

# Quarterly report

Q1 2023

*SoftOx Solutions AS (SoftOx) is a medtech and pharmaceutical company listed on Euronext Growth Oslo under 'SOFTX'. SoftOx Solutions AS was founded in 2012 and is headquartered in Oslo. The SoftOx Solutions Group includes: the holding company SoftOx Solutions AS, the Malmö subsidiary, and subsidiaries SoftOx Defense Solutions AS and SoftOx Disinfection AS. SoftOx is developing a highly effective antimicrobial solution for use in biofilm, viral and antimicrobial resistant infections. The patent-protected technology is based on extensive research and development in partnership with leading Nordic research institutes.*

## Highlights for the first quarter 2023

(Figures in brackets are comparable figures for 2022)

- Effective 1 January 2023, Christian Harstad was appointed interim CEO bringing his skill set, experience and diverse network in the defence sector to SoftOx as the company progresses in its collaborations with the European Defence Fund and the US Naval Medical Research Center
- Harald Sætvedt joined as Chief Financial Officer in January 2023 bringing his solid experience from international corporate finance
- Final grant agreement for the COUNTERACT Consortium was signed with the European Defence Fund in January 2023. COUNTERACT aims to reinforce the European Union's preparedness for chemical, biological, radiological and nuclear (CBRN)-type threats. The SoftOx technology is one of the three main technologies forming the basis for the grant.
- In mid-February 2023 the company was informed that the payment from COUNTERACT was, due to the financial condition of the company, postponed at the same time as the payment schedule would be changed. Since the company in its liquidity budgets had expected a cash payment from COUNTERACT, this situation created major problems for the company, something the stock market was informed about in the Q4 report for 2022 on the 15th of February.
- In the period between February and June the 14<sup>th</sup>, the company has worked on establishing sufficient financing. At the time of this report the company has cut costs, raised NOK 15,1 million in cash in addition to NOK 6 million in delayed payments to key employees. The company also closed SoftOx Solutions AS Denmark and signed an agreement with its creditors, so the company now has a runway till end of year. The Board of Directors are in the opinion that the actions taken are sufficient to establish a long-term financing for the company.
- Q1 pre-tax results ended with a loss of NOK 2,4 million (loss of NOK 24,3 million). Results are characterized by the restructuring and cost cut program.

## Subsequent events/near-term considerations

- The company is still in need of new capital to fund the company's operations and liabilities. It will continue its efforts to solve the short- and long-term liquidity needs, which may involve a wider capital raising, divestment of assets or strategy changes. The company will update the market once it has specific news.

# Key figures for the SoftOx Solutions Group as of 31.03.2023

Key figures (NOK 1,000)	First quarter		Year	
	2023	2022	2023	2022
<b>SoftOx Solutions Group</b>				
Total operating revenue	9 673	1 049	9 673	7 114
Total operating expenses	12 104	25 238	12 104	98 169
<b>Operating result</b>	<b>-2 431</b>	<b>-24 188</b>	<b>-2 431</b>	<b>-91 055</b>
<b>Profit before tax</b>	<b>-2 411</b>	<b>-24 275</b>	<b>-2 411</b>	<b>-93 700</b>
Net proceeds from equity issues	0	0	0	0
Net change in cash and cash equivalents	3 250	-22 798	3 250	-50 077
<b>Cash and cash equivalents at end of period</b>	<b>10 158</b>	<b>34 187</b>	<b>10 158</b>	<b>6 907</b>
Outstanding shares, beginning of the period	10 342 871	10 342 871	10 342 871	10 342 871
Outstanding shares, end of the period	10 342 871	10 342 871	10 342 871	10 342 871
Employees, end of the period	7	21	7	25

