
Biomia ApS

Lersø Parkallé 44, 3, DK-2100 København Ø

Annual Report for 31 October 2022 - 31 December 2023

CVR No. 43 61 65 95

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 12/4 2024

Henrik Stage
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Biomia ApS for the financial year 31 October 2022 - 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 financial position at 31 December 2023 of the Company and of the results of the Company operations for 2022/23.

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.

København, 8 March 2024

Executive Board

Michael Krogh Jensen
CEO

Board of Directors

Henrik Stage
Chairman

Michael Krogh Jensen

Independent Auditor's report

To the shareholder of Biomia ApS

Opinion

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 31 October 2022 - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Biomia ApS for the financial year 31 October 2022 - 31 December 2023, 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 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.

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 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.

Hellerup, 8 March 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Torben Jensen

State Authorised Public Accountant

mne18651

Claus Carlsson

State Authorised Public Accountant

mne29461

Company information

The Company	Biomia ApS Lersø Parkallé 44, 3 DK-2100 København Ø CVR No: 43 61 65 95 Financial period: 31 October 2022 - 31 December 2023 Incorporated: 31 October 2022 Financial year: 1st financial year Municipality of reg. office: København
Board of Directors	Henrik Stage, chairman Michael Krogh Jensen
Executive Board	Michael Krogh Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's review

Key activities

Biomia is a biotech company with a vision to discover and develop novel medicinal leads from nature's pharmacopeia for the safe and efficacious treatment of patients with unmet needs suffering from central nervous system (CNS) and mental health disorders. Our key activities are i) development of efficient biocatalytic processes for fermentation-based manufacturing of plant-inspired alkaloid pharmacophores, ii) in silico/in vitro/in vivo pre-clinical drug discovery, iii) lead optimization and iv) further preclinical and clinical development of selected candidates. Complementing the company's key platform technology to produce plant-inspired alkaloids with optimized therapeutic efficacy and safety, Biomia's discovery pipeline focuses on new-to-nature alkaloids for the treatment of pain, schizophrenia and bipolar conditions.

Letter from the Chairman and CEO

Pre-seed investment

2023 marked a milestone with the successful raise of a USD 3.04M pre-seed investment lead by BlueYard Capital and follow investors Amino Collective and Nucleus Capital.

Intellectual property and publications of Biomia's groundbreaking technology

During 2023 Biomia has published 2 seminal peer-reviewed studies in high-impact scientific journals, Nature and Nature Chemical Biology, on the manufacturing and optimization of plant alkaloid drug leads. The key intellectual properties related to the design of cell factories and the biocatalytic processes have been included in two patent applications.

Expected activities in 2024

We will continue to advance Biomia's platform capabilities and pipeline in 2024. With the pre-seed funding our activities are financed until mid 2025, and we remain confident that our constant drive to delivering on our platform and pipeline targets will provide us with a strong preclinical data package prior to raising the next round of financing.

This will not be possible without our dedicated employees who put in all their diligence, commitment, and motivation to constantly improve Biomia in our quest to deliver a scalable manufacturing technology and drug discovery engine for safe and efficacious plant-inspired medicines for patients worldwide.

Development in activities and financial matters

The gross loss for the year totals DKK 581k. Income or loss from ordinary activities after tax totals DKK -933k and shareholder's equity amounted to DKK 19,185k. The management considers the results as expected in the early company creation stage of Biomia.

Subsequent events

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

Income statement 31 October 2022 - 31 December 2023

	Note	2022/23 DKK 14 months
Gross profit/loss		-581,849
Staff expenses	2	-1,009,343
Profit/loss before financial income and expenses		-1,591,192
Financial income		393,277
Financial expenses		-2,231
Profit/loss before tax		-1,200,146
Tax on profit/loss for the year	3	267,040
Net profit/loss for the year		-933,106
 Distribution of profit		
		2022/23 DKK
Proposed distribution of profit		
Retained earnings		-933,106
		-933,106

Balance sheet 31 December 2023

Assets

	Note	2022/23
		DKK
Deposits	4	218,727
Fixed asset investments		<u>218,727</u>
Fixed assets		<u>218,727</u>
Other receivables		304,114
Corporation tax		267,040
Prepayments		396,307
Receivables		<u>967,461</u>
Cash at bank and in hand		<u>18,449,785</u>
Current assets		<u>19,417,246</u>
Assets		<u>19,635,973</u>

