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# *Nordic Bioscience Holding A/S*

Herlev Hovedgade 205, DK-2730

## Annual Report for 2023

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CVR No. 30 51 12 71

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 27/6 2024

Henrik Sanders  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Nordic Bioscience Holding A/S for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Herlev, 27 June 2024

## Executive Board

Morten Asser Karsdal

## Board of Directors

Bente Juel Christiansen  
Chairman

Claus Henrik Christiansen

Henrik Bernt Sanders

Anders Bengt Martin Borg

Kugan Sathiyandarajah

# Independent Auditor's report

To the shareholder of Nordic Bioscience Holding A/S

## Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Nordic Bioscience Holding A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 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.

## 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 Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

# Independent Auditor's report

## 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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 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.

# Independent Auditor's report

Hellerup, 27 June 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Jacob F Christiansen

State Authorised Public Accountant

mne18628

Kristian Højgaard Carlsen

State Authorised Public Accountant

mne44112

## Company information

<b>The Company</b>	Nordic Bioscience Holding A/S Herlev Hovedgade 205 2730  CVR No: 30 51 12 71 Financial period: 1 January - 31 December Incorporated: 29 June 2007 Municipality of reg. office: Herlev
<b>Board of Directors</b>	Bente Juel Christiansen, chairman Claus Henrik Christiansen Henrik Bernt Sanders Anders Bengt Martin Borg Kugan Sathiyandarajah
<b>Executive Board</b>	Morten Asser Karsdal
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

# Group Chart

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
Nordic Bioscience Holding A/S	Herlev, DK	
NORDIC BIOSCIENCE A/S	Herlev, DK	100%
KeyBioscience AG	Lugano, CH	100%



## Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	<b>Group</b>				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	205,188	293,741	224,976	237,938	226,157
Gross profit	149,065	243,416	193,103	255,911	280,764
Profit/loss of primary operations	-11,043	82,876	57,068	105,089	123,583
Profit/loss of financial income and expenses	-4,124	-8,335	-5,603	-2,062	-784
Net profit/loss for the year	17,010	51,604	37,358	79,632	110,982
<b>Balance sheet</b>					
Balance sheet total	268,906	222,861	219,902	288,570	452,963
Investment in property, plant and equipment	9,901	4,934	3,962	15,247	29,529
Equity	48,802	62,431	57,772	137,127	283,355
Number of employees	184	168	151	219	188
<b>Ratios</b>					
Solvency ratio	18.1%	28.0%	26.3%	47.5%	62.6%
Net margin	-8.6%	17.6%	16.6%	24.9%	31.1%
Return on equity	30.6%	85.9%	38.3%	37.9%	42.6%

The financial highlights from 2019 to 2020 have not been restated as a result of changes in accounting policies on the recognition of development projects and revenue in 2022.

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

# Management's review

## Key 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.

## Development in the year

The income statement of the Group for 2023 shows a profit of DKK 17,010,292, and at 31 December 2023 the balance sheet of the Group shows a positive equity of DKK 48,801,641. Cash Flow from operating activities was DKK 72,007,683 for 2023 compared to 56,496,870 for 2022.

The Group reached a gross profit of mDKK 149,1 and an operating profit of mDKK 11,0. Earnings before interest, taxes, depreciation and amortization (EBITDA) was mDKK 1,3 compared to mDKK 92,3 for 2022. The EBITDA development is specified as follows (mDKK):

R&D Services and Diagnostics: mDKK 44,5 (2022: 147,8)  
Pharmaceutical Projects, Net: mDKK -43,2 (2022: -55,5)  
SUM: mDKK 1,3 (2022: 92,3)

The main driver for the development in 2023 in the R&D Services and Diagnostics was a shortfall in samples to be measured leading to a lower commercial activity level compared to 2022. Meanwhile, the Group has increased the R&D efforts on primarily automating manual products, by converting manual ELISA biomarkers to automated high-precision platforms such as the COBAS platform from Roche Diagnostics and i10 platform from IDS plc.

## The past year and follow-up on development expectations from last year

The profit/loss for the year was below the outlook expressed in the Annual Report for 2022.

## Outlook

The Group expects significantly increased revenue and earnings in 2024 compared to 2023.

For the R&D Services and Diagnostics the Group expects increased activities in 2024 compared to 2023. The order intake increased in the fall of 2023 and signed backlog per 31 December 2023 was record high, with good visibility into the next 3-4 years revenue.

For the Pharmaceutical Projects, the earnings in 2024 are expected to be positive, driven by a new partner agreement expected to be signed in 2024.

## Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

## Unusual events

The financial position at 31 December 2023 of the Group and the results of the activities and cash flows of the Group for the financial year for 2023 have not been affected by any unusual events.

## 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	Group		Parent company	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Revenue		205,188,216	293,740,604	0	0
Production expenses	1	-56,123,345	-50,324,425	0	0
<b>Gross profit</b>		<b>149,064,871</b>	<b>243,416,179</b>	<b>0</b>	<b>0</b>
Development expenditure	1	-112,848,517	-120,526,675	0	0
Administrative expenses	1	-49,158,525	-42,375,119	-905,894	-1,025,230
<b>Operating profit/loss</b>		<b>-12,942,171</b>	<b>80,514,385</b>	<b>-905,894</b>	<b>-1,025,230</b>
Other operating income		1,899,265	2,361,336	0	0
<b>Profit/loss before financial income and expenses</b>		<b>-11,042,906</b>	<b>82,875,721</b>	<b>-905,894</b>	<b>-1,025,230</b>
Income from investments in subsidiaries		0	0	31,574,933	58,371,026
Financial income	2	-8,702,328	650,763	0	206,343
Financial expenses	3	4,578,616	-8,985,371	-13,236,861	-7,911,483
<b>Profit/loss before tax</b>		<b>-15,166,618</b>	<b>74,541,113</b>	<b>17,432,178</b>	<b>49,640,656</b>
Tax on profit/loss for the year	4	32,176,910	-22,937,027	-421,886	1,963,430
<b>Net profit/loss for the year</b>	5	<b>17,010,292</b>	<b>51,604,086</b>	<b>17,010,292</b>	<b>51,604,086</b>

## Balance sheet 31 December

### Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Completed development projects		7,972,730	6,791,668	0	0
Acquired patents		0	0	0	0
Development projects in progress		0	1,627,708	0	0
<b>Intangible assets</b>	<b>6</b>	<b>7,972,730</b>	<b>8,419,376</b>	<b>0</b>	<b>0</b>
Land and buildings		65,637,480	66,927,864	0	0
Other fixtures and fittings, tools and equipment		13,175,945	9,164,787	0	0
Leasehold improvements		0	0	0	0
<b>Property, plant and equipment</b>	<b>7</b>	<b>78,813,425</b>	<b>76,092,651</b>	<b>0</b>	<b>0</b>
Investments in subsidiaries	8	0	0	162,073,125	169,931,820
Deposits		0	31,500	0	0
<b>Fixed asset investments</b>		<b>0</b>	<b>31,500</b>	<b>162,073,125</b>	<b>169,931,820</b>
<b>Fixed assets</b>		<b>86,786,155</b>	<b>84,543,527</b>	<b>162,073,125</b>	<b>169,931,820</b>
Raw materials and consumables		23,613,106	27,402,158	0	0
<b>Inventories</b>		<b>23,613,106</b>	<b>27,402,158</b>	<b>0</b>	<b>0</b>
Trade receivables		21,236,396	38,368,068	0	0
Contract work in progress		1,383,467	309,381	0	0
Receivables from group enterprises		2,232,406	0	0	41,090,035
Other receivables		2,472,011	3,285,273	0	0
Deferred tax asset	9	38,740,585	0	0	0
Corporation tax		2,399,877	7,848,323	16,168,000	7,490,080
Corporation tax receivable from group enterprises		7,044,778	0	1,675,527	5,699,517
Prepayments	10	1,050,555	485,396	0	0
<b>Receivables</b>		<b>76,560,075</b>	<b>50,296,441</b>	<b>17,843,527</b>	<b>54,279,632</b>

## Balance sheet 31 December

### Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
Cash at bank and in hand		<u>81,946,663</u>	<u>60,619,017</u>	<u>10,331,730</u>	<u>2,907,093</u>
Current assets		<u>182,119,844</u>	<u>138,317,616</u>	<u>28,175,257</u>	<u>57,186,725</u>
Assets		<u>268,905,999</u>	<u>222,861,143</u>	<u>190,248,382</u>	<u>227,118,545</u>

