Teitur Trophics ApS

Palle Juul-Jensens Boulevard 82, 8200 Aarhus N

CVR no. 41 05 84 39

Annual report 2023

Approved at the Company's annual general meeting on 29 May 2024

Chairman of the meeting:

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Simon Mølgaard Jensen

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Teitur Trophics ApS for the financial year 1 January - 31 December 2023.

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 of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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.

Aarhus, 29 May 2024
Executive Board:

Simon Mølgaard Jensen

Board of Directors:

Charles Henry Large Chairman	Søren Lemonius	Casper Breum
Simon Mølgaard Jensen	Susanne Stuffers	Milla Maria Koistinaho
Per Fredrik Lehmann		

Independent auditor's report

To the shareholders of Teitur Trophics ApS

Opinion

We have audited the financial statements of Teitur Trophics ApS for the financial year 1 January - 31 December 2023, 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

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 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.

Emphasis of matter regarding the audit

With effect from the current financial year, the Company has voluntarily selected statutory audit. As shown in the financial statements, the comparative figures in the financial statements have therefore not been audited.

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 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 the 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.

Independent auditor's report

- 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 29 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter U. Faurschou
State Authorised Public Accountant
mne34502

Steffen Michael Bach
State Authorised Public Accountant
mne45892

Management's review

Company details

Name	Teitur Trophics ApS
Address, Postal code, City	Palle Juul-Jensens Boulevard 82, 8200 Aarhus N
CVR no.	41 05 84 39
Established	8 January 2020
Registered office	Aarhus
Financial year	1 January - 31 December
Board of Directors	Charles Henry Large, Chairman Søren Lemonius Casper Breum Simon Mølgaard Jensen Susanne Stuffers Milla Maria Koistinaho Per Fredrik Lehmann
Executive Board	Simon Mølgaard Jensen
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management commentary

Business review

The company's key activity is to develop novel therapeutics for treating or preventing neurodegenerative diseases. From the Sortilins family of receptors, Teitur has developed cyclic peptides with a unique potential for addressing key pathologies across several neurodegenerative disorders including Huntington’s Disease, Parkinson’s Disease and Frontotemporal Dementia. These diseases impact memory, behaviour, movement and mood of millions of people around the globe and Teitur strive to improve the lives of these patients.

Financial review

The income statement for 2023 shows a loss of EUR 2,739 thousand against a loss of EUR 743 thousand last year, and the balance sheet at 31 December 2023 shows equity of EUR 11,771 thousand.

The loss for the year is according to expectations.

Teitur Trophics ApS is not subject to audit, however for the financial year 2023 and going forward the entity has voluntarily opted to be audited. The comparative figures have not been audited in respect hereof.

In the current financial year, Teitur Trophics ApS has raised a total of EUR 17 million in capital from new investors.

In connection with the raising of capital, Teitur Trophics ApS has had debt cancelled relating to convertible debentures for a total of EUR 1 million.

Reference is made to note 2 for more details.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	EUR	2023	2022 (Not audited)
	Gross profit/loss	-4,024,278	-508,357
3	Staff costs	-382,425	-220,139
	Depreciation of plant and equipment	-9,026	-894
	Profit/loss before net financials	-4,415,729	-729,390
	Financial income	1,026,532	568
	Financial expenses	-87,898	-141,443
	Profit/loss before tax	-3,477,095	-870,265
4	Tax for the year	737,935	127,745
	Profit/loss for the year	-2,739,160	-742,520
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-2,739,160	-742,520
		-2,739,160	-742,520

Financial statements 1 January - 31 December

Balance sheet

Note	EUR	2023	2022 (Not audited)
	ASSETS		
	Fixed assets		
5	**Property, plant and equipment**		
	Fixtures and fittings, other plant and equipment	149,442	894
		149,442	894
6	**Investments**		
	Deposits, investments	5,474	0
		5,474	0
	Total fixed assets	154,916	894
	Non-fixed assets		
	Receivables		
	Corporation tax receivable	737,935	127,745
	Other receivables	199,158	26,732
	Prepayments	24,657	6,166
		961,750	160,643
	Cash	12,200,024	523,874
	Total non-fixed assets	13,161,774	684,517
	TOTAL ASSETS	13,316,690	685,411
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	20,680	5,367
	Retained earnings	11,750,082	-2,279,393
	Total equity	11,770,762	-2,274,026
	Liabilities other than provisions		
8	**Non-current liabilities other than provisions**		
	Other credit institutions	705,009	876,157
	Convertible debt instruments eligible for dividend	0	1,908,681
		705,009	2,784,838
	Current liabilities other than provisions		
8	Short-term part of long-term liabilities other than provisions	246,553	0
	Trade payables	493,818	166,956
	Other payables	100,548	7,643
		840,919	174,599
	Total liabilities other than provisions	1,545,928	2,959,437
	TOTAL EQUITY AND LIABILITIES	13,316,690	685,411

1 Accounting policies
2 Special items
9 Contractual obligations and contingencies, etc.
10 Contingent assets
11 Security and collateral

