
BII Holdings A/S

Ole Maaløes Vej 3, DK-2200 Copenhagen N

Annual Report for 2024

CVR No. 41 05 98 50

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 20/3 2025

Mathias Dahlerup
Krarup
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 BII Holdings A/S 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.

In our opinion, Management's Review includes a true and fair view of the matters addressed in the Management's Review.

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

Copenhagen, 20 March 2025

Executive Board

Jens Bredal Nielsen
CEO

Board of Directors

Marianne Philip
Chair

Robert Glen Urban
Deputy-chair

Hans Thalsgård Schambye

Martin Bonde

Mads Krogsgaard Thomsen

Regina Hodits

Independent Auditor's report

To the shareholder of BII Holdings A/S

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 BII Holdings A/S 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.

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, 20 March 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Tue Stensgård Sørensen
State Authorised Public Accountant
mne32200

Elife Savas
State Authorised Public Accountant
mne34453

Company information

The Company	BII Holdings A/S Ole Maaløes Vej 3 DK-2200 Copenhagen N CVR No: 41 05 98 50 Financial period: 1 January - 31 December Incorporated: 27 December 2019 Municipality of reg. office: Copenhagen
Board of Directors	Marianne Philip, chair Robert Glen Urban, deputy-chair Hans Thalsgård Schambye Martin Bonde Mads Krogsgaard Thomsen Regina Hodits
Executive Board	Jens Bredal Nielsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's review

The main activities of the Company

The main activity of BII Holdings A/S is to hold shares issued upon conversion of convertible loans from the companies operating at the BioInnovation Institute. Furthermore, the company is subject to other commercial activities, e.g. lease of the BII domicile to accommodate the activities within the BioInnovation Institute and sublease office- and laboratory space to the companies and project teams in the programs in BII.

Financial results

The Company's financial result for the period 1 January – 31 December 2024 is reported at 83,940 TDKK. The Company's equity as of 31 December 2024 amounts to 392,925 TDKK.

The result for 2024 is according to expectations due to the completion of the BII domicile renovation. For 2025, we anticipate a favorable outcome.

Financial risks

It is expected that the fair value of the investments in portfolio companies may fluctuate based on the scientific development, the progress of the companies, and the commercial interest from potential investors. The risk associated with the fluctuation in fair value is an expected element of the BII Business model and a natural part of investing in very early life science startups. The financial risk in the other activities in the company, i.e. rental and sublease of office- and laboratory space, are limited.

Events after the balance sheet data

No events have occurred after the end of the financial year with a significant impact on the Company's financial position on 31 December 2024.

Income statement 1 January - 31 December

	Note	2024	2023
		TDKK	TDKK
Rental income		27,130	34,349
Value adjustments of assets held for investment		90,716	-3,133
Other operating income		3,855	32
Other external expenses		-32,279	-32,502
Gross profit/loss		89,422	-1,254
Depreciation and impairment losses of property, plant and equipment		-10,867	-8,218
Profit/loss before financial income and expenses		78,555	-9,472
Financial income	2	1,670	1,796
Financial expenses		-45	-14
Profit/loss before tax		80,180	-7,690
Tax on profit/loss for the year	3	3,760	0
Net profit/loss for the year		83,940	-7,690
 Distribution of profit			
		2024	2023
		TDKK	TDKK
Proposed distribution of profit			
Retained earnings		83,940	-7,690
		83,940	-7,690

Balance sheet 31 December

Assets

	Note	2024	2023
		TDKK	TDKK
Equipment		20,918	15,157
Leasehold improvements		15,447	16,589
Assets under construction		32,544	15,708
Property, plant and equipment	4	68,909	47,454
Convertible loans	5	0	750
Other financial investments	5	195,118	60,425
Fixed asset investments		195,118	61,175
Fixed assets		264,027	108,629
Trade receivables		3,937	3,057
Receivables from group enterprises		3,052	1,285
Other receivables		11,107	292
Deferred tax asset		6,706	0
Prepayments		20,000	5,000
Receivables		44,802	9,634
Cash at bank and in hand		103,276	73,430
Current assets		148,078	83,064
Assets		412,105	191,693

