

KNOPP BIOSCIENCES LLC AND SUBSIDIARY
COMBINED FINANCIAL STATEMENTS
TAX BASIS
Quarter Ended March 31, 2023

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Managers
Knopp Biosciences LLC and Subsidiary
Pittsburgh, Pennsylvania

Management is responsible for the accompanying combined financial statements of Knopp Biosciences LLC and Subsidiary, which comprise the combined statement of assets, liabilities, and members' equity - tax basis as of March 31, 2023, and the related combined statements of revenue and expenses - tax basis, changes in members' equity - tax basis and cash flows - tax basis for the quarter then ended, in accordance with the tax basis of accounting, and for determining that the tax basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the combined financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these combined financial statements.

The financial statements are prepared in accordance with the tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, revenues, and expenses. Accordingly, the combined financial statements are not designed for those who are not informed about such matters.

EG Conley, P.C.

Pittsburgh, Pennsylvania
May 5, 2023

Knopp Biosciences LLC

Combined Statement of Assets, Liabilities, and Members' Equity - Tax Basis

	March 31 2023
Assets	
Current assets:	
Cash and cash equivalents	\$ 1,459,870
Investments - U.S. government securities	984,415
Prepaid expenses and other assets	55,691
Total current assets	<u>2,499,976</u>
Other assets:	
Investments - U.S. government securities	2,884,899
Total assets	<u><u>\$ 5,384,875</u></u>
Liabilities and members' equity	
Current liabilities:	
Accounts payable	\$ 9,664
Total current liabilities	<u>9,664</u>
Members' equity:	
Contributed capital	78,510,865
Accumulated deficit	(73,135,654)
Total members' equity	<u>5,375,211</u>
Total liabilities and members' equity	<u><u>\$ 5,384,875</u></u>

See independent accountants' compilation report.

Knopp Biosciences LLC

Combined Statement of Revenue and Expenses - Tax Basis

	Quarter Ended March 31 2023
Revenue	\$ —
BUSINESS DEVELOPMENT AND COMMERCIAL EXPENSES	
Business consultants and personnel	7,500
	<u>7,500</u>
CORPORATE EXPENSES	
Personnel	20,643
Professional fees	167,992
Rent expense	4,784
Other insurance	11,128
Office supplies and postage	689
IT support, hardware and communications	4,795
Other taxes	357
	<u>210,388</u>
TOTAL OPERATING EXPENSES	<u>217,888</u>
LOSS FROM OPERATIONS BEFORE OTHER INCOME	(217,888)
OTHER INCOME	
Interest and other income	67,993
	<u>67,993</u>
LOSS BEFORE INCOME TAXES	<u>(149,895)</u>
Income tax benefit	—
NET LOSS	<u><u>\$ (149,895)</u></u>

See independent accountants' compilation report.

Knopp Biosciences LLC

Combined Statement of Changes in Members' Equity - Tax Basis

	Contributed Capital	Accumulated Deficit	Members' Equity
Balance at December 31, 2022	\$ 78,510,865	\$ (72,985,759)	\$ 5,525,106
Net loss	—	(149,895)	(149,895)
Balance at March 31, 2023	\$ 78,510,865	\$ (73,135,654)	\$ 5,375,211

See independent accountants' compilation report.

Knopp Biosciences LLC

Combined Statement of Cash Flows - Tax Basis

	Quarter Ended March 31 2023
Operating activities	
Net loss	\$ (149,895)
Adjustments to reconcile net loss to net cash used by operating activities:	
Changes in operating assets and liabilities:	
Prepaid expenses and other assets	11,128
Accounts payable	(25,814)
Net cash used by operating activities	(164,581)
Investing activities	—
Financing activities	—
Net change in cash and cash equivalents	(164,581)
Cash and cash equivalents at beginning of period	1,624,451
Cash and cash equivalents at end of period	<u><u>\$ 1,459,870</u></u>

See independent accountants' compilation report.