



Immudex ApS

Bredevej 2
2830 Virum
CVR No. 31348854

Annual report 01.07.2019 - 30.06.2020

The Annual General Meeting adopted the
annual report on 24.11.2020

Søren Elmann Ingerslev
Chairman of the General Meeting

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Entity details

Entity

Immudex ApS

Bredevej 2

2830 Virum

CVR No.: 31348854

Registered office: Virum

Financial year: 01.07.2019 - 30.06.2020

Board of Directors

Patrik Olof Dahlén

Søren Elmann Ingerslev

Douglas Frank Sweet

Executive Board

Helene Kähler Hjenner

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Immudex ApS for the financial year 01.07.2019 - 30.06.2020.

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 30.06.2020 and of the results of its operations for the financial year 01.07.2019 - 30.06.2020.

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

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

Virum, 24.11.2020

Executive Board

Helene Kähler Hjenner

Board of Directors

Patrik Olof Dahlén

Søren Elmann Ingerslev

Douglas Frank Sweet

Independent auditor's extended review report

To the shareholders of Immudex ApS

Conclusion

We have performed an extended review of the financial statements of Immudex ApS for the financial year 01.07.2019 - 30.06.2020, 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 30.06.2020 and of the results of its operations for the financial year 01.07.2019 - 30.06.2020 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 opinion 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 under the Danish Financial Statements Act.

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 24.11.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Søren Strandby

State Authorised Public Accountant
Identification No (MNE) mne24684

Management commentary

Primary activities

The main activities of Immudex is to provide MHC Dextramer® reagents and diagnostic kits for improved T cell monitoring to be used in research, clinical development and diagnostics.

Development in activities and finances

The Company has during the fiscal year had the following focus areas:

- i. Increase sales of RUO (research-use-only) Dextramer® reagents and IVD (in vitro diagnostic) Dextramer reagents and kits
- ii. Expand the innovative dCODE® Dextramer product line, among others, with the dCODE® Dextramer (HiT) and dCODE® Klickmer reagents
- iii. Enter collaborations with partners on the dCODE® Dextramer technology, among others, with Becton, Dickinson and Company (BD) to develop dCODE® reagents compatible with the BD Rhapsody™ single cell analysis system, a platform for single cell multiomic analyses.
- iv. Develop and launch Dextramer® and dCODE® Technologies for measuring T-cell responses to SARS-CoV-2.

The total sales of RUO and IVD reagents increased by 22% relative to the previous fiscal year with approximately 55% of the sales in North America and 45% in the rest of the world.

Immudex continued to invest significant resources in the development of new Dextramer® reagents, in expanding commercial activities and maintaining and protecting existing patent portfolio.

The Company has realised a loss of DKK 1.7 million. The loss was planned and related to higher staff costs due to the increase in the number of employees.

The Company's equity was increased during the financial year by DKK 21 million to have the power of investing in the future and capturing opportunities in alignment with the Company's strategy.

Outlook

In the next financial year, a continued expansion of Immudex product portfolio and in sales and marketing activities of RUO and IVD reagents are expected, in addition to the continued progress of the research and development portfolio.

Events after the balance sheet date

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

Income statement for 2019/20

	Notes	2019/20 DKK	2018/19 DKK
Gross profit/loss		15,279,639	11,948,095
Staff costs	1	(17,002,427)	(14,047,539)
Depreciation, amortisation and impairment losses	2	(537,386)	(306,032)
Operating profit/loss		(2,260,174)	(2,405,476)
Other financial income	3	659,005	557,144
Impairment losses on financial assets		107,693	(608,336)
Other financial expenses	4	(710,224)	(40,361)
Profit/loss before tax		(2,203,700)	(2,497,029)
Tax on profit/loss for the year	5	532,292	413,465
Profit/loss for the year		(1,671,408)	(2,083,564)
Proposed distribution of profit and loss			
Retained earnings		(1,671,408)	(2,083,564)
Proposed distribution of profit and loss		(1,671,408)	(2,083,564)

Balance sheet at 30.06.2020

Assets

	Notes	2019/20 DKK	2018/19 DKK
Other fixtures and fittings, tools and equipment		2,109,763	1,263,553
Leasehold improvements		3,422,222	0
Property, plant and equipment	6	5,531,985	1,263,553
Investments in group enterprises		0	0
Other receivables		480,406	460,560
Other financial assets	7	480,406	460,560
Fixed assets		6,012,391	1,724,113
Work in progress		7,673,898	6,917,505
Inventories		7,673,898	6,917,505
Trade receivables		1,665,292	1,906,045
Receivables from group enterprises		4,423,948	4,387,599
Deferred tax	8	4,489,262	4,401,401
Other receivables	9	12,711,016	1,688,565
Joint taxation contribution receivable		444,431	0
Prepayments		738,822	66,754
Receivables		24,472,771	12,450,364
Cash	10	7,804,370	7,331,645
Current assets		39,951,039	26,699,514
Assets		45,963,430	28,423,627

