

KNOPP BIOSCIENCES LLC AND SUBSIDIARY
COMBINED FINANCIAL STATEMENTS
TAX BASIS
Quarter and Nine Months Ended September 30, 2023

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT	1
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COMBINED FINANCIAL STATEMENTS

Combined Statement of Assets, Liabilities, and Members' Equity - Tax Basis	2
Combined Statement of Revenue and Expenses - Tax Basis.....	3
Combined Statement of Changes in Members' Equity - Tax Basis	4
Combined Statement of Cash Flows - Tax Basis.....	5

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 September 30, 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 and nine months 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
October 17, 2023

Knopp Biosciences LLC

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

	September 30 2023
Assets	
Current assets:	
Cash and cash equivalents	\$ 452,929
Investments - U.S. government securities	788,015
Investments - certificate of deposit	200,000
Prepaid expenses and other assets	798,940
Total current assets	<u>2,239,884</u>
Other assets:	
Investments - U.S. government securities	2,884,899
Total assets	<u><u>\$ 5,124,783</u></u>
Liabilities and members' equity	
Current liabilities:	
Accounts payable	\$ 26,384
Total current liabilities	<u>26,384</u>
Members' equity:	
Contributed capital	78,510,865
Accumulated deficit	(73,412,466)
Total members' equity	<u>5,098,399</u>
Total liabilities and members' equity	<u><u>\$ 5,124,783</u></u>

See independent accountants' compilation report.

Knopp Biosciences LLC

Combined Statement of Revenue and Expenses - Tax Basis

	Quarter Ended September 30 2023	Nine Months Ended September 30 2023
Revenue	\$ —	\$ —
BUSINESS DEVELOPMENT AND COMMERCIAL EXPENSES		
Business consultants and personnel	—	7,500
	—	7,500
CORPORATE EXPENSES		
Personnel	20,257	67,979
Professional fees	120,531	397,043
Rent expense	4,784	14,352
Other insurance	13,199	33,272
Office supplies and postage	1,375	2,675
Web development	2,100	17,100
IT support, hardware and communications	5,028	15,278
Other taxes	—	357
	167,274	548,056
TOTAL OPERATING EXPENSES	167,274	555,556
LOSS FROM OPERATIONS BEFORE OTHER INCOME	(167,274)	(555,556)
OTHER INCOME		
Interest and other income	6,157	128,849
	6,157	128,849
LOSS BEFORE INCOME TAXES	(161,117)	(426,707)
Income tax benefit	—	—
NET LOSS	\$ (161,117)	\$ (426,707)

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
Net loss	—	(115,695)	(115,695)
Balance at June 30, 2023	\$ 78,510,865	\$ (73,251,349)	\$ 5,259,516
Net loss	—	(161,117)	(161,117)
Balance at September 30, 2023	\$ 78,510,865	\$ (73,412,466)	\$ 5,098,399

See independent accountants' compilation report.

Knopp Biosciences LLC

Combined Statement of Cash Flows - Tax Basis

	Quarter Ended September 30 2023	Nine Months Ended September 30 2023
Operating activities		
Net loss	\$ (161,117)	\$ (426,707)
Adjustments to reconcile net loss to net cash used by operating activities:		
Gain on maturity of U.S. government security	—	(3,598)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(19,862)	(732,121)
Accounts payable	19,258	(9,096)
Net cash used by operating activities	(161,721)	(1,171,522)
Investing activities		
Proceeds from maturity of U.S. government security	—	200,000
Purchase of certificate of deposit	—	(200,000)
Net cash provided by investing activities	—	—
Financing activities		
	—	—
Net change in cash and cash equivalents	(161,721)	(1,171,522)
Cash and cash equivalents at beginning of period	614,650	1,624,451
Cash and cash equivalents at end of period	<u>\$ 452,929</u>	<u>\$ 452,929</u>

See independent accountants' compilation report.