
CytoKi Pharma ApS

Tuborg Boulevard , 12,3, DK-2900 Hellerup

Annual Report for 2022

CVR No. 40 59 41 32

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 16/5 2023

Rasmus Jørgensen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of CytoKi Pharma ApS for the financial year 1 January - 31 December 2022.

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 at 31 December 2022 of the Company and of the results of the Company operations for 2022.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Hellerup, 16 May 2023

Executive Board

Rasmus Jørgensen
CEO

Board of Directors

Christian Ellebæk Elling
Chairman

Karen Ina Barbara Wagner

Amanda Viven Gett-Chaperot

Daniel Bach Gonzalez

Independent Auditor's report

To the shareholder of CytoKi Pharma ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of CytoKi Pharma ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 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, in our view, 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 in 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.

Independent Auditor's report

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 judgement 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.

Hellerup, 16 May 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Flemming Eghoff

State Authorised Public Accountant

mne30221

Company information

The Company	<p>CytoKi Pharma ApS Tuborg Boulevard , 12,3 DK-2900 Hellerup</p> <p>CVR No: 40 59 41 32 Financial period: 1 January - 31 December Incorporated: 12 June 2019 Financial year: 4th financial year Municipality of reg. office: Gentofte</p>
Board of Directors	<p>Christian Ellebæk Elling, chairman Karen Ina Barbara Wagner Amanda Viven Gett-Chaperot Daniel Bach Gonzalez</p>
Executive board	<p>Rasmus Jørgensen</p>
Auditors	<p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup</p>

Management's review

Key activities

The company's purpose is research, development, manufacturing and commercialization of proteinbased drugs and, in the opinion of the Executive Board, related activities.

Development in the year

The income statement of the Company for 2022 shows a loss of DKK 98,393,590, and at 31 December 2022 the balance sheet of the Company shows positive equity of DKK 51,217,006.

Capital resources

In the financial year, the Company did not have any sales activities as the Company's product is not ready for sale. The income statement of the Company for 2022 shows a loss of DKK 98,393,590. However, due to capital increases in 2022 the equity remains positive.

The Company has received cash capital increase of DKK 42,760,329 during the year.

The Company expects additional cash capital during 2023 of approx. DKK 82,000,000 to support the planned research and development activities.

The Board of Directors and Management are monitoring the financial position and the liquidity monthly to ensure sufficient funds to meet its forecasted cash requirements.

Therefore, Management expects to have the necessary capital resources and presents the Annual Report on going concern basis.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2022	2021
		DKK	DKK
Gross loss		-98,763,646	-31,975,161
Staff expenses	1	-8,079,394	-4,987,056
Profit/loss before financial income and expenses		-106,843,040	-36,962,217
Financial income	2	4,475,343	1,705,522
Financial expenses	3	-1,525,893	-292,264
Profit/loss before tax		-103,893,590	-35,548,959
Tax on profit/loss for the year	4	5,500,000	5,795,702
Net profit/loss for the year		-98,393,590	-29,753,257

Distribution of profit

	2022	2021
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-98,393,590	-29,753,257
	-98,393,590	-29,753,257

Balance sheet 31 December

Assets

	Note	2022	2021
		DKK	DKK
Deposits		81,206	99,985
Fixed asset investments		81,206	99,985
Fixed assets		81,206	99,985
Receivables from associates		0	1,781,773
Claim for payment of company capital		4,401,385	32,263,273
Other receivables		2,073,891	2,334,935
Corporation tax		7,194,512	5,500,000
Prepayments		193,921	116,549
Receivables		13,863,709	41,996,530
Cash at bank and in hand		54,920,331	74,117,512
Current assets		68,784,040	116,114,042
Assets		68,865,246	116,214,027

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital		244,006	199,775
Retained earnings		50,973,000	106,606,261
Equity		51,217,006	106,806,036
Trade payables		17,309,174	8,235,420
Payables to owners and Management		1,350	0
Other payables		337,716	1,172,571
Short-term debt		17,648,240	9,407,991
Debt		17,648,240	9,407,991
Liabilities and equity		68,865,246	116,214,027
Contingent assets, liabilities and other financial obligations	5		
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Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	199,775	0	106,606,261	106,806,036
Cash capital increase	44,231	42,760,329	0	42,804,560
Net profit/loss for the year	0	0	-98,393,590	-98,393,590
Transfer from share premium account	0	-42,760,329	42,760,329	0
Equity at 31 December	244,006	0	50,973,000	51,217,006

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
1. Staff Expenses		
Wages and salaries	7,571,017	4,731,678
Pensions	467,402	243,109
Other social security expenses	28,558	10,515
Other staff expenses	12,417	1,754
	<u>8,079,394</u>	<u>4,987,056</u>
 Average number of employees	 <u>4</u>	 <u>3</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
2. Financial income		
Exchange gains	4,475,343	1,705,522
	<u>4,475,343</u>	<u>1,705,522</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
3. Financial expenses		
Other financial expenses	175,457	246,204
Exchange loss	1,350,436	46,060
	<u>1,525,893</u>	<u>292,264</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
4. Income tax expense		
Current tax for the year	-5,500,000	-5,500,000
Adjustment of tax concerning previous years	0	-295,702
	<u>-5,500,000</u>	<u>-5,795,702</u>

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK

5. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	285,509	489,444
Between 1 and 5 years	<u>0</u>	<u>285,509</u>
	<u>285,509</u>	<u>774,953</u>

Notes to the Financial Statements

6. Accounting policies

The Annual Report of CytoKi Pharma ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income statement

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss comprises of other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.