play a key role in advancing cancer treatment and addressing significant unmet medical needs with its novel approach.

Clinical development and pipeline

Lytix Biopharma's oncolytic technology platform, which has already delivered LTX-315 and LTX-401, offers a range of treatment opportunities across various cancer types. The platform is advancing these molecules as monotherapies, in combination with checkpoint inhibitors, and as adjuncts to cell therapy, with further developments to be shared as they progress.

Lytix's lead product, LTX-315, is tested in three Phase II trials (one completed and two ongoing) as a monotherapy and in combination with pembrolizumab.

LTX-401, a second-generation small molecule drug designed for deep-seated tumors like liver cancer, is in clinical trial preparation for a targeted launch in 2026. Its improved formulation shows enhanced anticancer efficacy in preclinical models and strong potential for intellectual property protection



Product candidates

LTX-315

LTX-315 is an oncolytic molecule designed for direct tumor injection. It works by killing cancer cells and stimulating the immune system to boost the anti-tumor response. Preclinical studies show it can inhibit tumor growth, induce regression, and provide lasting immune protection.

In the Phase II study in BCC, complete eradication of treated lesion was obtained in more than half of the patient treated with LTX-315.

A key benefit of LTX-315 is its ability to promote T-cell infiltration into tumors. This process helps target and destroy cancer cells. Clinical studies demonstrate its ability to treat tumors locally while triggering a broader immune response throughout the body, with an acceptable safety profile, even when combined with checkpoint inhibitors.

Throughout different clinical studiesLTX-315 has proven to be effective when facilitating T-cell infiltration. In our Phase I/II studies including the ATLAS-IT-05 study, distant tumors were significantly reduced in size due to systemic T cell activation. These studies emphasize LTX-315's ability to activate the immune system and target cancer cells at different stages of treatment.

LTX-401

LTX-401 is Lytix's next-generation oncolytic molecule, designed to target deep-seated tumors. Like LTX-315, it works by directly destroying cancer cells while triggering an immune response to provide long-term protection. Preclinical studies have shown that LTX-401 can trigger tumor regression while boosting immune activation. Additionally, the drug has demonstrated an increased efficacy when combined with checkpoint inhibitors.

LTX-401's improved formulation enhances its therapeutic potential and intellectual property protection. Following positive feedback from European regulatory authorities in December on key aspects such as manufacturing, dosing, and safety, LTX-401 is progressing toward its first clinical study, marking a significant step in expanding Lytix's immunotherapy pipeline.

Partnerships

Verrica Pharmaceuticals Inc.
Lytix has a global license agreement with Nasdaq-listed Verrica Pharmaceuticals, granting Verrica exclusive rights to develop and commercialize LTX-315 for dermatological cancers, while Lytix retains rights for its use in metastatic melanoma and metastatic Merkel cell carcinoma.

Under the agreement, Verrica is responsible for drug product manufacturing, while Lytix maintains control over the active pharmaceutical ingredient (API). Lytix has received upfront and milestone payments totaling USD 3.5 million and is eligible for up to USD 110 million in future clinical, regulatory, and sales milestones, along with tiered royalties on global sales.

Verrica is advancing LTX-315 through clinical development. Positive Phase II results have clearly demonstrated its potential as a non-invasive alternative to surgery. This partnership marks a significant milestone for Lytix Biopharma, strengthening its position among the few Norwegian oncology companies to successfully validate a product candidate's efficacy and establish a clear path to market.

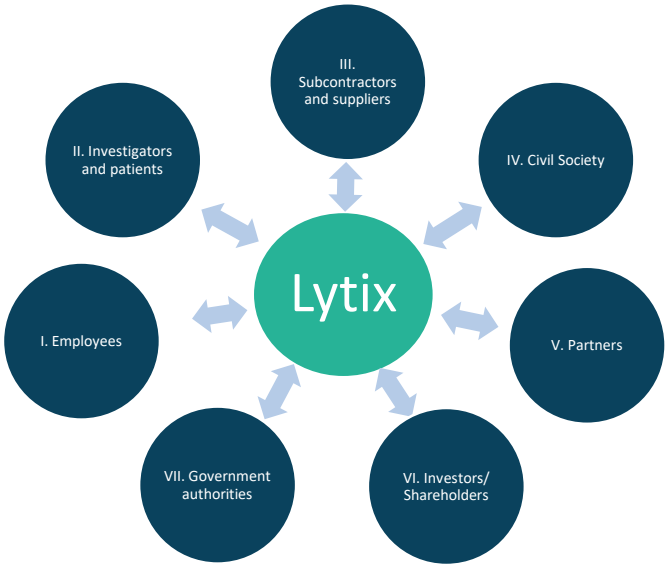
Environment, social and corporate governance (ESG)

ESG reporting is the disclosure of environmental, social, and corporate governance impacts. It enables Lytix to be more transparent about the risks and opportunities it faces.

This report covers sustainability topics that are of importance to Lytix and the company's stakeholders.

Lytix is in regular contact with stakeholder groups and strives for an active stakeholder dialogue. Consequently, the company will update the stakeholder dialogue and materiality assessment as applicable in future ESG reports.

Lytix' stakeholders



I. **Employees** Lytix' employees are directly affected by the company's internal policies and activities, and directly affect the company through their performance and actions. We are proud of our employees who are at the core of our services and who shape our values-based culture. We are committed to providing a workplace where our people's health and safety is of paramount importance.
II. **Investigators/Patients** Lytix' customers consist of oncologists, hospitals, clinics and the cancer patients they treat. Customers are directly affected by the quality and safety of Lytix' products, and we are committed to conducting our business in a way that best protects them. We aim to be a trusted partner through providing tailored information to all healthcare professionals and their patients, with compassion for each and every one of them.

III. **Subcontractors/Suppliers** Managing supply chain risks, impacts, and capturing opportunities for sustainable value creation is complex. However, the fundamental steps are common across all companies and organizations: understanding, planning and implementing. Learning from outcomes is essential in order to deepen and broaden the value of a Supply Chain strategy. Suppliers directly affect the company through the quality and pricing of their products and services, and Lytix carefully considers whether or not to enter into contracts with every new supplier.

IV. **Civil society** Local communities are indirectly socially, environmentally and economically affected by Lytix' activities in terms of job creation, contribution to local value creation and environmental impact. We want to have a positive impact on the communities in which we operate.

V. **Partners** Lytix' partners are directly affected by Lytix' activities and the quality and safety of Lytix' products. Lytix is in return directly affected by the partners performance and actions.

VI. **Investors/Shareholders** Lytix' investors and owners are primary stakeholders and directly affect the company's priorities and strategic direction. Lytix' economic and business performance may affect the priorities of investors and shareholders.

VII. **Government authorities** Government and regulatory authorities affect the company's operating conditions directly and indirectly through laws and regulations.

While we continue to grow, adapt and improve to meet the challenges and embrace the opportunities that our stakeholders face, our values remain at the core of how we do business.

As our ESG program develops so too does our focus, away from a mostly compliance driven approach to one that is led by organizational strategy and stakeholder views.

Lytix' materiality assessment

The ESG materiality assessment is a tool used to identify and prioritize ESG issues that are the most critical to a company. The materiality assessment presented below is designed to identify and understand the relative importance of specific ESG topics to Lytix. This involves looking at a variety of factors from two different vantage points: importance to business success and importance to stakeholders.

Based on stakeholder input and priorities, as well as an assessment of the company's business impact, the materiality of each suggested ESG topic was considered.

The results are presented in the materiality matrix below, with topics considered material for Lytix in the upper right section.

Through the materiality assessment Lytix has identified ESG topics that are important to follow up on, based on business relevance and stakeholder interest. These ESG topics are presented in the list below:

Environment

1. Environment and climate impact
    - Climate change – Greenhouse gas emissions (GHG)
    - Natural capital - deforestation, biodiversity, water
    - Pollution and waste

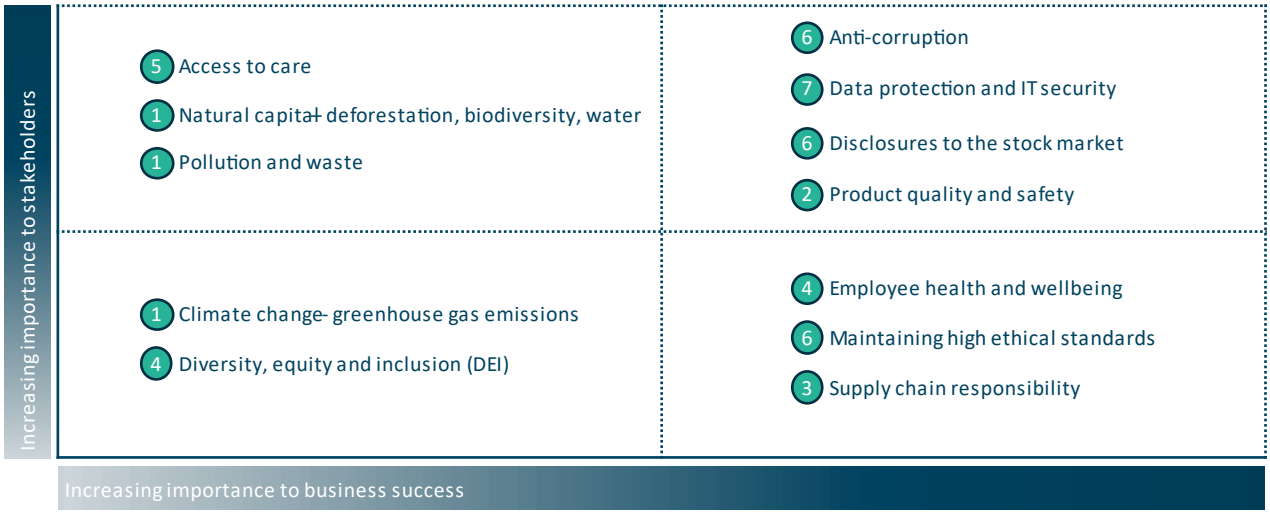
Social

2. Product quality and safety
3. Supply chain responsibility
4. Human rights and human capital
    - Employee health and wellbeing
    - Diversity and inclusion
5. Access to care

Governance

6. Business ethics and transparency
    - Anti-corruption
    - Maintaining high ethical standards
    - Disclosures to the stock market
7. Data protection and IT security

Materiality matrix



ENVIRONMENT

Environment and climate impact

Lytix strives to minimize its environmental footprint. The environmental footprint stems mainly from the resources consumed in office spaces as well as indirect business activities such as travel and supply chain operations. As such, Lytix' operations have a limited impact on the external environment with regards to direct pollution and emissions, as production and distribution activities are outsourced. Nonetheless, we acknowledge that our subcontractors – and their emissions – are part of our supply chain and, hence, indirect emissions. We acknowledge to be part of a major industry with a significant footprint in total. Even the most innovative and advanced modern pharmaceuticals often have key ingredients sourced from the natural world. We are highly aware that the massive loss of biodiversity is a threat to medical innovations and potential treatments that are yet to be discovered. Alongside the climate crisis, we are facing a nature crisis. Many critical ecosystems, such as tropical rainforests, are under threat. As a response, the pharmaceutical industry must engage in the protection of the natural web that provides us with irreplaceable ecosystem services such as key medical ingredients.

SOCIAL

Product quality and safety

To guarantee the highest possible levels of health and safety for patients, Lytix is committed to guarantee product quality and safety throughout its supply chain.

During the research phase, specific clinical studies are carried out to ensure the efficacy and safety of the products and confirm the absence of any possible dangerous side effects. Furthermore, the results of these studies are assessed by regulatory bodies in Europe and in the US.

Within the supply chain, Lytix' suppliers are selected according to stringent criteria and are periodically audited to confirm compliance with the applicable quality and regulatory standards required.

All medicinal products are produced in accordance with Good Manufacturing Practices (GMPs). Lytix does not have its own production facilities and therefore uses third parties for production. All third-party production facilities used

by Lytix are subject to periodic audits, verifying the existence of the necessary regulatory authorizations required and ascertaining that all manufacturing and control activities are conducted in compliance with the highest quality standards.

All personnel engaged in GxP, product quality and safety monitoring procedures receive appropriate training at least once a year on topics related to GxP. All personnel receive periodic updates on the various procedures, with particular reference to procedures regarding deviations, complaints and safety reporting.

Benefit to society – access to care

Social impact and benefits to society is the cornerstone of Lytix' mission, with the aim of improving the lives of patients around the globe through novel cancer treatment. This is in line with the overall goal of the recently implemented UN Mission on Cancer which has been formulated as: "By 2030, more than 3 million lives saved, living longer and better". Our work will contribute to achieving the UN Sustainable Development Goal ("SDG") 3: "Ensure healthy lives and promote well-being for all at all ages" and fits into Target 3.4 by reducing the number of deaths due to cancer by providing products for effective treatment. Our projects are now benefitting patients as they have the possibility to be included in the clinical program and get access to new innovative treatment several years before the treatment becomes available on the market.

Health, safety and wellbeing

The health, safety and wellbeing of our employees is of great importance for Lytix, and we strive to promote a culture that supports a sustainable work-life balance. During 2024, the company had 11 (2023: 15) employees (constituting 7.7 man-years (2023: 12.5)) including contracted personnel. The Board considers that the working environment in the company is good, and no special measures have been implemented in this regard. The employees have not suffered any accidents or injuries in connection with their work. Absence due to illness was all short term and less than 1.3%, which is a slight increase from the previous year.

Externally, the biotech industry and regulatory authorities demand high standards for safeguarding patients during clinical trials. We follow all regulatory requirements related to conduct of clinical trials including the Helsinki declaration, ICH guidelines on good clinical practice and all applicable laws, regulations, directives, and guidance documents. These requirements are further addressed in our partner selection processes.

Animal studies are performed with the highest standards of animal welfare and is subject to European Directive No. 2010/63/UE. All studies are conducted in accordance with national legislation, under national approval and by the CRO`s internal Committee on Animal Research and Ethics. General procedures for animal care and housing are in accordance with applicable Laboratory Animal Care recommendations.

Lytix has established a quality management system consisting of a Quality manual, SOPs and forms to be in compliance with Norwegian, European and US health authorities' rules and regulations for drug manufacturing, clinical trials, drug safety and quality and to safeguard the patients. The GLP standard for laboratory practice, GMP standard for drug manufacture, GDP standard for drug distribution and GCP standard for clinical trials are embedded in our quality system.

Diversity, equity, and inclusion (DEI)

Lytix aims to be a workplace providing equal opportunities for all. We consider employee diversity to be a competitive advantage, and in order to attract and retain the best talent, we do our outmost to ensure fair and equal employment practices.

The company has traditionally recruited from environments where women and men are relatively equally represented. In terms of gender balance within the company, women constitute 50% of the Board members and 20% of the senior management team. The company promotes a productive working environment, have zero tolerance for disrespectful behavior, and is an equal opportunity employer. Discrimination in hiring, compensation, training, promotion, termination, or retirement based on ethnic and national origin, religion, sex, or other distinguishing characteristics is not acceptable.

Whistleblowing

Employees are encouraged to report any sort of misconduct within the company, which can be violations of statutory provision, internal provision, or ethical norms. Lytix recognizes that whistleblowing is of value to the firm, as it offers an opportunity to remedy misconduct. Lytix ensures that employees reporting misconduct are entitled to protection against reprisals, and matters may be reported anonymously to the organization's whistleblower contact, through the established whistleblowing e-mail, or alternatively to immediate supervisor or a member of the management team.

GOVERNANCE

Corporate governance

Lytix considers good corporate governance to be a prerequisite for value creation and trustworthiness and for access to equity. To secure strong and sustainable corporate governance, it is important that the Company ensure good business practices, reliable financial reporting, and an environment of compliance with legislation and regulations. The "Code of Conduct" sets the frame for business ethics and compliance. The Company's Board of Directors actively adheres to good corporate governance standards as described in the "Rules of Procedures of the Board of Directors" (the "Board policy") within the framework of "Norwegian Code of Practice for Corporate Governance".

Lytix has established an "Insider policy" in light of the laws and regulations surrounding the trading of shares listed on Euronext Growth and an "Information Policy" to ensure a continuous, good quality, internal and external information giving in accordance with the Euronext Growth requirements.

Anti-corruption

We have a zero tolerance for corruption. Corruption in the procurement of drugs and medical equipment drives up costs and can lead to sub-standard or harmful products. In addition to this, corruption have a disproportionate impact on the most vulnerable in society, increasing cost and reducing access to vital health services. As a standard, we conduct all our business activities in a transparent and open matter, and hold all employees, business partners and stakeholders to the same high ethical standard.

Supply chain responsibility

We see it as our ethical responsibility to ensure that the entire value chain relating to our products satisfies our requirements for sustainability and corporate social responsibility.

We aim to work with business partners (subcontractors and suppliers) during the development of our products and execution of pre-clinical and clinical trials that demonstrate the same high standards of responsible business conduct and ethical values as our own. We exercise caution in the selection process, always following Lytix' evaluation and sourcing procedures.

As part of the evaluation, Lytix obtain confirmation that the subcontractor or supplier have adequate systems or policies in place ensuring compliance with applicable laws relating to ethical and responsible standards of behavior, including, without limitation, those dealing with human rights, labor, environmental protection, sustainable development and bribery and corruption in accordance with the principles in the United Nations Global Compact.

When establishing new contracts, we encourage subcontractors and suppliers to confirm their compliance with the principles in the UN Global Compact.

Data protection and IT security

The EU personal data protection framework as laid out in Directive (EU) 2016/680 and Regulation (EU) 2016/679 came into force in 2018. As a biotech company within the healthcare space, Lytix and/or our subcontractors and suppliers may need to store personal data as part of the business. Our GDPR compliance policy, was created to ensure that Lytix process and safeguard personal data in line with the Regulation ("the GDPR"). It describes how we plan to stay compliant on an ongoing basis, with policies and procedures for particularly relevant areas of our

business. Lytix has contracted a Data Protective Officer (DPO) as set out in Articles 37 to 39 of the EU Data Protection Regulation (GDPR) to oversee and to be transparent on how personal data is processed, the privacy notice appears on Lytix' homepage. Privacy statements are also included in the e-mail signature for all employees. Data Processing Agreements are established between Lytix as data controller and any data processor as required.

Lytix has outsourced the IT infrastructure and support to an external vendor. The IT solution is cloud-based with firewall and virus protection provided by the vendor. A feature in Outlook enables employees to report suspicious e-mails easily. Local secure access to the exchange is via password protected log-on. The information security platform is based on international standards ISAE3402 and ISEA3000 which is audited annually by PwC. All employees are responsible for storing documents securely and locking their computer when unauthorized people can have access.

ESG going forward

As a small actor in the biotech landscape, we acknowledge that we are still in the starting phase of enhancing and reporting sustainability activities and aim to strengthen our efforts in the future. As a first step, we have completed a materiality assessment based on stakeholder inclusiveness, with the goal of identifying the most prominent environmental, social and governance (ESG) matters for the company.

Going forward, Lytix further has the ambition to report annually on ESG topics that are identified in the materiality assessment. Goals will be fixed by material topic, achievements and gaps will be tracked and documented, helping us understand our successes as well as areas that require more attention. The Euronext guidelines for ESG reporting will be observed. The ESG reporting will be reviewed and approved by the Board of Directors.

Building strong relationships and creating trust amongst our stakeholders is essential for Lytix' success. To do so, creating platforms for dialogue between the parties and including them in the materiality assessment is vital.

The types and location of the business

Lytix Biopharma, a clinical-stage biotech company based in Oslo, Norway, develops novel cancer immunotherapies based on world-leading research in host-defense peptide-derived molecules. Its lead product, LTX-315, is a first-in-class oncolytic molecule designed to enhance anti-cancer immunity. Lytix's pipeline includes different molecules for various cancer types and treatment settings, both as mono- and combination therapies.

The company was listed on Euronext Growth Oslo in June 2021 after a private placement backed by prominent investors, including PBM Capital, a U.S. based healthcare-focused investment firm.

Personnel and organization

Øystein Rekdal, PhD
Chief Executive Officer

Dr. Rekdal, Co-founder and former CEO of Lytix Biopharma, is an expert in tumor immunology and anticancer peptides. His work formed the foundation of the company's peptide platform, and he regularly speaks at global oncology conferences

Gjest Breistein, MSc
Chief Financial Officer

Breistein extensive experience in auditing and consulting. Before Lytix, he advised companies at PwC on capital markets. He holds Master's degrees from Copenhagen Business School and BI Norwegian School of Management

Baldur Sveinbjørnsson, PhD
Chief Scientist Officer

Dr. Sveinbjørnsson, PhD, specializes in immunomodulation of tumors. With experience from the University of Tromsø and Karolinska Institutet, he has led Lytix Biopharma's research since its start, most recently as Chief Scientific Officer

Mette Husbyn, PhD
Chief Technology Officer

Dr. Mette Husbyn has 16+ years of experience in CMC, including roles at GE Healthcare and as Head of CMC at Lytix Biopharma. She later served as Head of CMC and CTO at Nykode Therapeutics. Dr. Husbyn holds a PhD in peptide chemistry from the University of Oslo

Lytix has its registered address in Oslo, Norway. The Company is a limited liability company incorporated and domiciled in Norway. The Company rents office in Oslo.

Research and development activities
Expenditure on research and development activities is recognized as an expense in the period in which it is incurred. Internal research and development expenses related to the company's development of products are recognized in the income statement in the year incurred unless it meets the asset recognition criteria Intangible Assets. An internally generated asset arising from the research and development phase of an R&D project is recognized if, and only if, all the following has been demonstrated:

- Technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial, and other resources to complete the development and use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development

Uncertainties related to the regulatory approval process and results from ongoing clinical trials generally indicate that the criteria are not met until the time when marketing authorization is obtained from relevant regulatory authorities. The company has currently no development expenditure that qualifies for recognition as an intangible asset.

Financial risks
Lytix is a clinical stage biotech company which is accumulating financial losses. Operating losses are expected to continue during the development phases of the company's products, and other than potential development milestone payments from the licensing agreement with Verrica, potentially cash generating operations are not expected until one or more of the company's products are commercialized.

The company has no interest-bearing debt. Bank deposits are exposed to market fluctuations in interest rates, which affects financial income. Lytix is on a regular basis transacting in various currencies other than the functional currency (NOK). This implies that the company is exposed to currency fluctuations. Transactions related to the ATLAS-IT-05 study are mainly denominated in USD, and Lytix has consequently placed a part of its cash position in

USD to hedge part of the foreign currency risk. The credit risk is limited as revenues are minimal exclusive of public grants and sales of drug supply to partners.

The company controls its cash flow from both long- and short-term perspectives through rolling cash forecasts. The company has no loan agreements involving covenants or other financial instruments or requirements.

Funding of ongoing operations is, and will be for some time, depending on external sources, mainly equity contributions. There is an inherent risk around future financing of the company, depending upon the company's own performance and on the financial market conditions. Acceptable sources of funding may not be available when needed or may not be available on acceptable terms. The company's ability to obtain capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms.

Non-financial risks
Lytix' activity is development of pharmaceutical medications. Research and development up to approved registration is subject to considerable risk and is a capital-intensive process. Lytix' candidates for cancer medications and technology platform are dependent on research and development and goes through several stages before commercialization and risk of failure is generally inherent throughout the process.

Technology risk
The company's product candidates are still at an early stage and the preclinical and clinical studies may not prove to be successful. Furthermore, the product candidates are dependent on continued research and development which may be delayed and/or incur higher costs than currently expected.

Competitive technology
Immunotherapy and other cancer therapeutics industries are in general highly competitive and dynamic, and as such a high-risk business. Lytix operates in this global and highly competitive industry sector and is subject to the rapid and substantial technological change. Competitive cancer treatments, either within immunotherapy or within the broader space of oncology, may affect Lytix' ability to commence and complete clinical trials, as well as the opportunity to apply for marketing authorization, and may influence future sales if marketing authorization is obtained.

Market risks
The financial success of the company will require beneficiary partner agreements as well as obtaining market access and reimbursement/pricing at attractive levels. There can be no guarantee that the company's product(s) will meet these requirements. The company will need approvals from the European Medicines Agency (EMA) to market products in Europe and from the U.S. Food and Drug Administration (FDA) to market its products in the US, as well as equivalent regulatory authorities in other foreign jurisdictions to commercialize in those regions.

D&O insurance
Lytix has entered a Directors' and Officers' Liability Insurance which covers past, present, or future individual member of the board of directors and/or executive board or similar executive body of the group as well as any past, present, or future officer, de facto director, shadow director or employee of the group who is capable of incurring personal managerial liability. The insurance covers NOK 20 million per claim and in the aggregate for the policy, world-wide including USA and Canada.

Going concern
These financial statements have been prepared under the assumption that the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company's ability to continue as a going concern depends on its ability to obtain additional equity financing. The Company has funded its operations primarily by shares issuances. While the Company has been successful in raising sufficient funding in the past, there can be no assurance it will be able to do so in the future.

The latest capital increase successfully completed in December 2024 with gross proceeds of NOK 111 million ensures that Lytix has available financial resources sufficient for planned activities well into 2026.

The Board of Directors states that the annual accounts represent a true and fair view of the Company's financial position at the turn of the year. According to the Norwegian Accounting Act §3-3 (a), the Board of Directors confirmed that the financial statements have been prepared under the assumption of going concern and that the grounds for this assumption exist.

Post-balance sheet events
On 15 January 2025, a share capital increase related to the issuance of 102,568 new shares was registered with the Norwegian Register of Business Enterprises. The shares were issued as part of the fee settlement to underwriters in connection with a private placement completed in December 2024. Following the registration, the Company's new share capital is NOK 6,826,200.20, divided into 68,262,002 shares, each with a nominal value of NOK 0.10.

Share information
As of December 31, 2024, there were 68,159,434 ordinary shares outstanding. The company has one class of shares, and all shares carry equal voting rights.

The company had more than 1,370 shareholders on December 31, 2024.

Board of directors of Lytix Biopharma
The Board of Directors at Lytix Biopharma is composed of:

- Marie Roskrow – Chair
- Brynjar Forbergskog – Member
- Evelina Vågesjö - Member
- Jayson Rieger – Member
- Kjetil Hestdal – Member
- Marie-Louise Fjällskog - Member

All board members are independent of the Company's executive personnel and material business at year-end. Brynjar Forbergskog controls a significant number of shares in the company through Hifo Invest AS and Saturn Invest AS. Jayson Rieger serves as Managing Partner in PBM Capital, a US healthcare-focused investment firm. In November 2024, Jayson Rieger was appointed President and Chief Executive Officer of Verrica Pharmaceuticals. PBM Capital has invested in Lytix through the affiliate company PBM LYT Holdings, LLC.

The Board of Directors held 14 board meetings during the fiscal year 2024.

Outlook
Lytix Biopharma is entering a pivotal phase, with its innovative immuno-oncology technology progressing toward late-stage development and potential commercialization. The Company's strong clinical results and strategic partnership reinforce its position as a de-risked biotech with a clear path to market.

Following the exceptional results from Verrica's Phase II study in basal cell carcinoma (BCC), which demonstrated a 97% calculated objective response rate, Verrica are preparing for discussions with the FDA in the first half of 2025. These discussions will guide the next steps toward a pivotal Phase III trial – the final stage before potential regulatory approval. A successful outcome could position LTX-315 as a first-line non-surgical treatment for BCC, a significant commercial opportunity in dermatologic oncology.

Beyond BCC, Lytix continues to expand its clinical pipeline with promising potential across multiple indications. The ongoing NeoLIPA Phase II study in early-stage melanoma represents an exciting opportunity, as this patient group

typically has a stronger immune system, potentially leading to better treatment responses. The first patient was treated in November 2024, and interim results expected in Q3 2025 will provide further insights into LTX-315's potential in earlier-stage cancers. Meanwhile, the ATLAS-IT-05 study in late-stage melanoma has continued to show encouraging disease control rates, and the Company is advancing preparations for the clinical launch of LTX-401 in 2026 with an optimized formulation.

Lytix enters 2025 with a strengthened financial position, following a successful NOK 111 million capital raise in December. These funds provide the necessary financial flexibility to execute on key milestones and support the continued progress of its clinical programs. The Company remains actively engaged in discussions with potential partners, as intra-tumoral immunotherapy remains a highly attractive field for mid- and large-sized pharmaceutical companies.

With a potential Phase III trial approaching, multiple clinical milestones ahead, and a solid financial foundation, Lytix is positioned for significant progress in the year ahead. The Company remains committed to advancing its mission of harnessing the immune system to improve cancer treatment, ultimately creating significant value for patients, partners, and shareholders.

Oslo, April 9, 2025

The Board of Directors and the Chief Executive Officer of Lytix Biopharma AS

Marie Roskrow Chairperson of the Board	**Brynjar Forbergskog** Board Member	**Evelina Vågesjö** Board Member
Jayson Rieger Board Member	**Kjetil Hestdal** Board Member	**Marie-Louise Fjällskog** Board Member
Øystein Rekdal Chief Executive Officer		

Financial statements

STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK thousands	*Notes*	**2024**	2023
Revenue	*1,2*	11,134	3,991
Other operating income		-	-
Total operating income		**11,134**	**3,991**
Payroll and related expenses	*3,4,5*	(22,590)	(24,344)
Depreciation and amortization expenses	*6,7*	(915)	(962)
Direct R&D expenses	*3*	(72,565)	(63,167)
Other expenses	*3,8,9*	(10,960)	(12,303)
Total operating expenses		**(107,029)**	**(100,776)**
Loss from operations		**(95,896)**	**(96,785)**
Financial income	*10*	2,184	8,945
Financial expenses	*7,10*	(553)	(58)
Net financial items		**1,631**	**8,887**
Loss before tax		**(94,265)**	**(87,897)**
Tax expense	*11*	-	-
Loss for the period		**(94,265)**	**(87,897)**
Net other comprehensive income (loss), net of tax			
Items that may be reclassified to profit and loss in subsequent periods		-	-
Items that will not be reclassified to profit and loss in subsequent periods		-	-
Total comprehensive income (loss) for the period		**(94,265)**	**(87,897)**
Earnings (loss) per share			
Basic and diluted earnings (loss) per share	*12*	(1.74)	(2.19)

STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousands	*Notes*	**31.12.2024**	31.12.2023
Assets			
Non-current assets			
Property, plant and equipment	*6*	42	110
Right-of-use assets	*7*	2,589	438
Total non-current assets		**2,631**	**548**
Current assets			
Other receivables	*14*	13,113	12,777
Short-term financial investments	*15,16*	-	23,183
Cash and cash equivalents	*16,17*	130,791	27,365
Total current assets		**143,904**	**63,326**
Total assets		**146,535**	**63,874**
Shareholder's equity and liabilities			
Issued capital and reserves			
Share capital	*18*	6,816	4,007
Share premium reserve	*18*	101,078	47,312
Total equity		**107,894**	**51,319**
Liabilities			
Non-current liabilities			
Lease liabilities	*7,16*	1,878	41
Total non-current liabilities		**1,878**	**41**
Current liabilities			
Trade payables	*16,19*	5,015	3,572
Other current liabilities	*19*	30,987	8,492
Lease liabilities	*7,16,19*	762	451
Total current liabilities		**36,764**	**12,514**
Total liabilities		**38,641**	**12,555**
Total equity and liabilities		**146,535**	**63,874**

STATEMENT OF CASH FLOWS

Amounts in NOK thousands	*Notes*	**2024**	2023
Cash flows from operating activities			
Profit (loss) before income tax		(94,265)	(87,897)
Adjustments for:			
Depreciation of property, plant and equipment	*6*	68	62
Depreciation of right-of-use assets	*7*	847	900
Interest income/(expense), net	*10*	(1,503)	(2,348)
Share-based payment expense	*4,5*	878	4,183
Increased/decreased in trade and other receivables	*14*	(336)	(6,042)
Increased/decreased in trade and other payables	*16,19*	23,938	(4,828)
Cash generated from operations		**(70,372)**	**(95,969)**
Income tax paid	*11*		-
Net cash flows from operations		**(70,372)**	**(95,969)**
Investing activities			
Investment in tangible assets	*6*	-	(49)
Interests received	*10*	1,510	2,351
Investment in other short-term investments	*15*	23,183	27,423
Net cash from/(used in) financing activities		**24,693**	**29,725**
Financing activities			
Interests paid	*10*	(7)	(3)
Proceeds from share issue	*18*	161,295	-
Transaction cost	*18*	(11,333)	-
Payment of principal portion of lease liabilities	*7*	(849)	(940)
Net cash from/(used in) financing activities		**149,105**	**(943)**
Net increase in cash and cash equivalents		103,426	(67,187)
Cash and cash equivalents at the beginning of the period		27,365	94,552
Cash and cash equivalents at the end of the period		**130,791**	**27,365**

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK thousands	Share capital	Share premium reserve	Other equity	Total equity
Balance as at January 1, 2023	**4,007**	**131,027**	-	**135,034**
Loss for the period	-	-	(87,897)	(87,897)
Net other comprehensive income/(loss)	-	-	-	-
Other comprehensive income/(loss) for the period	-	**-**	**(87,897)**	**(87,897)**
Share based payment	-	4,183	-	**4,183**
Reclassification of accumulated losses	-	(87,897)	87,897	**-**
Total contribution by and distributions to owners	**-**	**(83,714)**	**87,897**	**4,183**
Balance as at December 31, 2023	**4,007**	**47,312**	**-**	**51,319**
Balance as at January 1, 2024	**4,007**	**47,312**	**-**	**51,319**
Loss for the period	-	-	(94,265)	(94,265)
Net other comprehensive income/(loss)	-	-	-	-
Other comprehensive income/(loss) for the period	-	**-**	**(94,265)**	**(94,265)**
Capital increase 13.05.2024	954	49,046		**50,000**
Capital increase December	1,855	109,440		**111,295**
Transaction cost	-	(3,011)		**(3,011)**
Transaction December	-	(8,322)		**(8,322)**
Share based payment	-	878		**878**
Reclassification of accumulated losses	-	(94,265)	94,265	**-**
Total contribution by and distributions to owners	**2,809**	**(53,765)**	**94,265**	**150,840**
Balance as at December 31, 2024	**6,816**	**101,078**	**-**	**107,894**

Oslo, April 9, 2025

The Board of Directors and the Chief Executive Officer of Lytix Biopharma AS

Marie Roskrow Chairperson of the Board	**Brynjar Forbergskog** Board Member	**Evelina Vågesjö** Board Member
Jayson Rieger Board Member	**Kjetil Hestdal** Board Member	**Marie-Louise Fjällskog** Board Member
Øystein Rekdal Chief Executive Officer		

Notes to the financial statements

REPORTING ENTITY

Lytix Biopharma AS is a Phase II clinical stage drug development company with more than 20 years of preclinical and clinical research. The company's shares are listed on Euronext Growth.

Lytix has, in collaboration with world leading cancer research centers, developed a proprietary in situ vaccination technology platform providing a new class of drug candidates for the treatment of cancer. The treatment is aiming for activating the patient's own immune system to fight the cancer.

The address of the registered office is Sandakerveien 138, 0484 Oslo, Norway

BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements of Lytix Biopharma AS (Lytix Biopharma or the Company) is prepared in accordance with IFRS Accounting Standards as endorsed by the European Union (EU) (IFRS Accounting Standards) and Norwegian authorities and effective as of 31 December 2024. Lytix Biopharma also provides the additional disclosures as specified under the Norwegian Accounting Act (Regnskapsloven).

The financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value. Preparation of financial statements including note disclosures requires management to make estimates and assumptions that affect amounts reported. Actual results may differ.

The principal accounting policies applied in the preparation of these financial statements are set out bellow. The policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are presented in NOK, which is also the Company's functional currency. Amounts are rounded to the nearest thousand unless otherwise stated.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with the recognition- and measurement criteria in accordance with the IFRS Accounting Standards requires the use of estimates. It also requires management to exercise judgment in applying the company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in the following notes, and are the following:

- Share-based payments (see note 5)

REVENUE FROM CONTRACTS WITH CUSTOMERS

Lytix ordinary activities mainly consist in the research and development activities leading patented intellectual property that can be licensed to third parties, and also to sell the Active Pharmaceutical Ingredient (API) to its licensing partners. The Company has applied the five-step model to account for revenue arising from contracts with customers. The Company currently has revenue agreements with only one customer.

