



## Nordic Biotech Opportunity Fund K/S

Strandvejen 125  
2900 Hellerup  
CVR No. 31262488

## Annual report 2023

The Annual General Meeting adopted the annual report on 12.06.2024

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**Lars Møller Andersen**  
Chairman of the General Meeting

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# Entity details

## Entity

Nordic Biotech Opportunity Fund K/S  
Strandvejen 125  
2900 Hellerup

Business Registration No.: 31262488  
Registered office: København  
Financial year: 01.01.2023 - 31.12.2023

## Executive Board

Florian Schønharting

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

# Statement by Management

The Executive Board has today considered and approved the annual report of Nordic Biotech Opportunity Fund K/S for the financial year 01.01.2023 - 31.12.2023.

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

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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

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

Copenhagen, 17.05.2024

**On behalf of the general partner, Nordic Biotech General Partner ApS**

**Florian Schønharting**

# Independent auditor's report

## To the shareholders of Nordic Biotech Opportunity Fund K/S

### Opinion

We have audited the financial statements of Nordic Biotech Opportunity Fund K/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board 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 financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

### **Statement on the management commentary**

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

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

Copenhagen, 17.05.2024

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

#### **Bill Haudal Pedersen**

State Authorised Public Accountant

Identification No (MNE) mne30131

# Management commentary

## Primary activities

The Limited Partnership was established on 31 January 2008 as a venture capital limited partnership focusing exclusively on follow-on investments in portfolio companies of Nordic Biotech K/S.

At 31 December 2023, the portfolio of the Limited Partnership included two investments not yet disposed of by the Limited Partnership. This is further described below.

## Development in activities and finances

The income statement for 2023 shows a profit of DKK 1,331 thousand against a loss of DKK 38,875 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 23,095 thousand.

The activities for the year are impacted by the positive fair value adjustment of the Limited Partnership's investment in Forward Pharma A/S amounting to DKK 1,409 thousand.

## Forward Pharma A/S

Forward Pharma A/S is focused on maximizing royalty payments from its original patent estate based on dimethyl fumarate and maximizing cash returns on its financial portfolio. The company is currently mainly working on the best the outcome of a pending transfer pricing dispute in Germany.

## Rose Pharma Inc

In connection with the final dissolution of Rose Pharma A/S the Limited Partnership received shares in NV Rose LLC, a company incorporated and domiciled in Bermuda. These shares were subsequently exchanged for shares in Rose Pharma Inc, a company incorporated and domiciled in the United States. The activities of Rose Pharma Inc comprise the development of a medical product that will improve the lives of irritable bowel syndrome sufferers by developing targeted treatments for acute pain.

## Uncertainty relating to recognition and measurement

The Limited Partnership measures all of its investments at fair value in accordance with the valuation guidelines recommended by Invest Europe (currently the IPEV valuation guidelines). The valuations in the annual report are subject to inherent uncertainty because they, among others, are based on assumptions that are to a wide extent judgmental.

## Outlook

The Limited Partnership intends to continue its efforts to realise its remaining assets at optimal value.

## Events after the balance sheet date

Subsequent to 31 December 2023, no events have occurred that would significantly impact the financial statements.



# Income statement for 2023

	Notes	2023 DKK'000	2022 DKK '000
Other external expenses		(107)	(115)
<b>Gross profit/loss</b>		<b>(107)</b>	<b>(115)</b>
Income from investments in participating interests		1,409	(38,752)
Other financial income		31	2
Other financial expenses		(2)	(10)
<b>Profit/loss for the year</b>		<b>1,331</b>	<b>(38,875)</b>
<b>Proposed distribution of profit and loss:</b>			
Retained earnings		1,331	(38,875)
<b>Proposed distribution of profit and loss</b>		<b>1,331</b>	<b>(38,875)</b>

