# "The Enlarged Group"

## Interim proforma consolidated financial statement

for the period January 1 to June 30, 2022

## "The Enlarged Group" A/S

Strandgade 24C, st. tv., 1401 København K, Denmark
Registered number: 26 79 14 13

# Contents

| | |
|---|---|
| **Executive management** | Peter Ole Jensen |
| **Board of directors** | Claus Abildstrøm, chairman<br>Peter Mørch Eriksen<br>Peter Ole Jensen |
| **Registered number** | 26 79 14 13 |
| **Registered office** | Strandgade 24C, st. tv.<br>1401 København K<br>Denmark |

**The Company’s principal activities**

"The Enlarged Group A/S" is a company who invest in primarely clinical-stage biopharmaceutical companies which is dedicated to the development of new, effective treatments for diseases that have significant patient and social impact for which current therapy is lacking or in need of improvement.

**Estimates and judgements**

The preparation of the financial statements requires the making of estimates and judgements that effects the reporting of assets, liabilities and expenses. The estimates and judgments are reviewed on an ongoing basis. Estimates and judgements are based on historical results and on various other assumptions, which "The Enlarged Group A/S" believes to be resonable under the circumstances. However, the actual result may differ significantly from the estimates. We believe that the accounting policies relating to intangible assets involve estimates or judgements that could affect the reported financial position and results.

**Development in activities and financial matters**

**Financials**

The result for the period, a deficit of DKK 2.522 thousand, is in line with the management's expectations in view of the Company's level of activity.

"The Enlarged Group" do not expect commercial revenue until the fiscal year 2023. Therefore it is vital that the company always has sufficient financial resources.
"The Enlarded Group" has a satisfactory funding until the end of June 2023 to continue the operation of the Company as planned.

**Events after 30th. of June 2022**
No significant events have happened since 30th. of June 2022.

# Management's Report

The Board of Directors and the Executive management have today considered and approved the interim proforma consolidated financial report of "Enlarged Group A/S" for the period of 1 January 2022 - 30 June 2022.

The interim proforma consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statement Act.

We consider the accounting policies used appropriate, and in our opinion the interim proforma consolidated financial statements provide a true and fair view of the company's assets and liabilities and its financial position at 30 June 2022 and of the company's results of its activities and cash flow for the period of 1 January to 30 June 2022.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The interim proforma consolidated financial report is submittet for adoption by the general meeting.

Copenhagen, August 10th, 2022

**Executive management**

Peter Ole Jensen, CEO

**Board of directors**

| | | |
|---|---|---|
| Claus Abildstrøm<br>Chairman | Peter Mørch Eriksen | Peter Ole Jensen |

| Note | | 1/1-30/6-2022 DKK |
|---|---|---|
| | **Revenue** | **0** |
| | Cost of sales | 0 |
| | **Gross profit** | **0** |
| 3 | Research and development costs | -2.230.052 |
| 3 | Administrative costs | -4.156.253 |
| | **Profit before depreciation, amortisation and impairment losses (EBITDA)** | **-6.386.305** |
| 9,10. | Depreciation, amortisation and impairment of tangible and intangible assets | -651.643 |
| | **Operating profit (EBIT)** | **-7.037.948** |
| 4 | Value adjustment regarding receivables from the sale of Portinho S.A. | 3.025.270 |
| 5 | Reversed provision | 500.000 |
| 6 | Financial income | 724.730 |
| 7 | Financial expenses | -538.461 |
| | **Profit before tax** | **-3.326.409** |
| 8 | Tax on profit for the period | 804.102 |
| | **Net profit for the period** | **-2.522.307** |
| | Other comprehensive income | 0 |
| | **Total comprehensive income** | **-2.522.307** |
| 18. | Earnings per share (EPS basic), DKK | -0,09 |
| 18. | Diluted earnings per share (EPS-D), DKK | -0,09 |
| | **Total Income Statement** | |
| | Comprehensive income | -2.522.307 |
| | Other total income before and after tax | 0 |
| | | **-2.522.307** |

**ASSETS**

| Note | | 30-06-2022 DKK | 01-01-2022 DKK |
|---|---|---|---|
| | **Non-current assets** | | |
| 9 | Intangible assets | 12.841.912 | 13.355.588 |
| 10. | Tangible assets | 0 | 0 |
| 10. | Right-of-use assets | 721.597 | 320.542 |
| 11. | Long-term receivable related to sale of Portinho S.A. | 67.250.000 | 63.500.000 |
| | **Total non-current assets** | **80.813.509** | **77.176.130** |
| | **Current assets** | | |
| 13. | Inventories | 1.632.602 | 1.160.859 |
| 14. | Other receivables | 917.179 | 1.098.899 |
| 14. | Prepaid expenses | 114.109 | 30.618 |
| 8 | Current tax receivable | 2.287.588 | 1.483.485 |
| 15. | Cash and cash equivalents | 6.764.350 | 11.403.247 |
| | **Total current assets** | **11.715.827** | **15.177.108** |
| | **Total assets** | **92.529.336** | **92.353.238** |

**EQUITY AND LIABILITIES**

| Note | | 30-06-2022 DKK | 01-01-2022 DKK |
|---|---|---|---|
| | Share capital | 19.484.541 | 19.484.541 |
| | Share premium account | 0 | 0 |
| | Reserve for capitalised development costs | 9.660.011 | 9.958.682 |
| | Retained earnings | 38.433.610 | 40.494.012 |
| 16. | **Total equity** | **67.578.162** | **69.937.235** |
| 8 | Provision for deferred tax | 0 | 0 |
| 20. | Provisions (bail obligations) | 1.000.000 | 1.500.000 |
| | **Total provisions** | **1.000.000** | **1.500.000** |
| 10. | Lease liabilities | 439.386 | 162.643 |
| 19. | Loans | 6.746.066 | 6.581.528 |
| | **Total long-term liabilities** | **7.185.452** | **6.744.171** |
| 23. | Trade payables | 2.151.778 | 1.400.538 |
| 21. | Bank debt | 7.537.754 | 8.533.043 |
| 24. | Other liabilities | 7.076.190 | 4.238.251 |
| | **Total current liabilities** | **16.765.722** | **14.171.832** |
| | **Total liabilities other than provisions** | **23.951.174** | **20.916.002** |
| | **Total equity and liabilities** | **92.529.336** | **92.353.238** |

