

# **FINANCIAL STATEMENTS**

Medicortex Finland Oyj

Business ID: 2625992-6

01.01.2023 – 31.12.2023

These financial statements must be archived until 31.12.2033

# Financial statements for the financial period 01.01.2022 – 31.12.2022

## Table of contents

Annual report .....	3
Balance sheet .....	7
Income statement .....	9
Notes to the financial statements .....	10
Signatures of the financial statements.....	11
Auditor's Note .....	122
List of accounting records and materials .....	133

The financial statements must be archived for a minimum of 10 years after the financial period has ended.

Receipts belonging to the financial period must be archived for at least 6 years after the end of the year during which the financial period has ended.

Author:

Tili-Vinkki Oy  
authorized accounting company  
Vähäheikkiläntie 56 B  
20810 Turku

Address: Itäinen Pitkätatu 4 B 4, 20520 Turku

Business ID: 2625992-6

Domicile: Turku

2625992-6

## Annual report

### Key events in 2023 and events after the financial period

During the year, the company continued developing the urine test for detection of traumatic brain injury with the financial support from the US Department of Defense. Two out of four main Aims of the project were completed during the financial year, and the third Aim has been partially completed in the beginning of 2024, and is ongoing. The current project plan will end in September 2024.

In 2023 and in the beginning of 2024, five patent applications held by the company reached the first granted patents, and one invention title was registered a utility model. Three of the granted patents are Finnish patents and two are European patents. Most of the patent titles continue as international applications seeking protection in other regions. The results of the third clinical study on pediatric patients were published in June in a valued scientific journal *Diagnostics*. <https://doi.org/10.3390/diagnostics13132181>

The Annual General Meeting held on 28 April 2023 decided on the amendment of the Articles of Association, widening the description of company's field of business. The company has sought funding to start research on these new subjects areas.

The company has submitted project proposals and applications to various funding institutions, and the company is actively seeking both non-diluting funding as well as equity funding to enable the future activities and to widen the scope of company's research and development activities. The outcome of the major funding applications will be known in 2024.

In the beginning of 2024, the company received a conditional funding decision of more than 400.000 euros from Business Finland for setting up pilot production capacity, with a condition to raise 200.000 euros own equity to implement the Business Finland funding. The company announced the decision and opening of a share issue to raise the required own funding in January 2024.

<https://www.sttinfo.fi/tiedote/70084484/business-finland-supporting-medicortex?publisherId=49600577&lang=en>

### The amount of shares in the company by class and the main regulations about each class of shares according to Company's Articles of Association

Company's share capital divided by different share class as per follows

31.12.2023

Shares

21 979 176 shares

All of the outstanding shares bestow their holders with equal rights to dividends and other distribution of the company's assets.

### Organization and funding arrangements

The Extraordinary General Meeting decided on 19 December 2022 to authorize the Board of Directors to decide on directed share issue. On the basis of this authorization the Board of Directors may decide to issue up to 1 000 000 new shares. Determining the subscription price and other terms and conditions shall be decided by the Board of Directors.

2625992-6

The purpose of directed share issues was to execute a financing arrangement needed from the business point of view of the company and to strengthen the balance sheet. Due to this, there was a weighty financial reason to deviate from the shareholders' pre-emptive subscription rights.

On the basis of the authorization the Board of Directors has made the following decisions of share issues in the financial period:

27.02.2023 directed share issue	146 600 shares total	73 300,00
---------------------------------	----------------------	-----------

The Annual General Meeting decided on 28 April 2023 to authorize the Board of Directors to decide on directed share issue. On the basis of this authorization the Board of Directors may decide to issue up to 1 000 000 new shares. Determining the subscription price and other terms and conditions shall be decided by the Board of Directors

The purpose of directed share issues was to execute a financing arrangement needed from the business point of view of the company, to widen the shareholder base and to strengthen the balance sheet. Due to this, there was a weighty financial reason to deviate from the shareholders' pre-emptive subscription rights.

On the basis of the authorization the Board of Directors has made the following decisions of share issues in the financial period:

30.06.2023 directed share issue	58 356 kpl	total 43 183,44
14.09.2023 directed share issue	23 500 kpl	total 23 500,00
09.10.2023 directed share issue	25 500 kpl	total 25 500,00
14.12.2023 directed share issue	22 000 kpl	total 22 000,00

Share subscriptions based on the Incentive Options

14.09.2023	740 000 shares	total 7 400,00
18.12.2023	51 000 shares	total 510,00

The Annual General Meeting decided on 28.4.2023 to authorize the Board of Directors to decide on issue of option rights. On the basis of said authorization the Board of Directors may decide on one or more issues of option rights that entitle to receive in total of maximum of 1 000 000 new shares. The issue of option rights and the terms and conditions remain at the sole direction of the Board of Directors

On the basis of the authorization the Board of Directors has made the following decisions of option rights:

Issued and subscribed option rights:

02.01.2023	112 150 option rights
14.09.2023	23 500 option rights

The Annual General Meeting 28.4.2023 resolved to issue 168 000 option rights, that are granted as a part of an incentive scheme of the Board of Directors.

