

GemCap ApS

Lyngby Hovedgade 10c

2800 Kgs. Lyngby

CVR No. 39286394

Annual Report 2021/22

4. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 29 December 2022

Christian Harboe Wissum
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of GemCap ApS for the financial year 1 July 2021 - 30 June 2022.

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 assets, liabilities and financial position of the Company at 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 2022.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 29 December 2022

Executive Board

Kim Hersland
Director

Supervisory Board

Kim Hersland
Boardmember

Christian Harboe Wissum
Chairman

Company details

Company	GemCap ApS Lyngby Hovedgade 10c 2800 Kgs. Lyngby
CVR No.	39286394
Supervisory Board	Kim Hersland , Director Christian Harboe Wissum
Executive Board	Kim Hersland , Director

Management's Review

The Company's principal activities

GemCap ApS is a North-European, privately owned investment company, formed in 2018. The company's purpose is to directly or indirectly conduct development, production, trade, service, financing and investment activities with special emphasis on precious stones.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 July 2021 - 30 June 2022 shows a result of EUR -51.988 and the Balance Sheet at 30 June 2022 a balance sheet total of EUR 120.342.500 and an equity of EUR 119.634.762.

Development in the activities and the financial situation of the Company

The Company's Income Statement of the financial year 1 July 2021 - 30 June 2022 shows a result of EUR -51.988 and the Balance Sheet at 30 June 2022 a balance sheet total of EUR 120.342.500 and an equity of EUR 119.634.762.

Also in 2021/22 the company has been affected by the Corona pandemic, which basically means that the activities have been set back a year. The impact of Corona has hit to a very significant extent in Brazil, but also restrictions and security measures in Germany and England have affected the company.

The company's greatest asset, the stock of precious stones, however, has also in 2021/22 had a positive price development during the corona pandemic. In addition, precious stones are measured in US dollars and the exchange rate development relative to the Euro has been positive. The positive development in exchange rate is further substantiated after end of the financial year.

Investments

The Company's investments in the life sciences industry have been negatively affected by the Corona situation and continues to be so. This applies to the Company's interests within genetically modified treatments as well as the Company's participation in a herpes medicine project.

In addition, external factors have been impacting investments and co-operation relations. Consequently, in 2020/2021 the management has decided to write down the Company's investments the life sciences industry with 50%.

The investments have been assessed again in the 2021/2022 accounts. Investments in life science are always risky, but it is estimated that the 50% write-down right now reflects the current situation.

In the view of the management, the chosen approach, according to which, debt relating to such investments is included in the balance sheet, provides a more accurate picture of the Company's standing with reference to Section 11 of the Danish Financial Statements Act.

The conditions for not conducting an audit of the Financial Statements have been met.

Accounting Policies

Reporting Class

The Annual Report of GemCap ApS for 2021/22 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in EUR.

General Information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and net of sales discounts.

Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises, loss of debtors, operating leasing costs etc.

Accounting Policies

Fair value adjustment of investment assets and debts

Adjustments of investment assets and debts measured at fair value are recognised as a separate item in the Income Statement.

Income from investments in group enterprises and associates

Income from equity investments comprises dividends received from group enterprises and associates in so far as they do not exceed the accumulated earnings in the group enterprise or the associate during the ownership period.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Intangible assets

Clearly defined and identifiable development projects where the technical rate of utilisation, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the Income Statement as they incur.

Development costs comprise costs, including wages, salaries and amortisation, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalised development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortisation and the recoverable amount.

An impairment test of acquired intangible assets is performed in the event of indications of a decrease in value. Furthermore, annual impairment tests are performed for ongoing and activated development projects, if any. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured at cost. Dividends that exceed accumulated earnings of the group enterprise or the associate during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

Inventories

The cost of goods for resale, raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accounting Policies

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Proposed dividend for the year is recognised as a separate item in equity.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

Other payables

Other payables are measured at amortised cost, which usually corresponds to the nominal value

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2021/22 EUR	2020/21 EUR
Gross profit		-51.988	-20.000
Employee benefits expense	1	0	0
Gains from current value adjustments of investment assets		0	-275.000
Profit from ordinary operating activities		-51.988	-295.000
Profit from ordinary activities before tax		-51.988	-295.000
Profit		-51.988	-295.000
Proposed distribution of results			
Retained earnings		-51.988	-295.000
Distribution of profit		-51.988	-295.000

Balance Sheet as of 30 June

	Note	2022 EUR	2021 EUR
Assets			
Development projects in progress and prepayments for intangible assets		275.000	275.000
Intangible assets		275.000	275.000
Long-term investments in group enterprises	2	60.750	60.750
Investments		60.750	60.750
Fixed assets		335.750	335.750
Raw materials and consumables		120.000.000	120.000.000
Inventories		120.000.000	120.000.000
Other short-term receivables		6.750	6.750
Receivables		6.750	6.750
Current assets		120.006.750	120.006.750
Assets		120.342.500	120.342.500

Balance Sheet as of 30 June

	Note	2022 EUR	2021 EUR
Liabilities and equity			
Contributed capital		1.000.000	1.000.000
Share premium		119.006.750	119.006.750
Retained earnings		-371.988	-320.000
Equity		119.634.762	119.686.750
Other payables		707.738	655.750
Short-term liabilities other than provisions		707.738	655.750
Liabilities other than provisions within the business		707.738	655.750
Liabilities and equity		120.342.500	120.342.500
Contingent liabilities	3		
Collaterals and assets pledges as security	4		

Notes**2021/22****2020/21****1. Employee benefits expense**

Average number of employees

0

0**2. Disclosure in long-term investments in group enterprises and associates***Group enterprises*

Name	Registered office	Share held in %
GemCap Industries ApS	Kgs. Lyngby	100,00
GemCap Partners ApS	Kgs. Lyngby	100,00
GemCap International ApS	Kgs. Lyngby	100,00
GemCap Biotech ApS	Kgs. Lyngby	100,00

3. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

4. Collaterals and securities

No securities or mortgages exist at the balance sheet date.