| | Share capital | Share premium account | Reserve for capitalised development costs | Retained earnings | **Total equity** |
|---|---|---|---|---|---|
| *Proforma consolidated statement of changes in equity* | | | | | |
| *01-01-2022 - 30-06-2022* | | | | | |
| Equity as at 01-01-2022 | 19.484.541 | 0 | 9.958.682 | 40.494.011 | 69.937.235 |
| **Changes in equity 1/1-30/6-2022** | | | | | |
| Net profit for the year | 0 | 0 | 0 | -2.522.048 | -2.522.048 |
| **Total income 1/1-30/6-2022** | **0** | **0** | **0** | **-2.522.048** | **-2.522.048** |
| **Transactions with owners** | | | | | |
| Share based payments | 0 | 0 | 0 | 162.976 | 162.976 |
| Share capital | 0 | 0 | 0 | 0 | 0 |
| Transaction costs | 0 | 0 | 0 | 0 | 0 |
| Capital reduction (transfer to reserves) | 0 | 0 | 0 | 0 | 0 |
| Capital increase by conversion of debt | 0 | 0 | 0 | 0 | 0 |
| Capitalised development costs | 0 | 0 | -298.671 | 298.671 | 0 |
| Dividends | 0 | 0 | 0 | 0 | 0 |
| **Transactions with owners** | **0** | **0** | **-298.671** | **461.647** | **162.976** |
| **Equity as at 30-06-2022** | **19.484.541** | **0** | **9.660.011** | **38.433.611** | **67.578.162** |

## Proforma consolidated cash flow statement

| | 30-06-2022<br>DKK |
|---|---|
| **Loss before tax** | -3.326.409 |
| Adjustment of non-cash transactions: | |
| Depreciation, amortisation and impairment losses | 651.643 |
| Reversed provisions | -500.000 |
| Value adjustment relating to long-term receivables | -3.025.270 |
| Share based payments | 162.976 |
| Net Financial income | -186.269 |
| Change in working capital: | |
| Inventories | -471.743 |
| Receivables | 181.721 |
| Trade payables | 751.240 |
| Prepaid expenses | -83.490 |
| Other liabilities | 19.196 |
| Corporate tax | 0 |
| **Net cash from operating activities before net financials** | **-5.826.406** |
| Financial expenses paid | -317.202 |
| **Net cash from operating activities** | **-6.143.608** |
| Purchase of other intangible assets | 0 |
| Purchase of tangible assets | 0 |
| **Net cash used in investing activities** | **0** |
| Taking out convertible loans | 850.000 |
| Taking out financial loans | 1.650.000 |
| Loans from shareholders | 0 |
| Capital increase, net | 0 |
| **Net cash received from financing activities** | **2.500.000** |
| **Total cash flows for the year** | **-3.643.607** |
| Cash and cash equivalents beginning of year | 2.870.203 |
| **Cash equivalents end of year** | **-773.404** |
| Cash and cash equivalents, end of period, comprises: | |
| Cash and cash equivalents | -773.404 |
| **Total** | **-773.404** |

1. Accounting policies
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30. Contingent assets, liabilities and collateral
31. Events occuring after the balance sheet date
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**1. Accounting policies**

**1.1 Basis of preparation**

The interim proforma consolidated financial statements of "The Enlarged Group" have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the EU, IFRIC interpretations and with those parts of the Danish Financial Statements Act applicable to companies reporting under IFRS.

IFRS is subject to amendment and interpretation by the IASB and the IFRS Interpretations Committee, and there is an on-going process of review and endorsement by the European Commission. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 30 June 2022.

The interim proforma consolidated financial statements have been prepared on the going concern basis and have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities including derivative financial instruments. The principal accounting policies set out below have been consistently applied to all periods presented.

**1.2. Consolidated financial statements**

The consolidated financial statements comprise Blue-Vision A/S (parent company) and the companies (subsidiaries) controlled by the parent company. A company is regarded as controlled by the parent company when the parent company is exposed or entitled to variable returns on its involvement in the company, and has the ability to affect those returns through its power over the company.

The consolidated financial statements are prepared based on the financial statements of Blue-Vision A/S and its subsidiaries. The consolidated financial statements are prepared by combining items of a uniform nature calculated in accordance with the group's accounting policies, eliminating intercompany income and expenditure, intercompany balances and dividends as well as gains and losses on transactions between the consolidated companies.

**1.3 Business combinations**

For each business combination, one of the combining entities shall be identified as the acquirer. A reverse business combination occurs when the entity that issues securities (the legal acquirer) is identified as the the acquiree for accounting purposes. Due to facts and circumstances such as the estimated relative voting rights after the business combination and other guidance of IFRS 3, the management has for accounting purposes assessed Reponex Pharmaceuticals A/S to be the acquirer and Blue Vision A/S as the acquiree.

Newly-acquired or newly-founded companies are recognised in the consolidated financial statements as from the time of acquisition and the time of foundation, respectively. The time of acquisition is the time at which control of the company is actually obtained. Divested or discontinued companies are recognised in the consolidated statement of comprehensive income up until the time when control ceases.

When new companies are acquired and the group obtains control of an acquired company, it is recognised in accordance with the acquisition method, according to which the newly acquired company's identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition.

The acquisition price of a company is the fair value of the price paid for the acquired company. Costs relating to the acquisition are recognised in the income statement when paid.

Positive differences (goodwill) between the acquisition price ofthe acquired company on the one hand and the fair value of the assets, liabilities and contingent liabilities acquired on the other are recognised as good will and tested for impairment at least once a year.

**1. Accounting policies** - continued -

**1.4 Foreign currency translation**

*Functional and presentation currency*

The interim proforma consolidated financial statements are presented in currency DKK, which is also the functional currency of the Company.

*Foreign currency transactions and balances*

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.
Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

**1.5 Revenue**
No revenue is recognized in the proforma consolidated financial statements.

**1.6 Research and development costs**
Research and development costs primarily comprise internal and external costs related to development studies, employee costs and materials.

**1.7 Administrative costs**
Administrative costs comprise costs incurred during the year concerning management and administration, including costs concerning administrative staff, the executive board, office premises, stationery and office supplies.

**1.8 Net financials**
Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial period.

**1.9 Share based employee remuneration**

"The Enlarged Group" operates equity-settled share-based remuneration plans for its employees and member of the board of directors. None of "The Enlarged Group's" plans are cash-settled.
Where employees and member of the board of directors are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets and performance conditions).