The Company's main revenue streams are as follows:

- Licensing its drug candidate LTX-315 to Verrica Pharmaceuticals Inc, where the performance obligation was to grant exclusive rights for certain field of application of LTX-315, which was satisfied at the point in time the license such rights were granted at. Revenue is recognized for the transaction price which during the development stage of a product containing LTX-315, consists of variable payments based on milestones reached. Variable consideration is considered to be constrained because it is highly dependent on factors outside the control of the Company. Therefore, the Company will only recognize revenue when relevant milestones have been reached by the Verrica, which is the point when uncertainty about a milestone payment is resolved, and therefore it is highly certain no reversal of the revenue will occur. The Company is also entitled to royalty revenue during the commercialization phase of a product containing LTX-315, which will be recognized the subsequent sale occurs.
- Sale of API to Verrica, recognized as revenue when the transfer of control over the goods is transferred to the customer, which typically is based on the incoterms and right to payment for the goods.

Management have assessed the sale of API and the licensing agreement to be distinct and separately identifiable products.

FOREIGN CURRENCY

Transactions entered by the Company in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss.

STATEMENTS OF COMPREHENSIVE INCOME

Lytix Biopharma has elected to present the result for the period and other comprehensive income in one statement of comprehensive income. Further, Lytix Biopharma presents an analysis of expenses based on their nature as a common analysis of expenses through Lytix Biopharma's value chain. Lytix Biopharma has elected to present a sub-total "Loss from operations".

CLASSIFICATION AND ASSESSMENT OF BALANCE SHEET ITEMS

Items in the statement of financial position are classified as current when they are expected to be realized or settled within 12 months after the reporting date.

STATEMENTS OF CASH FLOWS

Lytix Biopharma uses the indirect method to present cash flows from operating activities. Interest received is included in cash flow from investing activities. Proceeds from owners and principal payment of lease liabilities are included in cash flows from financing activities.

CASH AND CASH EQUIVALENTS

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents include cash, bank deposits, and other short-term deposits which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from original maturity.

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are initially recognized at cost. As well as the purchase price, cost includes directly attributable costs. Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of the asset. If significant individual parts of the assets have different useful lives, they are recognized and depreciated separately. Depreciation commences when the assets are ready for their intended use. The estimated useful lives of the assets are as follows:

- Office equipment 3 years
- Furniture and fittings 3 years

INTANGIBLE ASSETS

Expenses for other intangible assets are reflected in the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the cost can be measured reliably. Otherwise, such expenditure is expensed as and when incurred. Refer to section Research and development for further information. Capitalized development costs are amortized linearly over the asset's expected useful life.

RESEARCH AND DEVELOPMENT

Expenditure on research activities is recognized as an expense in the period in which it is incurred. Internal development costs related to the Company's development of products are recognized in the income statement in the year incurred unless it meets the asset recognition criteria Intangible Assets. An internally generated asset arising from the development phase of an R&D project is recognized if, and only if, all the following has been demonstrated:

- Technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial, and other resources to complete the development and use or sell the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Uncertainties related to the regulatory approval process and results from ongoing clinical trials generally indicate that the criteria are not met until the time when marketing authorization is obtained from relevant regulatory authorities. The Company has currently no development expenditure that qualifies for recognition as an intangible asset.

TRADE RECEIVABLES

Trade receivables and other receivables are recorded in the balance sheet at face value after deduction of provisions for expected loss. Provisions for losses are made based on individual assessments of the individual receivables.

FINANCIAL INSTRUMENTS

Financial instruments are recognized when Lytix becomes a party to the contractual terms of the instrument. Financial assets and liabilities are classified based on the nature and purpose of the instruments.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and thereby subsequently measured at amortized cost, fair value through profit or loss and fair value through other comprehensive income (OCI). Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss. Lytix has classified its investments in short-term financial investments at fair value through profit or loss.

Financial assets at amortized cost

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met: The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is either derecognized, modified or impaired. Lytix's financial assets classified as amortized cost includes trade and other receivables.

Impairment of financial assets

The Company assesses at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. The Company also considers forward-looking information to determine whether financial assets should be written down.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Lytix's financial liabilities include accounts and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Lytix only has financial liabilities measured at amortized cost.

SHARE CAPITAL

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments.

DEFINED CONTRIBUTION PLAN

With a defined contribution plan the Company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognized as payroll expenses.

OTHER LONG-TERM SERVICE BENEFITS

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities.

SHARE-BASED PAYMENTS

Where equity settled share-options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss over the vesting period. Non-market vesting conditions are considered by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. If all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss is charged with the fair value of goods and services received.

EARNINGS PER SHARE

Earnings per share are calculated on the basis of the profit or loss for the year after tax but excluding other comprehensive items. The result is divided by a time weighted average number of outstanding shares over the year. The diluted earnings per share is calculated by adjusting the time weighted average number of outstanding shares by the number of employee share options that can be exercised.

LEASED ASSETS

In order to determine whether an agreement is a lease agreement or contains a lease element, the substance of the agreement is assessed. Each individual rental component in the contract is recognized as a lease separately from non-lease components in the contract. At the time of commencement of a lease, a lease liability and a corresponding right of use asset are recognized for all leases.

Lytix has chosen the exemption to not capitalize leases with a short duration (lease period of 12 months or less); or whose underlying assets is considered to be of low value when new. For these leases, the lease payments are recognized as other operating expenses in the income statement when they occur. This includes cancellable short-term leases.

See Note 16 for information on right-of-use assets and lease liabilities recognized by the Company.

RIGHT-OF-USE-ASSETS

The company recognizes right-of-use asset at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis during the term of the lease.

The company applies IAS 36 Impairments to determine whether the right-of-use asset has been impaired and to recognize any impairment losses.

LEASE LIABILITIES

The lease obligation is classified as an interest-bearing liability in the financial statements. Lease liabilities at the time of commencement are calculated as the present value of future lease payments.

The lease term is the non-terminable term of the lease, in addition to periods covered by an option, either to extend or terminate the lease if it is reasonably certain that the company will exercise the option.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest rate on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any revaluations or changes to the lease, or to reflect adjustments in the lease payments as a result of adjustments in the indices or rates. The liability has been calculated with a discount rate corresponding to the marginal borrowing rate for each class of underlying asset and adjusted for the agreements remaining lease term.

TAX

Income tax expense represents the sum of taxes currently payable and deferred tax.

Deferred taxes are recognized based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for taxable temporary differences and deferred tax assets arising from deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Currently, no deferred tax asset has been recognized in the financial statements of the Company.

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

GOVERNMENT GRANTS

Government grants are recognized when there is reasonable assurance that the conditions attached to the contribution will be achieved. The grant is recognized in the income statement in the same period as the related expense and is presented as a deduction in the related expense.

Where retention of a government grant is dependent on the Company satisfying certain criteria, it is initially recognized as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the Profit and loss statement for Lytix Biopharma AS.

PROVISIONS

The Company has recognized provisions for liabilities of uncertain timing or amount. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

RELATED PARTY TRANSACTIONS

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

GOING CONCERN

These financial statements have been prepared under the assumption that the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company's ability to continue as a going concern depends on its ability to obtain additional equity financing. The Company has funded its operations primarily by shares issuances. While the Company has been successful in raising sufficient funding in the past, there can be no assurance it will be able to do so in the future.

The latest capital increase successfully completed in December 2024 with gross proceeds of NOK 111 million ensures that Lytix has available financial resources sufficient for planned activities throughout 2025.

The Board of Directors states that the annual accounts represent a true and fair view of the Company's financial position at the turn of the year. According to the Norwegian Accounting Act §3-3 (a), the Board of Directors confirmed that the financial statements have been prepared under the assumption of going concern and that the grounds for this assumption exist.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Company applied for the first time certain standards and amendments that are effective for annual periods beginning on or after 1 January 2024. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These amendments clarify the criteria for classifying liabilities as current or non-current, with particular focus on the right to defer settlement. The amendments also introduce new disclosure requirements for non-current liabilities arising from loan arrangements.

The amendments had no impact on the Company's financial statements.

Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments require new disclosures relating to supplier finance arrangements, helping users understand the effects on an entity's liabilities, cash flows and liquidity risk.

The amendments had no impact on the Company's financial statements.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

These amendments clarify the measurement of lease liabilities in sale and leaseback transactions to ensure that the seller-lessee does not recognize gains or losses related to the right of use it retains.

The amendments had no impact on the Company's financial statements.

Lack of Exchangeability – Amendments to IAS 21

The amendments specify how to assess whether a currency is exchangeable and how to determine a spot exchange rate when it is not. They also introduce disclosure requirements to inform users how a lack of exchangeability affects financial performance and position.

The amendments had no impact on the Company's financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 was issued in 2024 and will be effective for annual reporting periods beginning on or after 1 January 2027 (subject to EU endorsement). The standard introduces new requirements for the structure and presentation of the income statement, including defined subtotals and disclosures of management-defined performance measures. The Company is currently assessing the potential impact of IFRS 18 on its financial reporting.

NOTE 1 REVENUE

The following table presents the disaggregation of the Company's revenue from contracts with customers:

Amounts in NOK thousands	**2024**	2023
Revenue		
Sale of API LTX-315	10,526	3,991
Other revenue	607	-
Total Revenue	**11,134**	**3,991**

The Company's products remain in the research and development phase, and there is no revenue from product sales. However, Lytix generated revenue from the production and sale of API (LTX-315) to its licensee, Verrica Pharmaceuticals, for use in their clinical trials. In 2024, this activity generated revenue of NOK 10.5 million, compared to NOK 4.0 million in 2023.

Other revenue for the period primarily relates to stability testing of LTX-315 conducted on behalf of Verrica Pharmaceuticals.

NOTE 2 SEGMENTS

Lytix' primary business is to develop proprietary intellectual property of drug candidates for out-licensing, and the production and sale of API (LTX-315) to its licensees. Operating segments are components of the Company that the chief operating decision maker of the Company ('CODM') regularly reviews to assess performance and allocate resources. The CODM for the Company is considered to be the Board of Directors collectively, which reviews the Company's performance as a whole, and therefore only one operating segment is identified.

The geographical distribution of sales by the client's place of incorporation is the following:

Amounts in NOK thousands	**2024**	2023
Geographical distribution		
Norway	-	-
US	11,134	3,991
Total operating income	**11,134**	**3,991**

All non-current assets (other than financial instruments) are located in Norway. The client has had only one client for the 2023 and 2024 reporting periods.

Note 1 includes a disaggregation of revenue by the main products and services provided by the Company.

NOTE 3 GOVERNMENT GRANTS

Government grants are recognized in profit or loss as deduction on Salary, Direct R&D expenses and Other operating expenses with the following amounts:

Amounts in NOK thousands	**2024**	2023
Government grants		
Tax refund (across all R&D activities)	4,750	4,750
The Norwegian Research Council (BIA grant)	-	-
Oslo Regional Research Fund (RRF)	-	1,500
Total government grants received	**4,750**	**6,250**

Amounts in NOK thousands	**2024**	2023
Costs deducted		
Payroll and related expenses	139	1,067
Direct R&D expenses	4,604	5,156
Other operating expenses	7	27
Total costs deducted	**4,750**	**6,250**

The tax refund (SkatteFUNN) R&D tax incentive scheme is a government program designed to stimulate research and development (R&D) in Norwegian trade and industry. Approved projects may receive a tax deduction of up to 19 percent of the eligible costs related to R&D activity. All costs must be associated with the approved project.

NOTE 4 PAYROLL AND RELATED EXPENSES

Amounts in NOK thousands	**2024**	2023
Payroll and related expenses, including directors, comprise		
Salaries and bonus	18,011	16,267
Defined contribution pension cost	1,043	1,262
Share-based payment expense	878	4,183
Social security contributions	2,704	3,015
Other personnel costs	92	683
Government grants	(139)	(1,067)
Total payroll and related expenses	**22,590**	**24,344**

The number of man-years employed during the year:

	2024	2023
Number of man-years employed	6	10

The number comprises only regular employees on payroll.

Defined contribution pension scheme

Lytix Biopharma AS is required to have a pension scheme in accordance with the Norwegian law of mandatory occupational pension. The company's defined contribution pension scheme fulfils the requirements of the law.

Bonus scheme

Lytix has implemented a bonus system covering all employees. The company recognizes a liability and an expense for bonuses based on a short-term incentive plan for employees linked to achievement of corporate objectives determined by the Board.

MANAGEMENT REMUNERATION 2024

Amounts in NOK thousands	Short-term employee benefits	Other benefits[3]	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Board remuneration	Total
Management team:								
Øystein Rekdal, CEO[1]	2,970		134	10	-	507	-	**3,621**
Other key management personnel	4,841	1,636	216	28	-	(318)	-	**6,403**
Total key management personnel compensation	**7,811**	**1,636**	**350**	**38**	**-**	**189**	**-**	**10,024**
Board members (non-executive):								
Marie Roskrow, Chairperson	-	-	-	-	-	82	570	**652**
Marie-Louise Fjällskog, member	-	725	-	-	-	82	380	**1,187**
Brynjar Forbergskog, member	-	-	-	-	-	82	380	**462**
Kjetil Hestdal, member	-	-	-	-	-	82	380	**462**
Jayson Rieger, member	-	-	-	-	-	82	380	**462**
Evelina Vågesjö, member	-	-	-	-	-	82	380	**462**
Total board remuneration	**-**	**725**	**-**	**-**	**-**	**491**	**2,470**	**3,686**

[1)] Management and employees of the company are entitled to an annual bonus based on the achievement of important milestones for the company and for the individual employee. The maximum of such bonus is for the CEO up to 50% of annual base salary. I 2024 no bonus was paid.

[2)] Board remuneration – In accordance with the resolution passed at the 2024 General Meeting, Lytix changed its practice in 2024 from paying board remuneration annually to paying it monthly. As a result, in May 2024, board members received remuneration covering the period from the 2023 General Meeting to the 2024 General Meeting. Thereafter, board members have received monthly remuneration for seven months (June through December).

[3)] Other benefits include remuneration to two members of the management team who are not hired as employees but hired as consultants.

In 2024, board remuneration was paid in accordance with the resolution from the Annual General Meeting. In addition to her role as a board member, Marie-Louise Fjällskog assisted Lytix as a Medical Advisor for a limited period during the year. She received separate compensation for these services, which has also been disclosed under transactions with related parties. No other remuneration has been given for services outside the normal functions as a manager or non-executive director.

MANAGEMENT REMUNERATION 2023

Amounts in NOK thousands	Short-term employee benefits	Other benefits[3]	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Board remuneration	Total
Management team:								
Øystein Rekdal, CEO[1]	3,466	-	127	9	-	1,163	-	**4,765**
Other key management personnel	5,567	5,115	212	27	-	1,663	-	**12,584**
Total key management personnel compensation	**9,033**	**5,115**	**339**	**36**	**-**	**2,827**	**-**	**17,350**
Board members (non-executive):								
Gert W. Munthe, Chairperson[2)]	-	-	-	-	-	-	360	**360**
Marie Roskrow, Chairperson[2)]	-	-	-	-	-	91	-	**91**
Marie-Louise Fjällskog, member	-	-	-	-	-	91	240	**331**
Brynjar Forbergskog, member	-	-	-	-	-	91	240	**331**
Kjetil Hestdal, member	-	-	-	-	-	91	240	**331**
Jayson Rieger, member	-	-	-	-	-	91	240	**331**
Evelina Vågesjö, member	-	-	-	-	-	91	240	**331**
Total board remuneration	**-**	**-**	**-**	**-**	**-**	**544**	**1,560**	**2,104**

[1)] Salary in this table include both fixed salary and bonus. Øystein Rekdal's fixed salary is NOK 3.26 million. Management and employees of the company are entitled to an annual bonus based on the achievement of important milestones for the company and for the individual employee. The maximum of such bonus is for the CEO up to 50% of annual base salary.

[2)] At the Annual General Meeting in April 2023, Marie Roskrow was appointed as new Chairperson.

[3)] Other benefits include remuneration to two members of the management team who are not hired as employees but hired as consultants.

No loans or guarantees have been given to any members of the management, the Board of Directors, or other corporate bodies.

In 2023, board remuneration was paid in accordance with the resolution from the Annual General Meeting. No additional remuneration has been given for services outside the normal functions as a manager or non-executive director.

Benefits upon termination

The CEO has a notice period of 6 months. If the employment is terminated by the Company, the CEO shall receive a severance pay equivalent to 100% of his ordinary fixed salary for 6 months after the expiry of the notice period.

Shares controlled by the management team and board members

Amounts in NOK thousands	2024	2023
Shares controlled by the management team and board members		
Management team:		
Øystein Rekdal, CEO	166,179	139,963
Gjest Breistein, CFO	37,778	11,112
Baldur Sveinbjørnsson, CSO	16,613	4,280
Gry Stensrud, CTO	5,000	5,000
Board members (non-executive):		
Evelina Vågesjö	4,247	-
Kjetil Hestdal	13,500	-
Brynjar Forbergskog (through Hifo Invest AS and Saturn Invest AS)	5,804,492	1,111,110
No. of shares controlled by the management team and board members	**6,047,809**	**1,271,465**

As of December 31, 2024, the Company operates one equity-settled share-based remuneration scheme for employees, management, the Board and other key personnel. See note 5.

Options held by the management team and board members

2024	Opening balance	Granted	Lapsed/ Forfeited	Ending balance
Options held by the management team and board members				
Marie Roskrow, Chair	60,000	-	-	60,000
Marie-Louise Fjällskog, member	60,000	-	-	60,000
Brynjar Forbergskog, member	60,000	-	-	60,000
Kjetil Hestdal, member	60,000	-	-	60,000
Jayson Rieger, member	60,000	-	-	60,000
Evelina Vågesjö, member	60,000	-	-	60,000
No. of options owned by board members	**360,000**	**-**	-	**360,000**
Øystein Rekdal, CEO	1,403,516	-	-	1,403,516
Baldur Sveinbjørnsson, CSO	493,407	-	-	493,407
Gjest Breistein, CFO	329,271	-	-	329,271
Gry Stensrud, CTO	263,703	-	(263,703)	-
Stephen Worsley, CBO	300,000	-	(300,000)	-
Graeme Currie, CDO	50,000	-	(50,000)	-
No. of options owned by the management	**2,839,897**	**-**	**(613,703)**	**2,226,194**

2023	Opening balance	Granted	Lapsed/ Forfeited	Ending balance
Options held by the management team and board members				
Gert W. Munthe, former Chair	300,000			300,000
Marie Roskrow, Chair	-	60,000	-	60,000
Marie-Louise Fjällskog, member	-	60,000	-	60,000
Brynjar Forbergskog, member	-	60,000	-	60,000
Kjetil Hestdal, member	-	60,000	-	60,000
Jayson Rieger, member	-	60,000	-	60,000
Evelina Vågesjö, member	-	60,000	-	60,000
No. of options owned by board members	**300,000**	**360,000**	**-**	**660,000**
Øystein Rekdal, CEO	1,403,516	-	-	1,403,516
Baldur Sveinbjørnsson, CSO	493,407	-	-	493,407
Gjest Breistein, CFO	329,271	-	-	329,271
Gry Stensrud, CTO	263,703	-	-	263,703
Stephen Worsley, CBO	300,000	-	-	300,000
Graeme Currie, CDO	50,000			50,000
No. of options owned by the management	**2,839,897**	**-**	**-**	**2,839,897**

NOTE 5 SHARE OPTION PROGRAMS

Lytix Biopharma AS has established share-based incentive programs for the Company's management, employees, and consultants, under which services are received in exchange for equity instruments. The incentive programs consist of share options.

As of 31 December 2024, the Company has the following active share-based incentive programs: E, Chairperson, Strategic Advisors (1), and Strategic Advisors (2).

	Program E	Chairperson	Strategic advisors (1)	Strategic advisors (2)	Sum
No of options in program	**6,815,943**	**600,000**	**467,220**	**125,119**	**8,008,282**
No of options allocated to employees, management, chairpersons, and advisors	2,972,898	600,000	467,220	125,119	4,165,237
Remaining options (can be allocated to individuals)	***3,843,045***	***0***	***0***	***0***	***3,843,045***

Incentive Program E: Option program for employees, management, the Board and other key personnel

Incentive Program E is a long-term share option program for employees, management, board members, and other key personnel. Options are granted without consideration and entitle the holder to subscribe for one share in the Company per option. The Board determines the exercise price, terms, and allocation of options. Vesting is subject to continued eligibility in the Company's long-term incentive scheme, and all options expire five years after the grant date.

During 2024, four individuals resigned, resulting in the lapse of a total of 713,703 options with an average exercise price of NOK 9.37.

As of December 31, 2024, a total of 2,972,898 share options (2023: 3,686,601) were outstanding under Program E, of which 711,593 (2023: 1,305,333) were still subject to vesting.

Incentive Program – Chairman

The Chairman program includes 600,000 share options granted to current and former chairmen of the Board. All options are granted without consideration and expire on 1 May 2025. As of 31 December 2024, 600,000 options remain outstanding, and none are subject to vesting.

Incentive Program – Strategic advisors (1)

This program consists of 467,220 share options granted to selected strategic advisors. The options are subject to quarterly vesting over two years and expire on 6 June 2025. As of year-end 2024, all options are fully vested.

Incentive Program – Strategic advisors (2)

This program includes 125,119 share options granted to strategic advisors. The options are subject to quarterly vesting over two years and expire on 6 June 2025. The exercise price is NOK 18. As of year-end 2024, all options are fully vested.

General Terms

Participants must meet certain conditions during the vesting period and until full exercise of the options, including:

- Not engaging in any competing business without prior written consent from the Company.
- Not engaging in activities related to the Company's customers, partners, or employees unless approved or clearly part of their role.

	Program E		**Chairman**		**Strategic advisors (1)**	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding as of January 1, 2023	**10.70**	**3,226,601**	**12.0**	**600,000**	**12.0**	**467,220**
Granted during the period	7.42	460,000				
Forfeited during the period						
Exercised during the period						
Lapsed during the period						
Outstanding as of December 31, 2023	**10.29**	**3,686,601**	**12.0**	**600,000**	**12.0**	**467,220**
Outstanding options vested by December 31, 2023		2,381,268		600,000		467,220

	Program E		**Chairman**		**Strategic advisors (1)**	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding as of January 1, 2024	**10.29**	**3,686,601**	**12.0**	**600,000**	**12.0**	**467,220**
Granted during the period		-				
Forfeited during the period		-				
Exercised during the period		-				
Lapsed during the period	9.37	713,703				
Outstanding as of December 31, 2024	**10.51**	**2,972,898**	**12.0**	**600,000**	**12.0**	**467,220**
Outstanding options vested by December 31, 2024		2,261,305		600,000		467,220

	Strategic advisors (2)	
	Weighted average exercise price	Number of options
Outstanding on January 1, 2023	18.0	125,119
Granted during the period		
Forfeited during the period*		
Exercised during the period		
Lapsed during the period		
Outstanding at December 31, 2023	**18.0**	**125,119**
Outstanding options vested by December 31, 2023		125,119
Outstanding on January 1, 2024	18.0	125,119
Granted during the period		
Forfeited during the period*		
Exercised during the period		
Lapsed during the period		
Outstanding at December 31, 2024	**18.0**	**125,119**
Outstanding options vested by December 31, 2024		125,119

The following information is relevant in the determination of the fair value of options granted under the equity-settled share-based option agreement operated by the Company:

Equity settled	**Program E**	**Program E**	**Program E**	**Program E**
Expiration date	01.05.2025	14.12.2027	18.04.2028	21.06.2028
Option pricing model used	Black & Scholes	Black & Scholes	Black & Scholes	Black & Scholes
Weighted average share price at grant date (NOK)	12.0	8.50	6.55	7.85
Exercise price (NOK)	12.0	8.50	7.30	7.85
Expected volatility	57.4%	66.3%	68.0%	66.0%
Expected dividend growth rate	0	0	0	0
Risk-free interest rate	0.31%	2.73%	3.13%	3.62%

Equity settled	**Chairman**	**Strategic advisors (1)**	**Strategic advisors (2)**
Expiration date	01.05.2025	06.06.2025	06.06.2025
Option pricing model used	Black & Scholes	Black & Scholes	Black & Scholes
Weighted average share price at grant date (NOK)	12.0	12.0	18.0
Exercise price (NOK)	12.0	12.0	18.0
Expected volatility	58.4%	58.4%	57.4%
Expected dividend growth rate	0	0	0
Risk-free interest rate	1.3%	1.2%	1.18%

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of comparable companies.

The share-based remuneration expense comprises:

Amounts in NOK thousands	**2024**	2023
Equity settled schemes	878	4,183
Total remuneration expense	**878**	**4,183**

NOTE 6 PROPERTY, PLANT AND EQUIPMENT

Amounts in NOK thousands	*Machinery and equipment*	**Total 2024**
Carrying amount January 1, 2024	110	110
Additions	0	0
Depreciation	(68)	(68)
Carrying value December 31, 2024	**42**	**42**
As of January 1, 2024		
Acquisition cost	203	203
Accumulated depreciation and write-downs	(92)	(92)
Carrying amount January 1, 2024	**110**	**110**

Amounts in NOK thousands	*Machinery and equipment*	**Total 2024**
As of December 31, 2024		
Acquisition cost	203	203
Accumulated depreciation and write-downs	(160)	(160)
Carrying amount December 31, 2024	**42**	**42**

Amounts in NOK thousands	*Machinery and equipment*	**Total 2023**
Carrying amount January 1, 2023	124	**124**
Additions	49	**49**
Depreciation	(62)	**(62)**
Carrying value December 31, 2023	**110**	**110**
As of January 1, 2023		
Acquisition cost	154	**154**
Accumulated depreciation and write-downs	(30)	**(30)**
Carrying amount January 1, 2023	124	**124**
As of December 31, 2023		
Acquisition cost	203	**203**
Accumulated depreciation and write-downs	(92)	**(92)**
Carrying amount December 31, 2023	**110**	**110**

NOTE 7 LEASES

Right-of-use assets	Office space	Total
Acquisition cost		
1 January 2023	2,593	2,593
Additions	87	87
Disposals	-	-
31 December 2023	**2,680**	**2,680**
Additions	2,998	2,998
Disposals	(2,680)	(2,680)
31 December 2024	**2,998**	**2,998**
Depreciation and write-downs		
1 January 2023	(1,342)	(1,342)
Depreciation for the year	(900)	(900)
Accumulated depreciation on disposals for the year	-	-
31 December 2023	**(2,242)**	**(2,242)**
Depreciation for the year	(847)	(847)
Accumulated depreciation on disposals for the year	2,680	2,680
31 December 2024	**(409)**	**(409)**
Carrying amount		
Acquisition cost	2,680	2,680
Depreciation and write-downs	(2,242)	(2,242)
31 December 2023	**438**	**438**
Acquisition cost	2,998	2,998
Depreciation and write-downs	(409)	(409)
31 December 2024	**2,589**	**2,589**

Contractual maturities	2024	2023
Less than 1 year	762	451
1-3 years	1,878	41
4-5 years	-	-
More than 5 years	-	-
Total contractual cash-flows	**2,639**	**491**

Lease liability	2024	2023
1 January	491	1,344
Additions	2,998	87
Interest expense	119	53
Lease payments	(968)	(993)
31 December	**2,639**	**491**
Current	762	451
Non-current	1,878	41
Total lease liability	**2,639**	**491**

Leases held by the Company do not contain any restrictions on the Company's dividend policy or financing.

Recognition exemptions used

Leases whose underlying asset is considered of low value and lease contracts with a lease term of 12 months or less at commencement are not recognized as right-of-use assets and lease liabilities. The lease costs of such contracts were as follows:

Amounts in NOK thousands	2024	2023
Leases with a lease term of 12 months or less	-	-
Leases of low value	43	21
Total leases of short-term or low value	**43**	**21**

Total cash outflow for leases in 2024 was NOK 1,110 thousand (2023: NOK 1,061 thousand).

NOTE 8 TRANSACTIONS WITH RELATED PARTIES

Amounts in NOK thousands	2024	2023
Marie-Louise Fjällskog, Board Member (US)	725	-

Transactions with related parties consist of invoiced fees for consultancy services. In 2024, Board Member Marie-Louise Fjällskog provided services to Lytix in the role of Medical Advisor.

NOTE 9 SPECIFICATION OF AUDITOR'S FEE

Amounts in NOK thousands	2024	2023
Specification of the auditor's fee		
Statutory audit	293	419
Other non-assurance services	218	195
Tax consultant services	26	-
Total auditor's fee	**536**	**614**

VAT is not included in the fees specified above.

Auditor's fee is included in 'other operating expenses in the statement of comprehensive income.

NOTE 10 FINANCE INCOME AND EXPENSES

Amounts in NOK thousands	**2024**	2023
Financial income		
Interest income	1,510	2,351
Foreign exchange gains	298	4,008
Other financial income	376	2,586
Total financial income	**2,184**	**8,945**

Amounts in NOK thousands	**2024**	2023
Financial expenses		
Interest expenses	(7)	(3)
Interest expenses on lease liabilities	(119)	(53)
Foreign exchange losses	(379)	-
Other financial expenses	(48)	(2)
Total financial expenses	**(553)**	**(58)**

NOTE 11 TAX

Amounts in NOK thousands	**2024**	2023
Current tax		
Tax payable	-	-
Correction of previous years current income taxes	-	-
Deferred tax		
Changes in deferred tax	-	-
Changes in tax rate	-	-
Tax expense	**-**	**-**

Amounts in NOK thousands	**2024**	2023
Pre-tax profit	(94,265)	(87,897)
Income taxes at 22%	**(20,738)**	**(19,337)**
Changes in unrecognized deferred tax asset	24,185	20,040
Non-deductible expenses	(3,446)	(702)
Tax expense	**-**	**-**

From January 1, 2020, the tax rate in Norway is 22 %. There is no effect in this year's tax expense because deferred tax from tax losses carried forward is not recognized. Deferred tax relates to the following:

Amounts in NOK thousands	Balance sheet 2024	Balance sheet 2023	Change 2024	Change 2023
Deferred tax assets				
Property, plant and equipment	26	20	6	3
Right of use asset	11	12	(1)	12
Provisions for obligations	-	197	(197)	197
Net tax on losses carried forward	218,591	194,215	24,376	19,829
Deferred tax assets	**218,628**	**194,443**	**24,185**	**20,040**
Net deferred tax assets	218,628	194,443	24,185	20,040
Net deferred tax assets not recognized	(218,628)	(194,443)	(24,185)	(20,040)
Net recognized deferred tax assets	**-**	**-**	**-**	**-**

Deferred tax assets on losses carried forward, in total NOK 219 million as of December 31, 2024 (2023: NOK 194 million), have not been recognized because it is not probable that taxable profits will be available against which deductible temporary differences can be utilized.

The Company has a total tax loss carried forward of NOK 994 million as of December 31, 2024 (2023: NOK 883 million) which has no due date.

NOTE 12 EARNINGS PER SHARE

Earnings per share are calculated on the basis of the profit or loss for the year after tax, excluding other comprehensive items. The result is divided by a time weighted average number of outstanding shares over the year. The diluted earnings per share is calculated by adjusting the time weighted average number of outstanding shares by the number of employee share options that can be exercised. As the company is currently loss-making an increase in the average number of shares would have anti-dilutive effect.

Amounts in NOK	Note	2024	2023
Loss for the year		(94,265,276)	(87,897,451)
Average number of outstanding shares during the year	18	54,113,872	40,068,319
Basic and diluted earnings per share (NOK)		**(1.74)**	**(2.19)**

NOTE 13 INTANGIBLE ASSETS

The company has no intangible assets as all ongoing projects have been classified as research.

NOTE 14 OTHER RECEIVABLES

Amounts in NOK thousands	31.12.2024	31.12.2023
Other receivables		
Trade receivables	458	-
Governmental grants	5,500	5,500
VAT	325	354
Prepayments	552	655
Other receivables	6,279	6,268
Total other receivables	**13,113**	**12,777**

NOTE 15 SHORT-TERM FINANCIAL INVESTMENTS

Amounts in NOK thousands	**31.12.2024**	31.12.2023
Short-term financial investments		
Arctic Return	-	23,183
Short-term financial investments	**-**	**23,183**

In accordance with internal policies, NOK 50 million in excess liquidity was in 2022 placed in a short-term liquidity fund, Arctic Return, managed by Arctic Asset Management AS. See note 19 on classification and fair value hierarchy.

NOTE 16 FINANCIAL INSTRUMENTS AND RISKS

Classification of financial instruments

Financial assets	**2024**	2023
Financial assets measured at fair value through profit or loss:		
Short-term financial investments	-	23,183
Financial assets measured at amortized cost:		
Cash and cash equivalents	130,791	27,365
Total financial assets	**130,791**	**50,549**

Financial liabilities	**2024**	2023
Financial liabilities measured at amortized cost:		
Lease liabilities		
Current	762	451
Non-current	1,878	41
Trade payables	5,051	3,572
Total financial liabilities	**7,654**	**4,063**

The fair-value of short-term financial investments is considered 'level 2' in the fair value hierarchy. Of the assets not measured at fair value, the carrying amounts approximate their fair value.

Operational and market risks

Financial risk

Lytix is a pure research and development company which means that the company is accumulating financial losses. Operating losses are expected to continue during the development phases of the company's products, and other than potential development milestone payments from the licensing agreement with Verrica, potentially cash generating operations are not expected until one or more of the company's products are commercialized.

Interest rate risk

The company has no interest-bearing debt. Bank deposits are exposed to market fluctuations in interest rates, which affects financial income. As the company has no interest-bearing debt, no sensitivity analysis is performed on the development of interest rates.

The Company has invested its excess liquidity in a short-term liquidity fund managed by Arctic Asset Management AS. The fund invests in investment grade bonds or money market instruments with a duration between 3 and 6 months. The value in the money market instrument is primarily influenced by the changes in the interest rate levels in the market (see note 14). As of 31 December 2024, the Company held no investments in the short-term liquidity fund.

Exchange rate risk

Currency risk is limited to fluctuations in currencies relating to partners and vendors abroad.

As the company has only a limited foreign currency exposure at opening balance sheet date and at year-end 2023 and 2024, no sensitivity analysis is performed on the development of foreign currency exchange rates.

The company does not hedge its foreign currency exposures using derivatives.

Credit risk

The credit risk is limited as receivables are minimal exclusive of public grants. The short-term investments are invested with low risk in a fund investing in investment grade bonds or money market instruments. Therefore, no provisions have been made as a consequence of the minimal credit risks held by the Company.

Liquidity risk

Funding of ongoing operations is, and will be for some time, depending on external sources, mainly equity contributions. There is an inherent risk around future financing of the company, depending upon the company's own performance and on the financial market conditions. Acceptable sources of funding may not be available when needed or may not be available on acceptable terms.

The company's ability to obtain capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms.

The company controls its cash flow from both long- and short-term perspectives through rolling cash forecasts. The company has no loan agreements involving covenants or other financial instruments or requirements.

Non-financial risks

Lytix' activity is development of pharmaceutical medications. Research and development up to approved registration is subject to considerable risk and is a capital-intensive process. Lytix' candidates for cancer medications and technology platform are dependent on research and development and goes through several stages before commercialization and risk of failure is generally inherent throughout the process.

Technology risk

The company's product candidates are still at an early stage and the preclinical and clinical studies may not prove to be successful. Furthermore, the product candidates are dependent on continued research and development which may be delayed and/or incur higher costs than currently expected.

Competitive technology

Immunotherapy and other cancer therapeutics industries are in general highly competitive and dynamic, and as such a high-risk business. Lytix operates in this global and highly competitive industry sector and is subject to the rapid and substantial technological change. Competitive cancer treatments, either within immunotherapy or within the broader space of oncology, may affect Lytix' ability to commence and complete clinical trials, as well as the opportunity to apply for marketing authorization, and may influence future sales if marketing authorization is obtained.