Balance sheet 31 December 2023

Liabilities and equity

	Note	2022/23
		DKK
Share capital	5	60,292
Share premium account		0
Retained earnings		19,124,410
Equity		<u>19,184,702</u>
Trade payables		196,222
Other payables		255,049
Short-term debt		<u>451,271</u>
Debt		<u>451,271</u>
Liabilities and equity		<u>19,635,973</u>
Capital resources and liquidity	1	
Contingent assets, liabilities and other financial obligations	6	
Accounting Policies	7	

Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 31 October	40,000	0	0	40,000
Cash capital increase	20,292	20,605,366	0	20,625,658
Capital increase costs	0	0	-547,850	-547,850
Transferred	0	-20,605,366	20,605,366	0
Net profit/loss for the year	0	0	-933,106	-933,106
Equity at 31 December	60,292	0	19,124,410	19,184,702

Notes to the Financial Statements

1. Capital resources and liquidity

Biomia is a synthetic biology company developing a pipeline of plant-inspired natural and new-to-nature halogenated small molecule drug candidates (Monoterpene Indole Alkaloids (MIAs)) for unmet medical needs in pain, mental health disorders, and addiction. Biomia is a spin-out from the Technical University of Denmark and activities have been funded by the Novo Nordisk Foundation, European Union, and BioInnovation Institute.

Biomia's unique ability to design and integrate halogenation into the design of the compounds as well as in the state-of-the-art manufacturing platform is expected to generate substantially improved drug candidates with optimized ADME properties and tox profiles, and Biomia aims to develop an internal pipeline MIA drug candidates with well-established links between the MIA targets and the diseases as well as leveraging its platform and discovery engine through partnerships.

As a development stage start-up life-science company, and like other development stage companies, the Company has had a negative cash flow in 2023 and expect negative cash flow in 2024. Currently Biomia has no income from sale of products, licenses, partnerships etc. Biomia is therefore depended on obtaining grants or proceeds from capital increases before Biomia starts to generate income and positive cash flow can be realised.

The Board of Directors and Executive Management are constantly monitoring the Company's financial position to be prepared to take adequate measures to secure the company.

If the Company obtains fewer positive cash flows from capital increases or soft funding than expected the Board of Directors and Executive Management will examine other sources of liquidity and/or reduce the operating expenses to ensure going concern of the Company.

The Board of Directors and Executive Management have based on the cash and cash equivalents 31 December 2023 and the expected activities for 2024 concluded that the Company is a going concern for 2024.

2022/23

DKK
14 months

2. Staff Expenses

Wages and salaries	902,173
Pensions	102,209
Other social security expenses	4,260
Other staff expenses	701
	<u>1,009,343</u>

Average number of employees	<u>1</u>
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In the period from 1 September 2023 to 31 December 2023, the Company had 4 employees. Before 1 September 2023 the Company had no employees.

Notes to the Financial Statements

	<u>2022/23</u>
	DKK
	14 months
3. Income tax expense	
Current tax for the year	-267,040
	<u>-267,040</u>
4. Other fixed asset investments	
	Deposits
	DKK
Cost at 31 October	0
Additions for the year	218,727
Cost at 31 December	<u>218,727</u>
Carrying amount at 31 December	<u>218,727</u>
5. Share capital	
The share capital of DKK 60,292, consists of 40,000 A-shares and of 20,292 B-shares.	
B-shares has a liquidity preference in case of sale all or substantially all shares. Furthermore B-shares has an anti-dilution protection.	
	<u>2022/23</u>
	DKK
6. Contingent assets, liabilities and other financial obligations	
Rental and lease obligations	
Lease obligations under operating leases. Total future lease payments:	
Within 1 year	221,052
	<u>221,052</u>

Notes to the Financial Statements

7. Accounting policies

The Annual Report of Biomia ApS for 2022/23 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 Financial Statements for 2022/23 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.

Income statement

Direct expenses

Direct expenses primarily include operating expenses 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, direct expenses and other external expenses.

Staff expenses

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.

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 deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Notes to the Financial Statements

Other fixed asset investments

Other 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 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 liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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