

Neumirna Therapeutics ApS

A.C. Meyers Vænge 15, 2450 København SV
CVR no. 41 69 64 51

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 24.04.24

Sten Verland
Dirigent



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The company

Neumirna Therapeutics ApS
c/o Center for RNA Medicine, AAU CPH
A.C. Meyers Vænge 15
2450 København SV
Danmark
CVR no.: 41 69 64 51
Financial year: 01.01 - 31.12

Executive Board

Janine Terra Erler

Board of Directors

Sten Verland
Mads Spangaard Rasmussen
Henrik Valdemar Klitgaard
Markus Sakari Kauppinen
Lars Hellerung Christiansen
Milla Koistinaho

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Neumirna Therapeutics ApS.

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 company's assets, liabilities and financial position as at 31.12.23 and of the results of the company's activities for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Copenhagen, April 15, 2024

Executive Board

Janine Terra Erler

Board of Directors

Sten Verland
Chairman

Mads Spangaard
Rasmussen

Henrik Valdemar Klitgaard

Markus Sakari Kauppinen

Lars Hellerung
Christiansen

Milla Koistinaho

To the capital owner of Neumirna Therapeutics ApS**Qualified Opinion**

We have audited the financial statements of Neumirna Therapeutics ApS for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial statements give a true and fair view of the company's financial position at 31.12.23 and of the results of the company's operations for the financial year 01.01.23 - 31.12.23 in accordance with the Danish Financial Statements Act.

Basis for Qualified Opinion

The item other long-term liabilities includes derivative financial instruments with an amount of DKK 2,052k. The liabilities are measured at fair value according to the management's estimate. We have not been able to obtain the necessary documentation for the determined fair value and are therefore not able to assess the management's estimate and the value of the liabilities.

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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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 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 judgment 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 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.

Soeborg, Copenhagen, April 15, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Thomas Thomsen
State Authorized Public Accountant
MNE-no. mne34079

Primary activities

The company's activities comprise re-search, development and commercialization of medical products.

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK -8,034,417 against DKK -5,292,246 for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK -11,467,952.

The management considers the net profit for the year to be as expected.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2023 DKK	2022 DKK
	Gross loss	-5,476,181	-4,660,603
1	Staff costs	-2,154,209	-1,700,594
	Loss before depreciation, amortisation, write-downs and impairment losses	-7,630,390	-6,361,197
	Financial income	47,331	362
	Financial expenses	-2,161,624	-419,129
	Loss before tax	-9,744,683	-6,779,964
2	Tax on loss for the year	1,710,266	1,487,718
	Loss for the year	-8,034,417	-5,292,246

Proposed appropriation account

	Retained earnings	-8,034,417	-5,292,246
	Total	-8,034,417	-5,292,246

ASSETS		31.12.23	31.12.22
		DKK	DKK
Note			
	Deposits	13,470	13,470
	Total investments	13,470	13,470
	Total non-current assets	13,470	13,470
	Income tax receivable	1,710,266	1,487,718
	Other receivables	652,261	279,752
	Prepayments	29,105	0
	Total receivables	2,391,632	1,767,470
	Cash	3,849,792	7,191,110
	Total current assets	6,241,424	8,958,580
	Total assets	6,254,894	8,972,050

EQUITY AND LIABILITIES		31.12.23	31.12.22
		DKK	DKK
Note			
	Share capital	48,820	48,820
	Retained earnings	-11,516,772	-3,482,355
	Total equity	-11,467,952	-3,433,535
3	Convertible and profit-sharing debt instruments	10,218,249	7,493,182
3	Other payables	5,937,843	3,588,093
3	Deferred income	683,700	0
	Total long-term payables	16,839,792	11,081,275
	Trade payables	660,510	1,160,097
	Other payables	222,544	164,213
	Total short-term payables	883,054	1,324,310
	Total payables	17,722,846	12,405,585
	Total equity and liabilities	6,254,894	8,972,050

4 Fair value information

5 Derivative financial instruments

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings
Statement of changes in equity for 01.01.23 - 31.12.23		
Balance as at 01.01.23	48,820	-3,482,355
Net profit/loss for the year	0	-8,034,417
Balance as at 31.12.23	48,820	-11,516,772