**1. Accounting policies** - continued -

All share-based remuneration is ultimately recognized as an expense in profit or loss with a corresponding credit to retained earnings. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication the number of warrants expected to vest differs from previous estimates. Any adjustments to cumulative share-based compensation resulting from a revision is recognized in the current period. The number of vested warrants ultimately exercised by holders does not impact the expense recorded in any period.
Upon exercise of warrants, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

**1.10 Intangible assets**

*Finalized development projects*
Capitalized development costs comprise e.g. salaries and wages, raw materials and other external costs such as fees to hospitals etc. which are directly attributable to development activities.

Patents and development costs recognised in the balance sheet are measured at cost less accrued amortization and writedowns for impairment. Development projects are amortized according to the straight-line method over their estimated useful lives from the time when the asset is ready for use. Patents and finalized development projects are amortized over 14 year based on the remaining lifetime of the patent. Amortization methods, useful years and residual values are reviewed every year.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

*Development projects in progress*
The assesment of development projects in progress are based on the expected regulatory approval to market the product under development. Given the base of the products is already approved for other indications, management believe it is highly likely that the regulatory approval will be obtained.

Costs that are directly attributable to a project's development phase are recognized as intangible assets, provided they meet all of the following recognition requirements as set out in IAS 38.57:
- the development costs can be measured reliable
- the project is technically and commercially feasible
- the Company intents to and has sufficient resources to complete the project
- the Company has the ability to use or sell the projects
- the project will generate probable future economic benefits.

Intangible assets are tested for impairment according to note 1.10.

Development costs not meeting these criteria for capitalization are expensed as incurred.

**1.11 Tangible assets**

Equipment is measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

**1. Accounting policies** - continued -

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

| | Useful life | Residual value |
|---|---|---|
| Other fixtures and fittings, tools and equipment | 3-5 years | 0-20 % |

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

**1.11 Leased assets**

*Operating leases*
"The Enlarged Group" assesses whether a contract is or contains a lease at inception of the contract. "The Enlarged Group" recognizes right-of-use assets and corresponding lease liabilities at the lease commencement date, except for short-term leases and leases of low value. For these leases, lease payments is recognized as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus initial costs incurred.

The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are from the commencement date depreciated over the shorter period of lease term and useful life of the underlying asset. The estimated useful lives of right-of-use asstest are determined on the same basis as those of "The Enlarged Group's" corresponding assests such as property, plants and equipment. In additio, right-of-use assets are periodically reduced by impairment losses, if any, and adjusted in accordance with lease liabilities.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, "The Enlarged Group's" incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise the following:
- Fixed payments.
- Variable payments, dependent on an index or rate.
- The exercise price of a purchase option if it is reasonably certain that the option will be exercized.
- Amounts expected to be payable under residual value guarantees.

The lease liabilities are subsequently measured at amortized cost using the effectiv interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if management changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

**1. Accounting policies** - continued -

**1.12 Impairment testing of intangible assets and equipment**

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Development projects in progres are tested for impairment, project by project, at least annually. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset’s or cash-generating unit’s carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to "The Enlarged Group’s" latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management’s assessment of respective risk profiles, such as market and asset-specific risks factors.

**1.13 Inventories**

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

**1.14 Financial instruments**

*Recognition, initial measurement and de-recognition*

Financial assets and financial liabilities are recognised when "The Enlarged Group" becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

*Classification and subsequent measurement of financial assets*

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables (amortizised costs)
- financial assets at fair value through profit or loss (FVTPL)
- held-to-maturity (HTM) investments.

The value of long-term receivable related to sale of Portinho S.A., includes a significant accounting estimate until the receivable is fully settled by 1 July 2023 at the latest. The principal amount is MDK 71,3 In the annual accounts for 2020, a write-down of the receivable with MDK 10,8 was recognized, based on the difference between the principal of the receivable and the present value of payment per 1 July 2023, where the discount rate reflected the assessed credit and project risk. The risk is assessed unchanged as of 30 June 2022. The receivable is recognised with an accounting value of MDK 67,3 per 30 June 2022.

**1. Accounting policies** - continued -

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.
All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

*Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. "The Enlarged Group's" cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

*Financial assets at FVTPL*
A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if "The Enlarged Group" manages such investments and makes purchase and sale decisions based on their fair value in accordance with "The Enlarged Group's" documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

*HTM investments*
HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if "The Enlarged Group" has the intention and ability to hold them until maturity. "The Enlarged Group" do not currently hold any items designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

**1.15 Income taxes**

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by "The Enlarged Group" and it is probable that reversal will not occur in the foreseeable future.

**1. Accounting policies** - continued -

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on "The Enlarged Group`s" forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when "The Enlarged Group" has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income, or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

**1.16 Cash and cash equivalents**
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**1.17 Equity, reserves and dividend payments**
Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:
Reserve for capitalised development costs - comprises other development projects.

Retained earnings includes all current and prior period retained profits and share-based employee remuneration.

All transactions with owners are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

**1.18 Provisions, contingent assets and contingent liabilities**
Provisions for legal disputes, onerous contracts or other claims are recognised when "The Enlarged Group" has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic resources will be required from "The Enlarged Group" and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that "The Enlarged Group" can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

**1. Accounting policies** - continued -

**1.19 Significant management judgement in applying accounting policies and estimation uncertainty**
When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

*Significant management judgement*
The following are significant management judgements in applying the accounting policies of "The Enlarged Group" that have the most significant effect on the financial statements.

*Capitalization of development costs*
"The Enlarged Group" is confident it will obtain approval of its pipeline products, as the products are based on an existing approved drug, and hold the evidence to support this. "The Enlarged Group" is also confident, that it will acquire the necessary resources through installments, pay off´s or milestonepayment to complete its development projects. Thus, management judge that the technical feasilibity and other criterias set out in section 1.6 of the accounting policies are met.

The management has historically recognised certain development costs in the balance sheet under intangible non-current assets, based on the assumption that it is assesed likely that they will generate future positive cash flow, and amortised there costs over the lifetime of the related patent. Due to the inherent risk related to the development of drugs for treatment of diseases, the accounting estimates related to the development of drugs are in nature subject to material uncertainty.

*Estimation uncertainty*
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

*Impairment*
In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see note 1.12).

*Useful lives of depreciable assets*
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software application systems and development projects.

