



## Nordic Bioscience Holding A/S

Herlev Hovedgade 205  
2730 Herlev  
CVR No. 30511271

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 29.06.2023

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**Henrik Sanders**

Chairman of the General Meeting

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# Entity details

## Entity

Nordic Bioscience Holding A/S

Herlev Hovedgade 205

2730 Herlev

Business Registration No.: 30511271

Date of foundation: 29.06.2007

Registered office: Herlev

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Bente Juel Christiansen, chairperson

Anders Bengt Martin Borg

Claus Henrik Christiansen

Henrik Bernt Sanders

Kugan Sathiyandarajah

## Executive Board

Morten Asser Karsdal

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Nordic Bioscience Holding A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

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, 29.06.2023

## Executive Board

**Morten Asser Karsdal**

## Board of Directors

**Bente Juel Christiansen**  
chairperson

**Anders Bengt Martin Borg**

**Claus Henrik Christiansen**

**Henrik Bernt Sanders**

**Kugan Sathiyandarajah**

# Independent auditor's report

## To the shareholders of Nordic Bioscience Holding A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Nordic Bioscience Holding A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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.

### Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 29.06.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Jan Larsen**

State Authorised Public Accountant  
Identification No (MNE) mne16541

# Management commentary

## Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Revenue - Core	293,741	224,976	237,938	226,157	241,809
Revenue - Group	293,741	224,976	319,772	356,836	303,603
Gross profit/loss	243,416	193,103	255,911	280,764	245,141
Operating profit/loss	82,876	57,068	105,089	123,583	100,335
Net financials	(8,335)	(5,603)	(2,062)	(784)	17,782
Profit/loss for the year	51,604	37,358	79,632	110,982	38,255
Balance sheet total	222,861	219,902	288,570	452,963	360,962
Investments in property, plant and equipment	4,934	3,962	15,247	29,529	11,436
Equity	62,431	57,772	137,127	283,355	237,840
Equity excl. minority interests	62,431	57,772	136,416	282,390	237,840
Average number of employees	168	151	219	188	160
<b>Ratios</b>					
Net margin (%)	17.57	16.61	24.90	31.10	12.60
Return on equity (%)	85.86	38.34	37.88	42.59	13.95
Equity ratio (%)	28.01	26.27	47.27	62.34	65.89

The financial highlights from 2018 to 2020 have not been restated as a result of changes in accounting policies to IFRS on the recognition of development projects and revenue. Please refer to the accounting policies for further specifications.

The financial highlights, include the activities of NBCD A/S and Sanos A/S in the period before 30 June 2020.

Revenue - Core, include revenue from Nordic Bioscience A/S and KeyBioscience AG.

Revenue - Group, include revenue from Nordic Bioscience A/S, KeyBioscience AG including the revenue from NBCD A/S and Sanos A/S in the period before 30 June 2020.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Net margin (%):

Profit/loss for the year \* 100

Revenue



**Return on equity (%):**

Profit/loss for the year \* 100

Average equity

**Equity ratio (%):**

Equity excl. minority interests \* 100

Balance sheet total

### Primary activities

The Parent's activities comprise shareholding in subsidiaries that carry out R&D services, diagnostics, and drug development within the pharmaceutical sector.

The R&D service business provides pre-clinical and clinical data analysis in the Nordic Bioscience CLIA/CAP certified lab.

The diagnostics business is based on the unique biomarkers of Nordic Bioscience.

The drug development business has strong drug candidates in both clinical and preclinical development. Several of the candidates are partnered with strong partners.

In June 2020, the Group sold two legal entities conducting clinical research services. Consequently, the comparative figures for 2020 include six months of operations from these entities.

### Development in activities and finances

The Group have performed a IFRS conversion project (GAAP Analysis) to evaluate the impact of changing accounting policies to International Financial Reporting Standards (IFRS). The analysis showed differences in two areas: Certain development cost should be capitalized under IFRS and the historic applied revenue recognition principle was different compared to IFRS 15. Based on this, the Group have decided to change its accounting principles on these two areas. The change is further described in the Accounting Principles-section.

