

CiVi Biopharma A/S
C/O Intertrust (Denmark) ApS
Sundkrogsgade 21, DK-2100 Copenhagen
CVR no. 38 02 77 94

**Annual report for the period
1 January to 31 December 2023**

Adopted at the annual general meeting on 10 July 2024

Jess Thiersen

Jess Thiersen
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Ci-Vi Biopharma 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 financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

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

Copenhagen, 10 July 2024

Executive board



Henrik Ørum

Supervisory board

Martin Lavesen

Martin Lavesen

Jess Thiersen

Jess Thiersen



Henrik Ørum

Independent auditor's report

To the shareholder of CiVi Biopharma A/S

Adverse opinion

We have audited the financial statements of Company for the financial year 1 January – 31 December 2023, comprising income statement, balance sheet, statement of changes in equity, and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, because of the significance of the matters described in the "Basis for adverse opinion" section of our report, the financial statements do not give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for adverse opinion

The financial statements are prepared on a going concern basis. The company has discontinued its operations as it does not have sufficient liquidity to pay its liabilities as they fall due. The Company's Management has had negotiations with its owners and their investors. These negotiations did not lead to any new funding. Therefore, it was decided to file for either solvent liquidation or bankruptcy which was also not disclosed properly in the financial statements. Accordingly, we qualify our opinion to the effect that the financial statements are prepared on a going concern basis.

Furthermore, we have found that the Company has recognized the receivables from group entities with an amount of DKK 1.750.000 at year-end. In our view this amount is not recoverable as there is no evidence or indication that the Company will receive any payments on this receivable. Consequently, we deem the receivables from group entities overstated by DKK 1.750.000. The write down of these receivables would lead to a loss of DKK 3.637.334 for the financial year and an amount of the receivables from group entities with an amount of DKK 0 and an equity of DKK -261.981 as of 31 December 2023.

We conducted our audit in accordance with International Standard 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 adverse opinion.

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 that 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 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 may 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 financial statement 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 company 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.

Statement on 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.

As disclosed in the "Basis for adverse opinion" section, we have qualified our opinion on the financial statements due to the fact that the financial statements are wrongly prepared on a going concern basis and are missing disclosures regarding the planned liquidation. Furthermore, as also disclosed in the "basis for adverse opinion" section, we found that the financial assets are over materially overstated. We have reached the conclusion that for the same reason, the Management's review is materially misstated in relation to the Company's ability for going.

Independent auditor's report

Copenhagen, 10 July 2024

KPMG P/S
CVR no. 25 57 81 98



Klaus Rytz
State Authorized Public Accountant
mne33205

Company details

The company	<p>CiVi Biopharma A/S Sundkrogsgade 21 C/O Intertrust (Denmark) ApS DK-2100 Copenhagen</p> <p>CVR no.: 38 02 77 94</p> <p>Reporting period: 1 January - 31 December 2023</p> <p>Domicile: Copenhagen</p>
Supervisory board	<p>Martin Lavesen Jess Thiersen Henrik Ørum</p>
Executive board	<p>Henrik Ørum</p>
Auditors	<p>KPMG P/S Dampfærgevej 28 DK-2100 Copenhagen</p>
Consolidated financial statements	<p>The company is included in the group report of the parent company CiVi Biopharma, Inc.</p> <p>The group report can be obtained at following address:</p> <p>5425 Wisconsin Avenue 6th Floor Chevy Chase MD 20815 USA</p>

Management's review

Business review

The company is a biopharmaceutical company focused on creating novel therapies against cariometa-bolic diseases.

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of DKK 1.887.334, and the balance sheet at 31 December 2023 shows equity of DKK 1.488.019.

The result is influenced by an impairment loss on financial assets of DKK 3.946.943.

Material uncertainties regarding going concern

The current liquidity is not adequate to maintain operations. The operations has been discontinued as of 30 April 2024. To ensure the company's going concern, it is of importance that the company secures further liquidity. Based on the management's assessment, management are confident in their ability to secure further liquidity from its main shareholder including by payments of the financial assets.

Significant events occurring after the end of the financial year

No further events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross profit		3.502.137	3.530.115
Staff expenses	1	<u>-3.100.367</u>	<u>-3.099.955</u>
Profit/loss before net financials		401.770	430.160
Impairment losses on financial assets		-2.196.943	0
Financial expenses		<u>-3.190</u>	<u>-10.782</u>
Profit/loss before tax		-1.798.363	419.378
Tax on profit/loss for the year	2	<u>-88.971</u>	<u>-93.060</u>
Profit/loss for the year		<u>-1.887.334</u>	<u>326.318</u>
 Distribution of profit			
Retained earnings		<u>-1.887.334</u>	<u>326.318</u>
		<u>-1.887.334</u>	<u>326.318</u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Assets			
Receivables from group entities		1.750.000	3.488.241
Other receivables		109.593	109.885
Corporation tax		16.520	0
Prepayments		79.559	78.689
Deposits		0	21.819
Receivables		<u>1.955.672</u>	<u>3.698.634</u>
Cash at bank and in hand		<u>329.455</u>	<u>248.910</u>
Total current assets		<u>2.285.127</u>	<u>3.947.544</u>
Total assets		<u><u>2.285.127</u></u>	<u><u>3.947.544</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Equity and liabilities			
Share capital		500.000	500.000
Retained earnings		<u>988.019</u>	<u>2.875.353</u>
Equity		<u>1.488.019</u>	<u>3.375.353</u>
Trade payables		483.216	302.517
Corporation tax		40.208	11.060
Other payables		<u>273.684</u>	<u>258.614</u>
Total current liabilities		<u>797.108</u>	<u>572.191</u>
Total liabilities		<u>797.108</u>	<u>572.191</u>
Total equity and liabilities		<u><u>2.285.127</u></u>	<u><u>3.947.544</u></u>
Material uncertainties regarding going concern	3		
Contingent liabilities	4		

Statement of changes in equity

	Share capital	Retained ear- nings	Total
Equity at 1 January 2023	500.000	2.875.353	3.375.353
Net profit/loss for the year	0	-1.887.334	-1.887.334
Equity at 31 December 2023	500.000	988.019	1.488.019

Notes

	<u>2023</u>	<u>2022</u>
	DKK	DKK
1 Staff expenses		
Wages and salaries	3.095.261	3.095.261
Other social security costs	<u>5.106</u>	<u>4.694</u>
	<u>3.100.367</u>	<u>3.099.955</u>
Number of fulltime employees on average	<u>1</u>	<u>1</u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
2 Tax on profit/loss for the year		
Current tax for the year	87.688	93.060
Adjustment of tax concerning previous years	<u>1.283</u>	<u>0</u>
	<u>88.971</u>	<u>93.060</u>

3 Material uncertainties regarding going concern

The current liquidity is not adequate to maintain operations. The operations has been discontinued as of 30 April 2024. To ensure the company's going concern, it is of importance that the company secures further liquidity. Based on the management's assessment, management are confident in their ability to secure further liquidity from its main shareholder including by payments of the financial assets.

	<u>2023</u>	<u>2022</u>
	DKK	DKK
4 Contingent liabilities		
Rent and lease obligation	<u>0</u>	<u>30.519</u>
	<u>0</u>	<u>30.519</u>

Accounting policies

The annual report of CiVi Biopharma A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other external expenses

Other external expenses include expenses related to administration, premises, payments under operating leases, etc.

Staff expenses

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Financial expenses

Financial expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate

Accounting policies

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.