ProQR®

ANNUAL REPORT 2025

Axiomer™ RNA Editing - From Platform to Patients

Table of Contents

Message to Shareholders

Dear Shareholders,

In 2025, ProQR initiated first-in-human clinical development of AX-0810, our lead RNA editing program for cholestatic diseases targeting NTCP. This Phase 1 study in healthy volunteers is designed to evaluate safety, tolerability, pharmacokinetics, and biomarkers of target engagement, representing the first clinical evaluation of our Axiomer™ RNA editing platform, and the first RNA editing trial to be conducted following clinical trial application authorization under the European Union's centralized clinical trial regulatory review framework. We expect to report target engagement biomarker data from the healthy volunteer cohorts in the first half of 2026, providing early insight into the platform's activity in humans.

Beyond AX-0810, we continue to advance a pipeline of RNA editing programs rooted in human genetics and where we believe RNA editing can address significant unmet medical needs. AX-2402 for Rett syndrome, our first wholly owned central nervous system program, is supported by non-clinical proof-of-concept data and dedicated funding from the Rett Syndrome Research Trust. We are also advancing AX-2911 for metabolic dysfunction-associated steatohepatitis (MASH), targeting a well-established genetic driver of disease and further demonstrating the applicability of Axiomer across liver indications. We also maintain AX-1412, an earlier-stage cardiovascular program, as a potential partnering opportunity as we continue to evaluate strategic options for its advancement.

As we continue to advance the Axiomer platform, 2025 was a year of meaningful scientific progress. We successfully expanded the applicability of the platform to additional targets, further validated translational models that build conviction for human translation, and enhanced our discovery timelines to increase efficiency and the quality of our editing oligonucleotides. These platform advancements strengthen the foundation of our value creating strategy as we translate this promising RNA editing science into a growing pipeline of therapeutic candidates for patients.

In parallel, we continue to make progress under our collaboration with Eli Lilly and Company, achieving a number of milestone payments over the course of 2025. This collaboration is focused on advancing multiple RNA editing targets enabled by the Axiomer platform and continues to validate the strength and scalability of our approach.

During the year, we strengthened our leadership team and governance to support the next phase of development. We appointed Dennis Hom as Chief Financial Officer and Cristina Lopez Lopez, MD, PhD, as Chief Medical Officer, adding deep experience across corporate finance, translational science, clinical development, and regulatory strategy as we advance our programs into the clinic. In addition, we announced planned changes to our Board composition at the upcoming 2026 Annual General Meeting as part of our ongoing governance and succession planning. I would like to thank Dinko Valerio, a co-founder of ProQR, and Alison Lawton for their leadership, insight, and many valuable contributions during their time on the Board, which have played an important role in shaping ProQR as it enters this next stage.

We remain well positioned financially, with a runway into mid-2027 to support continued progress. Looking ahead, our priorities are disciplined execution, generating high-quality data, and continuing to build long-term value through the advancement of RNA editing therapies.

I would like to thank our employees, collaborators, and shareholders for their continued support.

Daniel A. de Boer

Founder and Chief Executive Officer

ProQR Therapeutics

Key Figures

	2025	2024
Result from continued operations (in € 1,000)		
Net revenue	15,906	18,905
Other income	441	640
Research and development costs	(44,733)	(36,356)
General and administrative costs	(15,060)	(13,661)
Operating result	(43,446)	(30,472)
Net result	**(42,184)**	**(27,763)**
Balance sheet information (in € 1,000)		
Non-current assets	12,630	14,113
Current assets	100,126	153,845
Total assets	112,756	167,958
Total equity	49,374	88,560
Non-current liabilities	30,941	40,496
Current liabilities	32,441	38,902
Cash flows (in € 1,000)		
Net cash (used in) / generated by operating activities	(52,791)	(36,393)
Net cash (used in) / generated by investing activities	(1,020)	(4,073)
Net cash (used in) / generated by financing activities	(1,836)	70,276
Ratio's		
Current ratio	3.1	4.0
Solvency (%)	43.8%	52.7%
Figures per share		
Weighted average number of shares outstanding	105,334,357	86,086,486
Basic and diluted earnings per share (in €)	(0.40)	(0.32)
Cash flow per share (in €)	(0.53)	0.35
Employees		
Average number of staff for the period	186	163

Board Report

ProQR's one-tier Board of Directors (or the "Board") consists of executive directors ('*uitvoerend bestuurders')* and non-executive directors ('*niet-uitvoerend bestuurders*'). The Board operates under the chairmanship of a non-executive director and is collectively responsible for the deployment of ProQR's strategy and policies, and the achievement of its objectives and results.

Under Dutch Law, the Board has ultimate responsibility for the management and external reporting of the Company and is answerable to shareholders at the General Meeting of Shareholders.

The terms of office of all our Board members are set by the annual general meeting and in accordance with our articles of association. The Board has drawn up a rotation schedule for its members, which is published on our website and shown in the below table. All of our non-executive Board members are independent under applicable Nasdaq standards and under the Dutch Corporate Governance Code ("DCGC" or "the Code") with the exception of Theresa Heggie, who was in the five years prior to her appointment on the Board in 2023 employed by ProQR as Chief Commercial Officer and Chief Operations Officer, which renders her non-independent under article 2.1.8(i) of the DCGC. Dr. Shannon, the chair of the Board, was re-appointed at the AGM 2025 for a period of 4 years, after which his accumulated tenure will be 13 years. The re-appointment of Dr. Shannon was deemed in the interest of the Company, given the Company's need for continuity of leadership, stability and an appropriately balanced board composition as the company progresses its clinical development. Given Dr. Shannon's broad knowledge and significant international experience in drug development, Dr. Shannon has outstanding qualifications to chair the Board during this crucial phase.

The following table sets out information with respect to our Board members, their age, and their position at the Company as of the date of this annual report.

Name	Gender	Nationality	Date of Birth	Position	Date of Appointment	Term expires
James Shannon, M.D.	Male	US / IRE / GB	June 5, 1956	Non-executive director (Chair)	June 21, 2016	2029
Dinko Valerio, Ph.D.	Male	NL	August 3, 1956	Non-executive director	January 1, 2014	2026
Alison F. Lawton	Female	US / GB	September 26, 1961	Non-executive director	September 17, 2014	2026
Bart Filius	Male	NL	July 5, 1970	Non-executive director	May 21, 2019	2027
Begoña Carreño, Ph.D.	Female	ES	December 13, 1971	Non-executive director	May 18, 2023	2027
Theresa Heggie	Female	US / GB	November 17, 1960	Non-executive director	May 18, 2023	2027
Martin Maier	Male	DE	October 31, 1965	Non-executive director	May 22, 2024	2028
Daniel de Boer	Male	NL	April 12, 1983	Chief Executive Officer and executive director	February 21, 2012	2029
Gerard Platenburg	Male	NL	February 24, 1964	Chief Scientific Officer and executive director	May 22, 2024	2028

The following sets forth biographical information regarding our Board members.

Daniel de Boer (executive director) is our Founder and has served as our Chief Executive Officer since our incorporation in 2012 and is an executive director of our Board. Mr. de Boer is a serial entrepreneur and passionate advocate for rare disease patients. After one of his children was diagnosed with a rare disease, he started ProQR to develop RNA therapies for rare diseases. Before founding ProQR, Mr. de Boer was founder and Chief Executive Officer of several technology companies. In his capacity as ProQR's CEO, Mr. de Boer also serves on the Board of Directors of the Biotechnology Innovation Organisation ("BIO"), a leading global association in the biotechnology industry. Mr. de Boer also serves on the Board of the Termeer Institute, a nonprofit organization focused on developing the next generation of leaders in biopharma. In 2018 Mr. de Boer was named "Emerging Entrepreneur of the Year" by EY. In 2019 he was selected for the Young Global Leader program at the World Economic Forum.

Gerard Platenburg (executive director) is our co-founder and has served as our Chief Scientific Officer since 2022, following his tenure as our Chief Innovation Officer from 2014 to 2022, and joined our board as an executive director in May 2024. Mr. Platenburg has an extensive background in RNA modulation and orphan drug discovery and development and is currently in charge of our R&D. Mr. Platenburg has more than 25 years of senior managerial experience in growing biotech companies. Prior to joining our company, Mr. Platenburg worked at Isa Pharmaceuticals B.V. as its Chief Executive Officer. Mr. Platenburg co-founded Prosensa Holding N.V., growing it to become a well-known clinical stage RNA modulation company, and held various positions during his tenure including as its Chief Executive Officer and Chief Development Officer. Mr. Platenburg also worked at Pharming B.V. Mr. Platenburg is a passionate and driven pioneer of early-stage technologies. Mr. Platenburg has a master's degree in Chemistry and Molecular Biology from Leiden University and pursued doctoral studies from Leiden University.

James Shannon, M.D. (non-executive director) has served on our Board since June 2016 and has been Chair of our Scientific Advisory Board since 2020 and was elected Chair of our Board in May 2024. Dr. Shannon has had an extensive career in drug development and pharma. From 2012 until his retirement in 2015, he was Chief Medical Officer at GlaxoSmithKline. Prior to that he was Global Head of Pharma Development at Novartis and Senior Vice-President, Clinical Development at Sterling Winthrop Pharmaceuticals. He previously held board positions at several companies including Biotie, Circassia, Crucell, Endocyte and Cerimon Pharmaceuticals. More recently Dr. Shannon also served on the boards of Immodulon Therapeutics Limited, myTomorrows, and Horizon Therapeutics. Dr. Shannon currently serves as chairman of the boards at MannKind Corp., a public biopharmaceutical company, and Kyowa Kirin NA, a private biopharmaceutical company and subsidiary of Kyowa Kirin, and holds board positions at Xilio Therapeutics, a public clinical-stage biotechnology company, and Leyden Laboratories. He received his undergraduate and postgraduate degrees at Queen's University of Belfast and is a member of the Royal College of Physicians.

Dinko Valerio, Ph.D. (non-executive director) is one of our founders and joined our board in 2014. Dr. Valerio chaired our board since its inception until May 2024. As a scientist and an experienced biotech entrepreneur Dr. Valerio is founder and former Chief Executive Officer of Crucell N.V., and one of the founders of its spinout, Galapagos Genomics. He was the founder and former general partner of Aescap Venture, a life sciences venture capital firm and co-founder and current board member of Leyden Laboratories. In 1992 Dr. Valerio was appointed professor of gene therapy at the University of Leiden, where he also received his Ph.D. with honors. Dr. Valerio was a visiting scientific specialist at Genentech, and a postdoctoral fellow at the Salk Institute. Dr. Valerio will not stand for re-election in the 2026 annual meeting.

Alison F. Lawton (non-executive director) has served on our Board since 2014. Ms. Lawton is an executive leader with more than 35 years of experience in biopharma. Most recently, she served as President and Chief Executive Officer of Kaleido Biosciences, Inc. from 2018 to 2020, and prior to that, as its President and Chief Operating Officer from 2017 to 2018. Ms. Lawton previously served as Chief Operating Officer at Aura Biosciences, from 2015 until 2017, and prior to that, as its consultant. Before that, Ms. Lawton served as Chief Operating Officer at OvaScience and as a biotech consultant for various companies, including as a part-time Chief Operating Officer consultant at X4 Pharmaceuticals from 2014 to 2016. Earlier in her career, Ms. Lawton worked at various positions of increasing responsibility at Genzyme, and subsequently at Sanofi-Aventis, including as head of Genzyme Biosurgery and Global Market Access. Ms. Lawton currently serves on the boards of directors of public pharmaceutical company Dianthus Therapeutics, and on the board of directors for privately owned biotech companies including BlueRock Therapeutics and is Board Chair of TRIMTECH Therapeutics. She previously served on the boards of directors of X4 Pharmaceuticals, Spyre Therapeutics, Verastem, CoLucid until its acquisition by Lilly and Cubist Pharmaceuticals. She is past President and Chair of the board of Regulatory Affairs Professional Society and is a member of the FDA's Cellular, Tissue and Gene Therapies Advisory Committee. She earned her BSc in Pharmacology, with honors, from King's College London. Ms. Lawton will not stand for re-election in the 2026 annual meeting.

Bart Filius (non-executive director) has served on our board since 2019. He is the former President and Chief Operating Officer of Galapagos, a position he held from 2021 to 2023. He joined Galapagos in 2014 as Chief Financial Officer and added the role of Chief Operating Officer in 2017. Prior to joining Galapagos, Mr. Filius held a variety of executive positions at Sanofi, where he was Vice President, Chief Financial Officer Europe, Country manager for The Netherlands and Vice President for Mergers & Acquisitions. Prior to joining Sanofi, Mr. Filius was a strategy consultant at Arthur D. Little. Mr. Filius currently holds a board position at Idorsia Ltd. Mr. Filius has an MBA degree from INSEAD and a bachelor's degree in Business from Nyenrode University.

Begoña Carreño, Ph.D. (non-executive director) joined our board in 2023. Dr. Carreño is currently the Chief Business Development Officer at Aspeya Switzerland SA (formerly known as Vectura Fertin Pharma). Prior to this, she spent 18 years at Novartis Pharma AG in its Business Development and Licensing ("BD&L") group, her last role being World Wide BD&L Head in the Ophthalmology Franchise, based in Basel, Switzerland. Dr. Carreño has over 20 years Pharmaceutical Development experience. She is a seasoned and energetic BD&L professional that has led the BD&L efforts at Novartis across five different therapeutic franchises in the last 15 years. She has a proven track record in licensing deals, M&A as well as developing collaborations within cross functional, multi-cultural, matrix environment at global, regional and country level. Before joining Novartis, she was the Head of External Pharmaceutical projects at Almirall (Barcelona, Spain). Dr. Carreño holds a Ph.D. in Drug Delivery from the London School of Pharmacy (UK) and a BSc in Biochemistry from Keele University (UK).

Theresa Heggie (non-executive director) was reappointed to our board in 2023. Previously, Ms. Heggie served as our Chief Operating Officer, after originally joining the Management Team in 2021 as our Chief Commercial Officer. Prior to joining us, she served as Chief Executive Officer of Freeline Therapeutics from 2020 to 2021. Previously, she held senior commercial and operating roles at Alnylam Pharmaceuticals as Senior Vice President, Head of CEMEA from 2017 to 2020. Before that, Ms. Heggie had roles at Bupa Group until 2016 and at Shire plc, where she built the EMEA rare disease business. Earlier in her career, Ms. Heggie held increasingly senior positions in the commercial organizations at Janssen Pharmaceuticals and Baxter Healthcare. She previously served as a member of the boards of directors at SOBI (Swedish Orphan Biovitrum AB) and Freeline Therapeutics, and currently serves on the board of BioCryst Pharmaceuticals, a public pharmaceutical company. Ms. Heggie previously served on our board from 2019 to 2021. She earned her BSc from Cornell University.

Martin Maier Ph.D. (non-executive director) joined our board in 2024. From 2006 to 2025, Dr. Maier held various positions at Alnylam Pharmaceuticals, most recently as Senior Vice President, Oncology. Dr. Maier has contributed to the development of lipid nanoparticles and GalNAc conjugates, two clinically validated platforms for siRNA delivery, and the advancement of multiple therapeutic programs to development, which has resulted in the approval of six RNAi therapeutics to date. After receiving his Ph.D. in Organic Chemistry in 1997 at the University of Tübingen, Germany, Dr. Maier moved to the U.S. for his postdoctoral research at Ionis Pharmaceuticals, where he assumed a permanent position working on novel chemistries and delivery systems for antisense oligonucleotides. Dr. Maier currently serves as an independent advisor and member on various boards including the Scientific Advisory Board of the Gene and RNA Therapy Center Tübingen, Germany. During his 25 years of experience in the field of oligonucleotide therapeutics in both, ASO and RNAi platforms, Dr. Maier authored more than 90 peer-reviewed scientific publications, reviews and book chapters and is an inventor on more than 40 issued patents.

Additionally, *John Maraganore*, *Ph.D.,* joined as a strategic advisor to our Board in March 2022. He served as the founding Chief Executive Officer and a Director of Alnylam from 2002 to 2021, where he built the company from early platform research on RNA interference through global approval and commercialization of the first four RNAi therapeutic medicines, ONPATTRO®, GIVLAARI®, OXLUMO®, and Leqvio®. At Alnylam, he also led the company's value creation strategy, building $ 25.0 billion in market capitalization, and forming over 20 major pharmaceutical alliances. He continues to serve on the Alnylam Scientific Advisory Board. Prior to Alnylam, he served as an officer and a member of the management team for Millennium Pharmaceuticals, Inc., where he was responsible for the company's product franchises in oncology, and cardiovascular, inflammatory, and metabolic diseases, in addition to leadership of M&A, strategy, and biotherapeutics functions. Before Millennium, he served as Director of Molecular Biology and Director of Market and Business Development at Biogen, Inc. where he invented and led the discovery and development of ANGIOMAX® (bivalirudin) for injection. Previously, he was a scientist at ZymoGenetics, Inc. and the Upjohn Company. Mr. Maraganore received his M.S. and Ph.D. in biochemistry and molecular biology at the University of Chicago. He is currently a Venture Partner at ARCH Venture Partners, a Venture Advisor at Atlas Ventures, and an Executive Partner at RTW Investments. He is also Chair of the Board of Directors of Hemab Therapeutics and a member of the Board of Directors of Agios Pharmaceuticals, Beam Therapeutics, Kymera Therapeutics, and the Biotechnology Industry Organization, where he was Chair from 2017-2019. In addition, he serves on the Board of the Termeer Foundation, as Chair of the n-Lorem Foundation Advisory Council, on the Advisory Board of Ariadne Labs, and as a strategic advisor to several innovative companies.

The Company

ProQR Therapeutics N.V., or "ProQR" or the "Company", is a clinical-stage biotechnology company focused on advancing a pipeline of RNA editing therapeutics based on our proprietary Axiomer RNA-editing platform. Our lead program, AX-0810 for cholestatic diseases targeting na-taurocholate cotransporting polypeptide ("NTCP"), is currently being evaluated in a Phase 1 clinical trial in healthy volunteers. With funding from the Rett Syndrome Research Trust, we are also advancing AX-2402 targeting methyl CpG binding protein 2 ("MECP2") mutations for Rett syndrome, a severe neurodevelopmental disorder. Additional pipeline programs include AX-2911 targeting PNPLA3 for metabolic dysfunction-associated steatohepatitis ("MASH"), AX-1412 targeting the B4GALT1 gene for cardiovascular diseases ("CVDs"), as well as a number of additional discovery-stage programs. In addition to our own pipeline programs, we have a partnership with Eli Lilly and Company ("Lilly"), currently focused on up to 10 targets based on our Axiomer platform. Our ongoing discovery and screening efforts are yielding a portfolio of early-stage research programs that leverage the versatility of the Axiomer editing oligonucleotides ("EON") approach to identify and evaluate additional targets across multiple disease areas, and we continue to invest in the optimization of our platform.

ProQR was founded in 2012 by Daniel de Boer, Gerard Platenburg, the late Henri Termeer and Dinko Valerio. Since September 18, 2014, our ordinary shares have been listed on Nasdaq. They are currently trading on Nasdaq Capital Market under the ticker symbol "PRQR". As of December 31, 2025, we had raised € 518.0 million in gross proceeds from our public offerings of shares and private placements of equity securities. In addition, we have received grants, loans and other funding from patient organizations, private lenders and government institutions supporting our programs, including from Rett Syndrome Research Trust ("RSRT"), Foundation Fighting Blindness ("FFB") and the Dutch government under the innovation credit program.

Our legal name is ProQR Therapeutics N.V. and we were incorporated in the Netherlands, on February 21, 2012. We reorganized from a private company with limited liability to a public company with limited liability on September 23, 2014. Our company has its statutory seat in Leiden, the Netherlands. The address of its headquarters and registered office is Zernikedreef 9, 2333 CK Leiden, the Netherlands, telephone number +31 88 166 7000. Our U.S. office is located at 245 Main Street, Cambridge, MA 02142, USA. The name and address of our agent for service in the United States is Sarah Kiely, 245 Main Street, Cambridge, MA 02142, USA.

We use various trademarks and tradenames, including without limitation "ProQR", "Axiomer", and our corporate logo, that we use in connection with the operation of our business. Other trademarks or trade names of third parties referred to or incorporated by reference in this Annual Report are the property of their respective owners. Solely for convenience, the trademarks and trade names in this Annual Report may be referred to without the ®, ™ or SM symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent permissible under applicable law, their rights thereto. We do not intend to use or display other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us, any other companies.

Committees of the Board

During 2025, the Board had a (i) compensation, nominating and corporate governance committee, a (ii) research and development committee, and an (iii) audit committee, each of which has an adopted charter which is publicly made available on our website

Compensation, Nominating and Corporate Governance Committee

The compensation, nominating and corporate governance committee met four times in 2025. The meetings had an attendance rate of 100%. With respect to nominating and corporate governance matters, the compensation, nominating and corporate governance committee assists our Board in selecting individuals qualified to become our Board members, in determining the composition of the Board and its committees and our officers, and in developing and recommending a set of corporate governance guidelines applicable to ProQR. In addition, the committee is responsible for recommending to the Board persons to be nominated for election or re-election to the Board at any meeting of the shareholders; overseeing the Board's annual review of its own performance and the performance of its committees; and considering, preparing and recommending to the Board a set of corporate governance guidelines.

Compensation matters

Attraction and retention of world class talent is a prerequisite for the success of ProQR and competitive compensation plays a vital role in our ability to achieve this. The compensation, nominating and corporate governance committee elected to offer compensation for all employees, including the Board, in the form of a fixed annual salary combined with variable, performance-related, short- and long-term incentive elements.

The compensation policy is designed based on the following principles:

- Three compensation pillars consisting of:
  - Annual base salary;
  - Short Term Incentive (annual cash bonus); and
  - Long Term Incentive (share-based compensation plan).
- Flexibility: the compensation should provide flexibility to allow the Board, acting on the recommendation of the compensation, nominating and corporate governance committee, to reward the Board in a fair and equitable manner;
- The compensation should drive the right kind of management behavior, discourage unjustified risk taking and minimize any gaming opportunity;

- The compensation should enable paying for performance, considering not only the measurable financial performance of / or milestones achieved by the Company, but also, where appropriate, the efforts made by the Board, individually and as a group, in managing the Company. For the variable components, the compensation, nominating and corporate governance committee performs an analysis of the possible outcomes under different scenarios;
- Design of the compensation shall be based on current legislation applicable in the Netherlands;
- The compensation shall foster alignment of interests with shareholders;
- The pension of the Board shall be based on the defined contribution system; and
- Pay differentials and position within the Company are considered and evaluated regularly.

Compensation report 2025

In line with the practice of regularly reviewing the Compensation Policy, the Compensation, Nominating and Corporate Governance Committee evaluated and reviewed the Compensation Policy in 2025. Based on the outcomes of the review no changes were made to the Compensation Policy for the Board.

The following summarizes the decisions made with respect to the Board's 2025 compensation:

Annual Base Salary

The compensation, nominating and corporate governance committee reviewed the annual base salary of the executive directors taking into consideration the compensation reference group as contained in the compensation policy. Based on this review the annual base salary level for 2025 has been set at € 591,000 for the Chief Executive Officer, Daniel de Boer (€ 617,606 per June 1, 2025), € 385,000 for the Chief Scientific Officer, Gerard Platenburg and at € 348,000 for the Chief Corporate Development Officer and General Counsel, René Beukema. Mr. Beukema resigned as Board member at the 2025 AGM.

Short Term Incentive

The compensation, nominating and corporate governance committee reviewed the performance of the Company during 2025 in comparison to the objectives and reviewed the achievements of the executive directors versus the corporate goals. Based on the recommendation of the compensation, nominating and corporate governance committee, the Board decided in late 2025 that the Company has achieved 85% of the objectives that had been set to determine the bonus awards for the year 2025. For 2025 the individual bonus amounted to € 315,000 for Mr. de Boer, € 148,000 for Mr. Platenburg and € 149,000 for Mr. Beukema. Mr. de Boer's, Mr. Platenburg's and Mr. Beukema's bonuses were paid in cash in the first quarter of 2026.

Long Term Incentive

Based on the recommendation of the compensation, nominating and corporate governance committee, and informed by benchmarks collected and provided by the Company's independent advisor, the Board decided to grant stock options to Mr. de Boer, Mr. Platenburg and Mr. Beukema. Based on this decision, in 2025 stock options with an average exercise price between $ 2.16 - $ 2.65 have been granted to Mr. de Boer with respect to 1,863,587 shares, well within the range of benchmark data provided by the Company's independent compensation advisor. Of these options, 1,400,000 were subject to achievement of specified non-market performance conditions which were met before December 31, 2025. Stock options with an exercise price of $ 2.65 have been granted to Mr. Platenburg with respect to 159,358 shares. Stock options with an exercise price of $ 2.65 have been granted to Mr. Beukema with respect to 138,519 shares.

Change of Control

Following the periodic review of the compensation package of Mr. de Boer, the Board, based on the recommendation by the compensation, nominating and corporate governance committee, decided to grant an award conditional on the occurrence of a change of control. Upon the occurrence of a change of control event, regardless of whether such event is followed by the termination of appointment, Mr. de Boer will be entitled to a lump-sum payment equal to 24 months of his monthly gross fixed salary and a payment of an amount equal to 150% of the annual short-term incentive ("STI") for a full year. In addition, all Mr. De Boer's stock options and RSUs (as applicable) shall be subject to accelerated vesting and remain exercisable until expiration of the respective award. In case of a change of control, the contractual severance clause included in the management services agreement of Mr. de Boer shall lapse and be of no further effect, meaning that he will not be eligible for a contractual severance arrangement in addition to the package related to the change of control.

Pensions

The pension contributions for Mr. de Boer, Mr. Platenburg and Mr. Beukema paid during 2025 amount to € 27,000, € 41,000 and € 20,000, respectively.

Internal pay ratio

The internal pay ratio between the average pay of our employees and our executive directors is calculated based on the average remuneration based on short term and long-term incentives. The pay ratio is 14:1 for 2025 (2024: 12:1).

Non-executive Board directors' remuneration

For 2025, our non-executive directors received board fees of € 34,000 per year and the chairperson received a fee of € 63,000 per year. In addition, audit committee members received a fee of € 7,000 and the audit committee chairperson received a fee of € 15,000 per year; compensation, nominating and corporate governance committee members received a fee of € 5,500 and the chairperson of this committee received a fee of € 12,000 per year, and research and development committee members received a fee of € 5,500 and the chairperson of the research and development committee received a fee of € 12,000 per year. Further, non-executive directors were granted options, as set out in Note 26 to the financial statements.

