

Hemab ApS

Ole Maaløes Vej 3, DK-2200, Copenhagen

CVR no. 40837590

Annual Report 2022

Approved at the Company's annual general meeting on 22 June 2023

Chair of the meeting:



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Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Hemab ApS for the financial year 1 January – 31 December 2022.

The annual report has been 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 of the Company at 31 December 2022 and of the results of its operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 22 June 2023
Executive Board:

DocuSigned by:

DAE7E413A7B3448
Benny Sørensen
CEO

DocuSigned by:

BA52340986774C3
Mads Behrndt
CFO

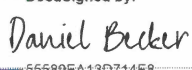
Board of Directors:


DocuSigned by:

910E1E13B7D9467
John Maraganore
Chair

DocuSigned by:

DAE7E413A7B3448
Benny Sørensen

DocuSigned by:

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Daniel Becker

DocuSigned by:

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Jørgen Søberg Petersen

DocuSigned by:


2B336C89D54A4B9
Laura Tadvalkar

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Linda Bain

DocuSigned by:

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Mårten Steen

DocuSigned by:

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Uya Chuluunbaatar

Independent auditor's report

To the shareholders of Hemab ApS

Opinion

We have audited the financial statements of Hemab ApS for the financial year 1 January – 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 as to 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 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 the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 note 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.

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, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the 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.

Frederiksberg, 22 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28


Christian Schwenn Johansen
State Authorised Public Accountant
mne33234


Mads Obel Knøsgaard
State Authorised Public Accountant
mne49041

Management's review

Company details

Name	Hemab ApS
Address, postal code, city	Ole Maaløes Vej 3, DK-2000, Copenhagen
CVR no.	40837590
Established	27 September 2019
Registered office	Copenhagen
Financial year	1 January – 31 December
Website	www.hemab.com
E-mail	info@hemab.com
Board of Directors	John Maraganore (Chair) Benny Sørensen Daniel Becker Jørgen Søberg Petersen Laura Tadvalker Linda Bain Mårten Steen Uya Chuluunbaatar
Executive Board	Benny Sørensen (CEO) Mads Behrndt (CFO)
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, DK-2000 Frederiksberg

Management's review

Operating review

Principal activities

Hemab is a clinical-stage biotech company developing the first prophylactic therapeutics for serious, underserved bleeding and thrombotic disorders. Based in Denmark and the US, Hemab is progressing a pipeline of antibody-based therapeutics to transform the treatment paradigm for patients with high unmet need.

Development in activities and financial matters

The Company delivered a net loss of t.DKK 156,407 in 2022, and the Company's balance per 31 December 2022 shows an equity of t.DKK 6,101.

Events after the balance sheet date

In January 2023, the remaining tranches of the Series A, a total of m.DKK 157 (m.USD 23) was secured.

In February 2023, the Company completed a Series B financing securing additional m.DKK 940 (m.USD 135) to advance its pipeline of therapeutics for underserved bleeding and thrombosis disorders.

Financial statements 1 January – 31 December**Income statement**

Note	DKK in thousands	2022	2021
	Research and development cost	(147,225)	(38,912)
	General and administrative cost	(14,255)	(2,244)
	Operating loss	(161,480)	(41,156)
4	Financial income	673	1,631
5	Financial expenses	(449)	(608)
	Loss before tax	(161,256)	(40,134)
6	Income taxes	4,849	4,971
	Loss for the year	(156,407)	(35,163)
	Proposed distribution of profit/loss		
	Transferred to equity reserves	(156,407)	(35,163)
		(156,407)	(35,163)

Financial statements 1 January – 31 December**Balance sheet**

Note	DKK in thousands	<u>2022</u>	<u>2021</u>
	ASSETS		
	Non-current assets		
	Tangible Assets		
	Prepayment tangible assets	1,200	0
		<u>1,200</u>	<u>0</u>
	Financial Assets		
	Leasehold deposits	0	43
	Investment in subsidiaries	0	0
		<u>0</u>	<u>43</u>
	Total non-current assets	<u>1,200</u>	<u>43</u>
	Current assets		
	Receivables		
	Receivables from affiliated companies	0	1,132
	Receivables from group entities	0	1,961
	Other receivables	1,781	2,072
	Prepayments	1,314	0
	Tax receivables	5,500	5,456
		<u>8,595</u>	<u>10,621</u>
	Cash	23,121	68,032
	Total current assets	<u>31,716</u>	<u>78,653</u>
	TOTAL ASSETS	<u><u>32,916</u></u>	<u><u>78,696</u></u>

Financial statements 1 January – 31 December**Balance sheet**

Note	DKK in thousands	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	190	128
	Share premium account	205,620	111,209
	Accumulated deficit	(199,709)	(43,302)
	Total equity	6,101	68,035
	Current liabilities		
	Trade payables	20,422	9,510
	Payables to group entities	3,847	0
	Other payables	2,546	1,151
	Total current liabilities	26,815	10,661
	Total liabilities	26,815	10,661
	TOTAL EQUITY AND LIABILITIES	32,916	78,696

- 1 Accounting policies
- 2 Staff cost
- 3 Events after the balance sheet date
- 4 Financial Income
- 5 Financial Expenses
- 6 Tax for the year
- 7 Contractual obligations and contingencies, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Hemab ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B and elective choice of certain provisions applying to reporting class C entities.

Pursuant to section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

Presentation currency

The financial statements are presented in Danish Kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Research and development expenses

Research and development expenses are primarily internal and external costs incurred in the development of the Company's product candidates, including personnel costs and research and development expenses.

