Reapplix A/S

Bregnerødvej 133, 3460 Birkerød

CVR no. 31 26 15 70

Annual report 2023

Approved at the Company's annual general meeting on 28 June 2024

Chair of the meeting:

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Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Reapplix A/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2023 and of the results of the Group's and the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Birkerød, 26 June 2024
Executive Board:

Morten Have-Rasmussen

Board of Directors:

Klaus Eldrup-Jørgensen Chairman	Bo Jesper Hansen	Tonni Bulöw-Nielsen
Richard Twomey	Søren Møller	Jørgen Ulrik Vejlsgaard
Samuel Levy	Kira Paniagua Rupprecht	

Independent auditor's report

To the shareholders of Reapplix A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Reapplix A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group's and Parent Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- Obtain 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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 26 June 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kennet Hartmann State Authorised Public Accountant mne40036	Anders Knudsen State Authorised Public Accountant mne49064

Management's review

Company details

Name	Reapplix A/S
Address, Postal code, City	Bregnerødvej 133, 3460 Birkerød
CVR no.	31 26 15 70
Established	4 February 2008
Registered office	Birkerød
Financial year	1 January - 31 December
Board of Directors	Klaus Eldrup-Jørgensen, Chairman Bo Jesper Hansen Tonni Bulöw-Nielsen Richard Twomey Søren Møller Jørgen Ulrik Vejlsgaard Samuel Levy Kira Paniagua Rupprecht
Executive Board	Morten Have-Rasmussen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

Founded in 2008, Reapplix specializes in the biological treatment and management of diabetic foot ulcers. The patented 3CPatch® System is an innovative, evidence-based biological wound therapy made entirely from the patient's own blood.

Headquartered in Denmark, with sales and distribution teams in the US and Europe

www.reapplix.com

Equity and the cash position was strengthened during a capital increase during the year.

Events after the balance sheet date

No material events have arisen between the reporting date and the date of publication of the annual report that have not already been included in this annual report or have a material effect on the assessment of the Company's financial position.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent company	
Note	DKK'000	2023	2022	2023	2022
	Revenue	7,190	4,384	1,818	2,066
10	Cost of sales	-4,199	-4,632	-5,128	-6,081
	Gross profit	2,991	-248	-3,310	-4,015
10	Sales and marketing expenses	-34,225	-37,723	-6,254	-5,361
10	General and administrative expenses	-4,838	-5,491	-5,129	-5,533
	Operating profit/loss	-36,072	-43,462	-14,693	-14,909
10	Research and development costs	-7,663	-8,565	-7,663	-8,565
	Profit/loss before net financials	-43,735	-52,027	-22,356	-23,474
4	Financial income	1,083	5,656	5,913	9,159
5	Financial expenses	-4,486	-227	-27,911	-37,286
	Profit/loss before tax	-47,138	-46,598	-44,354	-51,601
6	Tax for the year	1,268	1,580	1,286	1,598
	Profit/loss for the year	-45,870	-45,018	-43,068	-50,003
	Recommended appropriation of profit/loss				
	Retained earnings/accumulated loss			-43,068	-50,003
				-43,068	-50,003

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	ASSETS				
	Fixed assets				
7	**Intangible assets**				
	Software	663	874	663	874
		663	874	663	874
8	**Property, plant and equipment**				
	Demonstration equipment	5,831	6,585	3,959	4,986
	Fixtures and fittings, other plant and equipment	294	412	249	320
	Right of use assets	747	245	747	245
		6,872	7,242	4,955	5,551
	Investments				
	Deposits	688	322	314	284
		688	322	314	284
	Total fixed assets	8,223	8,438	5,932	6,709
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	615	475	561	475
	Finished goods	109	417	109	336
		724	892	670	811
	Receivables				
	Trade receivables	2,421	2,056	46	32
	Corporation tax receivable	1,286	1,598	1,286	1,598
	Other receivables	427	504	427	504
	Prepayments	1,229	702	604	641
		5,363	4,860	2,363	2,775
	Cash	55,592	20,641	52,984	18,068
	Total non-fixed assets	61,679	26,393	56,017	21,654
	TOTAL ASSETS	69,902	34,831	61,949	28,363

