
NBCD A/S

Telefonvej , 8D, 2., DK-DK-2860 Søborg

Annual Report for 2023

CVR No. 30 58 24 62

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 17/4 2024

Jeppe Ragnar Andersen
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 NBCD 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 give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations 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, 17 April 2024

Executive Board

Jeppe Ragnar Andersen
CEO

Jakob Brix Christensen
CFO

Board of Directors

Karl Sebastian Inger
Chairman

Jeppe Ragnar Andersen

Pierre Khaitrine

Independent Auditor's report

To the shareholder of NBCD A/S

Opinion

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

We have audited the Financial Statements of NBCD 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 ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

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

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

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 17 April 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Kristian Højgaard Carlsen
State Authorised Public Accountant
mne44112

Company information

The Company	NBCD A/S Telefonvej , 8D, 2. DK-DK-2860 Søborg CVR No: 30 58 24 62 Financial period: 1 January - 31 December Incorporated: 7 May 2007 Financial year: 17th financial year Municipality of reg. office: Søborg
Board of Directors	Karl Sebastian Inger, chairman Jeppe Ragnar Andersen Pierre Khaitrine
Executive Board	Jeppe Ragnar Andersen Jakob Brix Christensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	133,709	94,669	60,449	59,689	47,812
Profit/loss of primary operations	88,510	69,764	47,245	52,716	43,885
Profit/loss of financial income and expenses	3,649	661	-2,384	-1,001	-843
Net profit/loss for the year	70,806	45,857	35,649	40,503	33,734
Balance sheet					
Balance sheet total	302,513	236,619	205,512	125,045	88,130
Investment in property, plant and equipment	0	33	1,031	5,167	428
Equity	194,301	123,495	107,638	71,989	36,486
Number of employees	40	31	31	23	20
Ratios					
Solvency ratio	64.2%	52.2%	52.4%	57.6%	41.4%
Return on equity	44.6%	39.7%	39.7%	74.7%	124.4%

Management's review

Key activities

The object of the Company is to operate within clinical drug development and other related activities.

Development in the year

The income statement of the Company for 2023 shows a profit of DKK 70,806,144, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 194,301,003.

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

The company's expectations of an increase in the net result has been met.

Targets and expectations for the year ahead

Management expects an increase in profit in the coming year.

External environment

The company is conscious about its impact on the environment and is committed to improving in this area.

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	2023	2022
		DKK	DKK
Gross profit		133,708,596	94,669,194
Administrative expenses	2	-45,198,409	-24,904,950
Profit/loss before financial income and expenses		88,510,187	69,764,244
Financial income	3	4,713,486	874,950
Financial expenses	4	-1,064,110	-213,861
Profit/loss before tax		92,159,563	70,425,333
Tax on profit/loss for the year	5	-21,353,419	-24,568,803
Net profit/loss for the year	6	70,806,144	45,856,530

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Acquired patents		125,240	196,806
Intangible assets	7	125,240	196,806
Land and buildings		21,859,589	22,851,321
Other fixtures and fittings, tools and equipment		199,573	443,588
Property, plant and equipment	8	22,059,162	23,294,909
Other investments	9	48,001,512	1,474,747
Deposits	9	24,750	23,828
Fixed asset investments		48,026,262	1,498,575
Fixed assets		70,210,664	24,990,290
Trade receivables		54,796,156	49,626,267
Receivables from group enterprises		53,949,739	59,106,181
Other receivables		2,085,747	6,978,909
Deferred tax asset	10	646,768	415,002
Receivables		111,478,410	116,126,359
Cash at bank and in hand		120,823,775	95,502,821
Current assets		232,302,185	211,629,180
Assets		302,512,849	236,619,470

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		500,000	500,000
Retained earnings		123,801,003	122,994,859
Proposed dividend for the year		70,000,000	0
Equity		194,301,003	123,494,859
Deposits		64,200	64,200
Other payables		1,063,415	957,465
Long-term debt	11	1,127,615	1,021,665
Trade payables		13,474,431	10,032,504
Payables to group enterprises		24,931,795	24,462,993
Other payables	11	3,987,570	4,956,626
Deferred income	12	64,690,435	72,650,823
Short-term debt		107,084,231	112,102,946
Debt		108,211,846	113,124,611
Liabilities and equity		302,512,849	236,619,470
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Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	500,000	122,994,859	0	123,494,859
Net profit/loss for the year	0	806,144	70,000,000	70,806,144
Equity at 31 December	500,000	123,801,003	70,000,000	194,301,003