**2. Nature of operations**

"The Enlarged Group" is an investment company, who invest in primarely clinical-stage pharmaceutical companies dedicated to the development of new, effective treatments for diseases that have significant patient and social impact and for which current therapy is lacking or in need of improvement.

| 3. Administration cost and employee remuneration | 1/1-30/6-2022 DKK |
|---|---|
| **Employee remuneration** | |
| Wages and salaries | 1.960.864 |
| Share based payments | 162.976 |
| Pensions | 0 |
| Social security costs | 8.314 |
| **Total** | **2.132.154** |

**Renumeration are recognized as follows in the income statement**

| | |
|---|---|
| Research and development costs | 0 |
| Administrative costs | 2.132.154 |
| **Total** | **2.132.154** |

| | |
|---|---|
| Average number of employees in the year | 3 |
| **Total** | **3** |

| | |
|---|---|
| **Remuneration of Directors** | |
| Remuneration | 1.661.432 |
| Share based payments | 142.605 |
| **Total remuneration for Directors** | **1.804.037** |

As at 30. June 2022, "The Enlarged Group" maintained a share-based payment scheme for employee remuneration. The program will be settled in equity.

*Exercise of warrants*

The Warrant Holder may only exercise the Warrants in connection with an Exit, as defined below, or, in the event that no Exit occurs, within the last 4 weeks prior to expiry of the Warrants.
An “Exit” shall mean (i) an initial public offering (IPO) of the Company's shares; (ii) a trade sale of the majority of the Company’s shares (for cash or share consideration); (iii) the entering into a partnership or joint venture agreement stipulating a future acquisition of the Company by the partner; (iv) a merger whereby the Company is the discontinuing entity, (v) a sale of the Company’s activities, including a sale of all or a material part of the Company’s assets or all or a material part of the Company’s intellectual property rights; (vi) licensing of all or a material part of the intellectual property rights of the Company in a way, which can be considered equal to an Exit; (vii) dissolution or liquidation of the The Warrant Holder may only exercise the Warrants in connection with an Exit, as defined below, or, in the vent that no Exit occurs, within the last 4 weeks prior to expiry of the Warrants.

An “Exit” shall mean (i) an initial public offering (IPO) of the Company's shares; (ii) a trade sale of the majority of the Company’s shares (for cash or share consideration); (iii) the entering into a partnership or joint venture agreement stipulating a future acquisition of the Company by the partner; (iv) a merger whereby the Company is the discontinuing entity, (v) a sale of the Company’s activities, including a sale of all or a material part of the Company’s assets or all or a material part of the Company’s intellectual property rights; (vi) licensing of all or a material part of the intellectual property rights of the Company in a way, which can be considered equal to an Exit; (vii) dissolution or liquidation of the Company; or (viii) a combination of the above.

**3. Administration cost and employee remuneration** - continued

A sale of "The Enlarged Group's" share capital or assets is not considered an Exit, if the buyer is an affiliated company.
Prior to the realisation of an Exit, "The Enlarged Group" is obligated to notify the Warrant Holders prior to the completion of such Exit without undue delay (“Exit Notification”). The Exit Notification shall inform the Warrant Holders of the upcoming Exit and the banking details on where to transfer the Subscription Amount (as defined in section 6.4). Issue of the Exit Notification shall mark the beginning of a period of 10 business days in which the Warrant Holder will be able to exercise the Warrants (“Exercise Period”).
Warrants that are not exercised within the Exercise Period will lapse automaticly, without further notice or compensation upon the expiry of the Exercise Period.

**Share based employee remuneration**

| **Grant date** | **27. Aug. 2020** |
|---|---|
| Vesting period ends | 15. Sept. 2023 |
| Share price (DKK) at date of grant | 45,00 |
| Volatility | 20,58% |
| Option period | 3,7 years |
| Risk-free rate | -0,34% |
| Fair value (DKK) per option at grant date | 2,255 |
| Exercise price (DKK) at date of grant | 62,50 |

The estimate of the grant date fair value at each warrant issued is based on the Black-Scholes model. The standard volatility is calculated on the basis of daily returns on pharmaceutical companies on STOXX 24 months before the grant of warrants. As the risk free rate, the 10-year treasury bond rate is used. An avagrage of August 2020 (-0,34%) has been used as risk-free rate.

The total calculated share bases employee remuneration of DKK 543.254 has been recognized with 30% in the interim financial report of 2022. Total value of warrants is calculated by using total warrants of 240.908 multiplied with the fair value (DKK) per option at grant date.

| **Auditor cost** | 1/1-30/6-2022<br>DKK |
|---|---|
| Statutory audit | 158.000 |
| Other declaration tasks | 0 |
| Tax advice | 0 |
| Other asignments | 45.000 |
| **Total** | **203.000** |

| 4. Value adjustment etc. of long-term receivables | 1/1-30/6-2022 DKK |
|---|---|
| Value adjustment (Note 1.14) | 3.025.270 |
| **Total** | **3.025.270** |

**5. Reversed provision**

| | |
|---|---|
| Reversed provision for guarantee obligation | 500.000 |
| **Total** | **500.000** |

In the proforma consolidated financial statement, the parent company, Blue Vision A/S, has specified compensation claims against the sellers of Heartcare ApS and separately Blue Vision A/S' former chairman of the board Nicolai Dines Kærgaard and former director Peter Hauge Jensen. The provisional compensation claim amounts to MDK 15. It is also claimed that the sellers of Heartcare ApS return the purchase price of a nominal total of MDK 4 equities. The claims are not recognized in "The Enlarged Group's" proforma consolidated balance sheet. "The Enlarged Group" is currently exploring the possibility of divesting the claims to another independent legal entity that is not affiliated or associated with Blue Vision A/S, where the buyer will bear the costs of conducting the proceedings and with an arrangement where the net proceeds are shared between Blue Vision A/S and the buyer. At the time of the presentation of the present annual accounts, no agreements have been entered into regarding the transfer of the compensation claims.

| 6. Financial income | 1/1-30/6-2022 DKK |
|---|---|
| Interest income from long-term receivables | 724.730 |
| **Total** | **724.730** |

**7. Financial expenses**

| | |
|---|---|
| Interest expenses on liabilities measured at cost | 538.461 |
| **Total** | **538.461** |

**8. Tax**

| | |
|---|---|
| Tax on profit for the period: | |
| Current tax | -804.102 |
| Change in deferred tax | -523.725 |
| Deferred tax asset not capitalized | 523.725 |
| **Total** | **-804.102** |

Reconciliation of effective tax rate:

| | |
|---|---|
| Loss before tax | -3.326.277 |
| Tax computed on the profit before tax at a tax rate of 22% | -731.781 |
| Permanent differences and not capitalized tax asset | -72.321 |
| **Total - Effective tax rate (24,2%)** | **-804.102** |