Market risks

The financial success of the company will require beneficiary partner agreements as well as obtaining market access and reimbursement/ pricing at attractive levels. There can be no guarantee that the company's product(s) will meet these requirements. The company will need approvals from the European Medicines Agency (EMA) to market products in Europe and from the U.S. Food and Drug Administration (FDA) to market its products in the US, as well as equivalent regulatory authorities in other foreign jurisdictions to commercialize in those regions.

Capital management: Objectives, policies and processes

The company's objective when managing capital is to:

- safeguard the ability of the Company to continue as a going concern and to provide future returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

NOTE 17 CASH AND CASH EQUIVALENTS

Amounts in NOK thousands	**31.12.2024**	31.12.2023
Cash and cash equivalents		
Employee withholding tax – restricted cash	1,479	1,571
Variable rate bank accounts	129,312	25,794
Total cash and cash equivalents	**130,791**	**27,365**

At year-end 2023, the Company holds short term financial investments that mature in less than 6 months, that do not meet the definition of cash equivalents and are therefore presented as "short-term financial investments".

NOTE 18 SHARE CAPITAL AND SHAREHOLDER INFORMATION

Share capital on December 31, 2024, is NOK 6,815,943.4 (December 31, 2023: 4,006,831.9), being 68,159,434 ordinary shares at a nominal value of NOK 0.1. All shares carry equal voting rights.

	2024	2023
Ordinary shares per 1 January	40,068,319	40,068,319
Capital increase May 13, 2024 [1)]	9,541,984	-
Capital increase December 27, 2024 [2)]	18,549,131	-
Ordinary shares per December 31	**68,159,434**	**40,068,319**

[1)] In May 2024, 9,541,984 shares were subscribed for in a private placement among existing shareholders at an average share price of NOK 5.24 for total gross proceeds of NOK 50 million. On April 25th, 2024, the extraordinary general meeting resolved to issue 9.055,607 shares and further authorized the board of directors to issue additional shares. On April 26th, the board of directors resolved to issue 486,377 shares. The final allocation thus amounts to 9,541,984 shares, raising gross proceeds of NOK 50 million. The contribution was confirmed and registered in the Norwegian Register of Business Enterprises on May 13, 2024.

[2)] In December 2024, 18,549,131 shares were subscribed for in a private placement among existing shareholders and new investors at a share price of NOK 6.00 for total gross proceeds of NOK 111.3 million. On December 17th, 2024, the Board resolved to issue 18,549,131 shares. The contribution was confirmed and registered in the Norwegian Register of Business Enterprises on December 23rd, 2024.

No.	Shareholder	No. of shares	Percentage share of total no. of shares
1	JAKOB HATTELAND HOLDING AS	6 095 482	8.9 %
2	Citibank, N.A.	4 896 422	7.2 %
3	SATURN INVEST AS	4 485 579	6.6 %
4	TAJ HOLDING AS	4 455 566	6.5 %
5	Skandinaviska Enskilda Banken AB	2 500 000	3.7 %
6	LYR INVEST AS	2 438 863	3.6 %
7	BRØDRENE KARLSEN HOLDING AS	2 283 507	3.4 %
8	PER STRAND EIENDOM AS	2 019 102	3.0 %
9	3T PRODUKTER HOLDING AS	1 808 764	2.7 %
10	LYSNES INVEST AS	1 448 987	2.1 %
11	YNNI INVEST AS	1 392 889	2.0 %
12	HIFO INVEST AS	1 318 913	1.9 %
13	KVASSHØGDI AS	1 307 652	1.9 %
14	NORDNET LIVSFORSIKRING AS	1 197 468	1.8 %
15	CARE HOLDING AS	1 006 512	1.5 %
16	BELVEDERE AS	955 027	1.4 %
17	LTH INVEST AS	896 786	1.3 %
18	JAHATT AS	738 167	1.1 %
19	PICASSO AS	695 753	1.0 %
20	DRAGESUND INVEST AS	685 436	1.0 %
	Total number of shares for top 20 shareholders	**42 626 875**	**62.5 %**
	Total number of shares for the other shareholders	**25 532 559**	**37.5 %**
	Total number of shares	**68 159 434**	**100.0 %**

NOTE 19 CURRENT LIABILITIES

Amounts in NOK thousands	**31.12.2024**	31.12.2023
Current liabilities		
Trade payables	5,015	3,572
Accrual for annual leave	967	1,812
Other accruals	23,476	571
Tax and social security payments	1,187	1,364
Lease liabilities	762	451
Other payables	5,356	4,745
Total current liabilities	**36,764**	**12,514**

NOTE 20 EVENTS AFTER THE REPORT DATE

On 15 January 2025, a share capital increase related to the issuance of 102,568 new shares was registered with the Norwegian Register of Business Enterprises. The shares were issued as part of the fee settlement to underwriters in connection with a private placement completed in December 2024. Following the registration, the Company's new share capital is NOK 6,826,200.20, divided into 68,262,002 shares, each with a nominal value of NOK 0.10.

Lytix Biopharma AS
Sandakerveien 138
NO-0484 Oslo
Norway

General enquiries:
post@lytixbiopharma.com

Media enquiries:
oystein.rekdal@lytixbiopharma.com

www.lytixbiopharma.com

Shape the future with confidence

Statsautoriserte revisorer
Ernst & Young AS

Strandgata 8, 9008 Tromsø
Postboks 1212, 9262 Tromsø

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

To the General Meeting in Lytix Biopharma AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Lytix Biopharma AS (the Company), which comprise the balance sheet as at 31 December 2024 , statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code), and we have fulfilled our other ethical 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 opinion.

Other information

The Board of Directors and the Chief Executive Officer (management) are responsible for the information in the Board of Directors' report and the other information presented with the financial statements. The other information consists of the information included in the annual report other than the financial statement and our auditor's report. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report and the other information presented with the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Shape the future
with confidence

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Shape the future
with confidence

We communicate with the board of directors 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.

Tromsø, 9 April 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Monica Sørensen
State Authorised Public Accountant (Norway)

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Sørensen, Monica
Statsautorisert revisor
På vegne av: EY
Serienummer: no_bankid:9578-5999-4-1163721
IP: 147.161.xxx.xxx
2025-04-09 18:29:48 UTC

bankID

Lytix Biopharma

Annual Report 2023

Letter from the CEO

A focused development program for tomorrow's cancer treatment candidates

Dear Shareholders,

Cancer is still one of the most severe health problems globally, causing millions of deaths each year, with also millions of patients receiving suboptimal treatment. Lytix Biopharma's mission is to develop drug candidates that can improve outcomes and the quality of care for cancer patients. Our unique approach is addressing a major challenge in current cancer therapy with drug candidates that combines killing cancer cells locally and activating the immune system to fight tumors elsewhere in the body.

I'm proud of our significant clinical and operational progress last year, marked by positive interim results from our phase II studies, international recognition by publishing leading research papers, and newly registered patents. We are becoming a mature clinical company – with several phase II studies ongoing investigating major cancer indications worldwide. Our strategy has been to initiate studies including our leading drug candidate on some of the most common cancer indications globally such as skin cancer (melanoma and basal cell carcinoma). These indications represent large markets for cancer treatment.

Verrica Pharmaceuticals, has licensed our leading drug candidate for certain types of skin cancer studies. The company reported encouraging progress with its phase II study. Positive early data was presented at the American Association of Dermatology Innovation Academy Conference. LTX-315 could potentially represent a non-surgical alternative to surgery for patients suffering from BCC which is the most common type of cancer with a large commercial market potential. The partnership is a key validation of our technology and pending results could be highly profitable, with development and sales milestone payments, as well as royalty payments from Verricas sale of LTX-315.

In our other phase II study – ATLAS-IT-05 – we made significant progress, both in terms of patient recruitment as well as promising interim results. The study is evaluating the efficacy of LTX-315 in late stage patients with malignant melanoma. Early results presented at the European Society of Medical Oncology (ESMO) Congress in October 2023 showed that LTX-315 was able to stabilize the disease in almost half of the patients which is promising in a patient population that has failed to respond to multiple lines of therapies. Final results are expected for the full study in 2025.

In summary, our drug candidate has proven to address major challenges of current cancer therapy, with the potential to be used for multiple cancer types, either as monotherapy or in combination with other immunotherapies.

We have exciting months ahead. Firstly, we are expecting top-line data from Verrica this summer and further read-outs from our own phase II study on melanoma. Our studies have provided useful insight regarding the effect of LTX-315 and we are now pursuing the opportunity to investigate also LTX-315 in earlier-stage patients, in NorwayIn collaboration with Dr. Henrik Jespersen at the Norwegian Radium Hospital (OUS), we are initiating an investigator-led study in melanoma patients with earlier-stage diseases and a more responsive immune system. In this study, LTX-315 will be given in combination with pembrolizumab before surgery. This patient population represents a relatively large commercial potential and is planned to start H1 2024. In sum, we will now have three phase II studies on our lead product candidate LTX-315, leading the way for also further candidate development.

In line with our strategy, we continue to explore strategic partnering opportunities as well as other ways to finance our development plans and realization of the next clinical milestones. Through effective optimization and cost reduction, we extended our cash runway through H1 2024. In April 2024, we announced a capital raise, of which existing and new investors guaranteed NOK 50m, providing funding for further clinical development.

Finally, I would like to thank our stakeholders for their unwavering support and look forward to sharing further positive results in 2024.

Sincerely,

Øystein Rekdal, CEO and co-founder
Lytix Biopharma

Highlights and key figures

2023 HIGHLIGHTS

Partnership:

- **Verrica Pharmaceuticals' Phase II study in basal cell carcinoma – positive early results**
  - Verrica completed Part 1 of their ongoing Phase II study evaluating LTX-315 (VP-315) for the treatment of basal cell carcinoma (BCC) and reported positive early results in August 2023.
    - Complete clearance of basal cell carcinoma cells in four out of six patients treated with the highest LTX-315 (VP-315) dose.
  - In January 2024, Verrica reported that all 80 patients had been dosed in the Phase II trial and that they would complete the entire study in H1 2024.

R&D:

- **ATLAS-IT-05 study ongoing – encouraging interim data from 20 melanoma patients**
  - In the first half of 2023 Lytix made substantial achievements in setting up new sites and recruiting more patients for ATLAS-IT-05 across the US and Europe. Enrollment was completed in August 2023.
  - Clinical interim-data obtained from all patients.
    - Disease control in approximately half of the patients with durable responses up to one year and one patient with partial response.
- **Expanding to earlier stage melanoma patients with a stronger immune system**
  - After having documented safety and efficacy in late-stage cancer patients, Lytix has decided to test LTX-315 in earlier stage patients with a more robust immune system by supporting an investigator led Phase II study at Oslo University Hospital, Radiumhospitalet.
  - This study will explore the clinical efficacy of LTX-315 in combination with pembrolizumab in melanoma patients before surgery (neoadjuvant therapy) and is planned to start in H1 2024.
- **Key mentions and publications over the year**
  - Results from the ATLAS-IT-04 study were published in OncoImmunology, a high-profile, open access journal, December 2023. The paper presented the positive results with LTX-315 in combination with adoptive cell therapy in patients with metastatic soft tissue sarcoma.
  - A paper describing LTX-315`s unique way of activating immune cells that are critical for T cell priming, was accepted for publication in the high profiled journal Frontiers in Immunology.
- **Strengthening intellectual property**
  - Two Patent Corporation Treaty (PCT) applications were filed in December 2023 to secure additional IP protection.

Business and Financial:

- Dr Marie Roskrow was elected as the new Chair of the Board of Directors at the General Assembly. Dr Roskrow is a senior executive with vast international experience in both life sciences and investment banking.
- In October, the Research Council of Norway approved Lytix's application for up to NOK 14.3m (US$1.3m) of non-dilutive financial support from the 'SkatteFUNN' R&D tax incentive scheme for a project in respect of its lead program: 'Intratumoral LTX-315 in advanced melanoma'.
- The revenue for 2023 amounted to NOK 3.9 million (NOK 11.0 million) and is related to the supply of LTX-315 to Verrica. In 2022 Lytix had NOK 1.4 million in revenue from supply of LTX-315 to Verrica. In 2022 Lytix also received a milestone payment from Verrica of NOK 9.6 million.
- Total operating expenses increased to NOK 100.8 million, compared to NOK 76.7 million for 2022. The increase is mainly explained by the higher activity in the ATLAS-IT-05 in 2023. The trial was expanded to six new sites in three different European countries. In 2023 Lytix completed the recruitment of patients.
- During 2023 Lytix introduced several cost-saving initiatives, extending its financial runway through H1 2024

KEY FIGURES:

Amounts in NOK thousands	**2023**	2022	2021
Total operating income	3,991	11,031	19,495
Total operating expenses	(100,776)	(76,697)	(67,480)
Loss from operations	**(96,785)**	**(65,666)**	**(47,985)**
Loss for the period	**(87,897)**	**(56,069)**	**(48,079)**
Total comprehensive income (loss) for the period	**(87,897)**	**(56,069)**	**(48,079)**
Earnings (loss) per share			
Basic and diluted earnings (loss) per share	(2.19)	(1.41)	(1. 45)

Amounts in NOK thousands	**31.12.2023**	31.12.2022	31.12.2021	01.01.2021
Assets				
Property, plant and equipment	110	124	-	-
Right-of-use assets	438	1,251	2,140	-
Other receivables	12,777	6,735	5,680	4,168
Short-term financial investments	23,183	50,606	-	-
Cash and cash equivalents	27,365	94,552	197,282	28,450
Total assets	**63,874**	**153,269**	**205,102**	**32,617**
Total equity	**51,319**	**135,034**	**189,593**	**19,889**
Liabilities				
Lease liabilities, non-current	41	476	1,344	-
Trade payables	3,572	6,997	1,476	3,284
Other current liabilities	8,492	9,894	11,862	9,444
Lease liabilities, current	451	868	827	-
Total liabilities	**12,555**	**18,235**	**15,509**	**12,728**
Total equity and liabilities	**63,874**	**153,269**	**205,102**	**32,617**

Directors' Report

Operational Review

Partnerships

LTX-315 development in partnership with Verrica

During the period, significant progress was made in the development of LTX-315 in collaboration with Verrica Pharmaceuticals Inc ("Verrica"). In August, Verrica presented preliminary data from Part 1 of their ongoing Phase II study of LTX-315, referred to as VP-315 by Verrica, for the treatment of basal cell carcinoma (BCC). Verrica holds an exclusive worldwide license agreement with Lytix to develop and commercialize VP-315 for certain dermatologic oncology indications and is currently conducting a Phase II clinical study in patients with BCC.

Basal cell carcinoma (skin cancer) is the most common form of cancer worldwide, with a global increase in incidences. With approximately 3-4 million patients diagnosed with the disease in the U.S. annually, there exists a high unmet need for new treatment options. Traditionally BCC patients are treated with invasive surgery and VP-315 emerges as a potential alternative therapeutic regimen, offering significant advantages over surgery, such as reduced pain, infection, bleeding, and scarring.

The preliminary results were presented at the 2023 American Academy of Dermatology Innovation Academy meeting. This presentation highlighted the antitumor activity of VP-315, as demonstrated by both clinical and histological clearance of treated BCC lesions.

Key findings from the presentation included:

- Subjects received once-daily dosing of VP-315, administered intratumorally, for up to six treatments over a two-week period.
- At the maximum dose (8 mg) tested, six lesions were treated, and post-treatment clinical assessment and excisions were performed at Day 49 (Range 35-70), followed by histological evaluation.
- By day 49 post-treatment, consistent clinical and histological clearance of treated BCC lesions was observed, with four of six subjects (67%) showing complete tumor clearance. The remaining two subjects exhibited partial histological clearance, 95% and 30%, respectively.

In January 2024, Verrica reported that all patients have been dosed in their Phase II trial. The completion of patient enrolment in this ongoing study is a significant milestone in Verrica's commitment to advancing innovative solutions for US patients facing this prevalent form of skin cancer. Data from Verrica's Phase II study is expected by mid-2024.

Under the terms of the license agreement, Lytix received an upfront payment and is entitled to receive milestone payments based on specified development goals, and sales milestones, with aggregate payments of up to USD 111 million in total. Additionally, Lytix is poised to receive tiered royalties based on worldwide annual sales.

ClinicalTrials.gov Identifier: NCT05188729

Research and development

ATLAS-IT-05 trial (LTX-315 in combination with pembrolizumab in patients with advanced solid tumors)

The ATLAS-IT-05 trial is assessing the effect of LTX-315 and pembrolizumab (Keytruda®) in patients with late-stage melanoma, who have previously failed treatment with anti-PD-1/PD-L1 immune chekpoint inhibitors. The patients enrolled in the study are late-stage patients that have previously been through several additional treatments. Generally, these patients have poor prognosis with rapid disease progression and few available treatment options

making them very difficult to treat. In the first half of 2023, we made substantial achievements in setting up new sites and recruiting more patients for ATLAS-IT-05. Ten sites with clinical teams experienced in melanoma and intratumoral immunotherapy were engaged in Europe and the US and are listed below.

- M.D. Andersen Cancer Centre, US
- Mount Sinai Cancer Center, US
- UPMC Hillman Cancer Center, US
- Levine Cancer Center, US
- Akershus Universitetssykehus, Norway
- Radium Hospitalet, Norway
- Institute Gustave Roussy, France
- Clinica Universidad de Navarra, Spain
- Hospices Civils de Lyon, France
- Centre Hospitalier Regional Université de Lille, France

In August 2023, Lytix announced the completion of recruitment (20 patients) in the ATLAS-IT-05 study. Enrolled patients received treatment with LTX-315 for up to five weeks. Pembrolizumab therapy will continue until disease progression or 24 months after enrollment.

Dr. Stephane Dalle, the top recruiting investigator for ATLAS-IT-05, presented a poster at the ESMO 2023 Congress in October, were 14 were assessed for early anti-tumor activity. The interim data from 14 patients, showed encouraging results with a disease control rate of 43% and one patient showing a confirmed and durable partial response with 89% tumor shrinkage. Substantial tumor shrinkage in non-injected lesions and complete regression in injected lesions were observed in several patients.

Interim data presented early 2024 on all 20 patients showed a slight increase of disease control from what was reported at ESMO (45%). Durable stabilization of the disease was obtained up to one year post treatment. Shrinkage of both non injected and injected lesions have been confirmed in a substantial number of the patients. Since these patients had earlier failed to respond to several lines of treatment, the interim results obtained so far is quite encouraging.

Some of the patients are still at an early phase of the study and further updates will be shared in future presentations as the study progresses.

ClinicalTrials.gov Identifier: NCT04796194

Neoadjuvant setting (ATLAS-IT-06)

Neoadjuvant immunotherapy refers to the administration of immunotherapy treatments before radiation or surgery and is expected to play an increasingly significant role in future cancer treatment strategies.

Based on the encouraging results in ATLAS-IT-05, the company has in collaboration with Dr. Henrik Jespersen, Head of the Melanoma Oncology Unit at Oslo University Hospital, Radiumhospitalet decided to initiate a neoadjuvant study in patients with early-stage melanoma with a more healthy immune system and lower tumor burden. Second, the commercial potential in early-stage melanoma is much larger due to larger patient populations. The study will be an investigator-led study where the efficacy of neoadjuvant LTX-315 (given prior to curative surgery) in combination with pembrolizumab will be assessed.

The neoadjuvant study, NeoLIPA, will be a Phase II, open-label study of neoadjuvant LTX-315 in combination with standard of care, pembrolizumab (Keytruda®), in 27 patients with clinically detectable and resectable stage III-IV melanoma.

While neoadjuvant checkpoint inhibition has demonstrated a significant reduction of the risk of relapse for high-risk melanoma compared to adjuvant therapy, many patients still experience limited or short treatment effects.

Consequently, there exists an unmet medical need for innovative and more effective neoadjuvant treatment regimens. The NeoLIPA study addresses this need by adding LTX-315 to standard of care (pembrolizumab).

Dr Henrik Jespersen presented the design of the planned NeoLIPA trial at the 15th Nordic Melanoma Meeting in Reykjavik in October 2023. His presentation was well received among the melanoma expert community.

With its unique and dual mode of action, LTX-315 emerges as a promising drug candidate for combination therapy with a PD-1 inhibitor in the neoadjuvant setting. By directly killing cancer cells in the injected lesion, LTX-315 has the potential to locally shrink tumors before surgery. Simultaneously, LTX-315 has demonstrated ability to increase number of tumor-specific immune cells in treated patients, potentially reducing the risk of disease relapse after surgery. In pre-clinical studies we have demonstrated that re-establishment of tumors was not possible after LTX-315 treatment followed by surgery. The NeoLIPA study offers an opportunity to demonstrate whether combining LTX-315 with standard of care in the neoadjuvant setting could improve clinical outcomes for early-stage melanoma patients.

In December 2023, the clinical trial application for the NeoLIPA trial was submitted. The study is planned to start H1 2024 marking a significant step forward in advancing this innovative approach to melanoma treatment. In addition to the excellent opportunity to expand into this additional patient population, Lytix's financial responsibility for this trial is mainly limited to drug supply, which is supportive of the robust financial controls that have been implemented in 2023.

ATLAS-IT-04 trial (LTX-315 in combination with adoptive T-cell therapy in advanced soft tissue sarcoma)

The ATLAS-IT-04 trial was an open label, Phase II trial assessing the effect of LTX-315 when used in combination with Adoptive Cell Therapy (ACT) in patients with progressive metastatic soft tissue sarcoma that had failed standard treatment (Completed study).

The ATLAS-IT-04 trial included intra-tumoral injections of LTX-315 ahead of surgical removal of tumor lesions, followed by in vitro expansion of T cells isolated from the resected tumor lesion. In a second step, the expanded T cells were infused back to the patients. Six heavily pretreated patients were included in the trial and treated with LTX-315, of which four patients proceeded to adoptive T-cell therapy. The treatment was safe, and the best overall clinical response was stabilization of the disease for 208 days. The immune response data from the trial demonstrated that the treatment induces tumor specific T cells in blood, providing proof of concept that LTX-315 generates an immune response that targets the tumor.

This Phase II study also proofs that it is feasible to combine LTX-315 and adoptive T-cell therapy and confirms that LTX-315 can induce tumor specific immune responses resulting in stabilization of the disease in pre-treated sarcoma patients with otherwise progressive disease.

The encouraging results from the ATLAS-IT-04 study were published December 2023 in OncoImmunology, a high-profile, open access journal covering tumor immunology and immunotherapy.

LTX-401

LTX-401 is a novel small molecule designed for local treatment of deep-seated tumors and it shares same mode of action with the peptide LTX-315.

Lytix' next-generation oncolytic molecule, LTX-401, has shown superior activity in "hard to treat" cancer models, including liver cancer. In experimental cancer models LTX-401 has demonstrated a commercial potential for deep-seated tumors such as primary liver cancer and colorectal cancer that has spread to the liver as well as several additional major cancer indications located in other internal organs. In addition to demonstrating promising anticancer efficacy, a preclinical safety program required for entering human clinical trials has been completed concluding that LTX-401 has a favorable safety profile. LTX-401 is currently being prepared for a Phase I study and we

are in dialog with clinical oncology experts to map the optimal way forward and to select cancer indications that are commercially attractive.

Intellectual property (IP) rights

To further strengthen the patent protection for Lytix's technology and extend patent life, two Patent Corporation Treaty (PCT) applications were filed December 2023.

Business

At the annual general meeting in April 2023, Dr Marie Roskrow was elected as Chair of the Board of Directors. Dr Marie Roskrow is a senior executive with vast international experience in life sciences and investment banking. She holds a medical degree and a PhD in Immunology and serves as the Chair of several international biotechnology companies.

In May 2023, Øystein Rekdal, PhD, was invited by the New York Academy of Sciences to discuss how tumor-directed strategies enable superior immune-stimulation of 'cold' non-infiltrated tumors, in a joint presentation with Lorenzo Galluzzi, PhD, Weill Cornell Medicine, at the 'Frontiers in Cancer Immunotherapy 2023' conference, which took place in New York. In his presentation, Rekdal focused on the efficacy data achieved in human clinical trials performed with LTX-315 and how oncolytic molecules can address the challenge represented by the modest activity of immune checkpoint inhibitors (ICIs) in patients with immunologically 'cold' tumors.

During the period, Lytix was also invited to give plenary lectures at the Immuno UK 2023 Conference and at Next-Gen Immuno-Oncology Conference, both in London, presenting our novel technology platform.

In October, the Research Council of Norway approved Lytix's application for up to NOK 14.3m (US$1.3m) of non-dilutive financial support from the 'SkatteFUNN' R&D tax incentive scheme for a project in respect of its lead program: 'Intratumoral LTX-315 in advanced melanoma'. The approval gives Lytix the right to claim tax deductions for relevant and documentable costs related to research and development activities in the approved project for the period 2023 to 2025.

Financial review

Accounting policies

The financial statements of Lytix Biopharma AS (Lytix Biopharma or the Company) is prepared in accordance with IFRS® Accounting Standards as endorsed by the European Union (EU) (IFRS Accounting Standards) and Norwegian authorities and effective as of 31 December 2023.

Profit and loss

Revenue from our licensing partner Verrica. This revenue is for sale of LTX 315 for use in Verrica's development program.

Revenue for 2023 amounted to NOK 3.9 million (NOK 11.0 million for 2022). For 2023, this revenue is for sale of LTX-315 for use in Verrica's development program. In 2022, the revenue from sale of LTX-315 to Verrica was NOK 1.4 million. In 2022 Lytix also received a milestone payment of NOK 9.6 million triggered by the first patient being dosed with LTX-315 in Verrica's Phase II study.

Payroll and related expenses for 2023 came in at NOK 24.3 million (NOK 20.3 million). The increase in personnel expenses is mainly explained by increased share-based payment expense and slight increase in number of people

employed. Since then, Lytix has initiated several cost cutting initiatives, resulting in the company extended its cash runway through H1 2024.

Depreciation and amortization expenses was stable at NOK 1.0 million compared to NOK 0.9 for 2022. The majority is depreciation of leased assets.

Direct R&D expenses amounted to NOK 63.2 million for 2023 (NOK 45.6 million). The increase is mainly explained by the higher activity in the ATLAS-IT-05 in 2023. The trial was expanded to six new sites in three different European countries. In 2023 Lytix completed the recruitment of patients in this study.

Other expenses increased to NOK 12.3 million compared with NOK 9.8 million for 2022. The increase reflects increased activity level within clinical development and supporting activities.

Loss from operations for 2023 amounted to NOK 96.8 million compared to NOK 65.7 million for 2022.

Net financial items amount to NOK 8.9 for 2023 compared to NOK 9.6 for 2022. This income arise from interest income, foreign exchange gains and fair value gains on short term financial assets.

Cash flow

Cash generated from operations amounted to negative NOK 96.0 million for 2023 compared to negative NOK 52.6 million for 2022.

Cash flow from investing activities was positive with NOK 29.7 million compared to negative NOK 49.4 million for 2022. In Q3 2022, Lytix placed NOK 50 million in a liquidity fund explaining the negative cash flow from investing activities. In 2023, Lytix realized a part of the investment in the liquidity fund.

Cash flow from financing activities was negative NOK 0.9 million in 2023 compared to negative NOK 0.7 million for 2022. The majority of the cash flow for both periods is linked to leasing payments.

Statement of financial position / balance sheet

At the end of 2023, cash plus short-term financial investments were NOK 50.5 million, compared to NOK 145.2 million as of 31 December 2022. Trade and other receivables by end of 2023 increased to NOK 12.8 million, from NOK 6.7 million by the end of 2021.

As of December 31, 2023, Lytix had total assets of NOK 63.8 million, compared to NOK 153.3 million by the end of 2022.

Total equity amounted to NOK 51.3 million by end of 2023, decreased from NOK 135.0 million by the end of 2022. The equity ratio amounted to 80.3 percent by the end of 2023 compared to 88.1 percent by the end of 2022.

Total liabilities amounted to NOK 12.5 million by the end of 2023, compared to NOK 18.2 million by end of 2022.

Allocation of the 2023 result

The Company’s annual result amounted to a loss of NOK 87.9 million. The Board of Directors proposed that the loss is transferred from Share Premium Reserve.

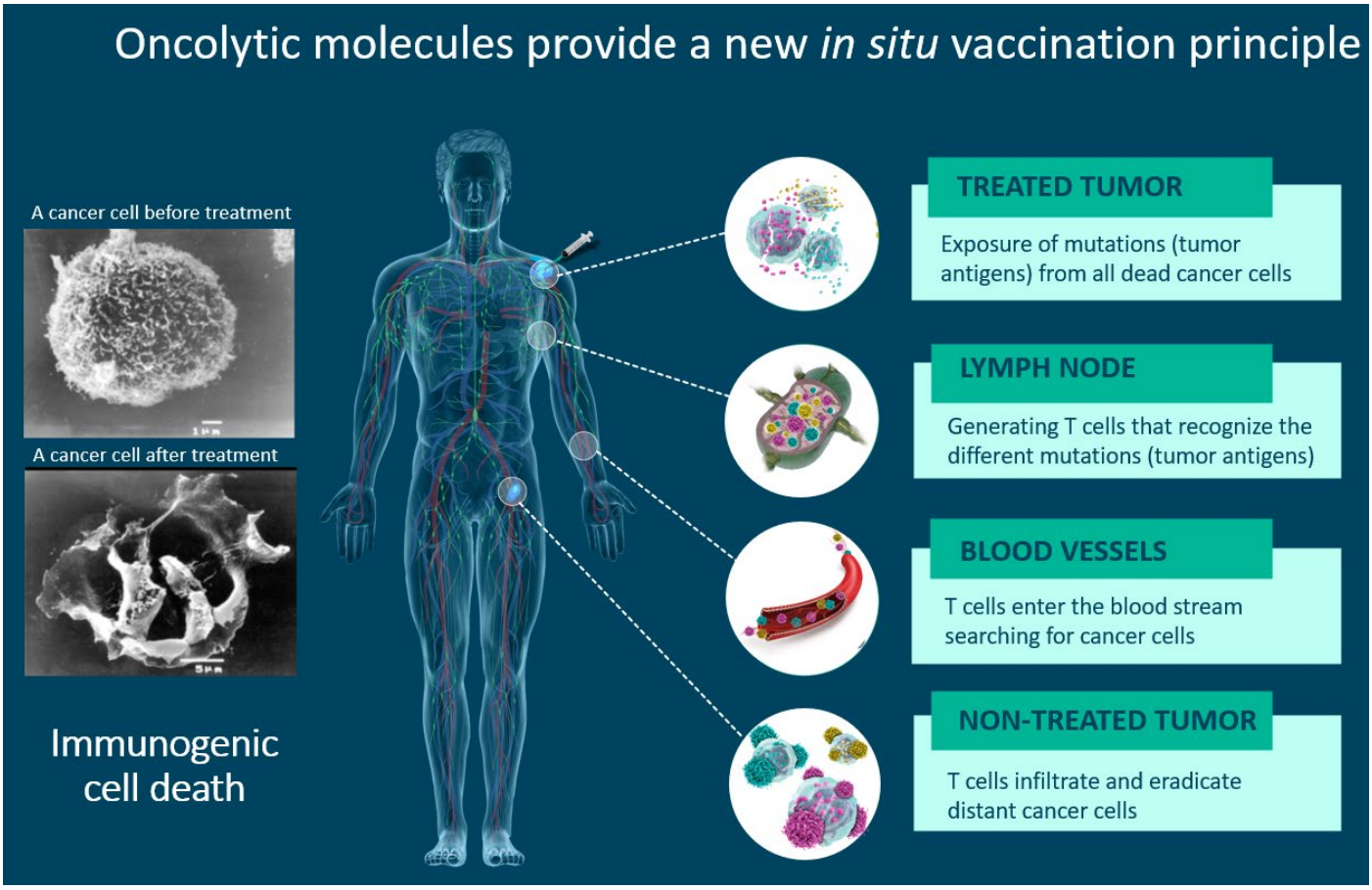
Platform technology

Lytix' technology platform is based on solid preclinical and clinical research and originates from UiT, The Arctic University of Norway, Tromsø. The company has successfully generated several highly active oncolytic molecules from naturally occurring host defense peptides. These have the potential to address the main challenge to deal efficiently with cancer; the heterogeneity of the tumor, enabling the cancerous cells to escape various targeting therapies.

Generating a systemic and lasting anti-tumor immunity
Oncolytic molecules work by inducing immunogenic cell death of cancerous cells and by activating antigen presenting cells to generate tumor specific T cells. When these molecules are injected straight into the tumor environment, they potentiate the patient's immune system. Lytix' approach represents an alternative and unique treatment approach to cancer vaccination. So far, data has demonstrated that Lytix' molecules can generate a systemic and lasting anti-tumor immunity.

Lytix' oncolytic molecules kill cancer cells in a unique way resulting in an efficient release of tumor neoantigens (mutated proteins) and immune activating molecules. This process results in the activation of the patient's own killer T cells which will enter into circulation and search for and kill cancer cells.

The oncolytic molecules are also ideal for combination with other types of immune therapies where the lack of immune cells in the patients' tumors is one of the major hurdles for these therapies to be effective.



In a GlobalData survey [1], physicians ranked tumor heterogeneity as the most challenging aspect of optimizing IO therapy. Tumor heterogeneity introduces significant challenges in cancer therapy and is the main cause of treatment failure, drug resistance, relapse and recurrence.

