Samplix ApS

Bregnerødvej 96, DK-3460 Birkerød

Annual Report for 2024

CVR No. 32 30 93 21

The Annual Report was presented and adopted at the Annual General Meeting of the company on 20/6 2025

Frans Rossen
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Samplix ApS for the financial year 1 January - 31 December 2024.

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 2024 of the Company and of the results of the Company operations for 2024.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Birkerød, 10 June 2025

Executive Board

Lars Kongsbak
CEO

Board of Directors

Erik Max Michael Obermayer Chairman	Henrik Christensen	Lars Krogsgaard

Independent Auditor's report

To the shareholders of Samplix ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company´s operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Samplix ApS for the financial year 1 January - 31 December 2024, 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.

Material Uncertainty Related to Going Concern

Without it having affected our opinion, we draw attention to the information in note 1 in which Management describes the uncertainty relating to the Company's ability to continue operations. As at present no binding agreements have been made with the Shareholders or others regarding additional funds to the continued operations. This matter indicates a material uncertainty which may give rise to considerable doubt as to whether the Company will be able to continue its operations.

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.

Hillerød, 10 June 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Aslund Pedersen
State Authorised Public Accountant
mne17120

Company information

The Company	Samplix ApS Bregnerødvej 96 DK-3460 Birkerød CVR No: 32 30 93 21 Financial period: 1 January - 31 December Municipality of reg. office: Rudersdal
Board of Directors	Erik Max Michael Obermayer, chairman Henrik Christensen Lars Krogsgaard
Executive Board	Lars Kongsbak
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Milnersvej 43 DK-3400 Hillerød

Management's review

Key activities

Understanding the functional behaviour of individual cells is becoming a cornerstone of next-generation healthcare and drug discovery. In many diseases-including cancer, autoimmune disorders, and infectious diseases-the key to better treatments lies in resolving the functional heterogeneity of cells, something that bulk analysis methods fail to capture.

Samplix provides a proprietary platform for high-throughput, functional single-cell analysis. Using advanced microfluidics and droplet technology, we enable researchers to isolate, monitor, and analyse individual cells at unprecedented resolution and scale.

Our platform supports a range of applications including:
- Therapeutic antibody discovery, where we can screen an unprecedented number of plasma cells in a single experiment-far exceeding the capabilities of conventional platforms
- Cell therapy research, including the detection of rare cell-cell interactions and assessment of engineered immune cells at a functional level
- Functional genomics workflows, enabling linkage of functionality to transcriptomics on a single-cell basis
- Screening of large libraries relevant for synthetic biology applications.

Samplix is actively collaborating with leading hospitals and global pharmaceutical companies, and our technology is being validated in large-scale studies. We have also entered a commercial partnership with commercial partners to support broader adoption worldwide.

By enabling access to single-cell function at scale, Samplix is transforming how researchers understand biology and develop new therapies. We are dedicated to making functional single-cell analysis broadly accessible and bringing powerful insights to the front lines of medicine and biotechnology.

About Samplix

Samplix ApS empowers the life sciences and medical research communities with cutting-edge microfluidics-based solutions. At Samplix, our mission is to elevate the resolution and throughput of genomics, cell screening, and molecular engineering workflows, providing researchers with unparalleled insights into the intricate world of cells and genomes.

Our proprietary Samplix technology is meticulously crafted to offer targeted DNA and single-cell insights. Through the generation of highly stable microfluidic double-emulsion droplets, we encapsulate biological material with precision, including single-cells, organelles, and single molecules. These microfluidic wonders pave the way for a myriad of high-resolution downstream analyses, ranging from assessments of single-cell functional heterogeneity to the acceleration of enzyme engineering.

At Samplix, we are more than just developers of microfluidics solutions; we are dedicated partners ready to assist academic, corporate, and government researchers in achieving their goals. Our expertise extends across diverse fields such as human genomics, gene and cell therapy, plant genomics, and synthetic biology.

Development in the year

The income statement of the Company for 2024 shows a loss of DKK 37,358,141, and at 31 December 2024 the balance sheet of the Company shows a negative equity of DKK 58,804,666.