## Product development methodology

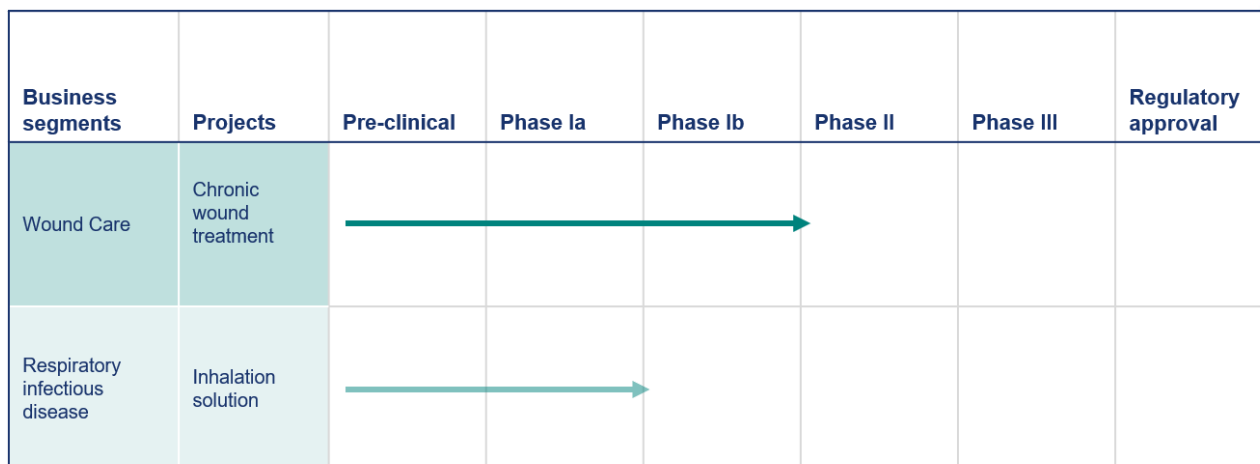


Figure 1. SoftOx product pipeline

### Business development

SoftOx Solutions is a medtech and pharmaceutical company focused on research and development of its patented technology in various segments. As a research and development company, SoftOx is currently developing pharmaceuticals and medical devices focusing on ulcer wounds and respiratory infections, where the company will take the projects up to Phase 2 clinical proof of concept together with financial and military partners, and through Phase 3 and to market together with commercial partners.

## Platform technology

In collaboration with leading scientific teams, SoftOx has discovered a unique synergistic effect of two natural antimicrobial components. SoftOx drug candidates reinforce nature's ability to eradicate unwanted microbes and are protected by a robust patent portfolio providing opportunities to expand into new therapeutic applications. SoftOx has 72 granted patents, and an additional 77 filed patents worldwide addressing formulations, uses, methods of making and devices.

The SoftOx technology has proven to have strong antimicrobial effects on various bacterial species (including multidrug-resistant bacteria and biofilms), fungi, spores, and viruses. The technology has not been shown to induce antimicrobial resistance.

# Operational update for the first quarter of 2023

## Wound care

### RESEARCH AND PRODUCT DEVELOPMENT

SoftOx Biofilm Eradicator (SBE) is an anti-infective treatment in chronic wounds and is formulated to penetrate and kill microbes within biofilms. Studies have shown that antimicrobial-resistant bacteria are present in more than 50 percent of chronic wounds. Due to broad spectrum and multi-targeted antimicrobial effects, SBE has been shown to kill antibiotic-resistant bacteria (such as *Methicillin Resistant Staphylococcus aureus (MRSA)*) and is unlikely to induce new antimicrobial resistance. Pre-clinical studies demonstrate the SBE formulations as non-toxic, and the first-in-human Phase 1 clinical study (SBE-01) has been completed.

Having demonstrated early proof-of-concept for the SBE project and in accordance with the company's corporate strategy, SoftOx is seeking a strategic partner to further develop and advance its wound care segment within acute and chronic indications.

SoftOx Wound Irrigation Solution (SWIS) is a wound rinse for acute wounds. The current recommended treatment for acute wounds is saline, which holds 80 percent market share. Based on clinical evidence of safety and efficacy compared to saline, the company aims to establish SWIS as the preferred wound cleansing product.

### REGULATORY & COMMERCIAL

A review of the Premarket Notification (510(k)) application to the US Food and Drug Administration (FDA) to obtain clearance for SWIS as a medical device class II in the US market shows that we have not met all the requirements for this application. Work is ongoing to establish the extent of supplemental work and resources needed to secure an approval.

The SBE-01 results of antimicrobial effects in chronic leg wounds over a safe and tolerable dose range combined with other evidence of acute wound healing, together indicate an early clinical proof of concept for the SoftOx wound care technology platform across a range of potential acute and chronic wound care indications. On this basis, the company has engaged in discussions with several potential partners, both distributors and industry, within the wound care sector.

## Respiratory infectious disease

SoftOx Inhalation Solution (SIS) is undergoing development for the treatment of respiratory tract infections caused by viruses and bacteria. SIS is an aerosolized form of the SoftOx technology, designed to be safe and effective in the treatment and prevention of respiratory tract infections. SoftOx hypothesizes that SIS inactivates and kills the intracellular and extracellular virus and

bacteria in the upper and lower respiratory tract, resulting in fewer symptoms, faster recovery and reduced disease transmission.