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	DKK'000	2023	2022	2023	2022
	EQUITY AND LIABILITIES				
	Equity				
9	Share capital	7,746	6,062	7,746	6,062
	Share premium account	0	0	0	0
	Translation reserve	222	-3,007	0	0
	Retained earnings	52,676	22,974	49,778	17,289
	Total equity	60,644	26,029	57,524	23,351
	Liabilities other than provisions				
	Non-current liabilities other than provisions				
	Lease liabilities	846	910	846	910
		846	910	846	910
	Current liabilities other than provisions				
	Bank debt	0	56	0	56
	Lease liabilities	669	551	669	551
	Trade payables	1,940	905	624	619
	Corporation tax payable	36	38	0	0
	Other payables	5,767	6,342	2,286	2,876
		8,412	7,892	3,579	4,102
	Total liabilities other than provisions	9,258	8,802	4,425	5,012
	TOTAL EQUITY AND LIABILITIES	69,902	34,831	61,949	28,363

1 Accounting policies
2 Recognition and measurement uncertainties
3 Events after the balance sheet date
11 Contractual obligations and contingencies, etc.
12 Security and collateral

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

	Group				
DKK'000	Share capital	Share premium account	Translation reserve	Retained earnings	Total
Equity at 1 January 2022	5,375	0	-628	67,992	72,739
Capital increase	687	0	0	0	687
Transfer through appropriation of loss	0	0	-2,379	-45,018	-47,397
Equity at 1 January 2023	6,062	0	-3,007	22,974	26,029
Capital increase	1,684	75,572	0	0	77,256
Transfer through appropriation of loss	0	0	3,229	-45,870	-42,641
Transferred from share premium account	0	-75,572	0	75,572	0
Equity at 31 December 2023	7,746	0	222	52,676	60,644

	Parent company			
DKK'000	Share capital	Share premium account	Retained earnings	Total
Equity at 1 January 2022	6,062	0	67,292	73,354
Transfer through appropriation of loss	0	0	-50,003	-50,003
Equity at 1 January 2023	6,062	0	17,289	23,351
Capital increase	1,684	75,557	0	77,241
Transfer through appropriation of loss	0	0	-43,068	-43,068
Transferred from share premium account	0	-75,557	75,557	0
Equity at 31 December 2023	7,746	0	49,778	57,524

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Reapplix A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Changes in accounting policies

Effective 1 January 2023, the accounting polices of the Group and Reapplix A/S have changed compared to last year, where the annual report was prepared in accordance with in accordance with International Financial Reporting Standards, or IFRS, as adopted by the European Union and further requirements in the Danish Financial Statements Act The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, or IFRS, as adopted by the European Union and further requirements in the Danish Financial Statements Act. In connection with the change, the Group and Reapplix A/S have applied the Executive order 319 on transition to financial reporting pursuant to the Danish Financial Statements Act.

There is no monetary impact, neither on the current year's figures nor on the comparative figures, as the company has chosen IFRS 9, IFRS 15, and IFRS 16 as the basis for interpreting the Annual Accounts Act. As a result, the comparative figures have not been adjusted.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and group entities controlled by the Parent Company.

Control means a parent company’s power to direct a group entity’s financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity’s financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual group entities' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of group entities are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

The Group sells medical consumables through direct sales representatives and independent distributors. The Group recognizes revenue when control is transferred to the customer. For products sold through direct sales representatives and independent distributors, control is transferred upon shipment or upon delivery, based on the contract terms and legal requirements.

If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on relative standalone selling price. Shipping and handling are treated as a fulfilment activity rather than a promised service, and therefore, is not considered a performance obligation. Taxes assessed by a governmental authority that are both imposed on, and concurrent with, a specific revenue producing transaction and collected by the Group from customers (for example, sales, use, value added, and some excise taxes) are not included in revenue.

The amount of revenue recognized reflects sales rebates and returns, which are estimated based on sales terms, historical experience, and trend analysis.

The Group includes obligations for returns in other accrued expenses in the consolidated balance sheets and the right-of-return asset in other current assets in the consolidated balance sheets. The right-of-return asset and right-of-return liability at December 31, 2023 and December 31, 2022 were not material.

The Group offers warranties on various products. For standard, assurance-type warranties, the Group estimates the costs that may be incurred under its warranties and records a liability in the amount of such costs at the time the product is sold.

The amount of the reserve is equal to the net costs to repair or otherwise satisfy the obligation. The Group includes the warranty obligation in other accrued expenses and other liabilities in the consolidated balance sheets.