**8. Tax** - continued

| | 1/1-30/6-2022 | 01-01-2022 |
|---|---|---|
| | DKK | DKK |
| **Deferred tax is related to the following assets and liabilities:** | | |
| Deferred taxes arising from temporary differences are summarised below: | | |
| Intangible assets | 2.663.721 | 2.776.730 |
| Tangible assets | 0 | -885 |
| Taxable loss carried forward | -3.407.373 | -2.995.772 |
| Deferred tax asset not capitalized | 743.652 | 219.927 |
| **Total deferred tax** | **0** | **0** |
| which is categorised as follows: | | |
| **Non-current deferred tax** | **0** | **0** |
| **Current tax asset** | | |
| Tax reimbursement, calculated for the year | -804.102 | -1.483.485 |
| Tax reimbursement, previous years | -1.483.485 | 0 |
| Tax paid on account | 0 | 0 |
| **Current tax asset, total** | **-2.287.587** | **-1.483.485** |

The accounting policies relating to development costs and deferred tax involve estimates. The actual result may differ significantly from the estimates, which could materially affect the reported financial position and results.
"The Enlarged Group" has per 30 June 2022 an unrecognized deferred tax asset of MDK 44,3. (2021: MDK 38,7) relating to losses carried forward. Recognition awaits the company achieving taxable profits.

**9. Intangible assets**

| | Patents and licenses | Completed develop-ment projects | Total |
|---|---|---|---|
| *Financial year 2022* | | | |
| Cost as at 01-01-2022 | 5.821.831 | 11.031.007 | 16.852.838 |
| Disposals during the period | 0 | 0 | 0 |
| **Cost as at 30-06-2022** | **5.821.831** | **11.031.007** | **16.852.838** |
| Amortisation and impairment losses as at 01-01-2022 | 2.731.427 | 765.823 | 3.497.250 |
| Amortisation during the period | 130.765 | 382.912 | 513.676 |
| **Amortisation and impairment losses as at 30-06-2022** | **2.862.192** | **1.148.735** | **4.010.926** |
| **Carrying amount as at 30-06-2022** | **2.959.639** | **9.882.272** | **12.841.912** |

All recognized intangible assets have definite useful lives.

**10. Tangible assets and right-of-use assets**

| | Equipment | Total |
|---|---|---|
| *Financial year 2022* | | |
| Costs as at 01-01-2022 | 16.090 | 16.090 |
| **Costs as at 30-06-2022** | **16.090** | **16.090** |
| Depreciation and impairment losses at 01-01-2022 | 16.090 | 16.090 |
| Depreciation during the period | 0 | 0 |
| **Depreciation and impairment losses at 30-06-2022** | **16.090** | **16.090** |
| **Carrying amount as at 30-06-2022** | **0** | **0** |

| | Rent facilities | Total |
|---|---|---|
| ***Right-of-use assets and lease liabilities*** | | |
| Impact from applying IFRS 16 as of January 1, 2022 | 473.780 | 473.780 |
| Additions during the period | 385.784 | 385.784 |
| Depreciations during the period | -137.967 | -137.967 |
| **Right-of-use assets as of June 30, 2022** | **721.597** | **721.597** |

| ***Lease liabilities*** | 30.06.2022 |
|---|---|
| Current | 282.211 |
| Non-current | 439.386 |
| **Lease liabilities** | **721.597** |

| ***Amounts included in the income statement*** | 30.06.2022 |
|---|---|
| Interest expense leases | 12.033 |
| Depreciation recognized on right-of-use assets | 137.967 |
| **Cost recognized for short term leases (less than 12 months)** | **150.000** |

For the first 2 quarters of 2022, the total cash outflow relating to leases was DKK 150.000, split between interests DKK 12.033 and repayment of DKK 137.967.

**11. Long-term receivables**

| | 30-06-2022 DKK | 01-01-2022 DKK |
|---|---|---|
| **Opening balance** | 63.500.000 | 57.500.000 |
| Payments received | 0 | 0 |
| Imputed interest | 724.730 | 1.151.000 |
| Value added | 3.025.270 | 4.849.000 |
| **Balance at the end of the period** | **67.250.000** | **63.500.000** |

Long-term receivables include "The Enlarged Group's" receivables from Portinho S.A, where the principal amounts to EURm 9,55. An agreement was made at the beginning of 2021 to postpone payment until 1 July 2023. If the plot of land is sold to a third party before then, the entire amount is due for payment, unless otherwise agreed. The receivable bears interest at 2% p.a. Blue Vision A/S has a mortgage on 80% of the shares in Portinho S.A. Blue Vision A/S has the right to sell the claim in whole or in part to one or more third parties against the general meeting's prior acceptance.
The management assesses that there is a realistic possibility that Portinho S.A will have repaid the receivable by 1 July 2023 at the latest. "The Enlarged Group" is continuously exploring the possibilities of selling the claim to a third party. The receivable is included in "The Enlarged Group's" balance sheet as of 30 June 2022 as a long-term receivable with an accounting value of MDK 67,3. calculated as the principal of MDK 71,3. with deduction of discounting of MDK 4. (1/1-22: discount MDK 7,8).
The value of the receivable is calculated on the basis of a calculated present value per 1 January 2022 based on the receivable falling due on 1 July 2023 and where discounting is based on a discretionary assessment of credit and underlying project risk. The company draws attention to the fact that actual payments from the debtor or possible sales value to one or more third parties may deviate from the recognized present value in both a positive and negative direction.

