



QNTM Labs ApS

Unsbjergvej 4 A
5220 Odense SØ
CVR No. 41218959

Annual report 2023

The Annual General Meeting adopted the annual report on 28.06.2024

Christian Carlsen
Chairman of the General Meeting

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Entity details

Entity

QNTM Labs ApS
Unsbjergvej 4 A
5220 Odense SØ

Business Registration No.: 41218959
Registered office: Odense
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Christian Carlsen
Connor Robert Jensen Murphy
Ross Thomas Desmarais
Cornelius James Merlini

Executive Board

Jack Egelund Madsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Tværkajen 5
P. O. Box 10
5100 Odense

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of QNTM Labs ApS for the financial year 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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.

Odense, 28.06.2024

Executive Board

Jack Egelund Madsen

Board of Directors

Christian Carlsen

Connor Robert Jensen Murphy

Ross Thomas Desmarais

Cornelius James Merlini

Independent auditor's extended review report

To the shareholders of QNTM Labs ApS

Conclusion

We have performed an extended review of the financial statements of QNTM Labs ApS for the financial year 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Odense, 28.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bo Damgaard Hansen

State Authorised Public Accountant
Identification No (MNE) mne34543

Management commentary

Primary activities

The company's activities comprise testing, analyzing and researching pharmaceutical products for the danish, european and global market.

Development in activities and finances

The year's result shows a deficit of DKK 27,799,295. The management considered the result to be unsatisfactory, but as expected because of the company's growth journey.

During 2023 the company spent significant resources on building out its laboratory facilities. In 2023, the company has proven itself in establishing itself as a competitive provider in the market of testing, analysing, and researching pharmaceutical products. The activity has been increasing during 2023 with a positive trend.

During 2023 the management has succeeded in raising capital for further development. This has been done via additional equity investments from the company's existing investor base. It is the management's expectation that the company will achieve positive results through increasing activity in the coming years.

In 2024 management has raised additional capital and transformed the organization to match the transition into a commercial operation. These measures should ensure there is sufficient cash to grow the company's operational activities and comply with the budget for 2024.

Management therefore believes that the company will be able to pay its obligations as they fall due. The annual report has thus been prepared under the assumption of continued operations.

The Executive Board and Board of Directors therefore recommend that the Annual Report to be adopted at the Annual General Meeting.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		(5,352,911)	(3,745,826)
Staff costs	1	(18,699,133)	(8,935,511)
Depreciation, amortisation and impairment losses		(2,934,237)	(656,072)
Operating profit/loss		(26,986,281)	(13,337,409)
Other financial income	2	193,042	0
Other financial expenses		(250,837)	(94,134)
Profit/loss before tax		(27,044,076)	(13,431,543)
Tax on profit/loss for the year	3	(755,219)	1,689,245
Profit/loss for the year		(27,799,295)	(11,742,298)
Proposed distribution of profit and loss			
Retained earnings		(27,799,295)	(11,742,298)
Proposed distribution of profit and loss		(27,799,295)	(11,742,298)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	5	15,096,020	0
Development projects in progress	5	0	8,928,717
Intangible assets	4	15,096,020	8,928,717
Other fixtures and fittings, tools and equipment		11,149,102	6,650,548
Leasehold improvements		26,763,736	2,918,937
Property, plant and equipment	6	37,912,838	9,569,485
Deposits		817,881	1,043,451
Financial assets	7	817,881	1,043,451
Fixed assets		53,826,739	19,541,653
Trade receivables		651,854	173,750
Receivables from group enterprises		424,200	129,083
Deferred tax		0	361,875
Other receivables		2,582,988	2,814,593
Income tax receivable		0	1,704,490
Prepayments		774,454	24,128
Receivables		4,433,496	5,207,919
Cash		5,422,530	26,104,856
Current assets		9,856,026	31,312,775
Assets		63,682,765	50,854,428

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		40,000	40,000
Reserve for development expenditure		11,774,895	8,928,717
Retained earnings		46,113,540	35,211,266
Equity		57,928,435	44,179,983
Trade payables		3,990,232	5,970,625
Payables to owners and management		48,727	46,820
Income tax payable		393,344	0
Other payables		1,322,027	657,000
Current liabilities other than provisions		5,754,330	6,674,445
Liabilities other than provisions		5,754,330	6,674,445
Equity and liabilities		63,682,765	50,854,428
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		

Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	40,000	8,928,717	35,211,266	44,179,983
Group contributions etc.	0	0	41,547,747	41,547,747
Transfer to reserves	0	2,846,178	(2,846,178)	0
Profit/loss for the year	0	0	(27,799,295)	(27,799,295)
Equity end of year	40,000	11,774,895	46,113,540	57,928,435

Notes

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	16,738,887	7,827,975
Pension costs	773,995	267,854
Other social security costs	56,676	25,940
Other staff costs	1,129,575	813,742
	18,699,133	8,935,511
Average number of full-time employees	25	11

2 Other financial income

	2023	2022
	DKK	DKK
Financial income from group enterprises	10,142	0
Other interest income	182,900	0
	193,042	0

3 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	393,344	(1,704,981)
Change in deferred tax	361,875	15,736
	755,219	(1,689,245)

4 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	0	8,928,717
Transfers	15,616,572	(15,616,572)
Additions	0	6,687,855
Cost end of year	15,616,572	0
Amortisation for the year	(520,552)	0
Amortisation and impairment losses end of year	(520,552)	0
Carrying amount end of year	15,096,020	0

5 Development projects

The capitalized development costs comprise the construction and development of an advanced analytical laboratory providing research, development and compliance services to pharmaceutical companies. Current year development cost mainly include development of different methods for sample preparation, storage and analysis of pharmaceutical products as well as setting up workflow and developing analytical methods.

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	7,091,906	3,353,792
Additions	6,361,888	24,395,150
Cost end of year	13,453,794	27,748,942
Depreciation and impairment losses beginning of year	(441,358)	(434,855)
Depreciation for the year	(1,863,334)	(550,351)
Depreciation and impairment losses end of year	(2,304,692)	(985,206)
Carrying amount end of year	11,149,102	26,763,736

7 Financial assets

	Deposits DKK
Cost beginning of year	1,043,451
Additions	76,034
Disposals	(301,604)
Cost end of year	817,881
Carrying amount end of year	817,881

8 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Liabilities under rental or lease agreements until maturity in total	4,322,715	6,352,000

9 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where QNTM Ventures ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

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.

The accounting policies applied to these financial statements are consistent with those applied 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 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 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, including salary refunds.

Cost of sales

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

writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

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 property, plant and equipment and intangible assets comprise depreciations for the financial year.

Other financial income

Other financial income comprises, interest income, including interest income on receivables from group enterprises and bank deposits.

Other financial expenses

Other financial expenses comprise interest expenses and losses on payables and transactions in foreign currencies.

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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

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 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.

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. The amortisation periods used are 5 years.

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

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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 asset.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment 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.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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.

Prepayments

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

Cash

Cash comprises bank deposits.

Other financial liabilities

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