

Ossiform ApS

Oslogade 1, 5000 Odense C
CVR no. 38 83 85 12

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 06.03.24

Martin Lavesen
Dirigent



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The company

Ossiform ApS
Oslogade 1
5000 Odense C

Registered office: Odense
CVR no.: 38 83 85 12
Financial year: 01.01 - 31.12

Executive Board

Thea Olesen

Board of Directors

Mette-Marie Sonne Harild
Martin Lavesen
Martin Bonde Jensen
Henrik Busch-Larsen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Ossiform ApS.

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 assets, liabilities and financial position as at 31.12.23 and of the results of the company's activities for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Odense C, March 6, 2024

Executive Board

Thea Olesen

Board of Directors

Mette-Marie Sonne Harild
Chairman

Martin Lavesen

Martin Bonde Jensen

Henrik Busch-Larsen

To the capital owner of Ossiform ApS**Opinion**

We have audited the financial statements of Ossiform ApS for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including 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 company's financial position at 31.12.23 and of the results of the company's operations for the financial year 01.01.23 - 31.12.23 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on 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, it is our responsibility 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 the 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 the management's review.

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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

Soeborg, Copenhagen, March 6, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Lasse Rosenborg Petersen
State Authorized Public Accountant
MNE-no. mne42896

Primary activities

Ossiform is dedicated to improving the lives of people with bone defects by providing patient-matched healthcare solutions, scalable for hospitals. We provide P3D Bone, resorbable bone implants with a natural bone-like porosity, optimized for the natural forming of new bone to reduce complications and obtain faster recovery.

We are continuously working to redefine bone replacements through progressive research and close collaboration with physicians and industry partners. Our patient-centric approach and commitment to innovation, quality, and progress steer our efforts to provide best-in-class implant solutions that facilitate the natural forming of new bone ?

The short way of describing the business; **We Print Bone™**

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a loss of DKK -15,030,850 against DKK -11,739,579 for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 17,204,519.

Among key achievements in 2023, are submitting the FDA application for the P3D Bone, optimization of production processes, preparing for and initiating the ISO 13485 certification audits, forming the market access strategy for the next generation product, the P3D Bone spine implant, as well as identifying potential partners to be able to provide fully resorbable solutions.

Highly skilled US advisors and KOLs are hired to give guidance on clinical use, to form and implement the market access strategy, to connect to first-class hospitals and plan for first in human under the US registry study.

As Point of Care (POC) printing of medical devices gathers more attention and is slowly proving to be the future of medical device production, the company has taken the first steps to ensure that the unique P3D Bone Material is useable in partner printer setups for a POC solution. A strategic partnership is entered with Cellink – a leading 3D bioprinting company and provider of bioprinters – to launch Ossi Ink, a ready-to-print bioink based on Ossiform's biomaterial.

Patents protecting the essential part of the innovation to 3D print the P3D Bone have been granted in most of the world and the royalty payment to the University of Southern Denmark has ended as the buy-out clause has been effectuated and the final amount has been paid to the University.

Trademarks have been granted in Europe and the US for the Ossiform name.

Information on going concern

The company's planned activities for 2024 bring a need for additional capital in 2024. Short term capital will be transferred from the holding company Ossiform ltd sufficient to support activities until the end of 2024. Also, the management of the Ossiform group has received a draft agreement with Westhill Capital in London regarding a bridge funding of £2M. The management expects that the Ossiform group will be secured new capital in the first half of 2024 and thus presents the financial statements under the going concern assumption. To secure that sufficient cash will be transferred from Ossiform Ltd, the management of Ossiform Ltd has signed a letter of support for the financial year 2024.

Outlook

In 2024 resources are directed to where they can be most effective to obtain market authorization, with a focus on obtaining the FDA approval for the P3D Bone, laying out a US market entry plan and setting up a registry study to show clinical relevance of the P3D Bone. In addition, Ossiform anticipates succeeding with the ISO 13485 certification and implementing and partly accomplishing the market access strategy for the next generation product, the P3D Bone spine implant. Furthermore, time and resources will be dedicated to commercializing the P3D Bone Research Line as well as progress of the project to develop and sell the unique P3D Bone Material for use in partner printer setups for POC solutions. The organization will grow accordingly, and the first steps taken towards establishing the company in the US.

Subsequent events

Besides the imminent engagement with Westhill regarding a capital raise described in the going concern section, no events that would influence the evaluation of this annual report have occurred after the end of the financial year.