[1] Source: GlobalData High-Prescriber Survey (December 2020)

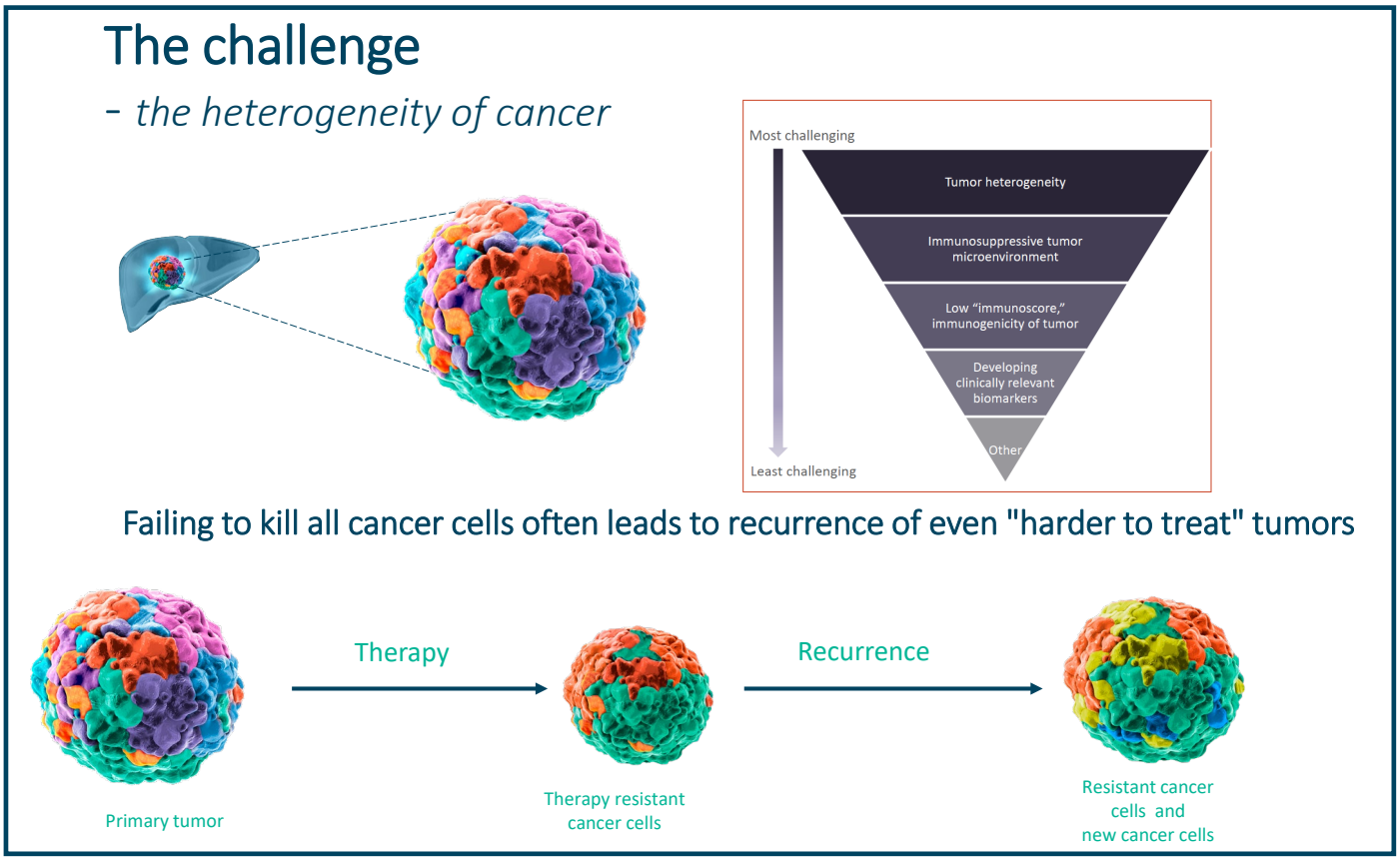


Illustration: *Tumor heterogeneity is the major driver of resistance to all forms of cancer therapy, including immunotherapy.*

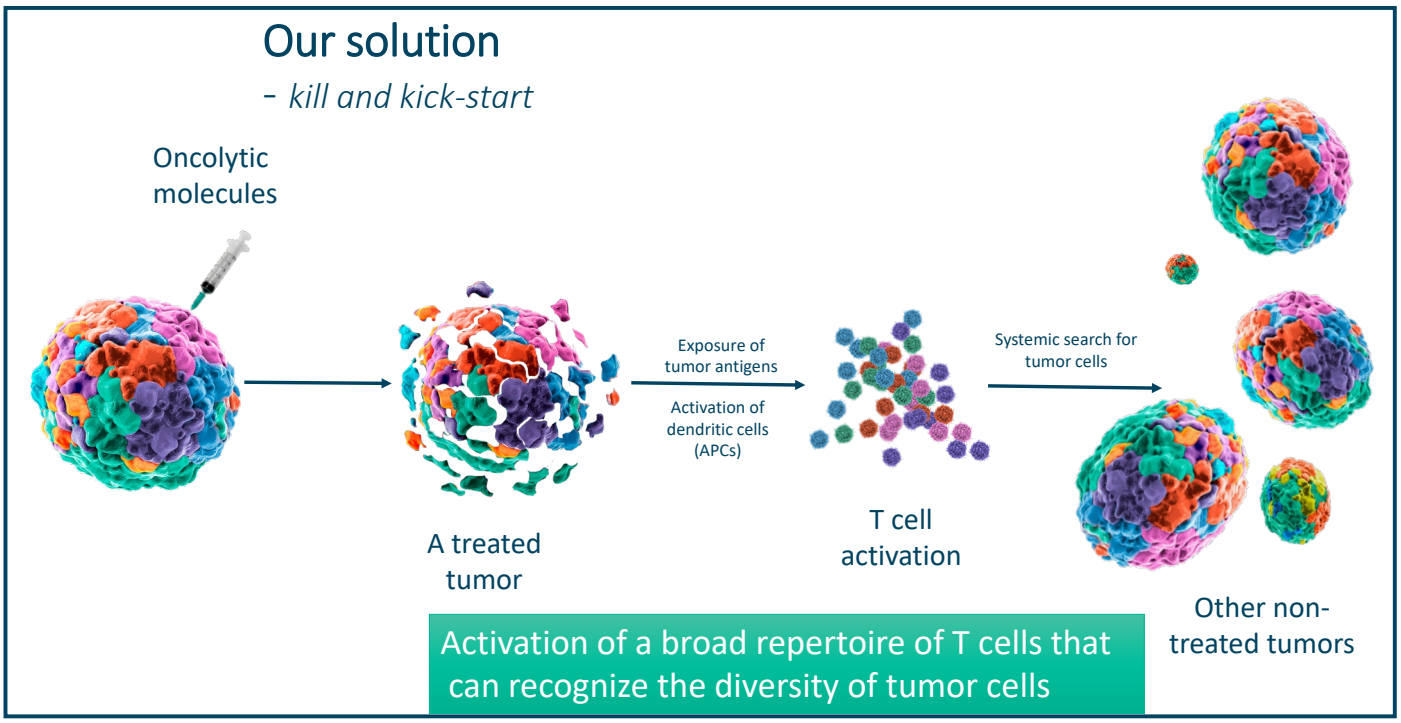


Illustration: *Lytix's oncolytic molecules uniquely address heterogeneity by being able to recognize and target the different cancer subclones in a heterogenous tumor, including both drug sensitive and resistant cancer cells.*

Oncology is the largest pharmaceutical market by revenue. Oncology therapeutics represented USD 184 billion in sales in 2021 (~20% of global pharmaceutical sales) [2]. To capture a larger market share, parallel development across multiple indications, increases the value of an individual asset and makes deal-making more likely. Unmet need remains high, and the market is expected to reach $269 billion by 2025 [3]. The key driver behind this future growth is

[2] Source: IQVIA Research, 2023
[3] Source: IQVIA Research, 2023

expected to be immuno-oncology combination therapies. Lytix' oncolytic molecules are synergistic and complementary to other immuno-oncology therapies with the potential to create new treatment paradigms.

By addressing the main challenge across a wide section of cancer indications as well as being able to combine with many other immuno-oncology therapies, Lytix' oncolytic molecules have the potential to claim a unique position within immuno-oncology, creating significant patient impact as well as value for Lytix.

Product candidates and portfolio

Lytix Biopharma's unique in situ vaccination technology platform offers a whole range of product opportunities and has the capacity to improve the lives of patients across many cancer types.

The developmental program is progressing the oncolytic molecules both as monotherapy, as a combination partner with checkpoint inhibitors and as an adjunct to cell therapy.

LTX-315 is currently being evaluated in two different Phase II trials, both as monotherapy and as combination therapy with the checkpoint inhibitor pembrolizumab.

Lytix' ATLAS-IT-05 clinical trial with LTX-315 was initiated at the MD Anderson Cancer Centre in the US and recently expanded to six sites in Europe. It is planned to include 20 patients with metastatic melanoma, a patient population with a significant unmet medical need.

LTX-401 is a second-generation candidate drug; it is a small molecule and thus can be administered at higher doses than LTX-315 and used for the treatment of tumors seated deep in the body. The next step is to evaluate LTX-401 in a Phase I human clinical trial.

Product candidate	Combination partner	Population	Discovery	Preclinical	Phase I	Phase II	Phase III
LTX-315	**ATLAS-IT-05** Pembroluzimab (Keytruda®)	Melanoma patients progressed on checkpoint inhibitors					
	Verrica Pharmaceuticals Monotherapy	Basal cell carcinoma					
	ATLAS-IT-06 NeoLIPA	Neoadjuvant resectable melanoma patients					
	ATLAS-IT-04 Adoptive T-cell therapy	Advanced soft tissue sarcoma			COMPLETED		
LTX-401	Monotherapy	Solid tumors (deep seated lesions)					
Undisclosed chemistry		Solid tumors					
A unique technology platform	**Oncolytic molcules inspired by nature** Based on the concepts of naturally occuring host defense peptides, scientifically improved for cancer therapy			**_In situ_ vaccination platform** Candidate drugs to be directly injected into solid tumors priming the immune system for potent activation			

Product candidates

LTX-315

LTX-315, the lead candidate of Lytix is a 9 amino acid peptide developed from bovine lactoferricin. It is a first-in-class oncolytic molecule that is developed for intratumoral injections. Preclinical studies have demonstrated that treatment of solid tumors with LTX-315 results in growth inhibition, complete regression, and long-lasting tumor specific immune protection. These studies also demonstrate that the treatment results in a significant increase of the number of tumor-infiltrating T cells in the tumor micro-environment (Sveinbjørnsson, B et al. 2017).

LTX-315 has undergone a comprehensive Phase I clinical trial in heavily pretreated patients. In this clinical trial, one of the key features of LTX-315 treatment, to promote T-cell infiltration into tumors, was evident in the cancer patients. LTX-315 was shown to be a potent drug with the ability to also create systemic effects based on local injection of tumors. LTX-315 was either given as monotherapy or in combination with a checkpoint inhibitor to patients with transdermal accessible tumors. The trial has shown that LTX-315 has an acceptable safety profile without any added safety concerns when given in combination with a checkpoint inhibitor. The scientific foundation has been laid to claim that LTX-315 is clinically active and contributes to immune-mediated anticancer activity (Spicer et al. 2018/Spicer et al. 2021). Based on the data from the Phase I clinical trial, the dosing regimen of LTX-315 has been assessed and optimized for the ATLAS-IT-05 study.

LTX-315´s ability to induce T-cell infiltration into tumors can be further exploited in adoptive cell therapy. This kind of therapy implies the isolation of T cells from the tumor, expansion in the laboratory and transfer back to the patient to improve the immune response against the tumor. The ATLAS-IT-04 study at Herlev Hospital in Denmark was set up to evaluate the potential of LTX-315 to enhance the number of T cells prior to isolation and expansion of the T cells to billions. The T cells were then given back to the patient. In this study LTX-315 is administered in combination with adoptive T-cell therapy in advanced soft tissue sarcoma patients. During the study an extensive immune profile was measured to characterize the immune status and nature of immune response together with monitoring clinical response. The results were published in OncoImmunology December 2023.

LTX-401

LTX-401 is a small molecule that has a potential as treatment of deep-seated tumors such as hepatocellular carcinoma (liver cancer) and liver metastases. In several experimental models, LTX-401 induces complete regression after intratumoral injection with a subsequent development of systemic immune protection. LTX-401 has shown increased efficacy when combined with checkpoint inhibitors and has demonstrated significant effects in experimental liver cancer models. The non-clinical development is completed, and the asset is currently being prepared for a Phase I clinical trial.

Undisclosed

Lytix is pursuing several new opportunities, all of them based on the in-situ vaccination technology platform that delivered LTX-315 and LTX-401. Further information on these will be provided as they advance from early stage of development.

Partnerships

Verrica Pharmaceuticals Inc.

Verrica is a Nasdaq-listed dermatology therapeutics company developing medications for skin diseases requiring medical interventions, and it is headquartered in West Chester, Pennsylvania. In August 2020, Lytix announced that

it entered into a license agreement providing Verrica with a world-wide license to develop and commercialize LTX-315 for all malignant and pre-malignant dermatological indications (skin cancer). Lytix maintains all rights to the use of LTX-315 in patients with metastatic melanoma and metastatic Merkel cell carcinoma. Verrica will assume responsibility for manufacturing of the LTX-315 drug product, while Lytix retains responsibility for manufacturing of the active pharmaceutical ingredient (API). Under the license agreement, Lytix may receive aggregate payments of up to USD 111m upon achievements of certain clinical, regulatory and sales milestones as well as tiered royalty payments in the double-digit teens.

Verrica intends to focus initially on basal cell and squamous cell carcinoma as the lead indications for development for LTX-315, and in November Verrica got an US IND approval to initiate a Phase II clinical trial in basal cell carcinoma. The first patient was recruited to the study and treated with LTX-315 in April 2022. All 80 patients have been recruited and according to Verrica, top-line data will be presented mid-2024.

The American Cancer Society has estimated that about 5.4 million basal cell carcinoma (BCC) and squamous cell carcinomas (SCC) are diagnosed in the US annually. With about 80% of these skin cancers being BCC there is a significant potential for new treatment options.

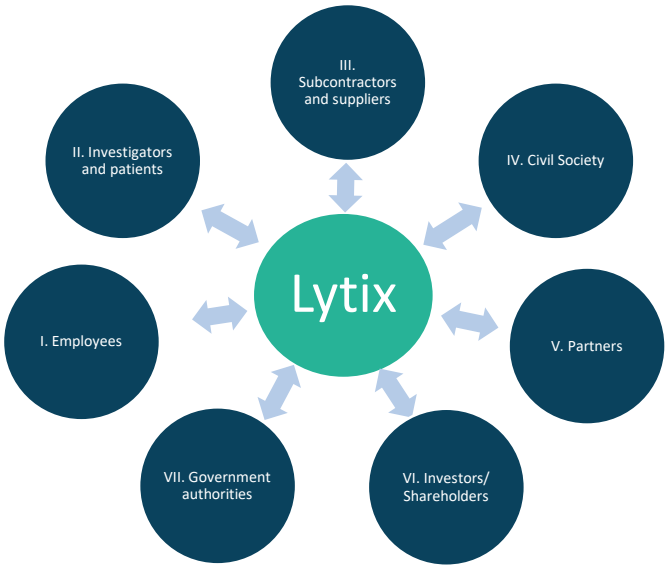
Environment, social and corporate governance (ESG)

ESG reporting is the disclosure of environmental, social, and corporate governance impacts. It enables Lytix to be more transparent about the risks and opportunities it faces.

This report covers sustainability topics that are of importance to Lytix and the company's stakeholders.

Lytix is in regular contact with stakeholder groups and strives for an active stakeholder dialogue. Consequently, the company will update the stakeholder dialogue and materiality assessment as applicable in future ESG reports.

Lytix' stakeholders



I. **Employees** Lytix' employees are directly affected by the company's internal policies and activities, and directly affect the company through their performance and actions. We are proud of our employees who are at the core of our services and who shape our values-based culture. We are committed to providing a workplace where our people's health and safety is of paramount importance.

II. **Investigators/Patients** Lytix' customers consist of oncologists, hospitals, clinics and the cancer patients they treat. Customers are directly affected by the quality and safety of Lytix' products, and we are committed to conducting our business in a way that best protects them. We aim to be a trusted partner through providing tailored information to all healthcare professionals and their patients, with compassion for each and every one of them.

III. **Subcontractors/Suppliers** Managing supply chain risks, impacts, and capturing opportunities for sustainable value creation is complex. However, the fundamental steps are common across all companies and organizations: understanding, planning and implementing. Learning from outcomes is essential in order to deepen and broaden the value of a Supply Chain strategy. Suppliers directly affect the company through the quality and pricing of their products and services, and Lytix carefully considers whether or not to enter into contracts with every new supplier.

IV. **Civil society** Local communities are indirectly socially, environmentally and economically affected by Lytix' activities in terms of job creation, contribution to local value creation and environmental impact. We want to have a positive impact on the communities in which we operate.

V. **Partners** Lytix' partners are directly affected by Lytix' activities and the quality and safety of Lytix' products. Lytix is in return directly affected by the partners performance and actions.

VI. **Investors/Shareholders** Lytix' investors and owners are primary stakeholders and directly affect the company's priorities and strategic direction. Lytix' economic and business performance may affect the priorities of investors and shareholders.

VII. **Government authorities** Government and regulatory authorities affect the company's operating conditions directly and indirectly through laws and regulations.

While we continue to grow, adapt and improve to meet the challenges and embrace the opportunities that our stakeholders face, our values remain at the core of how we do business.

As our ESG program develops so too does our focus, away from a mostly compliance driven approach to one that is led by organizational strategy and stakeholder views.

Lytix' materiality assessment

The ESG materiality assessment is a tool used to identify and prioritize ESG issues that are the most critical to a company. The materiality assessment presented below is designed to identify and understand the relative importance of specific ESG topics to Lytix. This involves looking at a variety of factors from two different vantage points: importance to business success and importance to stakeholders.

Based on stakeholder input and priorities, as well as an assessment of the company's business impact, the materiality of each suggested ESG topic was considered.

The results are presented in the materiality matrix below, with topics considered material for Lytix in the upper right section.

Through the materiality assessment Lytix has identified ESG topics that are important to follow up on, based on business relevance and stakeholder interest. These ESG topics are presented in the list below:

Environment

1. Environment and climate impact
    - Climate change – Greenhouse gas emissions (GHG)
    - Natural capital - deforestation, biodiversity, water
    - Pollution and waste

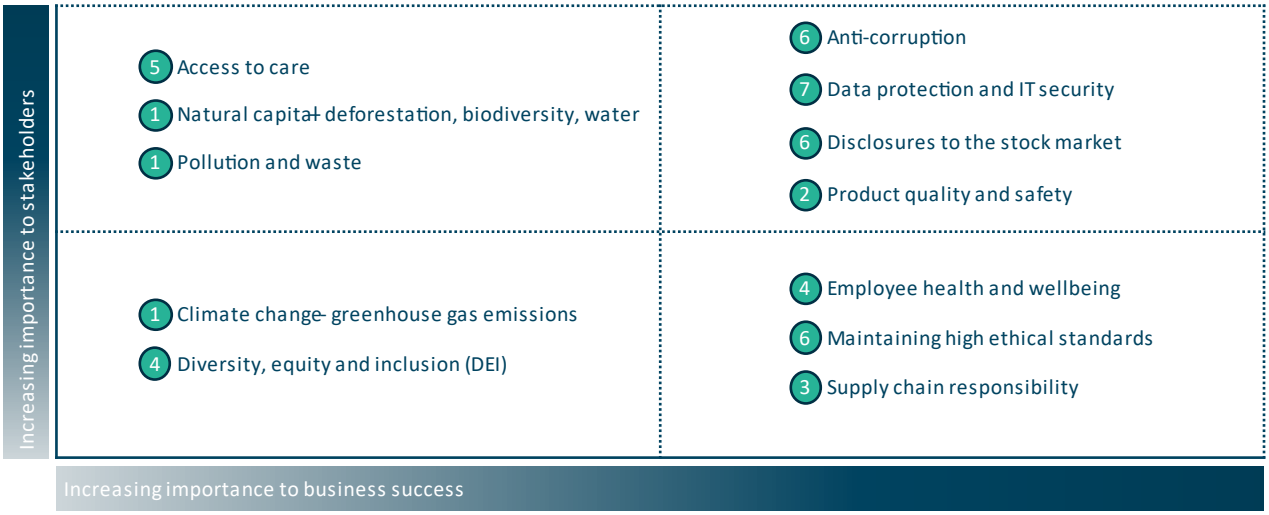
Social

2. Product quality and safety
3. Supply chain responsibility
4. Human rights and human capital
    - Employee health and wellbeing
    - Diversity and inclusion
5. Access to care

Governance

6. Business ethics and transparency
    - Anti-corruption
    - Maintaining high ethical standards
    - Disclosures to the stock market
7. Data protection and IT security

Materiality matrix



ENVIRONMENT

Environment and climate impact

Lytix strives to minimize its environmental footprint. The environmental footprint stems mainly from the resources consumed in office spaces as well as indirect business activities such as travel and supply chain operations. As such, Lytix' operations have a limited impact on the external environment with regards to direct pollution and emissions, as production and distribution activities are outsourced. Nonetheless, we acknowledge that our subcontractors – and their emissions – are part of our supply chain and, hence, indirect emissions. We acknowledge to be part of a major industry with a significant footprint in total. Even the most innovative and advanced modern pharmaceuticals often have key ingredients sourced from the natural world. We are highly aware that the massive loss of biodiversity is a threat to medical innovations and potential treatments that are yet to be discovered. Alongside the climate crisis, we are facing a nature crisis. Many critical ecosystems, such as tropical rainforests, are under threat. As a response, the pharmaceutical industry must engage in the protection of the natural web that provides us with irreplaceable ecosystem services such as key medical ingredients.

SOCIAL

Product quality and safety

To guarantee the highest possible levels of health and safety for patients, Lytix is committed to guarantee product quality and safety throughout its supply chain.

During the research phase, specific clinical studies are carried out to ensure the efficacy and safety of the products and confirm the absence of any possible dangerous side effects. Furthermore, the results of these studies are assessed by regulatory bodies in Europe and in the US.

Within the supply chain, Lytix' suppliers are selected according to stringent criteria and are periodically audited to confirm compliance with the applicable quality and regulatory standards required.

All medicinal products are produced in accordance with Good Manufacturing Practices (GMPs). Lytix does not have its own production facilities, and therefore use third parties for production. All third-party production facilities used by Lytix are subject to periodic audits, verifying the existence of the necessary regulatory authorizations required and ascertaining that all manufacturing and control activities are conducted in compliance with the highest quality standards.

All personnel engaged in GxP, product quality and safety monitoring procedures receive training at least once a year on topics related to GxP. All personnel receive periodic updates on the various procedures, with particular reference to procedures regarding deviations, complaints and safety reporting.

Benefit to society – access to care

Social impact and benefits to society is the cornerstone of Lytix' mission, with the aim of improving the lives of patients around the globe through novel cancer treatment. This is in line with the overall goal of the recently implemented UN Mission on Cancer which has been formulated as: "By 2030, more than 3 million lives saved, living longer and better". Our work will contribute to achieving the UN Sustainable Development Goal ("SDG") 3: "Ensure healthy lives and promote well-being for all at all ages" and fits into Target 3.4 by reducing the number of deaths due to cancer by providing products for effective treatment. Our projects are now benefitting patients as they have the possibility to be included in the clinical program and get access to new innovative treatment several years before the treatment becomes available on the market.

Health, safety and wellbeing

The health, safety and wellbeing of our employees is of great importance for Lytix, and we strive to promote a culture that supports a sustainable work-life balance. During 2023, the company had 15 employees (constituting 12.5 man-years) including contracted personnel. The Board considers that the working environment in the company is good, and no special measures have been implemented in this regard. The employees have not suffered any accidents or injuries in connection with their work. Absence due to illness was all short term and less than 2.4%, which is a slight increase from the previous year.

Externally, the biotech industry and regulatory authorities demand high standards for safeguarding patients during clinical trials. We follow all regulatory requirements related to conduct of clinical trials including the Helsinki declaration, ICH guidelines on good clinical practice and all applicable laws, regulations, directives, and guidance documents. These requirements are further addressed in our partner selection processes.

Animal studies are performed with the highest standards of animal welfare and is subject to European Directive No. 2010/63/UE. All studies are conducted in accordance with national legislation, under national approval and by the CRO`s internal Committee on Animal Research and Ethics. General procedures for animal care and housing are in accordance with applicable Laboratory Animal Care recommendations.

Lytix has established a quality management system consisting of a Quality manual, SOPs and forms to be in compliance with Norwegian, European and US health authorities' rules and regulations for drug manufacturing, clinical trials, drug safety and quality and to safeguard the patients. The GLP standard for laboratory practice, GMP

standard for drug manufacture, GDP standard for drug distribution and GCP standard for clinical trials are embedded in our quality system.

Diversity, equity, and inclusion (DEI)

Lytix aims to be a workplace providing equal opportunities for all. We consider employee diversity to be a competitive advantage, and in order to attract and retain the best talent, we do our outmost to ensure fair and equal employment practices.

The company has traditionally recruited from environments where women and men are relatively equally represented. In terms of gender balance within the company, women constitute 50% of the Board members and 17% of the senior management team. The company promotes a productive working environment, have zero tolerance for disrespectful behavior, and is an equal opportunity employer. Discrimination in hiring, compensation, training, promotion, termination, or retirement based on ethnic and national origin, religion, sex, or other distinguishing characteristics is not acceptable.

Whistleblowing

Employees are encouraged to report any sort of misconduct within the company, which can be violations of statutory provision, internal provision, or ethical norms. Lytix recognizes that whistleblowing is of value to the firm, as it offers an opportunity to remedy misconduct. Lytix ensures that employees reporting misconduct are entitled to protection against reprisals, and matters may be reported anonymously to the organization's whistleblower contact, through the established whistleblowing e-mail, or alternatively to immediate supervisor or a member of the management team.

GOVERNANCE

Corporate governance

Lytix considers good corporate governance to be a prerequisite for value creation and trustworthiness and for access to equity. To secure strong and sustainable corporate governance, it is important that the Company ensure good business practices, reliable financial reporting, and an environment of compliance with legislation and regulations. The "Code of Conduct" sets the frame for business ethics and compliance. The Company's Board of Directors actively adheres to good corporate governance standards as described in the "Rules of Procedures of the Board of Directors" (the "Board policy") within the framework of "Norwegian Code of Practice for Corporate Governance".

Lytix has established an "Insider policy" in light of the laws and regulations surrounding the trading of shares listed on Euronext Growth and an "Information Policy" to ensure a continuous, good quality, internal and external information giving in accordance with the Euronext Growth requirements.

Anti-corruption

We have a zero tolerance for corruption. Corruption in the procurement of drugs and medical equipment drives up costs and can lead to sub-standard or harmful products. In addition to this, corruption have a disproportionate impact on the most vulnerable in society, increasing cost and reducing access to vital health services. As a standard, we conduct all our business activities in a transparent and open matter, and hold all employees, business partners and stakeholders to the same high ethical standard.

Supply chain responsibility

We see it as our ethical responsibility to ensure that the entire value chain relating to our products satisfies our requirements for sustainability and corporate social responsibility.

We aim to work with business partners (subcontractors and suppliers) during the development of our products and execution of pre-clinical and clinical trials that demonstrate the same high standards of responsible business conduct and ethical values as our own. We exercise caution in the selection process, always following Lytix' evaluation and sourcing procedures.

As part of the evaluation, Lytix obtain confirmation that the subcontractor or supplier have adequate systems or policies in place ensuring compliance with applicable laws relating to ethical and responsible standards of behavior, including, without limitation, those dealing with human rights, labor, environmental protection, sustainable development and bribery and corruption in accordance with the principles in the United Nations Global Compact.

When establishing new contracts, we encourage subcontractors and suppliers to confirm their compliance with the principles in the UN Global Compact.

Data protection and IT security

The EU personal data protection framework as laid out in Directive (EU) 2016/680 and Regulation (EU) 2016/679 came into force in 2018. As a biotech company within the healthcare space, Lytix and/or our subcontractors and suppliers may need to store personal data as part of the business. Our GDPR compliance policy, was created to ensure that Lytix process and safeguard personal data in line with the Regulation ("the GDPR"). It describes how we plan to stay compliant on an ongoing basis, with policies and procedures for particularly relevant areas of our business. Lytix has contracted a Data Protective Officer (DPO) as set out in Articles 37 to 39 of the EU Data Protection Regulation (GDPR) to oversee and to be transparent on how personal data is processed, the privacy notice appears on Lytix' homepage. Privacy statements are also included in the e-mail signature for all employees. Data Processing Agreements are established between Lytix as data controller and any data processor as required.

Lytix has outsourced the IT infrastructure and support to an external vendor. The IT solution is cloud-based with firewall and virus protection provided by the vendor. A feature in Outlook enables employees to report suspicious e-mails easily. Local secure access to the exchange is via password protected log-on. The information security platform is based on international standards ISAE3402 and ISEA3000 which is audited annually by PwC. All employees are responsible for storing documents securely and locking their computer when unauthorized people have access.

ESG going forward

As a small actor in the biotech landscape, we acknowledge that we are still in the starting phase of enhancing and reporting sustainability activities and aim to strengthen our efforts in the future. As a first step, we have completed a materiality assessment based on stakeholder inclusiveness, with the goal of identifying the most prominent environmental, social and governance (ESG) matters for the company.

Going forward, Lytix further has the ambition to report annually on ESG topics that are identified in the materiality assessment. Goals will be fixed by material topic, achievements and gaps will be tracked and documented, helping us understand our successes as well as areas that require more attention. The Euronext guidelines for ESG reporting will be observed. The ESG reporting will be reviewed and approved by the Board of Directors.

Building strong relationships and creating trust amongst our stakeholders is essential for Lytix' success. To do so, creating platforms for dialogue between the parties and including them in the materiality assessment is vital.

The types and location of the business

Lytix Biopharma AS is a clinical stage biotech company, located in Oslo, Norway, developing novel cancer immunotherapies, an area within cancer therapy that is aimed at activating the patient's immune system to fight cancer. The company's technology is based on pioneering research in "host defense peptides" – nature's first line of defense towards foreign pathogens.

Lytix Biopharma's lead product, LTX-315, is a first-in-class oncolytic molecule representing a new and superior in situ therapeutic vaccination principle to boost anti-cancer immunity, with the potential to be the ideal combination partner with other types of immunotherapies. LTX-315 target cancer cells and disintegrate their cell membranes, causing immunogenic cell death and release of a patient's tumor specific antigens. This mode of action allows cytotoxic T cells to recognize, infiltrate, and attack cancer cells.

The Company was listed on Euronext Growth in Oslo in June 2021, following a private placement covered by investors such as PBM Capital, an US based, healthcare-focused investment firm.

PERSONNEL AND ORGANIZATION

Lytix' senior management team at year-end consists of Øystein Rekdal as Chief Executive Officer, Baldur Sveinbjørnsson as Chief Scientific Officer, Gjest Breistein as Chief Financial Officer, Graeme Currie as Chief Development Officer, Gry Stensrud as Chief Technical Officer and Stephen Worsley as Chief Business Officer

Lytix has its registered address in Oslo, Norway. The Company is a limited liability company incorporated and domiciled in Norway. The Company rents office in Oslo.

RESEARCH AND DEVELOPMENT ACTIVITIES

Expenditure on research and development activities is recognized as an expense in the period in which it is incurred. Internal research and development expenses related to the company's development of products are recognized in the income statement in the year incurred unless it meets the asset recognition criteria Intangible Assets. An internally generated asset arising from the research and development phase of an R&D project is recognized if, and only if, all the following has been demonstrated:

- Technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial, and other resources to complete the development and use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development

Uncertainties related to the regulatory approval process and results from ongoing clinical trials generally indicate that the criteria are not met until the time when marketing authorization is obtained from relevant regulatory authorities. The company has currently no development expenditure that qualifies for recognition as an intangible asset.

FINANCIAL RISKS

Lytix is a clinical stage biotech company which is accumulating financial losses. Operating losses are expected to continue during the development phases of the company's products, and other than potential development milestone payments from the licensing agreement with Verrica, potentially cash generating operations are not expected until one or more of the company's products are commercialized.

The company has no interest-bearing debt. Bank deposits are exposed to market fluctuations in interest rates, which affects financial income. Lytix is on a regular basis transacting in various currencies other than the functional currency (NOK). This implies that the company is exposed to currency fluctuations. Transactions related to the ATLAS-IT-05 study are mainly denominated in USD, and Lytix has consequently placed a part of its cash position in

USD to hedge part of the foreign currency risk. The credit risk is limited as revenues are minimal exclusive of public grants and sales of drug supply to partners.

The company controls its cash flow from both long- and short-term perspectives through rolling cash forecasts. The company has no loan agreements involving covenants or other financial instruments or requirements.

Funding of ongoing operations is, and will be for some time, depending on external sources, mainly equity contributions. There is an inherent risk around future financing of the company, depending upon the company's own performance and on the financial market conditions. Acceptable sources of funding may not be available when needed or may not be available on acceptable terms. The company's ability to obtain capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms.

NON-FINANCIAL RISKS

Lytix' activity is development of pharmaceutical medications. Research and development up to approved registration is subject to considerable risk and is a capital-intensive process. Lytix' candidates for cancer medications and technology platform are dependent on research and development and goes through several stages before commercialization and risk of failure is generally inherent throughout the process.

Technology risk

The company's product candidates are still at an early stage and the preclinical and clinical studies may not prove to be successful. Furthermore, the product candidates are dependent on continued research and development which may be delayed and/or incur higher costs than currently expected.

Competitive technology

Immunotherapy and other cancer therapeutics industries are in general highly competitive and dynamic, and as such a high-risk business. Lytix operates in this global and highly competitive industry sector and is subject to the rapid and substantial technological change. Competitive cancer treatments, either within immunotherapy or within the broader space of oncology, may affect Lytix' ability to commence and complete clinical trials, as well as the opportunity to apply for marketing authorization, and may influence future sales if marketing authorization is obtained.

Market risks

The financial success of the company will require beneficiary partner agreements as well as obtaining market access and reimbursement/pricing at attractive levels. There can be no guarantee that the company's product(s) will meet these requirements. The company will need approvals from the European Medicines Agency (EMA) to market products in Europe and from the U.S. Food and Drug Administration (FDA) to market its products in the US, as well as equivalent regulatory authorities in other foreign jurisdictions to commercialize in those regions.

D&O INSURANCE

Lytix has entered a Directors' and Officers' Liability Insurance which covers past, present, or future individual member of the board of directors and/or executive board or similar executive body of the group as well as any past, present, or future officer, de facto director, shadow director or employee of the group who is capable of incurring personal managerial liability. The insurance covers NOK 20 million per claim and in the aggregate for the policy, world-wide including USA and Canada.

GOING CONCERN

These financial statements have been prepared under the assumption that the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company's ability to continue as a going concern depends on its ability to obtain additional equity financing. The Company has funded its operations primarily by shares issuances. While the Company has been successful in raising sufficient funding in the past, there can be no assurance it will be able to do so in the future.

The capital increase completed in April 2024 with gross proceeds of NOK 50 million ensures that Lytix has available financial resources sufficient for planned activities throughout 2024.

The Board of Directors states that the annual accounts represent a true and fair view of the Company's financial position at the turn of the year. According to the Norwegian Accounting Act §3-3 (a), the Board of Directors confirmed that the financial statements have been prepared under the assumption of going concern and that the grounds for this assumption exist.

POST-BALANCE SHEET EVENTS

On April 9th, 2024, the Company announced the contemplated launch of a partially guaranteed share offering (the "Offering") of between 9,541,973 and 10,509,802 new shares (the "Offer Shares") in the Company, each with a nominal value of NOK 0.10, at a subscription price of NOK 5.24 per Offer Share.

The Offering was completed. The extraordinary general meeting that took place on 25 April 2024 (the "EGM") resolved to issue a total of 9,541,984 Offer Shares, raising gross proceeds of NOK 50 million.

SHARE INFORMATION

As of December 31, 2023, there were 40,068,319 ordinary shares outstanding. The company has one class of shares, and all shares carry equal voting rights.

The company had more than 1,094 shareholders on December 31, 2023.

BOARD OF DIRECTORS OF LYTIX BIOPHARMA AS

The composition of the Board of Directors is at year-end as follows: Marie Roskrow (Chair), Brynjar Forbergskog, Evelina Vågesjö, Jayson Rieger, Kjetil Hestdal and Marie-Louise Fjällskog.

All board members are independent of the Company's executive personnel and material business at year-end. Brynjar Forbergskog controls a significant number of shares in the company through Hifo Invest AS and Saturn Invest AS. Jayson Rieger serves as Managing Partner in PBM Capital, an US healthcare-focused investment firm. PBM Capital has invested in Lytix through the affiliate company PBM LYT Holdings, LLC.

The Board of Directors held 11 board meetings during the fiscal year 2023.

OUTLOOK

Lytix is strategically positioned to advance and develop its clinical stage assets. With a strong industry interest in the technology that can address the major challenge in current cancer therapy, Lytix is confident in its ability to attract partners and investors to expand and accelerate the development of LTX-315 and LTX-401 in the coming years.

The Company looks forward to the top-line data from Verrica's completed Phase II study in basal cell carcinoma expected to be announced mid-2024. LTX-315 could potentially represent a non-surgical alternative to surgery for patients suffering from BCC, which is the most common type of cancer with a large commercial market potential.

Patient enrollment for ATLAS-IT-05 has reached completion, and we are continuing to see positive results in a patient population that has previously failed to respond to two or more lines of immunotherapies in addition to PD(L)-1 therapy. Recent clinical findings from this trial are highly encouraging, and the Company look forward to following these patients for longer and the support these data will provide for future studies, including neoadjuvant and in patients earlier in their treatment journey.

Furthermore, Lytix is enthusiastic about commencing a neoadjuvant study with LTX-315 in melanoma patients with resectable tumors, in collaboration with the University Hospital in Oslo, Radiumhospitalet in the first half of 2024. This study will assess the potential of LTX-315 combined with a standard of care treatment (pembrolizumab) in patients with earlier stage cancer. Such patients typically possess healthier immune systems and have undergone fewer rounds of prior treatments, making them more likely to respond optimally to Lytix's innovative technology.