Research and Development Committee

The research and development committee met four times in 2025. The meetings had an attendance rate of 100%. The research and development committee assists the Board in overseeing our product pipeline and research and development strategy. The research and development committee is responsible for, among other things, reviewing ProQR's research and development strategy, including the long-term strategy goals and objectives; reviewing and assessing quality of the research and development programs; reviewing the progress of the product pipeline, including a review and analysis of the progress and results of preclinical studies and clinical trials; reviewing and advising the Board about strategic opportunities to enhance innovation and development; reviewing and assessing scientific activities critical to the success of ProQR's research and development strategy; and organizing and chairing meetings with ProQR's scientific advisory board for supporting its review and assessment ProQR's research and development strategy.

Audit Committee

The audit committee met four times in 2025 with the Company's Chief Financial Officer being present. The meetings had an attendance rate of 100%. The main topics that were addressed include the quarterly results, financial risk management, compliance (including SOx), the audit plan, audit updates and audit report of the current external auditor, cash management, tax and corporate governance.

The audit committee also reviewed ProQR's annual financial statements, including non-financial information, prior to publication thereof. The financial statements for 2025 have been audited and provided with an unqualified opinion by our external auditor, KPMG Accountants N.V. ("KPMG"), and were extensively discussed with the auditors in the meetings of the Board and Audit Committee on March 10, 2026. The Board, is of the opinion that the 2025 financial statements meet all the applicable requirements and recommends that the Annual General Meeting of Shareholders adopt the financial statements and the appropriation of net result proposed by the Board.

The Company's external auditor attended all audit committee meetings. The audit committee evaluates the performance of KPMG as independent external auditor annually. Due to the limited size of the Company, it was concluded that there was currently no need to appoint an internal auditor.

Operations

We are a clinical-stage biotechnology company advancing a pipeline (**Figure 1**) of RNA editing therapeutics based on our proprietary Axiomer RNA-editing platform. Our lead program, AX-0810 for cholestatic diseases targeting na-taurocholate cotransporting polypeptide ("NTCP"), is currently being evaluated in a Phase 1 clinical trial in healthy volunteers. With funding from Rett Syndrome Research Trust ("RSRT"), we are also advancing AX-2402 targeting methyl CpG binding protein 2 ("MECP2") mutations for Rett syndrome, a severe neurodevelopmental disorder. Additional pipeline programs include AX-2911 targeting PNPLA3 for metabolic dysfunction-associated steatohepatitis ("MASH"), AX-1412 targeting the B4GALT1 gene for cardiovascular diseases ("CVDs"), as well as a number of additional discovery-stage programs.

Figure 1. ProQR development pipeline

Our robust pipeline is strategically focused on diseases originating in the liver and central nervous system ("CNS"), where human genetics and translational research support the potential for therapeutic benefit through RNA editing. We prioritize indications with high unmet medical need and biomarkers and well-defined clinical endpoints.

These programs are enabled by Axiomer, our proprietary RNA editing platform technology designed to harness endogenous adenosine deaminase acting on RNA ("ADAR") enzymes to mediate precise, single nucleotide edits in RNA with high specificity and durability. Axiomer uses editing oligonucleotides ("EONs") designed to recruit and direct ADARs to change an adenosine (A) to an inosine (I) in target RNA sequences where an inosine is translated as a guanosine (G). This approach can be used to correct a messenger RNA ("mRNA") with a disease-causing mutation back to a normal (or wild type) mRNA, modulate protein expression, or alter a protein so that it will have a new function that helps prevent or treat disease.

Since discovering the Axiomer RNA editing platform technology in 2014, we have established a leading intellectual property estate in the ADAR editing space, defined core EON design principles, and optimized oligonucleotide chemistries for therapeutic use. Using our deep RNA expertise and strong IP position, we aim to optimize and advance Axiomer as a platform capable of supporting the development of RNA editing therapeutics across multiple disease areas.

In addition to advancing our wholly-owned pipeline programs, we entered into a global licensing and research collaboration with Eli Lilly and Company ("Lilly") in September 2021. Under this collaboration, our Axiomer platform is being used to progress new drug targets for disorders toward clinical development and commercialization. The collaboration initially focused on five targets and was expanded to ten targets in December 2022, with an option for further expansion to fifteen targets.

We believe our Axiomer platform has significant potential to yield many additional therapeutic candidates. Thus, we continuously evaluate further opportunities for beneficial collaborations or strategic partnerships to efficiently advance product candidates with the goal of bringing medicines to patients.

Our Strategy

We are advancing RNA editing therapeutics based on our proprietary Axiomer platform to address serious diseases with significant unmet medical need. We prioritize targets supported by human genetics research and where RNA editing may offer advantages or enable treatment not achievable through other modalities. Key elements of our strategy include:

- Wholly-owned pipeline: We are using our Axiomer platform to develop novel therapies initially for targets related to liver- and CNS-originating diseases and we are advancing a portfolio of wholly owned programs across multiple therapeutic areas. This includes programs targeting NTCP for cholestatic diseases, MECP2 for Rett syndrome, PNPLA3 for MASH, and B4GALT1 for CVD. We intend to retain development and commercialization rights for programs and indications where we believe we can create long-term value independently. In parallel, we continue to identify and advance additional genetically informed targets through our discovery efforts to support long-term growth and the continued expansion of our pipeline.

- Axiomer platform innovation: We continue to invest in the optimization of Axiomer, including advances in oligonucleotide design, chemistry, delivery, and data-driven discovery and target identification capabilities, which we believe is critical to maintaining leadership in RNA editing and supports the efficient generation and advancement of product candidates.

- Partnerships: We seek to maximize the value of the Axiomer platform by selectively pursuing licensing, partnering, and other strategic relationships, such as our collaborations with Lilly, and RSRT. Given the broad therapeutic potential of Axiomer across multiple targets and disease areas, we believe strategic partnerships enable us to advance a greater number of opportunities than we could independently pursue. For programs or indications – particularly larger or more prevalent markets – where partnering may enhance capabilities, we intend to continue to selectively pursue strategic collaborations.

Our Novel Axiomer RNA Editing Technology Platform

Our Axiomer RNA editing technology is based on a class of antisense oligonucleotides ("AONs") that we refer to as EONs. EONs are short, synthetic nucleic acid sequences designed to bind through base pairing to a complementary region of a target RNA transcript. Upon binding, EONs are intended to recruit endogenous, naturally occurring ADAR enzymes to the target site, as illustrated in **Figure 2**. ADAR enzymes catalyze the deamination of adenosine to inosine within double-stranded RNA structures, and the Axiomer platform is designed to harness this native cellular process in a controlled and site-specific manner.

Through precise EON design, our Axiomer platform is intended to enable single adenosine-to-inosine ("A-to-I") edits at predefined positions within an RNA transcript, as shown in **Figure 2**. Because inosine is interpreted as guanosine by the cellular translation machinery, an A-to-I edit can result in a targeted amino acid substitution in the encoded protein, or alternatively may affect RNA splicing, stability, or translation efficiency depending on the location of the edit. By selecting the RNA target site and edit position, our platform is designed to support multiple therapeutic strategies, including correction of disease-associated variants, modulation of protein expression levels, or alteration of protein function.

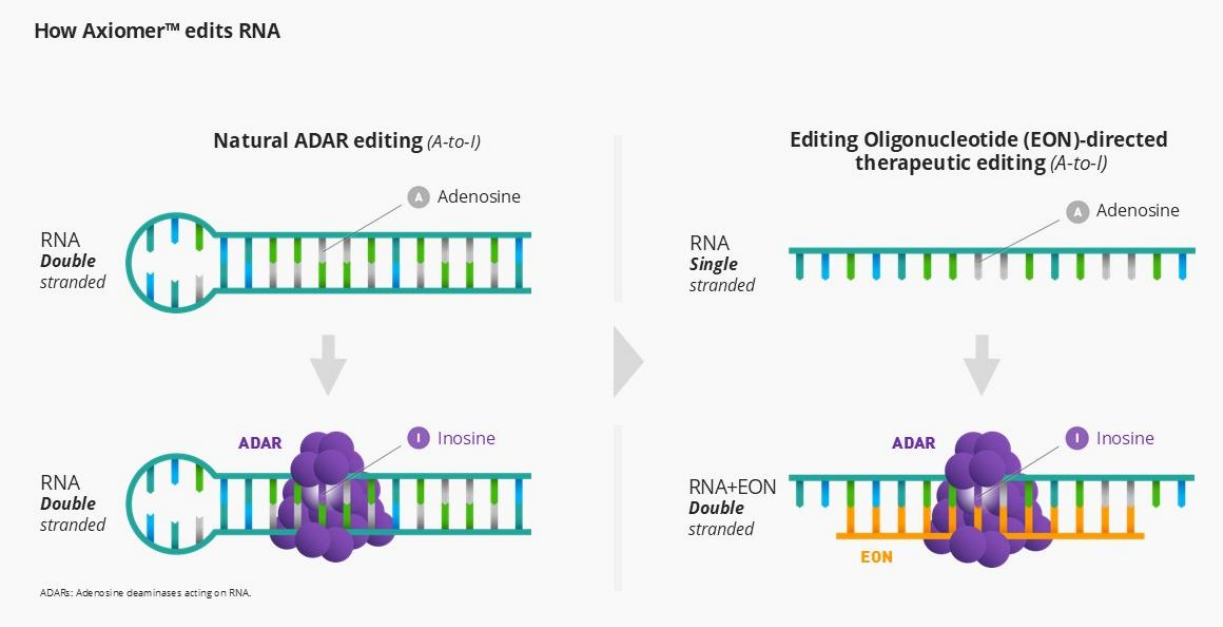

Figure 2: (left) RNA editing is a naturally occurring process whereby ADARs perform A to I editing. (right) ProQR's Axiomer RNA editing technology platform uses EONs to recruit and direct endogenously expressed ADARs to edit an A to an I in the RNA, which is then translated as a G, allowing highly specific editing.

The Axiomer approach is designed to operate exclusively at the RNA level and does not alter the underlying DNA sequence, thereby avoiding permanent genetic modifications. As a result, any edits introduced by EONs are transient and reversible, as edited RNA molecules are naturally degraded and replaced over time through normal cellular processes. In addition, because Axiomer leverages endogenous ADAR enzymes rather than introducing exogenous editing proteins, the platform may offer flexibility in dosing and treatment duration. The modular nature of EON design also allows the platform to be adapted to different RNA targets and disease contexts by modifying the oligonucleotide sequence, while relying on a common underlying editing mechanism.

Our EONs have the potential to act through multiple different therapeutic mechanisms:

- Correct. Axiomer is designed to enable the correction of certain disease-causing mutations at the RNA level, with the goal of restoring the production of functional protein without altering the underlying DNA sequence.

- Modulate. Axiomer is also designed to allow modulation of protein activity by introducing defined RNA edits that can alter protein function, as well as by increasing or decreasing the expression of selected proteins through edits that influence how much protein is produced.

- Protect. In addition, the Axiomer platform is intended to enable the introduction of protective or functionally beneficial protein changes that may help reduce disease risk or slow disease progression.

With these capabilities, we believe Axiomer is differentiated from other RNA interference therapeutics such as siRNA that are primarily focused on reducing gene expression and has the potential to address a broad set of genetic and non-genetic diseases. Across a range of targets, we have demonstrated in vitro and in vivo platform proof-of-concept for our Axiomer RNA editing technology platform, in cell models, organoids, and animal models, including relevant higher order species. Our first Axiomer-based program, AX0810 for cholestatic diseases, is currently being evaluated in a Phase 1 clinical trial in healthy volunteers.

Our Pipeline Programs

AX-0810 for Cholestatic Diseases targeting NTCP

Cholestatic diseases overview

Cholestatic diseases are caused by a toxic buildup of bile acids in the liver due to bile duct dysfunction, which causes liver cell damage. The consequences of these disorders can be devastating and significantly impact a person's quality of life, including pruritus, dry skin, fatigue, pain, weight loss, and many others. Without treatment, the damage progresses through various stages, from fibrosis to cirrhosis, ultimately leading to liver failure and an increased risk of liver cancer. Liver transplants are often necessary for primary sclerosing cholangitis (“PSC”) and biliary atresia (“BA”), two forms of cholestatic diseases with high unmet medical needs.

PSC is a rare, chronic, and progressive cholestatic liver disease that typically presents between ages 30 and 40 and disproportionately affects men. It is estimated that 80,000 people in North America and Europe have PSC, with a prevalence of 1 to 9 individuals per 100,000. The disease is characterized by persistent inflammation, fibrosis, and structuring of the bile ducts, resulting in impaired bile flow and toxic accumulation of bile acids in the liver. PSC frequently progresses to end-stage liver disease, cirrhosis, liver failure, and the need for transplantation. Patients are also at markedly increased risk for cholangiocarcinoma and other hepatobiliary malignancies. There are currently no approved disease-modifying therapies, underscoring the substantial unmet medical need and significant clinical burden.

BA is a rare, pediatric condition that affects newborns, resulting from the absence or defect of bile ducts leading to obstructed bile flow. It is estimated that 20,000 individuals in North America and Europe have BA, with a prevalence of 1 in 10,000 to 15,000 births in the western world. The obstruction of bile flow leads to rapid accumulation of toxic bile acids in the liver, triggering aggressive inflammation and fibrosis that can progress to cirrhosis within the first years of life. BA is the leading indication for pediatric liver transplantation worldwide. Despite surgical intervention (Kasai portoenterostomy), many patients ultimately require liver transplantation, and long-term morbidity remains high. The early onset, rapid progression, and life-threatening nature of BA highlight the urgent need for effective therapeutic options.

Limitations of the Current Treatment Landscape

Currently, there are no drugs approved by the U.S. Food and Drug Administration (“FDA”) or European Commission (“EC”) specifically indicated for the treatment of PSC and BA. For patients with advanced PSC, liver transplantation is the only treatment option with evidence to extend survival. However, disease recurrence has been reported in 20 to 40% of patients who undergo liver transplantation, and the median survival without a transplant is only 21 years. For BA, surgical portoenterostomy (Kasai procedure) in the first weeks of life is the gold standard initial treatment. However, most patients who receive this surgery will ultimately progress to end-stage liver disease and still require a liver transplant early in life.

NTCP: A Genetically Validated Target at the Center of Cholestatic Liver Disease

NTCP (sodium taurocholate co-transporting polypeptide) is the primary transporter responsible for hepatic uptake of circulating bile acids. In cholestatic liver diseases, toxic accumulation of bile acids within hepatocytes drives inflammation, progressive fibrosis, cirrhosis, and ultimately liver failure. Targeting NTCP directly addresses this central pathogenic mechanism by reducing intracellular bile acid burden at its point of entry into the liver.

Human genetics provide compelling validation for this approach. Naturally occurring NTCP variants that reduce hepatic bile acid uptake are associated with elevated serum bile acids but an absence of clinically meaningful cholestatic disease, supporting NTCP modulation as a well-tolerated and mechanistically grounded strategy. This genetic evidence significantly de-risks the target and supports a favorable therapeutic window.

AX-0810: Precision RNA Editing to Replicate a Protective Human Variant

AX-0810 is an Axiomer-based EON designed to edit the NTCP transcript and replicate a naturally occurring human variant associated with reduced hepatic bile acid uptake. Rather than broadly inhibiting NTCP function, AX-0810 is designed to physiologically modulate only the bile acid transport function of NTCP by mimicking a protective genetic phenotype.

By reducing bile acid accumulation in hepatocytes, AX-0810 aims to address the core biological driver of cholestatic disease progression—reducing liver injury, inflammation, and fibrotic remodeling. This positions AX-0810 as a potential first-in-class, disease-modifying therapy for severe cholestatic liver diseases, including conditions with no approved disease-modifying options.

AX-0810 represents a strategic application of ProQR's Axiomer RNA editing platform to a genetically validated liver target, using precision RNA editing to recapitulate a naturally occurring protective genetic variant.

Preclinical studies in multiple species, including humanized mouse models and non-human primates as shown in **Figure 3**, demonstrated that EON-mediated editing of NTCP resulted in reduced bile acid uptake and favorable changes in biomarkers associated with cholestatic diseases, supporting advancement of AX-0810 into clinical development.

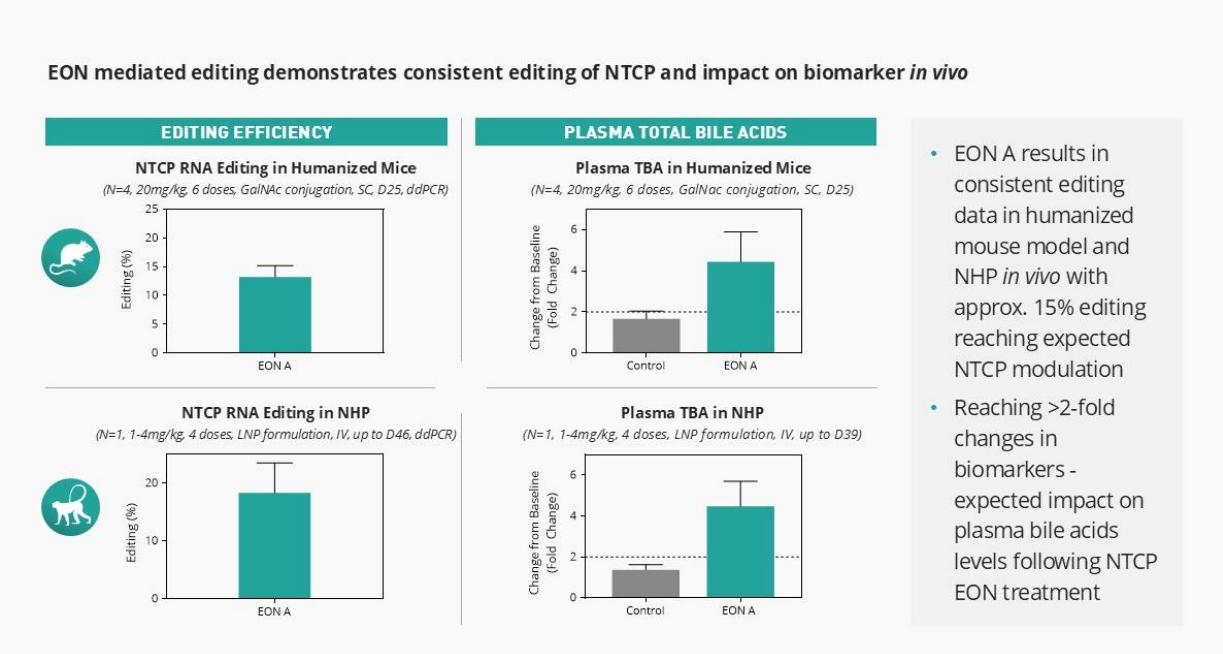

Figure 3. EON-mediated editing exhibits consistent editing of NTCP and favorable impact on biomarkers in vivo.

AX-0810 is currently being evaluated in a first-in-human Phase 1 trial in healthy volunteers, as shown in **Figure 4**. The placebo-controlled study is designed to evaluate safety, tolerability, and pharmacokinetics, as well as biomarkers of NTCP target engagement, including plasma bile acid levels, bile acid composition, and a bile acid challenge using Tauro-urso deoxycholic acid ("TUDCA").

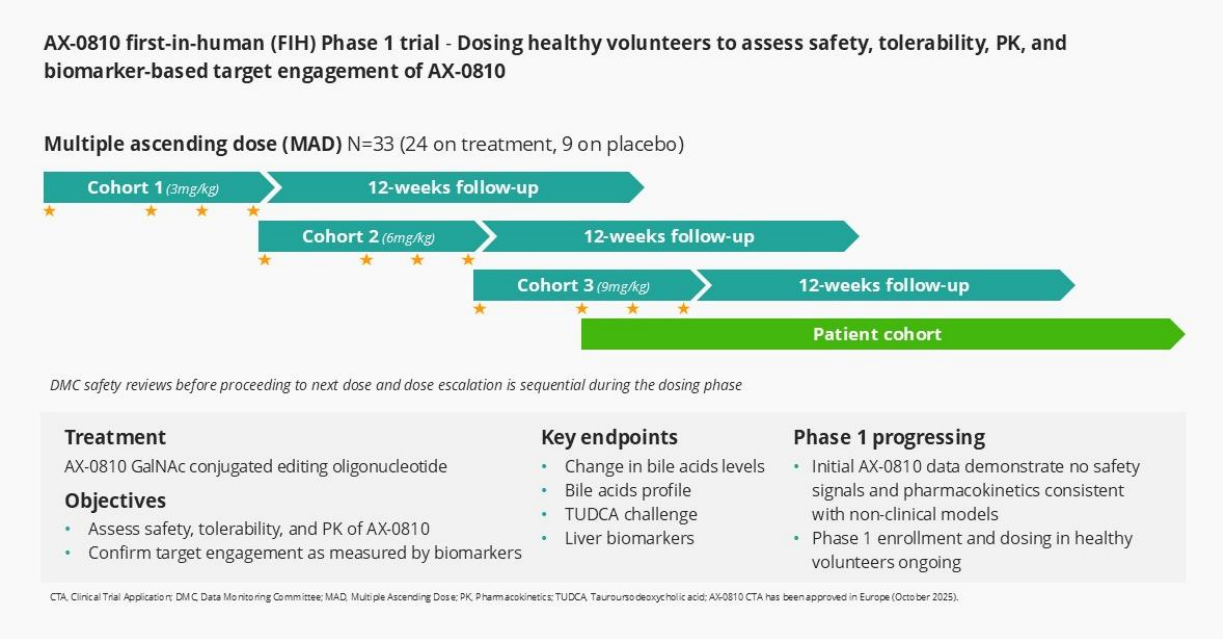

Figure 4. Schematic of first-in-human Phase 1 trial of AX-0810

The study is a randomized, placebo-controlled, multiple ascending dose trial conducted in healthy volunteers. Participants are enrolled across sequential dose cohorts, with individuals within each cohort receiving AX-0810 or placebo. Dosing is administered subcutaneously, with safety reviews conducted prior to dose escalation. Participants are followed for safety and pharmacokinetic assessments for 12 weeks following dosing. Subject to additional regulatory authorization, the study design also provides for the inclusion of a patient cohort following the healthy volunteers portion of the trial.

The trial is intended to generate early human data to inform dose selection and support subsequent clinical development in patients with cholestatic diseases. Based on its mechanism of action, AX-0810 is intended to reduce bile acid-mediated hepatic stress and downstream inflammatory and fibrotic processes, with the goal of addressing symptoms and potentially delaying disease progression in patients with cholestatic diseases.

Based on preliminary review of safety and pharmacokinetic data from initial participants in the first cohort of healthy volunteers receiving AX-0810 (3 mg/kg), reported in January 2026, no serious adverse events or clinically meaningful laboratory abnormalities have been observed. Preliminary pharmacokinetic data observed in these participants were generally consistent with non-clinical findings and support continued dosing in accordance with the study protocol.

We expect to report data related to biomarkers of NTCP target engagement from the healthy volunteer cohorts in the first half of 2026. In parallel, we are conducting preparatory activities to include a patient cohort in this Phase 1 trial following completion of the healthy volunteer portion of the study, subject to regulatory authorization.

AX-2402 for Rett Syndrome targeting MECP2

Rett Syndrome overview

Rett Syndrome is a rare and severe neurodevelopmental disorder, affecting approximately 350,000 people worldwide, predominantly girls. Rett Syndrome is characterized by apparently normal psychomotor development during the first six to 18 months after birth, followed by a period of developmental stagnation, then a regression in language and motor skills, after which patients typically experience long-term relative stability. During the regression phase, affected individuals develop repetitive, stereotypic hand movements that replace purposeful hand use. Additional manifestations include gait ataxia and apraxia, seizures, tremors, episodic apnea and/or hyperpnea, gastrointestinal complications, scoliosis and other musculoskeletal abnormalities, anxiety, sleep disturbances, and bruxism.

Mutations in the MECP2 gene are the primary cause of Rett syndrome. Located on the X chromosome, MECP2 encodes the methyl-CpG-binding protein 2, which plays a critical role in regulating gene expression and maintaining normal brain development and function. Mutations in MECP2 disrupt this function, leading to widespread abnormalities in neuronal signaling and brain function. The monogenic nature of Rett syndrome provides a clear and well-characterized genetic driver of disease, supporting the development of targeted therapeutic strategies.

Limitations of the Current Treatment Landscape

Currently, no approved therapies have been shown to modify the underlying genetic cause of Rett syndrome. Management of the diseases remains largely supportive and multidisciplinary, including physical therapy, occupational therapy, speech therapy, nutrition management, and medications used to address specific symptoms such as seizures, breathing irregularities, and gastrointestinal issues. While Daybue®(trofinetide) has been approved in the United States for the treatment of Rett syndrome, it is not designed to address the underlying genetic drivers of the disease and supportive care remains a central component of disease management. The treatment landscape has evolved with a number of targeted therapies, including our RNA editing approach.

AX-2402 for Rett Syndrome targeting MECP2

AX-2402 is being developed for individuals with Rett syndrome who have the R270X mutation in the MECP2 gene, and is based on our proprietary Axiomer RNA editing platform. The AX-2402 program utilizes EONs designed to correct the R270X nonsense mutation, with the goal of restoring functional MECP2 expression. We believe Axiomer EONs can be applied to target additional MECP2 mutations beyond R270X that collectively impact a large segment of the Rett population.

Non-clinical proof-of-concept data have been generated in a mouse model of Rett syndrome harboring the MECP2 R270X mutation. In this model, treatment with AX-2402 was associated with improvements in functional assessments commonly used to evaluate disease severity, including composite behavioral scores and measures of motor impairment, such as hindlimb clasping, as shown in **Figure 5**. These findings support the potential of AX-2402 to address neurological dysfunction associated with MECP2 deficiency and further support its continued development.