## Statement of changes in equity

31.12.2023

31.12.2022

2625992-6

Subscribed share capital 01.01	80 000,00	2 500,00
Increase during financial period	0,00	77 500,00
Subscribed share capital 31.12	80 000,00	80 000,00
<b>Restricted equity in total</b>	<b>80 000,00</b>	<b>80 000,00</b>
Reserve for invested unrestricted equity 01.01	2 255 832,60	1 996 566,20
Transfer, subscribed capital	185 463,44	336 766,40
Transfer, subscribed share capital	0,00	-77 500,00
Reserve for invested unrestricted equity 31.12	2 441 296,04	2 255 832,60
Increase in subscribed capital 01.01	12 580,00	168 480,00
Transfer, reserve for invested unrestricted equity	-185 463,44	-344 166,40
Increase during financial period	195 393,44	188 266,40
Increase in subscribed capital 31.12	22 510,00	12 580,00
Other reserves in total	2 463 806,04	2 268 412,60
Retained earnings (loss) 01.01	-2 254 317,42	-1 801 644,73
Retained earnings (loss) 31.12	-2 254 317,42	-1 801 644,73
Profit (loss) for the period	-169 251,06	-452 672,69
<b>Unrestricted equity in total</b>	<b>40 237,56</b>	<b>14 095,18</b>
<b>EQUITY IN TOTAL</b>	<b>120 237,56</b>	<b>94 095,18</b>

### Calculation of distributable unrestricted equity in accordance with Chapter 13, Section 5 of the Limited Liability Companies Act

Other reserves	2 463 806,04
Retained earnings	-2 254 317,42
Profit/loss for the period	-169 251,06
Unrestricted equity in total	40 237,56
<b>Distributable equity in total</b>	<b>40 237,56</b>

### Proposal of the Board of Directors for the use of distributable equity

Board of directors proposes that the loss of the financial year 169 251,06 euros would be transferred to retained earnings/loss.

2625992-6

## Balance sheet

	31.12.2023	31.12.2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	225 563,33	216 917,03
<b>Intangible assets in total</b>	225 563,33	216 917,03
<b>Non-current assets in total</b>	225 563,33	216 917,03
<b>Current assets</b>		
<b>Receivables</b>		
<b>Current receivables</b>		
Other receivables	9 524,42	9 600,00
Prepayments and accrued income	309,75	113 763,35
<b>Current receivables in total</b>	9 834,17	123 364,15
<b>Receivables in total</b>	9 834,17	123 364,15
<b>Cash at bank and in hand</b>	85 823,80	43 301,65
<b>Current assets in total</b>	95 657,97	166 665,80
<b>ASSETS IN TOTAL</b>	321 221,30	383 582,83

2625992-6

	31.12.2023	31.12.2022
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
<b>Share capital or other comparable assets</b>	80 000,00	80 000,00
<b>Other reserves</b>	2 463 806,04	2 268 412,60
Reserve for invested non-restricted capital	2 463 806,04	2 268 412,60
<b>Retained earnings gain or loss</b>	-2 254 317,42	-1 801 644,73
<b>Loss for the financial year</b>	-169 251,06	-452 672,69
<b>Equity in total</b>	120 237,56	94 095,18
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Loans from credit institutions	112 700,00	112 700,00
<b>Non-current liabilities in total</b>	112 700,00	112 700,00
<b>Current liabilities</b>		
Loans from credit institutions	0,00	33 515,00
Accounts Payables	7 090,39	44 014,10
Other creditors	40 267,83	50 812,56
Accruals and deferred income	40 925,52	48 445,99
<b>Current liabilities in total</b>	88 283,74	176 787,65
<b>Liabilities in total</b>	200 983,74	289 487,65
<b>EQUITY AND LIABILITIES IN TOTAL</b>	321 221,30	383 582,83

