

# Biograil ApS

Langebjerg 1, 4000 Roskilde  
CVR no. 40 66 66 99

## Annual report for 2022

Årsrapporten er godkendt på den  
ordinære generalforsamling, d. 16.06.23

Karsten Lindhardt  
Dirigent



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**The company**

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Biograil ApS  
Langebjerg 1  
4000 Roskilde  
Registered office: Roskilde  
CVR no.: 40 66 66 99  
Financial year: 01.01 - 31.12

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**Executive Board**

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Karsten Lindhardt

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**Board of Directors**

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Anke Cassing  
John Michael Barberich  
Lars Hellerung Christiansen

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**Auditors**

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Beierholm  
Statsautoriseret Revisionspartnerselskab

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

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We have on this day presented the annual report for the financial year 01.01.22 - 31.12.22 for Biograil ApS.

The annual report is presented in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.22 and of the results of the company's activities for the financial year 01.01.22 - 31.12.22.

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.

Roskilde, June 16, 2023

### **Executive Board**

Karsten Lindhardt

### **Board of Directors**

Anke Cassing

John Michael Barberich

Lars Hellerung Christiansen

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

We have audited the financial statements of Biograil ApS for the financial year 01.01.22 - 31.12.22, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.22 and of the results of the company's operations for the financial year 01.01.22 - 31.12.22 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing 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 regarding the 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, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

**Management's responsibility for the financial statements**

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 International Standards on Auditing 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 International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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, June 16, 2023

**Beierholm**

Statsautoriseret Revisionspartnerselskab  
CVR no. 32 89 54 68

Thomas Thomsen

State Authorized Public Accountant  
MNE-no. mne34079

**Primary activities**

The company's activities comprise to develop advanced medical products.

**Development in activities and financial affairs**

The income statement for the period 01.01.22 - 31.12.22 shows a profit/loss of DKK 12,876,552 against DKK -7,932,078 for the period 01.01.21 - 31.12.21. The balance sheet shows equity of DKK 44,815,540.

The management considers the net profit for the year to be satisfactory.

**Subsequent events**

No important events have occurred after the end of the financial year.



## Income statement

Note		2022 DKK	2021 DKK
	<b>Gross result</b>	<b>26,317,577</b>	<b>-5,373,412</b>
1	Staff costs	-9,685,088	-3,654,137
	<b>Profit/loss before depreciation, amortisation, write-downs and impairment losses</b>	<b>16,632,489</b>	<b>-9,027,549</b>
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-156,999	-81,599
	<b>Operating profit/loss</b>	<b>16,475,490</b>	<b>-9,109,148</b>
	Financial income	3,453,520	70,650
	Financial expenses	-7,052,458	-138,654
	<b>Profit/loss before tax</b>	<b>12,876,552</b>	<b>-9,177,152</b>
	Tax on profit or loss for the year	0	1,245,074
	<b>Profit/loss for the year</b>	<b>12,876,552</b>	<b>-7,932,078</b>
	<b>Proposed appropriation account</b>		
	Retained earnings	12,876,552	-7,932,078
	<b>Total</b>	<b>12,876,552</b>	<b>-7,932,078</b>

ASSETS	31.12.22	31.12.21
Note	DKK	DKK
Acquired rights	569,881	651,292
<b>Total intangible assets</b>	<b>569,881</b>	<b>651,292</b>
Other fixtures and fittings, tools and equipment	697,285	95,632
<b>Total property, plant and equipment</b>	<b>697,285</b>	<b>95,632</b>
Equity investments in group enterprises	7,457	7,457
Deposits	307,162	0
<b>Total investments</b>	<b>314,619</b>	<b>7,457</b>
<b>Total non-current assets</b>	<b>1,581,785</b>	<b>754,381</b>
Trade receivables	0	4,233,930
Receivables from group enterprises	57,012	42,465
Income tax receivable	2,200,000	1,761,361
Other receivables	2,983,873	1,065,893
Prepayments	339,828	9,333
<b>Total receivables</b>	<b>5,580,713</b>	<b>7,112,982</b>
<b>Cash</b>	<b>88,184,836</b>	<b>25,188,660</b>
<b>Total current assets</b>	<b>93,765,549</b>	<b>32,301,642</b>
<b>Total assets</b>	<b>95,347,334</b>	<b>33,056,023</b>

<b>EQUITY AND LIABILITIES</b>		31.12.22	31.12.21
		DKK	DKK
Note			
	Share capital	247,476	247,476
	Retained earnings	44,568,064	31,691,512
	<b>Total equity</b>	<b>44,815,540</b>	<b>31,938,988</b>
2	Convertible and profit-sharing debt instruments	39,703,979	0
2	Other payables	8,616,375	0
	<b>Total long-term payables</b>	<b>48,320,354</b>	<b>0</b>
	Payables to other credit institutions	63,371	0
	Trade payables	1,125,207	776,093
	Other payables	689,662	340,942
	Deferred income	333,200	0
	<b>Total short-term payables</b>	<b>2,211,440</b>	<b>1,117,035</b>
	<b>Total payables</b>	<b>50,531,794</b>	<b>1,117,035</b>
	<b>Total equity and liabilities</b>	<b>95,347,334</b>	<b>33,056,023</b>