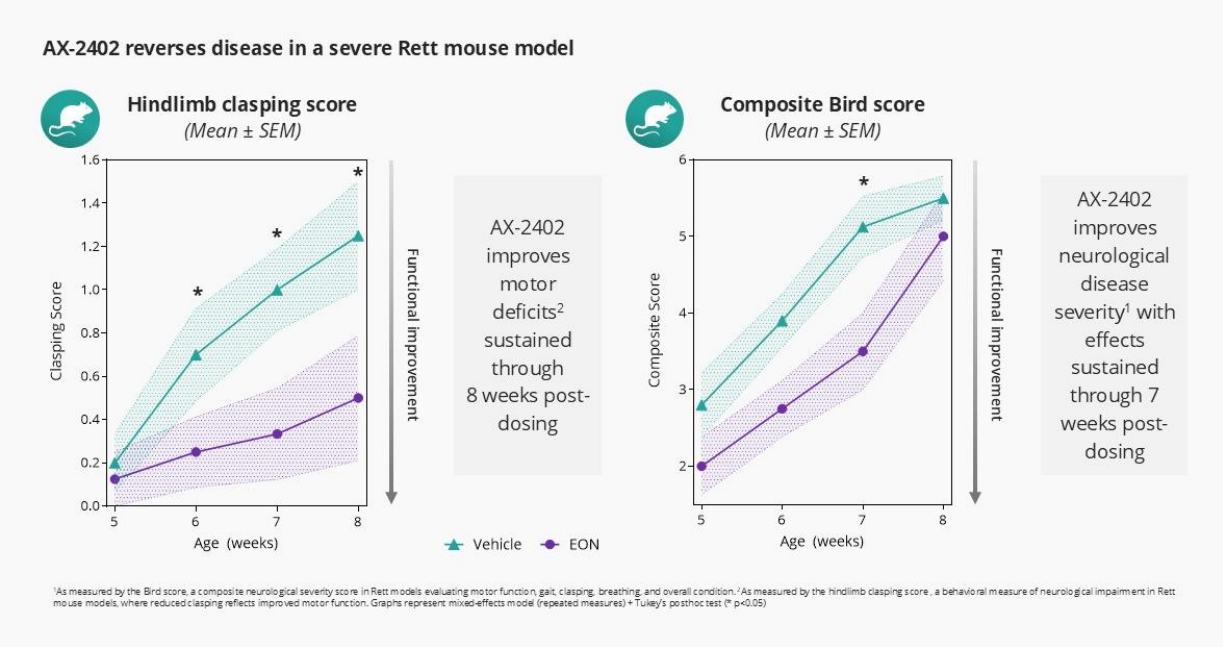

Figure 5. AX-2402 reverses disease in a severe Rett mouse model as shown with hindlimb clasping score and composite Bird score

A development candidate for AX-2402 was announced in early 2026, which is advancing to development activities with the objective of initiating a first-in-human clinical trial in the first half of 2027, subject to regulatory authorization.

AX-2402 is supported in part through a research collaboration with RSRT. In December 2024, we expanded this collaboration, building on the initial $ 1.0 million research grant announced in January 2024. The expanded partnership includes an additional $ 8.2 million in funding from RSRT, for a total of $ 9.2 million, supporting the advancement of AX-2402.

AX-2911 for Metabolic Dysfunction-Associated Steatohepatitis targeting PNPLA3

MASH overview

MASH is a progressive and increasingly prevalent chronic liver disease driven by underlying metabolic dysfunction, including obesity, insulin resistance, type 2 diabetes, dyslipidemia, and other components of metabolic syndrome. MASH represents the inflammatory and fibrotic form of metabolic dysfunction–associated steatotic liver disease ("MASLD") and is estimated to affect approximately 5% of the global adult population, representing well over 150 million individuals worldwide. The disease is characterized by excessive hepatic fat accumulation (steatosis), which triggers hepatocellular stress, inflammation, and progressive fibrotic remodeling. Over time, MASH can advance to advanced fibrosis, cirrhosis, liver failure, and hepatocellular carcinoma, and is emerging as a leading cause of liver-related morbidity, mortality, and liver transplantation globally.

Current Treatment Landscape and Limitations

Pharmacologic treatment options for MASH have recently begun to emerge. In the United States, resmetirom, a liver-directed thyroid hormone receptor-β agonist, and semaglutide, a glucagon-like peptide-1 receptor agonist, have been approved for the treatment of adults with noncirrhotic MASH with moderate to advanced fibrosis. Despite recent approvals, current MASH therapies act through systemic metabolic mechanisms and do not directly address key genetic drivers of disease such as the PNPLA3 I148M variant. Consequently, a

significant subset of patients may continue to carry residual risk of disease progression and fibrosis even with treatment. A PNPLA3-targeted therapy represents a precision approach to potentially unlock incremental efficacy in this genetically defined population and meaningfully expand the therapeutic value beyond existing agents.

AX-2911 for MASH targeting PNPLA3

AX-2911 is an Axiomer RNA editing oligonucleotide designed to target the PNPLA3 (patatin-like phospholipase domain containing 3) I148M variant,a well-established genetic risk factor for metabolic liver disease, including MASH. Approximately 8 million individuals in the United States and European Union are homozygous for the 148M variant. AX-2911 is designed to edit the PNPLA3 transcript at the RNA level with the goal of restoring wild-type-like protein function and addressing a key genetic driver of disease.

Non-clinical functional proof-of-concept data have been generated for AX-2911, as shown in **Figure 6**.

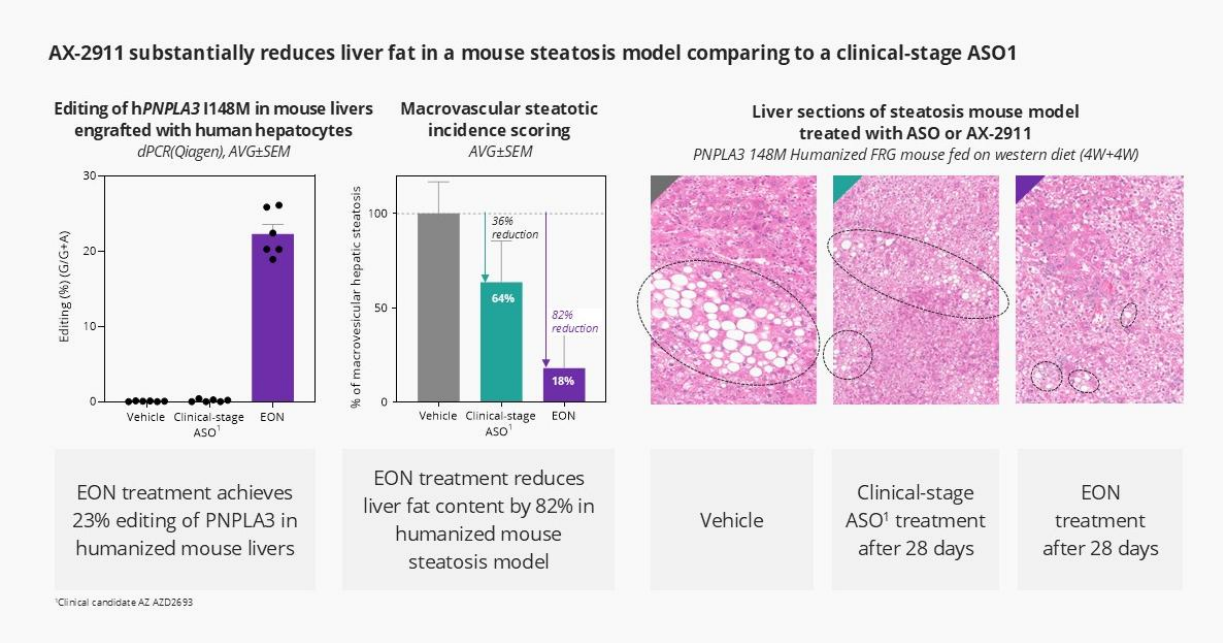

Figure 6. Non-clinical functional proof-of-concept data for AX-2911 in a humanized PNPLA3 I148M mouse model of hepatic steatosis

In a humanized mouse model expressing the PNPLA3 I148M variant and fed a Western diet, treatment with AX-2911 was associated with substantially reduced hepatic fat content, as assessed by macroscopic and histologic measures of steatosis. In the same experimental setting, AX-2911 demonstrated a greater reduction of hepatic fat compared to a PNPLA3-directed antisense oligonucleotide evaluated as a reference therapy. These findings support the potential of AX-2911 to address lipid accumulation associated with PNPLA3-mediated MASH and further support its continued development. A development candidate for AX-2911 was announced in early 2026.

Our Earlier-Stage and Discovery Programs

In addition to our more advanced pipeline programs, we are pursuing a number of earlier-stage and discovery-stage research programs based on the Axiomer RNA editing platform. These efforts are focused on identifying and prioritizing new therapeutic targets through a combination of human genetics, disease biology, and platform-driven screening approaches. We use internal discovery and screening activities to evaluate target

editability, functional relevance, and translational potential, with the objective of efficiently generating and advancing new RNA editing candidates. These programs are at varying stages of preclinical evaluation and are intended to explore additional therapeutic opportunities and inform future pipeline development and partnering decisions.

AX-1412 is an Axiomer-based RNA editing program targeting B4GALT1, a gene implicated through human genetic studies in cardiovascular disease risk. Certain naturally occurring B4GALT1 variants have been associated with reduced levels of LDL cholesterol and fibrinogen, supporting the rationale for exploring B4GALT1 modulation as a potential therapeutic approach. AX-1412 remains in early preclinical development, and we continue to evaluate its potential within our broader pipeline and partnership strategy.

We also maintain a broader portfolio of early-stage research programs that leverage the versatility of the Axiomer EON approach to identify and evaluate additional targets across multiple disease areas identified through our ongoing discovery and screening efforts.

Our Partnerships

Our core focus is to develop and ultimately commercialize a broad pipeline of RNA therapies leveraging our proprietary Axiomer RNA editing platform. The breadth of therapeutic opportunities enabled by Axiomer extends across a wide range of genetically defined diseases across multiple therapeutic areas. While we prioritize and advance certain wholly owned programs internally, we selectively enter into collaboration and licensing agreements to expand the reach of the platform, access complementary capabilities, secure non-dilutive funding to accelerate development, and advance additional opportunities beyond those we can efficiently pursue on our own. We expect strategic partnerships to remain an important component of our model as we seek to maximize the value and impact of Axiomer across a diverse set of indications.

Eli Lilly and Company

A global licensing and research collaboration with Lilly focuses on the discovery, development, and commercialization of potential new medicines for genetic disorders using our Axiomer RNA editing technology with a focus on CNS and peripheral nervous system (“PNS”). The partnership, formed in 2021, initially focused on up to five targets. In December 2022, the partnership was expanded to up to ten targets, with an option for an additional five targets. Under the terms of the agreements, we received $ 125.0 million upfront from Lilly and would be paid an additional $ 50.0 million if Lilly exercises the option for five additional targets. We are also eligible to receive up to approximately $ 3.75 billion in milestones, as well as royalties on potential product sales.

Rett Syndrome Research Trust

In January 2024, we initiated our partnership with RSRT through a $ 1.0 million research grant to support development of an Axiomer RNA editing program targeting MECP2 for Rett syndrome. In December 2024, we announced a significant expansion of this partnership, with RSRT committing an additional $ 8.2 million in funding, bringing total support to $ 9.2 million. The funding will support the advancement of AX-2402 targeting MECP2 for Rett Syndrome into clinical trials.

Legacy Ophthalmology Assets

In August 2022, we made the decision to exclusively focus our strategy on the advancement of our Axiomer RNA editing technology and to partner our ophthalmology programs. In December 2023, we announced that we had completed a transaction divesting the late stage ophthalmic assets, sepofarsen and ultevursen, to Théa who will continue the development of these therapies for patients with LCA10 and Usher Syndrome respectively. Under the terms of the agreement, ProQR received an initial payment of € 8.0 million and may be eligible for up to € 165.0 million in further development, regulatory, and commercial earn-out payments upon related achieved milestones, as well as double-digit royalties based on commercial sales in the U.S. and EU. In

December 2024, Sepul Bio, a business unit of Théa, announced the first clinical participant was dosed in LUNA, a Phase 2b clinical study of ultevursen for Usher Syndrome (Type 2a gene). In October 2025, Sepul Bio announced the first clinical participant was dosed in HYPERION, a Phase 3 clinical study of sepofarsen for treatment of CEP290- associated Leber Congenital Amaurosis Type 10 (LCA10).

Competition

The pharmaceutical industry is highly competitive and subject to rapid and significant technological change. Our potential competitors include large pharmaceutical, biotechnology, specialty pharmaceutical, and generic drug companies, academic institutions, government agencies and research institutions. Key competitive factors affecting the commercial success of our product candidates are likely to be efficacy, safety and tolerability profile, delivery, reliability, convenience of dosing, patient recruitment for clinical studies, price and reimbursement. Many of our existing or potential competitors have substantially greater financial, technical, and human resources than we do and significantly greater experience in the discovery and development of product candidates, obtaining FDA, EMA and other regulatory approvals of products and the commercialization of those products. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a small number of our competitors. Accordingly, our competitors may be more successful than we may be in obtaining FDA or EMA approval for therapies and achieving widespread market acceptance. Our competitors' products may be more effective, or more effectively marketed and sold, than any product we may commercialize and may render our therapies obsolete or non-competitive before we can recover development and commercialization expenses.

Our competitors are working on similar technologies in the field of RNA editing, but also in the field of gene editing and gene therapy as well as other types of therapies, such as small molecules, protein replacement or antibodies.

Sustainability

As a company active in research and development within the biotechnology sector, we are mindful of the impact our activities have on the environment and society. To address these concerns our Works Council has installed a sustainability committee. This committee is tasked with providing recommendations to our management team and the Board with respect to sustainability practices. Given that we are not a production company, and thus do not maintain a continuous supply chain, our most significant sustainability impact is centered around the behavior of our people and the operations within our office. With respect to (raw) materials needed for our R&D activities, including our chemical processing and disposal, we strictly comply with all relevant laws and regulations.

Main financial developments

Financial position

In 2025, our operating costs increased compared to last year while our current ratio and solvency decreased. At December 31, 2025, ProQR's cash and cash equivalents amounted to € 92,413,000 compared to € 149,408,000 at December 31, 2024. Net cash used in operating activities amounted to € 52,791,000 in the year ended December 31, 2025, whereas net cash used in operating activities amounted to € 36,393,000 in the year ended December 31, 2024. Total operating costs increased by € 9,776,000 in 2025 compared to 2024, which had a negative impact on net cash generated by operating activities.

Total equity decreased from € 88,560,000 to € 49,374,000 in the year ended December 31, 2025. At December 31, 2025, we had borrowings of € 4,872,000, which consisted of a loan from a government body. Based upon our current cash position and projected cash flows, the financial statements are prepared on a going concern basis.

Income statement

We have generated losses since our inception in February 2012. For the years ended December 31, 2025 and 2024, we incurred net losses of € 42,184,000 and € 27,763,000, respectively. At December 31, 2025, we had an accumulated deficit of € 467,506,000. We expect to continue incurring losses for the foreseeable future as we continue the clinical and preclinical studies of our product candidates and invest in our Axiomer platform.

In 2025, we realized revenue from our license and research collaboration agreement with Lilly amounting to € 15,906,000 (2024: € 18,905,000). The decrease in Lilly revenue is due to fewer milestones being achieved in 2025 (€ 3,922,000) compared to 2024 (€ 5,096,000) and the finalization of certain targets in 2024, consistent with expected fluctuations as portfolio priorities shift over time.

In 2025 and 2024, other income consisted primarily of grant income from our RSRT partnership that helps support the advancement of AX-2402, our program for the treatment of Rett syndrome. This partnership consists of two agreements that were entered into in January and December 2024, respectively, and we are eligible to receive up to $ 9.2 million under these agreements. In 2025, we realized other income of € 441,000 (2024: € 640,000). The decrease in other income is due to delays in timelines. As at December 31, 2025 other income related to the initial RSRT agreement has been recognized in full and work has not commenced on the expanded RSRT agreement.

Research and development costs amounted to € 44,733,000 for the year ended December 31, 2025 compared to € 36,356,000 for the year ended December 31, 2024. These costs were primarily related to the development of our Axiomer platform, including costs incurred under the Lilly collaboration, and investments in our own pipeline targets. Research and development expenses are expected to increase as we continue our joint research projects with Lilly and our investments in the Axiomer platform, while progressing our internal pipeline targets towards clinical development.

Our research and development expenses are highly dependent on the development phases of our product candidates.

The increase in research and development costs in the year ended December 31, 2025, compared to the year ended December 31, 2024, was due to higher outsourced research and development activities related to our joint research projects with Lilly, increased investments in our own pipeline targets and our investments in the Axiomer platform. In addition, in 2025 there was higher allocation of general and administrative costs to research and development costs due to a higher number of employees working in research and development, as compared to 2024.

General and administrative costs amount to € 15,060,000 for the year ended December 31, 2025 and € 13,661,000 for the year ended December 31, 2024. The increase in general and administrative costs in the year ended December 31, 2025 compared to the year ended December 31, 2024 is primarily attributable to increased employee benefits resulting from changes in senior management in 2025.

Outlook

We expect to continue to spend substantial amounts of cash to conduct further research and development and preclinical and clinical testing of our pipeline targets and to seek regulatory approvals for any current and future product candidates. Based on our current operating plans, we believe that our existing cash and cash equivalents will be sufficient to fund our anticipated level of operations into mid-2027. Given the development stage of the Company, we do not anticipate revenues from product sales in the foreseeable future. We expect our staffing levels to remain broadly in line with our current operating plans, with limited fluctuations driven by the progression of our development programs.

Risks of fraud and non-compliance with laws and regulations

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with FDA or EMA regulations or similar regulations of other foreign regulatory authorities, to provide accurate information to the FDA, the EMA or other foreign regulatory authorities, to comply with certain manufacturing standards, to comply with U.S. federal and state healthcare fraud and abuse laws and regulations and similar laws and regulations established and enforced by comparable foreign regulatory authorities, to report financial information or data accurately or to disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. We have adopted and implemented a Code of Business Conduct and Ethics, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity, such as employee training on enforcement of the Code of Business Conduct and Ethics, may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions and any imposition of significant fines or other sanctions could have a significant impact on our business and results of operations.

We monitor and assess applicable Dutch and U.S. federal and state corporate governance codes, rules, and regulations. We apply the 2025 DCGC. We also are required to comply with all applicable U.S. securities laws and regulations, including the rules and regulations promulgated by the U.S. Securities and Exchange Commission ("SEC") pursuant to the U.S. Exchange Act of 1934 and the U.S. Sarbanes-Oxley Act of 2002, as well as the U.S. Nasdaq Capital Market ("Nasdaq") listing rules.

Our corporate governance structure is based on the requirements of the Dutch Civil Code, the 2025 DCGC, the Company's Articles of Association and the rules and regulations applicable to companies listed on the Nasdaq. These procedures include a risk management and control system, as well as a system of assurance of compliance with laws and regulations.

The Board is responsible for the quality of its own performance and it discusses, once a year on its own, without the executive directors present, both its own functioning and that of the individual members, and the functioning of the Board. The Board discussed its functioning and competencies and concluded that its functioning and competencies are appropriate for the current phase of the Company. The Board continues to assess its composition and functioning on an ongoing basis with the aim to ensure and maintain the requisite expertise, experience and diversity. The performance and composition of the Board were also found to be adequate. We feel the additional efforts of all staff at ProQR form a strong foundation for the success and growth of the Company and all milestones reached this past year. Therefore, we would like to express our thanks to the Board, senior management and all other employees for their contribution and performance during the year. We thank our shareholders for their continued support.

On behalf of the Board,

James Shannon
Chairman

Leiden, March 12, 2026

Corporate Governance

ProQR values the importance of complying with Corporate Governance regulations. At the same time, the Board of Directors is of the opinion that certain deviations from the provisions of the DCGC are justified, in view of our activities, our listing on Nasdaq, our size, our operation in the global market and the specific circumstances in which we operate. In such cases, which are mentioned in this corporate governance statement, we apply the "comply or explain" principle.

Deviations from certain aspects of the Code, when deemed necessary in the interests of the Company, will be disclosed in the Annual Report. Most deviations are justified due to our Company being listed in the United States with most of our investors being outside of the Netherlands, as well as to the international business focus of our Company. As a Company listed on Nasdaq, we comply with Nasdaq's corporate governance listing standards, except for instances where we follow our home country's corporate governance practices in lieu of certain Nasdaq's standards as explained below, as Nasdaq investors are more familiar with Nasdaq's rules than with the Code.

In this report, the Company addresses its overall corporate governance structure and states to what extent and how it applies the principles and best practice provisions of the Code. This report also includes the information which the Company is required to disclose pursuant to the Dutch governmental decree on Article 10 Takeover Directive and the governmental decree on Corporate Governance.

Substantial changes in the Company's corporate governance structure and in the Company's compliance with the DCGC, if any, will be submitted to the General Meeting of Shareholders for discussion under a separate agenda item. The Board, which is responsible for the corporate governance structure of the Company, is of the opinion that the principles and best practice provisions of the DCGC that are addressed to the Board, are interpreted and implemented in line with the best practices followed by the Company, are being applied.

The full text of the DCGC can be found at the website of the Monitoring Commission Corporate Governance Code (www.mccg.nl) and for an overview of our conformity with the Code the following documents are available at our website (www.ProQR.com): (i) Board Rules, (ii) audit committee charter, (iii) compensation, nominating and corporate governance committee charter, and (iv) code of business conduct and ethics.

Board

Since 2024, the Company operates under a one-tier governance framework, comprising both executive directors and non-executive directors.

ProQR is dedicated to improve the lives of patients and their loved ones through the development of RNA editing therapies for severe genetic rare diseases. The expectations and interests of our stakeholders is a key reference point in establishing our sustainable long term strategy.

The Board's role is to develop sustainable long term value creation by means of a strategy to pursue the sustainable long term success of ProQR, as further set out in the *Message to Shareholders* section. The strategy contains multiple elements linked to the Corporate Governance Code:

- Implementation and feasibility;
- Business model applied by the company;
- Opportunities and risks;
- Operational and financial objectives;

- Interest of shareholders;
- Impact in the field of sustainability, including the effects on people and the environment;
- Paying a fair share of tax in the countries in which ProQR operates;
- Impact of new technologies and changing business models;
- Any other relevant aspects such as charity and patient organizations.

The Board's executive directors are responsible for the execution of the strategy by assuming the authority and responsibilities assigned to it by Dutch corporate law and by combining expertise and experience with entrepreneurial leadership.

Our Board may perform all acts necessary or useful for achieving our corporate purposes, other than those acts that are prohibited by law or by our articles of association. The Board as a whole and any executive Board member individually, are authorized to represent us in dealings with third parties.

Under our articles of association, the number of Board members is determined by the Board. The Board Rules stipulate that the Board must consist of at least one executive director and at least two non-executive directors. The Board elects an executive director to be the Chief Executive Officer and a non-executive director to be the chairman of the Board. Pursuant to Dutch law, non-executive Board members must be natural persons.

Members of the Board are appointed by the general meeting of shareholders upon a binding nomination of the Board. Our general meeting of shareholders may at all times deprive such a nomination of its binding character by a resolution passed by at least two-thirds of the votes cast representing more than 50% of our issued share capital, following which our Board may draw up a new binding nomination.

Our article of association provide that, members of our Board may be appointed for a maximum term of four years, noting that each Board member is immediately eligible for reappointment for another maximum term of four years. Our articles of association provide that the Board members must retire periodically in accordance with a rotation schedule adopted by the Board. A Board member who retires in accordance with the rotation schedule may be reappointed immediately for a term of not more than four years at a time.

The Board is supported by senior management consisting of the Chief Financial Officer, the Chief People & Operations Officer, and the Chief Medical Officer.

Non-executive Board members

Our non-executive Board members are responsible for the supervision of the activities of our Board and our Company's general affairs and business. Our non-executive Board members may, also at their own initiative, provide the executive Board Members with advice and may request any information from the executive Board members that they deem appropriate. In performing its duties, the non-executive Board members are required to act in the interests of our Company (including its stakeholders) and its associated business as a whole.

With the exception of Theresa Heggie, each non-executive member of our Board has been and remains fully independent within the meaning of Nasdaq Rule 5605(a)(2) and best practice provision 2.1.8 of the DCGC. Ms. Heggie was, prior to her appointment on the Board in 2023, employed by ProQR as Chief Commercial Officer and Chief Operations Officer. Having been employed by the Company within five years prior to her appointment on the (former: supervisory) Board, Ms. Heggie does not qualify as independent within the meaning of best practice provision 2.1.8(i) of the DCGC. We believe her membership of the Board is justified by her specific knowledge of and experience with our business and company. Moreover, we do comply with best practice provision 2.1.7 of the DCGC, as only one out of 7 non-executive Board members is not independent under best practice provision 2.1.8. of the DCGC.

Under our articles of association, the general meeting of shareholders may suspend or remove Board members at any time. A resolution of our general meeting of shareholders to suspend or remove a Board member may be passed by a simple majority of the votes cast, provided that the resolution is based on a proposal by our Board. In the absence of a proposal by our Board, a resolution of our general meeting of shareholders to suspend or remove a Board member shall require a majority of at least two-thirds of the votes cast representing more than 50% of our issued share capital.

In a meeting of the Board, each non-executive Board member is entitled to cast one vote. A non-executive Board member may grant a written proxy to another non-executive Board member to represent him/her at a meeting of the Board. All resolutions by our Board are adopted by a simple majority of the votes cast unless our Board rules provide otherwise. In case of a tie in any vote of the Board, the chairman of the Board shall have the casting vote. Our Board may also adopt resolutions outside a meeting, provided that such resolutions are adopted in writing, all Board members are familiar with the resolution to be passed and provided that no Board member objects to such decision-making process.

A succession plan for Board members is in place that is aimed at retaining the balance in the requisite expertise, experience and diversity.

Committees of the Board

In 2025, the Board had i) an audit committee, ii) a compensation, nominating and corporate governance committee and iii) a research and development committee. The Board adopted a charter for each of these committees.

Audit Committee

Our audit committee consists of Bart Filius (Chair), Alison F. Lawton and Begoña Carreño.

Each member satisfies the independence requirements of the Nasdaq listing standards / Rule 10A-3(b)(1) under the Exchange Act, and each member meets the criteria for independence set forth in best practice 2.1.8 of the DCGC. Bart Filius qualifies as an "audit committee financial expert," as defined by the SEC in Item 16A: "Audit Committee Financial Expert" and as determined by our Board. The audit committee oversees our accounting and financial reporting processes and the audits of our financial statements. The audit committee is responsible for, among other things:

- the operation of the internal risk management and control systems, including supervision of the enforcement of relevant primary and secondary legislation, and supervising the operation of codes of conduct;
- the provision of financial information by the Company (choice of accounting policies, application and assessment of the effects of new rules, information about the handling of estimated items in the financial statements, forecasts, work of internal and external auditors, etc.);
- compliance with recommendations and observations of internal and external auditors;
- the policy of the company on tax planning;
- relations with the external auditors, including, in particular, appointment of the external auditors, their independence, remuneration and any non-audit services for the Company;
- the financing of the Company;
- the applications of information and communication technology, including risks relating to cyber security;

- annually reviewing the need for an internal audit function: the Board has decided not to create an internal audit function for the time being, since the current scope of the business does not justify such a full-time role. The Board has delegated an active role to its Audit Committee in the design, implementation and monitoring of internal risk management and control system to manage the significant risks to which the Company is exposed;
- reviewing and approving all proposed related party transactions;
- discussing the annual audited statutory financial statements with the Board; and
- annually reviewing and reassessing the adequacy of our audit committee charter.

