

**Vascudyne Europe A/S**

**H.C. Andersens Boulevard 11, 1, 1553 København V**

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**Annual report**

**2022/23**

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**Company reg. no. 43 72 98 10**

The annual report was submitted and approved by the general meeting on the 2 August 2024.

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**Claus Stoltenborg**  
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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## **Management's statement**

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Today, the Board of Directors and the Managing Director have approved the annual report of Vascudyne Europe A/S for the financial year 2022/23.

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

We consider the chosen accounting policy to be appropriate, and 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 21 December 2022 - 31 December 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

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

København V, 2 August 2024

### **Managing Director**

Richard Francis Murphy

### **Board of directors**

Claus Stoltenborg  
Chairman

Claude Richard Amos

Søren Brinkmann

Nicolas Hugo Eric Oltramare

## Independent auditor's report

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### To the Shareholders of Vascudyne Europe A/S

#### Opinion

We have audited the financial statements of Vascudyne Europe A/S for the financial year 21 December 2022 - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet 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 21 December 2022 - 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.

#### 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.

#### 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

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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.

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**

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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, 2 August 2024

### **Martinsen**

State Authorised Public Accountants  
Company reg. no. 32 28 52 01

### **Leif Tomasson**

State Authorised Public Accountant  
mne25346

## Company information

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<b>The company</b>	Vascudyne Europe A/S H.C. Andersens Boulevard 11, 1 1553 København V  Company reg. no. 43 72 98 10 Established: 21 December 2022 Financial year: 21 December - 31 December 0th financial year
<b>Board of directors</b>	Claus Stoltenborg, Chariman Claude Richard Amos Søren Brinkmann Nicolas Hugo Eric Oltramare
<b>Managing Director</b>	Richard Francis Murphy
<b>Auditors</b>	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø
<b>Parent company</b>	Vascudyne Inc. 296 Chester Street Saint Paul, Minnesota 55107 USA

## **Management´s review**

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### **Description of key activities of the company**

The key activities are to assist the USA mother company in commercializing regenerative acellular in-vitro grown “allograft” tissue applications by way of being the legal counterpart for European clinical trials and be the driver for European regulatory approvals.

In 2023 and up until mid year 2024 the activity level has been low as the company is still awaiting its European regulatory designation. The first European clinical trials are planned for 2025.

### **Development in activities and financial matters**

The gross loss for the year totals DKK -1.311.045. Income or loss from ordinary activities after tax totals DKK -2.142.661. Management considers the net profit or loss for the year satisfactory.

To finance the company Vascudyne has provided a loan of that first will have to be repaid when Vascudyne Europe A/S has obtained market permissions and turns profitable from selling Vascudyne products in the European markets.



## Accounting policies

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The annual report for Vascudyne Europe A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

## Income statement

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

### 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, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

## Accounting policies

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### Statement of financial position

#### Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

#### Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

#### Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

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

#### Deferred income

Payments received concerning future income are recognised under deferred income.

## Income statement

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All amounts in DKK.

<u>Note</u>	21/12 2022 - 31/12 2023
<b>Gross profit</b>	<b>-1.311.045</b>
1 Staff costs	-503.194
<b>Operating profit</b>	<b>-1.814.239</b>
Other financial income	144.458
Other financial expenses	-472.880
<b>Pre-tax net profit or loss</b>	<b>-2.142.661</b>
<b>Net profit or loss for the year</b>	<b>-2.142.661</b>
<b>Proposed distribution of net profit:</b>	
Allocated from retained earnings	-2.142.661
<b>Total allocations and transfers</b>	<b>-2.142.661</b>

**Balance sheet**

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All amounts in DKK.

<b>Assets</b>	<b>31/12 2023</b>
<u>Note</u>	<u></u>
<b>Current assets</b>	
Other receivables	348.608
Prepayments	<u>211.425</u>
Total receivables	<u>560.033</u>
Cash and cash equivalents	<u>5.042.968</u>
<b>Total current assets</b>	<b><u>5.603.001</u></b>
<b>Total assets</b>	<b><u>5.603.001</u></b>

## Balance sheet

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All amounts in DKK.

<u>Note</u>	<u>31/12 2023</u>
<b>Equity and liabilities</b>	
<b>Equity</b>	
Contributed capital	400.000
Results brought forward	-2.142.661
<b>Total equity</b>	<b>-1.742.661</b>
 <b>Liabilities other than provisions</b>	
2 Payables to group enterprises	7.029.500
Total long term liabilities other than provisions	7.029.500
Trade creditors	18.815
Other payables	55.324
Deferred income	242.023
Total short term liabilities other than provisions	316.162
<b>Total liabilities other than provisions</b>	<b>7.345.662</b>
 <b>Total equity and liabilities</b>	 <b>5.603.001</b>

## Notes

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All amounts in DKK.

	21/12 2022
	<u>- 31/12 2023</u>
<b>1. Staff costs</b>	
Salaries and wages	440.626
Pension costs	60.000
Other costs for social security	<u>2.568</u>
	<b><u>503.194</u></b>
 Average number of employees	 <u>1</u>
 <b>2. Payables to group enterprises</b>	
The loan will first have to be repaid when Vascudyne Europe A/S has obtained market permissions and turns profitable from selling Vascudyne products in the European markets.	