Warranty obligations at December 31, 2023 and December 31, 2022 were not material.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Production costs

Cost of sales consists of variable production costs, including raw materials, other production materials and direct labour costs. In addition, cost of sales includes fixed production overhead costs such as indirect labour and materials, repairs, maintenance and depreciation costs related to property, plant and equipment used in the production process and costs related to production administration and management.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation. Sales and marketing costs are recognised in the income statement when the Company obtains control of the sales or marketing product.

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Development costs

Research and development expenses include salaries including share-based compensation and costs arising from research activities, clinical development, legal expenses related to the protection, defence and enforcement of the Group's intellectual property and rent associated with facilities used for research purposes. Given the uncertainty regarding the recoverability of clinical development costs, the Group has not capitalized such expenses.

Staff costs

Employee benefits are primarily made up of salaries, share-based payment and pension. The cost of these benefits is recognized as expense as services are delivered. The Group's contributions to the employee pension plan have not been material.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Demonstration equipment	3-5 years
Fixtures and fittings, other plant and equipment	3-5 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Intangible assets include software and are measured at cost less accumulated amortizations and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use. Amortization is calculated on a straight-line basis over the expected useful lives of the underlying assets. The useful life of and method of amortization of software are reviewed by management at least each year-end or more often based on changes in facts and circumstances. Changes in useful lives or residual values are adjusted prospectively as changes in accounting estimates.

The useful lives of software are finite. Software is amortized on a straight-line basis over a 5-year period.

Development costs and internally accumulated rights are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

Property, plant and equipment includes fixtures, fittings, demonstration equipment (centrifuges), right-of-use assets, and other plant and equipment, and are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use. Depreciation is calculated on a straight-line basis over the expected useful lives of the underlying assets. The residual values of equipment are not material. The useful life of and method of depreciation of equipment are reviewed by management at least each year-end or more often based on changes in facts and circumstances. Changes in useful lives or residual values are adjusted prospectively as changes in accounting estimates.

Demonstration equipment are centrifuges held by the sales force primarily for demonstration purposes. Centrifuges are depreciated on a straight-line basis over a 5-year period. Depreciation is recorded in sales and marketing expense. To the extent that demonstration equipment in the future will be sold on a regular basis, it will be reclassified to inventory. Property, plant and equipment are required to be tested for impairment when there are indications of impairment. Impairment tests are conducted at the individual asset level, or at the lowest level for which separately identifiable cash flows for groups of assets exist. Impaired assets or asset groups are written down to their recoverable amount, which is the higher of the value in use and the net realizable value of the asset or asset group, with impairment charges allocated proportionately to the assets within the impaired asset group.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Leases

The Company has chosen IFRS 16 as interpretation for classification and recognition of leases.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
‣fixed payments, including in-substance fixed payments;
‣variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
‣amounts expected to be payable under a residual value guarantee; and
‣the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in a separate line in the statement of financial position.Short-term leases and leases of low-value assetsThe Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Investments

Investments in subsidiaries are measured in the parent company financial statements at the lower of cost or recoverable amount. Any distributed dividends are recognized in the income statement of the Parent Company.

Deposits

Deposits for property leased by the Group are measured at amortized cost.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Inventories

Inventories are measured at the lower of cost, in accordance with the weighted average price method, and the net realisable value. Provisions for obsolescence and remaining production and selling costs are deducted from the expected selling price, when estimating the net realisable value of inventories.

The cost of manufactured, finished and semi-finished products includes raw materials, direct labour, other production materials and production overheads. Production overheads include indirect labour and materials, repairs, maintenance and depreciation costs related to property, plant and equipment used in the production process, and costs related to production administration and management.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

Receivables

The Company has chosen IFRS 9 as interpretation for impairment write-down of financial receivables.

Receivables from customers and other receivables are designated as receivables and are initially measured at fair value or transaction price and subsequently measured in the balance sheet at amortized cost, which generally corresponds to nominal value less expected credit loss provision. This is consistent with prior periods' classification.

Prepayments

Prepayments include expenditures related to future financial periods and are measured at nominal value.

Cash

Cash includes cash on hand and in banks, as well as short term marketable securities that are subject to an insignificant risk of changes in value.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Equity

Direct and incremental costs associated with capital increases are accounted for as a reduction in the proceeds from the capital increase and recognized in shareholders' equity.