Compensation, Nominating and Corporate Governance Committee

Our compensation, nominating and corporate governance committee consists of Theresa Heggie (Chair), Dinko Valerio and James Shannon. With the exception of Theresa Heggie, each member meets the criteria for independence set forth in best practice provision 2.1.8 of the DCGC. The majority of the compensation, nominating and corporate governance committee members is independent, in line with provision 2.3.4 DCGC. With respect to compensation matters, the compensation, nominating and corporate governance committee assists our Board in reviewing and approving or recommending our compensation structure, including all forms of compensation relating to our Board members and our officers. Members of our Board may not be present at any compensation, nominating and corporate governance committee meeting while their compensation is deliberated. With respect to nominating and corporate governance matters, the compensation, nominating and corporate governance committee assists our Board in selecting individuals qualified to be nominated as Board members, in determining the composition of the Board, and its committees and our officers and in developing, recommending and keeping up to date the corporate governance guidelines as adopted by the Board. Subject to and in accordance with the terms of the compensation policy in place from time to time and as approved by our general meeting of shareholders, as required by Dutch law, the compensation, nominating and corporate governance committee is responsible for, among other things:

- reviewing and making recommendations to the non-executive Board members with respect to compensation, including equity compensation, change-of-control benefits and severance arrangements of our Board members;
- reviewing and approving the compensation, including equity compensation, change-of-control benefits and severance arrangements, of our officers (not part of our Board) as it deems appropriate;
- overseeing the evaluation of our Board members and our officers;
- reviewing periodically and making recommendations to our Board with respect to any incentive compensation and equity plans, programs or similar arrangements;
- exercising the rights of our Board under any equity plans, except for the right to amend any such plans unless otherwise expressly authorized to do so;
- attending to such other matters as are specifically delegated to our compensation, nominating and corporate governance committee by our Board from time to time;
- periodically reviewing, in consultation with our Chief Executive Officer, our Board and our officers succession planning;
- recommending to the Board persons to be nominated for election or re-election to the Board at any meeting of the shareholders;

- overseeing the Board's annual review of its own performance and the performance of its committees; and
- considering, preparing and recommending to the Board on the corporate governance guidelines.

Our Board may also delegate certain tasks and powers under our share-based compensation plan to the compensation, nominating and corporate governance committee.

Research and Development Committee

Our research & development committee consists of James Shannon (Chair), Dinko Valerio, Martin Maier and Alison F. Lawton. Each member satisfies the independence requirements of the Nasdaq listing standards. In addition, each member meets the criteria for independence set forth in best practice provision 2.1.8 of the DCGC. The research & development committee assists the Board in overseeing our product pipeline and research and development strategy. The research & development committee is responsible for, among other things:

- reviewing the Company's research and development strategy, including the long-term strategy goals and objectives;
- reviewing and assessing quality of the research and development programs;
- reviewing the progress of the platform development, product pipeline, including a review and analysis of the progress and results of preclinical studies and clinical trials (if and when applicable);
- reviewing and advising the Board about strategic opportunities to enhance innovation and development;
- reviewing and assessing scientific activities critical to the success of the Company's research and development strategy; and
- organizing and chairing meetings with the Company's scientific advisory board for supporting its review and assessment of the company's research and development strategy.

Insurance and Indemnification of Board Members

Under Dutch law, Board members and certain other representatives may be held liable for damages in the event of improper or negligent performance of their duties. They may be held jointly and severally liable for damages to the Company for infringement of the articles of association or of certain provisions of the Dutch Civil Code. They may also be liable towards third parties for infringement of certain provisions of the Dutch Civil Code. In certain circumstances they may also incur additional specific civil and criminal liabilities.

Our articles of association provide that we will indemnify our Board members and former Board members (each an "Indemnified Person") against (i) any financial losses or damages incurred by such Indemnified Person and (ii) any expense reasonably paid or incurred by such Indemnified Person in connection with any threatened, pending or completed suit, claim, action or legal proceedings, whether civil, criminal, administrative or investigative and whether formal or informal, in which he or she becomes involved, to the extent this relates to his or her position with the Company, in each case to the fullest extent permitted by applicable law. No indemnification shall be given to an Indemnified Person (a) if a Dutch court has established, without possibility for appeal, that the acts or omissions of such Indemnified Person that led to the financial losses, damages, suit, claim, action or legal proceedings result from either an improper performance of his duties as an officer of the Company or an unlawful or illegal act and (b) to the extent that his or her financial losses, damages and expenses are covered by an insurance and the insurer has settled these financial losses,

damages and expenses (or has indicated that it would do so). Our Board may stipulate additional terms, conditions and restrictions in relation to such indemnification.

In 2025, the Company entered into indemnification agreements with all Board members and members of senior management. Pursuant to these indemnification agreements, the Indemnified Person are indemnified against liabilities incurred by them and expenses related thereof. No indemnification shall be given to an Indemnified Person (a) if a Dutch court has established, without possibility for appeal, that the acts or omissions of such Indemnified Person that led to the financial losses, damages, suit, claim, action or legal proceedings result from either an improper performance of his duties as an officer of the Company or an unlawful or illegal act, (b) to the extent that his or her financial losses, damages and expenses are covered by an insurance and the insurer has settled these financial losses, damages and expenses (or has indicated that it would do so), (c) in connection with any Proceeding (or any part of any Proceeding) initiated by the Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by the Indemnitee against the Company or its Directors, Officers or person indemnified by the Company, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation, (ii) such Proceeding or part of a Proceeding is brought by the Indemnitee to interpret or enforce this Agreement or any related indemnification obligations in a Company policy of insurance or the Company's governing documents (unless and to the extent a competent court or arbitral tribunal with jurisdiction over such action determines, in a final and binding decision, that the material assertions or defences asserted by the Indemnitee in such action were made in bad faith or were frivolous, however the indemnification shall in any event not extend to payments to be made by the Indemnitee under any order for costs given in such Proceeding) or (iii) the Company voluntarily elects to provide the indemnification, in its sole discretion, and without any obligation to do so, if and to the extent permitted by applicable law; and (d) to the extent that his Liabilities and Expenses are paid or incurred by virtue of any other capacity of the Indemnity than referred to in Clause 2.1, including being a shareholder or stock option holder of the Company.

In addition to the indemnification, the Company has Directors & Officers insurance in place.

Diversity and Inclusion

Our Board has six male members and three female members. The senior management team comprises five people (our two executive Board Members, the Chief Financial Officer, the Chief People & Operations Officer, and the Chief Medical Officer), three of whom are male and two female. We support diversity of i.a. gender, cultural background and age in our Company. ProQR maintains a culture that reflects that ProQR is a multicultural company representing employees from over twenty countries. The culture is represented by the commitment to conducting our business ethically with due observance of applicable laws, rules and regulations. In this context the Code of Conduct and Whistleblowing policy are implemented and strongly anchored in the organization and part of routine awareness campaigns. We foster an open culture whereby all employees and stakeholders are encouraged to aim high, challenge each and to speak up and voice concerns without retaliation. We believe this open culture is essential for long-term success and growth. Effectiveness of the Code of Conduct is monitored periodically.

Our current Board members were selected based on the required profile and talent and abilities of the members without positive or negative bias on gender, culture or age. In the future, this will continue to be our basis for selection of new Board members. We apply the same methodology for hiring employees, which results in an overall gender balance of 63% female – 37% male per the end of 2025.

General Meeting of Shareholders

General meetings of shareholders can be held in Leiden, Amsterdam, Rotterdam, Schiphol Airport (municipality Haarlemmermeer), The Hague, Oegstgeest, Leidschendam, Katwijk, Noordwijk or Wassenaar, the Netherlands. All shareholders and others entitled to attend general meetings of shareholders are authorized to attend the general meeting of shareholders, to address the meeting and, in so far as they have such right, to vote, either in person or by proxy.

Annually, at least one general meeting of shareholders shall be held, within six months after the end of our financial year. A general meeting of shareholders shall also be held within three months after our Board has considered it to be likely that the Company's equity has decreased to an amount equal to or lower than half of its paid up and called up capital. If the Board have failed to ensure that such general meetings of shareholders as referred to in the preceding sentences are held in a timely fashion, each shareholder and other person entitled to attend shareholders' meetings may be authorized by the Dutch court to convene the general meeting of shareholders.

Our Board may convene additional extraordinary general meetings of shareholders whenever they so decide. Pursuant to Dutch law, one or more shareholders and/or others entitled to attend general meetings of shareholders, alone or jointly representing at least ten percent of our issued share capital may on their application, be authorized by the Dutch court to convene a general meeting of shareholders. The Dutch court will disallow the application if it does not appear to it that the applicants have previously requested that the Board convenes a shareholders' meeting and the Board has not taken the necessary steps so that the shareholders' meeting could be held within six weeks after the request.

General meetings of shareholders are convened by a notice which includes an agenda stating the items to be discussed. For the annual general meeting of shareholders the agenda will include, among other things, the adoption of our annual accounts, the appropriation of our profits or losses, discharge of the members of the Board and proposals relating to the composition and filling of any vacancies of the Board. In addition, the agenda for a general meeting of shareholders includes such items as have been included therein by our Board. Pursuant to Dutch law, one or more shareholders and/or others entitled to attend general meetings of shareholders, alone or jointly representing at least 3% of the issued share capital have the right to request the inclusion of additional items on the agenda of shareholders' meetings. Such requests must be made in writing, substantiated, or by a proposal for a resolution and received by us no later than the sixtieth day before the day the relevant general meeting is held. No resolutions will be adopted on items other than those which have been included in the agenda.

We will give notice of each general meeting of shareholders by publication on our website and, to the extent required by applicable law, in a Dutch daily newspaper with national distribution, and in any other manner that we may be required to follow in order to comply with Dutch law, applicable stock exchange and SEC requirements. We will observe the statutory minimum convening notice period for a general meeting of shareholders.

Pursuant to our articles of association, our Board may determine a registration date ('registratiedatum') of 28 calendar days prior to a general meeting of shareholders to establish which shareholders and others with meeting rights are entitled to attend and, if applicable, vote in the general meeting of shareholders. The registration date, if any, and the manner in which shareholders can register and exercise their rights will be set out in the convocation notice of the general meeting. Our articles of association provide that a shareholder must notify the Company in writing of his or her identity and his or her intention to attend (or be represented at) the general meeting of shareholders, such notice to be received by us ultimately on the seventh day prior to the general meeting. If this requirement is not complied with or if upon direction of the Company to that effect no proper identification is provided by any person wishing to enter the general meeting of shareholders, the chairman of the general meeting of shareholders may, in his or her sole discretion, refuse entry to the shareholder or his or her proxy holder.

Pursuant to our articles of association, our general meeting of shareholders is chaired by the chairman of our Board. If the chairman of our Board is absent and has not charged another person to chair the meeting in his place, the Board members present at the meeting shall appoint one of them to be chairman. If no non-executive Board members are present at the general meeting of shareholders, the general meeting of shareholders will be chaired by our Chief Executive Officer or, if our Chief Executive Officer is absent, another executive Board member present at the meeting and, if none of them is present, the general meeting shall appoint its own chairman. The person who should chair the meeting may appoint another person in his stead.

The chairman of the general meeting may decide at his discretion to admit other persons to the meeting. The chairman of the general meeting shall appoint another person present at the shareholders' meeting to act as secretary and to minute the proceedings at the meeting. The chairman of the general meeting may instruct a civil law notary to draw up a notarial report of the proceedings at the Company's expense, in which case no minutes need to be taken. The chairman of the general meeting is authorized to eject any person from the general meeting of shareholders if the chairman considers that person to disrupt the orderly proceedings. The general meeting of shareholders shall be conducted in the English language.

Voting Rights and Quorum Requirements

In accordance with Dutch law and our articles of association, each issued ordinary share and preferred share confers the right on the holder thereof to cast one vote at the general meeting of shareholders. The voting rights attached to any shares held by us or our direct or indirect subsidiaries are suspended as long as they are held in treasury. Dutch law does not permit cumulative voting for the election of Board members.

Voting rights may be exercised by shareholders or by a duly appointed proxy holder (the written proxy being acceptable to the chairman of the general meeting of shareholders) of a shareholder, which proxy holder need not be a shareholder. Our articles of association do not limit the number of shares that may be voted by a single shareholder.

Under our articles of association, blank votes, abstentions and invalid votes shall not be counted as votes cast. Further, shares in respect of which a blank or invalid vote has been cast and shares in respect of which the person with meeting rights who is present or represented at the meeting has abstained from voting are counted when determining the part of the issued share capital that is present or represented at a general meeting of shareholders. The chairman of the general meeting shall determine the manner of voting and whether voting may take place by acclamation.

In accordance with Dutch law and generally accepted business practices, our articles of association do not provide quorum requirements generally applicable to general meetings of shareholders. To this extent, our practice varies from the requirement of Nasdaq Listing Rule 5620(c), which requires an issuer to provide in its bylaws for a generally applicable quorum, and that such quorum may not be less than one-third of the outstanding voting shares.

Resolutions of the general meeting of shareholders are adopted by a simple majority of votes cast without quorum requirement, except where Dutch law or our articles of association provide for a special majority and/or quorum in relation to specified resolutions.

Anti-takeover provisions

We have adopted several provisions that may have the effect of making a takeover of our Company more difficult or less attractive, including:

- granting a perpetual and repeatedly exercisable call option to a protection foundation, which confers upon the protection foundation the right to acquire, under certain conditions, the number of preferred shares in the capital of the Company. The issuance of such preferred shares will occur upon the protection foundation's exercise of the call option and will not require shareholder consent;

- the staggered four-year terms of our non-executive Board members, as a result of which only approximately one-fourth of our non-executive Board members will be subject to election in any one year;

- a provision that our Board members may only be appointed upon a binding nomination by our non-executive Board members, which can be set aside by a two-thirds majority of our shareholders representing more than 50% of our issued share capital;

- a provision that our Board members may only be removed by our general meeting of shareholders by a two-thirds majority of votes cast representing more than 50% of our issued share capital (unless the removal was proposed by the non-executive Board members); and

- a requirement that certain matters, including an amendment of our articles of association, may only be brought to our shareholders for a vote upon a proposal by our Board.

Deviations from the Dutch Corporate Governance Code

The Code contains a "comply-or-explain" principle, offering the possibility to deviate from the Code as long as any such deviations are explained. We acknowledge the importance of good corporate governance. However, at this stage, we do not comply with all the provisions of the DCGC for specific reasons. The main deviations from best practice provisions are listed below.

- Best practice provision 1.1.5 stipulates that a policy for dialogue with the relevant stakeholders on the sustainability aspects of the strategy should be drawn up. The Company has not formulated such policy as it believes this is already covered by our regular process for public disclosure of information.

- Best practice provisions 1.4.2 and 1.4.3 requires management to include a substantiated declaration regarding the effectiveness of the internal risk management and control systems (the "verklaring omtrent risicobeheersing"). The Company does not include all of the specific declarations as described in best practice provisions 1.4.2 and 1.4.3 and has therefore deviated from best practice provisions 1.4.2 (iii) and 1.4.3 (iii) – (iv). The Company is listed on the Nasdaq Stock Market and is subject to the U.S. Sarbanes-Oxley Act of 2002 (SOx), including the provisions of Section 404 a and b relating to internal control over financial reporting. In this context, the Company has designed, implemented, and evaluated a comprehensive system of internal control over financial reporting in accordance with SOx requirements, reference is made for page 38 for best practice provision 1.4.3 (ii) on financial reporting. The Company's broader risk management framework further comprises an enterprise risk management process covering strategic, operational, financial and compliance risks, documented internal controls over financial reporting, and ongoing oversight by the audit committee. Relevant information on these matters is disclosed in the risk management section on pages 40 – 42. Given its clinical stage and absence of operational revenues, the Company has limited operational size and complexity. Taking into account this stage of development and the Company's governance structure, management is of the view that the current disclosures provide appropriate transparency regarding the Company's risk management and control environment. Through these alternative measures the Company aims to achieve the underlying objective of best practice provisions 1.4.2 (iii) and 1.4.3 (iii) – (iv). The deviation from best practice provisions 1.4.2 (iii) and 1.4.3 (iii) – (iv) is structural in nature. However, the Company continuously monitors developments in Dutch and U.S. corporate governance practice and will reassess its approach to compliance with these provisions on an annual basis.

- Pursuant to the best practice provision 2.1.8(i), our non-executive Board member Theresa Heggie is non-independent. Ms. Heggie was employed by the Company in the five year period preceding her appointment on the Board (then: supervisory board) at the AGM 2023. Theresa Heggie is the chair of the compensation, nominating and corporate governance committee. The compensation, nominating and corporate governance committee is composed of three members of which only Ms. Heggie qualifies as non-independent under the DCGC. As long as a majority of committee members are independent, the chair may be non-independent in accordance with the DCGC.

- Pursuant to best practice provision 2.2.2, non-executive Board members can be elected twice for a period of 4 years each, and with justification, may be reappointed for two periods of two years. James Shannon, M.D. was re-appointed as non-executive Board member at the AGM 2025 for a period of 4 years, having served as non-executive Board member for 9 years at that time. This is a deviation from DCGC provision 2.2.2 due to (i) the term of re-appointment being 4 years and (ii) the re-appointment of 4 years bringing his total tenure to 13 years. The Board has deemed it in the best interest of the Company to nominate Dr. Shannon for re-appointment for a period 4 years at the AGM 2025. Dr. Shannon brings incomparable experience in drug development, having overseen the approval of over 30 drugs (including 16 blockbusters), possesses significant leadership skills, regulatory insight, and has a very strong industry reputation. In 2025, the Company was preparing to enter the phase of clinical development, a crucially important phase for the Company. The Board considered continuity of strong and balanced leadership for the Company throughout its clinical development phase to be of high strategic importance. Therefore, the Board decided to deviate from this provision 2.2.2 of the DCGC in the best interest of the Company. We note that under Nasdaq regulations, there is no limit to the number of terms or years a non-executive Board member is appointed.

- Pursuant to the best practice provision 2.4.2 of the DCGC, any other positions held by Board members should be notified to the Board and be discussed in the Board meeting. We believe that the compensation, nominating and corporate governance committee, of which the Board chair is a member, is well equipped to grant approval for Board members assuming other positions. Therefore, we do not intend to comply with this provision.

- Pursuant to the best practice provisions 3.1.2.vi and 3.1.2.vii of the DCGC, options granted to our Board members should not be exercisable during the first three years after the date of grant; shares granted to our Board members for no financial consideration should be retained by them for a period of at least five years or until they cease to hold office, whichever is the shorter period; and the number of options and/or shares granted to our Board members should be dependent on the achievement of pre-determined performance criteria. We do not intend to comply with all of the above requirements as we believe it is in the best interest of the Company to attract and retain highly skilled Board members on conditions based on market competitiveness. Moreover, we operate in a global and heavily USA focused market for attracting top talent. As a Dutch Company listed on Nasdaq, we must follow US best practice at times in order to be competitive.

- Pursuant to best practice provision 3.2.3 the remuneration of the executive Board members in the event of dismissal should not exceed one year's salary. The management services agreements with our non-Chief Executive Officer executive Board members provide for a lump-sum equal to 24 months of the individual's monthly gross fixed salary in case of dismissal following a change of control. The management services agreement with our Chief Executive Officer provides for a lump-sum payment equal to 24 months of the Chief Executive Officer's monthly gross fixed salary in case of dismissal by the Company for reasons other than cause or culpable behavior and a pro-rated STI payment for the months in service in the year of termination. In addition, in the event of termination of the Chief Executive Officer as described here above, all his stock options and RSUs (as applicable) shall be subject to accelerated vesting and remain exercisable until expiration of the respective award. Based on the risk profile of the Company and to be able to attract and retain highly skilled

management, we believe this arrangement is appropriate and in line with market practice in the sector.

- Best practice provision 3.3.2 prohibits the granting of shares or rights to shares to members of the non-executive Board members as compensation. It is common practice for companies listed on the Nasdaq to grant shares to the non-executive Board members as compensation, in order to align the interests of the members of the non-executive Board members with our interests and those of our shareholders, and we have granted and expect to grant options to acquire ordinary shares to some of our non-executive Board members.

- Pursuant to best practice provision 3.3.3, any shares held by non-executive Board members are long-term investments. We do not request our non-executive Board members to comply with this provision. We believe it is in the best interest of the Company not to apply this provision in order to be able to attract and retain highly skilled non-executive Board members on internationally competitive terms.

- Best practice provision 4.2.2 stipulates that an outline policy on bilateral contacts with the shareholders shall be formulated and published on the Company's website. The Company has not formulated such policy as it believes this is already covered by our regular process for public disclosure of information.

- Best practice provision 4.2.3 stipulates that meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences must be announced in advance on the Company's website and by means of press releases. Provision must be made for all shareholders to follow these meetings and presentations in real time, for example by means of webcasting or telephone. After the meetings, the presentations must be posted on the Company's website. We believe that enabling shareholders to follow in real time all the meetings with analysts, presentations to analysts and presentations to investors, would create an excessive burden on our resources and therefore, we do not intend to comply with all of the above requirements.

- Best practice provision 4.3.3 provides that the general meeting of shareholders may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the Board or a resolution to dismiss such member by an absolute majority of the votes cast. It may be provided that such majority should represent a given proportion of the issued capital, but this proportion may not exceed one third. In addition, best practice 4.3.3 provides that if such proportion of the share capital is not represented at the meeting, but an absolute majority of the votes cast is in favor of a resolution to cancel the binding nature of the nomination, a new general meeting of shareholders will be convened where the resolution may be adopted by absolute majority, regardless of the proportion of the share capital represented at the meeting. Our articles of association provide that these resolutions can only be adopted with at least a 2/3 majority which must represent more than 50% of our issued capital, and that no such second meeting will be convened, because we believe that the decision to overrule a nomination by the Board for the appointment or dismissal of a member of our Board must be widely supported by our shareholders.

Summary of significant corporate governance differences from Nasdaq Listing Standards

Our ordinary shares are listed on Nasdaq. The Sarbanes-Oxley Act of 2002, as well as related rules subsequently implemented by the SEC, requires foreign private issuers, including our Company, to comply with various corporate governance practices. As a foreign private issuer, subject to certain exceptions, the Nasdaq listing standards permit a foreign private issuer to follow its home country practice in lieu of the Nasdaq listing standards. Our corporate governance practices differ in certain aspects from those that U.S. companies must adopt in order to maintain a Nasdaq listing. The home country practices followed by our Company in lieu of Nasdaq rules are described below:

- We do not intend to follow Nasdaq's quorum requirements applicable to meetings of shareholders. In accordance with Dutch law and generally accepted business practice, our articles of association do not provide quorum requirements generally applicable to general meetings of shareholders.

- We do not intend to follow Nasdaq's requirements regarding the provision of proxy statements for general meetings of shareholders. Dutch law does not have a regulatory regime for the solicitation of proxies and the solicitation of proxies is not a generally accepted business practice in the Netherlands. We do intend to provide shareholders with an agenda and other relevant documents for the general meeting of shareholders and shareholders will be entitled to give proxies and voting instructions to us and/or third parties.

- In accordance with Dutch law and the DCGC, our compensation, nominating and corporate governance committee consists of a majority of members who qualify as independent under the DCGC. The chairperson of the compensation, nominating and corporate governance committee; independent under the Nasdaq Rules and non-independent under the DCGC; is permitted to chair and be a member of the compensation, nominating and corporate governance committee as a majority of its members qualifies as independent under the Dutch law and DCGC provisions.

- We do not intend to follow Nasdaq's requirements regarding Nasdaq Listing Rule 5605(b)(2), which mandates that independent directors must meet at regularly scheduled executive sessions where only independent directors are present. In accordance with Dutch law and the DCGC, our directors may choose to meet in executive sessions at their discretion.

We intend to take all actions necessary for us to maintain compliance as a foreign private issuer under the applicable corporate governance requirements of the Sarbanes-Oxley Act of 2002, the rules adopted by the SEC and Nasdaq's listing standards.

Controls and procedures

In accordance with the DCGC, we have assessed the design and operational effectiveness of our Risk & Control framework. Based on the activities performed during 2025, and in accordance with provision 1.4.3, the Board considers that:

- this report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;

- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies as at December 31, 2025;

- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and

- the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of this report.

In accordance with the Dutch Financial Supervision Act, section 5.25c, the Board declares that, to the best of its knowledge:

- the financial statements for 2025 provide, in accordance with IFRS as endorsed by the European Union, a true and fair view of the consolidated assets, liabilities and financial position as at December 31, 2025, and of the 2025 consolidated income statement of ProQR Therapeutics N.V.;

- the annual report provides a true and fair view of the situation as at December 31, 2025, and the state of affairs during the financial year 2025, together with a description of the principal risks faced by the Company.

Board Composition and Culture

We value diversity as a way of recognizing and valuing the differences between individuals to come to the most efficient and effective way to achieve our strategic objectives.

For our Board members, this means that when making recommendations to the general meeting for the (re-) appointment of Board members, the Board will aim for a diverse composition in terms of such factors as gender and age, in accordance with our diversity policy as may be in force from time to time. Currently, our Board has six male members and three female members. The senior management team comprises five people (our two executive Board Members, the Chief Financial Officer, the Chief People & Operations Officer, and the Chief Medical Officer), three of whom are male and two female. Under Dutch law reporting rules, we will be required to address diversity of our Board members in our Annual Report: (i) composition of the Board by gender; (ii) objectives of the diversity policy; (iii) description of how the diversity policy is being implemented and the results thereof and (iv) if there is no diversity policy, this should be explained.

Our policy is that we will balance our Board of directors in terms of gender, age, background and nationality as much as reasonably possible while still having our Board composed of the best possible candidates overall. Moreover, we strongly embrace the notion that diversity as a concept is not limited to the mere parameters of e.g. gender and age and therefore, we embrace a holistic perspective on diversity, to include any kind of identity characteristic of an individual, including -but not limited to- sexual orientation, sexual expression, gender expression and identity, disabilities, religious background, ethnicity, and disabilities. It has been and will remain our priority to have the best available specialists on our Board, irrespective of e.g. age, background, nationality, ethnicity and gender, who make a balanced panel of directors able to advise and guide ProQR to further growth and success for all its stakeholders. This means we require a number of specialties and character traits to be present. Taking into account the aforementioned and the specialist nature of our business, we will actively seek to further improve diversity on our Board if and when proposing new appointments of directors, whilst acknowledging that diversity in all aspects are important, but not the only factors relevant for the ultimate decision to select a Board member. It is important to note that in the context of culture, the Code of Conduct and Whistleblowing policy are implemented and strongly anchored in the organization and part of routine awareness campaigns. The Code of Conduct and the Whistleblowing policy provide guidance and security as to the conduct we aim for as a company and expect from our employees and stakeholders. We foster an open culture whereby all employees and stakeholders are encouraged to aim high, challenge each and to speak up and voice concerns without retaliation. We believe this open culture is essential for long-term success and growth. Effectiveness of the Code of Conduct is monitored periodically.

