

# Sevenless Therapeutics ApS

Ole Maaløes Vej 3, 3

2200 København N

CVR No. 43311999

## Annual Report

6 June 2022 - 31 December 2022

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on

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## Sevenless Therapeutics ApS

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## **Management's Statement**

The Board of Directors has today considered and approved the annual report of for the financial year 6 June 2022 - 31 December 2022.

The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2022 and of the results of its operations for the financial year 6 June 2022 - 31 December 2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 29. June 2023

### **Board of Directors**

Alex Leech  
Chair

Neil Benson  
Board Member and CEO

Alasdair Naylor  
Board Member and CSO

## Sevenless Therapeutics ApS

### Company details

<b>Company</b>	Sevenless Therapeutics ApS Ole Maaløes Vej 3, 3 2200 København N
CVR No.	43311999
Date of formation	6 June 2022
Financial year	6 June 2022 - 31 December 2022

<b>Board of Directors</b>	Alex Leech Neil Benson Alasdair Naylor
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## **Sevenless Therapeutics ApS**

### **Management's Review**

#### **The Company's principal activities**

Sevenless Therapeutics ApS is a private drug discovery and development company whose principal activity is to develop medicines for the treatment of diseases with high unmet medical needs.

#### **Financial Development**

The profit for the first period of operations, from 6 June 2022 to 31 December 2022, amounted to DKK 0.175m. Management considers the result satisfactory and in accordance with expectations.

#### **Events after the balance sheet date**

On 28 March 2023, Sevenless Therapeutics ApS was awarded a grant of DKK 0.4m from Innovationsfonden.

## **Accounting Policies**

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

This is the first financial period for the company and therefore there are no comparative figures.

The annual report is presented in Danish kroner.

### **INCOME STATEMENT**

#### **Gross profit/loss**

Gross profit or loss comprises revenue, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

#### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration.

#### **Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost.

#### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

#### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

#### **Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for the entity's staff.

#### **Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to equipment comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of equipment.

#### **Other financial income**

Other financial income comprises interest income on receivables from payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

#### **Other financial expenses**

Other financial expenses comprise interest expenses on payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Financial income and financial expenses include interests, realised and unrealised gains and losses on assets and liabilities transactions in foreign currencies.

#### **Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## Accounting Policies

### BALANCE SHEET

#### Development projects in progress

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs used in the development process are recognised in cost based on time spent on each project.

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

#### Plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

- Other fixtures and fittings, tools and equipment 5 years

Items of equipment are written down to the lower of recoverable amount and carrying amount.

#### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

#### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

#### Cash

Cash comprises cash in bank deposits.

#### Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

#### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

## **Accounting Policies**

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### **Translation of foreign currencies**

Transactions in foreign currencies are at the initial recognition translated at exchange rate on the transaction date. Foreign exchange rate differences arising between the exchange rate at the transaction date and the exchange rate at the payment date are recognised in the income statement as financial income or financial expense.

Receivables, payables and other monetary items in foreign currency are translated at the exchange rate of the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the date of the occurrence of receivable and liability is recognised in the income statement as financial income or financial expense.



## Sevenless Therapeutics ApS

### Income Statement

	Note	2022 kr.
Gross profit		-141,501
<b>Result from ordinary operating activities</b>		<u>-141,501</u>
Finance income		26,867
Finance expenses		-12,667
<b>Result from ordinary activities before tax</b>		<u>-127,301</u>
Corporate Tax		302,695
<b>Result</b>		<u>175,394</u>
<b>Proposed distribution of results</b>		
Retained earnings		<u>175,394</u>
<b>Distribution of result</b>		<u>175,394</u>

Sevenless Therapeutics ApS

Balance Sheet as of 31 December

	Note	2022 kr.
<b>Assets</b>		
Development projects in progress	2	<u>3,821,860</u>
<b>Intangible assets</b>		<u><b>3,821,860</b></u>
<b>Fixed assets</b>		<u><b>3,821,860</b></u>
Tax credit receivables		808,743
VAT receivables		<u>51,398</u>
<b>Receivables</b>		<u><b>860,141</b></u>
<b>Cash and cash equivalents</b>		<u><b>4,024,687</b></u>
<b>Current assets</b>		<u><b>4,884,828</b></u>
<b>Assets</b>		<u><b>8,706,688</b></u>

Sevenless Therapeutics ApS

Balance Sheet as of 31 December

	Note	2022 kr.
<b>Liabilities and equity</b>		
Contributed capital		40,000
Reserve for development expenditure		2,981,050
Retained earnings		-2,805,656
<b>Equity</b>		<u><b>215,394</b></u>
Convertible loan	3	<u>7,075,753</u>
<b>Long-term liabilities other than provisions</b>		<u><b>7,075,753</b></u>
Payables to group enterprises		93,992
Deferred tax		506,048
Other payables		815,501
<b>Short-term liabilities other than provisions</b>		<u><b>1,415,541</b></u>
<b>Liabilities other than provisions within the business</b>		<u><b>8,491,294</b></u>
<b>Liabilities and equity</b>		<u><b>8,706,688</b></u>
Contingent liabilities	4	
Collaterals and securities	5	

## Sevenless Therapeutics ApS

### Statement of changes in Equity

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 6 June 2022	40,000	0	40,000
Profit (loss)	0	-2,805,656	-2,805,656
<b>Equity 31 December 2022</b>	<b>40,000</b>	<b>-2,805,656</b>	<b>-2,765,656</b>

## Notes

2022

### 1. Information on average number of employees

Average number of employees

0

### 2. Development projects in progress

The Company is developing a novel, non-opioid, small molecule drug with analgesic effect similar to opioids but without the potentially life-destroying side effects of opioid-based medicine. Chronic pain is an increasing common condition, and Sundhedsstyrelsen estimate that the number of people with chronic pain in Denmark has increased from 19% in 2000 to 29% in 2017, corresponding to over 1.3 million Danes. Chronic pain has a significant effect on both health-related quality of life and the ability to work, and accounts for 20% of Danish sick days (Sundhedsstyrelsen, 2020). As one of the only truly novel non-opiate-derived pain medicines in development, Sevenless Therapeutics' approach has multi-blockbuster potential. It is management's assessment that the company will be able to raise the required capital and has the necessary expertise to successfully undertake the pre-clinical and clinical development of the company's drug candidates.

### 3. Convertible loan

The Company has signed an agreement regarding a convertible loan up to 10 million DKK. The internal rate is 5% per annum. and the maturity day is 31. May 2025.

The convertible loan can not be repaid in the period and can be repaid upon maturity or converted into shares in the company of the parent company.

### 4. Contingent liabilities

The Company has signed a rental agreement expiring 30. November 2023 with a 3 months notice.

### 5. Collaterals and securities

The Company has no collaterals and has not provided any securities.