

# **Conrig Pharma ApS**

Ole Maaløes Vej 3, 2200 København N

Company reg. no. 33 37 32 36

## **Annual report**

**2021**

The annual report have been submitted and approved by the general meeting on

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Niels Skjærbæk  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## Management's statement

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Today, the Board of Directors and the Executive Board have approved the annual report of Conrig Pharma ApS for the financial year 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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

We recommend that the annual report be approved at the Annual General Meeting.

København N,

### Executive board

John Bondo Hansen

Mikael Søndergaard Thomsen

### Board of directors

John Bondo Hansen  
Chairman of the board

Mikael Søndergaard Thomsen

Niels Skjærbæk

## **Independent auditor's report**

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### **To the Shareholders of Conrig Pharma ApS**

#### **Opinion**

We have audited the financial statements of Conrig Pharma ApS for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 Financial Statements" section of our report. We are independent of the Company 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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 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 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 about 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 these financial statements.

## Independent auditor's report

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As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- 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 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 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.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 Management's Review

Management is responsible for Management's Review.

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

## **Independent auditor's report**

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In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

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

Glostrup,

### **PKF Munkebo Vindelev**

State Authorised Public Accountants  
Company reg. no. 14 11 92 99

Kasper Vindelev

State Authorised Public Accountant  
mne29389

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## Company information

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**The company**

Conrig Pharma ApS  
Ole Maaløes Vej 3  
2200 København N

Company reg. no. 33 37 32 36  
Established: 20 December 2010  
Domicile: The City of Copenhagen  
Financial year: 1 January - 31 December  
11th financial year

**Board of directors**

John Bondo Hansen, Chairman of the board  
Mikael Søndergaard Thomsen  
Niels Skjærbæk

**Executive board**

John Bondo Hansen  
Mikael Søndergaard Thomsen

**Auditors**

PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab  
Hovedvejen 56  
2600 Glostrup

**Bankers**

Nordea Bank, Lyngby Torv 2, 2800 Kgs. Lyngby

## Financial highlights

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DKK in thousands.	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Income statement:</b>					
Gross profit	-246	-555	-165	-388	-305
Profit from operating activities	-246	-555	-165	-388	-305
Net financials	-62	-48	-33	-18	-7
Net profit or loss for the year	-308	-604	-198	-398	-286
<b>Statement of financial position:</b>					
Balance sheet total	53	250	226	97	139
Equity	-1.705	-1.397	-793	-595	-197

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## Management's review

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### The principal activities of the company

The company's principal activity is developing new medical drugs and other related operations.

### Development in activities and financial matters

The gross loss for the year totals DKK -246.000 against DKK -555.000 last year. Income or loss from ordinary activities after tax totals DKK -308.000 against DKK -604.000 last year. Management considers the net profit or loss for the year satisfactory.

In 2021, Conrig Pharma has been in a positive development. Our lead project (ST-015) is focused on new treatments of serious respiratory disorders with primary focus on chronic cough.

Conrig Pharma projects have matured accordingly. It is expected that the positive development continues in 2022 with the initial start of a clinical project PIIa, funded by capital from Sweden - negotiations ongoing.

There is a considerable medical unmet need for new efficacious and safe treatments of severe respiratory disorders (chronic cough), and it is expected, that there will be considerable interest in ST-015 and other Conrig Pharma projects.

The company has lost the equity and is thereby included in the regulation of the Danish Company Act. art. 119. It is the managements' expectation, that the share capital will be reestablished by capital increase or future earnings.

### Events occurring after the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

## Accounting policies

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The annual report for Conrig Pharma ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

## Accounting policies

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### Income statement

#### Gross loss

Gross loss comprises the other external costs and research and development costs.

Other external expenses comprise expenses incurred for administration.

#### Research and development costs

Research and development costs comprise costs that directly or indirectly attributable to the company's research and development activities.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses.

#### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

### Statement of financial position

#### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

#### Liabilities other than provisions

Other liabilities concerning payables to group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Gross loss</b>	<b>-246.326</b>	<b>-555.136</b>
Other financial expenses	-61.841	-48.409
<b>Pre-tax net profit or loss</b>	<b>-308.167</b>	<b>-603.545</b>
Tax on ordinary results	0	0
<b>Net profit or loss for the year</b>	<b>-308.167</b>	<b>-603.545</b>
<b>Proposed appropriation of net profit:</b>		
Allocated from retained earnings	-308.167	-603.545
<b>Total allocations and transfers</b>	<b>-308.167</b>	<b>-603.545</b>

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**Balance sheet at 31 December**

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All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Current assets</b>		
Other receivables	19.007	58.456
Total receivables	<u>19.007</u>	<u>58.456</u>
Cash and cash equivalents	<u>34.373</u>	<u>191.326</u>
<b>Total current assets</b>	<u><b>53.380</b></u>	<u><b>249.782</b></u>
<b>Total assets</b>	<u><b>53.380</b></u>	<u><b>249.782</b></u>

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**Balance sheet at 31 December**

All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Equity</b>		
Contributed capital	123.802	123.802
Retained earnings	-1.828.585	-1.520.417
<b>Total equity</b>	<b>-1.704.783</b>	<b>-1.396.615</b>
<b>Long term liabilities other than provisions</b>		
Other payables	1.758.163	1.646.397
Total short term liabilities other than provisions	1.758.163	1.646.397
<b>Total liabilities other than provisions</b>	<b>1.758.163</b>	<b>1.646.397</b>
<b>Total equity and liabilities</b>	<b>53.380</b>	<b>249.782</b>

**1 Contingencies**

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## Statement of changes in equity

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All amounts in DKK.

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2020	123.802	-916.872	-793.070
Profit or loss for the year brought forward	0	-603.545	-603.545
Equity 1 January 2021	123.802	-1.520.417	-1.396.615
Profit or loss for the year brought forward	0	-308.168	-308.168
	<b>123.802</b>	<b>-1.828.585</b>	<b>-1.704.783</b>

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## Notes

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All amounts in DKK.

### 1. Contingencies

#### Contingent assets

The company has not recognized a deferred tax asset of t.DKK 795 due to uncertainty regarding for future usage.

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