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		TDKK	TDKK
Share capital		401	401
Share premium account		0	0
Retained earnings		392,524	187,325
Equity		392,925	187,726
Provision for deferred tax		1,995	0
Provisions		1,995	0
Deposits		279	0
Long-term debt		279	0
Trade payables		16,160	3,967
Deferred income		746	0
Short-term debt		16,906	3,967
Debt		17,185	3,967
Liabilities and equity		412,105	191,693
Staff	1		
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Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	401	0	187,325	187,726
Capital increase	0	121,259	0	121,259
Transfers	0	-121,259	121,259	0
Net profit/loss for the year	0	0	83,940	83,940
Equity at 31 December	401	0	392,524	392,925

The Company's share capital amounts to 401,500 DKK divided into shares of DKK 1 or multiples hereof. There have been the following movements on the share capital since incorporation.

Asset contribution 27 December 2019: 400,000
 Asset contribution 19 November 2020: 100
 Asset contribution 1 January 2021: 900
 Asset contribution 15 June 2021: 100
 Cash contribution 17 March 2022: 50
 Debt conversion 17 March 2022: 50
 Asset contribution 21 March 2023: 100
 Asset contribution 20 March 2024: 100
 Cash contribution 5 December 2024: 50
 Asset contribution 5 December 2024: 50
Total share capital: 401,500

Notes to the Financial Statements

1. Staff

The Company had one director employed during the period 1 January - 31 December 2024. The Executive Board receives remuneration through BioInnovation Institute Fonden.

	2024	2023
	TDKK	TDKK
2. Financial income		
Interest income, Convertible Loans	899	878
Impairment interest, Convertible Loans	-899	-878
Interest income, bank	1,670	1,796
	<u>1,670</u>	<u>1,796</u>

	2024	2023
	TDKK	TDKK
3. Income tax expense		
Current tax for the year	951	0
Deferred tax for the year	-4,711	0
	<u>-3,760</u>	<u>0</u>

4. Property, plant and equipment

	Equipment	Leasehold improve- ments	Assets under construction
	TDKK	TDKK	TDKK
Cost at 1 January	25,808	25,217	15,708
Additions for the year	112	2,195	30,238
Disposals for the year	-223	0	0
Transfers for the year	13,402	0	-13,402
Cost at 31 December	<u>39,099</u>	<u>27,412</u>	<u>32,544</u>
Impairment losses and depreciation at 1 January	10,651	8,628	0
Depreciation for the year	7,530	3,337	0
Impairment losses and depreciation at 31 December	<u>18,181</u>	<u>11,965</u>	<u>0</u>
Carrying amount at 31 December	<u>20,918</u>	<u>15,447</u>	<u>32,544</u>

Notes to the Financial Statements

5. Other fixed asset investments

	Convertible loans	Other financial investments
	TDKK	TDKK
Cost at 1 January	750	57,592
Additions for the year	0	74,284
Disposals for the year	-750	0
Cost at 31 December	0	131,876
Revaluations at 1 January	0	2,833
Revaluations for the year	0	60,409
Revaluations at 31 December	0	63,242
Carrying amount at 31 December	0	195,118

The general principle applied in the selection of valuation approach maximizes the use of observable inputs and minimizes the use of unobservable inputs. Usually there is no active market for the kinds of financial investments held by the Company. By nature, uncertainties exist regarding fair value assessments of financial investments.

The primary valuation method is based on recent investment or financing rounds. If a portfolio company has carried out any recent equity investment round, and the equity investment is likely to represent a fair value, the fair value estimate is based on the subscription price obtained in the equity investment round. Differences in share classes, such as preference shares versus common shares, may necessitate a closer examination of specific valuation methods for each class to ensure accuracy. These include adjustments for liquidation preferences, participating rights, and conversion mechanisms, as well as the impact of exit bonuses, which may provide preferential payouts in a liquidity event. The valuation approach ensures that senior share classes and special rights are appropriately reflected in fair value assessment.