The Group has continued its activities with an increased level of activity compared to 2021. As a result, the Group reached a gross profit of DKK 243.4 million and an operating profit of DKK 82,9 million. Earnings before interest, taxes, depreciation and amortisation (EBITDA) was DKK 92,3 million compared to DKK 63,2 million in 2021. The EBITDA development is specified as follows (DKKm):

	<b>2022</b>	<b>2021</b>
	<b>DDKm</b>	<b>DDKm</b>
R&D Services and Diagnostics	147,8	113,9
Pharmaceutical projects, net	(55,5)	(50,7)
<b>Sum</b>	<b>92,3</b>	<b>63,2</b>

### Profit/loss for the year in relation to expected developments

The profit/loss for the year was in line with the outlook expressed in the Annual Report for 2021.

### Outlook

The Company expects increased activities in 2023. For the R&D Services and Diagnostics we expect increased revenue and earnings of at least 10%. We furthermore expect that the pharmaceutical projects will be fully financed by the earnings from the R&D Services and Diagnostics, also without receiving any milestones or other payments from partnered programs.

### Use of financial instruments

Inflation-risk is low as the Company is not bound to material agreements with long duration and fixed prices. Credit-risk is low as the customer-base is broad and the largest customers within top-25 Pharma-Companies. The Company has a good profitability and no interest-bearing debt, except for customary Danish Mortgage debt (long term property financing).

### Knowledge resources

The key to the Group's success is our +25 years of research in the ECM (Extracellular Matrix) and the development of diagnostic and therapeutic tools from insights of our more than 168 employees, whereby more than 120 are directly engaged in research and development activities. The Group seeks to foster a unique and competitive environment with the freedom to explore scientific ideas. We believe in publishing our scientific results and publish more than 50 scientific articles a year in the highest-ranking specialist journals.

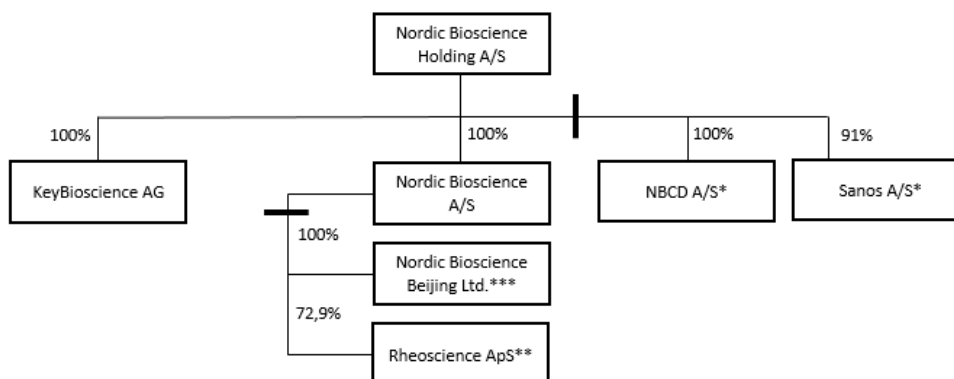
### Environmental performance

We use a minimal number of products in our activities and limited quantities hereof, which could potentially damage the external environment. We find it very important to comply with or exceed all applicable environmental regulations and have a good and close relationship with the relevant authorities overseeing such activities.

### Research and development activities

The Group carries out research and development for own and third parties within the pharmaceutical sector. The core activities are carried out in the entities Nordic Bioscience A/S and in KeyBioscience AG. The biochemical markers developed and commercialized in Nordic Bioscience A/S are typically used as aid in diagnosing or predicting disease development for various diseases, including response to various therapies. In KeyBioscience AG, the focus is on pharmaceutical projects with the aim to develop better treatments.

### Group relations



\* NBCD A/S and Sanos A/S were sold with effect from 30. June 2020.

\*\* Rheoscience ApS has been liquidated with effect from 4. November 2022.

\*\*\* Nordic Bioscience Beijing Ltd. were sold with effect from 3. April 2022.

### Events after the balance sheet date

No events have occurred after the balance sheet date, which would significantly affect the Group's and the Parent's financial position.

