


**NB Public Equity K/S
Østergade 24A, 1. tv.
1100 Copenhagen**

CVR-no. 31 76 17 86

**Annual report for the financial year
1 January - 31 December 2022**

Approved at the Company's annual general meeting on 8 June 2023

Chair of the meeting:

DocuSigned by:

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Frederik B. Hasling

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Statement by General Partner

The General Partner has today discussed and approved the annual report of NB Public Equity K/S for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

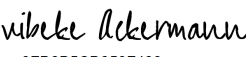
In my opinion, the financial statements give a true and fair view of the financial position of the limited partnership at 31 December 2022 and of the results of the limited partnership's operations for the financial year 1 January – 31 December 2022.

Further, in my opinion, the Management's commentary gives a fair view of the development in the Company's operations and financial matters, the results for the year and the Company's financial position.

I recommend that the annual report be approved at the annual general meeting.

Copenhagen, 26 May 2023

On behalf of the general partner, NB Public Equity Komplementar ApS:

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9FD3B5CD350F499
Vibeke Bisgaard Ackermann

Internal auditor's report

To the limited Partners and General Partner of NB Public Equity K/S

Opinion

We have audited the financial statements of NB Public Equity K/S for the financial year 1 January – 31 December 2022, comprising the income statement, balance sheet, statement of changes in equity and notes, including the 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 company's financial position at 31 December 2022 and of its financial performance for the financial year 1 January to 31 December 2022 in accordance with the Danish Financial Statement Act.

Basis of opinion

We conducted our audit in accordance with the Financial Supervisory Authority's executive order on auditing of the Danish Labour Market Supplementary Pension Scheme, AES - the Labour Market Occupational Diseases Fund, LID - the Employees' Capital Pension Fund (LD) and in accordance with international auditing standards as well as additional requirements applicable in Denmark. These require that we comply with ethical requirements and plan and perform our audit to obtain a high degree of certainty that the financial statements are free from material misstatement.

The audit is planned and executed such that we have assessed the business processes and Internal control procedures, including the risk management established by management relevant to the reporting process and significant business risks.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures performed depend on the auditor's judgement, including an assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making these risk assessments, we consider internal controls relevant to the company's preparation of the financial statements that give a true and fair view. The Purpose is to design auditing procedures that are appropriate for the circumstances. An audit also includes evaluating the appropriateness of the accounting policies determined by management, the reasonableness of the management's accounting estimates, and the overall presentation of the financial statements.

Our audit has covered the material aspects and areas of risk, and we believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Internal auditor's report

Statement on the management commentary

Management is responsible for the management's commentary.

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

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

Furthermore, it is our responsibility to consider whether the management's commentary includes the Information required in accordance with the Danish Financial Statements Act.

Based on the work performed, we conclude that the management's commentary is in accordance with the Danish Financial Statements Act and that the information contained in the management's review is consistent with the financial statements. We have not identified any material misstatement in the management's commentary.

Copenhagen, 26 May 2023

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Per Graabæk Ventzel
Chief Audit Executive

Independent auditor's report

To the limited Partners and General Partner of NB Public Equity K/S

Opinion

We have audited the financial statements of NB Public Equity K/S for the financial year 1 January – 31 December 2022, which comprise Income statement, balance sheet, statement of changes in equity, and notes, including the 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 December 2022 and of its financial performance for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statement 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.

General Partner's responsibilities for the financial statements

The General Partner 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 the General Partner 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, the General Partner 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 the General Partner either intends to liquidate the Entity 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Partner.
- 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.

Independent auditor's report

Statement on the Management's commentary

The General Partner is responsible for the management commentary.

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

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

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

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

Copenhagen, 26 May 2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR-no. 33 96 35 56

DocuSigned by:

Bill Haudal Pedersen

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Bill Haudal Pedersen

State Authorised Public Accountant
mne30131

Company details

The company	NB Public Equity K/S Østergade 24A, 1. tv. 1100 Copenhagen
	CVR-no. 31 76 17 86
	Established 4 September 2008
	Financial year 1 January - 31 December
General Partner	NB Public Equity Komplementar ApS
Auditors	DELOITTE STATS AUTORISERET REVISIONSPARTNERSELSKAB Weidekampsgade 6, 2300 København S

Financial highlights

In '000 DKK

	2022	2021	2020	2019	2018
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Key figures

Revenue	0	0	0	0	0
Operating profit/loss	-144,263	-274,551	117,038	232,940	-5,298
Profit/loss of net financials	-1,122	-767	-191	-88	-752
Profit/loss for the year	-145,385	-275,318	116,847	232,852	-6,050

Balance sheet total

Total assets	616,583	991,937	1,267,251	145,383	358,871
Equity	616,571	991,910	1,267,228	145,381	358,866

Financial ratios

Return on equity	-18 %	-24 %	17 %	92 %	-1 %
Average full-time employees	0	0	0	0	0

Management commentary

Principal activities

NB Public Equity K/S (a limited partnership) was established on 4 September 2008 with the purpose of investing in publicly listed biotech companies that are involved in the development and/or sale of drugs or receive royalties or other payments related to such sales.