Equity and liabilities

	Notes	2019/20 DKK	2018/19 DKK
Contributed capital		688,667	536,124
Retained earnings		33,008,302	12,316,906
Equity		33,696,969	12,853,030
Other payables		3,250,265	0
Non-current liabilities other than provisions	11	3,250,265	0
Current portion of non-current liabilities other than provisions	11	166,490	0
Bank loans		21,406	0
Trade payables		2,643,764	2,183,672
Payables to group enterprises		294,394	10,209,357
Other payables		5,890,142	3,177,568
Current liabilities other than provisions		9,016,196	15,570,597
Liabilities other than provisions		12,266,461	15,570,597
Equity and liabilities		45,963,430	28,423,627
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		

Statement of changes in equity for 2019/20

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	536,124	0	12,316,906	12,853,030
Increase of capital	152,543	22,362,804	0	22,515,347
Transferred from share premium	0	0	22,362,804	22,362,804
Transfer to reserves	0	(22,362,804)	0	(22,362,804)
Profit/loss for the year	0	0	(1,671,408)	(1,671,408)
Equity end of year	688,667	0	33,008,302	33,696,969

Notes

1 Staff costs

	2019/20 DKK	2018/19 DKK
Wages and salaries	14,826,226	12,339,873
Pension costs	1,996,263	1,543,986
Other social security costs	179,938	163,680
	17,002,427	14,047,539
Average number of full-time employees	26	24

2 Depreciation, amortisation and impairment losses

	2019/20 DKK	2018/19 DKK
Depreciation of property, plant and equipment	537,386	306,032
	537,386	306,032

3 Other financial income

	2019/20 DKK	2018/19 DKK
Financial income from group enterprises	525,093	470,433
Other interest income	0	66,924
Exchange rate adjustments	133,912	19,787
	659,005	557,144

4 Other financial expenses

	2019/20 DKK	2018/19 DKK
Financial expenses from group enterprises	600,651	14,595
Other interest expenses	88,121	4,777
Other financial expenses	21,452	20,989
	710,224	40,361

5 Tax on profit/loss for the year

	2019/20 DKK	2018/19 DKK
Change in deferred tax	(532,292)	(413,465)
	(532,292)	(413,465)

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	2,531,966	0
Additions	1,305,818	3,500,000
Disposals	(45,846)	0
Cost end of year	3,791,938	3,500,000
Depreciation and impairment losses beginning of year	(1,268,413)	0
Depreciation for the year	(459,608)	(77,778)
Reversal regarding disposals	45,846	0
Depreciation and impairment losses end of year	(1,682,175)	(77,778)
Carrying amount end of year	2,109,763	3,422,222

7 Financial assets

	Investments in group enterprises DKK	Other receivables DKK
Cost beginning of year	734,526	460,560
Additions	0	19,846
Cost end of year	734,526	480,406
Impairment losses beginning of year	(734,526)	0
Impairment losses end of year	(734,526)	0
Carrying amount end of year	0	480,406

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
Immudex USA, LLC	USA, Virginia	LLC	100	(4,823,699)	179,547

8 Deferred tax

Management has chosen not to capitalise tax assets related to tax loss due to uncertainty about utilisation of the Company's tax assets. Deferred tax asset of DKK 1,846 thousand which can be used in the joint taxation with the Parent has been capitalised in the financial statements. The Company has uncapitalised deferred tax of DKK 4,633 thousand concerning the Danish income prior to joint taxation. Moreover, Immudex USA, LLC has deferred taxes regarding tax loss carryforwards.

9 Other receivables

Other receivables consist primarily of payments from increase of capital made in June 2020. The receivable has been paid after the end of the financial year.

10 Cash

Cash includes DKK 301,460 which has been deposited in a bank guarantee cover account as security for debt recognised under current liabilities other than provisions.

11 Non-current liabilities other than provisions

	Due within 12 months 2019/20 DKK	Due after more than 12 months 2019/20 DKK	Outstanding after 5 years 2019/20 DKK
Other payables	166,490	3,250,265	2,584,305
	166,490	3,250,265	2,584,305

12 Unrecognised rental and lease commitments

	2019/20 DKK	2018/19 DKK
Liabilities under rental or lease agreements until maturity in total	9,949,541	923,000

The Company's rental agreement is non-cancellable until 01.07.2024. After that the Company's rental agreement can be terminated with a six months' notice.

Other lease commitments can be terminated with a 34 months' notice.

13 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Viggo Harboe 2006 Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, and also secondarily liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

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 certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

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

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the

year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

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 property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on payables and transactions in foreign currencies etc.

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on payables and transactions in foreign currencies 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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-15 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments 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.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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