



Enduro Genetics ApS

Ole Maaløes Vej 3, 3.
2200 København N
CVR No. 40960465

Annual report 2022

The Annual General Meeting adopted the
annual report on 19.06.2023

Christian Munch

Chairman of the General Meeting

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Entity details

Entity

Enduro Genetics ApS

Ole Maaløes Vej 3, 3.

2200 København N

Business Registration No.: 40960465

Registered office: København

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Peter Rugbjerg

Niels Peder Nielsen

Ejner Bech Jensen

Thomas Videbæk

Executive Board

Peter Rugbjerg

Christian Munck

Christian Munch

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Enduro Genetics ApS for the financial year 01.01.2022 - 31.12.2022.

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 Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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

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

Copenhagen N, 19.06.2023

Executive Board

Peter Rugbjerg

Christian Munck

Christian Munch

Board of Directors

Peter Rugbjerg

Niels Peder Nielsen

Ejner Bech Jensen

Thomas Videbæk

Independent auditor's extended review report

To the shareholders of Enduro Genetics ApS

Conclusion

We have performed an extended review of the financial statements of Enduro Genetics ApS for the financial year 01.01.2022 - 31.12.2022, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion 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 extended review 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 extended review 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 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.

Aarhus, 19.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jonas Thøstesen Svensson

State Authorised Public Accountant
Identification No (MNE) mne47824

Management commentary

Primary activities

The company's primary purpose is the research, development, implementation, and out-licensing of its proprietary biotechnology platform, which is used to improve productivity, stability and efficiency of cell-based expression systems.

Description of material changes in activities and finances

The annual result shows a deficit of 1,075 t.DKK, which is in line with management expectations.

During the year, a decision was made to change the accounting policies related to the capitalization of the company's development costs and hence the periodic recognition of grants related to the development. The change was made to provide a more accurate picture of the company's activity.

The revised accounting policies have been incorporated into the comparative figures for 2021. The change in accounting policies in the 2021 annual report increased the total balance by 1,219 t.DKK and had a positive effect on equity of 419 t.DKK. In 2022, the change in accounting policies resulted in an increase in the annual result by 2,605 t.DKK, increased the total balance by 3,339 t.DKK and had a positive effect on equity of 2,605 t.DKK.

Events after the balance sheet date

No events have occurred between the balance sheet date and today that would significantly affect the assessment of the annual report.

The management has confirmed that the company has entered into a grant agreement with the European Innovation Council. Under this agreement the company is granted a total of 1,815 t.EUR to finalize development, mature and prepare launch of its technology. The grant is paid in two installments of which the company has received the first installment of 817 t.EUR.

The management has further confirmed that the company has obtained additional liquidity through a capital increase of 6,500 t.DKK, and therefore, the 2022 financial statements are prepared on a going concern basis.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		1,143,789	568,772
Staff costs	1	(3,010,151)	(1,438,502)
Depreciation, amortisation and impairment losses	2	(10,908)	0
Operating profit/loss		(1,877,270)	(869,730)
Other financial expenses	3	(200,557)	(192,959)
Profit/loss before tax		(2,077,827)	(1,062,689)
Tax on profit/loss for the year	4	1,002,894	0
Profit/loss for the year		(1,074,933)	(1,062,689)
Proposed distribution of profit and loss			
Retained earnings		(1,074,933)	(1,062,689)
Proposed distribution of profit and loss		(1,074,933)	(1,062,689)

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired patents		421,063	0
Development projects in progress	6	4,558,607	1,219,479
Intangible assets	5	4,979,670	1,219,479
Fixed assets		4,979,670	1,219,479
Other receivables		482,076	21,926
Income tax receivable		1,002,829	0
Joint taxation contribution receivable		65	0
Prepayments		196,452	0
Receivables		1,681,422	21,926
Cash		7,348,924	2,252,812
Current assets		9,030,346	2,274,738
Assets		14,010,016	3,494,217

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		63,393	40,000
Reserve for development expenditure		3,555,713	951,194
Retained earnings		8,328,559	(2,147,043)
Equity		11,947,665	(1,155,849)
Other payables		0	3,685,068
Non-current liabilities other than provisions		0	3,685,068
Trade payables		522,285	15,696
Other payables	7	137,164	148,742
Deferred income		1,402,902	800,560
Current liabilities other than provisions		2,062,351	964,998
Liabilities other than provisions		2,062,351	4,650,066
Equity and liabilities		14,010,016	3,494,217

Unrecognised rental and lease commitments 8

Statement of changes in equity for 2022

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	40,000	0	0	(1,614,768)	(1,574,768)
Changes in accounting policies	0	0	951,194	(532,275)	418,919
Adjusted equity beginning of year	40,000	0	951,194	(2,147,043)	(1,155,849)
Increase of capital	23,393	14,187,854	0	0	14,211,247
Transferred from share premium	0	(14,187,854)	0	14,187,854	0
Costs related to equity transactions	0	0	0	(32,800)	(32,800)
Transfer to reserves	0	0	2,604,519	(2,604,519)	0
Profit/loss for the year	0	0	0	(1,074,933)	(1,074,933)
Equity end of year	63,393	0	3,555,713	8,328,559	11,947,665

Notes

1 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	2,655,364	1,293,814
Pension costs	285,161	123,561
Other social security costs	56,148	14,286
Other staff costs	13,478	6,841
	3,010,151	1,438,502
Average number of full-time employees	7	3

2 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Amortisation of intangible assets	10,908	0
	10,908	0

3 Other financial expenses

	2022	2021
	DKK	DKK
Other interest expenses	197,676	192,434
Exchange rate adjustments	2,881	525
	200,557	192,959

4 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	(734,608)	0
Adjustment concerning previous years	(268,286)	0
	(1,002,894)	0

5 Intangible assets

	Acquired patents DKK	Development projects in progress DKK
Cost beginning of year	0	1,219,479
Additions	431,971	3,339,128
Cost end of year	431,971	4,558,607
Amortisation for the year	(10,908)	0
Amortisation and impairment losses end of year	(10,908)	0
Carrying amount end of year	421,063	4,558,607

6 Development projects

The company's research and development program consist of a series of ongoing projects aimed at developing, demonstrating, and generating additional intellectual property rights for the company's technology for new application forms, product types, and production hosts. The recorded research and development costs are calculated based on a principle of directly incurred personnel, material, and other direct costs, as well as allocated administrative costs.

7 Other payables

	2022 DKK	2021 DKK
Wages and salaries, personal income taxes, social security costs, etc. payable	111,478	65,324
Holiday pay obligation	25,686	83,418
	137,164	148,742

8 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	1,372,397	0

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 a few provisions for reporting class C.

Changes in accounting policies

During the year, a decision was made to change the accounting policies related to the capitalization of the company's development costs and hence the periodic recognition of grants related to the development. The change was made to provide a more accurate picture of the company's activity.

The revised accounting policies have been incorporated into the comparative figures for 2021. The change in accounting policies in the 2021 annual report increased the total balance by 1,219 t.DKK and had a positive effect on equity of 419 t.DKK. In 2022, the change in accounting policies resulted in an increase in the annual result by 2,605 t.DKK, increased the total balance by 3,339 t.DKK and had a positive effect on equity of 2,605 t.DKK.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with last year.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects in progress with related intellectual property rights and acquired intellectual property rights.

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 in the 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.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises of bank deposits.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.