



METHYL DETECT APS
NIELS JERNES VEJ 10, 9220 AALBORG ØST

ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 14 May 2024**

Steen Palle Petersen

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COMPANY DETAILS

Company	Methyl Detect ApS Niels Jernes Vej 10 9220 Aalborg Øst
	CVR No.: 38 32 27 61 Established: 30 December 2016 Registered Office: Aalborg Financial Year: 1 January - 31 December
Board of Directors	Steen Palle Petersen, chairman Lars-Ole Gerlach Lise Lotte Hansen
Board of Executives	Thomasz Kazimierz Wojdacz
Auditor	Deloitte Statsautoriseret Revisionspartnerselskab Østre Havnepromenade 26, 4. 9000 Aalborg

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Methyl Detect ApS for the financial year 1 January - 31 December 2023.

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 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.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

Aalborg, 14 May 2024

Board of Executives

Thomasz Kazimierz Wojdacz

Board of Directors

Steen Palle Petersen
Chairman

Lars-Ole Gerlach

Lise Lotte Hansen

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Methyl Detect ApS

Opinion

We have audited the Financial Statements of Methyl Detect ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company 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 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' 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.

Emphasis of matter

Without prejudice to our conclusion, we shall refer to the disclosure in Note 5, Information on uncertainty with respect to recognition and measurement, where the uncertainty associated with the measurement of the company's development activities is mentioned.

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 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.

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 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.

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 Statements Act. We did not identify any material misstatement of Management's Review.

Aalborg, 14 May 2024

Deloitte Statsautoriseret Revisionspartnerselskab
CVR no. 33963556

Peter Nørrevang
State Authorised Public Accountant
MNE no. mne11706

MANAGEMENT'S REVIEW

Principal activities

The principal activities comprise to develop and commercialize methods and products for epigenetic research and diagnostics, as well as all companies that, according to the Board's discretion, are related.

Development in activities and financial position

Methyl Detect ApS is a development company, and the result for the year is therefore as expected. The company's products have been further developed and optimized to improve the customers' workflow and increase the company's revenue. An improved PCR master mix and a bisulfite modification kit have been launched.

Management expects that the company's future operations will be Profitable. It is the management's expectation that the necessary prerequisites for continued operation have been met.

The annual report is therefore prepared subject to continued operations.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS PROFIT		529,032	398,416
Staff costs.....	1	-539,171	-267,959
Depreciation, amortisation and impairment.....		-10,000	0
OPERATING LOSS		-20,139	130,457
Other financial income.....		112	4,093,860
Other financial expenses.....		-333	-2,797
LOSS BEFORE TAX		-20,360	4,221,520
Tax on profit/loss for the year.....	2	-34,222	0
LOSS FOR THE YEAR		-54,582	4,221,520
PROPOSED DISTRIBUTION OF DIVIDEND			
Retained earnings.....		-54,582	4,221,520
TOTAL		-54,582	4,221,520

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Development projects completed.....		644,334	212,394
Intangible fixed assets	3	644,334	212,394
FIXED ASSETS		644,334	212,394
Trade receivables.....		44,308	33,833
Other receivables.....		73,732	12,999
Corporation tax receivable.....		5,778	0
Receivables		123,818	46,832
Cash and cash equivalents		350,106	412,126
CURRENT ASSETS		473,924	458,958
ASSETS		1,118,258	671,352
 EQUITY AND LIABILITIES			
Share capital.....		94,500	94,500
Share premium account.....		360,000	360,000
Reserve for development costs.....		502,581	165,667
Retained profit.....		-534,135	-142,639
EQUITY		422,946	477,528
Provision for deferred tax.....		40,000	0
PROVISION FOR LIABILITIES		40,000	0
Other liabilities.....		28,990	28,990
Long-term liabilities	4	28,990	28,990
Trade payables.....		16,855	27,707
Other liabilities.....		148,076	137,127
Accruals and deferred income.....		461,391	0
Current liabilities		626,322	164,834
LIABILITIES		655,312	193,824
EQUITY AND LIABILITIES		1,118,258	671,352
 Information on uncertainty with respect to recognition and measurement	 5		

EQUITY

	Share capital	Share premium account	Reserve for development costs	Retained profit	Total
Equity at 1 January 2023.....	94,500	360,000	165,667	-142,639	477,528
Proposed distribution of profit.....				-54,582	-54,582
Transferred to reserve for development costs.....			336,914	-336,914	
Equity at 31 December 2023.....	94,500	360,000	502,581	-534,135	422,946

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

			Note
Staff costs			1
Average number of employees 1 (2022: 1)			
Wages and salaries.....	537,088	266,257	
Social security costs.....	2,083	757	
Other staff costs.....	0	945	
	539,171	267,959	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	-5,778	0	
Adjustment of deferred tax.....	40,000	0	
	34,222	0	

Intangible fixed assets

		Development projects completed	3
Cost at 1 January 2023.....		4,263,892	
Additions.....		441,941	
Cost at 31 December 2023.....		4,705,833	
Amortisation at 1 January 2023.....		4,051,499	
Amortisation for the year.....		10,000	
Amortisation at 31 December 2023.....		4,061,499	
Carrying amount at 31 December 2023.....		644,334	
Interest expenses recognised as part of cost of assets.....		0	

Methyl Detect has developed ready-to-use kits for detection of gene methylation.

The first version of the kits have been launched in 2018, and the receipt of the products are in line with the expectations.

An improved PCR master mix and a bisulfite modification kit have been launched Q4 2023.

Management has high expectations for the product and has no indication of future impairment in relation to the carrying amount.

Long-term liabilities

	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities	Current portion at the beginning of the year	4
Other liabilities.....	28,990	0	0	28,990	0	
	28,990	0	0	28,990	0	

NOTES

Note

Information on uncertainty with respect to recognition and measurement

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Due to the Company's special activities as a development company there is material uncertainty related to the valuation of the Company's development activities.

A total of development costs totaling t.DKK 644 have been capitalized and a profit has been realized after tax of -55 t.DKK . Equity amounted to t.DKK 423 at 31. December 2023.

ACCOUNTING POLICIES

The Annual Report of Methyl Detect ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible fixed assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Tax payable and deferred tax

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

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Amortised cost for short-term liabilities usually corresponds to the nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.