
Circius Pharma ApS

Strandvejen 100, DK-2900 Hellerup

Annual Report for 2022

CVR No. 42 44 76 41

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 31/3 2023

Jan Gustav Smith
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Financial Statements of Circius Pharma ApS for the financial year 1 January - 31 December 2022.

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 at 31 December 2022 of the Company and of the results of the Company operations for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Hellerup, 31 March 2023

Executive Board

Jan Gustav Smith

Jörgen Mikael Carlson

Jan Erik Gustav Smith

Independent Practitioner's Extended Review Report

To the shareholder of Circius Pharma ApS

Conclusion

We have performed an extended review of the Financial Statements of Circius Pharma ApS for the financial year 1 January - 31 December 2022, which comprise 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 the work performed, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibility 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.

Practitioner'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 in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent Practitioner's Extended Review Report

In connection with our extended review of the Financial Statements, 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 extended review, 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, in our view, 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 in Management's Review.

Ringsted, 31 March 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Lars Vagner Hansen
State Authorised Public Accountant
mne33245

Company information

The Company

Circius Pharma ApS
Strandvejen 100
DK-2900 Hellerup

CVR No: 42 44 76 41

Financial period: 1 January - 31 December

Incorporated: 1 June 2021

Financial year: 2nd financial year

Municipality of reg. office: Gentofte

Executive board

Jan Gustav Smith
Jörgen Mikael Carlson
Jan Erik Gustav Smith

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Eventyrvej 16
4100 Ringsted

Management's review

Key activities

The company's purpose is the marketing and sale of medicines and medical equipment.

Development in the year

The income statement of the Company for 2022 shows a loss of DKK 15,906, and at 31 December 2022 the balance sheet of the Company shows positive equity of DKK 5,679,770.

The Company has in its first year acquired an existing pharma business activity that is being run under the Circius Pharma Group. The business activity has for its Danish division been acquired for DKK 6,938,481.

Capital resources

The Company has received a letter of Financial Support from Parent Company and a confirmation that Parent Company will subordinate receivables in favor of other creditors. On this basis, Management has prepared the Financial Statements on the assumption of going concern.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2022	2021
		DKK	DKK
Gross profit/loss		2,765,694	-872,073
Staff expenses	1	-2,085,736	-230,613
Amortisation and impairment losses of intangible assets	2	-693,848	-231,283
Other operating expenses		-1,110	-800
Profit/loss before financial income and expenses		-15,000	-1,334,769
Financial income		54,173	0
Financial expenses		-55,079	-8,036
Profit/loss before tax		-15,906	-1,342,805
Tax on profit/loss for the year		0	0
Net profit/loss for the year		-15,906	-1,342,805

Distribution of profit

	2022	2021
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-15,906	-1,342,805
	-15,906	-1,342,805

Balance sheet 31 December

Assets

	Note	2022	2021
		DKK	DKK
Goodwill		6,013,350	6,707,198
Intangible assets	3	6,013,350	6,707,198
Deposits		42,000	156,000
Fixed asset investments		42,000	156,000
Fixed assets		6,055,350	6,863,198
Trade receivables		2,878,744	2,456,148
Receivables from group enterprises		661,547	0
Other receivables		6,000	109
Prepayments		14,094	208,354
Receivables		3,560,385	2,664,611
Cash at bank and in hand		181,032	130,473
Current assets		3,741,417	2,795,084
Assets		9,796,767	9,658,282

Balance sheet 31 December

Liabilities and equity

	Note	2022 DKK	2021 DKK
Share capital		100,000	100,000
Retained earnings		5,579,770	5,595,676
Equity		5,679,770	5,695,676
Payables to group enterprises		3,183,988	1,709,000
Long-term debt	4	3,183,988	1,709,000
Trade payables		278,654	988,268
Payables to group enterprises		0	909,481
Other payables		654,355	104,007
Deferred income		0	251,850
Short-term debt		933,009	2,253,606
Debt		4,116,997	3,962,606
Liabilities and equity		9,796,767	9,658,282
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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	100,000	5,595,676	5,695,676
Net profit/loss for the year	0	-15,906	-15,906
Equity at 31 December	100,000	5,579,770	5,679,770

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
1. Staff Expenses		
Wages and salaries	1,771,800	192,447
Pensions	308,484	33,423
Other social security expenses	4,687	1,551
Other staff expenses	765	3,192
	<u>2,085,736</u>	<u>230,613</u>
Average number of employees	<u>2</u>	<u>1</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
2. Amortisation and impairment losses of intangible assets		
Amortisation of intangible assets	693,848	231,283
	<u>693,848</u>	<u>231,283</u>

3. Intangible fixed assets

	<u>Goodwill</u>
	DKK
Cost at 1 January	6,938,481
Cost at 31 December	<u>6,938,481</u>
Impairment losses and amortisation at 1 January	231,283
Amortisation for the year	693,848
Impairment losses and amortisation at 31 December	<u>925,131</u>
Carrying amount at 31 December	<u>6,013,350</u>
Amortised over	<u>10 years</u>

Notes to the Financial Statements

4. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Payables to group enterprises		
After 5 years	0	0
Between 1 and 5 years	<u>3,183,988</u>	<u>1,709,000</u>
Long-term part	<u>3,183,988</u>	<u>1,709,000</u>
Within 1 year	0	0
Other short-term debt to group enterprises	<u>0</u>	<u>909,481</u>
Short-term part	<u>0</u>	<u>909,481</u>
	<u>3,183,988</u>	<u>2,618,481</u>

<u>2022</u>	<u>2021</u>
DKK	DKK

5. Contingent assets, liabilities and other financial obligations

Contingent assets

The Company has a deferred tax asset of TDKK 299 (2021: TDKK 295), which has not been recognized in the balance due to uncertainty about its future use.

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	<u>0</u>	<u>104,360</u>
	<u>0</u>	<u>104,360</u>

Rent obligations	42,000	42,000
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There are no other security and contingent liabilities at 31 December 2022.

Notes to the Financial Statements

6. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
Gobia Enterprises AB	Askim

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Notes to the Financial Statements

7. Accounting policies

The Annual Report of Circius Pharma ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Notes to the Financial Statements

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

Management's assessment of the useful life of the investment is based on the business case that was determined at the time of purchase.

Impairment of fixed assets

The carrying amounts of intangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation.

If so, the asset is written down to its lower recoverable amount.

Notes to the Financial Statements

Other fixed asset investments

Fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.