
Circius Pharma ApS

Strandvejen 100, DK-2900 Hellerup

Annual Report for 1 June - 31 December 2021

CVR No 42 44 76 41

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
21/4 2022

Jan Gustav Smith
Chairman of the General
Meeting



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Circius Pharma ApS for the financial year 1 June - 31 December 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Gentofte, 21 April 2022

Executive Board

Jan Gustav Smith

Jörgen Mikael Carlson

Jan Erik Gustav Smith

Independent Auditor's Report

To the Shareholder of Circius Pharma ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 June - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Circius Pharma ApS for the financial year 1 June - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 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 opinion.

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.

In connection with our audit 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 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 Financials 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.

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 misstate-

Independent Auditor's Report

ment, 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 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.
- 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

Independent Auditor's Report

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.

Ringsted, 21 April 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Lars Vagner Hansen

statsautoriseret revisor

mne33245

Company Information

The Company

Circius Pharma ApS
Strandvejen 100
DK-2900 Hellerup

CVR No: 42 44 76 41
Financial period: 1 June - 31 December
Incorporated: 1 June 2021
Financial year: 1st 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
DK-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 2021 shows a loss of DKK 1,342,805, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 5,695,676.

The Company has in its first year acquired an existing pharma business activity that's 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 June - 31 December

	Note	2021 (7 months) DKK
Gross profit/loss		-872.073
Staff expenses	1	-230.613
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-231.283
Other operating expenses		-800
Profit/loss before financial income and expenses		-1.334.769
Financial expenses		-8.036
Profit/loss before tax		-1.342.805
Tax on profit/loss for the year		0
Net profit/loss for the year		-1.342.805

Distribution of profit

Proposed distribution of profit

Retained earnings		-1.342.805
		-1.342.805

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2021</u> DKK
Goodwill		6.707.198
Intangible assets	3	<u>6.707.198</u>
Deposits		156.000
Fixed asset investments		<u>156.000</u>
Fixed assets		<u>6.863.198</u>
Trade receivables		2.456.148
Other receivables		109
Prepayments		208.354
Receivables		<u>2.664.611</u>
Cash at bank and in hand		<u>130.473</u>
Currents assets		<u>2.795.084</u>
Assets		<u>9.658.282</u>

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2021</u> DKK
Share capital		100.000
Retained earnings		<u>5.595.676</u>
Equity		<u>5.695.676</u>
Payables to group enterprises		<u>1.709.000</u>
Long-term debt	4	<u>1.709.000</u>
Trade payables		988.268
Payables to group enterprises	4	909.481
Other payables		104.007
Deferred income		<u>251.850</u>
Short-term debt		<u>2.253.606</u>
Debt		<u>3.962.606</u>
Liabilities and equity		<u>9.658.282</u>
Contingent assets, liabilities and other financial obligations	5	
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 June	0	0	0
Cash payment concerning formation of entity	100.000	0	100.000
Contribution from group	0	6.938.481	6.938.481
Net profit/loss for the year	0	-1.342.805	-1.342.805
Equity at 31 December	100.000	5.595.676	5.695.676

Notes to the Financial Statements

	2021 (7 months) <u>DKK</u>
1 Staff expenses	
Wages and salaries	192.447
Pensions	33.423
Other social security expenses	1.551
Other staff expenses	<u>3.192</u>
	<u>230.613</u>
Average number of employees	<u>1</u>
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	
Amortisation of intangible assets	<u>231.283</u>
	<u>231.283</u>
3 Intangible assets	
	<u>Goodwill</u> DKK
Cost at 1 June	0
Additions for the year	<u>6.938.481</u>
Cost at 31 December	<u>6.938.481</u>
Impairment losses and amortisation at 1 June	0
Amortisation for the year	<u>231.283</u>
Impairment losses and amortisation at 31 December	<u>231.283</u>
Carrying amount at 31 December	<u>6.707.198</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>2021</u> DKK
Payables to group enterprises	
Between 1 and 5 years	<u>1.709.000</u>
Long-term part	1.709.000
Other short-term debt to group enterprises	<u>909.481</u>
	<u>2.618.481</u>

5 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	<u>104.360</u>
	<u>104.360</u>

Rent obligations	<u>42.000</u>
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There are no other security and contingent liabilities at 31 December 2021.

Notes to the Financial Statements

6 Related parties

Transactions

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.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the ultimately Parent Company

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

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of Circius Pharma ApS for 2021 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.

No comparative figures are given, as this is the company's first financial year.

The Financial Statements for 2021 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.

Notes to the Financial Statements

7 Accounting Policies (continued)

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

Income Statement

Revenue

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.

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 indirect production costs and expenses for premises, sales and distribution 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.

Notes to the Financial Statements

7 Accounting Policies (continued)

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.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

Impairment of fixed assets

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

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

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.

Notes to the Financial Statements

7 Accounting Policies (continued)

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 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.