3 Fair value information

4 Derivative financial instruments

**Statement of changes in equity**

Figures in DKK	Share capital	Retained earnings
Statement of changes in equity for 01.01.22 - 31.12.22		
Balance as at 01.01.22	247,476	31,691,512
Net profit/loss for the year	0	12,876,552
Balance as at 31.12.22	247,476	44,568,064

	2022 DKK	2021 DKK
<b>1. Staff costs</b>		
Wages and salaries	8,684,874	3,121,786
Pensions	654,741	489,500
Other social security costs	35,915	21,126
Other staff costs	309,558	21,725
<b>Total</b>	<b>9,685,088</b>	<b>3,654,137</b>
Average number of employees during the year	6	4

**2. Long-term payables**

Figures in DKK	Total payables at 31.12.22
Convertible and profit-sharing debt instruments	39,703,979
Other payables	8,616,375
<b>Total</b>	<b>48,320,354</b>

The company has raised loans of EUR 1,594k and USD 5,000k in return for the issue of convertible debt instruments which entitle the lender to convert the loan (including accrued interests) into B-shares in the company at a price of EUR 200 per share at the maturity date. The right of conversion expires when the loan is repaid. The loan falls due for payment in 2024.

Pursuant to the terms and conditions of the notes, the loans can be repaid or converted prior to the maturity date at a variable price per share in case of certain events. Due to the terms and conditions of the notes, the loans are classified as "Convertible and profit-sharing debt instruments". "Other payables" consist of derivative financial instruments concerning the loans mentioned above.

### 3. Fair value information

Figures in DKK	Derivative financial instruments	Total
Fair value as at 31.12.22	8,616,375	8,616,375

Derivative financial instruments are related to convertible debt instruments as stated in note 2 "Long-term payables". At initial recognition, the loans are allocated to its liability components and derivative features respectively.

The value of the derivative features is determined by discounting the convertible debt instruments to present value using a discount factor of 20 percent.

It is the management's opinion that the fair value of the derivative financial instruments as at 31.12.2022 is similar to the value at initial recognition.

### 4. Derivative financial instruments

Derivative financial instruments are related to convertible debt instruments as stated in note 2 "Long-term payables". The loans carries interest at 8 percent.

The fair value of the derivative financial instruments amounts to DKK 8,616k as at 31.12.2022 and is classified as "Other payables" in the balance sheet.

## 5. 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.

## 5. Accounting policies - continued -

### DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition, derivative financial instruments are measured at cost. Subsequently, they are measured at fair value and recognised under other receivables and other payables, respectively.

Fair value adjustment of derivative financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or liability (fair value hedging) are recognised in the income statement together with any changes in the value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments that do not meet the criteria for hedge accounting treatment are recognised under other net financials in the income statement on an ongoing basis.

### 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.

Grants received for the production or construction of assets are recognised as deferred income under payables. For depreciable and amortisable assets, the grant is recognised as the asset is depreciated or amortised.

### INCOME STATEMENT

#### Gross result

Gross result comprises revenue, other operating income and raw materials and consumables and other external expenses.

#### Revenue

Income from the sale of services is recognised in the income statement in line with completion of services, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).



## 5. Accounting policies - continued -

### Other operating income

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

### Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

### Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

### Staff costs

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

### 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	10	0
Other plant, fixtures and fittings, tools and equipment	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.

## 5. Accounting policies - continued -

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 as well as gains and losses on payables 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.

## 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 other fixtures and fittings, tools and equipment.

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.

## 5. Accounting policies - continued -

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.

### **Equity investments in group enterprises as well as participating interests**

#### *Equity investments in group enterprises*

Equity investments in subsidiaries are measured in the balance sheet at cost less any impairment losses. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

#### *Participating interests*

Participating interests are recognised and measured according to the equity method. For participating interests, the equity method is considered a measurement method, and reference is made to the "Equity method" section for further details.

#### *Gains or losses on disposal of equity investments*

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

### **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.

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

## 5. Accounting policies - continued -

If dividends are distributed on equity investments in subsidiaries as well as participating interests exceeding the year earnings from the enterprise in question, this is considered an indication of impairment.

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.

## 5. Accounting policies - continued -

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 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

Convertible debt instruments are issued on terms that entitle the lender to convert the loan into equity interests in the company.

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Payables that are effectively hedged by derivative financial instruments are measured at fair value.

### Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.