

**PANCRYOS IVS**  
**OLE MAALØES VEJ 3, 2200 KØBENHAVN N**  
**ANNUAL REPORT**  
**1. JANUAR - 31. DECEMBER 2019**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 3 June 2020**

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**Jacqueline Ameri**

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## COMPANY DETAILS

### Company

PanCryos IVS  
Ole Maaløes Vej 3  
2200 København N

CVR no.: 39 01 99 65  
Established: 16 October 2017  
Registered Office: Copenhagen  
Financial Year: 1 January - 31 December

### Board of Executives

Jacqueline Ameri

## STATEMENT BY BOARD OF EXECUTIVES

*Today the Board of Executives have discussed and approved the Annual Report of PanCryos IVS for the year 1 January - 31 December 2019.*

*The Annual Report is presented in accordance with the Danish Financial Statements Act.*

*In my opinion the Financial Statements give a true and fair view of the the Company's financial position at 31 December 2019 and of the results of the the Company's operations for the financial year 1 January - 31 December 2019.*

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

*The board of executives remain of the opinion that the conditions for opting out of audit have been fulfilled.*

*I recommend the Annual Report be approved at the Annual General Meeting.*

København, den 3. juni 2020

Board of Executives

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Jacqueline Ameri

## MANAGEMENT'S REVIEW

### **Principal activities**

*The principal activities comprise to conduct research and experimental development in biotechnology and related business.*

### **Development in activities and financial position**

*PanCryos IVS is a development company, and the profit for the year is therefore as expected.*

*The company has lost the entire company capital. Management expects that the current share holders will add new share capital to the company. The company will at the same time be transformed into a limited company called ApS.*

*The financing of operations in 2020 is secured through loan commitments.*

*It is thus 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	2019 DKK	2018 DKK
<b>GROSS PROFIT</b> .....		<b>451.691</b>	<b>63.223</b>
Staff costs.....	1	-557.513	0
<b>OPERATING LOSS</b> .....		<b>-105.822</b>	<b>63.223</b>
Other financial income.....		3.941	0
<b>PROFIT BEFORE TAX</b> .....		<b>-101.881</b>	<b>63.223</b>
Tax on profit/loss for the year.....	2	13.068	0
<b>PROFIT FOR THE YEAR</b> .....		<b>-88.813</b>	<b>63.223</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Accumulated profit.....		-88.813	63.223
<b>TOTAL</b> .....		<b>-88.813</b>	<b>63.223</b>

**BALANCE SHEET AT 31 DECEMBER**

<b>ASSETS</b>	<b>Note</b>	<b>2019 DKK</b>	<b>2018 DKK</b>
Development projects in progress.....		2.010.075	0
<b>Intangible fixed assets</b> .....	<b>3</b>	<b>2.010.075</b>	<b>0</b>
<b>FIXED ASSETS</b> .....		<b>2.010.075</b>	<b>0</b>
Other receivables.....		173.008	0
Corporation tax receivable.....		377.461	0
<b>Receivables</b> .....		<b>550.469</b>	<b>0</b>
<b>Cash and cash equivalents</b> .....		<b>1.819.441</b>	<b>73.223</b>
<b>CURRENT ASSETS</b> .....		<b>2.369.910</b>	<b>73.223</b>
<b>ASSETS</b> .....		<b>4.379.985</b>	<b>73.223</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital.....		10.000	10.000
Reserve for development costs.....		1.567.859	0
Retained profit.....		-1.593.449	63.223
<b>EQUITY</b> .....	<b>4</b>	<b>-15.590</b>	<b>73.223</b>
Provision for deferred tax.....		348.500	0
<b>PROVISION FOR LIABILITIES</b> .....		<b>348.500</b>	<b>0</b>
Convertible and interest-bearing debt instruments.....		2.744.380	0
<b>Long-term liabilities</b> .....	<b>5</b>	<b>2.744.380</b>	<b>0</b>
Trade payables.....		967.070	0
Other liabilities.....		93.460	0
Accruals and deferred income.....		242.165	0
<b>Current liabilities</b> .....		<b>1.302.695</b>	<b>0</b>
<b>LIABILITIES</b> .....		<b>4.047.075</b>	<b>0</b>
<b>EQUITY AND LIABILITIES</b> .....		<b>4.379.985</b>	<b>73.223</b>

NOTES

	2019 DKK	2018 DKK	Note
<b>Staff costs</b>			<b>1</b>
Average number of employees 1 (2018: 0)			
Wages and salaries.....	547.500	0	
Social security costs.....	2.188	0	
Other staff costs.....	7.825	0	
	<b>557.513</b>	<b>0</b>	
<b>Tax on profit/loss for the year</b>			<b>2</b>
Calculated tax on taxable income of the year.....	-377.461	0	
Adjustment of tax in previous years.....	15.893	0	
Adjustment of deferred tax.....	348.500	0	
	<b>-13.068</b>	<b>0</b>	
<b>Intangible fixed assets</b>			<b>3</b>
		Development projects in progress and prepayments	
Additions.....		2.010.075	
<b>Cost at 31 December 2019.....</b>		<b>2.010.075</b>	
<b>Carrying amount at 31 December 2019.....</b>		<b>2.010.075</b>	
Interest expenses recognised as part of cost of assets.....		35.748	

PanCryos IVS is developing a next generation stem cell derived cell therapy PanINSULA; where the purpose is to improve life quality for millions of people suffering from diabetes.

The beta cell has been designed by nature to maintain blood glucose at the optimal level. Insulin therapy, CGMs and insulin pumps try to mimic the function of the beta cell and require the patient or a computer to perform many of the steps such as testing blood, evaluating the results and administering insulin. Beta cell therapy aims to provide the same glucose control as the islet with no outside intervention, to control and cure diabetes by sensing changes in blood glucose and producing Insulin, Naturally.

The development project is estimated to be completed in the end of 2028.

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



NOTES

					<b>Note</b>
<b>Equity</b>					<b>4</b>

	Share capital	Reserve for development costs	Retained profit	Total
Equity at 1 January 2019.....	10.000	0	63.223	73.223
Proposed distribution of profit.....			-88.813	-88.813
Transferred to reserve for development costs.....		1.567.859	-1.567.859	
<b>Equity at 31 December 2019 .....</b>	<b>10.000</b>	<b>1.567.859</b>	<b>-1.593.449</b>	<b>-15.590</b>

<b>Long-term liabilities</b>					<b>5</b>
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	1/1 2019 total liabilities	31/12 2019 total liabilities	Repayment next year	Debt outstanding after 5 years
Convertible and interest- bearing debt instruments.....	0	2.744.380	0	0
	<b>0</b>	<b>2.744.380</b>	<b>0</b>	<b>0</b>

The loan constitutes a convertible loan, which is to be repaid on maturity or to be converted into new shares pursuant to the terms of this loan Note.

## ACCOUNTING POLICIES

*The annual report of PanCryos IVS for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B.*

*The Annual Report is prepared consistently with the accounting principles used 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, operational 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 in general**

*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 on profit for the year**

*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**

*Patents and licences are measured at the lower of cost less accumulated amortisation or the recoverable amount. Patents are amortised over the residual patent term and licences are amortised over the term of the agreement, however, no more than 8 years.*

*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 10 years.*

## ACCOUNTING POLICIES

### **Impairment of fixed assets**

*The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, 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 net realisable value is lower than the carrying amount, write-down is provided to the lower value.*

*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.*

### **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 would 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**

*Amortized cost of short-term debt normally corresponds to nominal value.*

### **Accruals, liabilities**

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