

BiOrigin ApS

c/o Cobis, Ole Maaløes Vej 3, 2200 Copenhagen N

CVR no. 38 73 41 64

Annual report 2023

Approved at the Company's annual general meeting on 21 March 2024

Chair of the meeting:

DocuSigned by:
S. Skjærboek, Søren
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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	7
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

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 BiOrigin 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.


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


Copenhagen, 21 March 2024
Executive Board:

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Søren Sylvester Skjærbæk
CEO

Board of Directors:

DocuSigned by:

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Emmanuelle Coutanceau
Chairman

DocuSigned by:

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Morten Døssing

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Pieter Jeroen Bakker

Independent auditor's report

To the shareholder of BiOrigin ApS

Conclusion

We have conducted an extended review of the financial statements of BiOrigin 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.

Based on the work we have performed, 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 conclusion

We conducted our extended review in accordance with the Danish Business Authority's standard on extended review for Small entities and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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.

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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance for our conclusion on the financial statements and perform specifically required supplementary procedures to obtain additional assurance for our conclusion.

An extended review comprises procedures that primarily consist of making enquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's review

Management is responsible for the Management's review.

Our conclusion 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 extended review 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 extended review, or otherwise appears to be materially misstated.

Independent auditor's report

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, 21 March 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Rasmus Blödt Jensen
State Authorised Public Accountant
mne35503

Management's review

Company details

Name	BiOrigin ApS
Address, Postal code, City	c/o Cobis, Ole Maaløes Vej 3, 2200 Copenhagen N
CVR no.	38 73 41 64
Established	22 June 2017
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Emmanuelle Coutanceau, Chairman Morten Døssing Pieter Jeroen Bakker
Executive Board	Søren Sylvest Skjærbæk, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

BiOrigin ApS' (the "Company") primary activity consists of rendering strategic and operational support to the establishment and management of early-stage life sciences companies, primarily within the Novo Holdings' Seed Investments portfolio, to help them steer through the critical start-up and subsequent growth phase.

The Company is fully owned by Novo Holdings A/S.

In 2023, the Company continued to grow the number of Entrepreneurs in Residence in order to accelerate company creation and value creation in the portfolio. BiOrigin Labs (renamed to SeedLabs) was expanded and continued its operations of identifying more compelling technologies and to validate and accelerate new therapeutic concepts.

Financial review

The income statement for 2023 shows a loss of DKK 11,228,030 against a loss of DKK 6,017,830 last year, and the balance sheet at 31 December 2023 shows equity of DKK 10,260,070.

Financing and going concern assumption

The Company's operations and activities are currently loss making and the Company is financed via funds from Novo Holdings A/S, who when and if needed, contributes capital to the Company in the form of capital increases.

Considering the Company's net current assets and funds obtained from the capital increase in March 2024, as discussed in section Events after the balance sheet, below, management assesses that the company can fund its activities as planned at least through 31 December 2024. On this basis the financial statements are prepared on a going concern assumption.

Events after the balance sheet date

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

In March 2024, the company has completed two capital increases, whereby the share capital has been increased by issuance of 2 shares of nominal DKK 1. Net proceeds of DKK 8.1 million will be received from the capital increases.

Financial statements 1 January - 31 December**Income statement**

Note	DKK	<u>2023</u>	<u>2022</u>
	Gross profit	2,876,436	979,147
4	Staff costs	-17,336,929	-8,673,472
	Amortisation/Depreciation and impairment of intangible assets and property, plant and equipment	-149,228	-8,200
	Profit/loss before net financials	-14,609,721	-7,702,525
	Financial income	174,153	11,099
	Other financial expenses	-16,780	-21,549
	Profit/loss before tax	-14,452,348	-7,712,975
5	Tax for the year	3,224,318	1,695,145
	Profit/loss for the year	<u>-11,228,030</u>	<u>-6,017,830</u>
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-11,228,030	-6,017,830
		<u>-11,228,030</u>	<u>-6,017,830</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	ASSETS		
	Fixed assets		
6	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	994,202	769,174
		<u>994,202</u>	<u>769,174</u>
	Investments		
	Deposits, investments	10,899	41,520
		<u>10,899</u>	<u>41,520</u>
	Total fixed assets	<u>1,005,101</u>	<u>810,694</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	491,022	702,024
	Receivables from group enterprises	2,597,168	898,023
	Corporation tax receivable	3,194,149	1,736,097
		<u>6,282,339</u>	<u>3,336,144</u>
	Cash	7,326,373	9,393,511
	Total non-fixed assets	<u>13,608,712</u>	<u>12,729,655</u>
	TOTAL ASSETS	<u>14,613,813</u>	<u>13,540,349</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500,006	500,004
	Retained earnings	9,760,064	9,988,096
	Total equity	<u>10,260,070</u>	<u>10,488,100</u>
	Provisions		
	Deferred tax	60,772	40,952
	Total provisions	<u>60,772</u>	<u>40,952</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	1,116,369	1,954,430
	Other payables	3,142,359	1,056,867
	Prepayments	34,243	0
		<u>4,292,971</u>	<u>3,011,297</u>
	Total liabilities other than provisions	<u>4,292,971</u>	<u>3,011,297</u>
	TOTAL EQUITY AND LIABILITIES	<u>14,613,813</u>	<u>13,540,349</u>