# Consolidated income statement for 2022

	Notes	2022 DKK	2021 DKK
Revenue		293,740,604	224,975,925
Production costs		(50,324,425)	(31,872,870)
<b>Gross profit/loss</b>		<b>243,416,179</b>	<b>193,103,055</b>
Research and development costs		(120,526,675)	(105,252,838)
Administrative expenses		(42,375,119)	(33,807,385)
Other operating income		2,361,336	3,025,606
<b>Operating profit/loss</b>		<b>82,875,721</b>	<b>57,068,438</b>
Other financial income		650,763	498,648
Other financial expenses		(8,985,371)	(6,101,861)
<b>Profit/loss before tax</b>		<b>74,541,113</b>	<b>51,465,225</b>
Tax on profit/loss for the year	2	(22,937,027)	(14,107,497)
<b>Profit/loss for the year</b>	3	<b>51,604,086</b>	<b>37,357,728</b>

# Consolidated balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	5	6,791,668	3,492,368
Acquired intangible assets		0	0
Development projects in progress	5	1,627,708	1,496,729
<b>Intangible assets</b>	4	<b>8,419,376</b>	<b>4,989,097</b>
Land and buildings		66,927,864	68,290,566
Other fixtures and fittings, tools and equipment		9,164,787	9,427,900
Leasehold improvements		0	0
<b>Property, plant and equipment</b>	6	<b>76,092,651</b>	<b>77,718,466</b>
Deposits		31,500	31,500
<b>Financial assets</b>	7	<b>31,500</b>	<b>31,500</b>
<b>Fixed assets</b>		<b>84,543,527</b>	<b>82,739,063</b>
Raw materials and consumables		27,402,158	7,615,023
<b>Inventories</b>		<b>27,402,158</b>	<b>7,615,023</b>
Trade receivables		38,368,068	20,465,357
Contract work in progress	8	309,381	241,243
Deferred tax	9	0	16,305,347
Other receivables		3,285,273	21,780,908
Tax receivable		7,848,323	3,528,485
Prepayments	10	485,396	217,078
<b>Receivables</b>		<b>50,296,441</b>	<b>62,538,418</b>
<b>Cash</b>		<b>60,619,017</b>	<b>67,009,217</b>
<b>Current assets</b>		<b>138,317,616</b>	<b>137,162,658</b>
<b>Assets</b>		<b>222,861,143</b>	<b>219,901,721</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital	11	10,616,384	10,616,384
Retained earnings		11,814,827	(7,843,962)
Proposed dividend for the financial year		40,000,000	55,000,000
<b>Equity</b>		<b>62,431,211</b>	<b>57,772,422</b>
Deferred tax	9	2,949,003	0
<b>Provisions</b>		<b>2,949,003</b>	<b>0</b>
Mortgage debt		42,197,610	45,351,185
<b>Non-current liabilities other than provisions</b>	<b>12</b>	<b>42,197,610</b>	<b>45,351,185</b>
Current portion of non-current liabilities other than provisions	12	3,260,000	3,275,000
Deposits		164,346	164,346
Prepayments received from customers	13	72,840,760	72,065,481
Contract work in progress	8	2,845,266	4,467,524
Trade payables		18,794,252	14,868,551
Other payables	14	15,472,133	20,683,844
Deferred income	15	1,906,562	1,253,368
<b>Current liabilities other than provisions</b>		<b>115,283,319</b>	<b>116,778,114</b>
<b>Liabilities other than provisions</b>		<b>157,480,929</b>	<b>162,129,299</b>
<b>Equity and liabilities</b>		<b>222,861,143</b>	<b>219,901,721</b>
Staff costs	1		
Transactions with related parties	17		
Group relations	18		
Subsidiaries	19		

# Consolidated statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Total DKK
Equity beginning of year	10,616,384	52,877,375	55,000,000	118,493,759
Changes in accounting policies	0	(60,721,337)	0	(60,721,337)
<b>Adjusted equity, beginning of year</b>	<b>10,616,384</b>	<b>(7,843,962)</b>	<b>55,000,000</b>	<b>57,772,422</b>
Ordinary dividend paid	0	0	(55,000,000)	(55,000,000)
Exchange rate adjustments	0	6,630,691	0	6,630,691
Other entries on equity	0	1,424,012	0	1,424,012
Profit/loss for the year	0	11,604,086	40,000,000	51,604,086
<b>Equity end of year</b>	<b>10,616,384</b>	<b>11,814,827</b>	<b>40,000,000</b>	<b>62,431,211</b>

*Other entries on equity* is the value of the Groups Warrent program which was introduced in 2022.