Significant fair value assumptions:

If no recent investment round has occurred, the fair value will be based on the application of a modelling approach.

If the company does not run an established business with an identifiable stream of continuing earnings or cash flows that are maintainable, the fair value shall be based on a pre-defined value trigger approach, by which the fair value changes.

The pre-defined value triggers include the following:

- Funding availability and product development. If the portfolio company has a greater than 6-12 months cash runway and investors are willing to finance, actively engage in discussions under CDA or can present signed term sheets, the value is maintained.
- Limited funding availability and negative product development. If the portfolio company has less than 6-12 months runway with limited fundraising possibilities and/or there are negative product developments, the value is not maintained. If one of criteria is not met, value is impaired by 50%. If both criteria are not met, value is impaired by 100%.

Notes to the Financial Statements

6. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

Rental obligations amount to TDKK 357,554. the rental agreement is non-cancellable until 30 June 2036.

7. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

Related parties are considered the management and the Board of Directors of the Company, BioInnovation Institute Fonden as well as related parties to this, including members of management.

No remuneration was awarded to the members of the Board of Directors in the financial year. Members of the Board of Directors receive remuneration through BioInnovation Institute Fonden. The same applies for the Executive Management.

Ownership

BII Holdings A/S is a fully owned subsidiary of BioInnovation Institute Fonden, and is a part of the consolidated financial statements for:

<u>Name</u>	<u>Place of registered office</u>
BioInnovation Institute Fonden	Ole Maaløes vej 3, 2200 København N

The consolidated financial statements can be obtained on bii.dk.

Notes to the Financial Statements

8. Accounting policies

The Annual Report of BII Holdings A/S 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 TDKK.

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

Rental income

Rent for income is recognized in the income statement when delivery of the service and transfer of risk to the tenant have taken place and provided that the income can be reliably measured and is expected to be received.

Revenues measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognized as Rent income.

Income from investment portfolio

Income from investment portfolio comprise interest from convertible loans and realized and unrealized value adjustments of convertible loans and other financial investments.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, administration, premises, payments under operating leases, etc.

Other operating income

Other operating income comprise items secondary to the activities of the Company, including gains and disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses comprise interest, realized and unrealized gains and losses.

Notes to the Financial Statements

Income taxes and current tax receivable/payable

Corporation taxes in the income statement include tax payable for the year.

Tax payable/receivable includes tax payable computed on the basis of the expected taxable income for the year and any adjustment for tax payable for previous years.

BII Holdings A/S has the option to use the tax transparency rules and distribute its taxable income to the Biolnnovation Institute Fonden.

Balance sheet

Property, plant and equipment

Tangible assets are measured at cost less accumulated depreciations and impairment losses: Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

Leasehold improvements	10 years
Equipment	5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses. If any, the depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognized.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognized prospectively as a change in accounting estimates.

Gains and losses from disposals of assets are measured as the difference between sales price less sales costs and the carrying amount at the time of disposal. Gains and losses are recognized in the income statement as other operating income or other operating expenses.

Fixed asset investments

Convertible loans

Convertible loans are measured at amortized cost.

Other financial investments

Other financial investments comprise securities other than convertible loans and are measured at fair value. Other financial investments are written down when there is evidence of impairment. Fair value is the price that would be received by selling the asset in an orderly transaction between market participants at the measurement date.

Differences in share classes, such as preference shares versus common shares, may necessitate a closer examination of specific valuation methods for each class to ensure accuracy. Additionally, adjustments are made based on objective criteria when available.

Receivables

Receivables are measured at amortized cost, which usually corresponds to nominal value. The value is reduced by impairment to meet expected losses.

Notes to the Financial Statements

Impairment of non-current assets

The carrying amount of tangible assets is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount). The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life. Previously recognized impairment losses are reversed when the reason for recognition no longer exists.

Prepayments

Prepayments consists of prepaid costs related to subsequent financial year.

Financial liabilities

Liabilities are recognized at amortized cost unless specified otherwise.