Financial statements 1 January - 31 December

Statement of changes in equity

EUR	Share capital	Retained earnings	Total
Equity at 1 January 2022	5,367	-1,536,873	-1,531,506
Transfer through appropriation of loss	0	-742,520	-742,520
Equity at 1 January 2023	5,367	-2,279,393	-2,274,026
Capital increase	15,313	16,899,791	16,915,104
Transfer through appropriation of loss	0	-2,739,160	-2,739,160
Other value adjustments of equity	0	-131,156	-131,156
Equity at 31 December 2023	20,680	11,750,082	11,770,762

Other value adjustments is related to legal costs in connection with capital increases.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Teitur Trophics ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in EUR. The financial statements were previously presented in DKK. The presentation currency has been changed because the Company's most significant expenses are settled in EUR. Comparative figures have been restated as follows:

- The items in the income statement are translated using average rates for the period concerned.
- Monetary balance sheet items are translated using the rates at the relevant balance sheet dates.
- Non-monetary balance sheet items are translated at the exchange rate at the time of acquisition.
- All exchange adjustments are recognised in the income statement as financial income/expenses.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Public grants

Public grants to cover expenses are recognised in the income statement when it is deemed likely that all grant criteria have been met. Grants which must be repaid under certain circumstances are recognised only where they are not expected to be repaid.

Income statement

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Research and development costs

Teitur Trophics expenses all research costs. In line with industry practice, internal and sub-contracted development costs are also expensed as they are incurred, due to significant regulatory uncertainties and other uncertainties inherent in the development of new products. This means that they do not qualify for capitalisation as intangible assets until marketing approval by a regulatory authority is obtained or considered highly probable.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	5 years

Depreciation is based on the residual value of the asset 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 the 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.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Property, plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Deposits, investments

Deposits concerns the deposit in connection with lease agreements.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Impairment of fixed assets

The carrying amount of plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (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 and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

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

Receivables

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

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash subject only to minor risks of changes in value.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

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. Deferred tax assets 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Convertible loans

Convertible loans are broken down into a liability element and an equity element based on the relevant instrument of debt. On initial recognition, the liability is recognised at the fair value of a similar liability without a conversion right. The remaining amount of the convertible loan is recognised as equity. On subsequent recognition, the liability is measured at amortised cost until converted or repaid. The equity element is not re measured after initial recognition.

Special items

Special items include significant income and expenses that are of a special nature in relation to the company's ordinary operating activities.

2 **Special items**

In connection with the raising of capital, Teitur Trophics ApS has had debt cancelled relating to convertible debentures for a total of EUR 1 million.

Financial statements 1 January - 31 December

Notes to the financial statements

	EUR	2023	2022
3	**Staff costs**		
	Wages/salaries	380,041	217,751
	Other social security costs	2,384	2,388
		382,425	220,139
	Average number of full-time employees	2	2
4	**Tax for the year**		
	Estimated tax charge for the year	-737,935	-127,745
		-737,935	-127,745

5 **Property, plant and equipment**

EUR	Fixtures and fittings, other plant and equipment
Cost at 1 January 2023	2,683
Additions	157,574
Cost at 31 December 2023	160,257
Impairment losses and depreciation at 1 January 2023	1,789
Depreciation	9,026
Impairment losses and depreciation at 31 December 2023	10,815
Carrying amount at 31 December 2023	149,442

Note 11 provides more details on security for loans, etc. as regards property, plant and equipment.

6 **Investments**

EUR	Deposits, investments
Cost at 1 January 2023	0
Additions	5,474
Cost at 31 December 2023	5,474
Carrying amount at 31 December 2023	5,474

7 **Share capital**

Analysis of changes in the share capital over the past 3 years:

DKK	2023	2022	2021
Opening balance	5,367	5,367	5,367
Capital increase	15,313	0	0
	20,680	5,367	5,367

Financial statements 1 January - 31 December

Notes to the financial statements

8 Non-current liabilities other than provisions

Of the long-term liabilities, EUR 0 falls due for payment after more than 5 years after the balance sheet date.

9 Contractual obligations and contingencies, etc.

Other financial obligations

Rent and lease liabilities include a rent obligation totalling EUR 11 thousand in interminable rent agreements with remaining contract terms of 3 months.

10 Contingent assets

The company has tax loss carry-forwards totalling EUR 1,748 thousand. The nominal value thereof is 22%, totalling EUR 385 thousand. The tax asset has not been recognised in the balance sheet due to the uncertainty as to application of the tax losses.

11 Security and collateral

The Company has not provided any security or other collateral in assets at 31 December 2023.

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Simon Mølgaard Jensen
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Simon Mølgaard Jensen
Dirigent
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Serienummer: 646848f9-fdaa-4dc0-9f61-a41718dc2fc9
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Charles Henry Large
Bestyrelse
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Søren Lemonius
Bestyrelse
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Casper Breum
Bestyrelse
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Serienummer: 31c1ebad-d8bf-40a8-be76-5c64e8d51401
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Stuffers, Susanne
Bestyrelse
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Simon Mølgaard Jensen
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MILLA MARIA KOISTINAHO
Bestyrelse
På vegne af: Teitur Trophics ApS
Serienummer: fi_tupas:opbank:jf8_Dw9L_st0v1eAqnruHQKQFmPjpqi58_YcXnKYQEo=
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FREDRIK LEHMANN
Bestyrelse
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IP: 217.215.xxx.xxx
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Peter Ulrik Faurschou
EY Godkendt Revisionspartnerselskab CVR: 30700228
Statsautoriseret revisor
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