## Balance sheet 31 December

### Liabilities and equity

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Share capital	11	10,616,384	10,616,384	10,616,384	10,616,384
Reserve for exchange rate conversion		0	9,536,279	0	9,092,849
Retained earnings		38,185,257	2,278,548	38,185,257	2,721,978
Proposed dividend for the year		0	40,000,000	0	40,000,000
<b>Equity</b>		<b>48,801,641</b>	<b>62,431,211</b>	<b>48,801,641</b>	<b>62,431,211</b>
Provision for deferred tax	9	0	2,949,003	0	0
<b>Provisions</b>		<b>0</b>	<b>2,949,003</b>	<b>0</b>	<b>0</b>
Mortgage loans		39,829,240	42,197,610	0	0
<b>Long-term debt</b>	12	<b>39,829,240</b>	<b>42,197,610</b>	<b>0</b>	<b>0</b>
Mortgage loans	12	2,823,426	3,260,000	0	0
Prepayments received from customers	13	145,948,097	72,840,760	0	0
Trade payables		7,475,196	18,794,252	0	0
Contract work in progress		3,248,095	2,845,266	0	0
Payables to group enterprises		0	0	136,050,876	164,261,840
Deposits		164,346	164,346	0	0
Other payables		19,365,325	15,472,133	5,395,865	425,494
Deferred income	14	1,250,633	1,906,562	0	0
<b>Short-term debt</b>		<b>180,275,118</b>	<b>115,283,319</b>	<b>141,446,741</b>	<b>164,687,334</b>
<b>Debt</b>		<b>220,104,358</b>	<b>157,480,929</b>	<b>141,446,741</b>	<b>164,687,334</b>
<b>Liabilities and equity</b>		<b>268,905,999</b>	<b>222,861,143</b>	<b>190,248,382</b>	<b>227,118,545</b>
Contingent assets, liabilities and other financial obligations	17				
Related parties	18				
Subsequent events	19				
Accounting Policies	20				

## Statement of changes in equity

### Group

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	10,616,384	11,814,827	40,000,000	62,431,211
Ordinary dividend paid	0	0	-40,000,000	-40,000,000
Exchange adjustments relating to foreign entities	0	4,300,722	0	4,300,722
Other equity movements	0	5,059,416	0	5,059,416
Net profit/loss for the year	0	17,010,292	0	17,010,292
<b>Equity at 31 December</b>	<b>10,616,384</b>	<b>38,185,257</b>	<b>0</b>	<b>48,801,641</b>

Other equity movements is the value of the Groups Warrent program.

### Parent company

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	10,616,384	11,814,827	40,000,000	62,431,211
Ordinary dividend paid	0	0	-40,000,000	-40,000,000
Exchange adjustments relating to foreign entities	0	4,300,722	0	4,300,722
Other equity movements	0	5,059,416	0	5,059,416
Net profit/loss for the year	0	17,010,292	0	17,010,292
<b>Equity at 31 December</b>	<b>10,616,384</b>	<b>38,185,257</b>	<b>0</b>	<b>48,801,641</b>

## Cash flow statement 1 January - 31 December

	Note	Group	
		2023	2022
		DKK	DKK
Result of the year		17,010,292	51,604,086
Adjustments	15	-9,512,865	40,912,194
Change in working capital	16	74,043,460	1,904,604
<b>Cash flow from operations before financial items</b>		<b>81,540,887</b>	<b>94,420,884</b>
Financial income		-8,702,328	4,336,107
Financial expenses		4,578,616	-12,670,715
<b>Cash flows from ordinary activities</b>		<b>77,417,175</b>	<b>86,086,276</b>
Corporation tax paid		-5,409,492	-29,589,406
<b>Cash flows from operating activities</b>		<b>72,007,683</b>	<b>56,496,870</b>
Purchase of intangible assets		-4,647,436	-6,511,101
Purchase of property, plant and equipment		-9,901,374	-4,933,922
<b>Cash flows from investing activities</b>		<b>-14,548,810</b>	<b>-11,445,023</b>
Repayment of mortgage loans		-2,807,014	-3,200,067
Lease obligations incurred		3,581,325	0
Other equity entries		-1,206,260	0
Dividend paid		-40,000,000	-55,000,000
<b>Cash flows from financing activities</b>		<b>-40,431,949</b>	<b>-58,200,067</b>
<b>Change in cash and cash equivalents</b>		<b>17,026,924</b>	<b>-13,148,220</b>
Cash and cash equivalents at 1 January		60,619,017	67,009,217
Exchange adjustment of current asset investments		4,300,722	6,758,020
<b>Cash and cash equivalents at 31 December</b>		<b>81,946,663</b>	<b>60,619,017</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		81,946,663	60,619,017
<b>Cash and cash equivalents at 31 December</b>		<b>81,946,663</b>	<b>60,619,017</b>



## Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
<b>1. Staff</b>				
Wages and salaries	108,651,789	93,726,166	839,999	835,492
Pensions	7,212,072	6,625,534	0	0
Other social security expenses	601,810	413,491	0	0
Other staff expenses	3,803,598	4,393,474	0	0
	<b>120,269,269</b>	<b>105,158,665</b>	<b>839,999</b>	<b>835,492</b>
<b>Including remuneration to the Executive Board and Board of Directors</b>	<b>7,483,282</b>	<b>5,136,372</b>	<b>839,999</b>	<b>835,492</b>
<b>Average number of employees</b>	<b>184</b>	<b>168</b>	<b>1</b>	<b>1</b>
	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
<b>2. Financial income</b>				
Other financial income	-8,890,450	650,763	0	206,343
Exchange adjustments	376,244	0	0	0
Exchange gains	-188,122	0	0	0
	<b>-8,702,328</b>	<b>650,763</b>	<b>0</b>	<b>206,343</b>
	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
<b>3. Financial expenses</b>				
Interest paid to group enterprises	0	0	9,957,932	7,821,992
Other financial expenses	7,439,716	8,964,447	3,278,929	68,567
Exchange adjustments, expenses	-12,018,332	20,924	0	20,924
	<b>-4,578,616</b>	<b>8,985,371</b>	<b>13,236,861</b>	<b>7,911,483</b>

## Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
<b>4. Income tax expense</b>				
Current tax for the year	7,101,981	3,740,515	-1,675,527	-1,905,597
Deferred tax for the year	-41,689,588	19,254,350	0	0
Adjustment of tax concerning previous years	2,410,697	-57,838	2,097,413	-57,833
	<b>-32,176,910</b>	<b>22,937,027</b>	<b>421,886</b>	<b>-1,963,430</b>

	Parent company	
	2023	2022
	DKK	DKK
<b>5. Profit allocation</b>		
Proposed dividend for the year	0	40,000,000
Retained earnings	17,010,292	11,604,086
	<b>17,010,292</b>	<b>51,604,086</b>

## 6. Intangible fixed assets

### Group

	Completed development projects	Acquired patents	Development projects in progress
	DKK	DKK	DKK
Cost at 1 January	10,870,310	74,334,846	1,627,708
Additions for the year	0	0	4,647,436
Transfers for the year	6,275,144	0	-6,275,144
Cost at 31 December	<b>17,145,454</b>	<b>74,334,846</b>	<b>0</b>
Impairment losses and amortisation at 1 January	4,078,642	74,334,846	0
Amortisation for the year	5,094,082	0	0
Impairment losses and amortisation at 31 December	<b>9,172,724</b>	<b>74,334,846</b>	<b>0</b>
<b>Carrying amount at 31 December</b>	<b>7,972,730</b>	<b>0</b>	<b>0</b>

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 comprise both external consultancy fees and internal labor costs.

## Notes to the Financial Statements

### 7. Property, plant and equipment Group

	Land and buildings	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 January	78,648,937	32,822,512
Additions for the year	415,842	9,485,532
Disposals for the year	-251,248	-47,808
Cost at 31 December	<u>78,813,531</u>	<u>42,260,236</u>
Impairment losses and depreciation at 1 January	11,721,073	23,657,725
Depreciation for the year	1,706,226	5,474,374
Impairment and depreciation of sold assets for the year	-251,248	-47,808
Impairment losses and depreciation at 31 December	<u>13,176,051</u>	<u>29,084,291</u>
<b>Carrying amount at 31 December</b>	<b><u>65,637,480</u></b>	<b><u>13,175,945</u></b>
Amortised over	<u>50 years</u>	<u>3-7 years</u>

Leased equipment included in the above amounts to DKK 3,325,000 (DKK 0 in 2022).

## Notes to the Financial Statements

	<b>Parent company</b>	
	2023	2022
	DKK	DKK
<b>8. Investments in subsidiaries</b>		
Cost at 1 January	275,435,608	299,602,896
Transfers for the year	0	-24,167,288
Cost at 31 December	<u>275,435,608</u>	<u>275,435,608</u>
Value adjustments at 1 January	-105,503,788	-96,211,741
Exchange adjustment	4,300,722	6,630,691
Net profit/loss for the year	31,574,933	58,371,026
Dividend to the Parent Company	-50,000,000	-100,000,000
Other equity movements, net	6,265,650	1,538,948
Transfers for the year	0	24,167,288
Value adjustments at 31 December	<u>-113,362,483</u>	<u>-105,503,788</u>
<b>Carrying amount at 31 December</b>	<u><b>162,073,125</b></u>	<u><b>169,931,820</b></u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Nordic Bioscience A/S	KeyBioscience AG	100%
KeyBioscience AG	Lugano, CH	100%