As LTX-315 progresses through clinical trials, both internally and in collaborations across Europe and the USA, more data is expected during 2024 and 2025. Positive outcomes from these studies could pave the way for new partnerships in late-stage development and commercialization.

However, it's important to note that the realization of these plans hinges upon the company securing additional funding. Financially, the Company has runway that will see it through 2024 and into 2025. The Company continue to regularly assess the financial position to ensure that it has the necessary funds to support new and future activities. Lytix remains actively engaged in exploring strategic partnerships and alternative financing avenues to support its ambitious development agenda.

Oslo, April 29, 2024

The Board of Directors and the Chief Executive Officer of Lytix Biopharma AS

Marie Roskrow Chairperson of the Board	**Brynjar Forbergskog** Board Member	**Evelina Vågesjö** Board Member
Jayson Rieger Board Member	**Kjetil Hestdal** Board Member	**Marie-Louise Fjällskog** Board Member
Øystein Rekdal Chief Executive Officer		

Financial statements

STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK thousands	*Notes*	**2023**	2022	2021
Revenue	*1,2*	3,991	11,031	19,307
Other operating income		-	-	187
Total operating income		**3,991**	**11,031**	**19,495**
Payroll and related expenses	*3,4,5*	(24,344)	(20,326)	(30,371)
Depreciation and amortization expenses	*6,7*	(962)	(919)	(453)
Direct R&D expenses	*3*	(63,167)	(45,608)	(23,740)
Other expenses	*3,8,9*	(12,303)	(9,843)	(12 916)
Total operating expenses		**(100,776)**	**(76,697)**	**(67,480)**
Loss from operations		**(96,785)**	**(65,666)**	**(47,985)**
Financial income	*10*	8,945	9,835	144
Financial expenses	*10,7*	(58)	(238)	(238)
Net financial items		**8,887**	**9,597**	(94)
Loss before tax		**(87,897)**	**(56,069)**	**(48,079)**
Tax expense	*11*	-	-	-
Loss for the period		**(87,897)**	**(56,069)**	**(48,079)**
Net other comprehensive income (loss), net of tax				
Items that may be reclassified to profit and loss in subsequent periods		-	-	-
Items that will not be reclassified to profit and loss in subsequent periods		-	-	-
Total comprehensive income (loss) for the period		**(87,897)**	**(56,069)**	**(48,079)**
Earnings (loss) per share				
Basic and diluted earnings (loss) per share	*12*	(2.19)	(1.41)	(1.45)

STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousands	*Notes*	**31.12.2023**	31.12.2022	31.12.2021	01.01.2021
Assets					
Non-current assets					
Property, plant and equipment	*6*	110	124	-	-
Right-of-use assets	*7*	438	1,251	2,140	-
Total non-current assets		**548**	**1,375**	**2,140**	**-**
Current assets					
Other receivables	*14*	12,777	6,735	5,680	4,168
Short-term financial investments	*15,16*	23,183	50,606	-	-
Cash and cash equivalents	*16,17*	27,365	94,552	197,282	28,450
Total current assets		**63,326**	**151,893**	**202,962**	**32,617**
Total assets		**63,874**	**153,269**	**205,102**	**32,617**
Shareholder's equity and liabilities					
Issued capital and reserves					
Share capital	*18*	4,007	4,007	3,874	2,623
Share premium reserve	*18*	47,312	131,027	185,720	17,266
Total equity		**51,319**	**135,034**	**189,593**	**19,889**
Liabilities					
Non-current liabilities					
Lease liabilities	*7,16*	41	476	1,344	-
Total non-current liabilities		**41**	**476**	**1,344**	**-**
Current liabilities					
Trade payables	*16,19*	3,572	6,997	1,476	3,284
Other current liabilities	*19*	8,492	9,894	11,862	9,444
Lease liabilities	*7,16,19*	451	868	827	-
Total current liabilities		**12,514**	**17,759**	**14,165**	**12,728**
Total liabilities		**12,555**	**18,235**	**15,509**	**12,728**
Total equity and liabilities		**63,874**	**153,269**	**205,102**	**32,617**

STATEMENT OF CASH FLOWS

Amounts in NOK thousands	*Notes*	**2023**	2022	2021
Cash flows from operating activities				
Profit (loss) before income tax		(87,897)	(56,069)	(48,079)
Adjustments for:				
Depreciation of property, plant and equipment	*6*	62	30	-
Depreciation of right-of-use assets	*7*	900	889	453
Interest income/(expense), net	*10*	(2,348)	(1,351)	(134)
Share-based payment expense	*4,5*	4,183	1,376	4,055
Increased/decreased in trade and other receivables	*14*	(6,042)	(1,055)	(1,513)
Increased/decreased in trade and other payables	*19*	(4,828)	3,553	610
Cash generated from operations		**(95,969)**	**(52,626)**	**(44,607)**
Income tax paid	*11*	-	-	-
Net cash flows from operations		**(95,696)**	**(52,626**	**(44,607)**
Investing activities				
Investment in tangible assets	*6*	(49)	(154)	-
Interests received	*10*	2,351	1,406	138
Investment in other short-term investments	*15*	27,423	(50,606)	-
Net cash from/(used in) financing activities		**29,725**	**(49,355)**	**138**
Financing activities				
Interests paid	*10*	(3)	(55)	(4)
Proceeds from share issue	*18*	-	133	225,214
Transaction cost	*18*	-	-	(11,486)
Payment of principal portion of lease liabilities	*7*	(940)	(827)	(423)
Net cash from/(used in) financing activities		**(943)**	**(749)**	**213,302**
Net increase in cash and cash equivalents		(67,187)	(102,730)	168,832
Cash and cash equivalents at the beginning of the period		94,552	197,282	28,450
Cash and cash equivalents at the end of the period	*17*	**27,365**	**94,552**	**197,282**

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK thousands	Share capital	Share premium reserve	Other equity	Total equity
Balance as at January 1, 2021	**2,623**	**17,266**	**-**	**19,889**
Loss for the period	-	-	(48,079)	**(48,079)**
Net other comprehensive income/(loss)	-	-	-	**0**
Other comprehensive income/(loss) for the period	**-**	**-**	**(48,079)**	**(48,079)**
Capital increase 10.06.2021	323	57,891	-	**58,214**
Capital increase 11.06.2021	928	166,072	-	**167,000**
Transaction cost	-	(11,486)	-	**(11,486)**
Share based payment	-	4,055	-	**4,055**
Reclassification of accumulated losses	-	(48,079)	48,079	
Total contribution by and distributions to owners	**1,251**	**168,453**	**48,079**	**217,783**
Balance as at December 31, 2021	**3,874**	**185,720**	**-**	**189,593**
Loss for the period	-	-	(56 069)	**(56 069)**
Net other comprehensive income/(loss)	-	-	-	**-**
Other comprehensive income/(loss) for the period	-	**-**	**(56 069)**	**(56 069)**
Capital increase 20.04.2022	133	-	-	**133**
Share based payment	-	1,376	-	**1,376**
Reclassification of accumulated losses	-	(56,069)	56,069	**-**
Total contribution by and distributions to owners	**133**	**(54,693)**	**56,069**	**1,509**
Balance as at December 31, 2022	**4,007**	**131,027**	**-**	**135,034**
Loss for the period	-	-	(87,897)	(87,897)
Net other comprehensive income/(loss)	-	-	-	-
Other comprehensive income/(loss) for the period	-	**-**	**(87,897)**	**(87,897)**
Share based payment	-	4,183	-	**4,183**
Reclassification of accumulated losses	-	(87,897)	87,897	**-**
Total contribution by and distributions to owners	**-**	**(83,714)**	**87,897**	**4,183**
Balance as at December 31, 2023	**4,007**	**47,312**	**-**	**51,319**

Oslo, April 29, 2024

The Board of Directors and the Chief Executive Officer of Lytix Biopharma AS

Marie Roskrow
Chairperson of the Board

Brynjar Forbergskog
Board Member

Evelina Vågesjö
Board Member

Jayson Rieger
Board Member

Kjetil Hestdal
Board Member

Marie-Louise Fjällskog
Board Member

Øystein Rekdal
Chief Executive Officer

Notes to the financial statements

REPORTING ENTITY

Lytix Biopharma AS is a Phase II clinical stage drug development company with more than 20 years of preclinical and clinical research. The company's shares are listed on Euronext Growth.

Lytix has, in collaboration with world leading cancer research centers, developed a proprietary in situ vaccination technology platform providing a new class of drug candidates for the treatment of cancer. The treatment is aiming for activating the patient's own immune system to fight the cancer.

The address of the registered office is Sandakerveien 138, 0484 Oslo, Norway

BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements of Lytix Biopharma AS (Lytix Biopharma or the Company) is prepared in accordance with IFRS Accounting Standards as endorsed by the European Union (EU) (IFRS Accounting Standards) and Norwegian authorities and effective as of 31 December 2023. Lytix Biopharma also provides the additional disclosures as specified under the Norwegian Accounting Act (Regnskapsloven).

The financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value. Preparation of financial statements including note disclosures requires management to make estimates and assumptions that affect amounts reported. Actual results may differ.

The principal accounting policies applied in the preparation of these financial statements are set out bellow. The policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are presented in NOK, which is also the Company's functional currency. Amounts are rounded to the nearest thousand unless otherwise stated.

For all periods up to and including the year ended 31 December 2022, Lytix Biopharma AS has prepared its financial statements in accordance with generally accepted accounting principles in Norway (NGAAP). These financial statements of the Company for the year ended 31 December 2021, will be the first annual financial statements that comply with IFRS Accounting Standards as endorsed by the EU. In the financial statements, the term "Norwegian GAAP" or "NGAAP" refers to Norwegian GAAP in use before the adoption of IFRS Accounting Standards. Subject to certain transition elections and exceptions, the Company has consistently applied the accounting policies used in the preparation of its opening IFRS Accounting Standardsstatement of financial position on 1 January 2021 throughout all periods presented, as if these policies had always been in effect. Note 20 discloses the impact of the transition to IFRS Accounting Standardson the Company reported financial position and financial performance, including the nature and effect of significant changes in accounting policies from those used in the Company's financial statements for the year ended 31 December 2022 prepared under Norwegian GAAP.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with the recognition- and measurement criteria in accordance with the IFRS Accounting Standardsrequires the use of estimates. It also requires management to exercise judgment in applying the company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in the following notes, and are the following:

- Revenue recognition (see note 1)
- Deferred tax asset (see note 11)
- Share-based payments (see note 5)

REVENUE FROM CONTRACTS WITH CUSTOMERS

Lytix ordinary activities mainly consist in the research and development activities leading patented intellectual property that can be licensed to third parties, and also to sell the Active Pharmaceutical Ingredient (API) to its licensing partners. The Company has applied the five-step model to account for revenue arising from contracts with customers. The Company currently has revenue agreements with only one customer.

The Company's main revenue streams are as follows:

- Licensing its drug candidate LTX-315 to Verrica Pharmaceuticals Inc, where the performance obligation was to grant exclusive rights for certain field of application of LTX-315, which was satisfied at the point in time the license such rights were granted at. Revenue is recognized for the transaction price which during the development stage of a product containing LTX-315, consists of variable payments based on milestones reached. Variable consideration is considered to be constrained because it is highly dependent on factors outside the control of the Company. Therefore, the Company will only recognize revenue when relevant milestones have been reached by the Verrica, which is the point when uncertainty about a milestone payment is resolved, and therefore it is highly certain no reversal of the revenue will occur. The Company is also entitled to royalty revenue during the commercialization phase of a product containing LTX-315, which will be recognized the subsequent sale occurs.

- Sale of API to Verrica, recognized as revenue when the transfer of control over the goods is transferred to the customer, which typically is based on the incoterms and right to payment for the goods.

Management have assessed the sale of API and the licensing agreement to be distinct and separately identifiable products.

FOREIGN CURRENCY

Transactions entered by the Company in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss.

STATEMENTS OF COMPREHENSIVE INCOME

Lytix Biopharma has elected to present the result for the period and other comprehensive income in one statement of comprehensive income. Further, Lytix Biopharma presents an analysis of expenses based on their nature as a common analysis of expenses through Lytix Biopharma's value chain. Lytix Biopharma has elected to present a sub-total 'Loss from operations'.

CLASSIFICATION AND ASSESSMENT OF BALANCE SHEET ITEMS

Items in the statement of financial position are classified as current when they are expected to be realized or settled within 12 months after the reporting date.

STATEMENTS OF CASH FLOWS

Lytix Biopharma uses the indirect method to present cash flows from operating activities. Interest received is included in cash flow from investing activities. Proceeds from owners and principal payment of lease liabilities are included in cash flows from financing activities.

CASH AND CASH EQUIVALENTS

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents include cash, bank deposits, and other short-term deposits which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from original maturity.

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are initially recognized at cost. As well as the purchase price, cost includes directly attributable costs. Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of the asset. If significant individual parts of the assets have different useful lives, they are recognized and depreciated separately. Depreciation commences when the assets are ready for their intended use. The estimated useful lives of the assets are as follows:

- Office equipment 3 years
- Furniture and fittings 3 years

INTANGIBLE ASSETS

Expenses for other intangible assets are reflected in the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the cost can be measured reliably. Otherwise, such expenditure is expensed as and when incurred. Refer to section Research and development for further information. Capitalized development costs are amortized linearly over the asset's expected useful life.

RESEARCH AND DEVELOPMENT

Expenditure on research activities is recognized as an expense in the period in which it is incurred. Internal development costs related to the Company's development of products are recognized in the income statement in the year incurred unless it meets the asset recognition criteria Intangible Assets. An internally generated asset arising from the development phase of an R&D project is recognized if, and only if, all the following has been demonstrated:

- Technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial, and other resources to complete the development and use or sell the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Uncertainties related to the regulatory approval process and results from ongoing clinical trials generally indicate that the criteria are not met until the time when marketing authorization is obtained from relevant regulatory authorities. The Company has currently no development expenditure that qualifies for recognition as an intangible asset.

TRADE RECEIVABLES

Trade receivables and other receivables are recorded in the balance sheet at face value after deduction of provisions for expected loss. Provisions for losses are made based on individual assessments of the individual receivables.

FINANCIAL INSTRUMENTS

Financial instruments are recognized when Lytix becomes a party to the contractual terms of the instrument. Financial assets and liabilities are classified based on the nature and purpose of the instruments.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and thereby subsequently measured at amortized cost, fair value through profit or loss and fair value through other comprehensive income (OCI). Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss. Lytix has classified its investments in short-term financial investments at fair value through profit or loss.

Financial assets at amortized cost

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met: The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is either derecognized, modified or impaired. Lytix's financial assets classified as amortized cost includes trade and other receivables.

Impairment of financial assets

The Company assesses at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. The Company also considers forward-looking information to determine whether financial assets should be written down.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Lytix's financial liabilities include accounts and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Lytix only has financial liabilities measured at amortized cost.

SHARE CAPITAL

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments.

DEFINED CONTRIBUTION PLAN

With a defined contribution plan the Company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognized as payroll expenses.

OTHER LONG-TERM SERVICE BENEFITS

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities.

SHARE-BASED PAYMENTS

Where equity settled share-options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss over the vesting period. Non-market vesting conditions are considered by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. If all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss is charged with the fair value of goods and services received.

EARNINGS PER SHARE

Earnings per share are calculated on the basis of the profit or loss for the year after tax but excluding other comprehensive items. The result is divided by a time weighted average number of outstanding shares over the year. The diluted earnings per share is calculated by adjusting the time weighted average number of outstanding shares by the number of employee share options that can be exercised.

LEASED ASSETS

In order to determine whether an agreement is a lease agreement or contains a lease element, the substance of the agreement is assessed. Each individual rental component in the contract is recognized as a lease separately from non-lease components in the contract. At the time of commencement of a lease, a lease liability and a corresponding right of use asset are recognized for all leases.

Lytix has chosen the exemption to not capitalize leases with a short duration (lease period of 12 months or less); or whose underlying assets is considered to be of low value when new. For these leases, the lease payments are recognized as other operating expenses in the income statement when they occur. This includes cancellable short-term leases.

See Note 16 for information on right-of-use assets and lease liabilities recognized by the Company.

Right-of-use-asset

The company recognizes right-of-use asset at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis during the term of the lease.

The company applies IAS 36 Impairments to determine whether the right-of-use asset has been impaired and to recognize any impairment losses.

Lease liabilities

The lease obligation is classified as an interest-bearing liability in the financial statements. Lease liabilities at the time of commencement are calculated as the present value of future lease payments.

The lease term is the non-terminable term of the lease, in addition to periods covered by an option, either to extend or terminate the lease if it is reasonably certain that the company will exercise the option.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest rate on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any revaluations or changes to the lease, or to reflect adjustments in the lease payments as a result of adjustments in the indices or

rates. The liability has been calculated with a discount rate corresponding to the marginal borrowing rate for each class of underlying asset and adjusted for the agreements remaining lease term.

TAX

Income tax expense represents the sum of taxes currently payable and deferred tax.

Deferred taxes are recognized based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for taxable temporary differences and deferred tax assets arising from deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Currently, no deferred tax asset has been recognized in the financial statements of the Company.

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

GOVERNMENT GRANTS

Government grants are recognized when there is reasonable assurance that the conditions attached to the contribution will be achieved. The grant is recognized in the income statement in the same period as the related expense and is presented as a deduction in the related expense.

Where retention of a government grant is dependent on the Company satisfying certain criteria, it is initially recognized as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the Profit and loss statement for Lytix Biopharma AS.

PROVISIONS

The Company has recognized provisions for liabilities of uncertain timing or amount. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

RELATED PARTY TRANSACTIONS

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

GOING CONCERN

These financial statements have been prepared under the assumption that the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company's ability to continue as a going concern depends on its ability to obtain additional equity financing. The Company has funded its operations primarily by shares issuances. While the Company has been successful in raising sufficient funding in the past, there can be no assurance it will be able to do so in the future.

The capital increase completed in April 2024 ensures that Lytix has available financial resources sufficient for all planned activities, in the next twelve months as of December 31, 2023. The Board of Directors therefore continues to adopt the going concern basis in preparing the Company's financial statements.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts; IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entity that issues them, as well as certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)

- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the Company's financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Company's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Company's financial statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Company's financial statements as the Company is not in scope of the Pillar Two model rules as its revenue is less that EUR 750 million/year.

NOTE 1 REVENUE

The following table presents the disaggregation of the Company's revenue from contracts with customers:

Amounts in NOK thousands	**2023**	2022	2021
Revenue			
Licensing of LTX-315	-	9,622	19,290
Sale of API LTX-315	3,991	1,409	-
Other revenue	-	-	17
Total Revenue	**3,991**	**11,031**	**19,307**

2023:

The production and sale of API (LTX-315) to its licensee, Verrica Pharmaceuticals, generated a revenue of USD 4.0 million compared to USD 1.4 million for 20202.

2022:

The second development milestone related to the licensing agreement with Verrica Pharmaceuticals was triggered in April 2022 when the first patient was dosed in Verrica's phase II study. This achievement released a milestone payment of USD 1.0 million to Lytix.

2021:

The first development milestone related to the licensing agreement with Verrica Pharmaceuticals was triggered in January 2021 when the US Food and Drug Administration approved Lytix' Investigational New Drug (IND) application. This achievement released a milestone payment of USD 2.25 million to Lytix.

NOTE 2 SEGMENTS

Lytix' primary business is to develop proprietary intellectual property of drug candidates for out-licensing, and the production and sale of API (LTX-315) to its licensees. Operating segments are components of the Company that the chief operating decision maker of the Company ('CODM') regularly reviews to assess performance and allocate resources. The CODM for the Company is considered to be the Board of Directors collectively, which reviews the Company's performance as a whole, and therefore only one operating segment is identified.

The geographical distribution of sales by the client's place of incorporation is the following:

Amounts in NOK thousands	**2023**	2022	2021
Geographical distribution			
Norway	-	-	17
US	3,991	11,031	19,290
Total operating income	**3,991**	**11,031**	**19,307**

All non-current assets (other than financial instruments) are located in Norway. The client has had only one client for the 2023, 2022 and 2021 reporting periods.

Note 1 includes a disaggregation of revenue by the main products and services provided by the Company.

NOTE 3 GOVERNMENT GRANTS

Government grants are recognized in profit or loss as deduction on Salary, Direct R&D expenses and Other operating expenses with the following amounts:

Amounts in NOK thousands	**2023**	2022	2021
Government grants			
Tax refund (across all R&D activities)	4,750	4,742	4,069
The Norwegian Research Council (BIA grant)	-	0	2,263
Oslo Regional Research Fund (RRF)	1,500	1,500	-
Total government grants received	**6,250**	**6,242**	**6,332**

Amounts in NOK thousands	**2023**	**2022**	2021
Costs deducted			
Payroll and related expenses	1,067	806	1,234
Direct R&D expenses	5,156	5,366	5,077
Other operating expenses	27	71	20
Total costs deducted	**6,250**	**6,242**	**6,332**

In October 2023, the Research Council of Norway approved Lytix's application for up to NOK 14.3m of non-dilutive financial support over a three-year period from the 'SkatteFUNN' R&D tax incentive scheme for a project in respect of its lead program: 'Intratumoral LTX 315 in advanced melanoma'.

The tax refund (SkatteFUNN) R&D tax incentive scheme is a government program designed to stimulate research and development (R&D) in Norwegian trade and industry. Approved projects may receive a tax deduction of up to 19 percent of the eligible costs related to R&D activity. All costs must be associated with the approved project.

In February 2022 Lytix announced that it has been awarded a NOK 3 million grant from Oslo Regional Research Fund (Regionalt Forskningsfond Oslo) for 2022 and 2023 supporting the development of the oncolytic molecule LTX-401.

NOTE 4 PAYROLL AND RELATED EXPENSES

Amounts in NOK thousands	**2023**	2022	2021
Payroll and related expenses, including directors, comprise			
Salaries and bonus	16,267	15,814	24,381
Defined contribution pension cost	1,262	820	789
Share-based payment expense	4,183	1,376	4,055
Social security contributions	3,015	1,597	1,864
Other personnel costs	683	1,526	517
Government grants	(1,067)	(806)	(1,234)
Total payroll and related expenses	**24,344**	**20,326**	**30,371**

The number of man-years employed during the year:

	2023	2022	2021
Number of man-years employed	10	9	9

The number comprises only regular employees on payroll.

In 2021 Lytix paid an extraordinary and non-recurring bonus payment which was linked to the IND approval in January 2021 and the following milestone payment from Verrica Pharmaceuticals due to this approval.

Defined contribution pension scheme

Lytix Biopharma AS is required to have a pension scheme in accordance with the Norwegian law of mandatory occupational pension. The company's defined contribution pension scheme fulfils the requirements of the law.

Bonus scheme

Lytix has implemented a bonus system covering all employees. The company recognizes a liability and an expense for bonuses based on a short-term incentive plan for employees linked to achievement of corporate objectives determined by the Board.

MANAGEMENT REMUNERATION 2023

Amounts in NOK thousands	Short-term employee benefits	Other benefits[3]	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Board remuneration	Total
Management team:								
Øystein Rekdal, CEO[1]	3,466	-	127	9	-	1,163	-	**4,765**
Other key management personnel	5,567	5,115	212	27	-	1,663	-	**12,584**
Total key management personnel compensation	**9,033**	**5,115**	**339**	**36**	**-**	**2,827**	**-**	**17,350**
Board members (non-executive):								
Gert W. Munthe, Chairperson[2)]	-	-	-	-	-	-	360	**360**
Marie Roskrow, Chairperson[2)]	-	-	-	-	-	91	-	**91**
Marie-Louise Fjällskog, member	-	-	-	-	-	91	240	**331**
Brynjar Forbergskog, member	-	-	-	-	-	91	240	**331**
Kjetil Hestdal, member	-	-	-	-	-	91	240	**331**
Jayson Rieger, member	-	-	-	-	-	91	240	**331**
Evelina Vågesjö, member	-	-	-	-	-	91	240	**331**
Total board remuneration	**-**	**-**	**-**	**-**	**-**	**544**	**1,560**	**2,104**

[1)] Salary in this table include both fixed salary and bonus. Øystein Rekdal's fixed salary is NOK 3.26 million. Management and employees of the company are entitled to an annual bonus based on the achievement of important milestones for the company and for the individual employee. The maximum of such bonus is for the CEO up to 50% of annual base salary.

[2)] At the Annual General Meeting in April 2023, Marie Roskrow was appointed as new Chairperson.

[3)] Other benefits include remuneration to two members of the management team who are not hired as employees but hired as consultants.

MANAGEMENT REMUNERATION 2022

Amounts in NOK thousands	Short-term employee benefits	Other benefits[2]	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Board remuneration	Total
Management team:								
Øystein Rekdal, CEO[1]	3,970	-	130	9	-	250	-	**4,359**
Other key management personnel	5,910	3,151	203	29	-	638	-	**9,931**
Total key management personnel compensation	**9,880**	**3,151**	**333**	**38**	**-**	**888**	**-**	**14,290**
Board members (non-executive):								
Gert W. Munthe, Chairperson	-	-	-	-	-	-	360	**360**
Marie-Louise Fjällskog, member	-	-	-	-	-	-	240	**240**
Brynjar Forbergskog, member	-	-	-	-	-	-	240	**240**
Kjetil Hestdal, member	-	-	-	-	-	-	240	**240**
Jayson Rieger, member	-	-	-	-	-	-	240	**240**
Evelina Vågesjö, member	-	-	-	-	-	-	240	**240**
Total board remuneration	**-**	**-**	**-**	**-**	**-**	**-**	**1,560**	**1,560**

[1)] Salary in this table include both fixed salary and bonus. Øystein Rekdal's fixed salary is NOK 3.1 million. Management and employees of the company are entitled to an annual bonus based on the achievement of important milestones for the company and for the individual employee. The maximum of such bonus is for the CEO up to 50% of annual base salary.

[2)] Other benefits include remuneration to two members of the management team who are not hired as employees but hired as consultants.

MANAGEMENT REMUNERATION 2021

Amounts in NOK thousands	Short-term employee benefits	Other benefits[3]	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Board remuneration	Total
Management team:								
Øystein Rekdal, CEO[1]	7,429	-	124	10	-	653	-	**8,216**
Other key management personnel	8,269	925	241	38	-	2,459	30	**11,962**
Total key management personnel compensation	**15,689**	**925**	**365**	**48**	**-**	**3,112**	**30**	**20,178**
Board members (non-executive):								
Gert W. Munthe, Chairperson[2]	-	-	-	-	-	-	150	**150**
Marie-Louise Fjällskog, member	-	-	-	-	-	-	-	**-**
Brynjar Forbergskog, member	-	-	-	-	-	-	-	**-**
Kjetil Hestdal, member	-	-	-	-	-	-	-	**-**
Jayson Rieger, member	-	-	-	-	-	-	-	**-**
Evelina Vågesjö, member	-	-	-	-	-	-	-	**-**
Debasish F. Roychowdhury, former member	-	-	-	-	-	-	200	**200**
Per Erik Sørensen, former member	-	-	-	-	-	-	200	**200**
Total board remuneration	**-**	**-**	**-**	**-**	**-**	**-**	**550**	**550**

[1] Øystein Rekdal's fixed salary is NOK 3.1 million. In 2021 he received an extraordinary and non-recurring bonus linked to the milestone payment from Verrica Pharmaceutical which was a result of the approval of Lytix' IND in January 2021. Management and employees of the company are entitled to an annual bonus based on the achievement of important milestones for the Company and for the individual employee. The maximum of such bonus is for the CEO up to 50% of annual base salary. There have been no such bonus payments for 2021.

[2] Reference is made to the comment regarding remuneration to Mr. Munthe for 2020. The remaining NOK 150 thousand of related to the consultancy assignment was invoiced in 2021.

[3] Other benefits include remuneration to two members of the management team who are not hired as employees but hired as consultants.

No loans or guarantees have been given to any members of the management, the Board of Directors, or other corporate bodies.

Besides the stock option programs and the fee paid to North Murray AS described above, no additional remuneration has been given for services outside the normal functions as a manager or non-executive director besides what is stated above.

Benefits upon termination

The CEO has a notice period of 6 months. If the employment is terminated by the Company, the CEO shall receive a severance pay equivalent to 100% of his ordinary fixed salary for 6 months after the expiry of the notice period.

Amounts in NOK thousands	**2023**	2022	2021
Shares controlled by the management team and board members			
Management team:			
Øystein Rekdal, CEO	139,963	139,963	126,963
Gjest Breistein, CFO	11,112	11,112	11,112
Baldur Sveinbjørnsson, CSO	4,280	4,280	4,280
Gry Stensrud, CTO	5,000	5,000	5,000
Former member of management team:			
Jørund Sollid, ex CBO (through Partner & Sollid AS)	-	-	2,000
Board members (non-executive):			
Gert W. Munthe, Chair until April 2023 (through North Murray AS)	516,814	2,968,878	2,810,359
Brynjar Forbergskog (through Hifo Invest AS and Saturn Invest AS)	1,111,110	1,111,110	1,111,110
No. of shares controlled by the management team and board members	**1,788,279**	**4,240,343**	**4,070,824**

As of December 31, 2023, the Company operates one equity-settled share-based remuneration scheme for employees, management, the Board and other key personnel. See note 5.

2023	Opening balance	Granted	Lapsed/ Forfeited	Ending balance
Options held by the management team				
Gert W. Munthe, former Chair	300,000			300,000
Marie Roskrow, Chair	-	60,000	-	60,000
Marie-Louise Fjällskog, member	-	60,000	-	60,000
Brynjar Forbergskog, member	-	60,000	-	60,000
Kjetil Hestdal, member	-	60,000	-	60,000
Jayson Rieger, member	-	60,000	-	60,000
Evelina Vågesjö, member	-	60,000	-	60,000
No. of options owned by board members	**300,000**	**360,000**	-	**660,000**
Øystein Rekdal, CEO	1,403,516	-	-	1,403,516
Baldur Sveinbjørnsson, CSO	493,407	-	-	493,407
Gjest Breistein, CFO	329,271	-	-	329,271
Gry Stensrud, CTO	263,703	-	-	263,703
Stephen Worsley, CBO	300,000	-	-	300,000
Graeme Currie, CDO	50,000			50,000
No. of options owned by the management	**2,839,897**	**-**	**-**	**2,839,897**

2022	Opening balance	Granted	Lapsed/ Forfeited	Ending balance
Options held by the management team				
Gert W. Munthe, Chairperson	300,000	-	-	300,000
No. of options owned by board members	**300,000**	**-**	-	**300,000**
Øystein Rekdal, CEO	983,516	420,000	-	1,403,516
Baldur Sveinbjørnsson, CSO	393,407	100,000	-	493,407
Gjest Breistein, CFO	262,271	67,000	-	329,271
Jørund Sollid, former CBO	196,703	-	(196,703)	-
Gry Stensrud, CTO	196,703	67,000	-	263,703
Stephen Worsley, CBO	0	300,000	-	300,000
Graeme Currie, CDO	-	50,000	-	50,000
No. of options owned by the management	**2,032,600**	**1,004,000**	**(196,703)**	**2,839,897**

2021	Opening balance	Granted	Lapsed/ Forfeited	Ending balance
Options held by the management team				
Gert W. Munthe, Chairperson	300,000	-	-	300,000
No. of options owned by board members	**300,000**	**-**	-	**300,000**
Øystein Rekdal, CEO	983,516	-	-	983,516
Baldur Sveinbjørnsson, CSO	393,407	-	-	393,407
Gjest Breistein, CFO	262,271	-	-	262,271
Jørund Sollid, CBO	196,703	-	-	196,703
Gry Stensrud, CTO		196,703	-	196,703
No. of options owned by the management	**1,835,897**	**196,703**	**-**	**2,032,600**

NOTE 5 SHARE OPTION PROGRAMS

Since 2013 Lytix has established several share-based incentive programs for the Company's management, employees and consultants to the Company, under which the entity receives services from employees as consideration for equity instruments in Lytix Biopharma AS. The incentive programs consist of share options. In September 2020, all employees were awarded share options in the new option program E replacing all existing option programs for the employees. By year-end 2021 Lytix has the following active share-based incentive programs: E, F, Chairman, Strategic advisors (1) and Strategic Advisors (2). In 2020, all options granted under program B and D were replaced by new options in program E. Program B and D are therefore cancelled.

	Program E	Chairperson	Strategic advisors (1)	Strategic advisors (2)	Sum
No of options in program	**4,006,832**	**600,000**	**467,220**	**125,119**	**5,199,171**
No of options allocated to employees, management, chairpersons, and advisors	3,686,601	600,000	467,220	125,119	4,878,940
Remaining options (can be allocated to individuals)	***320,231***	***0***	***0***	***0***	***320,231***

Incentive Program E: Option program for employees, management, the Board and other key personnel

In 2019 the annual general meeting established the incentive program E. The purpose of establishing this option program was to provide the employees, management, the board and other key persons with a better incentive than through the existing incentive programs, and which is better adapted to the company's financial position and the commercial considerations more broadly. This program replaced the existing programs at the time.

In consequence of the completion of the private placement and national placement, the annual general meeting 2021 resolved to increase the size of the program such that the total number of share options which can be granted corresponds to 10% of the total number of issued shares in the company. The exercise price, terms and allocation shall be decided by the board of directors.

On April 18, 2023, the Annual General Meeting resolved to grant 360,000 share options under the incentive program E. The options are granted without consideration and each option will upon exercise give the right to acquire one share in the company. The exercise price of each option is NOK 7.30, which equals to the closing share price of the company on Euronext Growth Oslo, the day prior to grant of the options. Vesting of options is subject to the option holder being qualified to be part of the Company's long term incentive program at each vesting date. All options will expire and lapse if not exercised within five years from the date of grant.

The Options will vest gradually pursuant to specific vesting schedules: 90,000 Options will vest 12 months after the date of grant, while the remaining 270,000 Options will vest with 1/36 on the last day of the 36 following months.

On June 21, 2023, the Board resolved to grant 100,000 share options under incentive program E. The options are granted without consideration and each option will upon exercise give the right to acquire one share in the company. The exercise price of each option is NOK 7.85, which equals to the closing share price of the company on Euronext Growth Oslo, the day prior to grant of the options. Vesting of options is subject to the option holder being qualified to be part of the Company's long term incentive program at each vesting date. All options will expire and lapse if not exercised within five years from the date of grant.

The Options will vest gradually pursuant to specific vesting schedules: 25,000 Options will vest on 31 March 2024 and 75,000 Options will vest with 1/36 on the last day of the 36 following months.

As of December 31, 2023, a total of 3,686,601 share options were allotted to certain specific individuals through share option agreements. A total of 1,305,333 of the options granted is subject to a vesting period.

Incentive Program Chairman

On April 24, 2018, the Board of Directors of the Company decided to allot 600,000 share options to the new chairman of the board, Espen Johnsen ("Incentive Program Chairman"). The expiry date for program Chairman was May 1, 2023. On December 2, 2019, Espen Johnsen resigned as chairman. At the same time, the number of options was reduced to 300,000 and the terms of the options were revised. The new expiry date for program Chairman is May 1, 2025. New Chairman Gert W. Munthe was granted 300,000 options on similar terms. None of the outstanding options as of December 31, 2023, are subject to vesting.

Incentive Program Strategic advisors (1)

On June 12, 2019, the Board of Directors of the Company decided to implement a share option program of 467,220 share options ("Incentive Program Strategic advisors") to certain strategic advisors. The expiry date for program Strategic advisors is June 6, 2025. The options are subject to quarterly vesting over two years.

Incentive Program Strategic advisors (2)

At the annual general meeting 2021 it was resolved to issue 125,119 new options to certain strategic advisors. The expiry date for the new options is June 6, 2025. The exercise price is NOK 18 which is the same as the share price used in the private placement and national placement approved at the same annual general meeting. The new options are subject to quarterly vesting over two years.