Risk Management

Our business is subject to numerous risks and uncertainties. In the table below, we focus on the key risks and uncertainties the Company currently faces. For the avoidance of doubt, this does not mean that the risks which were previously signaled and not described here are no longer relevant. For a complete understanding of the risks that we face you should also read the full list of risks and uncertainties as disclosed in item 3.D Risk Factors of the annual report on Form 20-F as filed with U.S. SEC. Some of these risks and uncertainties are outside the control of the Company, others may be influenced or mitigated. In 2015, we have implemented a Risk & Control framework, based on the COSO 2013 internal control framework, for enhancing our control environment as well as compliance with the U.S. SEC's Sarbanes Oxley (SOx) Act of 2002, which we are required to do as a company listed on the Nasdaq. As part of the SOx implementation program, our Risk & Control framework was further enhanced in 2025, focusing on business process, IT and entity level controls. Improvement of our Risk & Control framework is an ongoing effort of the Company.

We have defined our risk tolerance on a number of internal and external factors including:

- Financial strength in the long run;
- Liquidity in the short run;
- Business performance measures;
- Scientific risks and opportunities;
- Compliance with relevant rules and regulations;
- Turnover of staff;
- Reputation.

The identification and analysis of risks is an ongoing process that is naturally a critical component of internal control. On the basis of these factors and ProQR's risk tolerance, improvement of our Risk & Control framework and monitoring of the risks is an ongoing effort of the Company.

Our main risks are those that threaten the achievement of the Company's corporate objectives, including compliance. If any of these risks actually occurs, our business, prospects, operating results and financial condition could suffer materially. These risks include, but are not limited to, the following:

Risk related to	Risk area	Expected impact upon materialization	Risk mitigating actions
Our therapeutic candidates are based on a novel mechanism of action, which makes it difficult to develop a marketable product	Although we have discovered and are developing our novel Axiomer editing platform and will focus our resources exclusively on RNA editing platform as announced during our strategy update in 2022, there can be no assurance that we will be able to leverage our technology to create viable product	We may never succeed in developing a marketable product, and as a consequence we may not become profitable and the value of our ordinary shares would decline.	The Company reviews and monitors the activities of our research on RNA editing closely at each stage in the process.

	candidates to advance into the clinic, or develop those candidates to submit for regulatory approval.		
Risk related to	**Risk area**	**Expected impact upon materialization**	**Risk-mitigating actions**
Capital Needs and Financial Position	The Company depends largely on equity financing, third party collaboration agreements and government subsidies.	Volatility of the Company's share price, failure to deliver under collaboration agreements and/or the reevaluation or withdrawal of government subsidies may have a negative impact on the Company's ability to obtain future financing, and with that continue research and development activities.	The ability of third-party financing is dependent on external factors and is therefore not entirely in the Company's control. The Company monitors the market conditions for opportunities to add additional capital.
Dependence on Third Parties	The Company relies upon third-party contractors and service providers for the execution of several aspects of its preclinical and clinical development programs, which include CRO's, third party manufacturers and other service providers.	Failure of third parties to provide services of a suitable quality and within acceptable timeframes may cause delay or failure of the Company's development programs.	The Company reviews and monitors the activities of the third parties. These include setting contractual deliverables, quality assurance audits and performance reports, among other activities.
	The Company has entered into a partnership with Lilly pursuant to which Lilly is to further develop and commercialize select targets compounds or products based on the Company's platform.	If Lilly decides to not further pursue the development and commercialization of the products subject of the collaboration for any reason, the Company will miss out on significant revenue streams.	Development of own product pipeline and securing partnerships with multiple partners.
Intellectual Property	The Company is highly dependent on its portfolio of patents and other intellectual property, proprietary information and knowhow and its ability to protect and enforce these assets. The Company is subject to the risk of infringing third party intellectual property rights.	Inadequate intellectual property protection or enforcement may impede the Company's ability to compete effectively. If the Company is not able to protect its trade secrets, know-how or other proprietary information, the value of its technology could be significantly diminished. Intellectual property rights conflicts may result in costly litigation and could result in the Company having to pay substantial damages or limit the Company's ability to commercialize its product candidates.	The Company files and prosecutes patent applications to protect its technologies to the best of its knowledge and with assistance from internal and external counsel. Prior to disclosing any confidential information to third parties, the Company maintains strict confidentiality standards and agreements for collaborating parties.

Risk related to	Risk area	Expected impact upon materialization	Risk-mitigating actions
Information technology systems	We increasingly rely upon technology systems and infrastructure, including support provided by our partners and third parties, to support our business. For example, we routinely rely on our technology systems and infrastructure to aid us in the collection, use, storage and transfer, disclosure and other processing of voluminous amounts of data (including confidential, business, personal and other sensitive information).	The increasing use and evolution of technology, including cloud-based computing, and reliance on third parties creates additional opportunities for the unintentional, intentional and/or unauthorized exposure, dissemination, misuse, and/or destruction of confidential information stored in our technology systems, infrastructure, and products. Our computer systems, servers, and other technology systems (and those of third parties that we use) are vulnerable to breakdown, interruption, cyber and other security attacks, system malfunction, unauthorized access, misuse, and other events. Security threats, including cyber and other attacks are becoming increasingly sophisticated, frequent, and adaptive	The Company has invested in the protection of data and information technology. to protect its IT system to the best of its knowledge. Our IT Director has responsibility for overseeing and implementing the cybersecurity program and reports directly to the Chief People & Operations Officer and has over 20 years of experience in the field of IT, including in network and systems security. We have also appointed an Information Security Officer to assist in managing our cybersecurity threat management program.
Key Personnel	The success of a biotech company often depends on the expertise and experience of its key personnel. Loss of key personnel can adversely affect the Company's operations.	A loss of key research personnel or their work product could compromise our ability to commercialize, or prevent us from commercializing, our product candidates, which could severely harm our business. Attracting and retaining skilled scientists, researchers, and executives is critical for ongoing innovation and development.	The Company has been able to attract and keep the appropriate skilled personnel for its business. We have built a strong team of ProQRians from all walks of life and different nationalities, who are up to the challenge and committed to make a difference for the patients we serve.

In addition to the above key risks, the Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Unfavorable exchange rate developments and interest rates may impact the financial income of the Company. The Company has a cash management policy in place to minimize potential adverse effects resulting from unpredictability of financial markets on the Company's financial performance. For additional details on the Company's financial risk management, reference is made to Note 5 to the consolidated financial statements.

Consolidated Financial Statements 2025

Consolidated Statement of Financial Position of ProQR Therapeutics N.V. and Subsidiaries

	Note	2025	2024
		€ 1,000	*€ 1,000*
ASSETS			
Non-current assets			
Property, plant and equipment	7	12,630	14,113
Investments in financial assets	8	—	—
		12,630	**14,113**
Current assets			
Other taxes	9	913	690
Trade and other receivables	10	6,800	3,747
Cash and cash equivalents	11	92,413	149,408
		100,126	**153,845**
TOTAL ASSETS		**112,756**	**167,958**
EQUITY			
Share capital		4,308	4,308
Share premium		483,881	483,812
Reserves		28,691	27,598
Accumulated deficit		(467,506)	(427,158)
TOTAL EQUITY	**12**	**49,374**	**88,560**
LIABILITIES			
Non-current liabilities			
Borrowings	13	—	—
Lease liabilities	24	9,547	11,067
Deferred income	14	21,394	29,429
		30,941	**40,496**
Current liabilities			
Borrowings	13	4,872	4,582
Lease liabilities	24	1,545	1,567
Derivative financial instruments	21	234	468
Trade payables		298	16
Social securities and other taxes		—	1,478
Deferred income	14	17,552	21,942
Other current liabilities	15	7,940	8,849
		32,441	**38,902**
TOTAL LIABILITIES		**63,382**	**79,398**
TOTAL EQUITY AND LIABILITIES		**112,756**	**167,958**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Comprehensive Income of ProQR Therapeutics N.V. and Subsidiaries

	Note	2025	2024
		€ 1,000	*€ 1,000*
Revenue	**16**	**15,906**	**18,905**
Other income	**17**	**441**	**640**
Research and development costs		(44,733)	(36,356)
General and administrative costs		(15,060)	(13,661)
Total operating costs	**18**	**(59,793)**	**(50,017)**
Operating result		**(43,446)**	**(30,472)**
Financial income	20	2,333	3,251
Financial expense	20	(1,287)	(1,084)
Results related to financial liabilities measured at FVTPL	21	235	345
Result before corporate income taxes		**(42,165)**	**(27,960)**
Corporate income taxes	22	(19)	197
Result for the year		**(42,184)**	**(27,763)**
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Foreign operations – foreign currency translation differences		(1,085)	533
Total comprehensive loss		**(43,269)**	**(27,230)**
Result attributable to			
Owners of the Company		(42,184)	(27,763)
Total comprehensive loss attributable to			
Owners of the Company		(43,269)	(27,230)
Share information	23		
Weighted average number of shares outstanding[1]		105,334,357	86,086,486
Earnings per share attributable to the equity holders of the Company (expressed in Euro per share)			
Basic earnings per share[1]		(0.40)	(0.32)
Diluted earnings per share[1]		(0.40)	(0.32)

[1] Basic and diluted earnings are equal due to the anti-dilutive nature of the options outstanding since the Company is loss-making.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity of ProQR Therapeutics N.V. and Subsidiaries

	Attributable to Equity Holders of the Company					
	Share Capital	Share Premium	Equity Settled Employee Benefit Reserve	Translation Reserve	Accumulated Deficit	Total Equity
	€ 1,000	*€ 1,000*	*€ 1,000*	*€ 1,000*	*€ 1,000*	*€ 1,000*
Balance at January 1, 2024	**3,370**	**412,894**	**25,159**	**817**	**(400,850)**	**41,390**
Result for the year	—	—	—	—	(27,763)	(27,763)
Other comprehensive loss	—	—	—	533	—	533
Recognition of share-based payments	—	—	2,544	—	—	2,544
Issue of ordinary shares	938	70,695	—	—	—	71,633
Share options lapsed	—	—	(1,040)	—	1,040	—
Share options exercised	—	223	(415)	—	415	223
Balance at December 31, 2024	**4,308**	**483,812**	**26,248**	**1,350**	**(427,158)**	**88,560**
Result for the year	—	—	—	—	(42,184)	(42,184)
Other comprehensive income	—	—	—	(1,085)	—	(1,085)
Recognition of share-based payments	—	—	4,014	—	—	4,014
Share options lapsed	—	—	(1,570)	—	1,570	—
Share options exercised	—	69	(266)	—	266	69
Balance at December 31, 2025	**4,308**	**483,881**	**28,426**	**265**	**(467,506)**	**49,374**

The accompanying notes are an integral part of these consolidated financial statements. Specific reference is made to Note 12.

Consolidated Statement of Cash Flows of ProQR Therapeutics N.V. and Subsidiaries

	Note	2025	2024
		€1,000	*€1,000*
Cash flow from operating activities			
Result for the year		(42,184)	(27,763)
Adjustments for:			
— Other income	17	(441)	(640)
— Depreciation	7	2,703	2,761
— Share-based compensation	12	4,014	2,544
— Financial income and expense	20	(1,046)	(2,167)
— Results related to financial liabilities measured at FVTPL	21	(235)	(345)
— Income tax expenses / (gains)	22	19	(197)
Changes in deferred income	16	(11,984)	(12,728)
Other changes in working capital		(5,433)	(536)
Cash (used in) / generated by operations		(54,587)	(39,071)
Corporate income tax (paid) / received		(19)	197
Interest received		2,333	3,251
Interest paid		(518)	(770)
Net cash (used in) / generated by operating activities		***(52,791)***	***(36,393)***
Cash flow from investing activities			
Purchases of property, plant and equipment		(1,020)	(1,418)
Transaction costs on sale of intellectual property		—	(2,655)
Increase in short-term deposits		—	(17,000)
Decrease in short-term deposits		—	17,000
Net cash (used in) / generated by investing activities		***(1,020)***	***(4,073)***
Cash flow from financing activities			
Proceeds from issuance of shares, net of transaction costs	12	—	71,635
Proceeds from exercise of share options		69	223
Repayment of lease liability	24	(1,905)	(1,582)
Net cash (used in) / generated by financing activities		***(1,836)***	***70,276***
Net (decrease) / increase in cash and cash equivalents		***(55,647)***	***29,810***
Currency effect cash and cash equivalents		(1,348)	673
Cash and cash equivalents at the beginning of the year	11	149,408	118,925
Cash and cash equivalents at the end of the year	**11**	***92,413***	***149,408***

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements of ProQR Therapeutics N.V. and Subsidiaries

1. General Information

ProQR Therapeutics N.V. ("ProQR" or "the Company"), is a biotechnology company domiciled in the Netherlands that primarily focuses on the discovery and development of novel therapeutic medicines.

Since September 18, 2014, the Company's ordinary shares are listed on Nasdaq. They are currently trading at Nasdaq Capital Market under ticker symbol PRQR.

The Company was incorporated in the Netherlands, on February 21, 2012 (Chamber of Commerce no. 54600790) and was reorganized from a private company with limited liability to a public company with limited liability on September 23, 2014. The Company has its statutory seat in Leiden, the Netherlands and is registered in the Trade Register at the Chamber of Commerce under number 54600790. The address of its headquarters and registered office is Zernikedreef 9, 2333 CK Leiden, the Netherlands.

At December 31, 2025, ProQR Therapeutics N.V. is the ultimate parent company of the following entities:

- ProQR Therapeutics Holding B.V. (the Netherlands, 100%)
- ProQR Therapeutics I B.V. (the Netherlands, 100%)
- ProQR Therapeutics II B.V. (the Netherlands, 100%)
- ProQR Therapeutics III B.V. (the Netherlands, 100%)
- ProQR Therapeutics IV B.V. (the Netherlands, 100%)
- ProQR Therapeutics V B.V. (the Netherlands, 100%)
- ProQR Therapeutics VI B.V. (the Netherlands, 100%)
- ProQR Therapeutics VII B.V. (the Netherlands, 100%)
- ProQR Therapeutics VIII B.V. (the Netherlands, 100%)
- ProQR Therapeutics IX B.V. (the Netherlands, 100%)
- ProQR Therapeutics I Inc. (United States, 100%)

ProQR Therapeutics N.V. is also statutory director of Stichting Bewaarneming Aandelen ProQR ("ESOP Foundation") and has full control over this entity.

As used in these consolidated financial statements, unless the context indicates otherwise, all references to "ProQR", the "Company" or the "Group" refer to ProQR Therapeutics N.V. including its subsidiaries and the ESOP Foundation.

2. Basis of Preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS accounting standards as endorsed by the European Union ("EU-IFRS"). These consolidated financial statements were authorized for issue by the Company's Board of Directors ("Board or "board") on March 12, 2026.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments and share-based payment obligations which have been based on fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(c) Functional and presentation currency

These consolidated financial statements are presented in Euro, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

(d) Going concern

The Board of ProQR has, upon preparing and finalizing the 2025 financial statements, assessed the Company's ability to fund its operations for a period of at least one year after the date of signing these financial statements. Management has not identified any going concern risks.

The financial statements of the Company have been prepared on the basis of the going concern assumption based on its existing funding, taking into account the Company's current cash position and the projected cash flows based on the activities under execution on the basis of ProQR's business plan and budget.

(e) Use of critical estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about assumptions and estimation uncertainties that may have a significant risk of resulting in a material adjustment is included below:

(i) Revenue recognition for the Eli Lilly and Company research and collaboration agreement

a. Identification of the performance obligation
Note 16 describes the Company's original research and collaboration agreement with Eli Lilly and Company ("Lilly"), and the amended and restated research and collaboration agreement (collectively, the "Collaboration agreement"). Under the Collaboration agreement, ProQR provides Lilly with a license (with a right to sub-license) to exploit compounds resulting from the collaboration and ProQR provides other promises such as the performance of R&D services. A significant amount of judgement is required to determine whether the license is distinct from the other promises in the contract. The license was concluded not to be distinct from the other promises in the contract based on the following considerations:

- the license has no stand-alone value to Lilly without the Company being involved in the research and development collaboration, and;

- there are significant interdependencies between the license and the research and development services to be provided by the Company.

Moreover, the compounds resulting from the collaboration do not represent a series of distinct services because they were not predetermined at the inception of the contract and can be terminated or replaced at the discretion of Lilly subject to the terms and conditions of the Collaboration agreement. In addition, the R&D services are the predominant factor within this contract until the handover of a compound to Lilly, rather than the individual targets. As such, the single combined performance obligation consists of multiple activities that are not distinct.

b. Determining the timing of satisfaction of performance obligations

Under the Collaboration agreement, the Company recognizes revenue over time, using an input method that estimates the satisfaction of the performance obligation as the percentage of labor hours incurred compared to the total estimated labor hours required to complete the promised services. As the Company's estimate of the total labor hours required is dependent on the evolution of the research and development activities, it may be subject to change. If the progression and/or outcome of certain research and development activities would be different from the assumptions that were made during the preparation of these financial statements, this could lead to material adjustments to the total estimated labor hours, which might result in a reallocation of revenue between current and future periods.

c. Determining the transaction price

The Company applied judgement to determine whether the equity investments made by Lilly in ProQR are part of the transaction price for the Collaboration agreement. The Company concluded that the differences between the prices that Lilly paid for the shares and the ProQR stock closing prices on the days of entering into the equity investment agreements arose because of the Company's existing obligations to deliver research and development services to Lilly under the terms of the Collaboration agreement. Therefore, the above differences between the closing share prices on the agreement effective dates and the equity investment prices paid by Lilly are considered to be part of the transaction price of the contract and are initially allocated to deferred revenue.

The contract also includes variable consideration, but no variable consideration was included in the initial transaction price at the inception, as it is not highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Company includes such variable consideration in the transaction price when the uncertainty associated with the variable consideration is resolved.

Development milestone payments are variable considerations under the agreement. There are development milestones to be reached during the ProQR research program and development milestones to be reached after the ProQR research program (during the R&D activities performed by Lilly).

The variable consideration for development milestone payments to be reached during the ProQR research program will be added to the transaction price of the identified single combined performance obligation once the variable constraint is resolved and revenue will be recognized based on the status of completion (satisfied part) of the single combined performance obligation.

The variable consideration for development milestones to be reached after the ProQR research program is linked to a separable right to use the license which comes into existence for each successful compound transferred to Lilly. This license is a separate performance obligation and will be recognized at a point in time when the development milestone for a license is achieved and the variable constraint is resolved.

As further described in Note 16, during 2025, the Company achieved development milestones during the ProQR research program under the agreement, which were added to the transaction price and recognized partially as revenue during 2025 based on the status of completion (satisfied part) of the single combined performance obligation.

The Collaboration agreement includes sales-based royalties, including commercial milestone payments based on the level of sales. The variable consideration for commercial milestones is linked to a separable right to use the license which comes into existence for each successful compound transferred to Lilly. This license is a separate performance obligation and will be recognized at a point in time when the commercial milestone for a license is achieved and the variable constraint is resolved. For sales-based royalties, the license is the predominant item to which the royalty relates. The sales-based royalties will be recognized after the handover of the compound to Lilly (after completion of the initial performance obligation) and once the respective sale level occurs.

Related revenue is recognized as the subsequent underlying sales occur at a point in time.

(ii) Research and development expenditures

Research expenditures are reflected in the income statement. Development expenses are currently also reflected in the income statement because the criteria for capitalization are not met. Research and development costs are recognized as an expense when incurred and are typically made up of clinical and preclinical activities including costs for contract research organizations ("CROs") and clinical investigative sites.

Costs for certain development activities, such as clinical trials, are recognized based on an evaluation of the progress to completion of specific tasks using data such as information provided by vendors on their actual costs incurred. At each balance sheet date, the Company estimates the level of service performed by the vendors and the associated costs incurred for the services performed.

Although the Company does not expect the estimates to be materially different from amounts actually incurred, the understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and could result in reporting amounts that are too high or too low in any particular period.

(f) Changes in accounting policies

The following standard, amendment to standard and interpretation became effective for annual reporting periods beginning on or after January 1, 2025:

- IAS 21 *The Effects of Changes in Foreign Exchange Rates:* Introduces requirements when a currency is not exchangeable into another currency.

The new standard, amendment to standard and interpretation did not have a material impact on the Company's financial statements. No changes in accounting policies occurred in 2025.

On January 1, 2027, *IFRS 18 Presentation and Disclosure in Financial Statements* will replace IAS 1 *Presentation of Financial Statements* and is required to be implemented retrospectively. The new standard revises the structure and presentation of the primary financial statements, introduces enhanced aggregation and disaggregation requirements, and requires additional disclosures for Management-Defined Performance Measures ("MPMs"). The Company is continuing to assess the impact of this new standard and based on our initial assessment we do not expect the adoption of IFRS 18 to have a material impact outside the above mentioned changes which may or may not be material. We do not plan to early adopt this standard.

3. Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it has power over the entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of these elements. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(ii) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Loss of control

When the Company loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Company’s interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(v) Associates

Associates are entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recording the investment in associates initially at cost, and recognizing the Company’s share of the post-acquisition results of associates in the consolidated income statement and the Company’s share of post-acquisition other comprehensive income in consolidated other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investments in associates in the consolidated statement of financial position.

When the Company’s share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognize further losses unless it has incurred or guaranteed obligations in respect of the associate.

(b) Classes of financial instruments

Financial instruments are both primary financial instruments, such as receivables and payables, and financial derivatives. For the Company's primary financial instruments, reference is made to the treatment per the corresponding balance sheet item.

Financial derivatives are valued at fair value. Upon first recognition, financial derivatives are recognized at fair value and then revalued as at balance sheet date. Changes in the fair value of derivatives are generally recognized in profit or loss. If the Company is involved with hybrid contracts, the Company applies the following with regard to the embedded derivatives in the hybrid contract. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and the following criteria are met:

- the economic characteristics and risk of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivate; and
- the hybrid contract is not measured at fair value with changes in fair value recognized in profit or loss.

If an embedded derivative is separated from the hybrid contract, the host contract is accounted for in accordance with the determined policies for such a contract. The embedded derivative is accounted for in accordance with the Company's principles for the applicable derivatives.

(c) Foreign currencies

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate prevailing at the date of the transaction.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated into euros at the exchange rates at the dates of the transactions. Foreign currency differences are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

(d) Revenue

Revenues to date have consisted principally of non-refundable upfront fees and research and development service fees in connection with collaboration and license agreements. The Company recognizes revenue when its customers obtain control of promised goods or services, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods and services. Revenue is recognized for agreements that are in scope of IFRS 15 *Revenue from contracts with customers*, based on the following five steps:

(i) Identify the contract

The Company entered into collaboration and license agreements in which the Company licenses its intellectual property and/or provides research and development services. These arrangements include upfront payments, milestone payments based on clinical and regulatory criteria, research and development service fees and future sales-based milestones and sales-based royalties. In some cases, concurrently with the collaboration and license agreements, the Company enters into share purchase agreements with the customer. If this is the case, the Company analyzes whether the criteria to combine contracts, as set out by IFRS 15, are met.

(ii) Identify performance obligations

Contracts with customers can have one or more distinct performance obligations under IFRS 15. Identifying the performance obligations is based on an assessment of whether the promises in an agreement are capable of being distinct and are distinct from the other promises to transfer goods and/or services in the context of the contract. The Company assessed that there is one performance obligation in each of its material ongoing collaboration and license agreements, for the transfer of a license combined with performance of research and development services.

This is because the Company considers the two obligations cannot be distinct in the context of the contract as the licenses have no stand-alone value without the Company being involved in the research and development collaboration and that there is interdependence between the license and the research and development services to be provided.

(iii) Determine the transaction price

The Company's research and collaboration agreements include non-refundable upfront payments; equity components; milestone payments, the receipt of which is dependent upon the achievement of certain clinical, regulatory or commercial milestones; royalties on sales and research and development service fees. The transaction price excludes the amount of the part (or parts) of the contract that are initially measured in accordance with other Standards and allocate the amount of the transaction price that remains (if any) to each performance obligation.

a. Non-refundable upfront payments or license fees
If the license to the Company's intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Company recognizes revenue from non-refundable upfront fees allocated to this license at the point in time the license is transferred to the customer and the customer has the right to use the license.

For all its material ongoing research and collaboration agreements, the Company considers the performance obligations related to the transfer of the license as not distinct from the other promises to transfer goods and/or services; the Company uses judgement to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time. If over time, revenue is then recognized based on a pattern that best reflects the transfer of control of the service to the customer.

b. Milestone payments other than sales-based milestones

A milestone payment, being a variable consideration, is only included in the transaction price to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognition will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Company estimates the amount to be included in the transaction price upon achievement of the milestone event. The transaction price is then allocated to each performance obligation on a stand-alone selling price basis, for which the Company recognizes revenue as or when the performance obligations under the contract are satisfied. At the end of each reporting period, the Company re-evaluates the probability of achievement of such milestones and any related constraint, and, if necessary, adjusts the estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect revenue and earnings in the period of adjustment.

c. Research and development service fees

The Company's collaboration and license agreements may include reimbursement for research and development services. R&D services are performed and satisfied over time because the customer simultaneously receives and consumes the benefits provided by us. Revenue associated with such R&D service fees is then recognized based on a pattern that best reflects the transfer of control of the service to the customer.

d. Sales based milestone payments and royalties

The Company's material collaboration and license agreements include sales-based royalties, including commercial milestone payments based on the level of sales. The Company concluded that the licenses are not the predominant items to which the royalties and commercial milestone payments relate. Related revenue will be recognized as the subsequent underlying sales occur.

(iv) Allocate the transaction price

An entity shall allocate the transaction price to each performance obligation identified in a contract on a relative stand-alone selling price basis. As the Company's collaboration and license agreements only contain one single performance obligation, the transaction price is entirely allocated to this single performance obligation.

(v) Recognize revenue

Revenue is recognized when the customer obtains control of the goods and/or services as provided in the research and collaboration agreements. Control can be transferred over time or at a point in time, which results in the recognition of revenue either over time or at a point in time.

The Company's research and collaboration agreements only contain one performance obligation, for which the Company's performance creates and subsequently enhances assets (e.g. exploitable compounds) that the customers control as the assets are created and/or enhanced. As such, the Company recognizes revenue over time.

The recognition of revenue over time is based on a pattern that best reflects the satisfaction of the related performance obligation, applying the input method. The input method estimates the satisfaction of the performance obligation as the percentage of labor hours incurred compared to the total estimated labor hours required to complete the promised services.