Management's review

Advancing Innovation and Expanding Market Reach

In 2024, we successfully introduced the Xdrop Model II, a next-generation version of our Xdrop instrument. This new model offers significantly enhanced robustness and improved control over droplet formation, addressing critical user requirements and ensuring greater reproducibility in experiments. Additionally, we developed a more sophisticated and user-friendly software platform, granting researchers increased flexibility in customizing workflows for their specific applications. These advancements have broadened the potential use cases of the instrument, improved its ease of adoption among researchers working with single-cell analysis, and further strengthened Samplix's position as a leader in the field.

Following the launch of Xdrop Model II, we engaged with a substantially larger number of users than ever before, including winners of our grant program, potential customers, and key opinion leaders who are highly influential in the single-cell research community. By placing instruments directly in the hands of end users, we gained invaluable insights into market demands, user workflows, and application-specific challenges. These interactions have provided critical input for refining our product offerings, including reagent kits, protocols, and software solutions, ensuring that our technology remains at the forefront of innovation.

Additionally, our early engagements within the single-cell market segments have yielded valuable insights that will further refine our go-to-market strategies, optimizing how we position and introduce our solutions to potential customers. As part of our commitment to continuous improvement, we will maintain this iterative feedback process throughout 2025, allowing us to adapt swiftly to evolving customer needs and further strengthen our market adoption strategy.

On the manufacturing front, we completed the development of dedicated tools for moulding key microfluidic chips, significantly improving the quality, reproducibility, and scalability of our production processes. These advancements not only enhance the reliability and precision of our products but also facilitate higher production volumes at a reduced cost, ensuring better accessibility for customers. As demand for single-cell functional analysis grows, these improvements will play a crucial role in supporting our expanding customer base.

Our product development programs, supported by the prestigious European Innovation Council (EIC) Accelerator Grant, continue to progress as planned. These programs are set to deliver multiple new products and protocols for commercialization in 2025, further expanding our portfolio and reinforcing Samplix's leadership in microfluidics-based single-cell analysis.

Scientific validation remains crucial in our field, and in 2024, we achieved a key milestone with our first peer-reviewed publication demonstrating the use of our technology in immune cell analysis. These publications serve as an important driver of credibility and adoption within the research community, ensuring that our solutions gain broader recognition among scientists, clinicians, and industry partners. We expect further publications in 2025 to solidify the scientific foundation of our technology and support commercial traction.

To further enhance market visibility and commercial success, we are actively strengthening our strategic partnerships. Notably, our collaboration with Agilent has led to the co-development of marketing materials, exemplifying our commitment to joint market engagement. We will continue to explore similar partnerships to accelerate awareness and adoption of our technologies, positioning Samplix as a key player in the growing field of single-cell functional and molecular analysis.

Despite challenging market conditions throughout much of 2024, we observed early signs of recovery toward the end of the year, particularly in the United States. The growing demand in North America highlights the need for a stronger focus on securing adequate resources for sales, customer support, and market expansion in the region. As we move into 2025, we are actively working on strategies to strengthen our presence in this key market, ensuring that we capitalize on emerging growth opportunities.

Looking ahead, we remain steadfast in our commitment to driving innovation, strengthening our market position, and advancing single-cell research solutions to meet the evolving needs of our customers and partners worldwide. With a strong foundation built in 2024, we are well-positioned to accelerate growth and continue making a lasting impact on the field of single-cell analysis in the coming year.

Management's review

Financing

Samplix is transitioning its focus from product development to commercial execution, which requires additional funding. To bridge the gap until the next round of venture financing, the company is establishing a venture loan million. This funding is expected to be completed in June and will cover financial needs through 2025. For further information, please refer to Note 1 of the annual financial statements

In 2023, Samplix was awarded a prestigious Accelerator Grant from the European Innovation Council, which included a €7.5 million equity investment component from the European Investment Bank (EIB). Following the EIB's successful due diligence, we are now actively working to secure the right venture investors to support Samplix’s continued growth.