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
1. Staff		
Wages and salaries	28,575,351	21,370,147
Other social security expenses	212,029	180,445
	<u>28,787,380</u>	<u>21,550,592</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
Average number of employees	<u>40</u>	<u>31</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
2. Administrative expenses		
Depreciation on PP&E	1,235,745	1,226,424
Depreciation on intangible fixed assets	71,566	71,566
Other expenses	43,891,098	23,606,960
	<u>45,198,409</u>	<u>24,904,950</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
3. Financial income		
Other financial income	4,713,486	406,611
Exchange adjustments	0	468,339
	<u>4,713,486</u>	<u>874,950</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
4. Financial expenses		
Other financial expenses	0	213,861
Exchange adjustments, expenses	1,064,110	0
	<u>1,064,110</u>	<u>213,861</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
5. Income tax expense		
Current tax for the year	20,557,551	15,714,777
Deferred tax for the year	-231,766	-221,027
Adjustment of tax concerning previous years	1,027,634	9,075,053
	<u>21,353,419</u>	<u>24,568,803</u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
6. Profit allocation		
Proposed dividend for the year	70,000,000	0
Retained earnings	806,144	45,856,530
	<u>70,806,144</u>	<u>45,856,530</u>

7. Intangible fixed assets

	<u>Acquired patents</u>
	DKK
Cost at 1 January	357,829
Cost at 31 December	<u>357,829</u>
Impairment losses and depreciation at 1 January	161,023
Depreciation for the year	71,566
Impairment losses and depreciation at 31 December	<u>232,589</u>
Carrying amount at 31 December	<u>125,240</u>

Notes to the Financial Statements

8. Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 January	26,005,558	794,062
Cost at 31 December	<u>26,005,558</u>	<u>794,062</u>
Impairment losses and depreciation at 1 January	3,154,238	350,475
Depreciation for the year	991,731	244,014
Impairment losses and depreciation at 31 December	<u>4,145,969</u>	<u>594,489</u>
Carrying amount at 31 December	<u>21,859,589</u>	<u>199,573</u>
Amortised over	<u>10-50 years</u>	<u>3-10 years</u>

9. Other fixed asset investments

	Other investments	Deposits
	DKK	DKK
Cost at 1 January	987,093	23,828
Additions for the year	45,827,010	922
Cost at 31 December	<u>46,814,103</u>	<u>24,750</u>
Revaluations at 1 January	487,654	0
Revaluations for the year	699,755	0
Revaluations at 31 December	<u>1,187,409</u>	<u>0</u>
Carrying amount at 31 December	<u>48,001,512</u>	<u>24,750</u>

Other investments consists of investments in listed and unlisted biotech companies, in the form of shares or convertible loan notes. Listed shares are measured on the basis of the latest quoted market price, while investments which are not traded in an active market are measured at fair market value, defined as the share price in the latest external funding round as of 31. December 2023.

Notes to the Financial Statements

	2023	2022
	DKK	DKK
10. Deferred tax asset		
Deferred tax asset at 1 January	415,002	193,973
Amounts recognised in the income statement for the year	231,766	221,029
Deferred tax asset at 31 December	646,768	415,002

	2023	2022
	DKK	DKK
11. 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:

Deposits

After 5 years	0	0
Between 1 and 5 years	64,200	64,200
Long-term part	64,200	64,200
Within 1 year	0	0
	64,200	64,200

Other payables

After 5 years	0	0
Between 1 and 5 years	1,063,415	957,465
Long-term part	1,063,415	957,465
Other short-term payables	3,987,570	4,956,626
	5,050,985	5,914,091

12. Deferred income

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

Notes to the Financial Statements

13. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

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

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

14. 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.

Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
Investcorp Holdings B.S.C.	Kingdom of Bahrain
Sonas MidCo ApS	Søborg Denmark

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

Telefonvej 8D, 2., 2860 Søborg, Denmark

Notes to the Financial Statements

15. Accounting policies

The Annual Report of NBCD 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 Financial Statements for 2023 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Sonas MidCo ApS, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Sonas MidCo ApS, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

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

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

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

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Notes to the Financial Statements

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

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

Production expenses

Production expenses comprise costs incurred to achieve revenue for the year. Cost comprises materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of service spots.

Gross profit/loss

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

Administrative expenses

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

Financial income and expenses

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

Tax on profit/loss for the year

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

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

Balance sheet

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5 years.

Notes to the Financial Statements

Property, plant and equipment

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

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

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

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

Production buildings	10-50 years
Other fixtures and fittings, tools and equipment	3-10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Fixed asset investments

Fixed asset investments, which consist of listed shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

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

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

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

Notes to the Financial Statements

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

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

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

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

Accrued costs

Accrued costs comprises payments received in respect of income in subsequent years.

Deferred income

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

Financial Highlights

Explanation of financial ratios

Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$