The safety of single and multiple ascending doses of SIS in healthy volunteers (Safety of Ascending Single and Multiple Doses of Nebulized SoftOx Inhalation Solution in Healthy Subjects, NCT05188638) was completed on 13 April 2022. The study met its primary endpoint and demonstrated safety and tolerability in healthy subjects over a range of potentially therapeutic formulations and dosing regimens.

Preparations for a Phase 2 clinical trial application, including additional non-clinical toxicology studies, contracting with a contract manufacturing organization for Phase 2 production, and scientific interactions with the European Medical Association on Phase 2 study design are ongoing.

The SoftOx Research Department led by Prof. Thomas Bjarnsholt has demonstrated reproducible dose dependent virucidal effects in *in vivo* mouse models of Influenza A. The team continues to investigate the effects of SIS in mouse models with other infectious agents.

### EUROPEAN DEFENCE FUND – FUNDING

The SoftOx technology is one of three main technologies forming the basis for the grant, and the project includes pre-clinical and clinical studies investigating the safety and efficacy of medical countermeasures targeting chemical, biological, radiological, and nuclear (CBRN)-type threats. This project brings together 27 companies based in the EU and Norway (5 universities; 3 technological research bodies; 10 public research institutes; and 8 small and medium-sized enterprises). The project will cover a four-year period (2023-2026). In January 2023, SoftOx signed the final agreement with EDF.

According to the agreement, approximately EUR 4.1 million will be awarded to SoftOx and approximately EUR 4.2 million will be granted to the consortium partners to support SoftOx in developing the inhaled biological countermeasure based on the SoftOx technology. In addition, SoftOx will receive up to NOK 9.6 million from the Norwegian Ministry of Defence. The EDF communicates a willingness to continue supporting technologies that deliver results in line with expectations. New calls will be announced on an annual basis through 2027.

## Disinfection

### REGULATORY & COMMERCIAL

SoftOx disinfection products are safe, well tolerated and do not dry out healthy or compromised skin. The products are effective against all relevant microbes (bacteria, viruses, fungi, Mycobacterium, and spores) and have been tested in accordance with European Norm (EN) criteria. SoftOx disinfection products have documented full virucidal efficacy on both naked and enveloped viruses (e.g., coronaviruses, influenza virus, norovirus, and others) and are effective towards biofilms. The formula is alcohol-free and non-flammable making it safe for critical areas such as airplanes/airports, kindergartens, and schools. SoftOx's hand disinfectant is clinically documented as skin friendly, making it an ideal disinfectant for healthcare settings.

## Company organization

Geir Almås was elected as Executive Chairman of the Board and subsequently resigned as CEO. His role as full-time Executive Chairman focuses on funding and strategic development of the company. Christian Harstad was appointed the Interim Chief Executive Officer and has started in this role as of 1 January 2023.

Christian Harstad has a long military career including serving as a submarine commanding officer and roles in the Norwegian special forces, US Joint Forces Command, US Naval War College, Norwegian Defence Staff and the Norwegian Ministry of Defence. He retired from the Military as

Flag Officer and second-in-command for Norwegian Special Operations Forces. In September 2022, Harstad joined SoftOx as the Project Director for SoftOx Defense Solutions AS.

Harald Sætvedt was appointed Chief Financial Officer of SoftOx, effective as of January 1, 2023. Sætvedt has long-standing experience from international corporate finance.

In March, it was announced that the Board of Directors have decided to temporarily lay off employees to save costs during a period of financing and restructuring of the Company. As a result of this decision, SoftOx Solutions Denmark has been closed down and key personnel will be reengaged. During this period, the company will continue to work on securing financing for further development of SoftOx Solutions AS.

## Financial matters

*Financial figures for the SoftOx Solutions Group are not audited (figures in brackets are comparable figures for 2022).*

### Profit and loss statement

In Q1 2023, the company recognized NOK 9,7 million (NOK 1 million) as income in connection with funding from European Defence Fund.

In Q1 2023, salary costs were NOK 4,4 million (NOK 6,5 million), a decrease of 32 percent compared to 2022 due to layoffs and cost cutting program. Other operating costs in Q1 are NOK 6.7 million (NOK 17,8 million). Total operating expenses for Q1 decreased with 52 % to NOK 12,1 million (NOK 25,2 million) due to cost cutting program.

Pre-tax results ended with a loss of NOK 2.4 million (loss of NOK 24.3 million) for Q1.

### Cash flow and consolidated balance sheet

Of the capitalized assets, the company has activated its IP and patent cost worth NOK 7.6 million (NOK 7.4 million). These are capitalized patent costs in the Swedish subsidiary, which are depreciated over 5 years. Deferred tax assets will not be addressed as the tax calculations will be performed at the end of the year on audited figures.