Subsequent events

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

Income statement 1 January - 31 December

	Note	2024	2023
		DKK	DKK
Gross profit		**11,044,503**	**6,431,109**
Distribution expenses	2	-9,069,493	-11,408,987
Development expenditure	2	-30,940,347	-31,364,418
Administrative expenses	2	-4,914,761	-5,168,955
Profit/loss before financial income and expenses		**-33,880,098**	**-41,511,251**
Financial income		8,862	47,698
Financial expenses		-8,986,905	-8,435,919
Profit/loss before tax		**-42,858,141**	**-49,899,472**
Tax on profit/loss for the year	3	5,500,000	5,500,000
Net profit/loss for the year		**-37,358,141**	**-44,399,472**

Distribution of profit

	2024	2023
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-37,358,141	-44,399,472
	-37,358,141	**-44,399,472**

Balance sheet 31 December

Assets

	Note	2024	2023
		DKK	DKK
Completed development projects		17,570,723	20,035,631
Acquired patents		1,178,533	1,320,494
Intangible assets	4	**18,749,256**	**21,356,125**
Other fixtures and fittings, tools and equipment		3,085,560	4,705,193
Leasehold improvements		365,091	600,459
Property, plant and equipment	5	**3,450,651**	**5,305,652**
Investments in subsidiaries		1	0
Deposits	6	633,390	585,208
Fixed asset investments		**633,391**	**585,208**
Fixed assets		**22,833,298**	**27,246,985**
Raw materials and consumables		836,317	2,154,168
Work in progress		8,675,640	2,977,642
Finished goods and goods for resale		3,790,266	6,590,783
Inventories		**13,302,223**	**11,722,593**
Trade receivables		331,091	351,401
Receivables from group enterprises		1,491,888	68,672
Other receivables		295,603	184,487
Corporation tax		5,500,000	5,500,000
Prepayments		204,641	102,470
Receivables		**7,823,223**	**6,207,030**
Cash at bank and in hand		**5,021,920**	**8,968,328**
Current assets		**26,147,366**	**26,897,951**
Assets		**48,980,664**	**54,144,936**

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		DKK	DKK
Share capital		1,237,424	1,237,424
Reserve for development costs		13,705,164	15,627,794
Retained earnings		-73,747,254	-38,311,743
Equity		**-58,804,666**	**-21,446,525**
Convertible and profit-yielding instruments of debt		73,885,059	40,245,656
Lease obligations		18,484	142,957
Other payables		28,253,476	18,945,266
Long-term debt	7	**102,157,019**	**59,333,879**
Lease obligations	7	131,463	185,765
Trade payables		2,346,762	2,409,407
Other payables	7	2,679,375	11,010,868
Deferred income		470,711	2,651,542
Short-term debt		**5,628,311**	**16,257,582**
Debt		**107,785,330**	**75,591,461**
Liabilities and equity		**48,980,664**	**54,144,936**
Going concern	1		
Contingent assets, liabilities and other financial obligations	8		
Accounting Policies	9		

Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	1,237,424	15,627,794	-38,311,743	-21,446,525
Depreciation, amortisation and impairment for the year	0	-1,922,630	1,922,630	0
Net profit/loss for the year	0	0	-37,358,141	-37,358,141
Equity at 31 December	**1,237,424**	**13,705,164**	**-73,747,254**	**-58,804,666**

Notes to the Financial Statements

1. Going concern

Samplix is transitioning its focus from product development to commercial execution, which requires additional funding. To bridge the gap until the next round of venture financing, the company is establishing a venture loan. This funding is expected to be completed in June and will cover financial needs through 2025.

No binding agreement has been entered with the shareholders or other regarding additional funds to the continued operations. However, based on discussions with the shareholders, management assesses that it will be possible to obtain liquidity to finance the continued operations and consequently the financial statements have been prepared on going concern basis. This indicates a material uncertainty which may give rise to considerable doubts as to whether the Company will be able to continue its operations.

2. Staff

	2024	2023
	DKK	DKK
Wages and salaries	20,086,887	19,864,445
Pensions	2,534,627	2,058,217
Other social security expenses	429,802	574,091
	23,051,316	**22,496,753**
Average number of employees	**31**	**27**

3. Income tax expense

	2024	2023
	DKK	DKK
Current tax for the year	-5,500,000	-5,500,000
	-5,500,000	**-5,500,000**

Notes to the Financial Statements

4. Intangible fixed assets

	Completed development projects	Acquired patents
	DKK	DKK
Cost at 1 January	24,644,592	2,051,904
Cost at 31 December	24,644,592	2,051,904
Impairment losses and amortisation at 1 January	4,608,961	731,410
Amortisation for the year	2,464,908	141,961
Impairment losses and amortisation at 31 December	7,073,869	873,371
Carrying amount at 31 December	**17,570,723**	**1,178,533**

Deveopment projects consist of development of products for which management evalutates a great market potential.

5. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	DKK	DKK
Cost at 1 January	9,112,201	1,147,634
Additions for the year	1,079,738	0
Cost at 31 December	10,191,939	1,147,634
Impairment losses and depreciation at 1 January	4,407,008	547,175
Depreciation for the year	2,699,371	235,368
Impairment losses and depreciation at 31 December	7,106,379	782,543
Carrying amount at 31 December	**3,085,560**	**365,091**
Including assets under finance leases amounting to	174,577	0

Notes to the Financial Statements

6. Other fixed asset investments

	Deposits
	DKK
Cost at 1 January	585,208
Additions for the year	48,182
Cost at 31 December	633,390
Carrying amount at 31 December	**633,390**

	2024	2023
	DKK	DKK

7. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2024	2023
Convertible and profit-yielding instruments of debt		
After 5 years	0	0
Between 1 and 5 years	73,885,059	40,245,656
Long-term part	73,885,059	40,245,656
Within 1 year	0	0
	73,885,059	**40,245,656**

	2024	2023
Lease obligations		
After 5 years	0	0
Between 1 and 5 years	18,484	142,957
Long-term part	18,484	142,957
Within 1 year	131,463	185,765
	149,947	**328,722**

Notes to the Financial Statements

	2024	2023
	DKK	DKK
7. Long-term debt		
Other payables		
After 5 years	1,925,654	1,867,755
Between 1 and 5 years	26,327,822	17,077,511
Long-term part	28,253,476	18,945,266
Other short-term payables	2,679,375	11,010,868
	30,932,851	**29,956,134**

	2024	2023
	DKK	DKK
8. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations, period of non-terminability 9 months	1,102,122	1,062,765

Notes to the Financial Statements

9. Accounting policies

The Annual Report of Samplix ApS for 2024 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 accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Notes to the Financial Statements

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Income statement

Revenue

Revenue from the sale of goods comprises the sale of instruments and consumables is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company. If all risks and rewards have not been transferred, the revenue is recognised as deferred income until all components of the transaction have been completed.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, production expenses and other operating income.

Distribution expenses

Distribution expenses include costs associated with the Company's direct sales force, sales management, marketing, technical support, business development activities and shipping and handling. These expenses primarily consist of salaries, commissions, benefits, travel, advertising, promotions, product samples and trade show expenses in addition to the costs of product shipments. The Company expects sales and marketing expenses to increase when the Company builds a commercial organisation and increases efforts to expand the Company's customer base.

Development expenditure

Research and development expenses primarily include costs associated with the development of the Company's instrument and associated consumables including relted protocols. These expenses also include intellectual property prosecution and maintenance costs, and quality assurance expenses. The expenses primarily relates to salaries, benefits, outside product design and consulting services, laboratory supplies and equipment, costs of consumables and materials used in house for product development, and allocated facility and information technology costs. Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Notes to the Financial Statements

Administrative expenses

The Company's general and administrative expenses include expenses related to the board of directors, executive management, accounting and finance, information technology, legal, facilities, human resource, administrative and investor related activities. These expenses consist primarily of salaries, benefits, independent auditor costs, legal and consulting fees, travel, and insurance costs.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

Government grants
Government grants are recognised as other income when there is reasonable assurance that the Company will comply with the conditions attached to them and receive the grants. Government grants for expenses incurred are recognised as other income over the periods in which Samplix recognises as expenses the related costs for which the grants are intended to compensate. Government grants for the purchasing of property, plant and equipment are recognized as deferred income over the useful lives of the related assets.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight line basis over the period of the expected economic benefit from the assets. The amortisation period for acquired intellectual property rights is equal to the patent term and is 10 years for other assets.

Other intangible fixed assets

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 20 years. Software licences are amortised over the period of the agreements.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment 3-5 years	3-5 years
Leasehold improvements	3 years
Company instruments placed under rental reagent agreements	2-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

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, including the tax base of tax loss carry-forwards, 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

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

Notes to the Financial Statements

Deferred income

Deferred income comprises payments received in respect of income in subsequent years. Deferred income primarily relates to government grants prepayments.