In all programs, the Eligible participant must comply with the following terms during the vesting period and up to the date for the actual and complete execution of the option rights:

i. The Eligible participant shall not directly or indirectly by any means be involved in a business which might be in competition with the Company's business at any time unless prior, written acceptance is obtained from the Company.
ii. The Eligible participant shall not directly or indirectly be involved in any activities related to or targeted towards the Company's customers, business partners or employees unless prior, written acceptance is obtained from the Company or is ordinary conduct of the Employee's defined Position.

	Program E		**Chairman**		**Strategic advisors (1)**	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding as of January 1, 2021	**12.0**	**2,032,601**	**12.0**	**600,000**	**12.0**	**467,220**
Granted during the period	12.0	196,703				
Forfeited during the period						
Exercised during the period						
Lapsed during the period						
Outstanding as of December 31, 2021	**12.0**	**2,229,304**	**12.0**	**600,000**	**12.0**	**467,220**
Outstanding options vested by December 31, 2021		1,763,773		600,000		467,220
Outstanding as of January 1, 2022	**12.0**	**2,229,304**	**12.0**	**600,000**	**12.0**	**467,220**
Granted during the period	8.50	1,194,000				
Forfeited during the period	12.0	(196,703)				
Exercised during the period						
Lapsed during the period						
Outstanding as of December 31, 2022	**10.70**	**3,226,601**	**12.0**	**600,000**	**12.0**	**467,220**
Outstanding options vested by December 31, 2022		1,966,920		600,000		467,220

	Program E		Chairman		Strategic advisors (1)	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding as of January 1, 2023	**10.70**	**3,226,601**	**12.0**	**600,000**	**12.0**	**467,220**
Granted during the period	7.42	460,000				
Forfeited during the period						
Exercised during the period						
Lapsed during the period						
Outstanding as of December 31, 2023	**10.29**	**3,686,601**	**12.0**	**600,000**	**12.0**	**467,220**
Outstanding options vested by December 31, 2023		2,381,268		600,000		467,220

	Strategic advisors (2)	
	Weighted average exercise price	Number of options
Outstanding at January 1, 2021	**-**	**-**
Granted during the period	18.0	125,119
Forfeited during the period*		
Exercised during the period		
Lapsed during the period		
Outstanding at December 31, 2020	**18.0**	**125,119**
Outstanding options vested by December 31, 2021		46,920
Outstanding on January 1, 2022	18.0	125,119
Granted during the period		
Forfeited during the period*		
Exercised during the period		
Lapsed during the period		
Outstanding at December 31, 2022	**18.0**	**125,119**
Outstanding options vested by December 31, 2022		109,479
Outstanding on January 1, 2023	18.0	125,119
Granted during the period		
Forfeited during the period*		
Exercised during the period		
Lapsed during the period		
Outstanding at December 31, 2023	**18.0**	**125,119**
Outstanding options vested by December 31, 2023		125,119

The following information is relevant in the determination of the fair value of options granted under the equity-settled share-based option agreement operated by the Company:

Equity settled	Program E	Program E	Program E	Program E
Expiration date		14.12.2027	18.04.2028	21.06.2028
Option pricing model used	Black & Scholes	Black & Scholes	Black & Scholes	Black & Scholes
Weighted average share price at grant date (NOK)	12.0	8.50	6.55	7.85
Exercise price (NOK)	12.0	8.50	7.30	7.85
Expected volatility	57.4%	66.3%	68.0%	66.0%
Expected dividend growth rate	0	0	0	0
Risk-free interest rate	0.31%	2.73%	3.13%	3.62%

Equity settled	Chairman	Strategic advisors (1)	Strategic advisors (2)
Expiration date	01.05.2025	06.06.2025	06.06.2025
Option pricing model used	Black & Scholes	Black & Scholes	Black & Scholes
Weighted average share price at grant date (NOK)	12.0	12.0	18.0
Exercise price (NOK)	12.0	12.0	18.0
Expected volatility	58.4%	58.4%	57.4%
Expected dividend growth rate	0	0	0
Risk-free interest rate	1.3%	1.2%	1.18%

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of comparable companies.

The share-based remuneration expense comprises:

Amounts in NOK thousands	**2023**	2022	2021
Equity settled schemes	4,183	1,376	4,055
Total remuneration expense	**4,183**	**1,376**	**4,055**

NOTE 6 PROPERTY, PLANT AND EQUIPMENT

Amounts in NOK thousands	*Machinery and equipment*	**Total 2023**
Carrying amount January 1, 2023	124	124
Additions	49	49
Depreciation	(62)	(62)
Carrying value December 31, 2023	**110**	**110**
As of January 1, 2023		
Acquisition cost	154	154
Accumulated depreciation and write-downs	30	30
Carrying amount January 1, 2023	**124**	**124**

Amounts in NOK thousands	*Machinery and equipment*	**Total 2023**
As of December 31, 2023		
Acquisition cost	203	203
Accumulated depreciation and write-downs	(92)	(92)
Carrying amount December 31, 2023	**110**	**110**

Amounts in NOK thousands	*Machinery and equipment*	**Total 2022**	*Machinery and equipment*	**Total 2021**
Carrying amount January 1, 2022/2021	-	**-**	-	-
Additions	154	**154**	-	-
Depreciation	(30)	**(30)**	-	-
Carrying value December 31, 2022/2021	**124**	**124**	**-**	**-**
As of January 1, 2022/2021				
Acquisition cost	-	**-**	-	-
Accumulated depreciation and write-downs	-	**-**	-	-
Carrying amount January 1, 2022/2021	-	**-**	-	-
As of December 31, 2022/2021				
Acquisition cost	154	**154**	-	-
Accumulated depreciation and write-downs	(30)	**(30)**	-	-
Carrying amount December 31, 2022/2021	**124**	**124**	-	-

NOTE 7 LEASES

Right-of-use assets	**Office space**	**Total**
Acquisition cost		
1 January 2021	-	-
Additions	2,593	2,593
Disposals	-	-
31 December 2021	**2,593**	**2,593**
Additions	-	-
Disposals	-	-
31 December 2022	**2,593**	**2,593**
Additions	87	87
Disposals	-	-
31 December 2023	**2,680**	**2,680**
Depreciation and write-downs		
1 January 2021	-	-
Depreciation for the year	(453)	(453)
Accumulated depreciation on disposals for the year	-	-
31 December 2021	**(453)**	**(453)**

Depreciation for the year	(889)	(889)
Accumulated depreciation on disposals for the year		
31 December 2022	**(1,342)**	**(1,342)**
Depreciation for the year	(900)	(900)
Accumulated depreciation on disposals for the year		
31 December 2023	**(2,242)**	**(2,242)**
Carrying amount		
Acquisition cost	2,593	2,593
Depreciation and write-downs	(453)	(453)
31 December 2021	**2,140**	**2,140**
Acquisition cost	2,593	2,593
Depreciation and write-downs	(1,342)	(1,342)
31 December 2022	**1,251**	**1,251**
Acquisition cost	2,680	2,680
Depreciation and write-downs	(2,242)	(2,242)
31 December 2023	**(438)**	**(438)**

Contractual maturities	**2023**	2022	2021
Less than 1 year	451	868	827
1-3 years	41	476	1,344
4-5 years		-	-
More than 5 years		-	-
Total contractual cash-flows	**491**	**1,344**	**2,171**

Lease liability	**2023**	2022	2021
1 January	1,344	2,171	-
Additions	87	-	2,593
Interest expense	53	91	62
Lease payments	(993)	(918)	(485)
31 December	**491**	**1,344**	**2,171**
Current	451	868	827
Non-current	41	476	1,344
Total lease liability	**491**	**1,344**	**2,171**

Leases held by the Company do not contain any restrictions on the Company's dividend policy or financing.

Recognition exemptions used

Leases whose underlying asset is considered of low value and lease contracts with a lease term of 12 months or less at commencement are not recognized as right-of-use assets and lease liabilities. The lease costs of such contracts were as follows:

Amounts in NOK thousands	**2023**	2022	2021	1.1.2021
Leases with a lease term of 12 months or less	-	-	650	-
Leases of low value	21	88	74	-
Total leases of short-term or low value	**21**	**88**	**724**	**-**

Total cash outflow for leases in 2023 was NOK 1,061 thousand (2022: NOK 1,006 thousand, 2021: NOK 888 thousand).

NOTE 8 TRANSACTIONS WITH RELATED PARTIES

Amounts in NOK thousands	**2023**	2022	2021
North Murray AS (Chairman of the Board Gert W. Munthe)	-	-	150

Transactions with related parties consist of invoiced fee for consultancy services.

NOTE 9 SPECIFICATION OF AUDITOR'S FEE

Amounts in NOK thousands	**2023**	2022	2021
Specification of the auditor's fee			
Statutory audit	419	279	328
Other non-assurance services	195	-	35
Tax consultant services	-	36	55
Total auditor's fee	**614**	**315**	**418**

VAT is not included in the fees specified above.
Auditor's fee related to listing process in 2021 is included in statutory audit.

Auditor's fee is included in 'other operating expenses in the statement of comprehensive income.

NOTE 10 FINANCE INCOME AND EXPENSES

Amounts in NOK thousands	**2023**	2022	2021
Financial income			
Interest income	2,351	1,406	138
Foreign exchange gains	4,008	7,723	-
Other financial income	2,586	706	6
Total financial income	**8,945**	**9,835**	**144**

Amounts in NOK thousands	**2023**	2022	2021
Financial expenses			
Interest expenses	(3)	(55)	(4)
Interest expenses on lease liabilities	(53)	(91)	(62)
Foreign exchange losses	-	-	(172)
Other financial expenses	(2)	(91)	-
Total financial expenses	**(58)**	**(238)**	**(238)**

NOTE 11 TAX

Amounts in NOK thousands	**2023**	2022	2021
Current tax			
Tax payable	-	-	-
Correction of previous years current income taxes	-	-	-
Deferred tax			
Changes in deferred tax	-	-	-
Changes in tax rate	-	-	-
Tax expense	**-**	**-**	**-**

Amounts in NOK thousands	**2023**	2022	2021
Pre-tax profit	87,897	(56,069)	(48,079)
Income taxes at 22%	**(19,337)**	**(12,335)**	**(10,577)**
Changes in unrecognized deferred tax asset	20,040	13,212	13,367
Non-deductible expenses	(702)	(877)	(2,789)
Tax expense	**-**	**-**	**-**

From January 1, 2020, the tax rate in Norway is 22 %. There is no effect in this year's tax expense because deferred tax from tax losses carried forward is not recognized. Deferred tax relates to the following:

	Balance sheet			**Change**		
Amounts in NOK thousands	**2023**	2022	2021	**2023**	2022	2021
Deferred tax assets						
Property, plant and equipment	20	17	21	3	(4)	(5)
Right of use asset	12	20	7	12	14	7
	197			197		
Net tax on losses carried forward	194,215	174,386	161,184	19,829	13,202	13,365
Deferred tax assets	**194,443**	**174,424**	**161,212**	**20,040**	**13,212**	**13,367**
Net deferred tax assets	194,443	174,424	161,212	20,040	13,212	13,367
Net deferred tax assets not recognized	(194,443)	(174,424)	(161,212)	(20,040)	(13,212)	(13,367)
Net recognized deferred tax assets	**-**	**-**	**-**		**-**	**-**

Deferred tax assets on losses carried forward, in total NOK 194 million as of December 31, 2023 (2022: NOK 174 million and 2021: NOK 161 million), have not been recognized because it is not probable that taxable profits will be available against which deductible temporary differences can be utilized.

The Company has a total tax loss carried forward of NOK 883 million as of December 31, 2023 (2022: NOK 793 million and 2021: NOK 733 million) which has no due date.

NOTE 12 EARNINGS PER SHARE

Earnings per share are calculated on the basis of the profit or loss for the year after tax, excluding other comprehensive items. The result is divided by a time weighted average number of outstanding shares over the year. The diluted earnings per share is calculated by adjusting the time weighted average number of outstanding shares by the number of employee share options that can be exercised. As the company is currently loss-making an increase in the average number of shares would have anti-dilutive effect.

Amounts in NOK	Note	2023	2022	2021
Loss for the year		(87,897,451)	(56,069,000)	(48,079,000)
Average number of outstanding shares during the year	18	40,068,319	39,667,706	33 194 650
Basic and diluted earnings per share (NOK)		**(2.19)**	**(1.41)**	**(1.45)**

NOTE 13 INTANGIBLE ASSETS

The company has no intangible assets as all ongoing projects have been classified as research.

NOTE 14 OTHER RECEIVABLES

Amounts in NOK thousands	31.12.2023	31.12.2022	31.12.2021	1.1.2021
Other receivables				
Governmental grants	5,500	5,500	4,824	3,168
VAT	354	498	309	463
Prepayments	655	737	548	536
Other receivables	6,268	-	-	-
Total other receivables	**12,777**	**6,735**	**5,680**	**4,168**

NOTE 15 SHORT-TERM FINANCIAL INVESTMENTS

Amounts in NOK thousands	31.12.2023	31.12.2022	31.12.2021	1.1.2021
Short-term financial investments				
Arctic Return	23,183	50,606	-	-
Short-term financial investments	**23,183**	**50,606**	**-**	**-**

In accordance with internal policies, NOK 50 million in excess liquidity was in 2022 placed in a short-term liquidity fund, Arctic Return, managed by Arctic Asset Management AS. See note 19 on classification and fair value hierarchy.

NOTE 16 FINANCIAL INSTRUMENTS AND RISKS

Classification of financial instruments

Financial assets	2023	2022	2021	1.1.2021
Financial assets measured at fair value through profit or loss:				
Short-term financial investments	23,183	50,606	-	-
Financial assets measured at amortized cost:				
Cash and cash equivalents	27,365	94,552	197,282	28,450
Total financial assets	**50,549**	**145,158**	**197,282**	**28,450**

Financial liabilities	2023	2022	2021	1.1.2021
Financial liabilities measured at amortized cost:				
Lease liabilities				
Current	451	868	827	-
Non-current	41	476	1,344	-
Trade payables	3,572	6,997	1,476	-
Total financial liabilities	**4,063**	**8,341**	**3,647**	**-**

The fair-value of short-term financial investments is considered 'level 2' in the fair value hierarchy. Of the assets not measured at fair value, the carrying amounts approximate their fair value.

Operational and market risks

Financial risk

Lytix is a pure research and development company which means that the company is accumulating financial losses. Operating losses are expected to continue during the development phases of the company's products, and other than potential development milestone payments from the licensing agreement with Verrica, potentially cash generating operations are not expected until one or more of the company's products are commercialized.

Interest rate risk

The company has no interest-bearing debt. Bank deposits are exposed to market fluctuations in interest rates, which affects financial income. As the company has no interest-bearing debt, no sensitivity analysis is performed on the development of interest rates.

The Company has invested its excess liquidity in a short-term liquidity fund managed by Arctic Asset Management AS. The fund invests in investment grade bonds or money market instruments with a duration between 3 and 6 months. The value in the money market instrument is primarily influenced by the changes in the interest rate levels in the market (see note 14).

Exchange rate risk

Currency risk is limited to fluctuations in currencies relating to partners and vendors abroad.

As the company has only a limited foreign currency exposure at opening balance sheet date and at year-end 2021, 2022 and 2023, no sensitivity analysis is performed on the development of foreign currency exchange rates.

The company does not hedge its foreign currency exposures using derivatives.

Credit risk

The credit risk is limited as receivables are minimal exclusive of public grants. The short-term investments are invested with low risk in a fund investing in investment grade bonds or money market instruments. Therefore, no provisions have been made as a consequence of the minimal credit risks held by the Company.

Liquidity risk

Funding of ongoing operations is, and will be for some time, depending on external sources, mainly equity contributions. There is an inherent risk around future financing of the company, depending upon the company's own performance and on the financial market conditions. Acceptable sources of funding may not be available when needed or may not be available on acceptable terms.

The company's ability to obtain capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms.

The company controls its cash flow from both long- and short-term perspectives through rolling cash forecasts. The company has no loan agreements involving covenants or other financial instruments or requirements.

Non-financial risks

Lytix' activity is development of pharmaceutical medications. Research and development up to approved registration is subject to considerable risk and is a capital-intensive process. Lytix' candidates for cancer medications and technology platform are dependent on research and development and goes through several stages before commercialization and risk of failure is generally inherent throughout the process.

Technology risk

The company's product candidates are still at an early stage and the preclinical and clinical studies may not prove to be successful. Furthermore, the product candidates are dependent on continued research and development which may be delayed and/or incur higher costs than currently expected.

Competitive technology

Immunotherapy and other cancer therapeutics industries are in general highly competitive and dynamic, and as such a high-risk business. Lytix operates in this global and highly competitive industry sector and is subject to the rapid and substantial technological change. Competitive cancer treatments, either within immunotherapy or within the broader space of oncology, may affect Lytix' ability to commence and complete clinical trials, as well as the opportunity to apply for marketing authorization, and may influence future sales if marketing authorization is obtained.

Market risks

The financial success of the company will require beneficiary partner agreements as well as obtaining market access and reimbursement/ pricing at attractive levels. There can be no guarantee that the company's product(s) will meet these requirements. The company will need approvals from the European Medicines Agency (EMA) to market products in Europe and from the U.S. Food and Drug Administration (FDA) to market its products in the US, as well as equivalent regulatory authorities in other foreign jurisdictions to commercialize in those regions.

Capital management: Objectives, policies and processes

The company's objective when managing capital is to:

- safeguard the ability of the Company to continue as a going concern and to provide future returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

NOTE 17 CASH AND CASH EQUIVALENTS

Amounts in NOK thousands	**31.12.2023**	31.12.2022	31.12.2021	1.1.2021
Cash and cash equivalents				
Employee withholding tax – restricted cash	1,571	1,373	1,411	1,299
Variable rate bank accounts	25,794	93,179	195,871	27,150
Total cash and cash equivalents	**27,365**	**94,552**	**197,282**	**28,450**

At year-end 2022 and 2023, the Company holds short term financial investments that mature in less than 6 months, that do not meet the definition of cash equivalents and are therefore presented as 'short-term financial investments'.

NOTE 18 SHARE CAPITAL AND SHAREHOLDER INFORMATION

Share capital on December 31, 2023, is NOK 4,006,831.9 (December 31, 2022: 4,006,831.9 and December 31, 2021: NOK 3,873,901.3), being 40,068,319 ordinary shares at a nominal value of NOK 0.1. All shares carry equal voting rights.

	31.12.2023	31.12.2022	31.12.2021	1.1.2021
Ordinary shares at 1 January	40,068,319	38,739,013	26,227,120	22,893,784
Capital increase March 16, 2020 [1)]	-	-	-	2,916,667
Capital increase April 16, 2020 [2)]	-	-	-	416,669
Capital increase June 10, 2021 [3)]	-	-	3,234,116	-
Capital increase June 11, 2021 [4)]	-	-	9,277,777	-
Capital increase April 04, 2022 [5)]	-	1,329,306	-	-
Ordinary shares per December 31	**40,068,319**	**40,068,319**	**38,739,013**	**26,227,120**

[1)] In February 2020, 2,916,667 shares were subscribed for in a private placement among existing shareholders at a share price of NOK 12 for total gross proceeds of NOK 35 million. The share issue was approved by the board of directors in the meeting held on February 18, 2020 under the existing authorization from the General Meeting dated June 12, 2019. The contribution was confirmed and registered in the Norwegian Register of Business Enterprises on March 16, 2020.

[2)] In March 2020, 416,669 shares were subscribed for in a private placement among existing shareholders at a share price of NOK 12 for total gross proceeds of NOK 5 million. The share issue was approved by the board of directors in the meeting held on March 17, 2020 under the existing authorization from the General Meeting dated June 12, 2019. The contribution was confirmed and registered in the Norwegian Register of Business Enterprises on April 16, 2020.

[3)] In May 2021, 3,234,116 shares were subscribed for in a national placement among existing shareholders and selected potential investors at a share price of NOK 18 for total gross proceeds of NOK 58 million. The share issue was approved by the Annual General Meeting held on June 7, 2021. The contribution was confirmed and registered in the Norwegian Register of Business Enterprises on June 10, 2021.

[4)] In June 2021, 9,277,777 shares were subscribed for in a private placement among existing shareholders and selected potential investors at a share price of NOK 18 for total gross proceeds of NOK 167 million. The issuance of 9,277,777 new shares in the private placement was completed by the General Meeting issuing 9,000,000 new shares at the Annual General Meeting held June 7, 2021, and by the board of directors issuing 277,777 new shares at the meeting held on June 8, 2021, under the authorization from the General Meeting dated June 7, 2021. The contribution was confirmed and registered in the Norwegian Register of Business Enterprises on June 11, 2021.

PBM LYT Holdings, LLC ("PBM LYT"), an affiliate of PBM Capital Group, LLC ("PBM"), pre-committed for NOK 42.5 million in the private placement conditional upon the company issuing to PBM LYT a number of warrants equal to 56.3 per cent of the number of shares subscribed for by PBM LYT in the private placement. Lytix issued 1,329,306 warrants to PBM. Each warrant has a duration of 12 months and shall give the right upon exercise to subscribe for one share in the company at a subscription price of NOK 0.10 any time after the date falling 90 days after the company's first trading day on Euronext Growth. The decision to offer PBM LYT to subscribe for warrants was based on the belief that the precommitment by PBM LYT in the private placement, was very important for the successful completion of the private placement, and thus the financing of the company's activities. Further, the company held the opinion that PBM LYT, as a shareholder in the company, would provide additional value to the company given their broad contact network in the United States. On March 15, 2022, Lytix announced that 1,329,306 warrants giving rights to 1,329,306 shares have been exercised by PBM. Refer to Statement of changes in equity for how the issued warrants are presented in the financial statements. The fair value of the warrant issue was kNOK 23,795. Under previous GAAP, the transaction costs of the issued warrants (equaling to the fair value of the issued warrants) has been presented net as a deduction of the capital increase on June 11 2021.

[5)] On March 15, 2022, Lytix announced that PBM LYT, an affiliate of PBM Capital Group, LLC, exercised 1,329,306 warrants giving rights to 1,329,306 shares. Reference is made to the warrants issued by the Company's General

Meeting on June 7, 2021, with a subscription price per share of NOK 0.1 and with an expiry date of June 6, 2022. The contribution was confirmed and registered in the Norwegian Register of Business Enterprises on April 20, 2022.

No.	Shareholder	No. of shares	Percentage share of total no. of shares
1	Citibank, N.A.	3 690 417	9.2 %
2	JAKOB HATTELAND HOLDING AS	3 000 000	7.5 %
3	WAATVIKA AS	1 860 764	4.6 %
4	TAJ HOLDING AS	1 834 702	4.6 %
5	LYR INVEST AS	1 770 925	4.4 %
6	BRØDRENE KARLSEN HOLDING AS	1 709 274	4.3 %
7	CARE HOLDING AS	1 208 080	3.0 %
8	YNNI INVEST AS	1 202 049	3.0 %
9	PER STRAND EIENDOM AS	1 024 128	2.6 %
10	LTH INVEST AS	801 366	2.0 %
11	PICASSO AS	695 753	1.7 %
12	Skandinaviska Enskilda Banken AB	669 115	1.7 %
13	LYSNES INVEST AS	615 654	1.5 %
14	KVASSHØGDI AS	604 727	1.5 %
15	BELVEDERE AS	569 591	1.4 %
16	NORINNOVA INVEST AS	557 510	1.4 %
17	HIFO INVEST AS	555 555	1.4 %
18	SATURN INVEST AS	555 555	1.4 %
19	NORTH MURRAY AS	516 814	1.3 %
20	JAHATT AS	500 000	1.2 %
	Total number of shares for top 20 shareholders	**23 941 979**	**59.8 %**
	Total number of shares for the other shareholders	**16 126 340**	**40.2 %**
	Total number of shares	**40 068 319**	**100.0%**

NOTE 19 CURRENT LIABILITIES

Amounts in NOK thousands	**31.12.2023**	31.12.2022	31.12.2021	1.1.2021
Current liabilities				
Trade payables	3,572	6,997	1,476	3,284
Accrual for annual leave	1,812	1,723	1,421	1,063
Other accruals	571	389	2,351	3,570
Tax and social security payments	1,364	950	2,026	2,845
Lease liabilities	451	868	827	-
Other payables	4,745	6,832	6,064	1,966
Total current liabilities	**12,514**	**17,759**	**14,165**	**12,728**

NOTE 20 FIRST TIME ADOPTION OF IFRS ACCOUNTING STANDARDS

The financial statements for the year ended 31 December 2023 are the first Lytix Biopharma has prepared in accordance with IFRS Accounting Standards. As such Lytix Biopharma has prepared financial statements that comply with IFRS Accounting Standards, applicable as of 31 December 2023, together with the comparative period data for the two years ended 31 December 2022 and 31 December 2021. In preparing the financial statements, Lytix Biopharma's opening balance sheet was prepared as of 1 January 2021, Lytix Biopharma's date of transition to IFRS Accounting Standards. This note explains the principal adjustments made by Lytix Biopharma AS in restating its NGAAP financial statements, including the balance sheet as of 1 January 2021, 31 December 2021 and 31 December 2022 as well as the income statement for the two years ended 31 December 2021 and 31 December 2022.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. Lytix Biopharma has applied the mandatory exception in IFRS 1.B1, and the optional exemption for leases in accordance with IFRS 1.D9D1.

Identified IFRS adjustments

An analysis of the differences between NGAAP and IFRS Accounting Standards has been prepared, and their following GAAP-difference has been identified.

- Leasing
- Revenue from licensing
- Government grants
- Net FX gains and losses

The GAAP-differences identified have no effect on the 2021 IFRS Accounting Standards opening balance, only on the income statements for 2021 and 2022 and financial positions at yesar end 31 December 2021 and 2022.

2021 identified IFRS adjustments

Leasing

Lytix Biopharma AS has lease contracts for office space and equipment. There are no lease contracts due in more than 12 months as of date of transition 1 January 2021. As such, these contracts are exempt from the lease calculations under IFRS 16, and the optional exemption for first-time adopters in accordance with IFRS 1. Leased equipment is of low value and are exempt from the lease calculations. Therefore, there are no GAAP-difference at commencement date 1 January 2021. However, on 21 June 2021, Lytix Biopharma entered into a new 3-year lease contract for new office space and equipment. The lease contract is classified as a lease under IFRS 16, and a lease liability of kNOK 2,593 has been recognized, together with a Right of Use asset of kNOK 2,593. At year-end 31 December 2021, the lease liability is kNOK 2,171 and Right of Use asset is kNOK 2,140. In the income statement depreciations of kNOK 453 and interest expense of kNOK 62 has been recognized. Principal payment of kNOK 423 has been recognized in the cash flow statements for 2021.

Revenue from licensing

In August 2020, Lytix entered into an agreement with Verrica, providing the latter exclusive rights for the development and commercialization of products containing LTX-315 in the Territory. LTX-315 was in an early stage of the development. Lytix compensation for the Licensing Agreement consists of a series of milestone payments, together with royalties on sales of the products containing LTX-315. The first milestone was triggered in January 2021 when the U.S. Food and Drug Administration approved Lytix' Investigational New Drug (IND) application, releasing a payment of USD 2.25 million (kNOK 19,290) to Lytix. Under NGAAP the payment was classified as "Other operating income". Under IFRS Accounting Standards, the licensing contract with Verrica is considered to be a contract with a customer. Therefore, the licensing payment has been reclassified from "Other operating income" to "Revenue". The reclassification has no impact on the IFRS Accounting Standards opening balance 1 January 2021, or the financial position at year end 31 December 2021. There are no tax effects or cash flow effects from this reclassification.

Government grants

Under previous GAAP, Lytix Biopharma AS recognized government grants in the statement of profit or loss as "Other operating income". For 2021 Lytix recognized kNOK 6,332 in government grants as "Other operating income". This is an acceptable approach under both NGAAP and IFRS Accounting Standards (IAS 20). An alternative is to recognize government grants in the statement of profit or loss as a deduction in the related expense. As industry practice among listed Biotech companies is the latter alternative, Lytix has decided to re-classify government grants from "Other operating income" to a deduction in the related expense (i.e., Payroll and related expenses, Direct R&D expenses and Other operating expenses). The re-classification entails a reduction in Other operating income and reduction in Payroll and related expenses (kNOK 1,234), Direct R&D expenses (kNOK 5,077) and Other operating expenses (kNOK 20). The reclassification has a net effect of zero and does not lead to a change in profit/(loss) for the period.

Net FX gains and losses

Under previous GAAP, Lytix Biopharma AS recognized FX gain and losses gross as both "Financial income" and "Financial expense". Under IFRS Accounting Standards, FX gains and losses shall be presented net. Therefore, in the Income statement for 2021, a reclassification of FX gain of kNOK 248 has been reclassified from "Financial income" to "Financial expense" to present the FX effects net. The reclassification has a net effect of zero and does not lead to a change in profit/loss for the period.

Interest received and interest paid

Under previous GAAP, Lytix Bipharma AS treated interest received and interest paid as operating cash flows. Under IFRS Accounting Standards, interest received shall be presented as investing cash flow and interest paid shall be presented as a financing cash flow. Therefore, in the Cash Flow statement for 2021 interest received (kNOK 138) is presented as investing cash flow, and interest paid (kNOK 4) is presented as financing cash flow. The reclassification has a net effect of zero and does not lead to a change in profit/loss for the period.

INCOME STATEMENT EFFECTS 2021

Amounts in NOK thousands	**2021 NGAAP**	**Revenue from licensing**	**Net FX gain/loss**	**Gov. grant**	**IFRS 16**	**2021 IFRS Accounting Standards**
Revenue	17	19,290				19,307
Other operating income	25,810	(19,290)		(6,332)		187
Total operating income	**25,827**	**-**	**-**	**(6,332)**	**-**	**19,495**
Payroll and related expenses	(31,605)			1,234		(30,371)
Depreciation and amortization expenses	-				(453)	(453)
Direct R&D expenses	(28,817)			5,077		(23,740)
Other expenses	(13,421)			20	485	(12 916)
Total operating expenses	**(73,844)**	**-**	**-**	**6,332**	**(32)**	**(67,480)**
Loss from operations	**(48,017)**	**-**	**-**	**-**	**(32)**	**(47,985)**
Financial expenses	(424)		248		(62)	(238)
Financial income	392		(248)			144
Net financial items	**(32)**	**-**	**-**	**-**	**(62)**	**(94)**
Loss before tax	**(48,049)**	**-**	**-**	**-**	**(30)**	**(48,079)**
Tax expense					-	-
Loss for the period	**(48,049)**	**-**	**-**	**-**	**(30)**	**(48,079)**

BALANCE SHEET EFFECTS 31 DECEMBER 2021

Amounts in NOK thousands	NGGAP 31.12.2021	IFRS 16	IFRS Accounting Standards 31.12.2021
Assets			
Non-current assets			
Property, plant and equipment	-		-
Right-of-use assets	-	2,140	2,140
Total non-current assets	**-**	**2,140**	**2,140**
Current assets			
Other receivables	5,680		5,680
Short-term financial investments	-		-
Cash and cash equivalents	197,282		197,282
Total current assets	**202,962**	**-**	**202,962**
Total assets	**202,962**	**2,140**	**205,102**
Shareholder's equity and liabilities			
Issued capital and reserves			
Share capital	3,874		3,874
Share premium reserve	185,750	(30)	185,720
Total equity	**189,624**	**(30)**	**189,593**
Liabilities			
Non-current liabilities			
Lease liabilities	-	1,344	1,344
Total non-current liabilities	**-**	**1,344**	**1,344**
Current liabilities			
Trade payables	1,476		1,476
Other current liabilities	11,862		11,862
Lease liabilities	-	827	827
Total current liabilities	**13,338**	**827**	**14,165**
Total liabilities	**13,338**	**2,140**	**15,509**
Total equity and liabilities	**202,962**	**2,140**	**205,102**

CASH FLOW STATEMENT EFFECTS 2021

Amounts in NOK thousands	2021 NGAAP	Change of principle	IFRS 16	2021 IFRS Accounting Standards
Cash flows from operating activities				
Profit (loss) before income tax	(48,049)		(30)	(48,079)
Adjustments for:				
Depreciation of property, plant and equipment	-			-
Depreciation of right-of-use assets	-		453	453
Interest income/(expense), net	-	(134)		(134)
Share-based payment expense	4,055			4,055
Increased/decreased in trade and other receivables	(1,513)			(1,513)
Increased/decreased in trade and other payables	610			610
Cash generated from operations	**(44,896)**	**(134)**	**423**	**(44,607)**
Income tax paid	-			-
Net cash flows from operations	**(44,896)**	**(134)**	**423**	**(44,607)**
Investing activities				
Investment in tangible assets	-			-
Interests received	-	138		138
Investment in other short-term investments	-			-
Net cash from/(used in) financing activities	**-**	**138**	**-**	**138**
Financing activities				
Interests paid	-	(4)		(4)
Proceeds from share issue	225,214			225,214
Transaction cost	(11,486)			(11,486)
Payment of principal portion of lease liabilities	-		(423)	(423)
Net cash from/(used in) financing activities	**213,728**	**(4)**	**(423)**	**213,302**
Net increase in cash and cash equivalents	168,832	-	-	168,832
Cash and cash equivalents at the beginning of the period	28,450	-	-	28,450
Cash and cash equivalents at the end of the period	**197,282**	**-**	**-**	**197,282**

2022 identified IFRS adjustments

Leasing

Lytix Biopharma AS has lease contracts for office space and equipment. On 21 June 2021, Lytix Biopharma entered into a new 3-year lease contract for new office space and equipment. The lease contract is classified as a lease under IFRS 16. At year-end 31 December 2022, the lease liability is kNOK 1,344 and Right of Use asset is kNOK 1,251. In the income statement depreciations of kNOK 889 and interest expense of kNOK 91 has been recognized. Principal payment of kNOK 827 has been recognized in the cash flow statements for 2022.

Revenue from licensing

As mentioned above, Lytix entered into an agreement with Verrica in august 2020. The second milestone was triggered in April 2022 when the first patient were dosed in Verrica Pharmaceuticals Inc.'s Phase II study evaluating LTX-315 for the treatment of basal cell carcinoma (skin cancer). This triggers a USD 1 million (kNOK 9,622) milestone payment to Lytix in accordance with the licensing agreement between the parties. Under NGAAP the payment was classified as

"Other operating income". Under IFRS Accounting Standards, the licensing contract with Verrica is considered to be a contract with a customer. Therefore, the licensing payment has been reclassified from "Other operating income" to "Revenue". The reclassification has no impact on the financial position at year end 31 December 2022. There are no tax effects or cash flow effects from this reclassification.

Government grants

Under previous GAAP, Lytix Biopharma AS recognized government grants in the statement of profit or loss as "Other operating income". For 2022 Lytix recognized kNOK 6,242 in government grants as "Other operating income". This is an acceptable approach under both NGAAP and IFRS Accounting Standards (IAS 20). An alternative is to recognize government grants in the statement of profit or loss as a deduction in the related expense. As industry practice among listed Biotech companies is the latter alternative, Lytix has decided to re-classify government grants from "Other operating income" to a deduction in the related expense (i.e., Payroll and related expenses, Direct R&D expenses and Other operating expenses). The re-classification entails a reduction in Other operating income and reduction in Payroll and related expenses (kNOK 806), Direct R&D expenses (kNOK 5,366) and Other operating expenses (kNOK 71). The re-classification has a net effect of zero and does not lead to a change in profit/(loss) for the period.

Net FX gains and losses

Under previous GAAP, Lytix Biopharma AS recognized FX gain and losses gross as both "Financial income" and "Financial expense". Under IFRS Accounting Standards, FX gains and losses shall be presented net. Therefore, in the Income statement for 2022, a reclassification of FX gain of kNOK 11,067 has been reclassified from "Financial expenses" to "Financial income" to present the FX effects net. The reclassification has a net effect of zero and does not lead to a change in profit/loss for the period.