Financial review

The income statement for 2022 shows a loss of DKK 145,385,351 against a loss of DKK 275,317,760 last year, and the balance sheet at 31 December 2022 shows equity of DKK 616,570,668.

The result was lower than expected.

NB Public Equity K/S primary source of income is realised and unrealised gains on its investments. The year 2022 was marked by a continued decline in the public market valuations of biotech companies, and hence continued the downdraft that characterized 2021. The main drivers are the developments in the global credit markets which tightened considerably due to continued inflationary pressures. The key central banks raised short term rates considerably and are expected to maintain this stance until a rise in unemployment is achieved and clear signs of non-cyclical inflation has abated. Due to structurally higher debt to GDP ratios in many key economies, the central banks are expected to lean on the side of a more expansionary monetary policy, once the opportunity arises again. For growth and development companies broadly speaking, and also specifically for biotech this new environment signifies an end to zero interest environment and an unprecedented access to cheap capital. The effect of the previous era has been an excessive investment cycle into research and development projects that have clogged many if not most pipeline indications. Thus it has not been enough to develop strongly innovative products, but also made it necessary to consider competition in a much more serious manner. Numerous examples have materialised where strong product profiles were not enough to create a sustainable commercial basis for economic success. Clearly this is not sustainable, and the estimated 300bln USD biotech burnrate has to come down, pipeline products have to be evaluated more critically and in general it is foreseen that a general reduction in R&D is unavoidable. On top of this the US government instituted IRA policy has reduced the value of the real fuel behind the long term biotech success for the last 40 years: the biologic product, which succeeded with a combination of lack of generic competition, price increases and strong sustainable lifecycles which exceeded most expectations 20 years ago. Going forward this means a significantly more conservative stance on biotech and even pharma companies where winning strategies must take into account the new environment.

Operations

NB Public Entity Komplementar ApS participates in the limited partnership as a General Partner and is also the manager of the limited partnerships.

Investments

The limited partnership has traded shares in a number of publicly listed companies.

Management commentary

Events after the balance sheet date

No events have occurred after the financial year end which could significantly affect the limited partnership's financial position.

Commercial and financial risks

The limited partnership is focused on identifying rare investment opportunities that promise a return with limited loss potential. Returns are expected over the course of 2-4 years; hence it is too early to comment on recent additions. However, the long-term experience of this strategy has paid off with very limited losses realized over the period from inception of 2008 to date, and returns far in excess of the risk adjusted alternatives.

The limited partnership is exposed to general capital market fluctuations that affect the biopharmaceutical sector. Individual portfolio companies are furthermore subject to risks in the form of failure of key clinical development programs, disappointing product sales, disappointing royalties or other income streams, expiry of patents and generic competition, dilution of ownership by refinancing in poor capital markets, failure of management to be diligent while prudent and other general sector risks.

There is also a foreign exchange risk as the investments are in foreign currencies and as such subject to currency fluctuations

Influence on external environment

The entity have little to no influence on the external environment. The entity is a minority shareholder in all its investments. However, the entity uses its voting rights to influence the decisions in its investment companies in the direction that the management deems best.

Estimated results for 2023

Biotech and pharma stock markets continue to be volatile; however, the expected long-term returns are expected to be positive. For 2023 there are many sources of volatility in the environment such as political stability or lack thereof, health care reform, price regulation, some continuation of the covid pandemic and similar. In general, the degree of innovation that is able to produce strong clinical data and outcome, will determine the long-term returns and thus also affect 2023 positively.

Accounting policies

The annual report of NB Public Equity K/S for 2022 has been prepared in accordance with the provisions applying to medium-sized reporting class C entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the parent company, ATP.

Presentation currency

The financial statements are presented in Danish Kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Fair value adjustment of other securities and investments

The item includes the year's fair value adjustment of other securities and investments.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. The items comprise interest realised and unrealised gains and losses on receivables, payables and transactions denominated in foreign currencies and interest income and expenses.