# Balance sheet at 31.12.2023

## Assets

	Notes	2023 DKK'000	2022 DKK'000
Investments in participating interests		21,949	20,540
<b>Financial assets</b>	1	<b>21,949</b>	<b>20,540</b>
<b>Fixed assets</b>		<b>21,949</b>	<b>20,540</b>
<b>Cash</b>		<b>1,214</b>	<b>1,282</b>
<b>Current assets</b>		<b>1,214</b>	<b>1,282</b>
<b>Assets</b>		<b>23,163</b>	<b>21,822</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2023</b> <b>DKK'000</b>	<b>2022</b> <b>DKK'000</b>
Contributed capital	2	102,680	102,680
Retained earnings		(79,585)	(80,916)
<b>Equity</b>		<b>23,095</b>	<b>21,764</b>
Other payables		68	58
<b>Current liabilities other than provisions</b>		<b>68</b>	<b>58</b>
<b>Liabilities other than provisions</b>		<b>68</b>	<b>58</b>
<b>Equity and liabilities</b>		<b>23,163</b>	<b>21,822</b>
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# Statement of changes in equity for 2023

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	102,680	(80,916)	21,764
Profit/loss for the year	0	1,331	1,331
<b>Equity end of year</b>	<b>102,680</b>	<b>(79,585)</b>	<b>23,095</b>

The Partners have committed themselves to contributing up to DKK 102,680 thousand into the Limited Partnership, as and when new capital is required for making investments, paying fund costs etc. Of the total committed capital, the Partners have paid-in net DKK 102,680 thousand, and the remaining contribution balance is DKK 0 thousand.

# Notes

## 1 Financial assets

	<b>Investments in participa- ting interests DKK'000</b>
Cost beginning of year	1,334,971
Transfers	(36,234)
<b>Cost end of year</b>	<b>1,298,737</b>
Impairment losses beginning of year	(1,314,431)
Transfers	36,234
Fair value adjustments	1,409
<b>Impairment losses end of year</b>	<b>(1,276,788)</b>
<b>Carrying amount end of year</b>	<b>21,949</b>

The fair value adjustment includes the portfolio company Forward Pharma A/S.

Forward Pharma A/S has been unlisted from Nasdaq in 2023, why the investment has shifted to an unlisted investment in the financial year. As a result, the valuation is associated with uncertainty, just as the valuation is dependent on the future events.

The fair value has been assessed by the management and the enterprise value is determined based on methods which best reflect Forward Pharma A/S potential, risk and life cycle. The valuation management has conducted is based on an analysis of Forward Pharma A/S last known equity valuation taken the given tax uncertainties into account and the last official share price.

## 2 Share capital

Share capital consists of 102,679,515 shares at DKK 1 each. The shares have been divided into A-shares with a nominal value of DKK 101,652,720 and B-shares with a nominal value of DKK 1,026,795.

## 3 Fair value information

	<b>Unlisted shares DKK'000</b>
Fair value end of year	21,949
Unrealised fair value adjustments recognised in the income statement	1,409

## 4 Contingent liabilities

At the balance sheet date, the Limited Partnership has not assumed obligations to make further investments in portfolio companies or any other contingent liabilities.

### **5 Related parties with controlling interest**

The General Partner is Nordic Biotech General Partner ApS.

During the accounting period, the limited partnership has paid DKK 25 thousand to the General Partner for the services provided by the General Partner.

# Accounting policies

## Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year.

## Recognition and measurement

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

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

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

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

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

## Income statement

### Other external expenses

Other external expenses include fees to the General Partner (Nordic Biotech General Partner ApS), audit fees and other costs.

### Income from investments in participating interests

Fair value adjustment of equity investments in group entities and participating interests (which solely include associates) are recognised in profit and loss as long as the fair value adjustments does not exceed the original cost price. Fair value adjustments in excess of the original cost price are recognised on a separate reserve on equity.

### Other financial income

Other financial income comprises interest income.

### Other financial expenses

Other financial expenses comprise interest expenses and bank fees.

## Balance sheet

### Investments in participating interests

On initial recognition, equity investments in group entities and participating interests (which solely include

associates) are measured at cost, and subsequently measured at fair value. Negative fair value adjustments for the year are recognised in the income statement under "Fair value adjustment of investments in group entities and participating interests", positive fair value adjustments are recognised on a separate reserve on equity.

The fair value is based on stock exchange quotation or principles corresponding to those recommended by Invest Europe (currently the IPEV valuation guidelines).

**Cash**

Cash comprises bank deposits.

**Other financial liabilities**

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