	<b>Group</b>		<b>Parent company</b>	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
<b>9. Deferred tax asset</b>				
Deferred tax asset at 1 January	-2,949,003	16,305,347	0	0
Amounts recognised in the income statement for the year	41,689,588	-19,254,350	0	0
Deferred tax asset at 31 December	<u><b>38,740,585</b></u>	<u><b>-2,949,003</b></u>	<u><b>0</b></u>	<u><b>0</b></u>

The recognised tax asset comprises of tax loss carry forward. The recognised tax asset is expected to be used within a 1-5 years.

# Notes to the Financial Statements

## 10. Prepayments

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

## 11. Share capital

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

Group		Parent company	
2023	2022	2023	2022
DKK	DKK	DKK	DKK

## 12. 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:

Mortgage loans				
After 5 years	28,535,534	29,228,545	0	0
Between 1 and 5 years	11,293,706	12,969,065	0	0
Long-term part	39,829,240	42,197,610	0	0
Within 1 year	2,823,426	3,260,000	0	0
	<b>42,652,666</b>	<b>45,457,610</b>	<b>0</b>	<b>0</b>

Mortgage debt is secured by way of mortgage on properties at a book value of DKK 65,637,478.

## 13. Received prepayments from customers

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

## 14. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

## Notes to the Financial Statements

### 15. Cash flow statement - Adjustments

	Group	
	2023	2022
	DKK	DKK
Financial income	8,702,328	-650,763
Financial expenses	-4,578,616	8,985,371
Depreciation, amortisation and impairment losses, including losses and gains on sales	12,274,682	9,640,559
Tax on profit/loss for the year	-32,176,910	22,937,027
Other adjustments	6,265,651	0
	<u>-9,512,865</u>	<u>40,912,194</u>

### 16. Cash flow statement - Change in working capital

	Group	
	2023	2022
	DKK	DKK
Change in inventories	3,789,052	-19,790,435
Change in receivables	21,106,438	-18,846,930
Change in trade payables, etc	49,147,970	-772,222
Other changes in working capital	0	41,314,191
	<u>74,043,460</u>	<u>1,904,604</u>

### 17. Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 December 2023.

# Notes to the Financial Statements

## 18. Related parties and disclosure of consolidated financial statements

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

No such transactions were carried out in the financial year.

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Romarine ApS	Vedbæk

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

CVR No: 37126306

## 19. Subsequent events

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

# Notes to the Financial Statements

## 20. Accounting policies

The Annual Report of Nordic Bioscience Holding A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in DKK.

### 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.

### Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Nordic Bioscience Holding A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

### Translation policies

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 write-down. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary



# Notes to the Financial Statements

## 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 expenses

Production expenses comprise 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.

Production expenses also include amortisation of goodwill to the extent that goodwill relates to production activities.

### Development expenditure

Development expenditure comprise costs in the form of salaries to staff in the development department as well as depreciation, etc.

### 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 and expenses

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

### Income from investments in subsidiaries

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.

# Notes to the Financial Statements

## 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

### Intangible fixed assets

#### *Development projects*

Intellectual property rights etc comprise development projects completed and in progress.

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:

Buildings	50 years
Leasehold improvements	10 years
Other fixtures and fittings, tools and equipment	3-7 years

# Notes to the Financial Statements

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.

The fixed assets' residual values are determined at nil.

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

## Investments in subsidiaries

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 write-downs 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 under 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 as well as finance costs are recognised in the income statement as incurred.

# Notes to the Financial Statements

## Prepayments

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

## Cash

Cash comprises cash in hand and bank deposits.

## Equity

### 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.

### Deferred tax assets and liabilities

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.

## Cash

Cash comprises cash in hand and bank deposits.

## 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 payments received in respect of income in subsequent years.

## Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

### *Cash flows from operating activities*

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

# Notes to the Financial Statements

## *Cash flows from investing activities*

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

## *Cash flows from financing activities*

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

## *Cash and cash equivalents*

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

## **Financial Highlights**

### **Explanation of financial ratios**

Solvency ratio  $\text{Equity at year end} \times 100 / \text{Total assets at year end}$

Net margin  $\text{Profit/loss for the year} \times 100 / \text{Revenue}$

Return on equity  $\text{Net profit for the year} \times 100 / \text{Average equity}$