

Asarina Pharma ApS

Rigensgade 11A, 1316 København K

CVR no. 38 49 57 12

Annual report

for the year 1 January - 31 December 2023

Approved by shareholder resolution 10 July 2024
Chairman of the board of directors:

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Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Asarina Pharma ApS 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 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.

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

It is proposed to the annual general meeting that the financial statements for 2024 should not be audited.

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

Copenhagen, 10 July 2024
Executive Board:

Peter Hviid Nordkild

Board of Directors:

Paul Karl Mikael de Potocki
Chairman

Peter Hviid Nordkild

Jakob Dynnes Hansen

The general meeting has decided that the financial statements for the coming financial year will not be audited.

Independent auditor's report

To the shareholder of Asarina Pharma ApS

Opinion

We have audited the financial statements of Asarina Pharma ApS for the financial year 1 January - 31 December 2023, which comprise 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, the financial statements give a true and fair view of the 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Material uncertainty related to going concern

We draw attention to the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. We refer to note 2 to the financial statements, which states that it is uncertain whether financing of the Company's operations and the necessary investments in the coming years can be secured in due time. However, as Management believes that such financing will be obtained, the financial statements have been prepared on a going concern basis. We have not modified our opinion in respect of this matter.

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 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 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 the 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:

Independent auditor's report

- ▶ 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 note 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 the 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.

Based on the work we have performed, we conclude that the 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 the Management's review.

Copenhagen, 10 July 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Christian Schwenn Johansen
State Authorised Public Accountant
mne33234

Anders Roe Eriksen
State Authorised Public Accountant
mne46667

Management's review

Company details

Name	Asarina Pharma ApS
Address, Postal code, City	C/O Peter Nordkild, Rigensgade 11A, 2. 1316 København K
CVR no.	38 49 57 12
Established	16 March 2017
Registered office	København
Financial year	1 January - 31 December
Website	www.asarinapharma.com
Telephone	+45 5132 3698
Board of Directors	Paul Karl Mikael de Potocki, Chairman Peter Hviid Norkild Jakob Dynnes Hansen
Executive Board	Peter Hviid Nordkild
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

Asarina Pharma ApS ("the Company") was established by Asarina Pharma AB (Sweden) on 16 March 2017 through contribution-in-kind of certain intangible assets. The Company is the operating vehicle for the R&D activities in the Asarina Pharma Group ("Asarina").

Asarina is developing novel pharmaceutical products, including its lead compound, Sepranolone, for treatment of neurological diseases such as Tourette Syndrome, with the aim to enable patients to remain in control of their life.

On 1 April 2023, the Company announced results of its phase IIa study with Sepranolone in Tourette Syndrome. The results showed improvements in all clinical parameters in the patients receiving Sepranolone versus the control group.

Since completing the phase IIa study in April 2023, the Company has focused on finding a partner who can bring Sepranolone into the next clinical phase. The Company will continue to explore the potential for a partnership, i.e. a sale or out-licensing of its IP assets.

Considering the uncertainty associated with the partnering process, Management has identified impairment indications of the intangible assets, and impaired the value to DKK 0 considering the highest amount of the value in use and sales value less cost to dispose. Since such new funding has not been obtained as of the date of these Financial Statements, material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern exists, and as such, also material uncertainty as to the valuation of the Company's intangible assets.

Reference is also made to note 2 regarding going concern.

Unusual matters having affected the financial statements

Going concern

Executive Management monitors its liquidity position on a monthly basis to identify liquidity risks and enable the Board of Directors and Executive Management to prepare for new financing transactions and/or take relevant tactical or strategic actions to allow the company to continue its research and development activities as planned as a going concern.

At 31 December 2023, the Company had a cash position of DKK 723 thousand.

The Company's operations are mainly financed by non-conditional shareholder's contributions from its parent company (Asarina Pharma AB). In 2023, the Company received shareholder's contribution amounting to DKK 1,420 thousand.

Furthermore, the Company expects to receive approx. DKK 1,176 thousand in November 2024 from the tax credit scheme for R&D projects.

Considering the Company's current cash position and projected cash requirements, the Board of Directors and Management believe that it can complete the partnering process with its current financial resources but there is no guarantee that it will not incur unexpected costs during this partnering process. In case of an unfavorable outcome of the partnering activities, the Company will, in due time, initiate a solvent liquidation, which may include the sale of some or all the Company's assets.