**12. Financial assets and liabilities**

Accounting policies, note 1.14, provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

**30 June 2022**

| | Held for trading (FVTPL) (carried at fair value) | Loans and other receivables (carried at amortised cost) | **Total** |
|---|---|---|---|
| **Financial assets** | | | |
| Long-term receivable related to sale of Portinho S.A. | 0 | 67.250.000 | 67.250.000 |
| Trade and other receivables | 0 | 4.951.018 | 4.951.018 |
| Cash and cash equivalents | 0 | 6.764.350 | 6.764.350 |
| **Total financial assets** | **0** | **78.965.368** | **78.965.368** |

| | Derivatives measured at fair value (carried at fair value) | Other liabilities (carried at amortised cost) | **Total** |
|---|---|---|---|
| **Financial liabilities** | | | |
| Trade and other payables | 0 | 17.764.456 | 17.764.456 |
| Long term liabilities | 0 | 7.185.386 | 7.185.386 |
| **Total financial liabilities** | **0** | **24.949.842** | **24.949.842** |

**1 January 2022**

| | Held for trading (FVTPL) (carried at fair value) | Loans and other receivables (carried at amortised cost) | **Total** |
|---|---|---|---|
| **Financial assets** | | | |
| Long-term receivable related to sale of Portinho S.A. | 0 | 63.500.000 | 63.500.000 |
| Trade and other receivables | 0 | 3.773.799 | 3.773.799 |
| Cash and cash equivalents | 0 | 11.403.247 | 11.403.247 |
| **Total financial assets** | **0** | **78.677.046** | **78.677.046** |

**12. Financial assets and liabilities** - continued

| | Derivatives measured at fair value (carried at fair value) | Other liabilities (carried at amortised cost) | **Total** |
|---|---|---|---|
| **Financial liabilities** | | | |
| Trade and other payables | 0 | 15.671.297 | 15.671.297 |
| Long term liabilities | 0 | 6.744.643 | 6.744.643 |
| **Total financial liabilities** | **0** | **22.415.940** | **22.415.940** |

Financial assets and liabilities measured at fair value, the methods used to measure fair value are described in accounting policies, note 1.14.

All of the above financial assets and liabilities carrying values are approximate to their fair values due to their short ter m nature as at 30 June 2022 and 1 January 2022 with the exception of held for trading assets and derivative financial instruments which are carried at their fair values.

| | 30-06-2022 DKK | 01-01-2022 DKK |
|---|---|---|
| **13. Inventories** | | |
| Raw materials | 1.632.602 | 1.160.859 |
| **Total inventories** | **1.632.602** | **1.160.859** |

The costs of individual items of inventory are determined using weighted average costs.

No write-down have been made during the financials period.

| | 30-06-2022 DKK | 01-01-2022 DKK |
|---|---|---|
| **14. Prepayments and other receivables** | | |
| Prepayments | 114.109 | 30.558 |
| Other receivables | 917.179 | 1.098.898 |
| **Non-financial assets** | **1.031.287** | **1.129.455** |

All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of "The Enlarged Group's" trade and other receivables have been reviewed for indications of impairment. No such indications was found.

| | 30-06-2022 | 01-01-2022 |
|---|---|---|
| | DKK | DKK |
| **15. Cash and cash equivalent** | | |
| Cash | 6.764.350 | 11.403.247 |
| **Total** | **6.764.350** | **11.403.247** |

**16. Equity**

*Share capital*

"The Enlarged Group's" share capital consists of 26.950.246 shares divided into 14.542.437 A-shares of DKK 1 each, 8.295.409 A-shares of DKK 0,1 each and 4.112.400 B-shares of DKK 1 each. The shares are fully paid in. All shares are equally elligble to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting. "The Enlarged Group" have 7.361 own A-shares.

| | 30-06-2022 | 01-01-2022 |
|---|---|---|
| | DKK | DKK |
| **Share capital** | | |
| 22.837.846 A-shares | 15.371.978 | 15.371.978 |
| 4.112.400 B-shares | 4.112.400 | 4.112.400 |
| **Total share capital** | **19.484.378** | **19.484.378** |

*Retained earnings*

Retained earnings represent retained profits.

*Reserve for capitalised development costs*

Reserve for capitalised development costs represent the activated development costs from January 1, 2016, less deferred tax.

*Capital management policies and procedures*

"The Enlarged Group's" capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders.

"The Enlarged Group" monitors capital on the basis of the carrying amount of equity plus borrowings, less cash and cash equivalents as presented on the statement of financial position.

"The Enlarged Group" manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**17. The Enlarged Group's funding for 2022 / 2023**

"The Enlarged Group" is a capital consuming company due to investments in development activities in primarely its subsidiary (Reponex Pharmaceuticals A/S). "The Enlarged Group" have the necessary funding until the end of June 2023 from loans or share capital from shareholders.

| **18. Earnings per share** | 30-06-2022<br>DKK | 01-01-2022<br>DKK |
|---|---|---|
| Average number of shares | 26.950.247 | 26.950.247 |
| Average number of own shares | 7.361 | 7.361 |
| **Average number of outstanding shares** | **26.942.886** | **26.942.886** |
| Comprehensive income (MDK) | -2.522.307 | -4.492.156 |
| Earnings per share (EPS basic), DKK | -0,09 | -0,17 |
| Diluted earnings per share (EPS-D), DKK | -0,09 | -0,17 |

| **19. Loans** | 30-06-2022<br>DKK | 01-01-2022<br>DKK |
|---|---|---|
| Loans | 8.734.028 | 7.000.000 |
| Imputed interest | 185.182 | 84.028 |
| **Balance at the end of the period** | **8.919.210** | **7.084.028** |
| Loans, long-term | 6.746.066 | 6.581.528 |
| Loans, short-term (incurred in other liabilities, note 25) | 2.173.144 | 502.500 |
| **Balance at the end of the period** | **8.919.210** | **7.084.028** |
| New loans in the period | 8.734.028 | 7.500.000 |
| Installments in the period | 0 | -500.000 |
| Imputed interest | 185.182 | 84.028 |
| **Balance at the end of the period** | **8.919.210** | **7.084.028** |

Long-term loan relates to an agreement entered into on settlement of a surety obligation for MDK 6,7 per 30 June 2022. The loan bears interest at 5% p.a. The loan is due for payment no later than 20 November 2023 incl. accrued interest. The loan falls due before 20 November 2023, if payment is received before then on the Portinho receivable, which according to current agreements is due for payment no later than 1 July 2023. In this connection, security has been provided in the Portinho receivable in an amount of up to MDK 6,5. Loans also include a separate short-term loan of MDK 2,2, due for payment on 1 October 2022. Security has been provided in the Portinho receivable.

**20. Provisions**

| | 30-06-2022 | 01-01-2022 |
|---|---|---|
| | DKK | DKK |
| Guarantee obligations | 1.000.000 | 1.500.000 |
| **Total Provisions** | **1.000.000** | **1.500.000** |

Provisions have developed as follows:

| | | |
|---|---|---|
| Opening balance | 1.500.000 | 10.000.000 |
| Reversed provisions in the period | -500.000 | -1.500.000 |
| Transfered to loans | 0 | -7.000.000 |
| | **1.000.000** | **1.500.000** |

There are provisions of MDK 1 to cover a remaining potential guarantee obligation. According to the information available to "The Enlarged Group", the debtor fulfills the payment agreement for the underlying loan relationship, and thus no claim has currently been asserted against "The Enlarged Group". The provisioned amount represents the assessed maximum risk of the surety obligation that "The Enlarged Group" has undertaken in relation to the underlying loan relationship.

