

KNOPP BIOSCIENCES LLC AND SUBSIDIARY
COMBINED FINANCIAL STATEMENTS
TAX BASIS
Quarter and Six Months Ended June 30, 2025

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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 June 30, 2025, 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 six 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 combined 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
July 22, 2025

KNOPP BIOSCIENCES LLC AND SUBSIDIARY
COMBINED STATEMENT OF ASSETS, LIABILITIES, AND
MEMBERS' EQUITY - TAX BASIS
June 30, 2025

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 3,372,936
Prepaid expenses and other assets	<u>20,215</u>

TOTAL CURRENT ASSETS 3,393,151

OTHER ASSETS

Investment - Biohaven Ltd.	80,566,056
Investment - stock warrant - Biohaven Ltd.	<u>8,339,905</u>

TOTAL OTHER ASSETS 88,905,961

\$ 92,299,112

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 22,821
Members' non-resident tax withholding payable	2,485
Accrued expense - Biohaven Ltd. transaction costs	<u>1,500,000</u>

TOTAL CURRENT LIABILITIES 1,525,306

MEMBERS' EQUITY 90,773,806

\$ 92,299,112

See independent accountants' compilation report.

KNOPP BIOSCIENCES LLC AND SUBSIDIARY
COMBINED STATEMENTS OF REVENUE AND
EXPENSES - TAX BASIS

Quarter and Six Months Ended June 30, 2025

	Quarter Ended <u>June 30, 2025</u>	Six Months Ended <u>June 30, 2025</u>
REVENUE	\$ -	\$ -
CORPORATE EXPENSES		
Professional fees	119,652	295,407
Personnel	20,593	41,504
IT support, hardware and communications	7,339	13,258
Rent expense	4,784	9,669
Insurance	1,990	3,980
Travel	1,239	1,239
Other taxes	808	1,108
Office supplies and postage	<u>274</u>	<u>987</u>
	<u>156,679</u>	<u>367,152</u>
LOSS FROM OPERATIONS BEFORE OTHER INCOME (EXPENSE)	<u>(156,679)</u>	<u>(367,152)</u>
OTHER INCOME (EXPENSE)		
Gain on sale of Kv7 assets	80,566,056	80,566,056
Transaction costs - Kv7 closing	(1,500,000)	(1,500,000)
Interest income	<u>35,477</u>	<u>78,582</u>
	<u>79,101,533</u>	<u>79,144,638</u>
COMBINED NET INCOME	<u>\$ 78,944,854</u>	<u>\$ 78,777,486</u>

See independent accountants' compilation report.

KNOPP BIOSCIENCES LLC AND SUBSIDIARY
 COMBINED STATEMENTS OF CHANGES IN MEMBERS'
 EQUITY - TAX BASIS
 Quarter and Six Months Ended June 30, 2025

Beginning members' equity at December 31, 2024	\$	11,996,320
Combined net loss		<u>(167,368)</u>
Members' equity balance at March 31, 2025		11,828,952
Combined net income		<u>78,944,854</u>
Ending members' equity at June 30, 2025	\$	<u><u>90,773,806</u></u>

See independent accountants' compilation report.

KNOPP BIOSCIENCES LLC AND SUBSIDIARY
 COMBINED STATEMENTS OF CASH FLOWS - TAX BASIS
 Quarter and Six Months Ended June 30, 2025

	Quarter Ended June 30, 2025	Six Months Ended June 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Combined net income	\$ 78,944,854	\$ 78,777,486
Noncash items included in combined net income:		
Gain on sale of Kv7 assets	(80,566,056)	(80,566,056)
Change in:		
Prepaid expenses and other assets	1,279	3,269
Accounts payable	7,078	9,041
Members' non-resident tax withholding payable	(625,450)	(625,450)
Accrued expense	<u>1,500,000</u>	<u>1,500,000</u>
NET CASH USED BY OPERATING ACTIVITIES	(738,295)	(901,710)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET DECREASE IN CASH	(738,295)	(901,710)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>4,111,231</u>	<u>4,274,646</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 3,372,936</u>	<u>\$ 3,372,936</u>

See independent accountants' compilation report.

KNOPP BIOSCIENCES LLC AND SUBSIDIARY

SELECTED INFORMATION – Substantially All Disclosures Required by Tax Basis of Accounting
Are Not Included

On May 1, 2024, the Company was granted a 10 year warrant to purchase 294,195 shares of Biohaven Ltd. common stock at an exercise price of \$67.98 per share. The Company recognized \$8,330,905 as the value of the stock warrant in 2024. The value of the stock warrant has not been adjusted and is carried on the Company's Combined Statement of Assets, Liabilities, and Members' Equity – Tax Basis.

On May 1, 2025, the Company was granted 3,588,688 shares of Biohaven Ltd. common stock under the terms of the amended Membership Interest Purchase Agreement dated February 24, 2022. Based on the May 1, 2025 NYSE closing price of \$22.45 for Biohaven Ltd. common stock, the Company recognized Other Income of \$80,566,056. In addition, the Company accrued an investment banking fee of \$1,500,000 related to the May 1, 2025 transaction. The value of the common stock has not been adjusted and is carried on the Company's Combined Statement of Assets, Liabilities, and Members' Equity – Tax Basis.