Income statement

| Note | 2023 DKK | 2022 DKK |
|--|--------------------|--------------------|
| Gross loss | -7,728,744 | -6,121,167 |
| 2 Staff costs | -8,025,440 | -6,525,401 |
| Loss before depreciation, amortisation, write-downs and impairment losses | -15,754,184 | -12,646,568 |
| Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment | -1,414,463 | -927,305 |
| Operating loss | -17,168,647 | -13,573,873 |
| Financial income | 81,230 | 25,421 |
| 3 Financial expenses | -27,723 | -214,399 |
| Loss before tax | -17,115,140 | -13,762,851 |
| Tax on loss for the year | 2,084,290 | 2,023,272 |
| Loss for the year | -15,030,850 | -11,739,579 |
| Proposed appropriation account | | |
| Retained earnings | -15,030,850 | -11,739,579 |
| Total | -15,030,850 | -11,739,579 |

| ASSETS | | 31.12.23 | 31.12.22 |
|---------------|--|-------------------|-------------------|
| | | DKK | DKK |
| Note | | | |
| | Acquired rights | 939,759 | 0 |
| | Total intangible assets | 939,759 | 0 |
| | Leasehold improvements | 1,404,378 | 1,287,097 |
| | Plant and machinery | 2,474,797 | 3,347,682 |
| | Total property, plant and equipment | 3,879,175 | 4,634,779 |
| | Deposits | 100,110 | 100,110 |
| | Total investments | 100,110 | 100,110 |
| | Total non-current assets | 4,919,044 | 4,734,889 |
| | Receivables from group enterprises | 63,361 | 0 |
| | Income tax receivable | 2,084,290 | 2,280,833 |
| | Other receivables | 511,803 | 502,001 |
| | Prepayments | 520,364 | 344,155 |
| | Total receivables | 3,179,818 | 3,126,989 |
| | Cash | 11,261,974 | 2,413,713 |
| | Total current assets | 14,441,792 | 5,540,702 |
| | Total assets | 19,360,836 | 10,275,591 |

| EQUITY AND LIABILITIES | | 31.12.23 | 31.12.22 |
|-------------------------------|-------------------------------------|-------------------|-------------------|
| | | DKK | DKK |
| Note | | | |
| | Share capital | 130,000 | 110,000 |
| | Retained earnings | 17,074,519 | -1,874,631 |
| | Total equity | 17,204,519 | -1,764,631 |
| | Trade payables | 1,715,455 | 2,033,293 |
| | Payables to group enterprises | 0 | 9,843,012 |
| | Other payables | 440,862 | 163,917 |
| | Total short-term payables | 2,156,317 | 12,040,222 |
| | Total payables | 2,156,317 | 12,040,222 |
| | Total equity and liabilities | 19,360,836 | 10,275,591 |

Statement of changes in equity

| Figures in DKK | Share capital | Retained earnings |
|--|---------------|-------------------|
| Statement of changes in equity for 01.01.23 - 31.12.23 | | |
| Balance as at 01.01.23 | 110,000 | -1,874,631 |
| Capital increase | 20,000 | 33,980,000 |
| Net profit/loss for the year | 0 | -15,030,850 |
| Balance as at 31.12.23 | 130,000 | 17,074,519 |

1. Information as regards going concern

The company's planned activities for 2024 bring a need for additional capital in 2024. Short term capital will be transferred from the holding company Ossiform Ltd sufficient to support activities until the end of 2024. Also, the management of the Ossiform group has received a draft agreement with Westhill Capital in London regarding a bridge funding of £2M. The management expects that the Ossiform group will be secured new capital in the first half of 2024 and thus presents the financial statements under the going concern assumption. To secure that sufficient cash will be transferred from Ossiform Ltd, the management of Ossiform Ltd has signed a letter of support for the financial year 2024.

| | 2023 | 2022 |
|---|------------------|------------------|
| | DKK | DKK |
| 2. Staff costs | | |
| Wages and salaries | 7,627,017 | 6,270,186 |
| Other social security costs | 44,684 | 38,910 |
| Other staff costs | 353,739 | 216,305 |
| Total | 8,025,440 | 6,525,401 |
| Average number of employees during the year | 20 | 11 |

3. Financial expenses

| | | |
|---------------------------------------|---------------|----------------|
| Interest, group enterprises | 0 | 131,215 |
| Other interest expenses | 0 | 14,575 |
| Foreign exchange losses | 27,723 | 68,609 |
| Other financial expenses total | 27,723 | 83,184 |
| Total | 27,723 | 214,399 |

4. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

4. Accounting policies - continued -

GRANTS

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants to cover expenses incurred are recognised on a proportionate basis in the income statement over the period in which the expenses eligible for grants are expensed. Grants are recognised under other operating income.

INCOME STATEMENT

Gross loss

Gross loss comprises other operating income and other external expenses.

Other operating income

Other operating income comprises income other than revenue, including secondary nature in relation to the enterprise's activities, rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Other external expenses

Other external expenses comprise production costs, selling costs, cost of premises and administrative expenses

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

4. Accounting policies - continued -

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

| | Useful lives, years | Residual value DKK |
|------------------------|---------------------------|--------------------------|
| Acquired rights | 14 | 0 |
| Leasehold improvements | 5 | 0 |
| Plant and machinery | 3-5 | 0 |

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

4. Accounting policies - continued -

BALANCE SHEET

Intangible assets

Acquired rights

Acquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements og plant and machinery.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

4. Accounting policies - continued -

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank account.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax

4. Accounting policies - continued -

is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.