



Symic OA ApS

Herlev Hovedgade 205
2730 Herlev
CVR No. 40848460

Annual report 08.10.2019 - 31.12.2020

The Annual General Meeting adopted the
annual report on 09.07.2021

Thomas Nielsen

Chairman of the General Meeting

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Entity details

Entity

Symic OA ApS

Herlev Hovedgade 205

2730 Herlev

CVR No.: 40848460

Date of foundation: 08.10.2019

Registered office: Herlev

Financial year: 08.10.2019 - 31.12.2020

Executive Board

Thomas Nielsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Symic OA ApS for the financial year 08.10.2019 - 31.12.2020.

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 Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 08.10.2019 - 31.12.2020.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Herlev, 09.07.2021

Executive Board

Thomas Nielsen

Independent auditor's report

To the shareholders of Symic OA ApS

Opinion

We have audited the financial statements of Symic OA ApS for the financial year 08.10.2019 -31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 08.10.2019 - 31.12.2020 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 09.07.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jan Larsen

State Authorised Public Accountant
Identification No (MNE) mne16541

Management commentary

Primary activities

The object of the Company is to operate within development of pharmaceuticals and other related business.

Profit/loss for the year in relation to expected developments

The years result show an income at 19,457,351 DKK which is related to currency adjustments. The Executive Board considers the operating result of the year as expected.

Uncertainty relating to recognition and measurement

Contained in the item "Acquired patents" with a total value of DKK 206,592,000 are investments in patents related to a research and development project for medicine for osteoarthritis.

The investment is valued at cost.

Depending on the outcome of the development project, the value of this investment may differ in both positive and negative direction.

It is the management's assessment, that the development in the research and development project in the investment substantiates the book value per 31.12.2020.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2019/20

	Notes	2019/20 DKK
Administrative expenses		(489,865)
Operating profit/loss		(489,865)
Other financial income	2	19,969,458
Other financial expenses	3	(22,242)
Profit/loss for the year		19,457,351
Proposed distribution of profit and loss		
Retained earnings		19,457,351
Proposed distribution of profit and loss		19,457,351

Balance sheet at 31.12.2020

Assets

	Notes	2019/20 DKK
Acquired patents		206,592,000
Development projects in progress	5	67,290,677
Intangible assets	4	273,882,677
Fixed assets		273,882,677
Other receivables		7,158,783
Prepayments		1,028,490
Receivables		8,187,273
Cash		3,655,640
Current assets		11,842,913
Assets		285,725,590

Equity and liabilities

	Notes	2019/20 DKK
Contributed capital		404,248
Retained earnings		19,457,351
Equity		19,861,599
Subordinate loan capital		117,616,151
Non-current liabilities other than provisions	6	117,616,151
Trade payables		2,378,611
Payables to group enterprises		144,837,216
Other payables		1,032,013
Current liabilities other than provisions		148,247,840
Liabilities other than provisions		265,863,991
Equity and liabilities		285,725,590

Uncertainty relating to recognition and measurement

1

Statement of changes in equity for 2019/20

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	404,248	0	404,248
Profit/loss for the year	0	19,457,351	19,457,351
Equity end of year	404,248	19,457,351	19,861,599

Notes

1 Uncertainty relating to recognition and measurement

Contained in the item "Acquired patents" with a total value of DKK 206,592,000 are investments in patents related to a research and development project for medicine for osteoarthritis.

The investment are valued at cost.

Depending on the outcome of the development project, the value of this investments may differ in both positive and negative direction.

It is the management's assessment, that the development in the research and development project in the investment substantiates the book value per. 31.12.2020.

2 Other financial income

	2019/20
	DKK
Exchange rate adjustments	19,969,458
	19,969,458

3 Other financial expenses

	2019/20
	DKK
Other interest expenses	20,072
Other financial expenses	2,170
	22,242

4 Intangible assets

	Acquired	Development
	patents	projects in
	DKK	progress
		DKK
Additions	206,592,000	67,290,677
Cost end of year	206,592,000	67,290,677
Carrying amount end of year	206,592,000	67,290,677

5 Development projects

Development projects in progress relate to medicine for osteoarthritis which has shown promising results in the preclinical and early clinical trials. The project was taken over from Symic OA Inc. in the autumn of 2019.

The management estimates that there is a significant and growing market for the medicine which with just a small market share will be able to generate a very significant earnings on.

6 Non-current liabilities other than provisions

	Due after more than 12 months 2019/20 DKK
Subordinate loan capital	117,616,151
	117,616,151

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, payables and transactions in foreign currencies,

amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 10 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.