



Sanos A/S

Herlev Hovedgade 82
2730 Herlev
CVR No. 26997933

Annual report 2020

The Annual General Meeting adopted the
annual report on 08.04.2021

Jeppe Ragner Andersen

Chairman of the General Meeting

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Entity details

Entity

Sanos A/S

Herlev Hovedgade 82

2730 Herlev

CVR No.: 26997933

Date of foundation: 29.12.2003

Registered office: Herlev

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Karl Sebastian Inger, Chairman

Jeppe Ragnar Andersen

Celine Infeld

Executive Board

Jeppe Ragnar Andersen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Sanos A/S for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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

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

Herlev, 08.04.2021

Executive Board

Jeppe Ragnar 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

We have audited the financial statements of Sanos A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Copenhagen, 08.04.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jan Larsen

State Authorised Public Accountant
Identification No (MNE) mne16541

Management commentary

Primary activities

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

Development in activities and finances

The Company's income statement for 2020 shows a profit of DKK 12.044.188 while the balance sheet shows equity of DKK 21,829,997 at 31.12.2020.

Events after the balance sheet date

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

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		5,847,197	2,828,924
Administrative expenses		(2,153,578)	(910,232)
Operating profit/loss		3,693,619	1,918,692
Other financial expenses		(25,431)	(2,519)
Profit/loss before tax		3,668,188	1,916,173
Tax on profit/loss for the year	3	8,376,000	9,250,000
Profit/loss for the year		12,044,188	11,166,173
Proposed distribution of profit and loss			
Retained earnings		12,044,188	11,166,173
Proposed distribution of profit and loss		12,044,188	11,166,173

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Land and buildings		1,865,167	0
Other fixtures and fittings, tools and equipment		13,633,767	12,045,988
Leasehold improvements		2,970,064	0
Property, plant and equipment	4	18,468,998	12,045,988
Deposits		334,069	241,313
Deferred tax		17,626,000	9,250,000
Financial assets	5	17,960,069	9,491,313
Fixed assets		36,429,067	21,537,301
Trade receivables		85,848	260,767
Receivables from group enterprises		621,234	0
Other receivables		0	613,920
Prepayments		15,156	6,999
Receivables		722,238	881,686
Cash		1,008,267	478,117
Current assets		1,730,505	1,359,803
Assets		38,159,572	22,897,104

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		500,000	500,000
Retained earnings		21,329,997	9,285,809
Equity		21,829,997	9,785,809
Other payables		1,081,140	344,422
Non-current liabilities other than provisions	6	1,081,140	344,422
Trade payables		643,432	2,837,494
Payables to group enterprises		6,159,965	9,092,812
Other payables	7	8,445,038	836,567
Current liabilities other than provisions		15,248,435	12,766,873
Liabilities other than provisions		16,329,575	13,111,295
Equity and liabilities		38,159,572	22,897,104
Unusual circumstances	1		
Staff costs	2		
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
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Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	9,285,809	9,785,809
Profit/loss for the year	0	12,044,188	12,044,188
Equity end of year	500,000	21,329,997	21,829,997

Notes

1 Unusual circumstances

Sanos A/S has in 2020 recognized 1,609,250 DKK in income from the Danish government in connection to the Covid-19 compensation for salary and fixed cost.

2 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	17,463,541	6,351,205
Other staff costs	206,117	58,653
	17,669,658	6,409,858
Number of employees at balance sheet date	28	11

3 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Change in deferred tax	(8,376,000)	(9,250,000)
	(8,376,000)	(9,250,000)

4 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	0	13,466,896	0
Transfers	0	(465,721)	465,721
Additions	1,900,000	4,037,349	3,019,022
Cost end of year	1,900,000	17,038,524	3,484,743
Depreciation and impairment losses beginning of year	0	(1,420,907)	0
Transfers	0	(1,583)	(1,583)
Depreciation for the year	(34,833)	(1,982,267)	(513,096)
Depreciation and impairment losses end of year	(34,833)	(3,404,757)	(514,679)
Carrying amount end of year	1,865,167	13,633,767	2,970,064

5 Financial assets

	Deposits DKK	Deferred tax DKK
Cost beginning of year	241,313	9,250,000
Additions	92,756	8,376,000
Cost end of year	334,069	17,626,000
Carrying amount end of year	334,069	17,626,000

6 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Other payables	1,081,140
	1,081,140

7 Other payables

	2020 DKK	2019 DKK
VAT and duties	5,024,150	0
Wages and salaries, personal income taxes, social security costs, etc payable	2,112,212	444,135
Holiday pay obligation	729,903	390,492
Other costs payable	578,773	1,940
	8,445,038	836,567

8 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Liabilities under rental or lease agreements until maturity in total	4,328,646	3,588,251

9 Contingent liabilities

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

10 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Investcorp Holdings B.S.C., Kingdom of Bahrain

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Sonas MidCo ApS, Herlev, Denmark

Copies of the consolidated financial statements of Sonas MidCo ApS may be ordered at the following address:
Herlev Hovedgade 82, 2730 Herlev, Denmark

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

Changes in accounting policies

The company has reclassified from short-term debt to long-term debt in the comparative figure regarding holiday pay obligation for 2019. The reclassification amounts to 344 T.DKK

Apart from the area mentioned above, the annual report has been presented applying the accounting policies consistent with last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises evenue, production costs and other operating income.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

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

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying

amount.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Receivables

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

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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