Considering the uncertainty associated with the partnering process, Management has identified impairment indications of the intangible assets, and impaired the value to DKK 0 considering the highest amount of the value in use and sales value less cost to dispose. Since new funding has not been obtained as of the date of these Financial Statements, material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern exists.

Considering the material uncertainty related to going concern, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Based on the above assessment, Management have prepared the Financial Statements based

Management's review

on a going concern assumption.

Financial review

The income statement for 2023 shows a loss of DKK 42,903,193 (which includes impairment of intangible assets of DKK 32,806,672) against a loss of DKK 9,822,821 last year, and the balance sheet at 31 December 2023 shows equity of DKK 1,225,889.

During 2023, the Company received a tax-free group contribution from the parent Company, Asarina Pharma AB, which amounted to DKK 1,420 thousand.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2023	2022
	Other external expenses	<u>-884,336</u>	<u>-508,850</u>
	Gross profit	-884,336	-508,850
5	Staff costs	-2,461,119	-1,925,872
6	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-37,063,792	-4,257,121
	Research and development costs	<u>-3,698,023</u>	<u>-4,173,884</u>
	Profit/loss before net financials	-44,107,270	-10,865,727
	Financial income	80,534	63,246
7	Financial expenses	<u>-52,189</u>	<u>-94,617</u>
	Profit/loss before tax	-44,078,925	-10,897,098
8	Tax for the year	<u>1,175,732</u>	<u>1,074,277</u>
	Profit/loss for the year	<u>-42,903,193</u>	<u>-9,822,821</u>
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	<u>-42,903,193</u>	<u>-9,822,821</u>
		<u>-42,903,193</u>	<u>-9,822,821</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	ASSETS		
	Fixed assets		
9	Intangible assets		
	Acquired intangible assets	<u>0</u>	<u>36,779,560</u>
		<u>0</u>	<u>36,779,560</u>
10	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	<u>505,164</u>	<u>789,396</u>
		<u>505,164</u>	<u>789,396</u>
	Investments		
	Deposits, investments	<u>13,614</u>	<u>18,575</u>
		<u>13,614</u>	<u>18,575</u>
	Total fixed assets	<u>518,778</u>	<u>37,587,531</u>
	Non-fixed assets		
	Receivables		
11	Deferred tax assets	0	0
	Corporation tax receivable	1,175,732	1,046,497
	Other receivables	<u>73,148</u>	<u>58,213</u>
		<u>1,248,880</u>	<u>1,104,710</u>
	Cash	<u>722,757</u>	<u>4,957,238</u>
	Total non-fixed assets	<u>1,971,637</u>	<u>6,061,948</u>
	TOTAL ASSETS	<u>2,490,415</u>	<u>43,649,479</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	50,000	50,000
	Retained earnings	<u>1,175,889</u>	<u>42,658,929</u>
	Total equity	<u>1,225,889</u>	<u>42,708,929</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	2,831	12,149
	Trade payables	140,809	320,439
	Other payables	<u>1,120,886</u>	<u>607,962</u>
		<u>1,264,526</u>	<u>940,550</u>
	Total liabilities other than provisions	<u>1,264,526</u>	<u>940,550</u>
	TOTAL EQUITY AND LIABILITIES	<u>2,490,415</u>	<u>43,649,479</u>

- 1 Accounting policies
- 2 Material Going concern uncertainties
- 3 Recognition and measurement uncertainties
- 4 Events after the balance sheet date
- 12 Contractual obligations and contingencies, etc.
- 13 Security and collateral
- 14 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2022	50,000	48,941,407	48,991,407
Transfer through appropriation of loss	0	-9,822,821	-9,822,821
Group contribution from parent company	<u>0</u>	<u>3,540,343</u>	<u>3,540,343</u>
Equity at 1 January 2023	50,000	42,658,929	42,708,929
Transfer through appropriation of loss	0	-42,903,193	-42,903,193
Group contribution from parent company	<u>0</u>	<u>1,420,153</u>	<u>1,420,153</u>
Equity at 31 December 2023	<u>50,000</u>	<u>1,175,889</u>	<u>1,225,889</u>

During 2023, the Company received a tax-free group contribution from the parent Company, Asarina Pharma AB, which amounted to DKK 1,420 thousand.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Asarina Pharma ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Research costs

The item includes research and development costs that do not qualify for capitalisation as well as amortisation of capitalised development costs.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration, premises, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets (patents).

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	10-20 years
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Management has applied their knowledge of the useful life of the acquired intangibles, which comprise patents covering Asarina's lead compound, Sepranolone. Management has decomposed the intangible value into key patents and applied key assumptions for the lifetime of each key patent including the expiry dates of the patents and any consideration for prolongation of the expiry dates of the patents.

