



## iSD Immunotech ApS

Stærmosevej 18  
7120 Vejle Øst  
CVR No. 30738276

## Annual report 2023

The Annual General Meeting adopted the annual report on 28.06.2024

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**Søren Skjærbæk**

Chairman of the General Meeting

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# Entity details

## Entity

iSD Immunotech ApS

Stærmosevej 18

7120 Vejle Øst

Business Registration No.: 30738276

Registered office: Vejle

Financial year: 01.01.2023 - 31.12.2023

## Executive Board

Søren Sylvester Skjærbæk

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

# Statement by Management

The Executive Board has today considered and approved the annual report of iSD Immunotech ApS for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend to the Annual General Meeting that the financial statements for the next financial year not be audited.

I recommend the annual report for adoption at the Annual General Meeting.

Vejle, 28.06.2024

**Executive Board**

**Søren Sylvester Skjærbæk**

# Independent auditor's extended review report

To the shareholder of iSD Immunotech ApS

## Conclusion

We have performed an extended review of the financial statements of iSD Immunotech ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

## Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our conclusion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 28.06.2024

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

#### **Jens Lauridsen**

State Authorised Public Accountant

Identification No (MNE) mne34323

# Management commentary

## Primary activities

The Company's activity is to identify, develop and commercialize immunosuppressive peptides and proteins as well as all activities deemed related thereto by the executive management.

## Description of material changes in activities and finances

The Company's main activity is to prepare the lead candidate, iSD-017 for further development. iSD-017 is planned to be part of a new treatment method for severe patients suffering from the disease SLE/Lupus and possibly later other autoimmune and autoinflammatory diseases.

The financial year 2023 generated a loss of DKK 13,300k, which mainly is due to impairment losses of DKK 14,919k regarding development projects.

Referring to Section 119 of the Companies' Act the executive management expects the reestablishment of the company share capital through own earnings and agreement on debt reduction with the company creditors.

## Events after the balance sheet date

The development projects have been written down to DKK 250k per December 31th 2023 based on an indicative non-binding partnering offer received for the development project. Partnering efforts will continue under the new management.

No other events have occurred after the balance sheet date, which would influence the evaluation of this annual report.

# Income statement for 2023

	Notes	2023 DKK	2022 DKK
<b>Gross profit/loss</b>	2	<b>2,289,203</b>	<b>564,960</b>
Staff costs	3	(1,793,225)	(1,970,775)
Depreciation, amortisation and impairment losses	4	(14,918,985)	0
<b>Operating profit/loss</b>		<b>(14,423,007)</b>	<b>(1,405,815)</b>
Other financial income		25,807	8,205
Other financial expenses		(201,359)	(263,608)
<b>Profit/loss before tax</b>		<b>(14,598,559)</b>	<b>(1,661,218)</b>
Tax on profit/loss for the year	5	1,299,000	604,216
<b>Profit/loss for the year</b>		<b>(13,299,559)</b>	<b>(1,057,002)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(13,299,559)	(1,057,002)
<b>Proposed distribution of profit and loss</b>		<b>(13,299,559)</b>	<b>(1,057,002)</b>



# Balance sheet at 31.12.2023

## Assets

	Notes	2023 DKK	2022 DKK
Development projects in progress	7	250,000	12,972,032
<b>Intangible assets</b>	6	<b>250,000</b>	<b>12,972,032</b>
<b>Fixed assets</b>		<b>250,000</b>	<b>12,972,032</b>
Other receivables		40,662	33,209
Income tax receivable	8	394,000	820,216
Prepayments		3,739	7,680
<b>Receivables</b>		<b>438,401</b>	<b>861,105</b>
<b>Cash</b>		<b>1,040,056</b>	<b>5,519,058</b>
<b>Current assets</b>		<b>1,478,457</b>	<b>6,380,163</b>
<b>Assets</b>		<b>1,728,457</b>	<b>19,352,195</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2023</b> <b>DKK</b>	<b>2022</b> <b>DKK</b>
Contributed capital	9	224,977	224,977
Reserve for development expenditure		0	10,118,185
Retained earnings		(542,806)	2,638,568
<b>Equity</b>		<b>(317,829)</b>	<b>12,981,730</b>
Deferred tax		0	905,000
<b>Provisions</b>		<b>0</b>	<b>905,000</b>
Subordinate loan capital	10	1,262,477	1,191,016
Debt to other credit institutions		0	1,635,190
<b>Non-current liabilities other than provisions</b>	<b>11</b>	<b>1,262,477</b>	<b>2,826,206</b>
Convertible and dividend-yielding debt instruments		626,532	580,122
Trade payables		70,300	354,238
Other payables		86,977	86,885
Deferred income		0	1,618,014
<b>Current liabilities other than provisions</b>		<b>783,809</b>	<b>2,639,259</b>
<b>Liabilities other than provisions</b>		<b>2,046,286</b>	<b>5,465,465</b>
<b>Equity and liabilities</b>		<b>1,728,457</b>	<b>19,352,195</b>
Going concern	1		

# Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	224,977	10,118,185	2,638,568	12,981,730
Transfer to reserves	0	(10,118,185)	10,118,185	0
Profit/loss for the year	0	0	(13,299,559)	(13,299,559)
<b>Equity end of year</b>	<b>224,977</b>	<b>0</b>	<b>(542,806)</b>	<b>(317,829)</b>

# Notes

## 1 Going concern

The development projects have been written down to DKK 250k per December 31st 2023 based on an indicative non-binding partnering offer received for the development project. Partnering efforts will continue under the new management.

It is the management's assessment that the Company has the necessary liquidity to present the accounts as a going concern, as agreements with all lenders to the Company have been reached, and these will thus be settled between the parties based on the outcome of the development project.

## 2 Gross profit/loss

Herein included "Own work capitalised" regarding development projects, which amounts to DKK 2,197k in 2023 and DKK 4,160k in 2022.

Deferred income from the balance sheet is recognized as income in 2023 and amounts to DKK 1,618k.

## 3 Staff costs

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	1,784,374	1,962,478
Other social security costs	8,851	8,297
	<b>1,793,225</b>	<b>1,970,775</b>
Average number of full-time employees	<b>2</b>	<b>2</b>

## 4 Depreciation, amortisation and impairment losses

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Impairment losses on intangible assets	14,918,985	0
	<b>14,918,985</b>	<b>0</b>

## 5 Tax on profit/loss for the year

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	(394,000)	(820,216)
Change in deferred tax	(905,000)	216,000
	<b>(1,299,000)</b>	<b>(604,216)</b>

Income tax benefits related to tax credit for research and development expenses at the applicable tax rate under the Danish Corporation Tax Act. See also note 8.

## 6 Intangible assets

	<b>Development projects in progress DKK</b>
Cost beginning of year	12,972,032
Additions	2,196,953
<b>Cost end of year</b>	<b>15,168,985</b>
Impairment losses for the year	(14,918,985)
<b>Amortisation and impairment losses end of year</b>	<b>(14,918,985)</b>
<b>Carrying amount end of year</b>	<b>250,000</b>

## 7 Development projects

The development projects have been written down to DKK 250k per December 31st 2023 based on an indicative non-binding partnering offer received for the development project. Partnering efforts will continue under the new management..

## 8 Tax receivable

Tax receivable recognized in the balance sheet relates to the use of the tax credit scheme under section 8X of the Danish Tax Assessment Act, whereby the company is paid the tax value of tax losses arising from costs to research and development.

Based on the examination of the criteria for the application of the scheme, management is of the opinion that the company is entitled to apply the scheme and the recognition has been based on this assessment.

There may be a risk that the Tax Authorities considers that the conditions for applying the scheme are not met. In this case, subsequent financial years are adversely affected by the fact that corporate tax receivable is written down via the accounting item " Tax on the profit for the year " in the income statement.

## 9 Share capital

A share option scheme according to which a right to subscribe for up to 10,375 new shares (DKK 10,375) in the Company has been established. At 31.12.2023 all DKK 10,375 have been earned.

Warrants must be exercised no later than in connection with a sale of the Company.

A share option scheme according to which a right to subscribe for up to 14,624 new shares (DKK 14,624) in the Company has been established. At 31.12.2023 a total of DKK 2,080 have been earned.

Warrants must be exercised no later than by the end of December 2028.

## 10 Subordinate loan capital

The subordinate loan capital resigns for all the company's creditors.

The loans are charged with interest at 6% p.a. and are irrevocable by the creditor.

**11 Non-current liabilities other than provisions**

	<b>Due after more than 12 months 2023 DKK</b>
Subordinate loan capital	1,262,477
	<b>1,262,477</b>

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year, but with a few reclassification in the presentation of the annual report in the comparative figures.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, external expenses. and own work capitalised.

### Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including received subsidies.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

**Other financial income**

Other financial income comprises interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies, and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

**Balance sheet****Intellectual property rights etc.**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

**Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.



**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises bank deposits.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.