Interest received and interest paid

Under previous GAAP, Lytix Bipharma AS treated interest received and interest paid as operating cash flows. Under IFRS Accounting Standards, interest received shall be presented as investing cash flow and interest paid shall be presented as a financing cash flow. Therefore, in the Cash Flow statement for 2022 interest received (kNOK 1,406) is presented as investing cash flow, and interest paid (kNOK 55) is presented as financing cash flow. The reclassification has a net effect of zero and does not lead to a change in profit/loss for the period.

INCOME STATEMENT EFFECTS 2022

Amounts in NOK thousands	**2022 NGAAP**	**Revenue from licensing**	**Net FX gain/loss**	**Gov. grant**	**IFRS 16**	**2022 IFRS Accounting Standards**
Revenue	1,409	9,622				11,031
Other operating income	15,864	(9,622)		(6,242)		-
Total operating income	**17,273**	**-**	**-**	**-**	**-**	**11,031**
Payroll and related expenses	(21,133)			806		(20,326)
Depreciation and amortization expenses	(30)				(889)	(919)
Direct R&D expenses	(50,974)			5,366		(45,608)
Other expenses	(10,832)			71	918	(9,843)
Total operating expenses	**(82,968)**	**-**	**-**	**6,242**	**29**	**(76,697)**
Loss from operations	**(65,695)**	**-**	**-**	**-**	**29**	**(65,666)**
Financial expenses	(11,213)		11,067		(91)	(238)
Financial income	20,902		(11,067)			9,835
Net financial items	**9,689**	**-**	**-**	**-**	**(91)**	**9,597**
Loss before tax	**(56,006)**	**-**	**-**	**-**	**(62)**	**(56,069)**
Tax expense	-					-
Loss for the period	**(56,006)**	**-**	**-**	**-**	**(62)**	**(56,069)**

BALANCE SHEET EFFECTS 31 DECEMBER 2022

Amounts in NOK thousands	NGGAP 31.12.2022	IFRS 16	IFRS Accounting Standards 31.12.2022
Assets			
Non-current assets			
Property, plant and equipment	124		124
Right-of-use assets	-	1,251	1,251
Total non-current assets	**124**	**1,251**	**1,375**
Current assets			
Other receivables	6,735		6,735
Short-term financial investments	50,606		50,606
Cash and cash equivalents	94,552		94,552
Total current assets	**151,893**	**-**	**151,893**
Total assets	**152,017**	**1,251**	**153,269**
Shareholder's equity and liabilities			
Issued capital and reserves			
Share capital	4,007	-	4,007
Share premium reserve	131,119	(93)	131,27
Total equity	**135,126**	**(93)**	**135,034**
Liabilities			
Non-current liabilities			
Lease liabilities	-	476	476
Total non-current liabilities	**-**	**476**	**476**
Current liabilities			
Trade payables	6,997		6,997
Other current liabilities	9,894		9,894
Lease liabilities		868	868
Total current liabilities	**16,891**	**868**	**17,759**
Total liabilities	**16,891**	**1,344**	**18,235**
Total equity and liabilities	**152,017**	**1,251**	**153,269**

CASH FLOW STATEMENT EFFECTS 2022

Amounts in NOK thousands	2022 NGAAP	Change of principle	IFRS 16	2022 IFRS Accounting Standards
Cash flows from operating activities				
Profit (loss) before income tax	(56,006)		(62)	(56,069)
Adjustments for:				
Depreciation of property, plant and equipment	30			30
Depreciation of right-of-use assets	-		889	889
Interest income/(expense), net	-	(1,351)		(1,351)
Share-based payment expense	1,376			1,376
Increased/decreased in trade and other receivables	(1,055)			(1,055)
Increased/decreased in trade and other payables	3,553			3,553
Cash generated from operations	**(52,102)**	**(1,351)**	**827**	**(52,626)**
Income tax paid	-			-
Net cash flows from operations	**(52,102)**	**(1,351)**	**827**	**(52,626**
Investing activities				
Investment in tangible assets	(154)			(154)
Interests received	-	1,406		1,406
Investment in other short-term investments	(50,606)			(50,606)
Net cash from/(used in) financing activities	**(50,761)**	**1,406**	**-**	**(49,355)**
Financing activities				
Interests paid	-	(55)		(55)
Proceeds from share issue	133			133
Transaction cost	-			-
Payment of principal portion of lease liabilities	-		(827)	(827)
Net cash from/(used in) financing activities	**133**	**(55)**	**(827)**	**(749)**
Net increase in cash and cash equivalents	(102,730)			(102,730)
Cash and cash equivalents at the beginning of the period	197,282			197,282
Cash and cash equivalents at the end of the period	**94,552**	**-**	**-**	**94,552**

NOTE 21 EVENTS AFTER THE REPORT DATE

On April 9th, 2024, the Company announced the contemplated launch of a partially guaranteed share offering (the "Offering") of between 9,541,973 and 10,509,802 new shares (the "Offer Shares") in the Company, each with a nominal value of NOK 0.10, at a subscription price of NOK 5.24 per Offer Share.

The Offering was completed. The extraordinary general meeting that took place on 25 April 2024 (the "EGM") resolved to issue a total of 9,541,984 Offer Shares, raising gross proceeds of NOK 50 million.

The cash position in combination with proceeds from the Offering will fund the planned activities to throughout 2024 on a going concern basis.

Lytix Biopharma AS
Sandakerveien 138
NO-0484 Oslo
Norway

General enquiries:
post@lytixbiopharma.com

Media enquiries:
oystein.rekdal@lytixbiopharma.com

www.lytixbiopharma.com

Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

Strandgata 8, 9008 Tromsø
Postboks 1212, 9262 Tromsø

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Lytix Biopharma AS

Opinion

We have audited the financial statements of Lytix Biopharma AS (the Company), which comprise the balance sheet as at 31 December 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical 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 opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Building a better working world

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors 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.

Tromsø, 29 April 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Monica Sørensen
State Authorised Public Accountant (Norway)

Oncolytic Molecules that Kill Cancer & Prevent Recurrence

Neoadjuvant Immunotherapy with Durable Responses Approaching Commercialization

Q3 Earnings Presentation

November 2025

Disclaimer

This presentation (the "Presentation") has been prepared by Lytix Biopharma AS ("Company") exclusively for information purposes.

The Presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated ('relevant persons'). Any person who is not a relevant person should not act or rely on the Presentation or any of its contents.

The Presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in the Company. The release, publication or distribution of the Presentation in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions into which this Presentation is released, published or distributed should inform themselves about, and observe, such restrictions.

The Presentation contains certain forward-looking statements relating to the business, products, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in the Presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. Neither the Company nor its employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in the Presentation or the actual occurrence of the forecasted developments. The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to its actual results.

The Presentation contains information obtained from third parties. You are advised that such third-party information has not been prepared specifically for inclusion in the Presentation and the Company has not undertaken any independent investigation to confirm the accuracy or completeness of such information. Lytix Biopharma relies on publicly available information from Verrica Pharmaceuticals for some of the information shared in this material.

The Company uses certain financial information calculated on a basis other than in accordance with International Financial Reporting Standards (IFRS), as supplemental financial measures in this presentation. These non-IFRS financial measures are provided as additional insight into the Company's ongoing financial performance and to enhance the user's overall understanding of the Company's financial results and the potential impact of any corporate development activities.

An investment in the Company involves risk, and several factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in the Presentation, including, among others, the risk factors described in the Company's prospectus from April 2024. Should any risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the Presentation.

No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither the Company nor its directors or employees accepts any liability whatsoever arising directly or indirectly from the use of the Presentation.

By attending or receiving the Presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business.

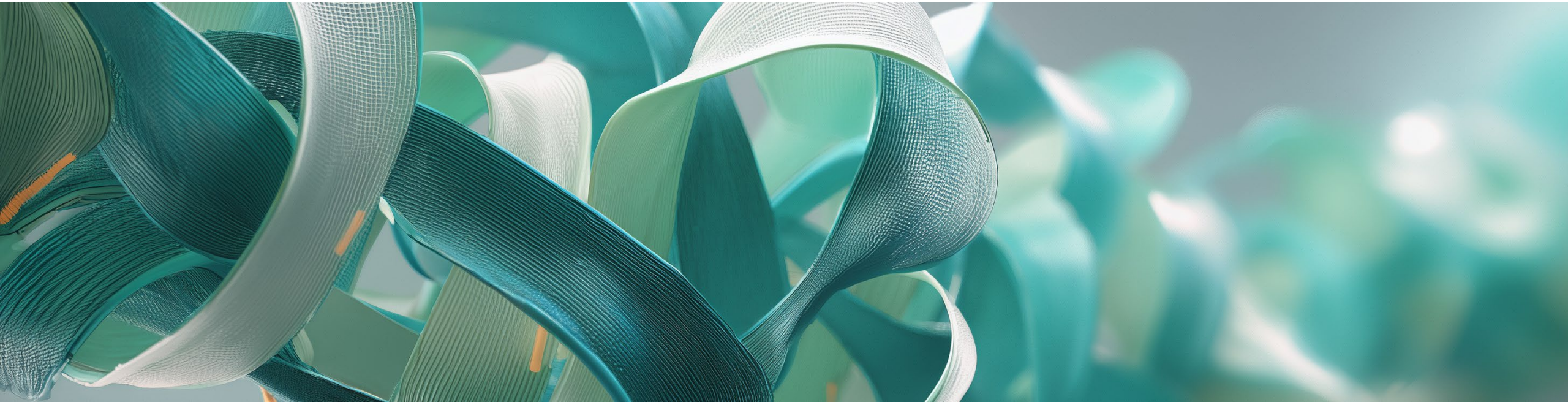
The Presentation speaks as of November 18, 2025. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

Øystein Rekdal, CEO

Founder and scientist-CEO with over two decades in immuno-oncology, leading the discovery and development of Lytix's innovative peptide-based cancer immunotherapies.

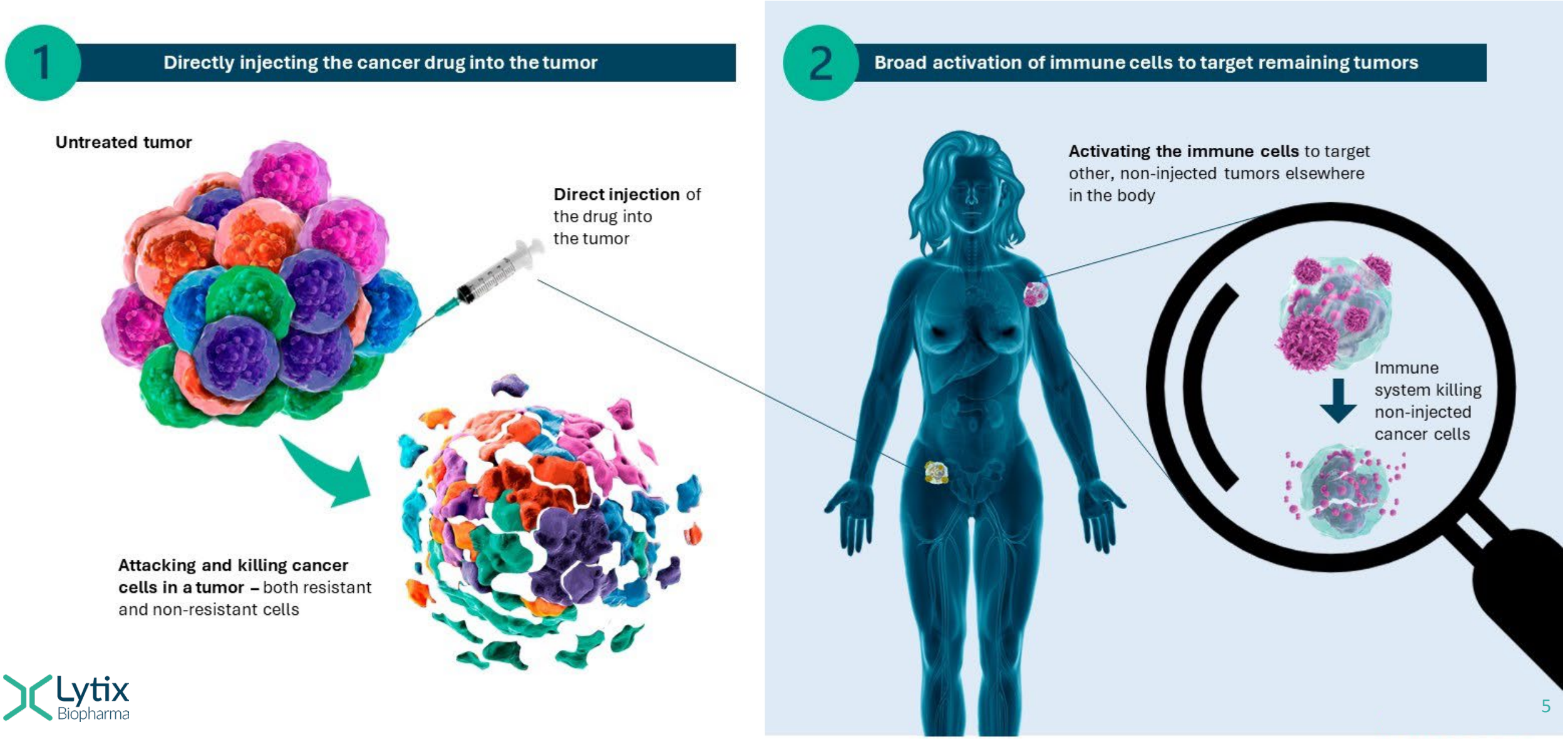
Gjest Breistein, CFO

Finance leader with strong track record in listed companies, ensuring disciplined financial management and capital market engagement.



Company Overview

Lytix's Therapies Work Through a Two-Phase Mechanism; Killing Tumors Locally & Activating Broad Systemic Immune Response



Lytix Biopharma

Lytix Biopharma is Rapidly Approaching Commercialization of Ruxotemitide in the Neoadjuvant Setting

Ruxotemitide has strong potential for resectable solid tumors in a neoadjuvant setting

Intratumoral Injections with Abscopal Effects

- Direct tumor injections induce robust cancer cell death
- Consistent abscopal effects due to systemic immune activation

Highly Synergistic with Current SOC

- Safely combinable with immune checkpoint inhibitors
- Monotherapy exhibits minimal toxicities due to local administration

Current Treatment Options for Resectable Tumors Carry High Risk of Recurrence or Low Response Rate

Treatment Options for Resectable Tumors

Surgery: Cancer can be removed but but carries a high risk of recurrence.

Immune Checkpoint Inhibitors: In the neoadjuvant setting immune checkpoint inhibitors show modest pathologic response (pR) due to many tumors being immunosuppressed.

There is a significant unmet need for early-stage treatment options that offer both low risk of recurrence, and high pathologic response rate.

Lytix's First-in-Class Solution

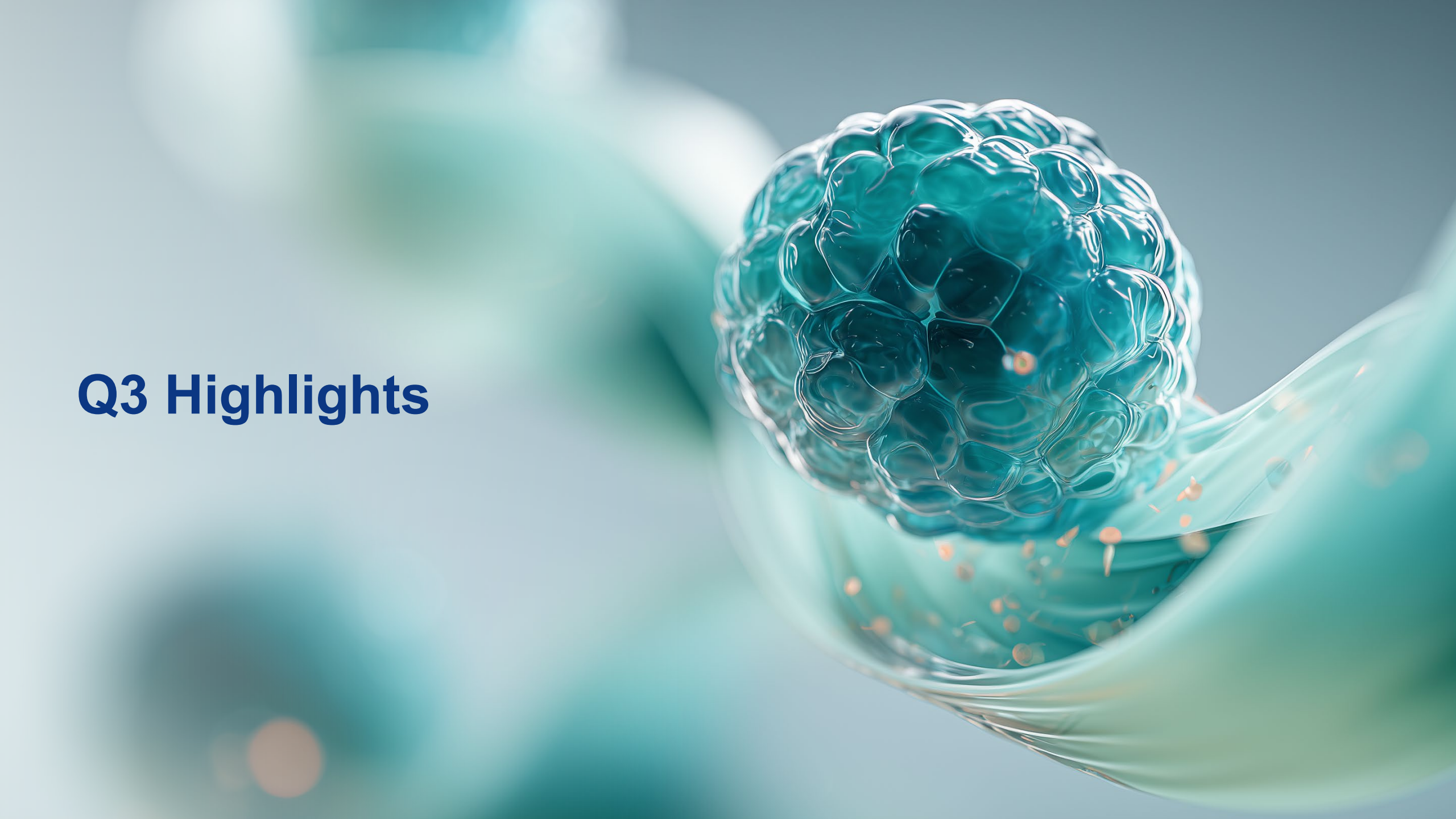
Kill cancer cells to induce a ***strong local immune response*** within the tumor

Train the adaptive immune system to ***prevent recurrence***

Surgically remove tumors

Treat with immune checkpoint inhibitors in the adjuvant setting, ***without the immunosuppressive environment***

Q3 Highlights



Highlights for the Third Quarter & Post Quarter End

Verrica Partnership – Advancing Ruxotemitide (VP-315) Toward Phase III in BCC

- Positive clinical results from Verrica Pharmaceutical's current Phase II study in basal cell carcinoma
- New data presented at Society for Immunotherapy of Cancer (SITC) 40th Annual Meeting

NeoLIPA – Neoadjuvant Melanoma Study Gaining Momentum

- Promising interim results from NeoLIPA presented at the Nordic Melanoma Meeting

ATLAS-IT-05 – Late-stage Melanoma Trial Completed

- ATLAS-IT-05 finalized with database lock in Q3
- Results continue to support ruxotemitide's shift into the neoadjuvant setting as the most commercially attractive development path

Highlights for the Third Quarter & Post Quarter End

LTX-401 – Pipeline Progress

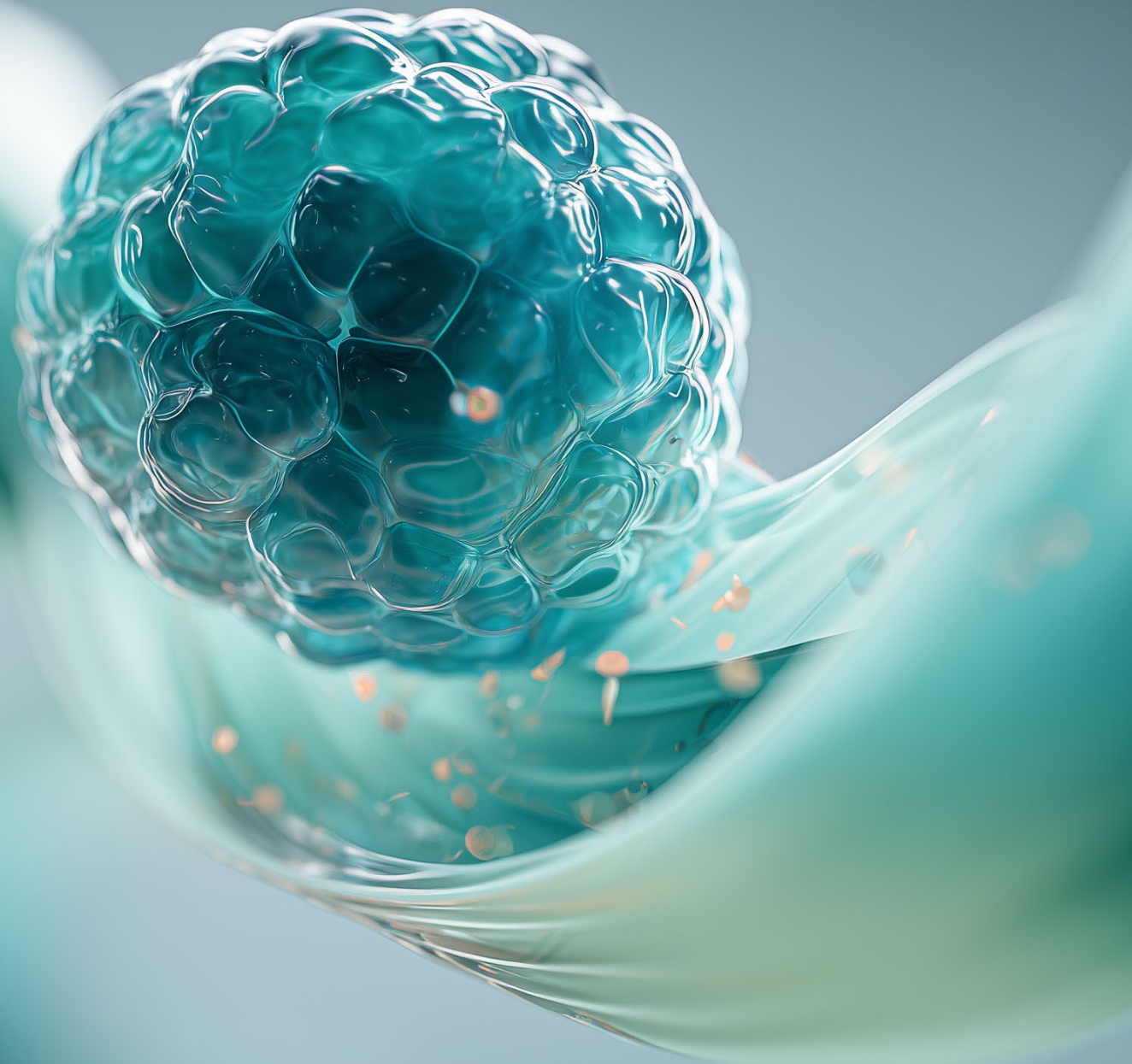
- Future development strategy under review to determine optimal timing and pathway for advancement

Business and Financial

- Q3 financials reflect continued disciplined cost control and stable underlying operating expenses
- Cash position remains strong at NOK 90 million, providing strategic flexibility ahead of key H2 milestones

Clinical & Operational

1. **Pipeline Overview**
2. Phase II study: Basal cell carcinoma (Verrica Pharmaceuticals)
3. NeoLIPA study: Early-stage melanoma
4. LTX-401

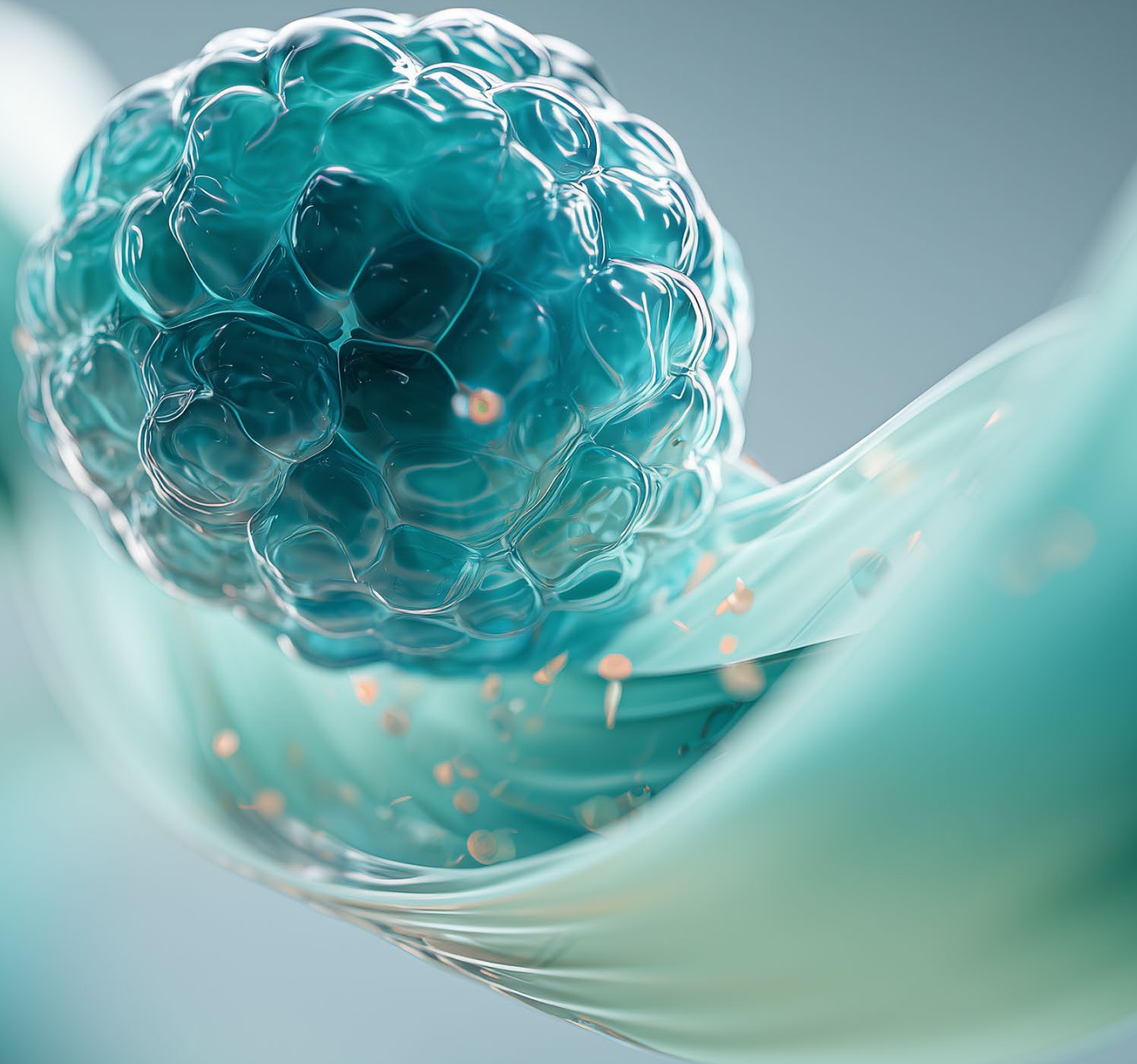


Progress Towards Commercialization of Ruxotemitide and Clinical Entry for LTX-401

	Population	Pre-clinical	Phase I	Phase II	Phase III	Partner
Ruxotemitide (LTX-315)						
Monotherapy	Basal cell carcinoma					VERRICA PHARMACEUTICALS Reinventing Skin Science
NeoLIPA	Neoadjuvant resectable melanoma patients				Steadily Recruiting	
LTX-401						
Mono-and combination therapy	Solid tumors (deep seated lesions)				Preparing for Phase I	

Clinical & Operational

1. Pipeline Overview
2. **Phase II study: Basal cell carcinoma (Verrica Pharmaceuticals)**
3. NeoLIPA study: Early-stage melanoma
4. LTX-401



Verrica Phase II Clinical Results Demonstrate Strong Anti-Tumor Activity with Potential Abscopal Effects

Results support continued preparation and fundraising activities for the BCC program

- Ruxotemitide (VP-315) was found to be safe and well-tolerated, with no treatment-related serious adverse events
- All patients experienced a reduction in tumor size, including:
  - 51% complete histologic clearance rate
  - 71% reduction in tumor size among patients with residual carcinomas
  - 86% overall tumor-size reduction
  - 97% calculated objective response rate (post-hoc analysis)
- Abscopal effects observed with histologic reduction in size of all non-treated BCC lesions studied

Exploratory Immune Analysis Demonstrates Reprogramming of Tumors to Overcome Immunosuppression

Findings support ruxotemitide's potential as a non-surgical, first-line BCC therapy

- Immune results presented at Society for Immunotherapy of Cancer (SITC) Annual Meeting - November 2025
- Significant increases of CD4+ and CD8+ T cells and B-cells in the tumor area
- Reduction in immunosuppressive cell populations (Tregs and M2 macrophages)
- Collectively, these findings indicate that ruxotemitide treatment reduces immunosuppression and enhances immune activation within and around the tumor

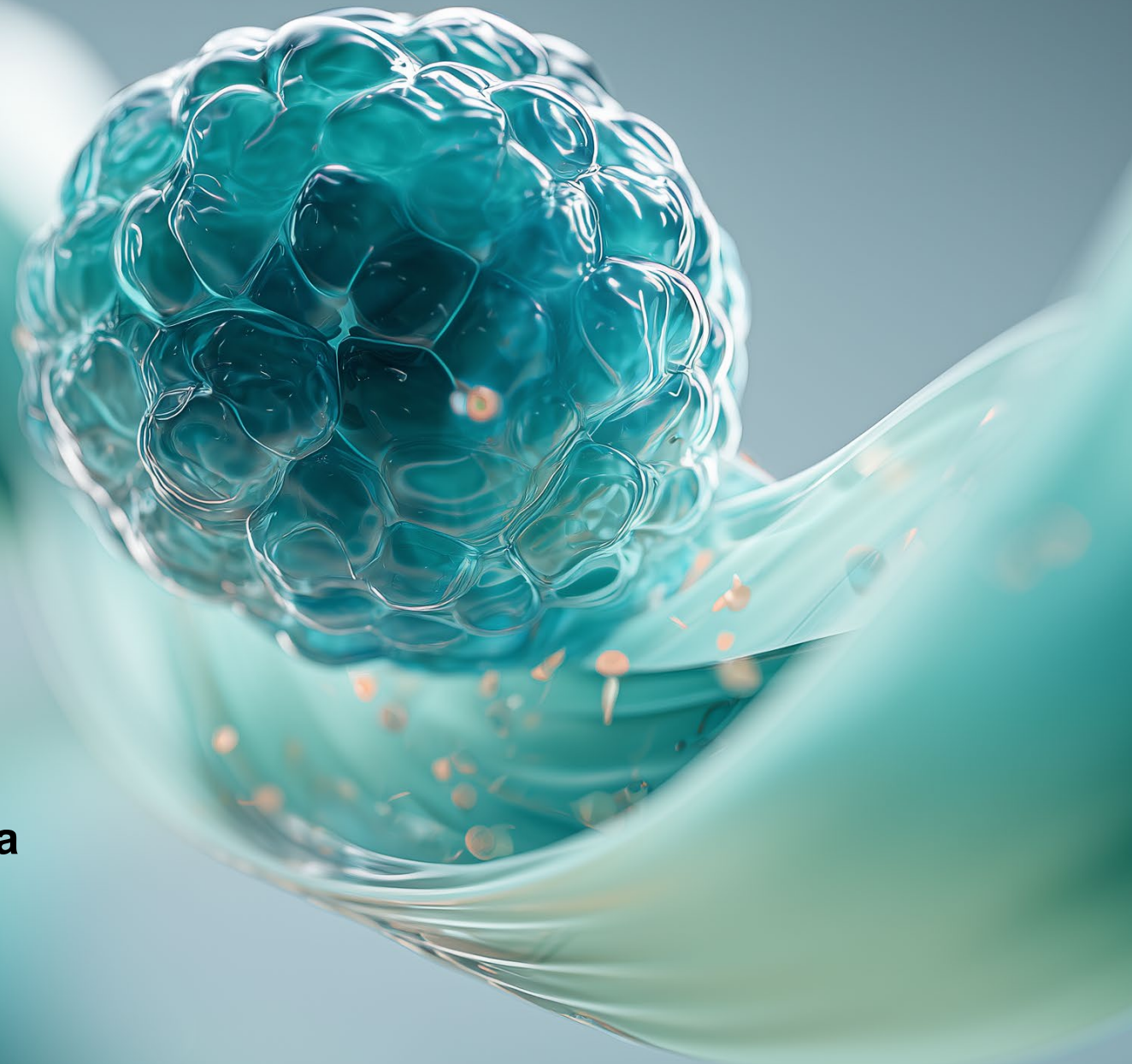
FDA Confirmed Alignment with Verrica's Ph III Program

Verrica anticipates Ph III plan will support NDA filing for ruxotemitide in BCC

- Phase III program to encompass two placebo-controlled Phase III studies with approximately 100 subjects each and a primary endpoint of complete clearance as assessed at week 14.
- Verrica expects these studies will be adequate to support a New Drug Application (NDA) filing, with long-term follow-up studies to be conducted as post-approval commitments.