Management has concluded that the remaining lifetime of the decomposed patents is in the range of 10-20 years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortisation charges are recognised. In case of changes in the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Manufacturing equipment	5 years
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Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Income tax of the year comprises refundable tax credits for costs incurred in connection with research and development activities under the Danish Tax Credit Regime.

Balance sheet

Intangible assets

Intangible assets include patent assets and other acquired intangible rights.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Property, plant and equipment

Tangible assets include plant and equipment

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

When assets under construction are completed, they will be recognized under plant and equipment and depreciation will be initiated.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Deposits, investments

Deposit comprise deposits from rental agreements. Deposits are measured at nominal value.

Impairment of fixed assets

The carrying amount of tangible and intangible assets is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise bank deposits.

Equity

Grants without consideration within a group

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Grants to a parent company without consideration are taken to equity as a dividend distribution, whereas grants received from the parent company are recognised under "Retained earnings in equity" in the balance sheet as a capital injection.

Grants to group entities without consideration are recognised as a capital injection under "Investments in group entities". Grants received from group entities are recognised as dividend received from the group entity.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

2 Material Going concern uncertainties

Executive Management monitors its liquidity position on a monthly basis to identify liquidity risks and enable the Board of Directors and Executive Management to prepare for new financing transactions and/or take relevant tactical or strategic actions to allow the company to continue its research and development activities as planned as a going concern.

At 31 December 2023, the Company had a cash position of DKK 723 thousand.

The Company's operations are mainly financed by non-conditional shareholder's contributions from its parent company (Asarina Pharma AB). In 2023, the company received shareholder's contribution amounting to DKK 1,420 thousand.

Furthermore, the Company expects to receive approx. DKK 1,176 thousand in November 2024 from the tax credit scheme for R&D projects.

Considering the Company's current cash position and projected cash requirements, the Board of Directors and Management believe that it can complete the partnering process with its current financial resources but there is no guarantee that it will not incur unexpected costs during this partnering process. In case of an unfavorable outcome of the partnering activities, the Company will, in due time, initiate a solvent liquidation, which may include the sale of some or all the Company's assets.

Since new funding has not been obtained as of the date of these Financial Statements, material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern exists.

Financial statements 1 January - 31 December

Notes to the financial statements

Considering the material uncertainty related to going concern, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Based on the above assessment, Management have prepared the Financial Statements based on a going concern assumption.

3 Recognition and measurement uncertainties

See "going concern" section below regarding assumptions regarding the Company's ability to continue as going concern, and as such, also material uncertainty as to the valuation of the Company's intangible assets

4 Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

	DKK	2023	2022
5 Staff costs			
Wages/salaries		1,673,359	1,206,032
Pensions		777,500	711,069
Other social security costs		8,514	8,771
Other staff costs		<u>1,746</u>	<u>0</u>
		<u>2,461,119</u>	<u>1,925,872</u>
Average number of full-time employees		1	1
6 Amortisation/depreciation and impairment of intangible assets and property, plant and equipment			
Amortisation of intangible assets		3,972,888	3,972,888
Impairment of intangible assets		32,806,672	0
Depreciation of property, plant and equipment		<u>284,232</u>	<u>284,233</u>
		<u>37,063,792</u>	<u>4,257,121</u>
7 Financial expenses			
Other financial expenses		<u>52,189</u>	<u>94,617</u>
		<u>52,189</u>	<u>94,617</u>
8 Tax for the year			
Estimated tax charge for the year		-1,175,732	-1,046,497
Tax adjustments, prior years		<u>0</u>	<u>-27,780</u>
		<u>-1,175,732</u>	<u>-1,074,277</u>

Financial statements 1 January - 31 December

Notes to the financial statements

8 Tax for the year (continued)

Estimated tax for the year comprises recognised tax credits for the income year with reference to LL §8X regarding tax credits for research and development expenditures.

9 Intangible assets

DKK	Acquired intangible assets
Cost at 1 January 2023	<u>59,790,000</u>
Cost at 31 December 2023	<u>59,790,000</u>
Impairment losses and amortisation at 1 January 2023	<u>23,010,440</u>
Impairment losses for the year	<u>32,806,672</u>
Amortisation for the year	<u>3,972,888</u>
Impairment losses and amortisation at 31 December 2023	<u>59,790,000</u>
Carrying amount at 31 December 2023	<u>0</u>

Acquired intangible assets include patents related to the underlying IP of Sepranolone.