*Changes in accounting policies* is the value of the Groups change in accounting policies to IFRS related to previous years.

# Consolidated cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		82,875,721	57,068,438
Amortisation, depreciation and impairment losses		9,640,559	6,055,881
Working capital changes	16	1,904,604	10,213,990
Other adjustments		0	19,136,452
<b>Cash flow from ordinary operating activities</b>		<b>94,420,884</b>	<b>92,474,761</b>
Financial income received		4,336,107	1,959,907
Financial expenses paid		(12,670,715)	(7,563,120)
Taxes refunded/(paid)		(29,589,406)	(19,490,718)
<b>Cash flows from operating activities</b>		<b>56,496,870</b>	<b>67,380,830</b>
Acquisition etc. of intangible assets		(6,511,101)	0
Acquisition etc. of property, plant and equipment		(4,933,922)	(3,961,601)
<b>Cash flows from investing activities</b>		<b>(11,445,023)</b>	<b>(3,961,601)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>45,051,847</b>	<b>63,419,229</b>
Dividend paid		(55,000,000)	(75,004,747)
Sale of treasury shares		0	1,410,991
Mortgage debt raised/paid		(3,200,067)	(3,375,515)
<b>Cash flows from financing activities</b>		<b>(58,200,067)</b>	<b>(76,969,271)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(13,148,220)</b>	<b>(13,550,042)</b>
Cash and cash equivalents beginning of year		67,009,217	77,181,282
Currency translation adjustments of cash and cash equivalents		6,758,020	3,377,977
<b>Cash and cash equivalents end of year</b>		<b>60,619,017</b>	<b>67,009,217</b>



Cash and cash equivalents at year-end are composed of:

Cash	60,619,017	67,009,217
<b>Cash and cash equivalents end of year</b>	<b>60,619,017</b>	<b>67,009,217</b>

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# Notes to consolidated financial statements

## 1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	93,726,166	76,845,387
Pension costs	6,625,534	4,961,144
Other social security costs	413,491	695,272
Other staff costs	4,393,474	3,545,115
	<b>105,158,665</b>	<b>86,046,918</b>
Average number of full-time employees	168	151

	Remuneration of Management 2022 DKK	Remuneration of Management 2021 DKK
Total amount for management categories	5,136,371	5,439,613
	<b>5,136,371</b>	<b>5,439,613</b>

The disclosure of the groups management remuneration fell within section 98b(3)(2) of the Danish Financial Statements Act.

## 2 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	3,740,515	18,283,584
Change in deferred tax	19,254,350	(3,983,504)
Adjustment concerning previous years	(57,838)	(192,583)
	<b>22,937,027</b>	<b>14,107,497</b>

## 3 Proposed distribution of profit/loss

	2022 DKK	2021 DKK
Ordinary dividend for the financial year	40,000,000	55,000,000
Retained earnings	11,604,086	(17,642,272)
	<b>51,604,086</b>	<b>37,357,728</b>

#### 4 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	4,490,188	74,334,846	1,496,729
Transfers	6,380,122	0	(6,380,122)
Additions	0	0	6,511,101
<b>Cost end of year</b>	<b>10,870,310</b>	<b>74,334,846</b>	<b>1,627,708</b>
Amortisation and impairment losses beginning of year	(997,819)	(74,334,846)	0
Amortisation for the year	(3,080,823)	0	0
<b>Amortisation and impairment losses end of year</b>	<b>(4,078,642)</b>	<b>(74,334,846)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>6,791,668</b>	<b>0</b>	<b>1,627,708</b>

#### 5 Development projects

Completed development projects and development projects in progress include the development of technology which automate various processes within the production of biomarkers. The development projects are expected to be completed within one year and comprise both external consultancy fees and internal labor costs.

