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Dania Therapeutics ApS

Sundvænget 36, 2900 Hellerup

Company reg. no. 42 52 39 25

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 10 June 2024.

Karin Absalonsen
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

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Management's statement

Today, the board of directors and the managing director have presented the annual report of Dania Therapeutics ApS for the financial year 1 January - 31 December 2023.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2023 and of the company's results of activities in the financial year 1 January – 31 December 2023.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Hellerup, 24 May 2024

Managing Director

Hamed Mozaffari Brodersen

Board of directors

Karin Absalonsen

Michael Li

Kristian Helin

Independent auditor's report

To the Shareholders of Dania Therapeutics ApS

Opinion

We have audited the financial statements of Dania Therapeutics ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under 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 conclusion

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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, in which Management describe the basis for preparing the financial statements under the going concern assumption. Our opinion is not modified in respect of this matter.

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.

Independent auditor's report

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 skepticism 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.

Independent auditor's report

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 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 Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Copenhagen, 24 May 2024

Grant Thornton

Certified Public Accountants
Company reg. no. 34 20 99 36

Carsten Mønster

State Authorised Public Accountant
mne18499

Company information

The company

Dania Therapeutics ApS
Sundvænget 36
2900 Hellerup

Company reg. no. 42 52 39 25

Financial year: 1 January - 31 December

Board of directors

Karin Absalonsen, Sundvænget 36, 2900 Hellerup
Michael Li, Storbritannien
Kristian Helin, 1 Rotherwood Road
SW15 1LA London

Managing Director

Hamed Mozaffari Brodersen, Axel Huitfeldtsvei 1, 1170 Oslo, Norge

Auditors

Grant Thornton, Godkendt Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management's review

Description of key activities of the company

The company's object is to be engaged in research and development activities within the field of biotechnology for the purpose of developing medicinal products for cancer and other related activities.

Development in activities and financial matters

The company has continued its research activities as planned during 2023.

In 2023 the company raised funding through convertible loans of 15 million DKK from a strong investment syndicate.

Although the expenses for research in 2023 led to a negative equity at the end of 2023 the funding ensures that there is no reason to special concerns in this regard. Management is confident about the company as an investment case and expects to proceed with the planned extended seed funding in the fall 2024.

Events occurring after the end of the financial year

No other events that would materially affect the Company's financial position have occurred subsequent to the financial year-end

Accounting policies

The annual report for Dania Therapeutics ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Income statement

Other external costs

Other external costs comprise costs incurred for administration.

Staff costs

Staff costs include bonuses and fees.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses realised and unrealised capital gains and losses relating to debt and transactions in foreign currency.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement.

Statement of financial position

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Accounting policies

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers and other payables are measured at amortised cost which usually corresponds to the nominal value.

Convertible and profit sharing debt instruments

Convertible bonds are issued at a fixed conversion price and is regarded as composite instruments comprising a financial liability measured at amortised cost and an equity instrument in the form of the integral conversion right. Fair value of the financial liability is determined on the date of issue by applying a market rate for a similar non-convertible debt instrument. The difference between the proceeds from issuing the convertible debt instrument and the fair value of the financial liability, corresponding to the integral option to convert the liability to shareholders' equity, is recognised directly in the shareholders' equity. The value of the financial liability is recognised as long-term debts and subsequently measured at amortised cost. When extending convertible bonds, a calculation is made at amortised cost relative to the extension. Any difference is recognised in the income statement.

Income statement

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

<u>Note</u>	1/1 2023 - 31/12 2023	1/7 2021 - 31/12 2022
Other external expenses	-9.191.440	-12.859
Gross profit	-9.191.440	-12.859
3 Staff costs	-1.240.000	0
Profit before net financials	-10.431.440	-12.859
Other financial income	41.926	300
Other financial expenses	-332.818	-2
Pre-tax net profit or loss	-10.722.332	-12.561
Tax on net profit or loss for the year	2.000.369	2.820
Net profit or loss for the year	-8.721.963	-9.741
Proposed distribution of net profit:		
Allocated from retained earnings	-8.721.963	-9.741
Total allocations and transfers	-8.721.963	-9.741

Balance sheet at 31 December

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Current assets		
Deferred tax assets	2.000.369	2.820
Other receivables	173.947	0
Total receivables	<u>2.174.316</u>	<u>2.820</u>
Cash and cash equivalents	<u>12.888.821</u>	<u>170</u>
Total current assets	<u>15.063.137</u>	<u>2.990</u>
Total assets	<u>15.063.137</u>	<u>2.990</u>

Balance sheet at 31 December

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity and liabilities		
Equity		
Contributed capital	59.301	55
Share premium	17.177.050	12.512
Retained earnings	-18.463.235	-9.741
Total equity	-1.226.884	2.826
Liabilities other than provisions		
Convertible and profit-sharing debt instruments	15.610.714	0
Payables to associates	0	26
Other payables	0	74
4 Total long term liabilities other than provisions	<u>15.610.714</u>	<u>100</u>
Trade payables	220.111	35
Other payables	459.196	29
Total short term liabilities other than provisions	<u>679.307</u>	<u>64</u>
Total liabilities other than provisions	16.290.021	164
Total equity and liabilities	15.063.137	2.990

1 Material uncertainty related to going concern**2 Special items**

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2023	54.631	12.511.857	-9.741.272	2.825.216
Cash capital increase	4.670	4.665.193	0	4.669.863
Retained earnings for the year	0	0	-8.721.963	-8.721.963
	<u>59.301</u>	<u>17.177.050</u>	<u>-18.463.235</u>	<u>-1.226.884</u>

Notes

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

1. Material uncertainty related to going concern

The expenses related to the continued research has led to negative equity at the end of 2023.

Management is confident about the company as an investment case and expects to proceed with the planned extended seed funding in the fall 2024.

The annual report has been prepared under the going concern assumption.

2. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	1/1 2023 - 31/12 2023	1/7 2021 - 31/12 2022
Income:		
Debt waived off	0	300
	<u>0</u>	<u>300</u>
Special items are recognised in the following items in the financial statements:		
Other financial income	0	300
Profit of special items, net	0	300

3. Staff costs

Salaries and wages	1.240.000	0
	<u>1.240.000</u>	<u>0</u>
Average number of employees	<u>1</u>	<u>0</u>

Notes

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

4. Long term liabilities other than provisions

	Total payables 31 Dec 2023	Current portion of long term payables	Long term payables 31 Dec 2023	Outstanding payables after 5 years
Convertible and profit-sharing debt instruments	15.610.714	0	15.610.714	0
	15.610.714	0	15.610.714	0