



Bioomix A/S

Kochsgade 25, 5000 Odense C

CVR no. 42 55 99 97

**Annual report for the period
1 January to 31 December 2023**

Adopted at the annual general meeting on 8 May 2024

Morten Østergaard Andersen
Chairman


A decorative graphic in the bottom right corner consisting of several overlapping, light gray circular shapes of varying sizes, creating a sense of depth and movement.

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Income statement	9
1 January 2023 - 31 December 2023	
Balance sheet at 31 December 2023	10
Statement of changes in equity	12
Notes	13
Accounting policies	16

Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Bioomix A/S for the financial year 1 January - 31 December 2023.

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 company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Odense C, 11 March 2024

Executive board

Morten Østergaard Andersen
Director

Supervisory board

Henrik Busch-Larsen
chairman

Anders Kjær

Julia Magdalena Østergaard
Andersen

Anders Peter Gram

Independent auditor's report

To the shareholders of Bloomix A/S

Opinion

We have audited the financial statements of Bloomix A/S 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. 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 company's financial position 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 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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.

Independent auditor's report

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 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.

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 auditor's report

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 Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 11 March 2024

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Peter Aagesen
statsautoriseret revisor
mne41287

Company details

The company	Biomix A/S Kochsgade 25 5000 Odense C CVR no.: 42 55 99 97 Reporting period: 1 January - 31 December 2023 Incorporated: 23 July 2021 Domicile: Odense
Supervisory board	Henrik Busch-Larsen, chairman Anders Kjær Julia Magdalena Østergaard Andersen Anders Peter Gram
Executive board	Morten Østergaard Andersen, director
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby

Management's review

Business review

Biomix is a Danish company that develops, produces, and sells microbiological products.

Our vision is to make agriculture more sustainable, profitable, and productive by creating effective and natural microbiological alternatives to harmful and costly agrochemicals.

The past year, 2023, was a great year for our company and we passed several important milestones. Here are some of the highlights.

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of DKK 4.526.454, and the balance sheet at 31 December 2023 shows equity of DKK 50.682.201.

During 2023, our company continued to invest heavily in product development and in establishing itself on the market, Biomix therefore spent more money than was earned through sales and grants. To fund this effort, we raised approximately 47 million DKK in funding through an equity round that closed in October. The funding was raised from several existing investors as well from new investors through Westhill Capital. In connection with the round, Biomix expanded its share capital and converted from a private limited "Anpartsselskab" (ApS) to a public limited "Aktieselskab" (A/S). The company also converted all its convertible loans and became debt free.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Commercial Results

In January, our commercial team launched our first product SeedSpeed® on the Danish market. The product is a seed treatment that contains a new proprietary bacterium. When seeds are coated with the product and sown, the bacterium dissolves phosphate and potassium from the surrounding soil increasing the availability of these nutrients to the plants. The treatment causes plants to emerge faster, allowing them to soak up more sunlight, grow larger and yield more at harvest.

SeedSpeed® was sold to companies that treat seed and they used it as a replacement for pesticidal seed coats on a wide variety of crops. The launch of SeedSpeed® was a big milestone as marked our first commercial launch and gave us our first sales revenue. In the autumn, we resold SeedSpeed® to companies that also bought the product in the spring, giving us returning customers, another big milestone that demonstrates that we provide value to our customers.

Management's review

Production Results

Production in 2023 was done internally. Our production team developed a formulation for SeedSpeed® that was successfully registered as a biostimulant with the Danish Agricultural Agency, and which is allowed in organic farming. An important effort during the year was improving the shelf life of our formulation, work that progressed significantly. Our production team also investigated the possibility of outsourcing our future production to make it scalable faster, negotiations were held with many contract manufacturers in preparation for outsourcing in 2024. Finally, we planned an expansion of our production facilities.

Research and development activities in or for the company

Our biostimulant program progressed during the year resulting in the isolation of several promising bacteria. A key focus was discovering nitrogen fixing bacteria which we did successfully, we expect to turn these bacteria into products during 2024-25. The biostimulant program was co-funded by an Innobooster grant from the Danish Innovation Fund that was successfully concluded in Q3.

