
Macure Pharma ApS

Hejrevej 39, DK-2400 Copenhagen NV

Annual Report for 1 January - 31 December 2021

CVR No 35 23 47 48

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
27/6 2022

Mads Renlef Henningsen
Chairman of the General
Meeting



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Macure Pharma ApS for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 27 June 2022

Executive Board

Mads Renlef Henningsen
CEO

Lars Mark Poulsen
Executive Officer

Independent Auditor's Report

To the Shareholder of Macure Pharma ApS

Opinion

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.

We have audited the Financial Statements of Macure Pharma ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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.

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.

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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Independent Auditor's Report

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.

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.
- 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.

Independent Auditor's Report

- 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.

Hellerup, 27 June 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ulrik Ræbild

State Authorized Public Accountant

mne33262

Company Information

The Company

Macure Pharma ApS
Hejrevej 39
DK-2400 Copenhagen NV

CVR No: 35 23 47 48
Financial period: 1 January - 31 December
Incorporated: 1 May 2013
Financial year: 9th financial year
Municipality of reg. office: Copenhagen

Executive Board

Mads Renlef Henningsen
Lars Mark Poulsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK
Key figures					
Profit/loss					
Operating profit/loss	6.557	6.690	12.021	6.967	11.468
Profit/loss before financial income and expenses	6.557	6.913	12.021	6.967	11.468
Net financials	-73	-153	-205	-100	-31
Net profit/loss for the year	5.048	5.258	9.188	5.335	8.913
Balance sheet					
Balance sheet total	100.485	57.552	44.046	33.942	25.360
Equity	10.500	10.452	14.194	10.507	11.971
Number of employees	12	10	6	5	4
Ratios					
Return on assets	6,5%	12,0%	27,3%	20,5%	45,2%
Solvency ratio	10,4%	18,2%	32,2%	31,0%	47,2%
Return on equity	48,2%	42,7%	74,4%	47,5%	102,3%

Management's Review

Key activities

The company's purpose is to trade in the pharmaceutical industry.

Development in the year

The income statement of the Company for 2021 shows a profit of DKK 5,047,696, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 10,499,712.

Operating risks and financial risks

Operating risks

It has been assessed, that there are no single significant risks to the operations of the company.

Foreign exchange risks

Activities abroad cause that net profit, cash flow and equity are influenced by exchange rate developments and interest rate trends for a number of currencies. The company does not hedge these risks.

Targets and expectations for the year ahead

In 2021, the Company was positively affected by additional sales due to Covid-19, which Management does not expect to continue in 2022. However, Management expects to be able to realize a profit before tax in the same level as 2021 in the range of DKK 5-7 million before tax.

External environment

The Company's activities are not considered to have an extensive impact on the external environment.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2021 of the Company and the results of the activities of the Company for the financial year for 2021 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Gross profit/loss		24.981.874	15.148.594
Staff expenses	1	-18.271.938	-8.098.579
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-153.081	-137.244
Profit/loss before financial income and expenses		6.556.855	6.912.771
Financial income	2	99.753	0
Financial expenses	3	-172.760	-152.692
Profit/loss before tax		6.483.848	6.760.079
Tax on profit/loss for the year	4	-1.436.152	-1.502.457
Net profit/loss for the year		5.047.696	5.257.622

Balance Sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Acquired other similar rights		2.206.602	1.263.096
Intangible assets	5	2.206.602	1.263.096
Deposits		146.671	151.101
Fixed asset investments	6	146.671	151.101
Fixed assets		2.353.273	1.414.197
Inventories		24.889.145	23.895.911
Trade receivables		52.805.499	23.954.442
Receivables from group enterprises		10.866.991	0
Other receivables		0	1.558.539
Deferred tax asset	8	186.388	252.086
Receivables		63.858.878	25.765.067
Cash at bank and in hand		9.383.601	6.476.429
Currents assets		98.131.624	56.137.407
Assets		100.484.897	57.551.604