(e) Other income

Other income includes amounts earned from third parties and are recognized when earned in accordance with the substance and under the terms of the related agreements and when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the income can be measured reliably. The grants are recognized in other income on a systematic basis over the period the Company recognizes as expenses the related costs for which the grants are expected to compensate.

(f) Government grants — WBSO

The WBSO ("afdrachtvermindering speur- en ontwikkelingswerk") is a Dutch fiscal facility that provides subsidies to companies, knowledge centers and self-employed people who perform research and development activities (as defined in "the WBSO Act"). Under this Act, a contribution is paid towards the labor costs of employees directly involved in research and development. The contribution is in the form of a reduction of payroll taxes and social security contributions recognized on a net basis within the labor costs. This reduction of payroll taxes and social security contributions is classified under research and developments costs.

(Government) Grant income is not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them. (Government) Grants are recognized in profit or loss on a systematic basis over the period the Company recognizes as expenses the related costs for which the grants are intended to compensate.

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Share-based payment transactions

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(iii) Pension obligations

The Company operates defined contribution pension plans for all employees funded through payments to insurance companies. The Company has no legal or constructive obligation to pay further contributions once the contributions have been paid. The contributions are recognized as employee benefit expense when employees have rendered the service entitling them to the contributions. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(h) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognized on 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Since the Company does not expect to be profitable in the foreseeable future, its deferred tax assets are valued at nil.

Deferred tax assets and liabilities 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 (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is recognized in profit or loss. Right-of-use assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- buildings and leasehold improvements: 5 - 10 years;
- laboratory equipment: 5 years;
- other: 3 - 5 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Intangible assets

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the 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 to use
- or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditures are recognized in the consolidated statements of profit and loss and other comprehensive income in the period in which they are incurred.

Due to uncertainties inherent to the development and registration with the relevant healthcare authorities of its products, the Company estimates that the conditions for capitalization are not met until the regulatory procedures required by such healthcare authorities have been finalized. The Company currently does not own products that have been approved by the relevant healthcare authorities and this has resulted in all development costs being recognized as an expense in the period in which they are incurred.

(k) Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-current assets, including right-of-use assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(l) Financial assets

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value and subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost, and
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss ("FVTPL").

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or the Company transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(m) Cash and cash equivalents

Cash and cash equivalents include cash on hand and all highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and bear an insignificant risk of change in value.

(n) Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Compound financial instruments

Compound financial instruments issued by the Company comprise convertible notes denominated in euro that can be converted to share capital at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The component parts of convertible loan notes issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognized in equity will be transferred to accumulated losses. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible loan notes using the effective interest method.

Interest related to the financial liability is recognized in profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities held for trading are classified as at FVTPL. A financial liability is classified as held for trading if it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss. The net gain or loss recognized is included in the 'results related to financial liabilities measured at FVTPL line item in profit or loss.

Fair value is determined in the manner described in Note 5.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs incurred, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Borrowings and other financial liabilities are classified as 'non-current liabilities,' other than liabilities with maturities up to one year, which are classified as "current liabilities".

The Company derecognizes financial liabilities when the liability is discharged, cancelled or expired. For all financial liabilities, the fair value approximates its carrying amount.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(o) Leases

The Company assesses whether a contract is or contains a lease when it obtains the right to control the use of an identified asset for a period of time, in exchange for consideration. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments in operating costs on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. When the interest rate implicit in the lease cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the Company under residual value guarantees;
- The exercise price of purchase options, if the Company is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. In the cash flow statement, repayments of the principal portion of the lease liability are included in financing activities. Payments relating to the interest component of the lease liability are included in operating activities. Short-term lease payments and payments for leases of low-value assets are included in operating activities.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. It is subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use asset is presented under Property, Plant and Equipment in the consolidated statement of financial position, in the category Buildings and leasehold improvements.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

(p) Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Company will retain a non-controlling interest in its former subsidiary after the sale. When the Company is committed to a sale plan involving disposal of an investment in an associate or, a portion of an

investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Company then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

4. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2026 and have not been applied in preparing these consolidated financial statements. There are no standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. The Company does not plan to adopt these standards early.

5. Financial Risk Management

5.1. Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall financial risk management seeks to minimize potential adverse effects resulting from unpredictability of financial markets on the Company's financial performance.

Financial risk management is carried out by the finance department. The finance department identifies and evaluates financial risks and proposes mitigating actions if deemed appropriate.

(a) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities in foreign currencies, primarily with respect to the U.S. dollar. The Company has an exposure associated with the time delay between entering into a contract, budget or forecast and the realization thereof. The Company operates a foreign exchange policy to manage the foreign exchange risk against the functional currency based on the Company's cash balances and the projected future spend per major currency.

At year-end, a substantial amount of the Company's cash balances are denominated in U.S. Dollars. This amount reflects the Company's current expectation of future expenditure in U.S. dollars.

At December 31, 2025 the Company's net position of financial instruments denominated in U.S. dollars was a net asset of € 4,067,000 (2024: net asset of € 5,898,000). Foreign currency denominated receivables and trade payables are short term in nature (generally 30 to 45 days). As a result, the foreign exchange results recognized in 2025 and 2024 are mainly caused by the cash balance denominated in U.S. dollars.

A reasonably possible weakening of the U.S. dollar by 10% against the functional currency of the Company at December 31, 2025 would have increased the Company's net loss by € 407,000 (2024: increased by € 590,000). A 10% strengthening of the U.S. dollar against the functional currency of the Company would have an equal but opposite effect on the Company's net loss. The analysis assumes that all other variables, in particular interest rates, remain constant.

Price risk

The market prices for the production of preclinical materials and services as well as external contracted research may vary over time. Currently, the commercial prices of any of the Company's future product candidates is uncertain. When product candidates approach the regulatory approval date or potential regulatory approval date, the uncertainty of potential sales prices decreases. The Company is not exposed to commodity price risk.

Furthermore, the Company does not hold investments designated for sale and is therefore not exposed to equity securities price risk.

Cash flow and fair value interest rate risk

The Company's interest rate risk arises from current accounts, deposits, and money market funds. The sensitivity analysis below has been determined based on the exposure to interest rates on these short-term maturity primary financial instruments.

A 10% increase or decrease on actual interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

As of December 31, 2025, if interest rates had been 10% higher, then pre-tax earnings for the year would have been € 231,000 higher, while if interest rates had been 10% lower, then pre-tax earnings for the year would have been € 231,000 lower.

The Company's exposure to interest rate risks on loans and leases is limited due to the use of fixed interest rates. The Company has a loan with a fixed interest rate, totaling € 4,872,000, including accrued interest, at December 31, 2025 (2024: € 4,582,000). Details on the interest rates and maturities of these loans are provided in Note 13.

(b) Credit risk

Credit risk represents the risk of financial loss caused by default of the counterparty. The Company has no large receivables balances with external parties outside of cash and cash equivalents. The Company's cash management policy is focused on preserving capital, providing liquidity for operations and optimizing yield while accepting limited risk (Short-term credit ratings must be rated A-1/P-1/F1 at a minimum by at least one of the Nationally Recognized Statistical Rating Organizations ("NRSROs") specifically Moody's, Standard & Poor's or Fitch. Long-term credit rating must be rated A2 or A at a minimum by at least one NRSRO). As of December 31, 2025, the Company is in compliance with its cash management policy.

At December 31, 2025 and December 31, 2024, all of the Company's cash and cash equivalents were held at five large institutions, Rabobank, ABN Amro, BNP Paribas, Wells Fargo and JP Morgan. All institutions are highly rated (Moody's long-term debt ratings of Aa2, Aa3, A1, A1 and A1 for Rabobank, ABN Amro, BNP Paribas, Wells Fargo and JP Morgan respectively) with sufficient capital adequacy and liquidity metrics.

There are no financial assets past due date or impaired. No credit limits were exceeded during the reporting period.

(c) Liquidity risk

Liquidity risk represents the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. Prudent liquidity risk management implies ensuring sufficient availability of cash resources for funding of operations and planning to raise cash if and when needed, either through issue of shares or through credit facilities. Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flow.

The table below analyzes ProQR's undiscounted liabilities into relevant maturity groupings based on the remaining period at year-end until the contractual maturity date:

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	€ 1,000	*€ 1,000*	*€ 1,000*	*€ 1,000*
At December 31, 2025				
Borrowings	5,162	—	—	—
Lease liabilities	1,978	2,374	7,121	1,187
Trade payables and other payables	8,238	—	—	—
Total	**15,378**	**2,374**	**7,121**	**1,187**
At December 31, 2024				
Borrowings	4,872	—	—	—
Lease liabilities	2,114	2,306	6,917	3,459
Trade payables and other payables	10,343	—	—	—
Total	**17,329**	**2,306**	**6,917**	**3,459**

The Company's future capital requirements and the period for which the Company's existing resources will support its operations may vary significantly from what the Company expects. The Company's monthly spending levels will vary based on new and ongoing development and corporate activities. Because the length of time and activities associated with successful development of the Company's product candidates is highly

uncertain, the Company is unable to estimate the actual funds it will require for development of its product candidates.

5.2. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders (although at this time the Company does not have retained earnings and is therefore currently unable to pay dividends), return capital to shareholders, issue new shares or sell assets to reduce debt.

The total amount of equity as recorded on the balance sheet is managed as capital by the Company.

5.3. Fair value measurement

For financial instruments that are measured on the balance sheet at fair value, IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Fair value of financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation technique and inputs used).

Financial liabilities	Valuation technique and key inputs	Significant unobservable inputs	Relationship and sensitivity of significant unobservable inputs to fair value
Investment in Kamal Therapeutics, Inc. (previously known as Phoenicis Therapeutics, Inc)	Market comparison technique: The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the equity securities, and the result of the investee. The estimate is adjusted for the net debt of the investee.	Adjusted market multiple	The estimated fair value would increase (decrease) if the adjusted market multiple were higher (lower).
Investment in Yarrow Biotechnology, Inc.	Market comparison technique: The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the equity securities, and the result of the investee. The estimate is adjusted for the net debt of the investee.	Adjusted market multiple	The estimated fair value would increase (decrease) if the adjusted market multiple were higher (lower).
Warrants and conversion options	Black-Scholes model. The following variables were taken into consideration: current underlying price of the Company's shares, options strike price, expected life, historical volatility of ProQR share returns over a period equal to the expected life, risk-free rate: based on the US Treasury yield curve rates per the valuation date (interpolated) for the expected life.	Not applicable	Not applicable

The investments in Kamal Therapeutics, Inc ("Kamal") and Yarrow Biotechnology, Inc ("Yarrow") are measured using valuation methods based on so-called Level 3 inputs. Level 3 inputs are unobservable inputs. Changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would not significantly change the fair value determined for Kamal and Yarrow.

Warrants are measured using valuation methods based on so-called Level 2 inputs. Level 2 inputs are inputs other than quoted prices that are observable for the liability, either directly or indirectly.

The carrying amount of all financial assets and financial liabilities is a reasonable approximation of the fair value and therefore information about the fair values of each class has not been disclosed.

Share options and restricted stock units ("RSUs") granted to employees and consultants are measured at the fair value of the equity instruments granted. The fair value of options is determined through the use of an option-pricing model considering, among others, the following variables:

- the exercise price of the option;
- the expected life of the option;
- the current value of the underlying shares;

- the expected volatility of the share price;
- the dividends expected on the shares; and
- the risk-free interest rate for the life of the option.

6. Segment Information

The Company operates in one reportable segment, which comprises the discovery and development of innovative, RNA based therapeutics. The Board is identified as the chief operating decision maker. The Board reviews the operating results regularly to make decisions about resources and to assess overall performance.

Revenues are generated from external customers whose main registered offices are all geographically located in the United States. Substantially all non-current assets of the Company are located in the Netherlands. The amounts provided to the Board with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements.

7. Property, Plant and Equipment

	Buildings and Leasehold improvements	Laboratory equipment	Other	Total
	€ 1,000	*€ 1,000*	*€ 1,000*	*€ 1,000*
Balance at January 1, 2024				
Cost	24,775	5,908	1,409	32,092
Accumulated depreciation	(10,020)	(3,827)	(1,348)	(15,195)
Carrying amount	**14,755**	**2,081**	**61**	**16,897**
Additions	244	916	43	1,203
Depreciation	(2,027)	(710)	(24)	(2,761)
Effect of lease modification (Note 24)	(1,226)	—	—	(1,226)
Transfer	—	—	—	—
Disposals - cost	—	—	—	—
Accumulated depreciation on disposals	—	—	—	—
Movement for the period	**(3,009)**	**206**	**19**	**(2,784)**
Balance at December 31, 2024				
Cost	23,793	6,824	1,452	32,069
Accumulated depreciation	(12,047)	(4,537)	(1,372)	(17,956)
Carrying amount	**11,746**	**2,287**	**80**	**14,113**
Additions	35	709	113	857
Depreciation	(1,925)	(746)	(32)	(2,703)
Effect of lease modification (Note 24)	363	—	—	363
Transfer	—	—	—	—
Disposals – cost	—	—	—	—
Accumulated depreciation on disposals	—	—	—	—
Movement for the period	**(1,527)**	**(37)**	**81**	**(1,483)**
Balance at December 31, 2025				
Cost	24,191	7,533	1,565	33,289
Accumulated depreciation	(13,972)	(5,283)	(1,404)	(20,659)
Carrying amount	**10,219**	**2,250**	**161**	**12,630**

The depreciation charge for 2025 is included in research and development costs for an amount of € 2,342,000 (2024: € 2,331,000) and in general and administrative costs for an amount of € 361,000 (2024: € 430,000).

Buildings and leasehold improvements include a right-of-use asset relating to the lease of the Company's Leiden office and laboratory space, with a carrying amount of € 9,994,000 at December 31, 2025 (2024: € 11,433,000).

8. Investments in Financial Assets

Yarrow Biotechnology, Inc.

In May 2021, the Company obtained an 8% share in the common stock of Yarow. ProQR's share in Yarrow subsequently changed to 3.6%. Although ProQR only owns 3.6% of Yarrow's shares, the Company had significant influence over Yarrow by virtue of its right to appoint one of Yarrow's three board members, as well as its participation in Yarrow's policy-making process, amongst other factors. As such, the Company's interest in Yarrow was initially recognized as an investment in associate.

Gerard Platenburg, Chief Scientific Officer at ProQR, ended his term on Yarrow's board of directors in October 2023. From then on, ProQR no longer had significant influence over Yarrow. Yarrow was therefore derecognized as an associate and was accounted for as a financial asset and measured at fair value.

ProQR holds a 3.6% interest in Yarrow. The Company elected to recognize subsequent changes in the fair value of its investment in Yarrow in Other Comprehensive Income. In October 2023, ProQR initially recognized its investment in the Yarrow financial asset at € nil. As at December 31, 2025, the fair value of the Yarrow financial asset amounted to € nil (2024: € nil).

Kamal Therapeutics, Inc.

In May 2019, the Company acquired a non-controlling interest in Wings Therapeutics, Inc. ("Wings") as part of the strategic spin out of its Dystrophic Epidermolysis Bullosa ("DEB") activities. In January 2021, Wings merged into Phoenicis Therapeutics, Inc. ("Phoenicis") by means of a non-cash transaction. Consequently, Wings ceased to exist, and the related investment was derecognized. In 2021, a gain on disposal of associate was recognized amounting to € 514,000, which consisted of the € 621,000 fair value of Phoenicis equity instruments received by the Company, partly off-set by the derecognition of the carrying value of the Company's investment in Wings of € 107,000.

In October 2025, Phoenicis changed its name to Kamal and completed a series seed financing round. We did not participate in this financing round and as a result our ownership percentage in Kamal was diluted.

ProQR holds a 0.2% interest in Kamal (2024: 3.9%). ProQR does not have significant influence in Kamal. The Company elected to recognize subsequent changes in the fair value of its investment in Kamal in Other Comprehensive Income. In September 2023, the investment was remeasured to nil, and ProQR recognized a fair value loss of € 621,000 in other comprehensive income. As at December 31, 2025 the fair value of the Kamal financial asset amounted to € nil (2024: € nil).

9. Other Taxes

	December 31, 2025	December 31, 2024
	€ 1,000	*€ 1,000*
Value added tax	528	690
Wage tax	385	—
Total	**913**	**690**

All receivables are considered short-term and due within one year.

10. Trade and Other Receivables

	December 31, 2025	December 31, 2024
	€ 1,000	*€ 1,000*
Collaboration receivables	3,358	—
Prepayments	2,627	2,410
Accrued income from Rett Syndrome Research Trust	502	502
Other receivables	313	835
Total	**6,800**	**3,747**

All receivables are considered short-term and due within one year. At December 31, 2025 collaboration receivables consisted of amounts receivable from Lilly. At December 31, 2025 and 2024, prepayments consisted principally of payments made by the Company for services not yet provided by vendors. At December 31, 2025 and 2024, other receivables consisted principally of accrued grant income and deposits. As at December 31, 2025 and 2024, the accrued grant income relating to Rett Syndrome Research Trust ("RSRT") includes the initial fair value of the warrants issued to RSRT that was accounted for as a reduction of the transaction price. The agreement with RSRT is described in Note 25.

11. Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
	€ 1,000	*€ 1,000*
Cash at banks	37,755	74,199
Deposits	37,639	75,209
Money market funds	17,019	—
Total	**92,413**	**149,408**

The cash at banks is at full disposal of the Company. Deposits are fixed for at most 3 month periods at a time. Money market funds are invested in short-term government-backed instruments with maturities up to three months at inception and are readily convertible to cash.

12. Shareholders' Equity

(a) Issued share capital

	Number of ordinary shares	
	2025	2024
Balance at January 1	107,710,916	84,248,384
Issued for cash	—	23,463,610
Issued for services	—	—
Exercise of share options / vesting of RSUs	148,537	394,481
Treasury shares issued (transferred)	(148,537)	(395,559)
Balance at December 31	**107,710,916**	**107,710,916**

The authorized share capital of the Company amounting to € 13,600,000 consists of 170,000,000 ordinary shares and 170,000,000 preference shares with a par value of € 0.04 per share. At December 31, 2025, 107,710,916 ordinary shares were issued which is comprised of 105,361,064 ordinary shares fully paid and outstanding as well as 2,349,852 ordinary shares held by the Company as treasury shares (2024: 2,498,389). These treasury shares are issued and not outstanding. In the prior year, exercise of share options or vesting of RSUs were incorrectly presented as (395,559) and treasury shares issued were incorrectly presented as 394,481.

In December 2022, the Company issued 9,381,586 shares to Lilly pursuant to the amended and restated licensing and research collaboration between the Company and Lilly (Note 16), resulting in gross proceeds of € 14,122,000, with no significant transaction costs.

In September 2024, the Company filed a shelf registration statement on Form F-3, which permitted: (a) the offering, issuance and sale by the Company of up to a maximum aggregate offering price of $ 300,000,000 of its ordinary shares, warrants and/or units; and (b) as part of the $ 300,000,000, the offering, issuance and sale by the Company of up to a maximum aggregate offering price of $ 75,000,000 of its ordinary shares that may be issued and sold under a sales agreement (the "sales agreement") with Cantor Fitzgerald & Co. ("Cantor") in one or more at-the-market ("ATM") offerings. The Company will pay Cantor a commission equal to 3% of the gross proceeds of the sales price of all ordinary shares sold through it as sales agent under the sale agreement. As of December 31, 2025, no shares have been issued pursuant to this ATM facility.

In October 2024, the Company consummated an underwritten public offering of 18,000,000 ordinary shares (the "offering") at a public offering price of $ 3.50 per share (the "public offering price"). In addition, the Company granted the underwriters a 30-day option to purchase up to 2,700,000 additional ordinary shares at the public offering price, less underwriting discounts and commissions. The option was partially exercised on October 31, 2024, resulting in the issuance of 1,940,072 shares. The gross proceeds from the Offering and subsequent partial exercise of the underwriters' option, amounted to $ 69,790,000 (€ 64,600,000) while the transaction costs amounted to approximately € 4,365,000, resulting in net proceeds of approximately € 60,235,000.

Concurrently with the Offering, the Company entered into a share purchase agreement with Lilly in a separately negotiated transaction (the "concurrent private placement"), pursuant to which the Company agreed to offer and sell, and Lilly agreed to purchase, 3,523,538 ordinary shares at a price per share equal to the public offering price, for total gross proceeds of approximately $ 12,300,000, subject to a purchase price cap of $ 15,000,000, the consummation of the Offering and the satisfaction of other customary closing conditions. The proceeds of $ 12,300,000 (€ 11,400,000) from the concurrent private placement were received on October 25, 2024. The

ordinary shares purchased in the concurrent private placement are not subject to any underwriting discounts or commissions.

(b) Equity settled employee benefit reserve

The costs of share options and RSUs for employees, members of the Board are recognized in the income statement, together with a corresponding increase in equity during the vesting period, taking into account (deferral of) corporate income taxes. The accumulated expense of share-based compensation recognized in the income statement is shown separately in the equity category 'equity settled employee benefit reserve' in the 'statement of changes in equity'. On September 25, 2017, the Company established a Dutch foundation named Stichting Bewaarneming Aandelen ProQR for holding shares in trust for employees, members of the Board of the Company and its group companies who from time to time could exercise options under the Company's equity incentive plans.

(c) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(d) Share options and restricted stock units

The Company operates an equity-settled share-based compensation plan which was introduced in 2013. Options and RSUs may be granted to employees, members of the Board and consultants. The compensation expenses included in operating costs for this plan were € 4,014,000 in 2025 (2024: € 2,544,000), of which € 2,848,000 (2024: € 1,984,000) was recorded in general and administrative costs and € 1,166,000 (2024: € 560,000) was recorded in research and development costs based on employee allocation.

Options granted under this stock option plan are exercisable once vested. Any vesting schedule may be attached to the granted options and RSUs. Typical vesting periods are:

- Four years, with 25% vesting after every year.
- Four years, in thirteen tranches where the first tranche vests at the first anniversary of the grant date, and the remaining options vest in twelve equal tranches of 6.25% each subsequent quarter until the fourth anniversary of the grant date.
- Two years, with 25% vesting after every six months.

The options expire ten years after date of grant. Options granted under the stock option plan are granted at exercise prices which equal either the face value or the fair value of the ordinary shares of the Company at the date of the grant.

The fair value of the options is estimated at the date of grant using the Black-Scholes option-pricing model, with on average the following assumptions:

	Options granted in 2025	Options granted in 2024
Risk-free interest rate	4.099%	3.903%
Expected dividend yield	0%	0%
Expected volatility	101.5%	96.5%
Expected life in years	5 years	5 years

Risk-Free Interest Rate

The risk-free interest rate is based upon the U.S. Treasury yield curve in effect at the time of grant, with a term that approximates the expected life of the option.

Expected Dividend Yield

The Company currently does not pay dividends and has no plans to do so.

Expected Volatility

The historical volatility assumption was based on the stock price over the expected term preceding the grant date.

Expected Term

The expected term of the options reflects the anticipated timing of exercises and forfeitures, which is estimated using a simplified method based on the current vesting schedule of awards. The expected life of options represents the average of the 4-year vesting period and 10-year contractual term.

Options

The resulting weighted average grant date fair value of the options amounted to € 1.58 in 2025 (2024: € 1.51). The stock options granted have a 10-year life following the grant date and are assumed to be exercised seven years from date of grant for all awards.

Movements in the number of options outstanding and their related weighted average exercise prices are as follows:

	2025		2024	
	Number of options	Average exercise price	Number of options	Average exercise price
Balance at January 1	11,671,792	€ 3.38	11,186,240	€ 3.10
Granted	4,852,997	€ 1.77	1,377,780	€ 1.94
Forfeited	(91,770)	€ 1.62	(179,259)	€ 1.61
Exercised	(99,317)	€ 0.63	(300,036)	€ 0.79
Expired	(267,397)	€ 8.20	(412,933)	€ 4.05
Balance at December 31	**16,066,305**	**€ 2.56**	**11,671,792**	**€ 3.38**
Exercisable at December 31	9,631,699	€ 3.09	8,152,467	€ 3.98

The options granted during the year include 1,414,000 options subject to achievement of specified non-market performance conditions. As at December, 31, 2025 these non-market performance conditions were met and the related share based compensation expense was recognized in the income statement.

The options outstanding at December 31, 2025 had an exercise price in the range of € 0.56 to € 18.62 (2024: € 0.64 to € 21.06) and a weighted-average contractual life of 6.5 years (2024: 6.3 years). The weighted-average share price at the date of exercise for share options exercised in 2025 was € 1.87 (2024: € 2.09).

Restricted Stock Units

The fair value of RSUs is determined at the grant date by using the Company's share price at the grant date. No RSUs were granted in 2025 or 2024.

Movements in the number of RSUs outstanding are as follows:

	Number of RSUs in 2025	Number of RSUs in 2024
Balance at January 1	53,569	166,306
Granted	—	—
Forfeited	(64)	(17,775)
Released	(49,523)	(94,962)
Balance at December 31	**3,982**	**53,569**

Refer to Note 26 for the share-based compensation granted to Board of directors and senior management personnel.

13. Borrowings

	December 31, 2025	December 31, 2024
	€ 1,000	*€ 1,000*
Innovation credit	2,899	2,899
Accrued interest on innovation credit	1,973	1,683
Total	**4,872**	**4,582**
Current portion	4,872	4,582
Total non-current portion	**—**	**—**

Innovation credit ("Innovatiekrediet")

In December 2018, ProQR was awarded an Innovation credit for the sepofarsen program by the Rijksdienst voor Ondernemend Nederland ("RVO"). Amounts were drawn under this facility from 2018 through 2022. The credit of € 3,907,000 was used to conduct the Phase 2/3 clinical study and efforts to obtain regulatory and ethical market approval (New Drug Applications ("NDA")/ Marketing Authorization Applications ("MAA")) of sepofarsen for LCA10. In the fourth quarter of 2023, ProQR made a partial repayment of the principal, amounting to € 1,008,000. The remaining amount payable of € 2,899,000 is recognized under current borrowings at December 31, 2025 and 2024.

In December 2023, ProQR received a waiver to postpone repayment for the remaining balance of the Innovation credit including accrued interest. As a result, the repayment of the total loan of € 4,292,000, including accrued interest, could be waived if conditions are met, subject to annual review. In December 2025, the waiver for the principal and interest was again extended until December 31, 2026.

The amounts receivable relating to development & regulatory milestone payments under the Amended and Restated Asset Purchase Agreement with Laboratoires Théa S.A.S. ("Théa") are subject to a right of pledge for the benefit of the RVO.