In March, we were granted a Missionbooster grant from the Danish Innovation Fund. The grant was for a project concerning the development of new biostimulants for cover crops with the aim to capture and retain carbon and nutrients in fields during autumn and winter. Later in the year, and as part of the project, we managed to isolate several promising bacteria and we achieved good field trial results.

Our biofungicide program also made great progress. We managed to isolate new promising bacteria with high biofungicidal activity. The bacteria passed safety and efficacy testing and were tested by our academic collaborators who found high potency against major cereal fungal diseases in lab and field trials. Our biofungicide program is co-financed by a grant from the Danish Agricultural Agency's GUDP program.

During the year, SeedSpeed® was tested by an external contract research organisation that conducted field trials in Denmark on many different crops. In these trials, SeedSpeed® was shown to provide a statistically significant increase in the emergence of all crops on which it was tested. We also leased a local field where we tested SeedSpeed®, a new product and a new application method in row experiments on different crops at zero fertilisation. In these experiments, we obtained high and statistically significant increases in yields with our products indication that both products may allow farmers to reduce the use of expensive fertiliser while retaining significant yields. These results will support future marketing efforts and will increase the total market potential for SeedSpeed®.

Intellectual Property

During the spring, we were granted an EU-wide trademark on SeedSpeed® protecting our new brand. We also filed a PCT patent application on the bacterial strain that is the active ingredient in SeedSpeed®.

Management's review

Organizational

During 2023, our team expanded from 14 to 17 as we recruited experienced experts from biotech companies and universities to grow our production and research teams. We also added Anders Gram to our board of directors. Anders comes with high-level leadership experience from many different biotech companies, including Indigo Ag and Novonosis.

To accommodate the growing organisation, we established a team structure with team leaders and leased an additional building which enabled us to expand our offices and labs. Our employees are our most important asset, and we invest heavily in them resulting in a strong team and company culture.

Looking forward

The company enters 2024 in a strong financial position, with a product on the market, returning customers, several exciting products in development, two large R&D grants, an expanding intellectual property portfolio, and a great team, organization and culture that can sustain rapid growth.

We are confident that we will continue to make rapid progress towards making agriculture better for farmers, the climate, and the environment.

Income statement

1 January 2023 - 31 December 2023

	Note	2023 DKK	2021/22 DKK (17 mth.)
Gross profit		4.541.580	3.695.775
Staff costs	1	-9.615.354	-6.342.108
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-801.434	-233.836
Other operating costs		-3.138	0
Profit/loss before net financials		-5.878.346	-2.880.169
Financial income		298.952	0
Financial costs		-347.749	-210.063
Profit/loss before tax		-5.927.143	-3.090.232
Tax on profit/loss for the year	2	1.400.689	929.093
Profit/loss for the year		-4.526.454	-2.161.139
Recommended appropriation of profit/loss			
Transferred to reserve for development expenditure		4.383.943	3.024.137
Retained earnings		-8.910.397	-5.185.276
		-4.526.454	-2.161.139

Balance sheet at 31 December 2023

	Note	2023	2022
		DKK	DKK
Assets			
Completed development projects		1.581.983	0
Acquired patents		163.776	46.695
Development projects in progress		7.915.556	3.877.099
Intangible assets	3	9.661.315	3.923.794
Other fixtures and fittings, tools and equipment	4	3.497.952	3.499.948
Leasehold improvements	4	92.038	9.612
Tangible assets		3.589.990	3.509.560
Deposits	5	517.512	350.700
Fixed asset investments		517.512	350.700
Total non-current assets		13.768.817	7.784.054
Trade receivables		20.274	0
Other receivables		2.035.890	1.578.124
Deferred tax asset		201.652	76.131
Corporation tax		1.275.168	852.962
Prepayments		24.795	0
Receivables		3.557.779	2.507.217
Cash at bank and in hand		34.845.836	2.796.877
Total current assets		38.403.615	5.304.094
Total assets		52.172.432	13.088.148