## Outlook

- Activities related to financing of the company after end of Q1.
  - o Reference is made to the stock exchange announcements by the Company on 11 May, 27 March and 13 March 2023 regarding the Company's efforts to secure and strengthen the Company's liquidity in the short and long term, and the Company's work to explore solutions to financially strengthen the Company.
  - o On 11 May 2023, the Company announced that it had secured interim financing through a NOK 15,1 million funding from certain shareholders and investors. The funds will be 20% as equity and 80% as a loan to the Company's subsidiary WIAB Water Innovation AB plus 5.599.995 warrants to buy share for NOK 8 per share.
  - o As part of program for financial restructuring of the Company, the Company has reduced the cost of running the company. As part of that program, the management and members of the board have accepted to partly postpone payment of accrued and future salaries, board remuneration and consulting fees till end of 1st quarter 2024 with an aggregate amount of maximum NOK 6 million. The 31<sup>st</sup> of May 2023 the

- General meeting of SoftOx approved the plans issued 2,250,000 warrants to be granted these employees and board members, free of charge and otherwise on the same terms and conditions as the loans to WIAB Water Innovation AB.
- Based on the above-mentioned need for strengthen the company's liquidity and to secure the board maximum flexibility in terms of securing future equity to the Company, The Company's general meeting the 31<sup>st</sup> of May 2023 give the Board of Directors proxy to increase the share capital with up to NOK 105.678,71.
  - R&D related activities:
    - **SoftOx Inhalation Solution (SIS):** Continuing preparations for Phase 2 civilian indication
    - **SoftOx Biofilm Eradicator (SBE):** Continuing preparations for Phase 2 study in chronic wounds
    - **SoftOx Wound Irrigation Solution (SWIS):** Ongoing work to establish the extent of supplemental work and resources needed to secure an approval
    - **SoftOx Defense Solutions (SDS):** Start-up of development and bridging activities for development of a biological medical countermeasure
  - Pursue disinfectant and wound care approvals in selected markets
  - Establish a network of partners and distributors for both wound care and disinfectant products

## Significant risk factors for the company

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

## Declaration by the Board

*We confirm, to the best of our knowledge, that the unaudited, summarised third quarter accounts for the period 1 January to 31 March 2023 have been prepared in accordance with accounting standards for the group and that the information contained in these accounts gives a true and fair view of the group's assets, liabilities, financial position and profits as a whole, and that the half year report provides a true and fair view of the information specified in Section 5-6, fourth paragraph, of the Norwegian Securities Trading Act.*

Oslo, 21<sup>th</sup> of June 2023

Sign

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*Geir Hermod Almås, Chairman of the Board*

Sign

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*Olav Jarlsby, Board Member*

Sign

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*Henrik Nielsen, Board Member*

Sign

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*Adrian Bignami, Board Member*

Sign

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*Jørgen Berggrav, Board Member*

Sign

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*Christian Harstad, CEO*



<b>Profit and loss statement</b>				
<b>Accounts for first quarter and year-to-date 2023</b>				
<b>SoftOx Solutions Group</b>	<b>First quarter</b>		<b>Year</b>	
<i>NOK 1,000</i>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Other operating revenues	9 673	1 049	9 673	7 114
<b>Total operating revenues</b>	<b>9 673</b>	<b>1 049</b>	<b>9 673</b>	<b>7 114</b>
Personnel expenses	4 397	6 538	4 397	26 383
Other operating expenses	6 696	17 795	6 696	67 886
Depreciation	1 010	906	1 010	3 900
Depreciation, goodwill	0	0	0	0
<b>Total operating expenses</b>	<b>12 104</b>	<b>25 238</b>	<b>12 104</b>	<b>98 169</b>
<b>Operating result</b>	<b>-2 431</b>	<b>-24 188</b>	<b>-2 431</b>	<b>-91 055</b>
<b>Net financial items</b>	<b>20</b>	<b>-87</b>	<b>20</b>	<b>-2 645</b>
<b>Profit before tax</b>	<b>-2 411</b>	<b>-24 275</b>	<b>-2 411</b>	<b>-93 700</b>
Tax	0	278	0	22 559
<b>Annual profit/loss</b>	<b>-2 411</b>	<b>-23 998</b>	<b>-2 411</b>	<b>-71 141</b>