Tax for the year

As the individual limited partners include their profit or loss from the limited partnership in their respective income statements, the financial statements do not include taxes.

Accounting policies

Balance sheet

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses when there is objective evidence that a receivable has been impaired.

Other securities and investments

On initial recognition, securities and investments are measured at cost. Securities and investments are subsequently measured at fair value. The fair value is made up at the market value at the balance sheet date if the securities are listed and at a value made up using generally recognised valuation principles if the securities are unlisted.

Cash in bank

Cash comprises bank balances.

Other payables

Other payables are measured at net realisable value.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Return on equity	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
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Financial statements 1 January - 31 December 2022

INCOME STATEMENT

Note	2022 DKK	2021 DKK
1 Fair value adjustments of other securities and investments	<u>-144,263,469</u>	<u>-274,551,266</u>
Operating profit/loss	-144,263,469	-274,551,266
Financial expenses	<u>-1,121,882</u>	<u>-766,494</u>
Profit/loss for the year	<u>-145,385,351</u>	<u>-275,317,760</u>
 Proposed profit appropriation/distribution of loss		
Retained earnings	<u>-145,385,351</u>	<u>-275,317,760</u>

Balance sheet as of 31 December 2022

		ASSETS	
Note		2022 DKK	2021 DKK
	CURRENT ASSETS		
	Receivables		
	Receivables from NB Public Equity Komplementar ApS	10,732	20,741
	Dividend tax	<u>1,639,591</u>	<u>713,973</u>
	Total receivables	1,650,323	734,714
	Securities		
1	Other securities and investments	<u>613,746,319</u>	<u>662,409,525</u>
	Total securities	613,746,319	662,409,525
	Cash	<u>1,186,693</u>	<u>328,792,428</u>
	Total current assets	<u>616,583,335</u>	<u>991,936,667</u>
	TOTAL ASSETS	<u><u>616,583,335</u></u>	<u><u>991,936,667</u></u>

Balance sheet as of 31 December 2022

		EQUITY AND LIABILITIES	
		2022	2021
Note		DKK	DKK
	Equity		
	Called capital	3,885,000,000	3,885,000,000
	Distributions	-4,080,413,420	-3,850,459,473
	Retained earnings	<u>811,984,088</u>	<u>957,369,439</u>
	Total equity	616,570,668	991,909,966
	Liabilities		
	Current liabilities		
	Other payables	<u>12,667</u>	<u>26,701</u>
	Total current liabilities	12,667	26,701
	Total liabilities	12,667	26,701
	TOTAL EQUITY AND LIABILITIES	<u>616,583,335</u>	<u>991,936,667</u>

2 Number of employees

3 Related parties

Statement of changes in equity

DKK	Called capital	Distributions	Retained earnings	Total
Equity at 1 January 2021	3,885,000,000	-3,850,459,473	1,232,687,199	1,267,227,726
Paid through cash calls	0	0	0	0
Distributions during the year	0	0	0	0
Appropriation of profit/loss	0	0	-275,317,760	-275,317,760
Equity at 1 January 2022	3,885,000,000	-3,850,459,473	957,369,439	991,909,966
Paid through cash calls	0	0	0	0
Distributions during the year	0	-229,953,947	0	-229,953,947
Appropriation of profit/loss	0	0	-145,385,351	-145,385,351
Equity at 31 December 2022	3,885,000,000	-4,080,413,420	811,984,088	616,570,668

Notes

1 Fair value adjustments

	Listed shares
Fair value year end	613,746,319
Fair value adjustments in the income statement	-144,263,469
Fair value adjustments in the equity statement	<u>0</u>
Fair value adjustments in total	<u><u>-144,263,469</u></u>

2 Number of employees

The entity has no employees (2021: 0 employees)

3 Related parties

NB Public Equity K/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Arbejdsmarkedets Tillægspension (ATP)	Denmark	Interest in Limited Partnership
NB Public Equity Komplementar ApS	Denmark	General Partner

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Recquisitioning of the parent company's consolidated financial statements</u>
Arbejdsmarkedets Tillægspension (ATP)	Denmark	www.atp.dk

Transactions with related parties

All transactions with related parties are made on arm's lengths terms.

In accordance with the Limited Partnership agreement, the General Partner pays for certain administrative expenses, such as deposit fees, audit and legal fees, etc. on behalf of the limited partnership.

Called capital and distributions made to the limited partners are included in the statement of changes in equity.