#### 6 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	78,349,825	28,187,702	1,580,205
Additions	299,112	4,634,810	0
Disposals	0	0	(1,063,057)
<b>Cost end of year</b>	<b>78,648,937</b>	<b>32,822,512</b>	<b>517,148</b>
Depreciation and impairment losses beginning of year	(10,059,260)	(18,759,802)	(1,580,205)
Depreciation for the year	(1,661,813)	(4,897,923)	0
Reversal regarding disposals	0	0	1,063,057
<b>Depreciation and impairment losses end of year</b>	<b>(11,721,073)</b>	<b>(23,657,725)</b>	<b>(517,148)</b>
<b>Carrying amount end of year</b>	<b>66,927,864</b>	<b>9,164,787</b>	<b>0</b>

#### 7 Financial assets

	Deposits DKK
Cost beginning of year	31,500
<b>Cost end of year</b>	<b>31,500</b>
<b>Carrying amount end of year</b>	<b>31,500</b>

## 8 Contract work in progress

	2022 DKK	2021 DKK
Contract work in progress	3,256,207	2,521,900
Progress billings	(5,792,092)	(6,748,181)
Transferred to liabilities other than provisions	2,845,266	4,467,524
	<b>309,381</b>	<b>241,243</b>

## 9 Deferred tax

	2022 DKK	2021 DKK
Intangible assets	(1,852,263)	(1,097,602)
Property, plant and equipment	(1,536,740)	(1,261,184)
Receivables	440,000	440,000
Other taxable temporary differences	0	18,224,133
<b>Deferred tax</b>	<b>(2,949,003)</b>	<b>16,305,347</b>

	2022 DKK	2021 DKK
<b>Changes during the year</b>		
Beginning of year	16,305,347	(594,669)
Recognised in the income statement	(19,254,350)	3,983,504
Recognised directly in equity	0	12,916,512
<b>End of year</b>	<b>(2,949,003)</b>	<b>16,305,347</b>

## 10 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

## 11 Contributed capital

	Number	Nominal value DKK	Recorded par value DKK
A-Shares	9,554,746	1	9,554,746
B-Shares	1,061,638	1	1,061,638
	<b>10,616,384</b>	<b>2</b>	<b>10,616,384</b>

## 12 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Mortgage debt	3,260,000	3,275,000	42,197,610	29,228,545
	<b>3,260,000</b>	<b>3,275,000</b>	<b>42,197,610</b>	<b>29,228,545</b>

Mortgage debt is secured by way of mortgage on properties at a book value of DKK 66,927,864.

### 13 Prepayments received from customers

Prepayments received from customers consist of payments received in connection with projects in progress and future projects.

### 14 Other payables

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries, personal income taxes, social security costs, etc. payable	8,810,436	9,168,089
Holiday pay obligation	3,495,143	8,570,931
Other costs payable	3,166,554	2,944,824
	<b>15,472,133</b>	<b>20,683,844</b>

### 15 Deferred income

Deferred income is related to the Groups PhD- and Post-Doc projects which is supported and funded by Innovationsfonden.

### 16 Changes in working capital

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Increase/decrease in inventories	(19,790,435)	(7,615,023)
Increase/decrease in receivables	(18,846,930)	37,263,553
Increase/decrease in trade payables etc.	(772,222)	(12,932,131)
Other changes	41,314,191	(6,502,409)
	<b>1,904,604</b>	<b>10,213,990</b>

### 17 Transactions with related parties

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were carried out in the financial year.

### 18 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest and largest group:

NB Herlev Holding ApS, Herlev

### 19 Subsidiaries

	<b>Registered in</b>	<b>Corporate form</b>	<b>Ownership %</b>
Nordic Bioscience A/S	Herlev, DK	A/S	100.0
KeyBioscience AG	Stans, CH	AG	100.0

## Parent income statement for 2022

	Notes	2022 DKK	2021 DKK
Administrative expenses		(1,025,230)	(1,453,512)
<b>Operating profit/loss</b>		<b>(1,025,230)</b>	<b>(1,453,512)</b>
Income from investments in group enterprises		58,371,026	52,902,813
Other financial income	2	206,343	453,484
Other financial expenses	3	(7,911,483)	(18,918,287)
<b>Profit/loss before tax</b>		<b>49,640,656</b>	<b>32,984,498</b>
Tax on profit/loss for the year	4	1,963,430	4,373,230
<b>Profit/loss for the year</b>	5	<b>51,604,086</b>	<b>37,357,728</b>