On 1 April 2023, the Company announced results of its phase IIa study with Sepranolone in Tourette Syndrome. The results showed improvements in all clinical parameters in the patients receiving Sepranolone versus the control group.

Since completing the phase IIa study in April 2023, the Company has focused on finding a partner who can bring Sepranolone into the next clinical phase. The Company will continue to explore the potential for a partnership, i.e. a sale or out-licensing of its IP assets.

Considering the uncertainty associated with the partnering process, Management has identified impairment indications of the intangible assets, and impaired the value to DKK 0 considering the highest amount of the value in use and expected sales value less cost to sell.

10 Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment
Cost at 1 January 2023	<u>1,421,161</u>
Cost at 31 December 2023	<u>1,421,161</u>
Revaluations at 1 January 2023	<u>0</u>
Revaluations at 31 December 2023	<u>0</u>
Impairment losses and depreciation at 1 January 2023	<u>631,765</u>
Depreciation	<u>284,232</u>
Impairment losses and depreciation at 31 December 2023	<u>915,997</u>
Carrying amount at 31 December 2023	<u>505,164</u>

Financial statements 1 January - 31 December

Notes to the financial statements

11 Deferred tax assets

The Company has deferred tax which amounts to DKK 158,173 thousand which equals DKK 34,798 thousand at 22% corporation income tax rate. As it is uncertain if this deferred tax asset can be utilised within a foreseeable future (3-5 years), the carrying amount has not been recognised in the financial statements.

12 Contractual obligations and contingencies, etc.

Other financial obligations

As of 31 December 2023, the Company has contractual commitments with one CRO and other vendors for R&D activities that have been initiated and are non-cancelable of approximately DKK 0 thousand (2022: 1,021 thousand).

The Company has entered into an operating lease for its office in Denmark with a non-cancelable lease term of four months, which as of 31 December 2023 constitutes a contractual obligation of DKK 0 thousand (2022: DKK 49 thousand).

In the event the Company decides to initiate a voluntary liquidation in 2024, Management expect it will incur certain costs related to the destruction of clinical material. The total costs related to the destruction are estimated to amount to approx. EUR 50 thousand.

13 Security and collateral

The Company has pledged the IP assets as collateral for the convertible loan provided by Östersjöstiftelsen (1 December 2023) to the Parent Company, Asarina Pharma AB.

For carrying amount of intangible assets, reference is made to note 9.

The Company has not provided any other security or collaterals in assets at 31 December 2023.

14 Related parties

Asarina Pharma ApS' related parties comprise the following:

Significant influence

Related party	Domicile	Basis for significant influence
Asarina Pharma AB	Fogdevreten 2, Solna, Stockholm, Sweden	Shareholder

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“By my signature I confirm all dates and content in this document.”

Jakob Dynnes Hansen

Board of directors

On behalf of: Asarina Pharma ApS

Serial number: aa588102-6075-4ae9-a658-5e7b6e809ca6

IP: 87.59.xxx.xxx

2024-07-10 07:18:36 UTC



Peter Hviid Nordkild

Executive Board

On behalf of: Asarina Pharma ApS

Serial number: 04331c8b-e995-4e53-9968-184f7e16229b

IP: 87.49.xxx.xxx

2024-07-10 08:04:21 UTC



Peter Hviid Nordkild

Board of directors

On behalf of: Asarina Pharma ApS

Serial number: 04331c8b-e995-4e53-9968-184f7e16229b

IP: 87.49.xxx.xxx

2024-07-10 08:04:21 UTC



Paul Karl Mikael De Potocki

Chair

On behalf of: Asarina Pharma ApS

Serial number: 7a1bb7634f080e[...]7a190497cb4d4

IP: 83.185.xxx.xxx

2024-07-10 15:03:44 UTC



Paul Karl Mikael De Potocki

Chairman, Board of directors

On behalf of: Asarina Pharma ApS

Serial number: 7a1bb7634f080e[...]7a190497cb4d4

IP: 83.185.xxx.xxx

2024-07-10 15:03:44 UTC



Anders Roe Eriksen

EY Godkendt Revisionspartnerselskab CVR: 30700228

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: 72ccc8ac-9171-4d19-8f5b-f5be2c8c604b

IP: 165.225.xxx.xxx

2024-07-10 17:04:31 UTC



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Christian Schwenn Albrecht Johansen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: 317d7b7e-1790-450b-979e-bd922d6978de

IP: 165.225.xxx.xxx

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