<b>Statement of financial position</b>	<b>31.03.2023</b>	<b>31.12.2022</b>
<b>SoftOx Solutions Group</b>		
<i>NOK 1,000</i>		
Other intangible assets	7 549	7 927
Deferred tax asset	74 053	51 318
Goodwill from acquisition of subsidiary	0	0
<b>Total intangible assets</b>	<b>81 602</b>	<b>59 246</b>
Production equipment	3 740	3 891
<b>Total fixed assets</b>	<b>3 740</b>	<b>3 891</b>
<b>Non-current assets</b>	<b>85 342</b>	<b>63 136</b>
Inventory	0	0
<b>Total inventory</b>	<b>0</b>	<b>0</b>
Other receivables	6 461	7 790
<b>Total receivables</b>	<b>6 461</b>	<b>7 790</b>
Cash and cash equivalents	10 155	6 907
<b>Current assets</b>	<b>16 616</b>	<b>14 696</b>
<b>Total assets</b>	<b>101 958</b>	<b>77 833</b>

Share capital	207	207
Share premium reserve	51 260	109 530
<b>Total paid up capital</b>	<b>51 466</b>	<b>109 737</b>
Other equity	-15 084	-93 731
<b>Total equity</b>	<b>36 382</b>	<b>16 006</b>
Other long term debts	40 689	41 065
<b>Other non-current liabilities</b>	<b>40 689</b>	<b>41 065</b>
Public duties payable	341	619
Shareholder loans	0	0
Other current liabilities	4 613	8 826
Accounts payable	19 934	11 317
<b>Total current liabilities</b>	<b>24 887</b>	<b>20 762</b>
<b>Total liabilities</b>	<b>65 576</b>	<b>61 827</b>
<b>Total equity and liabilities</b>	<b>101 958</b>	<b>77 833</b>

<b>Cash flow statement</b>	<b>First quarter</b>		<b>Year</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>SoftOx Solutions Group</b>				
<i>NOK 1,000</i>				
<b>Cash flow from operating activities</b>				
Net result before taxes	-2 411	-24 276	-2 411	-93 700
Tax paid	0	0	0	0
Depreciation	1 010	906	1 010	3 900
Change in current assets	1 329	865	1 329	1 081
Change in current liabilities	4 125	1 364	4 125	2 784
<b>Net cash flow from operating activities</b>	<b>4 053</b>	<b>-21 142</b>	<b>4 053</b>	<b>-85 936</b>
<b>Cash flow from investment activities</b>				
Investments in non-current assets	-481	-847	-481	-4 854
<b>Net cash flow from investment activities</b>	<b>-481</b>	<b>-847</b>	<b>-481</b>	<b>-4 854</b>
<b>Cash flow from financing activities</b>				
Proceeds from equity issues	0	0	0	0
Other financing activities	-376	-350	-376	40 715
Translation differences	54	-460	54	0
<b>Net cash flow from financing activities</b>	<b>-321</b>	<b>-809</b>	<b>-321</b>	<b>40 715</b>
<b>Net change in cash and cash equivalents</b>	<b>3 250</b>	<b>-22 798</b>	<b>3 250</b>	<b>-50 076</b>
Cash and cash equivalents at beginning of period	6 908	56 984	6 908	56 984
<b>Cash and cash equivalents at end of period</b>	<b>10 158</b>	<b>34 187</b>	<b>10 158</b>	<b>6 907</b>

<b>Statement of changes in equity</b>				
<b>SoftOx Solutions Group</b>				
	<b>First quarter</b>		<b>Year</b>	
<i>NOK 1,000</i>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Equity at end of prior period</b>	<b>38 741</b>	<b>109 737</b>	<b>38 741</b>	<b>109 737</b>
Share issues	0	0	0	
Loss for the period	-2 411	-24 276	-2 411	-71 141
Other changes in equity	54	-221	54	145
<b>Equity at end of period</b>	<b>36 382</b>	<b>85 240</b>	<b>36 382</b>	<b>38 741</b>

## **General accounting Principles**

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

### **Basis for consolidation**

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

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

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

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

### **Use of estimates**

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

### **Foreign currency translation**

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

### **Revenue recognition**

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

### **Income tax**

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as the tax rate of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than

not that the tax assets will be utilized. Taxes payable and deferred taxes are yearly recognized directly in equity to the extent that they relate to equity transactions.

### **Balance sheet classification**

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

### **Research and development**

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

### **Plant and equipment**

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

### **Subsidiaries**

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

### **Inventories**

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

### **Accounts receivable and other receivables**

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

### **Pensions**

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

### **Cash flow statement**

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

## Glossary

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

## Contact us

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