	2023 DKK	2022 DKK
1. Staff costs		
Wages and salaries	2,094,594	1,673,033
Other social security costs	6,784	6,330
Other staff costs	52,831	21,231
Total	2,154,209	1,700,594
Average number of employees during the year	3	3

2. Tax on loss for the year

Current tax for the year	-1,710,266	-1,487,718
Total	-1,710,266	-1,487,718

3. Long-term payables

Figures in DKK	Outstanding debt after 5 years	Total payables at 31.12.23	Total payables at 31.12.22
Convertible and profit-sharing debt instruments	0	10,218,249	7,493,182
Other payables	0	5,937,843	3,588,093
Deferred income	0	683,700	0
Total	0	16,839,792	11,081,275

The company has raised loans of EUR 1,400k in return for the issue of convertible debt instruments which entitle the lender to convert the loan (including accrued interests into shares in the company at fair value at the maturity date. Discount of 20 percent occurs in specific occasions. The right of conversion expires when the loan is repaid. The loan falls due for payment at end of 2024.

Pursuant to the terms and conditions of the notes, the loans can be repaid or converted prior to the maturity date at a variable price per share in case of certain events. Due to the terms and conditions of the notes, the loans are classified as "Convertible and profit-sharing debt instruments". "Other payables" consist of derivative financial instruments concerning the loans mentioned above.

4. Fair value information

Figures in DKK	Derivative financial instruments
Fair value as at 31.12.23	2,051,940

Derivative financial instruments are related to convertible debt instruments as stated in note 2 "Long-term payables". At initial recognition, the loans are allocated to its liability components and derivative features respectively.

The value of the derivative features is determined by discounting the convertible debt instruments to present value using a discount factor of 20 percent.

It is the managements opinion that the fair value of the derivative financial instruments as at 31.12.2023 is similar to the value at initial recognition.

5. Derivative financial instruments

Derivative financial instruments are related to convertible debt instruments as stated in note 2 "Long-term payables". The loans carries interest ar 8 percent.

The fair value of the derivative financial instruments amounts to DKK 2,052k as at 31.12.2023 and is classified as "Other payables" in the balance sheet.

6. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

6. Accounting policies - continued -**DERIVATIVE FINANCIAL INSTRUMENTS**

On initial recognition, derivative financial instruments are measured at cost. Subsequently, they are measured at fair value and recognised under other receivables and other payables, respectively.

Fair value adjustment of derivative financial instruments classified as and meeting the criteria for hedging future cash flows (cash flow hedging) are recognised in equity under the cash flow hedging reserve. In the event that the hedged transaction results in the recognition of an asset or a liability, the accumulated fair value adjustment of the hedging instrument, which was previously recognised in equity, will be included in the cost of the asset or the liability. In the event that the hedged transaction results in the recognition of an income or an expense, the accumulated fair value adjustment of the hedging instrument, which was previously recognised in equity, will be recognised together with the hedged income or expense.

If the hedged transaction is no longer expected to occur, the cash flow hedging treatment is discontinued, and the accumulated fair value adjustment of the hedging instrument is transferred to other net financials in the income statement. If the hedged transaction is still expected to occur, but the criteria for cash flow hedging are no longer met, the hedging treatment is discontinued, and the accumulated fair value adjustment of the hedging instrument remains in equity until the transaction occurs.

Fair value adjustments of derivative financial instruments that do not meet the criteria for hedge accounting treatment are recognised under other net financials in the income statement on an ongoing basis.

GRANTS

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants to cover expenses incurred are recognised on a proportionate basis in the income statement over the period in which the expenses eligible for grants are expensed. Grants are recognised under other operating income.

INCOME STATEMENT**Gross loss**

Gross loss comprises other operating income and other external expenses.

6. Accounting policies - continued -**Other operating income**

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

6. Accounting policies - continued -**BALANCE SHEET****Impairment losses on fixed assets**

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

6. Accounting policies - continued -

Cash

Cash includes deposits in bank account.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Convertible debt instruments are issued on terms that entitle the lender to convert the loan into equity interests in the company.

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Derivative financial instruments related to convertible debt instruments are measured at fair value.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

6. Accounting policies - continued -

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.