**21. Bank debt**

| | 30-06-2022 | 01-01-2022 |
|---|---|---|
| | DKK | DKK |
| Operating bankfacilities | 7.537.606 | 8.532.767 |
| **Accounting value** | **7.537.606** | **8.532.767** |

Bank debt mainly covers 2 operating creditficilities with a total drawdown of DKK 7,500,000. The bank debt has a variable interest rate, and per 30. June 2022, the interest rate was an average of 4.8% p.a. After 30 June 2022, "The Enlarged Group" has entered into agreements to extend the final settlement date for bank debt, so that the debt now falls due at the same time as the Portinho receivables have to be settled or by 1 August 2023 at the latest.
Portinho receivables for an amount up to DKK 10 million. is provided as security for bank debt.

| | 30-06-2022 | 01-01-2022 |
|---|---|---|
| **22. Debt to capital owners** | DKK | DKK |
| Debt to capital owners | 622.158 | 622.158 |
| **Accounting value** | **622.158** | **622.158** |

Debt to capital owners includes loans and outlays made by capital owners to cover "The Enlarged Group's" current payment obligations.

| 23. Trade payables | 30-06-2022<br>DKK | 01-01-2022<br>DKK |
|---|---|---|
| Trade payables | 2.152.638 | 1.400.538 |
| **Trade and other payables - current** | **2.152.638** | **1.400.538** |

**24. Other liabilities**

| | | |
|---|---|---|
| A-tax (withholding tax) and other social securities | 101.114 | 120.526 |
| Holiday payrolls | 103.064 | 60.000 |
| Loan from shareholders | 622.158 | 622.158 |
| Other loans | 2.173.144 | 502.500 |
| Subordinated convertible debt (see note 25) | 3.569.823 | 2.685.000 |
| Other liabilities | 224.675 | 90.169 |
| Lease liabilities | 282.211 | 157.899 |
| **Other liabilities - current** | **7.076.190** | **4.238.251** |

**25. Subordinated convertible debt**

| | | |
|---|---|---|
| Loan 1 | 2.206.823 | 2.185.000 |
| Loan 2 | 505.000 | 500.000 |
| Loan 3 | 858.000 | 0 |
| **Accounting value** | **3.569.823** | **2.685.000** |

Loan 1: The loan was granted on 31.12.2021 when the creditor (a company owned by the chairman of the board) took over an existing debt obligation. The lender has the right to convert the loan into 50% class A shares and 50% class B shares at DKK 1 per share. share until 31.12.2022.

Loan 2: The loan was granted on 31.12.2021 by the creditor (a person close to the managing director/board member) taking over an existing debt obligation. The lender has the right to convert the loan into B shares at DKK 1 per share. share until 31.12.2022.

Loan 3:
The loan was granted on 01.01.2022 by the creditor (a person close to the managing director/board member) taking over an existing debt obligation. The lender has the right to convert the loan into B shares at DKK 1 per share. share until 31.12.2022.

**26. Contingent liabilities**

Based on management's assesment, "The Enlarged Group" is not involved in any lawsuites, arbitration cases or other matters which could have a material impact on the Company's financial position or result of operations.

**27. Operating and financial lease commitments**

"The Enlarged Group's" annual rent obligation amounts to TDKK 300. (1/1-2022: TDKK 165).

**28. Financial risks and financial instruments**

*Risk management policy*
Management manages "The Enlarged Group's" financial risks. The management of "The Enlarged Group's" risks is included in the management's day-to-day monitoring of "The Enlarged Group". "The Enlarged Group" is exposed to few financial risks, which result from its operating activities. "The Enlarged Group" does not actively engage in the trading of financial assets and financial derivatives.

*Credit risk*
"The Enlarged Group" has per 1 January 2022 a receivable from the sale of Portinho S.A in 2018. The receivable is secured by a pledge of shares in Portinho S.A (80% of the total capital in the company). A write-down has been recognized per 1 January 2022, based on a risk-weighted discounting in relation to the fact that the receivable is due for payment no later than 1 July 2023.

*Interest rate risks*
"The Enlarged Group" is exposed to interest rate risks in connection with bank debt which has a variable interest rate. "The Enlarged Group" is thus exposed to fluctuations in the interest rate level.

*Foreign currency risk*
The Company is subject to currency risks on payables and receivables in foreign currency, and purchases of services in foreign currency. The Company's foreign trade is minimal.

*Liquidity risk*
"The Enlarged Group" liquidity risks covers the risk that "The Enlarged Group" is not able to meet its liabilities as they fall due. "The Enlarged Group" is not subject to material liquidity risks. Reference is made to the information in note 12.
The maturities of financial liabilities appear from the tables below. All amounts are contractual cash flows, i.e. inclusive of interest.

| | | Within 1 year | 1-2 year(s) | 2-5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| **As at 1 January 2022** | (DKK) | | | | | |
| **Non-derivative financial instruments** | | | | | | |
| Loans | | 0 | 502.500 | 6.581.528 | 0 | 7.084.028 |
| Bank debt | | 0 | 8.533.043 | 0 | 0 | 8.533.043 |
| Convertible debt | | 0 | 2.684.973 | 0 | 0 | 2.684.973 |
| Trade payables | | 745.678 | 654.860 | 0 | 0 | 1.400.538 |
| Loan from shareholders | | 0 | 622.158 | 0 | 0 | 622.158 |
| Other payables | | 428.619 | 162.643 | 0 | 0 | 591.262 |
| **Total** | | **1.174.297** | **13.160.177** | **6.581.528** | **0** | **20.916.002** |

All financial liabilities as at 1 January 2022 are measured at amortised cost.

**28. Financial risks and financial instruments** - continued

| | Within 1 year | 1-2 year(s) | 2-5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| **As at 30 June 2022** (DKK) | | | | | |
| **Non-derivative financial instruments** | | | | | |
| Financial loans | 0 | 2.173.144 | 6.746.000 | 0 | 8.919.144 |
| Bank debt | 0 | 7.537.754 | 0 | 0 | 7.537.754 |
| Convertible debt | 0 | 3.569.823 | 0 | 0 | 3.569.823 |
| Trade payables | 721.850 | 1.429.928 | 0 | 0 | 2.151.778 |
| Loan from shareholders | 622.158 | 0 | 0 | 0 | 622.158 |
| Other payables | 710.605 | 439.453 | 0 | 0 | 1.150.058 |
| **Total** | **2.054.614** | **15.150.102** | **6.746.000** | **0** | **23.950.715** |

All financial liabilities as at 30 June 2022 are measured at amortised cost.