Convertible loans: Pontifax and Kreos

In July 2020, the Company entered into a convertible debt financing agreement with Pontifax Medison Debt Financing ("Pontifax"). Under the agreement, the Company had access to up to $ 30.0 million in convertible debt financing in three tranches of $ 10.0 million each that would mature over a 54-month period and had an interest-only period of 24 months. One tranche of $ 10.0 million (€ 8.4 million) was drawn down over the course of the agreement.

A second close of the convertible debt financing agreement was completed in August 2020 with Kreos Capital ("Kreos"). Under the second agreement, the Company had access to up to € 15.0 million in convertible debt financing in three tranches of € 5.0 million each that would mature over a 54-month period and had an interest-only period of 24 months. One tranche of € 5.0 million was drawn down over the course of the agreement.

In connection with the loan agreement, the Company issued to Pontifax and Kreos warrants to purchase up to an aggregate of 302,676 shares of its common stock at a fixed exercise price. The warrants as part of this original loan agreement expired during 2025 and have been derecognized.

In December 2021, the Company amended its convertible debt financing agreement with the lenders. Under the amended agreement the Company drew down an additional $ 30.0 million (€ 26.5 million) that would mature over a 54-month period and had an interest-only period of 33 months. The amendment replaced the two undrawn tranches under the original convertible debt financing agreements.

In connection with the amended loan agreement, the Company issued to the lenders warrants to purchase up to an aggregate of 376,952 shares of its common stock at a fixed exercise price.

The convertible loans from Pontifax and Kreos bore an interest of 8.2% per annum.

In September 2022, ProQR extinguished its debt with Pontifax and Kreos by repaying all outstanding principal amounts. In addition, an early repayment penalty was incurred. The financial liability relating to Pontifax' conversion options was derecognized from derivative financial instruments. The option premium on convertible loans relating to Kreos' conversion options was derecognized from equity at that time.

Pontifax' and Kreos' warrants as part of the amended loan agreement, remain in place until their five-year economic life expires. These warrants are accounted for as embedded derivatives and were recognized separately from the host contract as derivative financial liabilities at FVTPL.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Innovation credit	Lease liabilities
	€1,000	*€1,000*
Balance at January 1, 2024	**4,292**	**15,442**
Changes from financing cash flows		
Repayments	—	(1,582)
The effect of changes in foreign exchange rates	—	—
Other changes		
Interest expense	290	—
Effect of lease amendments	—	(1,226)
Balance at January 1, 2025	**4,582**	**12,634**
Changes from financing cash flows		
Repayments	—	(1,905)
The effect of changes in foreign exchange rates	—	—
Other changes		
Interest expense	290	—
Effect of lease amendments	—	363
Balance at December 31, 2025	**4,872**	**11,092**

14. Deferred Income

The following table summarizes details of deferred income at December 31, 2025 and December 31, 2024. The nature of the deferred income relating to Lilly is described in Note 16. The nature of the deferred income relating to RSRT is described in Note 25.

	December 31, 2025	December 31, 2024
	€ 1,000	*€ 1,000*
Payments from Eli Lilly and Company	38,946	50,930
Payments from Rett Syndrome Research Trust	—	441
Total	**38,946**	**51,371**
Current portion	17,552	21,942
Total non-current portion	**21,394**	**29,429**

The current portion of deferred income reflects the estimated value of the Company's work under the Lilly collaboration and RSRT grant that is expected to be performed within one year after the balance sheet date.

The table below analyzes ProQR's undiscounted deferred income release based on estimates for the measure of progress and allocated into relevant maturity groupings until the contractual maturity date:

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	€1,000	*€1,000*	*€1,000*	*€1,000*
At December 31, 2025				
Deferred Income	17,552	13,698	7,696	—
Total	**17,552**	**13,698**	**7,696**	**—**
At December 31, 2024				
Deferred Income	21,942	21,087	8,342	—
Total	**21,942**	**21,087**	**8,342**	**—**

15. Other Current Liabilities

At December 31, 2025, other current liabilities amount to € 7,940,000 (2024: € 8,849,000). At December 31, 2025 and December 31, 2024, other current liabilities consisted principally of accruals for services provided by vendors not yet billed, payroll related accruals and other miscellaneous liabilities.

16. Revenue

The following table summarizes details of revenue recognized in the years ended December 31, 2025 and 2024 by collaboration agreement and by category of revenue: upfront consideration and milestone payments. To date the Lilly collaboration has been the main source of revenue to the Company.

	2025	2024
	€ 1,000	*€ 1,000*
Upfront consideration	12,329	16,080
Milestone payments	3,577	2,825
Total	**15,906**	**18,905**

The table below summarizes the changes in current and non-current deferred revenue for the years ended December 31, 2025 and 2024.

	Eli Lilly
	€ 1,000
Balance at January 1, 2024	**64,739**
Addition of milestones achieved	5,096
Revenue recognized	(18,905)
Balance at January 1, 2025	**50,930**
Addition of milestones achieved	3,922
Revenue recognized	(15,906)
Balance at December 31, 2025	**38,946**

Eli Lilly and Company collaboration

In September 2021, the Company entered into a global licensing and research collaboration with Lilly focused on the discovery, development, and commercialization of potential new medicines for genetic disorders in the liver and nervous system. ProQR and Lilly will use ProQR's proprietary Axiomer RNA editing platform to progress new drug targets toward clinical development and commercialization.

Under the terms of the agreement, ProQR received an upfront payment and equity consideration (together referred to as upfront consideration), and is eligible to receive milestone payments and royalties on the net sales of any resulting products. In September 2021, the Company issued 3,989,976 shares to Lilly, resulting in gross proceeds of $ 30,000,000 (€ 25,270,000). These shares were issued at a premium of $ 2,429,000 (€ 2,047,000), which was determined to be part of the transaction price and as such was initially recognized as deferred revenue. An up-front payment of $ 20,000,000 (€ 16,849,000) was received in October 2021.

In December 2022, the Company and Lilly amended their research and collaboration agreement described above, which expanded the collaboration. Under the amended and restated research and collaboration agreement, Lilly will gain access to additional targets in the central nervous system ("CNS") and peripheral nervous system ("PNS") with ProQR's Axiomer platform.

As described under Note 12, pursuant to the amended and restated agreement, the Company issued 9,381,586 shares to Lilly in December 2022, resulting in gross proceeds of $ 15,000,000 (€ 14,122,000). These shares were issued at a discount of $ 480,000 (€ 451,000), which is accounted for as a reduction of the transaction price. In February 2023, ProQR also received an upfront payment of $ 60,000,000 (€ 56,412,000). Lilly has the ability to exercise an option to further expand the partnership for a consideration of $ 50,000,000.

With regard to the original and amended and restated research and collaboration agreements with Lilly, the Company concluded as follows:

- The amended and restated research and collaboration agreement is accounted for as a separate contract under IFRS 15 given the group of promises to be delivered are distinct and are priced commensurate with stand-alone selling prices.

- For each of the agreements, the company identified one performance obligation under IFRS 15, for the transfer of a license combined with the performance of research and development activities. The Company concluded that the license is not capable of being distinct and is not distinct in the context of the contract. ProQR's services are evaluated as predominant at inception of the contract and the compounds resulting from the collaboration do not represent a series of distinct promises because they were not predetermined at the inception of the contract and can be terminated or replaced at the discretion of Lilly subject to the terms and conditions of the Collaboration agreement.

- The transaction price of the agreement includes fixed components, consisting of an up-front fee and an equity component (premium or discount). The agreement also contains variable parts, notably milestones, which are included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Development milestone payments to be reached during the ProQR research program will only be included to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the milestones is subsequently resolved. Sales-based milestones and sales-based royalties will be included as the underlying sales occur.

- Initially, the Company recognizes revenue over time, using an input method that estimates the satisfaction of the performance obligation as the percentage of labor hours incurred compared to the total estimated labor hours required to complete the promised services.

After the handover of a compound to Lilly:

- The variable consideration for development milestones to be reached during the Lilly R&D activities is linked to a separable right to use the license which comes into existence for each successful compound transferred to Lilly. This license is a separate performance obligation and revenue will be recognized at a point in time when the development milestone for a license is achieved and the variable constraint is resolved.

- The variable consideration for commercial milestones is linked to a separable right to use the license which comes into existence for each successful compound transferred to Lilly. This license is a separate performance obligation and will be recognized at a point in time when the commercial milestone for a license is achieved and the variable constraint is resolved.

- For sales-based royalties, the license is the predominant item to which the royalty relates. The sales-based royalties will be recognized after the handover of the compound to Lilly (after completion of the initial performance obligation) and once the respective sale level occurs.

During the year ended December 31, 2025, the Company reached milestones amounting to $ 4,500,000 (€ 3,922,000) under the agreement, which were added to the transaction price and recognized partially as revenue during 2025.

17. Other Income

	2025	2024
	€ 1,000	*€ 1,000*
Grant income	441	640
Total	**441**	**640**

In January 2024, the Company entered into an agreement with RSRT that focuses on the design and development of editing oligonucleotides ("EONs") using the Company's Axiomer technology platform targeting the transcription factor Methyl CpG binding protein 2 ("MECP2") and correcting mutations of interest. Under the agreement, RSRT awarded the Company up to € 1,015,000 as a research grant for the initial phase of the project that was received during 2024. Of this grant, € 441,000 was recognized as other income during 2025 and € 574,000 during 2024. As at December 31, 2025 work under this agreement has been completed. Therefore, the remaining other income related to this agreement has been recognized in 2025 while in 2024 the balance was recorded as deferred income.

As further described in Note 25, in December 2024, the Company expanded partnership with RSRT to include an additional $ 8,150,000 in funding from RSRT to support the advancement of the selected candidates into clinical trials. As at December 31, 2025 no amounts have been received under this agreement and the work has not yet commenced.

Grant income in 2024 further includes grants received from various institutions.

18. Operating Costs

Total operating costs include the following expenses by nature:

	2025	2024
	€ 1,000	*€ 1,000*
Employee benefits	22,910	19,367
External R&D costs	15,280	12,838
Laboratory costs and other consumables	6,668	4,675
Advisory and legal costs	5,008	4,384
Insurance costs	925	918
Depreciation	2,703	2,761
Patent and license expenses	943	721
Other	5,356	4,353
Total	**59,793**	**50,017**

19. Employee Benefits

	2025	2024
	€ 1,000	*€ 1,000*
Wages and salaries	15,753	13,438
Social security costs	1,946	2,367
Pension costs — defined contribution plans	1,197	1,018
Equity-settled share based payments	4,014	2,544
Total	**22,910**	**19,367**
Average number of employees for the period	186.0	163.0

Employees per activity at December 31 (converted to FTE):

	December 31, 2025	December 31, 2024
Research and Development	153.5	133.9
General and Administrative	33.1	32.2
Total number of employees (converted to FTE)	**186.6**	**166.1**

Of all employees 185.6 FTE are employed in the Netherlands (2024: 164.1 FTE).

Included in the wages and salaries for 2025 is a credit of € 1,968,000 (2024: € 1,888,000) with respect to WBSO subsidies.

20. Financial Income and Financial Expense

	2025	2024
	€ 1,000	*€ 1,000*
Interest income		
Cash and cash equivalents	2,333	3,251
Interest and finance costs		
Cash and cash equivalents	(27)	(74)
Lease liability	(612)	(713)
Loans and borrowings	(290)	(290)
Foreign exchange result		
Net foreign exchange (loss) / benefit	(358)	(7)
Total	**1,046**	**2,167**

Financial income amounting to € 2,333,000 (2024: € 3,251,000) consists of interest income of € 2,333,000 (2024: € 3,251,000) for the year ended December 31, 2025. Financial expenses amounting to € 1,287,000 (2024: € 1,084,000) consists of interest costs of € 929,000 (2024: € 1,077,000) and net foreign exchange costs of € 358,000 (2024: € 7,000).

21. Results related to financial liabilities measured at fair value through profit or loss

	2025	2024
	€ 1,000	*€ 1,000*
Warrants to Rett Syndrome Research Trust	139	132
Warrants from convertible loans	96	213
Total	**235**	**345**

Results related to financial liabilities measured at FVTPL represent changes in the fair value of derivative financial instruments since their initial recognition. These derivative financial instruments consist of conversion options and warrants issued in connection with the Company's convertible loans, which are described in Note 13, and warrants issued in connection with the Company's partnership with RSRT, which is described in Note 25. The warrants part of the original agreement with convertible loan issuers expired during 2025 and have been derecognized.

22. Income Taxes

The calculation of the tax charge is as follows:

	2025	2024
	€ 1,000	*€ 1,000*
Consolidated result before corporate income taxes	(42,165)	(27,960)
Income tax based on domestic rate (25.8%)	10,879	7,214
Tax effect of:		
Different tax rates in foreign jurisdictions	(19)	—
(Non-deductible expenses) / non-taxable gains	(830)	(269)
Share and loan issue expenditures that are tax deductible	—	1,117
Change in unrecognized deductible temporary differences	(47)	(73)
Current year losses for which no deferred tax asset was recognized	(10,002)	(7,989)
True-up for prior year	—	197
Income tax (charge) / benefit	**(19)**	**197**
Effective tax rate	(0.05)%	0.70%

The Company recognizes deferred tax assets arising from unused tax losses, deductible temporary differences or tax credits only to the extent that the Company has sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized. Management's judgment is that such convincing evidence is currently not sufficiently available and a deferred tax asset is therefore only recognized to the extent that the Company has sufficient taxable temporary differences. Consequently, the Company has not recognized a deferred tax asset related to operating losses.

A deferred tax liability amounting to € 2,578,000 (2024: € 2,950,000) arises due to a taxable temporary difference associated with the Company's right-of-use asset for the lease of its Leiden headquarters. A deferred tax asset amounting to € 2,862,000 (2024: € 3,260,000) arises due to a deductible temporary difference associated with the corresponding lease liability. As these deferred tax positions relate to income taxes levied by the same taxation authority (namely that of the Netherlands), and there is a legally enforceable right to offset current tax assets against current tax liabilities, and the Company intends to settle its current tax assets and liabilities on a net basis, the deferred tax asset associated with the lease liability is offset against the deferred tax liability associated with the right-of-use asset. The remaining balance of the deferred tax asset is not recognized, as it is Management's judgment that there is no sufficient convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized.

As per December 31, 2025, the Company has a total amount of € 476.0 million (2024: € 437.3 million) tax loss carry-forwards available for offset against future taxable profits. From January 1, 2022, tax loss carry-forwards may be carried forward indefinitely. However, the offset of losses will be limited in a given year against the first € 1.0 million of taxable profit. For taxable profit in excess of this amount, losses may only be offset up to 50% of this excess. In addition, as per December 31, 2025 the Company has a total of € 0.3 million (2024: € 1.3 million) of unused non-deductible interest expenses, which may be carried forward indefinitely. However, the offset will be limited in a given year against the higher of 20% of adjusted taxable profit or € 1.0 million of interest income.

23. Earnings Per Share

(a) Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the result attributable to owners of the Company by the weighted average number of shares outstanding during the year.

	2025	2024
Result attributable to owners of the Company (€ in thousands)	(42,184)	(27,763)
Weighted average number of shares outstanding	105,334,357	86,086,486
Basic (and diluted) earnings per share (€ per share)	**(0.40)**	**(0.32)**

(b) Diluted earnings per share

For the periods included in these financial statements, the share options are not included in the diluted earnings per share calculation as the Company was loss-making in all periods. Due to the anti-dilutive nature of the outstanding options, basic and diluted earnings per share are equal.

(c) Dividends per share

The Company did not declare dividends for any of the years presented in these financial statements.

24. Leases

The Company leases office and laboratory facilities of 4,818 square meters at Zernikedreef in Leiden, the Netherlands, where the Company's headquarters and its laboratories are located. The current lease agreement for these facilities terminates on June 30, 2031. The lease agreement contains no significant dismantling requirements.

The initial 10-year lease agreement for the Leiden office and laboratory facilities was accounted for as of commencement date July 1, 2020. This 10-year period was extended by 1 year to an 11-year period in December 2020. The lease contract may be extended for subsequent 5-year periods. As the Company is not reasonably certain to exercise these extension options, these are not included in the lease term.

The initially recognized lease liability and the corresponding right-of-use asset for this lease contract, on July 1, 2020, amounted to € 16,203,000 and € 16,332,000, respectively. A modification to reflect the additional 1 year lease period resulted in an increase in the carrying amounts of the lease liability and the right-of-use asset in 2020 of € 1,260,000.

Periodically, the lease price is amended to reflect an indexation. In January and June 2025, the lease liability was remeasured, resulting in a total increase in the carrying amounts of the lease liability and the right-of-use asset of € 363,000 (2024: € 1,226,000). In addition, based on the lease agreement the Company can in consultation with the owner amend a prepayment for non-lease component. During 2024 the Company reached an agreement to decrease the prepayment that resulted in remeasurement of the lease liability. This amendment did not qualify as a lease modification.

The following table summarizes the relevant disclosures in relation to the Company's leases in 2025 and 2024:

	2025	2024
	€ 1,000	*€ 1,000*
Depreciation charge for right-of-use assets	1,801	1,867
Interest expense on lease liabilities	612	713
Expense relating to short-term leases	17	7
Total cash outflow for leases	2,535	2,302
Additions to right-of-use assets during the period	363	1,226

The carrying amount of the right-of-use asset at the end of the reporting period is disclosed in Note 7 Property, Plant & Equipment.

A maturity analysis of the Company's lease liability is included in Note 5 Financial Risk Management under (c) Liquidity risk. The total undiscounted commitment for lease agreements to which the Company had committed at December 31, 2025 amounts to € 12,660,000 (2024: € 14,795,000). This amount does not include potential commitments that may arise from contractual extension options, as the Company is not reasonably certain that any extension options will be exercised.

25. Commitments and Contingencies

(a) Claims

There are no claims known to management related to the activities of the Company.

(b) Patent license agreements

In October 2018, ProQR signed an agreement with Ionis Pharmaceuticals ("Ionis") to license QR-1123 (formerly "IONIS-RHO-2.5Rx"), an RNA medicine for autosomal dominant retinitis pigmentosa ("adRP") caused by the P23H mutation in the rhodopsin ("RHO") gene. Under the terms of the agreement, ProQR was granted an exclusive worldwide license to QR-1123 and relevant patents. In 2018, ProQR paid the first installment of an upfront payment in ordinary shares in the aggregate amount of $ 2,500,000 at $ 22.23 per share, which represents a 20% premium (based on the volume weighted average price of the previous 20 trading days) to its common stock, to Ionis upon signing the agreement. In 2019, ProQR paid the second installment of the upfront payment in ordinary shares in the aggregate amount of $ 3,501,000, at $ 9.43 per share. This license agreement was terminated effective January 2024.

In April 2014, the Company entered into a Patent License Agreement with Radboud University Medical Center ("Radboud") in the field of antisense oligonucleotide-based therapy for Leber congenital amaurosis ("LCA"). Under the terms of this license agreement, the Company has an exclusive, sublicensable, world-wide royalty-bearing license under certain Radboud patent rights to develop, make, have made, use, sell, offer for sale and import certain licensed products of Radboud for use in all prophylactic and therapeutic uses in the field of LCA. This license is assigned in full per December 2023 as part of the divestment of the product sepofarsen.

In June 2015, the Company entered into another license agreement with Radboud. Under the terms of this license agreement, the Company has an exclusive, sublicensable, world-wide royalty-bearing license under certain Radboud patent rights to develop, make, have made, use, sell, offer for sale and import certain licensed products of Radboud for use in all prophylactic and therapeutic uses in the field of Usher syndrome. This license was assigned in full per December 2023 as part of the divestment of the product ultevursen.

In January 2018, the Company entered into a license agreement with Inserm Transfert SA and Assistance-Publique-Hôpiteaux de Paris. Under the terms of the agreement, the Company has a world-wide, exclusive, royalty-bearing license under patent rights belonging to Inserm Transfert SA and other co-owners to develop, have developed, make, have made, use, have used and sell, have sold or otherwise distribute certain licensed products related to antisense oligonucleotides ("AONs") for treating LCA and method of treatment claims relating to modulation of the splicing of the CEP290 gene product. This license agreement is assigned per December 2023 in connection with the sale of the ophthalmology products, sepofarsen and ultevursen. In consideration for the assignment, the Company has agreed to accept certain royalty obligations upon sepofarsen reaching certain regulatory milestones and net sales of products sold.

In February 2019, the Company entered into an agreement with the University of Rochester, New York, which gives the Company a world-wide, exclusive, royalty-bearing, sublicensable license in the field of AONs for use in nucleotide specific RNA editing through pseudouridylation, under certain patent rights of University of Rochester. This license agreement contains certain diligence obligations for the Company coupled to milestone payments and complements the Company's intellectual property relating to the Axiomer/pseudouridylation program.

In September 2020, the Company entered into an agreement with Vico Therapeutics B.V., which gives the Company a world-wide, exclusive, royalty-bearing, sublicensable license in the field of the prophylactic and therapeutic use of antisense oligonucleotide for the treatment of Fuch's Endothelial Corneal Dystrophy caused by a trinucleotide repeat, under certain patent rights of Vico Therapeutics B.V. The development of this candidate has been suspended per the strategic shift in focus as announced in August 2022. The agreement with Vico was terminated in 2024.

(c) Clinical support agreements

In February 2018, the Company entered into an agreement with FFB, under which FFB has provided funding of $ 6,800,000 (€ 6,300,000) to advance ultevursen into the clinic.

Pursuant to the terms of the agreement, the Company was obligated to make certain repayments to FFB subject to development milestones. In December 2023, upon the occurrence of the sale of ultevursen to Théa, these payables were settled by means of a lump-sum payment in the amount of € 1,100,000 and a percentage of earn-out payments for milestones and sales to be received by the Company from Théa, ranging from 5-10%.

On January 4, 2024, the Company entered into an agreement with RSRT, under which RSRT committed funding in the amount of € 1,015,000 for research and development purposes related to Rett syndrome. On December 5, 2024, the Company and RSRT entered into a further agreement, under which RSRT provides an additional award of up to $ 8,150,000 to support the development program to advance the Rett syndrome related program into clinical trials.

Pursuant to the terms of the agreement dated December 5, 2024, the Company is obligated to make a one-time milestone payment to RSRT of up to $ 40,750,000, payable in four equal annual installments following the first commercial sale of the product, the first of which is due within 60 days following the first commercial sale. The Company has also issued warrants with a term of 7 years to RSRT to purchase up to 2,144,772 ordinary shares at a fixed price of $ 3.73. These warrants will vest in full upon the occurrence of (i) product approval by the U.S. Food and Drug Administration ("FDA") or European Medicines Agency ("EMA"), or (ii) a change of control transaction. Upon the occurrence of a change of control transaction, RSRT may elect to receive an amount of $ 16,300,000 in lieu of the warrants (which shall then immediately terminate), which amount shall be set-off against the aforementioned milestone payments, in four equal tranches. In case the Company licenses out the program, the Company shall pay 10% of the royalties received to RSRT, within 60 days of receipt of such licensing revenue. The warrants shall then lapse immediately. Either RSRT or ProQR may terminate the agreement for cause, which includes the Company's material failure to achieve certain milestones. The Company's payment obligations survive the termination of the agreement in case of termination by RSRT.

(d) Research and development commitments

The Company has research and development commitments, mainly with CROs, amounting to € 8,566,000 at December 31, 2025 (2024: € 9,828,334). Of these obligations an amount of € 8,150,000 is due in 2026, the remainder is due in 2 to 5 years. Additionally, € 1,972,000 of these total obligations relates to the ongoing clinical trial with a CRO of which € 1,721,000 is due in 2026 and the remainder in 2027.

26. Related-Party Transactions

Details of transactions between the Company and related parties are disclosed below.

(a) Compensation of the Board of Directors and senior management

In May 2024, the Company changed the governance structure from a two-tier to one-tier board with the previous members of the Supervisory Board appointed to the Board of Directors as Non-Executive Directors and the previous members of the Management Board appointed to the Board of Directors as Executive Directors. The Company's Board is supported by its senior management. Mr. Daniel de Boer and Mr. Gerard Platenburg (from May 2024 onwards) are the executive directors of the Company. The statutory directors comprise the executive and non-executive directors. Following the change in the governance, for 2024, the Company discloses the remuneration of the Board and senior management combined.

The remuneration of the Board of Directors and senior management in 2025 is set out in the table below:

	2025				
	Short term employee benefits	**Post employment benefits**	**Termination benefits**	**Share-based payment**	**Total**
	€ 1,000	*€ 1,000*	*€ 1,000*	*€ 1,000*	*€ 1,000*
Non-Executive Directors					
Dinko Valerio, Ph.D.	45	—	—	48	93
Alison F. Lawton	48	—	—	48	96
James Shannon, M.D.	83	—	—	48	131
Bart Filius	49	—	—	48	97
Begoña Carreño, Ph.D.	43	—	—	44	87
Theresa Heggie	48	—	—	79	127
Martin Maier, Ph.D.	47	—	—	36	83
Total Non-Executive Directors	**363**	**—**	**—**	**351**	**714**
Executive Directors					
Daniel de Boer *	906	27	—	1,280	2,213
René Beukema **	348	20	149	306	823
Gerard Platenburg *	533	41	—	309	883
Total Executive Directors	**1,787**	**88**	**149**	**1,895**	**3,919**
Senior Management ***	1,323	59	237	1,070	2,689
Total	**3,473**	**147**	**386**	**3,316**	**7,322**

* Short term employee benefits include bonuses for Mr. de Boer of € 315,000 and for Mr. Platenburg of € 148,000 based on goals realized in 2025.

** Mr. Beukema stepped down on September 30, 2025. The remuneration set forth for Mr. Beukema in the table above covers the period from January 1, 2025 to 30, September 2025.

*** Mr. Dekkers departed on August 31, 2025. Mr. Hom joined on May 1, 2025. Dr. Lopez Lopez joined on May 15, 2025. The remuneration set forth for senior management in the table above reflects these service periods.

The remuneration of the Board of Directors and senior management in 2024 is set out in the table below:

	2024				
	Short term employee benefits	Post employment benefits	Termination benefits	Share-based payment	Total
	€ 1,000	*€ 1,000*	*€ 1,000*	*€ 1,000*	*€ 1,000*
Non-Executive Directors					
Dinko Valerio, Ph.D.	56	—	—	51	107
Alison F. Lawton	48	—	—	51	99
James Shannon, M.D.	71	—	—	51	122
Bart Filius	49	—	—	51	100
Begoña Carreño, Ph.D.	42	—	—	35	77
Theresa Heggie	48	—	—	127	175
Martin Maier, Ph.D.*	26	—	—	—	26
Total Non-Executive Directors	**340**	**—**	**—**	**366**	**706**
Executive Directors					
Daniel de Boer **	939	27	—	864	1,830
René Beukema **	659	27	—	294	980
Gerard Platenburg ***	321	24	—	143	488
Total Executive Directors	**1,919**	**78**	**—**	**1,301**	**3,298**
Senior Management	946	48	—	323	1,317
Total	**3,205**	**126**	**—**	**1,990**	**5,321**

* Dr. Maier was elected to the Board of Directors on May 22, 2024. The remuneration set forth for Dr. Maier in the table above covers the period from May 22, 2024 to December 31, 2024.