# Parent balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Investments in group enterprises		169,931,820	203,391,154
<b>Financial assets</b>	6	<b>169,931,820</b>	<b>203,391,154</b>
<b>Fixed assets</b>		<b>169,931,820</b>	<b>203,391,154</b>
Receivables from group enterprises		41,141,384	5,088,007
Tax receivable		7,490,080	3,353,820
Joint taxation contribution receivable		5,699,517	22,668,102
<b>Receivables</b>		<b>54,330,981</b>	<b>31,109,929</b>
<b>Cash</b>		<b>2,855,744</b>	<b>5,172,296</b>
<b>Current assets</b>		<b>57,186,725</b>	<b>36,282,225</b>
<b>Assets</b>		<b>227,118,545</b>	<b>239,673,379</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital		10,616,384	10,616,384
Translation reserve		9,092,849	2,905,588
Retained earnings		2,721,978	(10,749,550)
Proposed dividend for the financial year		40,000,000	55,000,000
<b>Equity</b>		<b>62,431,211</b>	<b>57,772,422</b>
Payables to group enterprises		164,261,840	181,842,957
Other payables		425,494	58,000
<b>Current liabilities other than provisions</b>		<b>164,687,334</b>	<b>181,900,957</b>
<b>Liabilities other than provisions</b>		<b>164,687,334</b>	<b>181,900,957</b>
<b>Equity and liabilities</b>		<b>227,118,545</b>	<b>239,673,379</b>
Staff costs	1		
Contingent liabilities	7		
Related parties with controlling interest	8		
Transactions with related parties	9		



# Parent statement of changes in equity for 2022

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	10,616,384	2,905,588	49,971,787	55,000,000	118,493,759
Changes in accounting policies	0	0	(60,721,337)	0	(60,721,337)
<b>Adjusted equity, beginning of year</b>	<b>10,616,384</b>	<b>2,905,588</b>	<b>(10,749,550)</b>	<b>55,000,000</b>	<b>57,772,422</b>
Effect of divestments of entities etc.	0	(443,430)	443,430	0	0
Ordinary dividend paid	0	0	0	(55,000,000)	(55,000,000)
Exchange rate adjustments	0	6,630,691	0	0	6,630,691
Other entries on equity	0	0	1,424,012	0	1,424,012
Profit/loss for the year	0	0	11,604,086	40,000,000	51,604,086
<b>Equity end of year</b>	<b>10,616,384</b>	<b>9,092,849</b>	<b>2,721,978</b>	<b>40,000,000</b>	<b>62,431,211</b>

*Other entries on equity* is the value of the Groups Warrent program which was introduced in 2022.

*Changes in accounting policies* is the value of the Groups change in accounting policies to IFRS related to previous years.

# Notes to parent financial statements

## 1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	835,492	1,240,001
	<b>835,492</b>	<b>1,240,001</b>
Average number of full-time employees	1	1

	Remuneration of Manage- ment 2022 DKK	Remuneration of Manage- ment 2021 DKK
Total amount for management categories	835,492	1,240,001
	<b>835,492</b>	<b>1,240,001</b>

The disclosure of the groups management remuneration fell within section 98b(3)(2) of the Danish Financial Statements Act.