Balance sheet 31 December

Note	2023	2022
	DKK	DKK
Equity and liabilities		
Share capital	402.520	55.265
Reserve for development expenditure	7.408.080	3.024.137
Retained earnings	42.871.601	4.798.034
Equity	50.682.201	7.877.436
Convertible and profit-yielding instruments of debt	0	4.160.000
Total non-current liabilities	0	4.160.000
Trade payables	764.749	527.910
Other payables	725.482	522.802
Total current liabilities	1.490.231	1.050.712
Total liabilities	1.490.231	5.210.712
Total equity and liabilities	52.172.432	13.088.148

Statement of changes in equity

	Share capital	Share premium account	Reserve for developme nt expendit ure	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	55.265	0	3.024.137	4.798.033	7.877.435
Increase of capital by conversion of debt	5.239	9.028.678	0	0	9.033.917
Cash capital increase	342.016	37.955.287	0	0	38.297.303
Net profit/loss for the year	0	0	4.383.943	-8.910.397	-4.526.454
Transfer from share premium account	0	-46.983.965	0	46.983.965	0
Equity at 31 December	402.520	0	7.408.080	42.871.601	50.682.201

Notes

	<u>2023</u>	<u>2021/22</u>
	DKK	DKK (17 mth.)
1 Staff costs		
Wages and salaries	8.731.234	5.580.996
Pensions	621.271	582.771
Other social security costs	98.760	60.675
Other staff costs	164.089	117.666
	<u>9.615.354</u>	<u>6.342.108</u>
Number of fulltime employees on average	<u>15</u>	<u>11</u>
2 Tax on profit/loss for the year		
Current tax for the year	-1.275.168	-852.962
Deferred tax for the year	-125.521	-76.131
	<u>-1.400.689</u>	<u>-929.093</u>

Notes

3 Intangible assets

	Completed development projects DKK	Acquired patents DKK	Development projects in progress DKK
Cost at 1 January	0	53.366	3.877.099
Additions for the year	0	138.571	5.796.216
Transfers for the year	1.757.759	0	-1.757.759
Cost at 31 December	<u>1.757.759</u>	<u>191.937</u>	<u>7.915.556</u>
Impairment losses and amortisation at 1 January	0	6.671	0
Amortisation for the year	175.776	21.490	0
Impairment losses and amortisation at 31 December	<u>175.776</u>	<u>28.161</u>	<u>0</u>
Carrying amount at 31 December	<u>1.581.983</u>	<u>163.776</u>	<u>7.915.556</u>

The company's development projects relate to the development of cells and microbes within agriculture. The projects are expected to be continuously developed in the coming financial years, and none of the projects have currently been completed.

4 Tangible assets

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January	3.726.985	9.740
Additions for the year	588.933	98.803
Disposals for the year	-5.648	0
Cost at 31 December	<u>4.310.270</u>	<u>108.543</u>
Impairment losses and depreciation at 1 January	227.037	128
Depreciation for the year	587.791	16.377
Reversal of impairment and depreciation of disposed assets	-2.510	0
Impairment losses and depreciation at 31 December	<u>812.318</u>	<u>16.505</u>
Carrying amount at 31 December	<u>3.497.952</u>	<u>92.038</u>

Notes

5 Fixed asset investments

	Deposits DKK
Cost at 1 January	350.700
Additions for the year	166.812
Cost at 31 December	517.512
Carrying amount at 31 December	517.512

6 Contingent liabilities

The company has entered into rental and leasing agreements with a total obligation per 31 December 2023 on TDKK 3,558.

Accounting policies

The annual report of Biomix A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK.

Comparative figures include 17 months, as 2021/22 was the company's first financial year

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 amortisation, depreciation and impairment losses, 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 the asset 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 the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

Revenue

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other operating income

The item Other operating income includes items of a secondary nature relative to the company's activities.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and items of property, plant and equipment.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment 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 that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Intangible assets

Development projects and patents

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 10 years.

Patents are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, however not more than 8 years.

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

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

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Fixed asset investments

Deposits are measured at cost.

Accounting policies

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.