** Short term employee benefits include bonuses for Mr. de Boer of € 394,000 and for Mr. Beukema of € 231,000 based on goals realized in 2024.

*** Mr. Platenburg was elected to the Board of Directors on May 22, 2024. Mr. Platenburg served as Chief Scientific Officer in 2024, 2023 and 2022. Until May 22, 2024, his renumeration was included as part of the Senior Management. Short term employee benefits include bonuses for Mr. Platenburg of € 185,000 based on goals realized in 2024, of which € 67,000 was included as part of the Senior Management.

As at December 31, 2025:

- Dr. Valerio holds 725,692 ordinary shares in the Company, as well as 238,581 options. These options either vest in four annual equal tranches of 25% starting for the first time as of the first anniversary of the date of grant, or in thirteen tranches where the first tranche vests at the first anniversary of the grant date, and the remaining options vest in twelve equal tranches of 6.25% each subsequent quarter until the fourth anniversary of the grant date. In 2025, Dr Valerio was awarded 22,128 options to acquire ordinary shares at an exercise price of $ 2.65 In 2024, Dr. Valerio was awarded 23,489 options to acquire ordinary shares at an exercise price of $ 1.98 per option.

- Ms. Lawton holds 238,581 options. These options either vest in four annual equal tranches of 25% starting for the first time as of the first anniversary of the date of grant, or in thirteen tranches where the first tranche vests at the first anniversary of the grant date, and the remaining options vest in twelve equal tranches of 6.25% each subsequent quarter until the fourth anniversary of the grant date. In 2025, Ms. Lawton was awarded 22,138 options to acquire ordinary shares at an exercise price of $ 2.65 per option. In 2024, Ms. Lawton was awarded 23,489 options to acquire ordinary shares at an exercise price of $ 1.98 per option.

- Dr. Shannon holds 61,538 ordinary shares in the Company and 247,661 options. These options either vest in four annual equal tranches of 25% starting for the first time as of the first anniversary of the date of grant, or in thirteen tranches where the first tranche vests at the first anniversary of the grant date, and the remaining options vest in twelve equal tranches of 6.25% each subsequent quarter until the fourth anniversary of the grant date. In 2025, Dr. Shannon was awarded 22,128 options to acquire ordinary shares at an exercise price of $ 2.65 per option. In 2024, Dr. Shannon was awarded 23,489 options to acquire ordinary shares at an exercise price of $ 1.98 per option.

- Mr. Filius holds 152,765 options. These options either vest in four annual equal tranches of 25% starting for the first time as of the first anniversary of the date of grant, or in thirteen tranches where the first tranche vests at the first anniversary of the grant date, and the remaining options vest in twelve equal tranches of 6.25% each subsequent quarter until the fourth anniversary of the grant date. In 2025, Mr. Filius was awarded 22,128 options to acquire ordinary shares at an exercise price of $ 2.65 per option. In 2024, Mr. Filius was awarded 23,489 options to acquire ordinary shares at an exercise price of $ 1.98 per option.

- Dr. Carreño holds 72,085 options. These options vest in thirteen tranches where the first tranche vests at the first anniversary of the grant date, and the remaining options vest in twelve equal tranches of 6.25% each subsequent quarter until the fourth anniversary of the grant date. In 2025, Dr. Carreño was awarded 22,128 options to acquire ordinary shares at an exercise price of $ 2.65 per option. In 2024, Dr. Carreño was awarded 23,489 options to acquire ordinary shares at an exercise price of $ 1.98 per option.

- Ms. Heggie holds 43,623 ordinary shares in the Company and 380,373 options. These options either vest in four annual equal tranches of 25% starting for the first time as of the first anniversary of the date of grant, or in thirteen tranches where the first tranche vests at the first anniversary of the grant date, and the remaining options vest in twelve equal tranches of 6.25% each subsequent quarter until the fourth anniversary of the grant date. In 2025, Ms. Heggie was awarded 22,128 options to acquire ordinary shares at an exercise price of $ 2.65 per option. In 2024, Ms. Heggie was awarded 23,489 options to acquire ordinary shares at an exercise price of $ 1.98 per option.

- Dr. Maier holds 37,814 options. These options either vest in four annual equal tranches of 25% starting for the first time as of the first anniversary of the date of grant, or in thirteen tranches where the first tranche vests at the first anniversary of the grant date, and the remaining options vest in twelve equal tranches of 6.25% each subsequent quarter until the fourth anniversary of the grant date. In 2025, Dr. Maier was awarded 36,314 options to acquire ordinary shares at an exercise price between $ 1.90 - $ 2.65 per option. In 2024, Dr. Maier was awarded 500 options to acquire ordinary shares at an exercise price of $ 1.98 per option.

- Mr. de Boer holds 6,274,752 options. These options either vest in four annual equal tranches of 25% starting for the first time as of the first anniversary of the date of grant, or in thirteen tranches where the first tranche vests at the first anniversary of the grant date, and the remaining options vest in twelve equal tranches of 6.25% each subsequent quarter until the fourth anniversary of the grant date. In 2025, Mr. de Boer was awarded 1,863,587 options to acquire ordinary shares at an exercise price between $ 2.16 - $ 2.65 per option. Of these options, 1,400,000 were subject to achievement of specified non-market performance conditions which were met before December 31, 2025. In 2024, Mr. de Boer was awarded 479,171 options at an exercise price of $ 1.98 per option.

- Mr. Beukema holds 460,000 ordinary shares in the Company as well as 1,636,299 options. These options either vest in four annual equal tranches of 25% starting for the first time as of the first anniversary of the date of grant, or in thirteen tranches where the first tranche vests at the first anniversary of the grant date, and the remaining options vest in twelve equal tranches of 6.25% each subsequent quarter until the fourth anniversary of the grant date. In 2025, Mr. Beukema was awarded 138,519 options to acquire ordinary shares at an exercise price of $ 2.65 per option. In 2024, Mr. Beukema was awarded 143,175 options to acquire ordinary shares at an exercise price of $ 1.98 per option.

- Mr. Platenburg holds 824,388 ordinary shares in the Company as well as 1,143,502 options. These options either vest in four annual equal tranches of 25% starting for the first time as of the first anniversary of the date of grant, or in thirteen tranches where the first tranche vests at the first anniversary of the grant date, and the remaining options vest in twelve equal tranches of 6.25% each subsequent quarter until the fourth anniversary of the grant date. In 2025, Mr. Platenburg was awarded 159,358 options to acquire ordinary shares at an exercise price of $ 2.65 per option. In 2024, Mr. Platenburg was awarded 164,715 options to acquire ordinary shares at an exercise price of $ 1.98 per option.

- ProQR does not grant any loans, advance payments and guarantees to members of the Board of Directors.

27. Subsequent events

No significant events occurred after the balance sheet date.

Company Financial Statements 2025

Company Balance Sheet of ProQR Therapeutics N.V.
(Before appropriation of result)

	Note	December 31, 2025	December 31, 2024
		€ 1,000	*€ 1,000*
ASSETS			
Non-current assets			
Participating interests	30	—	—
Receivables from group companies	31	84,943	68,080
Other investments in financial assets		—	—
		84,943	**68,080**
Current assets			
Other taxes	32	528	690
Prepayments and other receivables	33	690	1,164
Cash and cash equivalents	34	90,800	143,382
		92,018	**145,236**
TOTAL ASSETS		**176,961**	**213,316**
EQUITY			
Shareholders' equity			
Share capital	35	4,308	4,308
Share premium reserve	35	483,881	483,812
Equity settled employee benefits reserve	35	28,426	26,248
Translation reserve	35	265	1,350
Accumulated deficit	35	(425,322)	(399,395)
Unappropriated result	35	(42,184)	(27,763)
		49,374	**88,560**
LIABILITIES			
Provisions	**36**	**81,458**	**61,485**
Current liabilities			
Derivative financial instruments at FVTPL		234	468
Payables to group companies	37	44,579	61,565
Social securities and other taxes		81	93
Other current liabilities		1,235	1,145
		46,129	**63,271**
TOTAL LIABILITIES		**127,587**	**124,756**
TOTAL EQUITY AND LIABILITIES		**176,961**	**213,316**

The accompanying notes are an integral part of these financial statements.

Company Income Statement of ProQR Therapeutics N.V.

	Note	2025	2024
		€1,000	*€1,000*
Share in results of participating interests, after taxation	30	(34,241)	(25,004)
Other result after taxation		(7,943)	(2,759)
Net result for the year		**(42,184)**	**(27,763)**

The accompanying notes are an integral part of these financial statements.

Notes to the Company Financial Statements of ProQR Therapeutics N.V.

28. General

The company financial statements are part of the 2025 financial statements of ProQR Therapeutics N.V. (the "Company") and have been prepared in accordance with the legal requirements of Part 9, Book 2 of the Netherlands Civil Code.

With reference to the income statement of the Company, use has been made of the exemption pursuant to Section 402 of Book 2 of the Netherlands Civil Code.

For information on risk exposure and risk management, see Note 5 to the consolidated financial statements.

29. Principles for the Measurement of Assets and Liabilities and the Determination of the Result

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its company financial statements, the Company makes use of the option provided in section 2:362(8) of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the Company financial statements of the Company are the same as those applied for the consolidated IFRS financial statements. See page 46 for a description of these principles.

Participating interests in group companies

Participating interests in group companies are valued using the equity method, applying the IFRS accounting policies endorsed by the European Union. Following the adoption of IFRS 9 by the Company, and our interpretation of the Dutch Accounting Standard 100.107A, the Company shall, upon identification of a credit loss on an intercompany loan and/or receivable, eliminate the carrying amount of the intercompany loan and/or receivable for the value of the identified credit loss.

Result of participating interests

The share in the result of participating interests consists of the share of the Company in the result of these participating interests. Insofar as gains or losses on transactions involving the transfer of assets and liabilities between the Company and its participating interests or between participating interests themselves can be considered unrealized, they have not been recognised.

Provisions

Participating interests with a negative net asset value are valued at nil. All amounts included in the combined net investment of all participating interests are presented net and are reflected in the total provision. This measurement also covers any receivables provided to the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognised if and to the extent that the cumulative unrecognised share of loss has been absorbed. If the Company fully or partially guarantees the debts of the relevant participating interest, or if has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognised accordingly to the amount of the estimated payments by the Company on behalf of the participating interest.

Corporate income taxes

ProQR Therapeutics N.V. is the head of the Dutch fiscal unity for corporate income taxes. The Company recognizes the portion of corporate income tax that it would owe as an independent taxpayer, taking into account the allocation of the advantages of the fiscal unity.

30. Participating Interests

	December 31, 2025	December 31, 2024
	€1,000	*€1,000*
Participating interests	—	—
	—	—

At December 31, 2025, the Company, having its statutory seat in Leiden, the Netherlands, is the ultimate parent company of the following consolidated participating interests:

Name	Location	Share in issued capital
ProQR Therapeutics Holding B.V.	Leiden, the Netherlands	100%
ProQR Therapeutics I B.V.	Leiden, the Netherlands	100%
ProQR Therapeutics II B.V.	Leiden, the Netherlands	100%
ProQR Therapeutics III B.V.	Leiden, the Netherlands	100%
ProQR Therapeutics IV B.V.	Leiden, the Netherlands	100%
ProQR Therapeutics V B.V.	Leiden, the Netherlands	100%
ProQR Therapeutics VI B.V.	Leiden, the Netherlands	100%
ProQR Therapeutics VII B.V.	Leiden, the Netherlands	100%
ProQR Therapeutics VIII B.V.	Leiden, the Netherlands	100%
ProQR Therapeutics IX B.V.	Leiden, the Netherlands	100%
ProQR Therapeutics I Inc.	Delaware, United States	100%

ProQR Therapeutics Holding B.V. is an intermediate holding company and the only subsidiary owned directly by ProQR Therapeutics N.V.

ProQR Therapeutics N.V. is also statutory director of Stichting Bewaarneming Aandelen ProQR ("ESOP Foundation"). For details on accounts receivable from group companies and other receivables, reference is made to Notes 31 and 33.

31. Receivables from Group Companies

	December 31, 2025	December 31, 2024
	€ 1,000	*€ 1,000*
Non-current receivables from group companies	84,943	68,080
Total	**84,943**	**68,080**

32. Other Taxes

	December 31, 2025	December 31, 2024
	€ 1,000	*€ 1,000*
Value added tax	528	690
Total	**528**	**690**

Other taxes are considered short-term and due within one year.

33. Prepayments and Other Receivables

	December 31, 2025	December 31, 2024
	€ 1,000	*€ 1,000*
Prepayments	80	86
Other receivables	108	576
Accrued income from Rett Syndrome Research Trust	502	502
Total	**690**	**1,164**

All receivables are considered short-term and due within one year.

34. Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
	€ 1,000	*€ 1,000*
Cash at banks	36,300	68,482
Deposits	37,500	74,900
Money market funds	17,000	—
Total	**90,800**	**143,382**

The cash at banks is at full disposal of the Company. Deposits are fixed for at most 3 month periods at a time. Money market funds are invested in short-term government-backed instruments with maturities up to three months at inception and are readily convertible to cash.

35. Shareholders' Equity of ProQR Therapeutics N.V.

	Share Capital	Share Premium	Equity Settled Employee Benefit Reserve	Trans-lation Reserve	Accumu-lated Deficit	Unappro-priated Result	Total Equity
	€ 1,000	*€ 1,000*	*€ 1,000*	*€ 1,000*	*€ 1,000*	*€ 1,000*	*€ 1,000*
Balance at January 1, 2024	**3,370**	**412,894**	**25,159**	**817**	**(371,192)**	**(29,658)**	**41,390**
Retained result	—	—	—	—	(29,658)	29,658	—
Other comprehensive loss	—	—	—	533	—	—	533
Recognition of share-based payments	—	—	2,544	—	—	—	2,544
Issue of ordinary shares	938	70,695	—	—	—	—	71,633
Share options lapsed	—	—	(1,040)	—	1,040	—	—
Share options exercised	—	223	(415)	—	415	—	223
Result for the year	—	—	—	—	—	(27,763)	(27,763)
Balance at December 31, 2024	**4,308**	**483,812**	**26,248**	**1,350**	**(399,395)**	**(27,763)**	**88,560**
Retained result	—	—	—	—	(27,763)	27,763	—
Other comprehensive loss	—	—	—	(1,085)	—	—	(1,085)
Recognition of share-based payments	—	—	4,014	—	—	—	4,014
Share options lapsed	—	—	(1,570)	—	1,570	—	—
Share options exercised	—	69	(266)	—	266	—	69
Result for the year	—	—	—	—	—	(42,184)	(42,184)
Balance at December 31, 2025	**4,308**	**483,881**	**28,426**	**265**	**(425,322)**	**(42,184)**	**49,374**

The 2024 result was added to the accumulated deficit in accordance with the resolution of the Annual General Meeting of shareholders. At the upcoming Annual General Meeting of shareholders, it will be proposed to add the 2025 result to the accumulated deficit. For more details we refer to Note 12 to the consolidated financial statements.

Reconciliation of shareholders' equity and net result per the consolidated financial statements with shareholders' equity and net result per the Company financial statements

	December 31, 2025	December 31, 2024
	€ 1,000	*€ 1,000*
Shareholders' equity according to the consolidated balance sheet	**49,374**	**88,560**
Share in results of participating interests with negative equity for which no provision is recognized	—	—
Shareholders' equity according to the Company balance sheet	**49,374**	**88,560**

	December 31, 2025	December 31, 2024
	€ 1,000	*€ 1,000*
Net result according to the consolidated profit and loss account	**(42,184)**	**(27,763)**
Effect of results of participating interests with negative equity for which no provision is recognized	—	—
Net result according to the Company profit and loss account	**(42,184)**	**(27,763)**

36. Provisions

Provision for negative equity group company	2025	2024
	€ 1,000	*€ 1,000*
Balance at January 1	**61,485**	**50,648**
Provisions made during the year	19,973	10,837
Balance at December 31	**81,458**	**61,485**

37. Payables to Group Companies

	December 31, 2025	December 31, 2024
	€ 1,000	*€ 1,000*
Payables to group companies	44,579	61,565
Total	**44,579**	**61,565**

38. Employee Benefits

ProQR Therapeutics N.V. had three employees during 2025: Daniel de Boer, René Beukema and Gerard Platenburg. René Beukema left ProQR Therapeutics N.V. on September 30, 2025. The disclosure of their remuneration is included in Note 26 to the consolidated financial statements.

39. Commitments and Contingencies

(a) Claims

There are no claims known to management related to the activities of the Company.

(b) Several liability and guarantees

The Company has issued declarations of joint and several liabilities for debts arising from the actions of Dutch consolidated participating interests, as meant in article 2:403 of the Netherlands Civil Code except for ProQR Therapeutics Inc. which can be used to offset losses.

The Company constitutes a tax entity with its Dutch subsidiaries for corporate income tax purposes; the standard conditions prescribe that all companies of the tax entity are jointly and severally liable for the corporate income tax payable.

40. Auditor Fees

The fees for services provided by our external auditor, KPMG Accountants N.V. for the years ended December 31, 2025 and 2024 are specified below for each of the financial years indicated:

	2025	2024
	€ 1,000	*€ 1,000*
Audit fees	751	618
Audit-related fees	114	257
Tax fees	—	—
All other fees	—	—
Total	**865**	**875**

Audit fees consist of aggregate fees for professional services provided in connection with the annual audit of our financial statements. Audit-related fees consist of procedures relating to share offerings, such as comfort letters, as well as consents and review of documents filed with the Securities and Exchange Commission (“SEC”).

Signing of the Annual Report

Leiden, March 12, 2026,

D.A. de Boer

D. Valerio

G. Platenburg

A.F. Lawton

J.S.S. Shannon

B. Filius

T. Heggie

B. Carreño

M. Maier

Other information

Independent auditor's report

Reference is made to the independent auditor's report as included hereinafter.

Statutory arrangement concerning the appropriation of the result

In the Company's articles of association the following has been presented concerning the appropriation of result:

1. The profit is at the free disposal of the General Meeting of Shareholders.

2. The Company may only distribute profits to shareholders and other recipients to distributable profits to the extent that the equity exceeds the paid up capital plus the reserves required by law.

3. Distribution of profits shall take place after adoption of the annual accounts from which it becomes clear that distribution is permissible.

4. When calculating the distribution of profits shares held by the Company shall be disregarded, unless this shares has been encumbered with usufruct or right of pledge or certificates thereof are issued as a result of which the entitlement to profits accrue to the usufructuary, pledgee or holder of the certificates.

5. Certificates held by the Company or whereon the Company holds limited rights as a result of which the Company is entitled to distribution of profits shall also be disregarded when calculating the distribution of profits.

6. The Company may make interim distributions, only if the requirements in paragraph 2 are met.

Independent auditor's report

To: the General Meeting of Shareholders and the Board of Directors of ProQR Therapeutics N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2025 INCLUDED IN THE ANNUAL REPORT

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of ProQR Therapeutics N.V. as at December 31, 2025 and of its result and its cash flows for the year then ended, in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- the accompanying company financial statements give a true and fair view of the financial position of ProQR Therapeutics N.V. as at December 31, 2025 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2025 of ProQR Therapeutics N.V. (the Company) based in Leiden, the Netherlands. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at December 31, 2025;
2. the following consolidated statements for 2025: the statements of profit or loss and comprehensive income, changes in equity and cash flows; and
3. the notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

1. the company balance sheet as at December 31, 2025;
2. the company income statement for 2025; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of ProQR Therapeutics N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations, and the key audit matter was addressed in this context, and we do not provide a separate opinion or conclusion on this matter.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Summary

Materiality
• Materiality of EUR 1.7 million • 5% of result before corporate income taxes

Group audit
• Performed substantive procedures for 99% of total assets • Performed substantive procedures for 100% of total operating costs

Risk of material misstatements related to Fraud, NOCLAR and Going concern risks
• Fraud risk: presumed risk of management override of controls identified and further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'. • Non-compliance with laws and regulations (NOCLAR) risk: no reportable risk of material misstatements related to NOCLAR risks identified. • No risk of material misstatement for going concern identified.

Key audit matters
• Accounting for research and development costs

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 1.7 million (2024: EUR 1.4 million). The materiality is determined with reference to result before corporate income taxes (4.1%). We consider result before corporate income taxes as the most appropriate benchmark because this best reflects the nature of the Company being in the (pre-)clinical phase, including both operating costs as well as revenue from collaboration agreements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Audit Committee of the Board of Directors that misstatements identified during our audit in excess of EUR 85,000 would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

ProQR Therapeutics N.V. is at the head of a group of components (hereafter "Group"). The financial information of this Group is included in the financial statements of ProQR Therapeutics N.V.

The financial administration for all Group entities is centralized in the Netherlands. Consequently, we have centralized our audit approach and we performed the audit procedures ourselves. By performing the procedures ourselves, we have been able to obtain sufficient and appropriate audit evidence about the Group's financial information to provide an opinion about the financial statements.

We consider that the scope of our Group audit forms an appropriate basis for our audit opinion. Through performing the procedures mentioned above we obtained sufficient and appropriate audit evidence about the Group's financial information to provide an opinion on the financial statements as a whole.

Audit response to the risk of fraud and non-compliance with laws and regulations

In chapter "Risks of fraud and non-compliance with laws and regulations" of the annual report, the Board of Directors describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment and the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other

things, assessing the Company's Code of Conduct, Whistleblowing policy, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, the Audit Committee of the Board of Directors and other relevant functions, such as the Legal Counsel.

We have also incorporated elements of unpredictability in our audit, such as using data & analytics tooling in the audit of wages and salaries.

As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:

- FDA and EMA regulations;
- Intellectual property and information protection laws and regulations; and
- Anti-bribery and corruption regulations.

Our procedures did not result in the identification of a reportable risk of material misstatement in respect of non-compliance with laws and regulations.

Further, we assessed the presumed fraud risk on revenue recognition as not significant, because the Company's revenue arises from collaboration agreements rather than from the commercialization of products. As a result, the recurring revenue-related transactions, consisting mainly of the amortization of deferred upfront payments, are limited in value and non-complex in nature.

Based on the above and on the auditing standards, we identified the following fraud risk that is relevant to our audit, and responded as follows:

Management override of controls (a presumed risk)

Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud risks, such as processes related to journal entries.
- As part of the fraud risk assessment, we performed a data analysis of the journal entries population to determine if high-risk criteria for testing is identified and evaluated relevant estimates and judgments for bias by the Company's management. Where we identified instances of unexpected journal entries or other risks through our data analysis, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We paid particular attention to journal entries that could inappropriately influence the allocation of costs between Research and Development (R&D) costs and General and Administrative costs, given that external users of the financial statements focus on the Company's R&D activities. R&D costs primarily comprise costs related to R&D efforts, including pre-clinical studies, clinical trials, and activities associated with regulatory filings; and
- We identified and selected journal entries and other adjustments made at the end of the reporting period for testing.

Our evaluation of procedures performed related to fraud did not result in an additional key audit matter.

We communicated our risk assessment, audit responses, and results to management and the Audit Committee of the Board of Directors.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non- compliance that are considered material for our audit.

Audit response to going concern

As disclosed in note 2(d) of the financial statements, management has performed its going concern assessment and has not identified significant going concern risks. To evaluate management's assessment, we have performed, inter alia, the following procedures:

- we considered whether management's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit and inquired management about the underlying key assumptions and principles;
- we analyzed the financial and liquidity position of the Company as at year-end and compared it to the previous financial year as well as to the expected research and development cash outflows in terms of indicators that could identify going concern risks.
- we compared the current financial year's operating loss and the related cash outflows with the expected current financial year's operating loss and cash outflows.

The outcome of our risk assessment procedures on the going concern assessment, including our consideration of findings from our audit procedures on other areas did not give reason to perform additional audit procedures on management's going concern assessment.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Audit Committee of the Board of Directors. The key audit matters are not a comprehensive reflection of all matters discussed.

Compared to last year the key audit matter with respect to the *"Allocation of the achievement of development milestones to the applicable performance obligation in the Eli Lilly Research and Collaboration Agreement"* is not included, as it related specifically to the financial year 2024 when the initial application of the accounting was assessed.

Accounting for research and development costs

Description

Research and development (R&D) expenses, amounting to EUR 44.7 million (2024: 36.3 million), relate to the development of the RNA editing platform that form the primary business of the Company. The treatment candidates are in the development phase and do not generate revenue from sales. The size of the transactions and to a lesser extent the complexity of the recognition and measurement resulted in significant audit effort. As such, we have considered the accounting for R&D expenses as a key audit matter.

Our response

The following are the primary procedures we performed to address this key audit matter:

- We evaluated the design and implementation and tested the operating effectiveness of internal controls related to the Company's R&D expense process, including controls over the monthly accrual process;
- Further, we performed test of details by validating R&D expenses to underlying support of the recorded expenses and related accruals; and

- Among others, we have assessed the accounting for a selection of significant contracts of vendors and suppliers.

Our observation

Overall, the results of our procedures performed on management's accounting and disclosure for R&D expenses in the financial statements are satisfactory.

Compliance with Regulatory Technical Standard of SBR, including XBRL tagging, not audited

The statutory audit includes verifying that the prepared financial statements comply with the legal requirements under Title 9 of Book 2 of the Dutch Civil Code. Our audit opinion has been issued on the prepared financial statements and will be attached to the digitally filed annual report. This means that compliance with all requirements of the Regulatory Technical Standard within the SBR domain for the Trade Register (including the applied eXtensible Business Reporting Language (XBRL) tags) was not part of the statutory audit.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Engagement

We were initially appointed by the General Meeting of Shareholders as auditor of ProQR Therapeutics N.V. on June 23, 2020, as of the audit for the year 2021 and have operated as statutory auditor ever since that financial year.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect management, under supervision of the Board of Directors, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in appendix of this auditor's report. This description forms part of our auditor's report.

Amstelveen, March 12, 2026

KPMG Accountants N.V.

B.S. Geerling RA

Appendix: Description of our responsibilities for the audit of the financial statements

APPENDIX

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining 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;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- concluding on the appropriateness of the Board of Directors' 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;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We bear the full responsibility for the auditor's report.

We communicate with the Audit Committee of the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Audit Committee of the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee of the Board of Directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.