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		80.000	80.000
Retained earnings		5.419.712	5.372.015
Proposed dividend for the year		5.000.000	5.000.000
Equity		10.499.712	10.452.015
Trade payables		27.639.818	12.154.806
Payables to group enterprises		22.216.852	31.283.022
Payables to owners and Management		21.004.334	20.695
Payables to group enterprises relating to corporation tax		1.370.454	1.775.589
Other payables		17.753.727	1.865.477
Short-term debt		89.985.185	47.099.589
Debt		89.985.185	47.099.589
Liabilities and equity		100.484.897	57.551.604
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Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	80.000	5.372.016	5.000.000	10.452.016
Ordinary dividend paid	0	0	-5.000.000	-5.000.000
Net profit/loss for the year	0	47.696	5.000.000	5.047.696
Equity at 31 December	80.000	5.419.712	5.000.000	10.499.712

Notes to the Financial Statements

	<u>2021</u>	<u>2020</u>
	DKK	DKK
1 Staff expenses		
Wages and salaries	16.574.054	6.887.687
Pensions	1.421.195	1.004.834
Other social security expenses	195.884	115.906
Other staff expenses	<u>80.805</u>	<u>90.152</u>
	<u>18.271.938</u>	<u>8.098.579</u>
Average number of employees	<u>12</u>	<u>10</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
2 Financial income		
Other financial income	<u>99.753</u>	<u>0</u>
	<u>99.753</u>	<u>0</u>
3 Financial expenses		
Interest paid to group enterprises	108.818	100.670
Other financial expenses	<u>63.942</u>	<u>52.022</u>
	<u>172.760</u>	<u>152.692</u>
4 Tax on profit/loss for the year		
Current tax for the year	1.370.454	1.775.589
Deferred tax for the year	<u>65.698</u>	<u>-273.132</u>
	<u>1.436.152</u>	<u>1.502.457</u>

Notes to the Financial Statements

5 Intangible assets

	Acquired other similar rights DKK
Cost at 1 January	2.052.039
Additions for the year	1.152.605
Disposals for the year	<u>-56.018</u>
Cost at 31 December	<u>3.148.626</u>
Impairment losses and amortisation at 1 January	788.943
Amortisation for the year	<u>153.081</u>
Impairment losses and amortisation at 31 December	<u>942.024</u>
Carrying amount at 31 December	<u>2.206.602</u>
Amortised over	<u>10 years</u>

6 Fixed asset investments

	Deposits DKK
Cost at 1 January	151.101
Disposals for the year	<u>-4.430</u>
Cost at 31 December	<u>146.671</u>
Carrying amount at 31 December	<u>146.671</u>

7 Distribution of profit

	2021 DKK	2020 DKK
Proposed dividend for the year	5.000.000	5.000.000
Retained earnings	<u>47.696</u>	<u>257.622</u>
	<u>5.047.696</u>	<u>5.257.622</u>

Notes to the Financial Statements

	2021	2020
	DKK	DKK
8 Deferred tax asset		
Deferred tax asset at 1 January	252.086	-21.046
Amounts recognised in the income statement for the year	-65.698	273.132
Deferred tax asset at 31 December	186.388	252.086

The recognised tax asset comprises timing differences relating to the Company's assets and liabilities. In the years ahead, the Company or the Group of jointly taxed enterprises expect to realise the recognised deferred tax asset; on that basis, the asset has been recognised at 31 December 2021.

9 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	270.840	338.655
	270.840	338.655

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Nest Egg ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

There are no other security and contingent liabilities at 31 December 2021.

Notes to the Financial Statements

10 Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

Selskabet indgår i koncernrapporten for moderselskabet

<u>Name</u>	<u>Place of registered office</u>
Nest Egg ApS	Hejrevej 39, 2400 København NV

11 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of Macure Pharma ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of , the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Notes to the Financial Statements

12 Accounting Policies (continued)

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Notes to the Financial Statements

12 Accounting Policies (continued)

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with companies wholly owned by the parent company. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Acquired other similar rights are measured at the lower of cost less accumulated amortisation and recoverable amount. Acquired other similar rights are amortised over 10 years.

Impairment of fixed assets

The carrying amounts of intangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of deposits.

Notes to the Financial Statements

12 Accounting Policies (continued)

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Notes to the Financial Statements

12 Accounting Policies (continued)

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$