Due to the general uncertainty related to the development of pharmaceutical drugs, Management concludes that development costs can be capitalized only if the product has been fully developed and all necessary approvals from the authorities have been obtained. As a result, in 2022, Management has chosen to expense development costs in the year when incurred.

Contract Research Organizations expenses and related prepayments and accruals

Substantial portions of the Company's pre-clinical and clinical studies are performed by third-party laboratories, contract research organizations and other vendors (collectively, the "CROs"). The CROs generally bill monthly or quarterly for services performed. For studies, the Company accrues expenses based upon estimated percentage of work completed.

The Company's estimates depend on the timeliness and accuracy of the data provided by the CROs regarding the status of each program and total program spending. The Company evaluates the estimates to determine if adjustments are necessary or appropriate based on information received.

CROs invoice the Company upon the occurrence of predetermined contractual or activity-based milestones; however, the timing of these invoices and the Company's related payments often do not correspond directly to the level of performance of contracted activities. To the extent payments are made by the Company in advance of the related activities performed by the CROs, they are included in prepayments and expensed when the activities performed by the CROs. To the extent the payments are made by the Company following the performance of the related activities, the expense is accrued for as a trade payable.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

General and administrative expenses

General and administrative expenses consist primarily of fees paid to external consultants and personnel costs for the Company's executive and finance functions. In addition, general and administrative expenses also include other expenses for the Company's office space as well as other allocated overhead.

Personnel costs

Personnel costs as included in research and development expenses and general and administrative expenses comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees.

Finance Income and Expenses

Finance income and Expenses mainly comprises of interest income and net of realized and unrealized capital gains and losses relating to securities, debt, amortization of financial assets and liabilities and surcharges and reimbursements under the on-account tax scheme.

Tax for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

The company is part of the tax credit scheme (in Danish: skattekreditordningen)

Balance sheet

Impairment of non-current assets

The carrying amount of tangible assets as well as group entities is tested annually for evidence of impairment other than the decrease in value reflected by amortisation/depreciation.

Impairment tests are conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tangible assets

On initial recognition, items of property, plant and equipment are measured at cost.

Land and buildings, plant and machinery as well as fixtures and fittings, tools and equipment are subsequently measured at cost less accumulated depreciation. Land is not depreciated.

Depreciation is based on the residual value of the asset after the end of the useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Production overheads and borrowing costs are not included in cost.

Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets, which are as follows:

Fixtures and fittings, tools and equipment 3 years

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Payments relating to leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to leases are disclosed under contingencies.

Investments in subsidiaries

The Company has a subsidiary in the United States, Hemab Therapeutics Inc.

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, writedown is made to this lower value.

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables comprise Prepayments, Other receivables, Intercompany receivables and Tax receivables, which are presented separately in the statements of financial position.

Prepayments and other receivables are measured at amortized cost.

Current tax receivables are recognized in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on previous years' taxable income and for any taxes paid on account.

Prepayments comprise costs incurred concerning subsequent financial years.

Cash

Cash comprises cash held in banks.

Equity

The share capital comprises the nominal amount of the company's ordinary and preference shares, each at a nominal value of DKK 1.

Share premium comprising the amount received, attributable to shareholders' equity, in excess of the nominal amount of the shares issued at the company's capital increases, reduced by any expenses directly attributable to the capital increases as well as any exchange rate adjustments.

Accumulated Deficit include the accumulated profit or loss for the year as well as prior periods.

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities other than provisions

The Company has chosen IAS 39 as interpretation for recognition and measurement of liabilities.

Financial liabilities comprising trade payables and payables to group entities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December**Notes**

DKK in thousands	2022	2021
2 Staff costs		
Wages and salaries	17,136	4,797
Other social security costs	116	17
Other staff expenses	403	241
	<u>17,655</u>	<u>5,055</u>
Average number of full-time employees	<u>10</u>	<u>3</u>
3 Events after the balance sheet date		
In January 2023, the remaining tranches of the Series A, a total of m.DKK 157 (m.USD 23) was secured.		
In February 2023, the Company completed a Series B financing securing additional m.DKK 940 (m.USD 135) to advance its pipeline of therapeutics for underserved bleeding and thrombosis disorders.		
4 Financial income		
Financial interest income	(3)	0
Foreign exchange gain and losses, net	(670)	(1,631)
	<u>(673)</u>	<u>(1,631)</u>
5 Financial expenses		
Interest expenses, non-deductible	1	0
Financial interest expenses	448	240
Financial expenses from affiliated company	0	368
	<u>449</u>	<u>608</u>

Financial statements 1 January – 31 December**Notes**

DKK in thousands	2022	2021
6 Tax for the year		
Current tax on net loss	5,500	5,456
Adjustment tax credit scheme 2019 and 2020	0	(485)
Adjustment joint taxation 2021	(651)	0
	4,849	4,971

7 Contractual obligations and contingencies, etc.**Contingent liabilities**

The Company has no contingent liabilities.

The Company do not have contractual commitments beyond normal business standards.

Operating lease commitments

As of 31 December, the Company has entered into lease contracts for machines and equipment. The remaining term of the leases is 36 months, and the total nominal residual lease payment amounts to t.DKK 2,407.

As of 31 December, the Company has entered into rental contracts for premises. The remaining term of the rental is 3 months, and the total nominal residual rental payment amounts to t.DKK 645.