Loan agreements on subordinated convertible debt, contains clauses on conversion rights and conversion obligations. If conversion rights and conversion obligations are not exercised in 2022, loans are not due for payment until 14 July 2023.

**Categories of financial instruments**

| (DKK) | **30-06-2022** | | **01-01-2022** | |
|---|---|---|---|---|
| | **Accounting value** | **Fair value** | **Accounting value** | **Fair value** |
| Long-term receivables | 67.250.000 | 67.250.000 | 63.500.000 | 63.500.000 |
| Short-term receivables | 3.318.416 | 3.318.416 | 2.613.003 | 2.613.003 |
| **Loans and receivables** | **70.568.416** | **70.568.416** | **66.113.003** | **66.113.003** |
| Financial loans | 8.919.144 | 8.919.144 | 7.084.028 | 7.084.028 |
| Bank debt | 7.537.754 | 7.537.754 | 8.532.767 | 8.532.767 |
| Convertible debt | 3.569.823 | 3.569.823 | 2.684.973 | 2.684.973 |
| Trade payables | 2.151.778 | 2.151.778 | 1.400.538 | 1.400.538 |
| Loan from shareholders | 622.158 | 622.158 | 622.158 | 622.158 |
| Other payables | 1.150.058 | 1.150.058 | 591.262 | 591.262 |
| **Financial liabilities measured at amortized cost** | **23.950.715** | **23.950.715** | **20.915.726** | **20.915.726** |

**29. Related parties**

**Related parties**
"The Enlarged Group" has per 30. June 2022 the following shareholders with controlling influence.

• BioPharma Holding ApS

"The Enlarged Group" has per 30. June 2022 registered the following capital owners with 5% or more of the share capital:

• BioPharma Holding ApS
• N.H.L. Entreprise ApS
• Niels Erik Jespersen Holding ApS

In "The Enlarged Group", costs were incurred for a law firm in which a board member (in the parent company, Blue Vision A/S) is a partner, amounting to TDK 138.

Per 30 June 2022, "The Enlarged Group" has debts to capital owners totaling TDK 622. (1/1-2022: TDK 622). The debt is to a former director and her husband, and just as there is disagreement about the salary amount and settlement time for this, there is also disagreement about the settlement time for the interim account, where Blue Vision offers payment at the same time as payment is received for the Porthinho receivable, which as known to be due no later than 1 July 2023.

Per 30 June 2022, subordinated loans granted from a capital owner (via the company owned by the former chairman of the board in Blue Vision A/S) equals TDK 2.207 (1/1-2022: TDK 2.185) from taken over overdue supplier debt. The same related party has provided additional subordinated convertible debt of MDK 0,9. Both obligations are made under market related conditions. Both loans can be converted by the lender to 50% A-shares and 50% B-shares until 31.12.2022. The lender is also obliged to convert if a capital increase is carried out in Blue Vision and otherwise the loan is due for payment on 14 July 2023.

"The Enlarged Group" has a receivable from Portinho S.A of TDK 71.344 excl. interest. One of the capital owners in the subsidiary company, Blue Vision A/S, has special interests in Portinho S.A. and the shares owned by the capital owners are pledged as security for the receivable.

In the first half of 2022, a remuneration of TDK 900 has been recognized in "The Enlarged Group" for the resigned director (Jeanette Borg), which has been announced to be paid at the same time as payment is received on the Portinho receivable. "The Enlarged Group" and the resigned director do not agree on the size of the amount and the due date.

**30. Contingent assets, liabilities and collateral**

**Contingent assets**
"The Enlarged Group" has notified to claim compensation from the sellers of Heartcare ApS and Blue Vision A/S's former board chairman Nicolai Dines Kærgaard and former director Peter Hauge Jensen, respectively. The provisional compensation claim amounts to MDK 15. It is also claimed that the sellers of Heartcare ApS return the purchase price of a nominal total of 4 millions shares in Blue-Vision A/S. The claims are not recognized in the company's balance sheet.

"The Enlarged Group" has an unrecognized tax asset, see note 8.

**Liabilities**
The bankruptcy estate for Contra A/S under bankruptcy proceedings, has made a claim against Blue Vision A/S, of TDK 450. The claim is disputed by Blue-Vision A/S. In Addition, Blue Vision A/S has raised counter claims against Contra A/S under bankuptcy proceedings, which exceeds the claim raised by the banruptcy estate. Neither the claim raised by the bankruptcy estate nor the counter claim have been recognized in the interim proforma consolidated financial statement for the period of January 1 to June 30, 2022.

**Collateral**
In Blue Vision A/S, the Portinho receivable, with a carrying value of MDK 67,3 per 30. June 2022 is provided as security for primarily bank debt with an amount up to MDK 10 and secondarily as security for a financial loan with an amount up to MDK 6,5 and thirdly as security for other financial loans with an amount up to MDK 2,2..

**31. Events occuring after the balance sheet date**

After 30 June 2022, "The Enlarged Group" has entered into agreements to extend the final settlement date for bank debt, so that the debt now falls due at the same time as the Portinho receivables have to be settled or by 1 August 2023 at the latest.

**32. Business combinations**

The proforma financial statement is based on Blue-Vision A/S acquiring 100% of the shares of Reponex Pharmaceuticals A/S by an exchange of shares. Due to facts and circumstances such as the estimated relative voting rights after the business combination and other guidance of IFRS 3, the management has for accounting purposes assessed Reponex Pharmaceuticals A/S to be the acquirer and Blue Vision A/S as the acquiree.

The fair values of the identifiable assets and liabilities of Blue Vision A/S, at the date of acquisition were:

| **DKK´000** | **01-01-2022** |
|---|---|
| Long-term receivables | 67.250 |
| Cash | 74 |
| Other current assets | 112 |
| Current liabilities | -15.332 |
| **Total identifiable net assets at fair value** | **52.104** |
| Non-controlling interest | 0 |
| (Proportionate share in the identifiable net assets) | |
| **Purchase consideration transferred** | **52.104** |

No cash flows on acquisition except net cash acquired with the subsidiary (included in cash flows from in vesting activities).

From the date of acquisition, Blue-Vision A/S has contributed MDK 1,8 to the net profit of the Group.