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# ***Sanos A/S***

Herlev Hovedgade 82, DK-2730 Herlev

## **Annual Report for 1 January - 31 December 2021**

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CVR No 26 99 79 33

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
27/4 2022

Jeppe Ragnar Andersen  
Chairman of the General  
Meeting



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company Information	5
Financial Highlights	6
Management's Review	7
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	8
Balance Sheet 31 December	9
Statement of Changes in Equity	11
Notes to the Financial Statements	12

# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Sanos A/S for the financial year 1 January - 31 December 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

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

Herlev, 27 April 2022

## Executive Board

Jeppe Ragnar Andersen  
CEO

Henning Heiberg Andersen

## Board of Directors

Karl Sebastian Inger  
Chairman

Jeppe Ragnar Andersen

Celine Infeld

# Independent Auditor's Report

To the Shareholders of Sanos 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Sanos A/S for the financial year 1 January - 31 December 2021, 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 misstate-

# Independent Auditor's Report

ment, 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.

## **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

# Independent Auditor's Report

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, 27 April 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Jacob Fromm Christiansen  
State Authorized Public Accountant  
mne18628

Kristian Højgaard Carlsen  
State Authorized Public Accountant  
mne44112

## Company Information

### **The Company**

Sanos A/S  
Herlev Hovedgade 82  
DK-2730 Herlev

CVR No: 26 99 79 33  
Financial period: 1 January - 31 December  
Incorporated: 29 December 2003  
Financial year: 18th financial year  
Municipality of reg. office: Herlev

### **Board of Directors**

Karl Sebastian Inger, Chairman  
Jeppe Ragnar Andersen  
Celine Infeld

### **Executive Board**

Jeppe Ragnar Andersen  
Henning Heiberg Andersen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Financial Highlights

Seen over a two-year period, the development of the Company is described by the following financial highlights:

	2021 TDKK	2020 TDKK
<b>Key figures</b>		
<b>Profit/loss</b>		
Gross profit/loss	4.915	5.847
Operating profit/loss	1.740	3.694
Profit/loss before financial income and expenses	1.740	3.668
Net financials	-50	0
Net profit/loss for the year	1.324	12.044
<b>Balance sheet</b>		
Balance sheet total	41.364	38.160
Equity	23.154	21.830
Investment in property, plant and equipment	19.390	18.469
Number of employees	36	28
<b>Ratios</b>		
Return on assets	4,2%	9,6%
Solvency ratio	56,0%	57,2%
Return on equity	5,9%	110,3%



# **Management's Review**

## **Key activities**

The Company's object is to operate within biotechnology and other related services.

## **Development in the year**

The income statement of the Company for 2021 shows a profit of DKK 1,324,128, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 23,154,125.

## **Targets and expectations for the year ahead**

Management expects an increase in profit in the coming year.

## **Subsequent events**

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

## Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>4.914.759</b>	<b>5.847.197</b>
Administrative expenses	12	-3.174.608	-2.153.578
<b>Operating profit/loss</b>		<b>1.740.151</b>	<b>3.693.619</b>
Other operating expenses		0	-25.431
<b>Profit/loss before financial income and expenses</b>		<b>1.740.151</b>	<b>3.668.188</b>
Financial expenses		-49.551	0
<b>Profit/loss before tax</b>		<b>1.690.600</b>	<b>3.668.188</b>
Tax on profit/loss for the year	3	-366.472	8.376.000
<b>Net profit/loss for the year</b>		<b>1.324.128</b>	<b>12.044.188</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings	1.324.128	12.044.188
	<b>1.324.128</b>	<b>12.044.188</b>

# Balance Sheet 31 December

## Assets

	Note	2021 DKK	2020 DKK
Land and buildings		1.827.167	1.865.167
Other fixtures and fittings, tools and equipment		12.177.441	13.633.767
Leasehold improvements		4.681.309	2.970.064
Prepayments for property, plant and equipment		703.844	0
<b>Property, plant and equipment</b>	<b>4</b>	<b>19.389.761</b>	<b>18.468.998</b>
Deposits		420.556	334.069
<b>Fixed asset investments</b>	<b>5</b>	<b>420.556</b>	<b>334.069</b>
<b>Fixed assets</b>		<b>19.810.317</b>	<b>18.803.067</b>
Trade receivables		1.716.415	85.848
Receivables from group enterprises		677.946	621.234
Other receivables		702.212	0
Deferred tax asset		16.581.582	17.626.000
Prepayments		0	15.156
<b>Receivables</b>		<b>19.678.155</b>	<b>18.348.238</b>
<b>Cash at bank and in hand</b>		<b>1.875.777</b>	<b>1.008.267</b>
<b>Currents assets</b>		<b>21.553.932</b>	<b>19.356.505</b>
<b>Assets</b>		<b>41.364.249</b>	<b>38.159.572</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		500.000	500.000
Retained earnings		22.654.125	21.329.997
<b>Equity</b>		<b>23.154.125</b>	<b>21.829.997</b>
Other payables		928.588	1.081.140
<b>Long-term debt</b>	6	<b>928.588</b>	<b>1.081.140</b>
Trade payables		2.173.090	643.432
Payables to group enterprises		4.227.535	6.159.965
Other payables	6	10.880.911	8.445.038
<b>Short-term debt</b>		<b>17.281.536</b>	<b>15.248.435</b>
<b>Debt</b>		<b>18.210.124</b>	<b>16.329.575</b>
<b>Liabilities and equity</b>		<b>41.364.249</b>	<b>38.159.572</b>
Contingent assets, liabilities and other financial obligations	7		
Related parties	8		
Accounting Policies	9		

## Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	500.000	21.329.997	21.829.997
Net profit/loss for the year	0	1.324.128	1.324.128
<b>Equity at 31 December</b>	<b>500.000</b>	<b>22.654.125</b>	<b>23.154.125</b>

# Notes to the Financial Statements

## 1 Special items

State compensation schemes in relation to COVID-19.

The amount is recognized in other operating income

0	1.609.250
<b>0</b>	<b>1.609.250</b>

## 2 Staff

Wages and Salaries

Other staff expenses

2021 DKK	2020 DKK
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23.094.161	17.463.541
304.419	206.117
<b>23.398.580</b>	<b>17.669.658</b>

Average number of employees

<b>36</b>	<b>28</b>
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## 3 Tax on profit/loss for the year

Current tax for the year

Deferred tax for the year

174.587	-8.376.000
191.885	0
<b>366.472</b>	<b>-8.376.000</b>

## 4 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Prepayments for property, plant and equipment DKK
Cost at 1 January	1.900.000	17.038.524	3.484.743	0
Additions for the year	0	856.081	2.852.382	703.844
Cost at 31 December	<b>1.900.000</b>	<b>17.894.605</b>	<b>6.337.125</b>	<b>703.844</b>
Impairment losses and depreciation at 1 January	34.833	3.404.757	514.679	0
Depreciation for the year	38.000	2.312.407	1.141.137	0
Impairment losses and depreciation at 31 December	<b>72.833</b>	<b>5.717.164</b>	<b>1.655.816</b>	<b>0</b>
<b>Carrying amount at 31 December</b>	<b>1.827.167</b>	<b>12.177.441</b>	<b>4.681.309</b>	<b>703.844</b>

# Notes to the Financial Statements

## 4 Property, plant and equipment (continued)

## 5 Fixed asset investments

	Deposits DKK
Cost at 1 January	334.069
Additions for the year	86.487
Cost at 31 December	420.556
<b>Carrying amount at 31 December</b>	<b>420.556</b>

## 6 Long-term debt

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

The debt falls due for payment as specified below:

	2021 DKK	2020 DKK
<b>Other payables</b>		
Between 1 and 5 years	928.588	1.081.140
Long-term part	928.588	1.081.140
Other short-term payables	10.880.911	8.445.038
	<b>11.809.499</b>	<b>9.526.178</b>

# Notes to the Financial Statements

	2021 DKK	2020 DKK
<b>7 Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with mortgage credit institutes:		
Land and buildings with an accounting value of	1.827.167	1.865.167

## Contingent liabilities

The group companies are jointly and severally liable for debt financing of DKK 220.000K to Sonas BidCo ApS.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Sonas HoldCo ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## 8 Related parties

### Consolidated Financial Statements

Selskabet indgår i koncernrapporten for moderselskabet

Name	Place of registered office
Sonas MidCo ApS	Herlev, Denmark

The Group Annual Report of Sonas MidCo ApS may be obtained at the following address:

Herlev Hovedgade 82, 2730 Herlev, Denmark



# Notes to the Financial Statements

## 9 Accounting Policies

The Annual Report of Sanos A/S for 2021 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 2021 are presented in DKK.

### 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.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

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

# Notes to the Financial Statements

## 9 Accounting Policies (continued)

### Income Statement

#### Revenue

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

#### Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and cost of sales.

#### Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

#### Other operating income and expenses

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

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

# Notes to the Financial Statements

## 9 Accounting Policies (continued)

### Tax on profit/loss for the year

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

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### Property, plant and equipment

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

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

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

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

Production buildings	50 years
Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

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

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

# Notes to the Financial Statements

## 9 Accounting Policies (continued)

### Fixed asset investments

Fixed asset investments consist of deposits.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### Financial debts

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

## Financial Highlights

### Explanation of financial ratios

Return on assets

$$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$$

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$

# Notes to the Financial Statements

## 9 Accounting Policies (continued)

Return on equity

$$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$