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in group entities and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

2 Recognition and measurement uncertainties

Judgement regarding accounting for development costs
Intangible assets arising from development projects should be recognised in the statement of financial position. The criteria that must be met for capitalisation are:
- The Group has the technical feasibility to complete the intangible asset so that it will be available for use or sale
- The Group intends to complete the intangible asset and use or sell it
- The Group has the ability to use or sell the intangible asset
- The intangible asset will generate probable future economic benefits. Among other things, the Group must demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset
- Adequate technical, financial and other resources must be available to complete the development and to use or sell the intangible asset
- The Group is able to reliably measure the expenditure attributable to the intangible asset during its development.

Such an intangible asset should be recognised if sufficient certainty can be documented that the future income from the development project will exceed the aggregate cost of production, development, and sale and administration of the product. In line with industry practice, due to both uncertainty and marketing approval by a regulatory authority the Group expenses all research costs as incurred.
Accordingly, the Group has not recognised such assets at this time. The total research and development costs related to operations amounted in the 12-months periods ended at December 31, 2023 and December 31, 2022 to DKK 8 million and DKK 9 million, respectively.

Judgement related to deferred taxes related to taxable losses to be carried forward
The Group recognizes deferred income tax assets if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management has considered future taxable income in assessing whether deferred income tax assets should be recognized and has concluded that the deferred income tax assets related to taxable losses to be carried forward do not meet the criteria for being recognized as assets in the statement of financial position.

The Group's tax losses can be carried forward infinitely subject to the general rules on limited deductibility due to ownership changes.

3 Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group 2023	Group 2022	Parent company 2023	Parent company 2022
4 Financial income				
Interest income, group entities	0	0	4,818	3,521
Foreign exchange gain	0	5,651	0	5,634
Other financial income	1,083	5	1,095	4
	1,083	5,656	5,913	9,159
5 Financial expenses				
Foreign exchange loss	4,321	0	4,321	0
Impairment losses on receivables from subsidiaries	0	0	26,054	37,059
Interest expenses, lease liabilities	116	139	116	139
Other financial expenses	49	88	-2,580	88
	4,486	227	27,911	37,286
6 Tax for the year				
Estimated tax charge for the year	-1,268	-1,580	-1,286	-1,598
	-1,268	-1,580	-1,286	-1,598

7 Intangible assets

DKK'000	Group Software
Cost at 1 January 2023	1,056
Cost at 31 December 2023	1,056
Impairment losses and amortisation at 1 January 2023	182
Amortisation for the year	211
Impairment losses and amortisation at 31 December 2023	393
Carrying amount at 31 December 2023	663

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

7 Intangible assets (continued)

DKK'000	Parent company Software
Cost at 1 January 2023	1,056
Cost at 31 December 2023	1,056
Impairment losses and amortisation at 1 January 2023	182
Amortisation for the year	211
Impairment losses and amortisation at 31 December 2023	393
Carrying amount at 31 December 2023	**663**

8 Property, plant and equipment

	Group			
DKK'000	Demonstration equipment	Fixtures and fittings, other plant and equipment	Right of use assets	Total
Cost at 1 January 2023	10,790	606	4,060	15,456
Additions	1,368	0	604	1,972
Cost at 31 December 2023	12,158	606	4,664	17,428
Impairment losses and depreciation at 1 January 2023	4,205	194	3,815	8,214
Foreign exchange adjustments	52	3	0	55
Depreciation	2,070	115	102	2,287
Impairment losses and depreciation at 31 December 2023	6,327	312	3,917	10,556
Carrying amount at 31 December 2023	5,831	294	747	6,872
Depreciated over	3-5 years	3-5 years		

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

8 Property, plant and equipment (continued)

Note 12 provides more details on security for loans, etc. as regards property, plant and equipment.

	Parent company			
DKK'000	Demonstration equipment	Fixtures and fittings, other plant and equipment	Right of use assets	Total
Cost at 1 January 2023	6,541	464	4,060	11,065
Additions	1,368	0	604	1,972
Disposals	-1,117	0	0	-1,117
Cost at 31 December 2023	6,792	464	4,664	11,920
Impairment losses and depreciation at 1 January 2023	1,555	144	3,815	5,514
Depreciation	1,278	71	102	1,451
Impairment losses and depreciation at 31 December 2023	2,833	215	3,917	6,965
Carrying amount at 31 December 2023	3,959	249	747	4,955
Depreciated over	3-5 years	3-5 years		

9 Share capital

Analysis of changes in the share capital over the past 5 years:

DKK'000	2023	2022	2021	2020	2019
Opening balance	6,062	5,375	4,355	2,819	2,371
Capital increase	1,684	687	1,020	1,536	448
	7,746	6,062	5,375	4,355	2,819