Clinical & Operational

1. Pipeline Overview
2. Phase II study: Basal cell carcinoma (Verrica Pharmaceuticals)
3. **NeoLIPA study: Early-stage melanoma**
4. LTX-401



Oslo University Hospital

NeoLIPA Study Shows Promising Results in Treatment Naïve Melanoma (Phase II)

Study Overview

- Investigator-initiated study led by Dr. Henrik Jespersen at Oslo University Hospital
- Ruxotemitide (intratumoral) + pembrolizumab administered prior to surgery
- 13 of 27 patients enrolled as of October 2025, enrollment ongoing
- Treatment naïve melanoma patients with more intact immune systems, higher potential for durable benefit
- Top-line data expected 2026

Commercial Rationale

- Larger patient population vs metastatic melanoma
- Potential for curative intent + earlier market adoption
- Clear strategic priority indication for Lytix going forward

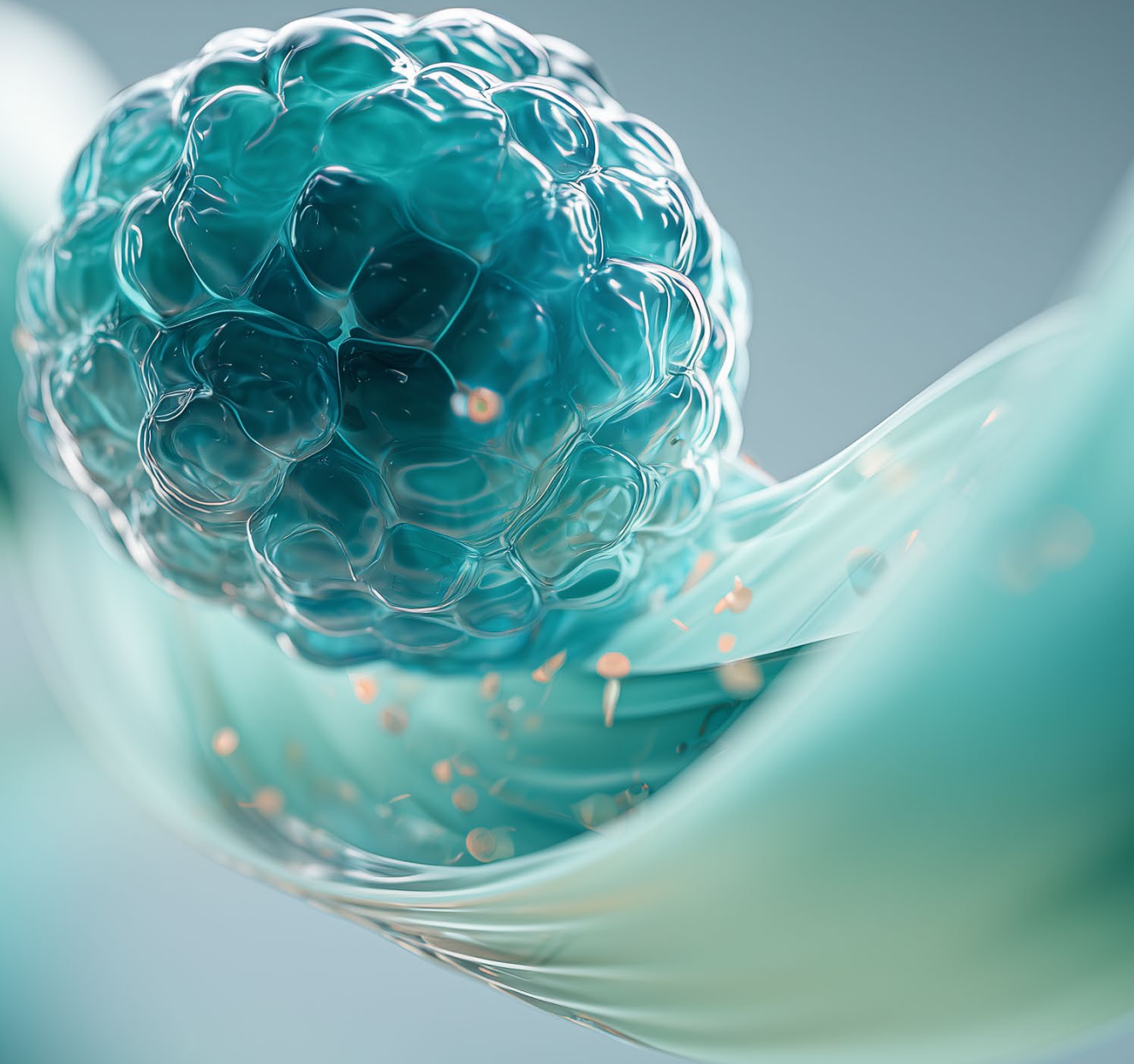
NeoLIPA Interim Results Demonstrate Strong Anti-Tumor Activity

Results support accelerated strategic focus on neoadjuvant melanoma

- Presented at Nordic Melanoma Meeting – November 2025
- 44% pathological complete response (pCR) and 55% major pathological response (MPR) among the first 9 evaluable patients
- Overall pathological response seen in 88% of patients, with favorable safety profile
- No relapses reported to date

Clinical & Operational

1. Pipeline Overview
2. Phase II study: Basal cell carcinoma (Verrica Pharmaceuticals)
3. NeoLIPA study: Early-stage melanoma
4. **LTX-401**



LTX-401 is Approaching Entering the Clinic

Future development strategy under review to determine optimal timing & pathway for clinical entry

- Proprietary asset of Lytix
- Partly validated by ruxotemitide's clinical results due to same mode-of-action
- Positive regulatory feedback supports clinical path forward

Financials & Outlook

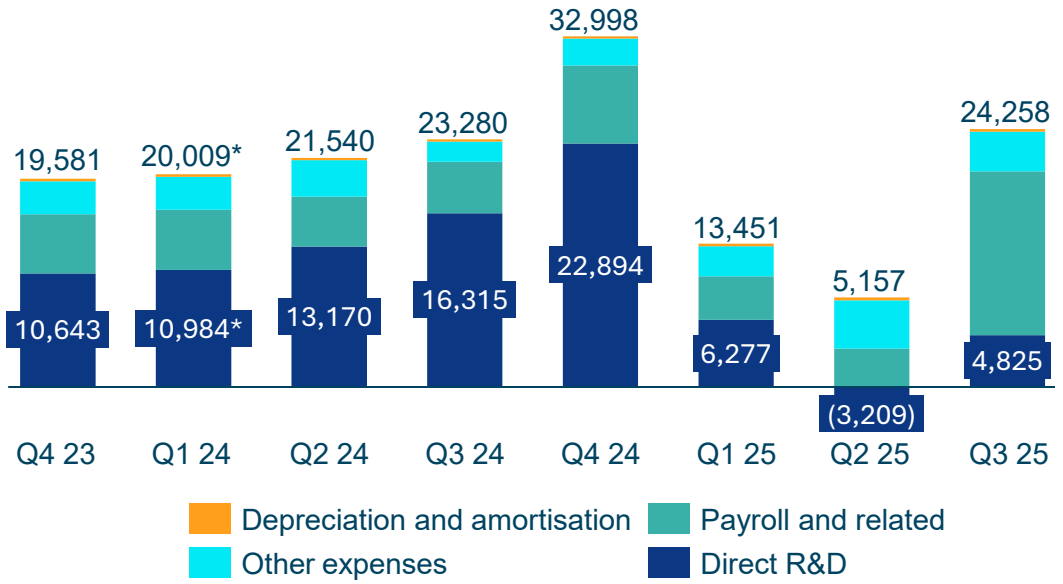
Key Figures – Profit & Loss

Amounts in NOK '000	Q3 2025	Q3 2024	FY 2024
Total operating income	-	231	11,134
Total operating expenses	(24,258)	(23,280)	(107,029)
Loss from operations	(24,258)	(23,049)	(95,896)
Loss for the period	**(23,337)**	**(22,738)**	**(94,265)**

- The Company recorded NOK 11.9 million in non-cash share option expense in Q3 2025 following the implementation of the new option program in September.
- Excluding this accounting expense, the net loss for the quarter was NOK 11.5 million, in line with recent quarters and reflecting continued cost discipline.

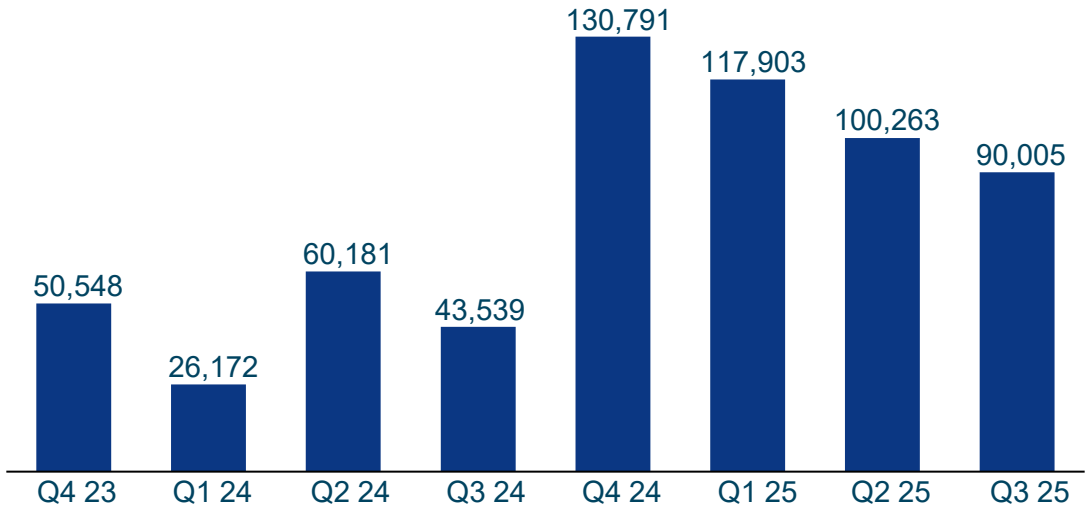
Lean Cost Base and Solid Runway into 2026

Total operating expenses



*) NOK 9.2 million in cost for production of LTX-315 sold to Verrica in Q1 2024 has been excluded

Cash and short-term financial investments



- Total operating expenses in Q3 remain consistent with prior periods when excluding the one-off share-based payment expense.
- Direct R&D expenses were NOK 4.8 million, broadly similar to Q1 and Q2, reflecting reduced clinical activity following completion of patient treatment in ATLAS-IT-05, while still supporting continued progression of the NeoLIPA study.

Key Figures – Balance Sheet

Amounts in NOK '000	30.09.2025	30.09.2024	31.12.2024
Assets			
Property, plant and equipment	8	59	42
Right-of-use assets	2,324	2,793	2,589
Trade and other receivables	3,123	9,902	13,113
Short-term financial investments	60,923	-	-
Cash and cash equivalents	29,082	43,529	130,791
Total assets	**95,460**	**56,283**	**146,535**
Shareholder's equity and liabilities			
Total equity	78,437	36,830	107,894
Total liabilities	17,023	19,453	38,641
Total equity and liabilities	**95,460**	**56,283**	**146,353**

- Cash and short-term financial investments amounted to NOK 90 million at the end of the third quarter 2025. The Company remains well capitalized to progress key value-driving milestones into 2026.
- Total liabilities decreased further to NOK 17 million at the end of Q3 2025, down from NOK 38.6 million at year-end 2024. This reflects the reversal of the ATLAS-IT-05 accrual in Q2 and illustrates a continued normalization of the balance sheet as the study is finalized.

Lytix Biopharma's Roadmap to Create Shareholder Value

Non-metastatic skin cancer

Ruxotemitide: Clear path towards commercialization, demonstrated through licensing with Verrica Pharmaceuticals

Neoadjuvant melanoma

Ruxotemitide: Phase II results in NeoLIPA
Last patient expected treated mid-2026

Deep seated cancer

LTX-401: Strong preclinical results and novel formulation remain promising

Executing on our Strategy

Lytix Clinical Development

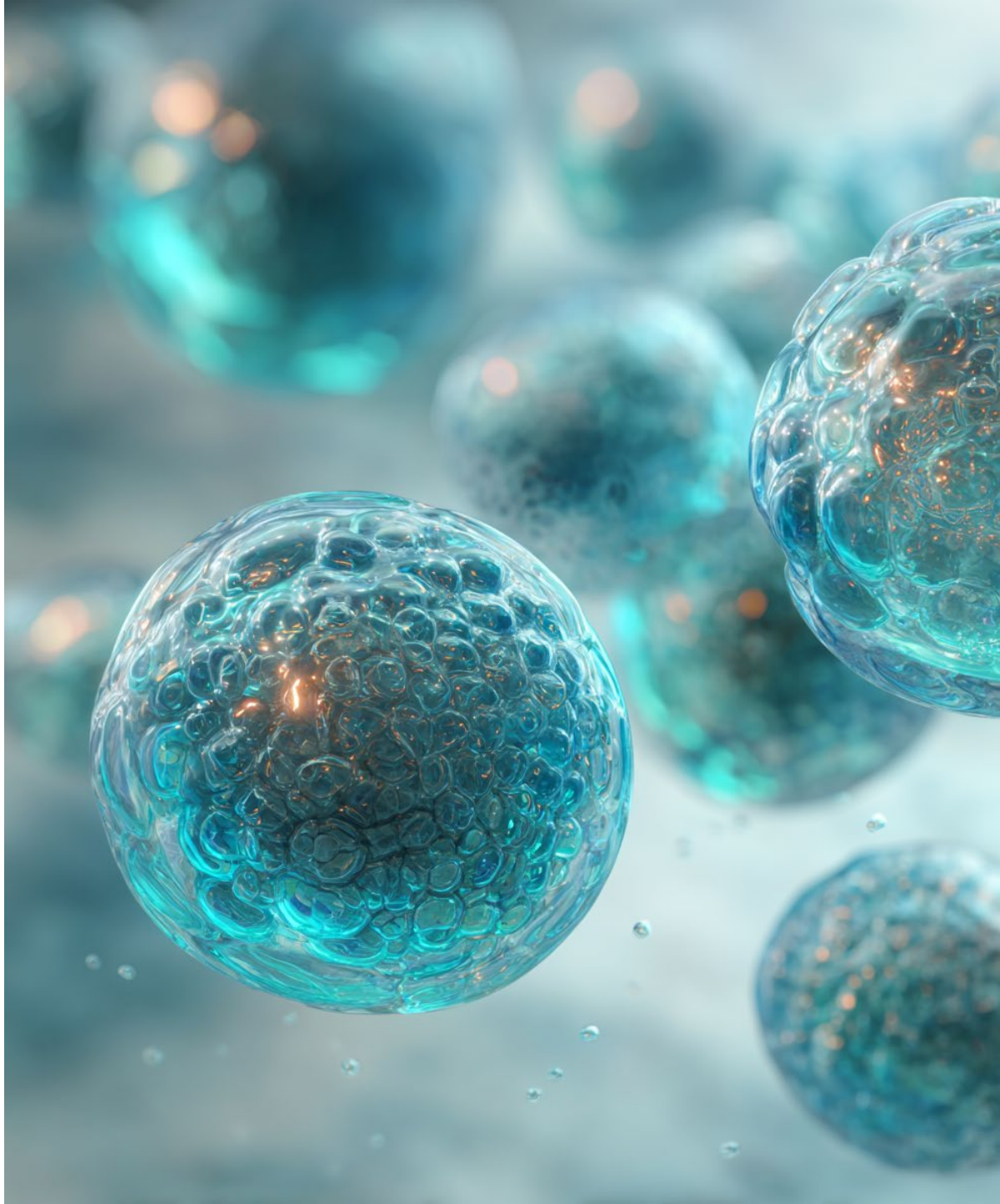
- NeoLIPA topline results 2026

Verrica - BCC

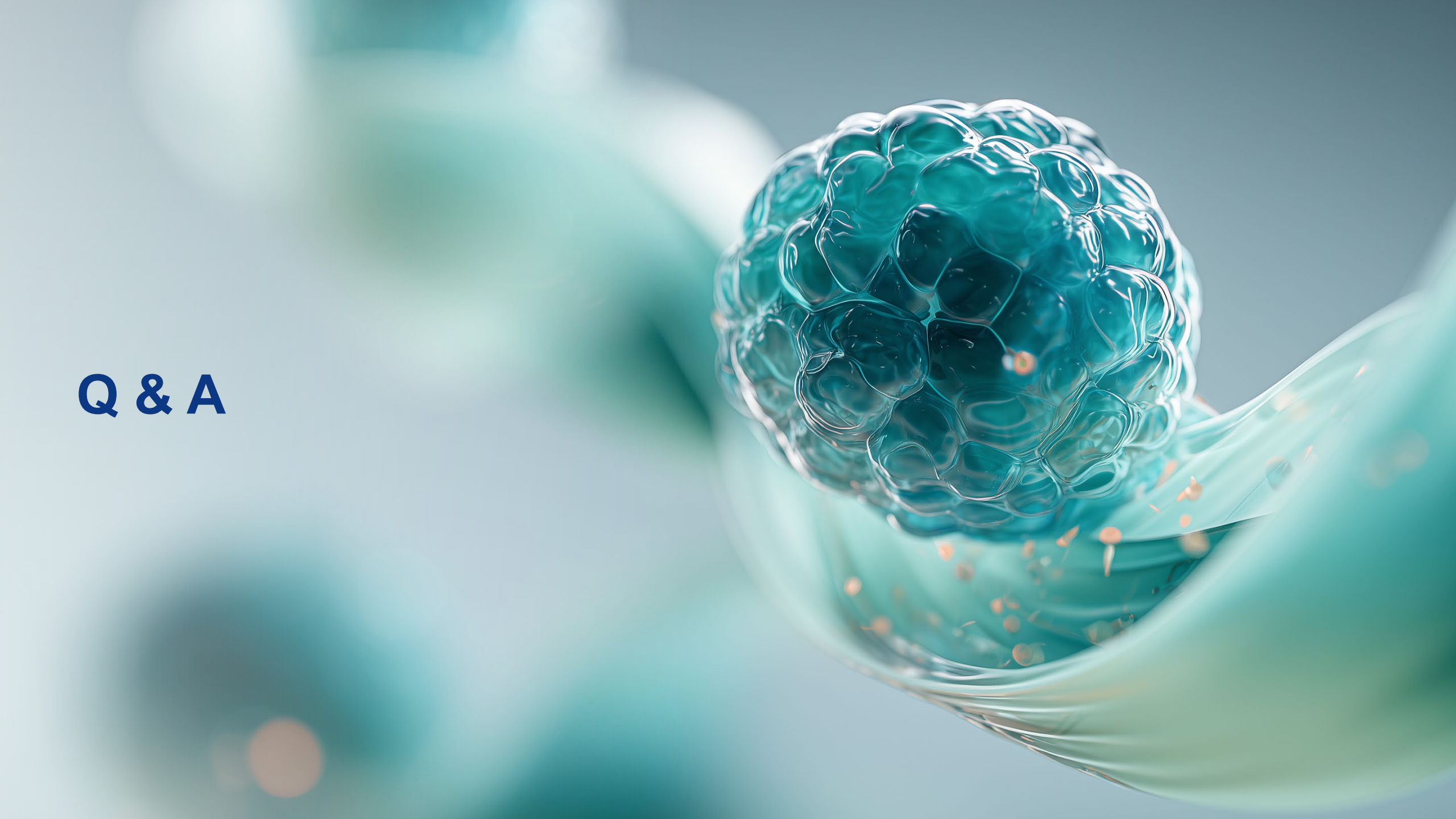
- Preparing for pivotal Phase III trial

Pipeline & Partnerships

- Continued preparations for LTX-401
- Strategic focus on late-stage development & commercialization through partnerships



Q & A



Interim Financial Statements

Condensed Interim Statement of Profit & Loss

Amounts in NOK thousands	*Unaudited* **Q3 2025**	Unaudited Q3 2024	FY 2024
Revenue	**-**	231	11,134
Other operating income	**-**	-	-
Total operating income	**-**	231	11,134
Payroll and related expenses	**(15,443)**	(4,859)	(22,590)
Depreciation and amortization expenses	**(252)**	(221)	(915)
Direct R&D expenses	**(4,825)**	(16,315)	(72,565)
Other expenses	**(3,739)**	(1,884)	(10,960)
Total operating expenses	**(24,258)**	(23,280)	(107,029)
Loss from operations	**(24,258)**	(23,049)	(95,896)
Net financial items	**921**	311	1,631
Loss before tax	**(23,337)**	(22,738)	(94,265)
Tax expense	**-**	-	-
Loss for the period	**(23,337)**	(22,738)	(94,265)

Condensed Interim Statement of Financial Position

Amounts in NOK thousands	*Unaudited* 30.09.2025	*Unaudited* 30.09.2024	31.12.2024
Assets			
Non-current assets			
Property, plant and equipment	**8**	59	42
Right-of-use assets	**2,324**	2,793	2,589
Total non-current assets	**2,332**	2,853	2,631
Current assets			
Trade and other receivables	**3,123**	9,902	13,113
Short-term financial investments	**60,923**	-	-
Cash and cash equivalents	**29,082**	43,529	130,791
Total current assets	**93,128**	53,431	143,904
Total assets	**95,460**	56,283	146,535
Shareholder's equity and liabilities			
Issued capital and reserves			
Share capital	**6,826**	4,961	6,816
Share premium reserve	**71,611**	31,869	101,078
Total equity	**78,437**	36,830	107,894
Liabilities			
Non-current liabilities			
Lease liabilities	**1,474**	2,074	1,878
Total current liabilities	**1,474**	2,074	1,878
Current liabilities			
Trade payables	**4,985**	2,443	5,015
Other current liabilities	**9,607**	14,190	30,987
Lease liabilities	**957**	746	762
Total current liabilities	**15,549**	17,379	36,764
Total liabilities	**17,023**	19,453	38,641
Total equity and liabilities	**95,460**	56,283	146,535

Condensed Interim Statement of Cash Flows

Amounts in NOK thousands	*Unaudited* Q3 2025	Unaudited Q3 2024	FY 2024
Cash flows from operating activities			
Loss for the period	**(23,337)**	(22,738)	(94,265)
Adjustments for:			
Depreciation of property, plant and equipment	**10**	17	68
Depreciation of right-of-use assets	**242**	204	847
Interest income/(expense), net	**(158)**	(70)	(1,503)
Share-based payment expense	**11,750**	347	878
Increased/decreased in trade and other receivables	**4,158**	4,508	(336)
Increased/decreased in trade and other payables	**(2,853)**	1,187	23,938
Cash generated from operations	**(10,188)**	(16,545)	(70,372)
Income tax paid	**-**	-	-
Net cash flows from operations	**(10,188)**	(16,545)	(70,372)
Investing activities			
Investments in tangible assets	**-**	-	-
Interest received	**159**	72	1,510
Increase/decrease in other investments	**(851)**	-	23,183
Net cash from/(used in) investing activities	**(691)**	-	24,693
Financing activities			
Interest paid	**(2)**	(2)	(7)
Proceeds from share issue	**-**	-	161,295
Transaction cost	**-**	-	(11,333)
Payment of principal portion of lease liabilities	**(227)**	(177)	(849)
Net cash from/(used in) financing activities	**(229)**	(179)	149,105
Net increase/(decrease) in cash and cash equivalents	**(11,109)**	(16,652)	103,426
Cash and cash equivalents at the beginning of the period	**40,191**	60,181	27,365
Cash and cash equivalents at the end of the period	**29,082**	43,529	130,791

Appendix 4: Application form

LYTIX BIOPHARMA AS
SUBSEQUENT OFFERING

APPLICATION FORM

Securities number: ISIN NO 0010405780 (the Offer Shares) ISIN NO0013712851 (the Subscription Rights)

General information: The terms and conditions of the subsequent offering (the "**Subsequent Offering**") by Lytix Biopharma AS (the "**Company**") of up to 3,333,333 new shares in the Company, each with a nominal value of NOK 0.10 (the "**Offer Shares**") are set out in the prospectus dated 25 January 2026 (the "**Prospectus**"). Terms defined in the Prospectus shall have the same meaning in this application form (the "**Application Form**"). All announcements referred to in this Application Form will be made through the Oslo Stock Exchange's information system under the Company's ticker "LYTIX". The notice of, and the minutes from, the Company's latest annual general meeting held on 29 April 2025 (with enclosures), the Company's articles of association and the annual accounts and directors' reports for the last two years are available at the Company's registered office at Sandakerveien 138, 0484 Oslo, Norway.

Subscription procedures: The subscription period will commence at 13:00 hours (CET) on 27 January 2026 and end at 16:30 hours (CET) on 10 February 2026 (the "**Subscription Period**"). Correctly completed Application Forms must be received by the Manager set out below, or, in the case of online subscriptions, be registered by no later than 16:30 hours (CET) on 10 February 2026:

DNB Carnegie, a part of DNB Bank ASA
Dronning Eufemias gate 30
P.O. Box 1600, Sentrum
0021 Oslo, Norway
E-mail: retail@dnb.no
Tel: +47 915 04800
www.dnb.no/emisjoner

The subscriber is responsible for the correctness of the information filled into the Application Form. Application Forms received after the end of the Subscription Period and/or incomplete or incorrect Application Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Manager without notice to the subscriber.

Subscribers who are Norwegian residents with a Norwegian personal identification number (*Nw.: fødselsnummer*) are encouraged to subscribe for Offer Shares through the VPS online subscription system (or by following the link on www.dnb.no/emisjoner which will redirect the subscriber to the VPS online subscription system).

Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period. Neither the Company nor the Manager may be held responsible for postal delays, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Manager. Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Manager, or in the case of applications through the VPS online subscription system, upon registration of the subscription. By signing and submitting this Application Form, or registering a subscription through the VPS online subscription system, the subscriber confirms and warrants to have read the Prospectus including its appendices and to be eligible to subscribe for Offer Shares under the terms set forth therein.

Subscription Price: The subscription price in the Subsequent Offering is NOK 9.00 per Offer Share (the "**Subscription Price**").

Subscription Rights: The shareholders of the Company as of 8 January 2026 (being registered as such in Euronext VPS, the Norwegian Central Securities Depository (the "**VPS**") on 12 January 2026 pursuant to the VPS' standard two days' settlement procedure (the "**Record Date**")), who (i) were not included in the market sounding phase of the Private Placement, (ii) were not allocated shares in the Private Placement, and (iii) are not resident in a jurisdiction where such an offer would be unlawful or would (in jurisdictions outside Norway) require a prospectus, filing, registration or similar measures (the "**Eligible Shareholders**"), will be granted non-transferable subscription rights (the "**Subscription Rights**"), which will be registered in each Eligible Shareholder's VPS account. As the Subscription Rights are non-transferable, trading in them will not be permitted. Each Eligible Shareholder will be granted 0.098381 Subscription Rights for each existing share in the Company registered as held by that Eligible Shareholder as of the Record Date, rounded down to the nearest whole Subscription Right. Each Subscription Right, subject to applicable law, entitles the holder to subscribe for and be allocated one (1) Offer Share at the Subscription Price; subscription without Subscription Rights is not permitted, over-subscription is permitted, and any Subscription Rights not exercised before the expiry of the Subscription Period will automatically lapse without compensation. The Subscription Rights will be registered in the VPS under the International Securities Identification Number ("**ISIN**") NO0013712851.

Over-subscription is permitted. Subscription without Subscription Rights is not permitted. Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period (i.e. 10 February 2026 at 16:30 hours (CET)) will have no value and will lapse without compensation to the holder. The Subscription Rights are non-tradeable.

Allocation of Offer Shares: The Offer Shares will be allocated to Eligible Shareholders who have exercised the Subscription Rights. The Offer Shares will, when issued, be registered in the VPS in book-entry form with ISIN NO 0010405780. No fractional Offer Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not covered by Subscription Rights. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact the subscriber's obligation to pay for the number of Offer Shares allocated. Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be available on or about 11 February 2026. Subscribers having access to investor services through their VPS account manager will be able to check the number of Offer Shares allocated to them from 12:00 hours (CET) on 11 February 2026. Subscribers who do not have access to investor services through their VPS account manager may contact the Manager from 12:00 hours (CET) on 11 February 2026 to obtain information about the number of Offer Shares allocated to them.

Payment: The payment for the Offer Shares allocated to an Eligible Shareholder is expected to fall due on 13 February 2026. The subscriber must ensure that there is sufficient funds in the stated bank account from and including 12 February 2026, i.e. one banking day prior to the Payment Date. Subscribers who have a Norwegian bank account must, and will by signing the Application Form or by the online subscription registration for subscriptions through the VPS online subscription system, provide the Manager (as settlement agent), or someone appointed by the Manager, with a one-time irrevocable authorisation to debit a specified bank account for the amount payable for the Offer Shares which are allocated to the subscriber. The Manager, or someone appointed by the Manager, is only authorised to debit such account once, but reserves the right (but has no obligation) to make up to three debit attempts, and the authorisation will be valid for up to seven business days after the Payment Date. The subscriber furthermore authorises the Manager to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment. If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorisation from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date. Prior to any such payment being made, the subscriber must contact the Manager for further details and instructions. Should any subscriber have insufficient funds on his or her account, should payment be delayed for any reason, if it is not possible to debit the account or if payments for any other reasons are not made when due, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payments" below.

SEE PAGE 3 OF THIS APPLICATION FORM FOR OTHER PROVISIONS THAT ALSO APPLY TO THE SUBSCRIPTION

DETAILS OF THE SUBSCRIPTION FOR OFFER SHARES

Subscriber's VPS account:	**Number of Subscription Rights:**	**Number of Offer Shares subscribed (oversubscription permitted):**

SUBSCRIPTION RIGHT'S SECURITIES NUMBER: ISIN NO0013684811

Subscription Price per Offer Share:	**Subscription amount to be paid:**
NOK 9.00	**NOK** _____

IRREVOCABLE AUTHORISATION TO DEBIT ACCOUNT (MUST BE COMPLETED BY SUBSCRIBERS WITH A NORWEGIAN BANK ACCOUNT)

Norwegian bank account to be debited for the payment for Offer Shares allocated (number of Offer Shares allocated x NOK 9.00).										

(Norwegian bank account no.)

I/we hereby irrevocably (i) subscribe for the number of Offer Shares specified above subject to the terms and conditions set out in this Application Form and in the Prospectus, (ii) authorise and instruct the Manager (or someone appointed by the Manger) acting jointly or severally to on my/our behalf take all actions required to ensure delivery of such Offer Shares to me/us in the VPS, (iii) authorise the Manager to debit my/our bank account as set out in this Application Form for the amount payable for the Offer Shares allocated to me/us, and (iv) confirm and warrant to have read the Prospectus including its appendices, and that I/we are aware of the risks associated with an investment in the Offer Shares and that I/we are eligible to subscribe for Offer Shares under the terms set forth therein, and that I/we acknowledge that the Manager has not taken any steps to verify the information in the Prospectus. By signing this Application Form, subscribers subject to direct debiting accept the terms and conditions for "Payment by Direct Debiting – Securities Trading" set out on page 3 of this Application Form.

Place and date
Must be dated in the Subscription Period.

Binding signature
The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney must be enclosed.

INFORMATION ON THE SUBSCRIBER – ALL FIELDS MUST BE COMPLETED

First name:	
Surname/company:	
Street address:	
Post code/district/ Country:	
Personal ID number/ organisation number:	
Nationality:	
E-mail address:	
Daytime telephone number:	
Legal Entity Identifier ("**LEI**")/National Client Identifier ("**NID**"):	

Please note: If the Application Form is sent to the Manager by e-mail, the e-mail will be unsecured unless the subscriber takes measures to secure it. The Manager recommends the subscriber to secure all e-mails with Application Forms attached.

ADDITIONAL GUIDELINES FOR THE SUBSCRIBER

THE DISTRIBUTION OF THIS APPLICATION FORM IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW.

Regulatory Issues: In accordance with the Markets in Financial Instruments Directive ("**MiFID II**") of the European Union, Norwegian law imposes requirements in relation to business investments. In this respect the Manager must categorise all new clients in one of three categories: eligible counterparties, professional and non-professional clients. All subscribers in the Subsequent Offering who are not existing clients of the Manager will be categorised as non-professional clients. Subscribers can by written request to the Manager ask to be categorised as a professional client if the subscriber fulfils the provisions of the Norwegian Securities Trading Act. For further information about the categorisation, the subscriber may contact the Manager. **The subscriber represents that he/she/it is capable of evaluating the merits and risks of an investment decision to invest in the Company by subscribing for Offer Shares, and is able to bear the economic risk, and to withstand a complete loss, of an investment in the Offer Shares.**

General Business Terms and Conditions: The subscription for Offer Shares is further regulated by the Manager's general business terms and conditions, and guidelines for execution of orders and categorization of customers, which are available on the Manager's web pages.

Selling and Transfer Restrictions: The attention of persons who wish to subscribe for Offer Shares is drawn to Section 5.4.5 "Selling and transfer restrictions" of the Prospectus. The Company is not taking any action to permit a public offering of the Subscription Rights or the Offer Shares (pursuant to the exercise of the Subscription Rights or otherwise) in any jurisdiction other than Norway. Receipt of the Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, the Prospectus is for information only and should not be copied or redistributed. Persons outside Norway should consult their professional advisors as to whether they require any governmental or other consent or need to observe any other formalities to enable them to subscribe for Offer Shares. It is the responsibility of any person wishing to subscribe for Offer Shares under the Subsequent Offering to satisfy herself/himself as to the full observance of the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Subscription Rights and Offer Shares have not been registered, and will not be registered, under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. The Subscription Rights and Offer Shares have not been and will not be registered under the applicable securities laws of Australia, Canada or Japan and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, in or into Australia, Canada or Japan or any other jurisdiction in which it would not be permissible to offer the Offer Shares. This Application Form does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. A notification of exercise of Subscription Rights and subscription of Offer Shares in contravention of the above restrictions may be deemed to be invalid. By subscribing for the Offer Shares, persons effecting subscriptions will be deemed to have represented to the Company that they, and the persons on whose behalf they are subscribing for the Offer Shares, have complied with the above selling restrictions and will be deemed to have made the applicable representations, acknowledgements, agreements and warranties set forth in Section 5.4.5 of the Prospectus.

Execution Only: The Manager will treat the Application Form as an execution-only instruction. The Manager is not required to determine whether an investment in the Offer Shares is appropriate or not for the subscriber. Hence, the subscriber will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The subscriber acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Commercial Banks Act and foreign legislation applicable to the Manager, there is a duty of secrecy between the different units of the Manager, as well as between the Manager and other entities in the Manager's group. This may entail that other employees of the Manager or the Manager's group may have information that may be relevant to the subscriber and to the assessment of the Offer Shares, but which the Manager will not have access to in its capacity as Manager for the Subsequent Offering.

Information Barriers: The Manager is a securities firm that offers a broad range of investment services. In order to ensure that assignments undertaken in the Manager's corporate finance department are kept confidential, the Manger's other activities, including analysis and stock broking, are separated from the Manager's corporate finance department by information walls. The subscriber acknowledges that the Manager's analysis and stock broking activity may conflict with the subscriber's interests with regard to transactions of the Shares, including the Offer Shares.

VPS Account and Mandatory Anti-Money Laundering Procedures: The Subsequent Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**"). Subscribers who are not registered as existing customers of the Manager must verify their identity to the Manager with which the order is placed in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares. Participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the Application Form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the European Economic Area (the "**EEA**"). Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Financial Supervisory Authority of Norway.

Personal data: The applicant confirms that it has been provided information regarding the Manager's processing of personal data, and that it is informed that the Manager will process the applicant's personal data in order to manage and carry out the Subsequent Offering and the application from the applicant, and to comply with statutory requirements.

The data controller who is responsible for the processing of personal data is the Manager. The processing of personal data is necessary in order to fulfil the application and to meet legal obligations. The Norwegian Securities Trading Act and the Anti-Money Laundering Legislation require that the Manager process and stores information about clients and trades, and control and document activities. The applicant's data will be processed confidentially, but if it is necessary in relation to the purposes, the personal data may be shared between the Manager, the company(ies) participating in the offering, with companies within the Manager's group, the VPS, stock exchanges and/or public authorities. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it.

If the Manager transfers personal data to countries outside the EEA, that have not been approved by the EU Commission, the Manager will make sure the transfer takes place in accordance with the legal mechanisms protecting the personal data, for example the EU Standard Contractual Clauses.

As a data subject, the applicants have several legal rights. This includes inter alia the right to access its personal data, and a right to request that incorrect information is corrected. In certain instances, the applicants will have the right to impose restrictions on the processing or demand that the information is deleted. The applicants may also complain to a supervisory authority if they find that the Manager's processing is in breach of the law. Supplementary information on processing of personal data and the applicants' rights can be found at the Manager's website.

Terms and Conditions for Payment by Direct Debiting - Securities Trading: Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions will apply:

a) The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.

b) Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given in another appropriate manner. The bank will charge the indicated account for costs incurred.

c) The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank that in turn will charge the payer's bank account.

d) In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.

e) The payer cannot authorise payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.

f) The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.

g) If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

Overdue Payment: Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 12.00% per annum as of the date of the Prospectus. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Private Limited Companies Act and at the discretion of the Manager, not be delivered to the subscriber. The Manager, on behalf of the Company, reserve the right, at the risk and cost of the subscriber to, at any time, to cancel the subscription and to re-allocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Manager may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Manager, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

The Company and the Manager further reserves the right (but have no obligation) to have the Manager advance the subscription amount on behalf of subscribers who have not paid for the Offer

Shares allocated to them within the Payment Date. The non-paying subscribers will remain fully liable for the subscription amount payable for the Offer Shares allocated to them, irrespective of such payment by the Manager.

National Client Identifier and Legal Entity Identifier: In order to participate in the Subsequent Offering, subscribers will need a global identification code. Physical persons will need a so-called National Client Identifier ("**NCI**") and legal entities will need a so-called Legal Entity Identifier ("**LEI**").

NCI code for physical persons: Physical persons will need an NCI code to participate in a financial market transaction, i.e. a global identification code for physical persons. For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID (Nw: "*fødselsnummer*"). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Subscribers are encouraged to contact their bank for further information.

LEI code for legal entities: Legal entities will need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorized LEI issuer, and obtaining the code can take some time. Subscribers should obtain a LEI code in time for the subscription. Further information is included in Section 3.1.1.1 "Current name and corporate information" of the Prospectus.

Investment decisions based on full Prospectus: Subscribers must neither subscribe for any Offer Shares nor acquire any Offer Shares on any other basis than on the complete Prospectus.