- 1 Accounting policies
- 2 Financing and going concern assumption
- 3 Events after the balance sheet date
- 7 Contractual obligations and contingencies, etc.
- 8 Related parties

Financial statements 1 January - 31 December**Statement of changes in equity**

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	500,003	6,005,927	6,505,930
Capital increase	1	9,999,999	10,000,000
Transfer through appropriation of loss	0	-6,017,830	-6,017,830
Equity at 1 January 2023	500,004	9,988,096	10,488,100
Capital increase	2	10,999,998	11,000,000
Transfer through appropriation of loss	0	-11,228,030	-11,228,030
Equity at 31 December 2023	500,006	9,760,064	10,260,070

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of BiOrigin 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

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, 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.

Depreciation

The item comprises depreciation of property, plant and equipment.

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:

Fixtures and fittings, other plant and equipment	5 years
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Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment primarily comprise lab equipment and are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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

The Company has chosen IAS 17 as interpretation for classification and recognition of 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

Deposits comprise lease deposits and is measured at amortized cost.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received.

Cash

Cash comprise cash in banks.

Equity

The share premium on capital increases is recognised directly in the retained earnings, and is not bound.

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.

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 and trade payables are measured at net realisable value.

Prepayments received from customers

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December**Notes to the financial statements****2 Financing and going concern assumption**

The Company's operations and activities are currently loss making and the Company is financed via funds from its shareholder, Novo Holdings A/S, who periodically contributes capital to the Company in the form of capital increases.

Considering the Company's net current assets and funds obtained from the capital increase in March 2024, as discussed in note 3, management assesses that the company can fund its activities as planned at least through 31 December 2024. On this basis the financial statements are prepared on a going concern assumption.

3 Events after the balance sheet date

In March 2024, the company has completed two capital increases, whereby the share capital has been increased by issuance of 2 shares of nominal DKK 1. Net proceeds of DKK 8.1 million will be received from the capital increases.

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

DKK	<u>2023</u>	<u>2022</u>
4 Staff costs		
Wages/salaries	15,858,860	8,026,121
Pensions	1,278,723	576,678
Other social security costs	97,743	33,604
Other staff costs	101,603	37,069
	<u>17,336,929</u>	<u>8,673,472</u>
Average number of full-time employees	<u>13</u>	<u>6</u>

DKK	<u>2023</u>	<u>2022</u>
5 Tax for the year		
Estimated tax charge for the year	-3,194,169	-1,736,097
Deferred tax adjustments in the year	19,820	40,952
Tax adjustments, prior years	-49,969	0
	<u>-3,224,318</u>	<u>-1,695,145</u>

6 Property, plant and equipment

DKK	<u>Fixtures and fittings, other plant and equipment</u>
Cost at 1 January 2023	777,374
Additions	374,256
Cost at 31 December 2023	<u>1,151,630</u>
Impairment losses and depreciation at 1 January 2023	8,200
Depreciation	149,228
Impairment losses and depreciation at 31 December 2023	<u>157,428</u>
Carrying amount at 31 December 2023	<u>994,202</u>

Financial statements 1 January - 31 December**Notes to the financial statements****7 Contractual obligations and contingencies, etc.**

The Company is jointly taxed with its Parent, Novo Holdings A/S, which acts as the tax administrative body in relation to the joint taxation. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

Other financial obligations

Other rent and lease liabilities:

DKK	2023	2022
Rent and lease liabilities	2,484,000	93,419

8 Related parties**Information about consolidated financial statements**

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Novo Holdings A/S	Denmark	Tuborg Havnevej 19, 2900 Hellerup, or at www.novoholdings.dk