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

10 Staff costs and incentive programmes

Wages/salaries	28,365	32,053	10,823	12,839
Pensions	148	124	148	124
Other social security costs	1,339	1,760	78	338
	29,852	33,937	11,049	13,301

Staff costs are recognised as follows in the consolidated financial statements and the parent company financial statements:

	Group		Parent company	
DKK'000	2023	2022	2023	2022
Cost of sales	838	828	838	828
Sales and marketing expenses	21,712	24,389	2,909	3,753
General and administrative expenses	2,958	3,704	2,958	3,704
Research and development costs	4,344	5,016	4,344	5,016
	29,852	33,937	11,049	13,301

	Group		Parent company	
	2023	2022	2023	2022
Average number of full-time employees	23	24	9	12

Parent company

Incentive programmes

The Group has issued warrants to employees, the Executive Management and Board of Directors. The warrants can be settled by subscribing for A-shares of Reapplix A/S at an exercise price in the range of DKK 48 – DKK 64 per share. At time of grant the vesting period was in the range of 0 – 36 months.

The Group has granted warrants to the Executive Management and Board of Directors that may only be exercised if and to the extent that warrants issued earlier have not been exercised (warrants running in parallel). All warrants granted are included in the table above. A number of exercisable warrants are running in parallel, meaning that the net exercisable number of warrants are 130,703 as of December 31, 2023 (December 31, 2022: 160,703).

The weighted average remaining contractual life of the warrants outstanding as of December 31, 2023 and December 31, 2022 was 0,1 year and 0,4 years, respectively.

The weighted average exercise prices of the warrants outstanding as at December 31, 2023 and December 31, 2022 were 52,26 and 54,68, respectively.

No share-based compensation recognised in the income statement in 2023 and 2022.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

11 Contractual obligations and contingencies, etc.

Parent company

Contingencies are assets and liabilities that arise from past events but whose existence will only be confirmated by the occurance or non-occurence of future events that in some situations are beyond the Group's control. As of December 31, 2023 and 2022 there are no contigent assets or liabilities.

12 Security and collateral

Group

The group has not provided any security or other collateral in assets at 31 December 2023.

Parent company

The parent Company has not provided any security or other collateral in assets at 31 December 2023.

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"By my signature I confirm all dates and content in this document."

Klaus Eldrup-Jørgensen
Chairman
Serial number: 2fae8f3b-b0dc-4b53-89d4-da3f37f3082d
IP: 87.116.xxx.xxx
2024-06-26 10:40:31 UTC

Jørgen Ulrik Vejlsgaard
Board Member
Serial number: 598502cd-0506-426e-bbbe-4b7eab2d09ee
IP: 83.94.xxx.xxx
2024-06-26 10:56:44 UTC

Morten Have-Rasmussen
CEO
Serial number: 19123ff0-be46-4836-80ca-ddddb0720d20
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Tonni Bülow-Nielsen
Board Member
On behalf of: Danmarks Eksport & Investeringsfond
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2024-06-26 11:16:46 UTC

Samuel Levy
Underskriver
On behalf of: Lauxera Growth I SLP
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2024-06-26 21:25:56 UTC

Kira Paniagua Rupprecht
Board Member
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Søren Møller
Board Member
Serial number: c9047ff0-da99-4c95-a57d-9b2c31db89f1
IP: 162.250.xxx.xxx
2024-06-28 22:10:58 UTC

Bo Jesper Hansen
Board Member
Serial number: d62d179c-55bb-4a5e-93e2-58c910c28e39
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2024-07-01 09:22:03 UTC

Richard Twomey
Board Member
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IP: 2.83.xxx.xxx
2024-07-01 14:31:10 UTC

Richard twomey

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Kennet Hartmann

Underskriver

Serienummer: de305962-8180-429e-beaa-47b4c4d9be84

IP: 37.96.xxx.xxx

2024-07-01 15:15:41 UTC

Anders Knudsen

EY Godkendt Revisionspartnerselskab CVR: 30700228

Underskriver

Serienummer: 5d7cfa9d-c2d6-4f4b-8ba8-47bd7d6498da

IP: 165.225.xxx.xxx

2024-07-02 07:04:34 UTC

Brian Jørgensen
Chair of the Annual General Meeting
Serienummer: ea48a652-4720-41a4-b83b-040ec564d9a8
IP: 62.243.xxx.xxx
2024-07-02 07:24:39 UTC