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Zadec ApS

Agern Alle 24-26
2970 Hørsholm
CVR No. 29312206

Annual report 2023

The Annual General Meeting adopted the annual report on 02.07.2024

Jesper Jørn Lange
Chairman of the General Meeting

Contents

Entity details 2

Statement by Management 3

Independent auditor's report 4

Management commentary 7

Income statement for 2023 8

Balance sheet at 31.12.2023 9

Statement of changes in equity for 2023 11

Notes 12

Accounting policies 13

Entity details

Entity

Zadec ApS
Agern Alle 24-26
2970 Hørsholm

Business Registration No.: 29312206
Date of foundation: 21.12.2015
Registered office: Rudersdal
Financial year: 01.01.2023 - 31.12.2023

Executive Board

Jesper Jørn Lange

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Zadec ApS for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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

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

Hørsholm, 02.07.2024

Executive Board

Jesper Jørn Lange

Independent auditor's report

To the shareholders of Zadec ApS

Opinion

We have audited the financial statements of Zadec ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Hørshom, 02.07.2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Sejer Pedersen
State Authorised Public Accountant
Identification No (MNE) mne14986

Management commentary

Primary activities

The company holds certain patent right to drug candidates for the prevention and treatment of diabetes and a 3D human cell tissue culture system.

Development in activities and finances

The result shows a loss of DKK (355) thousands which is in line with Managements expectations.

The company's equity comprise DKK (2.022) thousands as per 31.12.2023.

Management expects the equity to be reestablished through future operating activities. The company's shareholder has undetaken commitment to finance the company's activities, whereby the company is considered to be able to continue activities for the remainder of financial year 2024.

Management refers to note 1 for further comments on going concern.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		**(150,400)**	**(204,520)**
Other financial expenses	2	(204,220)	(44,305)
Profit/loss for the year		**(354,620)**	**(248,825)**
Proposed distribution of profit and loss			
Retained earnings		(354,620)	(248,825)
Proposed distribution of profit and loss		**(354,620)**	**(248,825)**

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Other receivables		6,252	6,252
Receivables		**6,252**	**6,252**
Cash		**427,499**	**470,806**
Current assets		**433,751**	**477,058**
Assets		**433,751**	**477,058**

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		500,021	500,021
Retained earnings		(2,522,359)	(2,167,739)
Equity		**(2,022,338)**	**(1,667,718)**
Trade payables		20,000	20,000
Payables to group enterprises		2,436,089	2,124,776
Current liabilities other than provisions		**2,456,089**	**2,144,776**
Liabilities other than provisions		**2,456,089**	**2,144,776**
Equity and liabilities		**433,751**	**477,058**
Going concern	1		
Contingent liabilities	3		

Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,021	(2,167,739)	(1,667,718)
Profit/loss for the year	0	(354,620)	(354,620)
Equity end of year	**500,021**	**(2,522,359)**	**(2,022,338)**

Notes

1 Going concern

The company's activities, which consist of research and development, are financed by loans from goup-related companies. The future results will largely depend on data from ongoing and upcoming studies as well as partner activities. The parent company has undertaken to continue to finance the company's activities and the management is of the opinion that the company is thereby able to continue the activities for the remainder of the financial year 2024.

2 Other financial expenses

	2023 DKK	2022 DKK
Financial expenses from group enterprises	203,930	39,807
Other interest expenses	290	4,498
	204,220	**44,305**

3 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where MC2 Therapeutics A/S serve as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, of any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Accounting policies

Reporting class

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.

The accounting policies applied to these financial statements are consistent with those applied last year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

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.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net exchange losses on transactions in foreign currencies, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet

Receivables

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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