2625992-6

## Income statement

	01.01.2023 – 31.12.2023	01.01.2022 – 31.12.2022
Other operating income	966 150,86	579 731,18
<b>Raw materials and services</b>		
<b>Raw materials and consumables</b>		
Purchases during the financial year	-47 412,74	-19 515,02
External services	-214 946,08	-51 170,50
Raw materials and services in total	-262 358,82	-70 685,52
<b>Personnel expenses</b>		
Wages and salaries	-445 212,46	-332 375,81
Social security expenses	-70 184,04	-43 300,60
Pension expenses	-59 742,35	-37 060,42
Other social security expenses	-10 441,69	-6 240,18
Personnel expenses in total	-515 396,50	-375 676,41
<b>Depreciation, amortisation and reduction in value</b>		
Depreciation according to plan	-37 058,62	-32 488,15
Depreciation, amortisation and reduction in value in total	-37 058,62	-32 488,15
Other operating expenses	-285 531,04	-542 494,85
Operating profit/loss	-134 194,12	-441 613,75
<b>Financial income and expenses</b>		
<b>Other interest and financial income</b>		
From others	44,46	72,80
<b>Interest and other financial expenses</b>		
To others	-35 101,40	-11 131,74
Financial income and expenses in total	-35 056,94	-11 058,94
Loss before appropriations and taxes	-169 251,06	-452 672,69
Loss for the financial year	-169 251,06	-452 672,69

## Notes to the financial statements

The company is a small company as defined in the Accounting Act and the financial statements have been prepared in compliance with the rules pertaining to small enterprises laid down in Chapters 1–3 of the Government Decree on the information presented in the financial statements of small and micro enterprises.

### Financial statements accounting principles

#### Measurement principles applied to receivables, investments and liabilities

Receivables, investments and other similar financial assets as well as liabilities are valued according to Chapter 5, Section 2 of the Accounting Act.

#### Recognition and amortisation of intangible rights

The acquisition costs for patents that are recorded in Intangible assets accounts as part of the non-current assets are amortized by the straight-line method over 10 years.

Other than this, the financial statements have been prepared in accordance with the default valuation and recognition principles and methods laid down in Chapter 3, Section 1(2–3) of the Government Decree on the information presented in the financial statements of a small and micro enterprises.

### Going concern

In connection with preparing the financial statements, the Board of Directors has assessed company's conditions to continue its activity, which serves as the prerequisite for preparing the financial statements in accordance with the going concern principle.

Company's net result for the financial period of 1.1.-31.12.2023 was -169,251.06 euro.

Company's capital was 120,237.56 euro on 31.12.2023.

Company's liquid assets were 85,823.80 euro on 31.12.2023.

The company's estimated total operating expenses in 2024 will be 600 – 650 k€, depending on the amount of additional funding for the operation. The additional funding confirmed until now for the financial year 2024 is 473 k€.

Company's current liquid assets and the aforementioned secured additional funding are not sufficient to continue operations until the end of 2024 without additional funds available during the year. The company has operated since 2014 and has encountered similar situations in the past. Company's Board of Directors supposes, based on its understanding of the overall situation, that receiving the additional funding is sufficiently probable, whereby the financial statements were prepared in compliance with the going concern principle.

### Collaterals, commitments and off-balance sheet arrangements

Rental commitments 10 802,11 euros.

2625992-6

**Personnel**

Average number of personnel

	31.12.2023	31.12.2022
Employees	7	7

## Signatures of the financial statements

TURKU, 29 February 2024

Place, date

Adrian Harel.

Mårten Kvist

Adrian Harel

Mårten Kvist

Chairman of the Board

Member of the Board of Directors

Anna Tenstam

Anna Tenstam

Member of the Board of Directors

## Auditor's Note

The auditor's report has been issued today.

---

Place,

Revico Grant Thornton Oy

---

Riku Vuorinen, CPA

2625992-6

## List of accounting records and materials

General journal	Electronically archived
General ledger	Electronically archived
Financial statements	Bound
Balance breakdown	Bound

## Receipt types and storage methods

Sales invoices	Electronically archived
Purchase invoices	Electronically archived upon the recording of receipts
E-invoices (purchase invoices)	Electronically archived
Travel and expense invoices, memos	Electronically archived
Salaries	Electronically archived
Bank statements, payment receipts	Electronically archived
VAT summaries	Electronically archived
Seasonal tax reports	Electronically archived

Original purchase invoices received on paper are stored on paper by the entity with an accounting obligation. If a paper invoice has been scanned, the invoice is only stored electronically.

The original receipts attached to the receipt and related travel and expense invoices are stored on paper by the entity with an accounting obligation. If a paper invoice or its attachments are scanned, they are only stored electronically.