## 2 Other financial income

	2022 DKK	2021 DKK
Other interest income	206,343	453,484
	<b>206,343</b>	<b>453,484</b>

## 3 Other financial expenses

	2022 DKK	2021 DKK
Financial expenses from group enterprises	7,821,992	18,905,623
Other interest expenses	68,567	1,647
Exchange rate adjustments	20,924	11,017
	<b>7,911,483</b>	<b>18,918,287</b>

## 4 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	(1,905,597)	(4,381,007)
Adjustment concerning previous years	(57,833)	7,777
	<b>(1,963,430)</b>	<b>(4,373,230)</b>

## 5 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Ordinary dividend for the financial year	40,000,000	55,000,000
Retained earnings	11,604,086	(17,642,272)
	<b>51,604,086</b>	<b>37,357,728</b>

## 6 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	299,602,896
Transfers	(24,167,288)
<b>Cost end of year</b>	<b>275,435,608</b>
Impairment losses beginning of year	(96,211,741)
Exchange rate adjustments	6,630,691
Transfers	24,167,288
Share of profit/loss for the year	58,371,026
Dividend	(100,000,000)
Other adjustments	1,538,948
<b>Impairment losses end of year</b>	<b>(105,503,788)</b>
<b>Carrying amount end of year</b>	<b>169,931,820</b>

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

## 7 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

## 8 Related parties with controlling interest

NB Herlev Holding ApS, Herlev Hovedgade 205, Herlev, Denmark owns 74% of the shares in Nordic Bioscience Holding A/S and has the controlling interest.

## 9 Transactions with related parties

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were carried out in the financial year.

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

## Changes in accounting policies

The Group has performed a IFRS conversion project (GAAP Analysis) to evaluate the impact of changing accounting policies from the Danish Financial Statements Act to International Financial Reporting Standards (IFRS). The conclusion of the analysis was, that certain development cost should be capitalized under IFRS. Furthermore the historic revenue recognition principles was different from the principles in IFRS 15. Based on this, the Group have decided to change its accounting principles on these two areas. The Annual report for 2022 is prepared accordance with the Danish Financial Statements Act but without any numerical differences to the principles in IFRS.

### **Revenue**

The change in accounting policies has led to a decrease in Revenue for 2022 of DKK 15,828 thousand and increase of Prepayment received from customers of DKK 15,828 thousand. Consequently, the total effect of the change in accounting policies is a decrease in this year's pre-tax profit of DKK 15,828 thousand. Tax for the year incumbent on the change in accounting policies, consisting of an adjustment of current tax, amounts to DKK 3,482 thousand, after which net profit for the year decreases by DKK 12,345 thousand. The balance sheet total increases by DKK 12,345 thousand, while equity decreases by DKK 12,345 thousand at 31.12.2022.

### **Development projects**

The change in accounting policies has led to an increase in Development projects of DKK 3,430 thousand and decrease of Research and development costs of DKK 3,430 thousand. Consequently, the total effect of the change in accounting policies is an increase in this year's pre-tax profit of DKK 3,430 thousand. Tax for the year incumbent on the change in accounting policies, consisting of an adjustment of deferred tax, amounts to DKK 775 thousand, after which net profit or loss for the year increases by DKK 3,430 thousand. The balance sheet total increases by DKK 2,675 thousand, while equity increases by DKK 2,675 thousand at 31.12.2022.

The comparative figures have been restated following the change in accounting policies.

Furthermore the presentation of few comparative figures has been restated. However, the restatement does not neither affect the Group's results nor it equity.

Apart from the areas 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.

### **Consolidated financial statements**

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

### **Basis of consolidation**

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

### **Income statement**

#### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. 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.

Contract work in progress consist of EU-projects which are included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-

of completion method).

**Production costs**

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise 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.

**Research and development costs**

Research and development costs comprise research costs, costs of development projects not qualifying for recognition in the balance sheet, and amortisation and impairment losses relating to development projects.

**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.

**Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

**Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**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 Parent is jointly taxed with all of its 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****Intellectual property rights etc.**

Intellectual property rights etc comprise development projects completed and in progress with related

intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement, but over no more than 20 years. The amortisation of patents and licences begins after regulatory approval has been obtained.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### **Property, plant and equipment**

Land and buildings, other fixtures and fittings, tools and equipment as well as leasehold improvements 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.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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:

	<b>Useful life</b>
Buildings	50 years
Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	10 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.

### **Investments in group enterprises**

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Receivables**

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

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a contract in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.



**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 or the planned settlement of each liability.

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.

**Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Joint taxation contributions payable or receivable**

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

**Prepayments**

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

**Cash**

Cash comprises cash in hand and bank deposits.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Mortgage debt**

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

**Other financial liabilities**

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

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

### **Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.