



## NB Herlev Holding ApS

Herlev Hovedgade 205  
2730 Herlev  
CVR No. 37126306

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 28.06.2022

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**Thomas Nielsen**

Chairman of the General Meeting

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# Entity details

## Entity

NB Herlev Holding ApS  
Herlev Hovedgade 205  
2730 Herlev

Business Registration No.: 37126306  
Date of foundation: 20.09.2015  
Registered office: Herlev  
Financial year: 01.01.2021 - 31.12.2021

## Executive Board

Thomas Nielsen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

# Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of NB Herlev Holding ApS for the financial year 01.01.2021 - 31.12.2021.

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

In my opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

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.

Herlev, 28.06.2022

**Executive Board**

**Thomas Nielsen**

# Independent auditor's report

## To the shareholders of NB Herlev Holding ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of NB Herlev Holding ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

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

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

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

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

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

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

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

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

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

Management is responsible for the management commentary.

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

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

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

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

Copenhagen, 28.06.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Jan Larsen**

State Authorised Public Accountant  
Identification No (MNE) mne16541

# Management commentary

## Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
<b>Key figures</b>					
Revenue	249,101	421,641	356,836	275,928	0
Gross profit/loss	217,229	293,810	280,764	222,652	(13)
Operating profit/loss	74,295	143,338	123,525	81,728	(13)
Net financials	459,723	671,032	(9,671)	(14,291)	0
Profit/loss for the year	450,920	753,375	70,817	5,403	(13)
Profit for the year excl. minority interests	439,439	738,011	49,538	(525)	(13)
Balance sheet total	1,570,948	1,108,781	570,263	79,466	75,750
Investments in property, plant and equipment	3,962	40,197	29,529	79,466	75,750
Equity	1,403,191	956,086	199,812	79,411	75,738
Equity excl. minority interests	1,372,297	931,732	146,914	79,411	75,738
<b>Ratios</b>					
Net margin (%)	181.02	178.68	19.85	1.96	(Infinity)
Return on equity (%)	38.15	136.84	43.78	(0.68)	0.02
Equity ratio (%)	87.35	84.03	25.76	99.93	99.98

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

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

### Net margin (%):

Profit/loss for the year \* 100  
Revenue

### Return on equity (%):

Profit/loss for the year excl. minority interests \* 100  
Average equity excl. minority interests

### Equity ratio (%):

Equity excl. minority interests \* 100  
Balance sheet total



### Primary activities

The activities of the Parent Company comprise shareholdings in other companies and related activity. The most material investment is in Nordic Bioscience Holding A/S which carry out research and development within the pharmaceutical sector.

### The group's business activities

The Group was established in 2018 when the Company acquired the majority interest in Nordic Bioscience Holding A/S.

The main activities of the group are research and development within the pharmaceutical sector. The research and development are performed both for own and for third parties on contract basis and consist of both clinical and preclinical research.

For a more detailed description we refer to the consolidated financials of Nordic Bioscience Holding A/S

### Development in activities and finances

The Group has continued its activities with an increased level of activity compared to 2020. As a result, the Group reached a gross profit of DKK 217.2 million and an operating profit of DKK 74.2 million. Earnings before interest, taxes, depreciation and amortisation (EBITDA) was DKK 82.3 million compared to DKK 121.0 million in 2020.

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

The Parent Company's income statement for the year ended 31.12.2021 shows a profit of DKK 439,438,586 and the balance sheet shows equity of DKK 1,372,296,772 at 31.12.2021. The result for the year is affected by the sale of shares in Nordic Bioscience Holding A/S

The Group's income statement for the year ended 31.12.2021 shows a profit of DKK 450,919,594 and the balance sheet shows equity of DKK 1,403,190,752 at 31.12.2021.

The management expects earnings to be positive in 2022.

### Outlook

Management expects the increase in earnings from core activities to continue in 2022. Furthermore, Management expects that earnings from own and third-party R&D activities will be able to fund the pharmaceutical projects entirely, even without further milestones or upfront payments.

### Knowledge resources

The key to the Group's success is our +25 years of research in the ECM (Extracellular Matrix) and the development of diagnostic and therapeutic tools from insights of our more than 151 employees, whereby more than 140 are directly engaged in research and development activities. The Group seeks to foster a unique and competitive environment with the freedom to explore scientific ideas. We believe in publishing our scientific results and publish more than 50 scientific articles a year in the highest-ranking specialist journals.

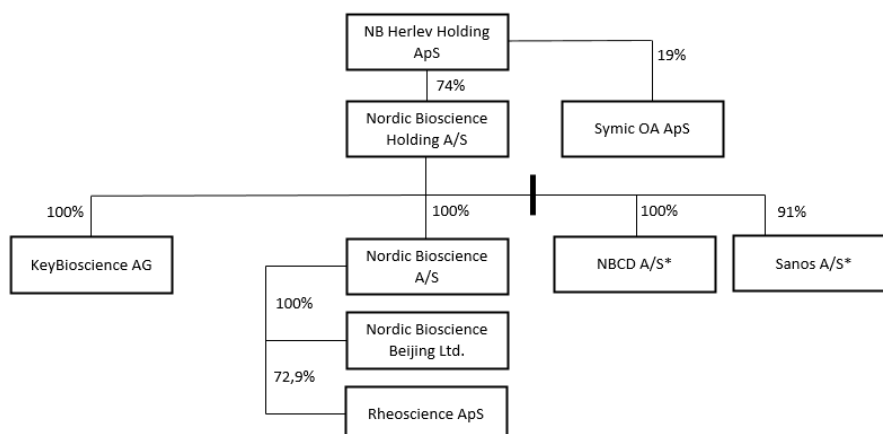
### Environmental performance

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

## Research and development activities

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

## Group relations



\* NBCD A/S and Sanos A/S were sold with effect from december 10, 2020.

## Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Consolidated income statement for 2021

	Notes	2021 DKK	2020 DKK
Revenue		249,101,475	421,641,446
Production costs		(31,872,869)	(127,831,134)
<b>Gross profit/loss</b>		<b>217,228,606</b>	<b>293,810,312</b>
Research and development costs		(108,996,365)	(125,269,216)
Administrative expenses		(35,717,473)	(27,850,995)
Other operating income		1,780,035	2,647,536
<b>Operating profit/loss</b>		<b>74,294,803</b>	<b>143,337,637</b>
Income from investments in group enterprises		(36,017,567)	(36,017,567)
Income from other fixed asset investments		340,531,041	691,974,482
Other financial income	2	125,119,275	29,173,608
Other financial expenses	3	(5,927,407)	(50,115,948)
<b>Profit/loss before tax</b>		<b>498,000,145</b>	<b>778,352,212</b>
Tax on profit/loss for the year	4	(46,756,798)	(24,977,405)
Other taxes		(323,753)	0
<b>Profit/loss for the year</b>	5	<b>450,919,594</b>	<b>753,374,807</b>

# Consolidated balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Acquired intangible assets		0	0
Goodwill		40,519,763	81,039,526
<b>Intangible assets</b>	<b>6</b>	<b>40,519,763</b>	<b>81,039,526</b>
Land and buildings		68,290,566	69,345,635
Other fixtures and fittings, tools and equipment		9,427,900	10,467,111
Leasehold improvements		0	0
<b>Property, plant and equipment</b>	<b>7</b>	<b>77,718,466</b>	<b>79,812,746</b>
Investments in associates		0	35,101,412
Other investments		0	91,612,166
<b>Financial assets</b>	<b>8</b>	<b>0</b>	<b>126,713,578</b>
<b>Fixed assets</b>		<b>118,238,229</b>	<b>287,565,850</b>
Raw materials and consumables		7,615,023	0
<b>Inventories</b>		<b>7,615,023</b>	<b>0</b>
Trade receivables		72,092,633	125,131,256
Contract work in progress		2,521,900	2,607,668
Other receivables		19,986,789	37,470,020
Receivables from owners and management		0	71,558,525
Prepayments	9	217,078	0
<b>Receivables</b>		<b>94,818,400</b>	<b>236,767,469</b>
Other investments		1,276,782,030	513,634,735
<b>Investments</b>		<b>1,276,782,030</b>	<b>513,634,735</b>
<b>Cash</b>		<b>73,494,448</b>	<b>70,812,594</b>
<b>Current assets</b>		<b>1,452,709,901</b>	<b>821,214,798</b>

<b>Assets</b>	<b>1,570,948,130</b>	<b>1,108,780,648</b>
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**Equity and liabilities**

	Notes	2021 DKK	2020 DKK
Contributed capital		2,167,035	2,167,035
Retained earnings		1,370,129,737	929,565,422
<b>Equity belonging to Parent's shareholders</b>		<b>1,372,296,772</b>	<b>931,732,457</b>
<b>Equity belonging to minority interests</b>		<b>30,893,980</b>	<b>24,353,914</b>
<b>Equity</b>		<b>1,403,190,752</b>	<b>956,086,371</b>
Deferred tax	10	821,185	594,669
<b>Provisions</b>		<b>821,185</b>	<b>594,669</b>
Mortgage debt		45,351,185	48,891,046
Other payables	11	0	6,192,323
<b>Non-current liabilities other than provisions</b>	12	<b>45,351,185</b>	<b>55,083,369</b>
Current portion of non-current liabilities other than provisions	12	3,275,000	3,275,000
Prepayments received from customers		49,021,687	48,090,148
Trade payables		14,868,551	11,727,989
Payables to owners and management		8,226,510	0
Joint taxation contribution payable		25,451,418	525,555
Other payables	13	20,741,842	33,397,547
<b>Current liabilities other than provisions</b>		<b>121,585,008</b>	<b>97,016,239</b>
<b>Liabilities other than provisions</b>		<b>166,936,193</b>	<b>152,099,608</b>
<b>Equity and liabilities</b>		<b>1,570,948,130</b>	<b>1,108,780,648</b>
Staff costs	1		
Fair value information	15		
Transactions with related parties	16		
Subsidiaries	17		

# Consolidated statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Equity belonging to Parent's shareholders DKK	Equity belonging to minority interests DKK	Total DKK
Equity beginning of year	2,167,035	929,565,422	931,732,457	24,353,914	956,086,371
Ordinary dividend paid	0	0	0	(13,394,375)	(13,394,375)
Other entries on equity	0	1,125,729	1,125,729	8,453,433	9,579,162
Profit/loss for the year	0	439,438,586	439,438,586	11,481,008	450,919,594
<b>Equity end of year</b>	<b>2,167,035</b>	<b>1,370,129,737</b>	<b>1,372,296,772</b>	<b>30,893,980</b>	<b>1,403,190,752</b>

# Consolidated cash flow statement for 2021

	Notes	2021 DKK	2020 DKK
Operating profit/loss		74,294,803	143,337,637
Amortisation, depreciation and impairment losses		6,055,881	(19,118,443)
Working capital changes	14	127,443,441	(251,368,045)
<b>Cash flow from ordinary operating activities</b>		<b>207,794,125</b>	<b>(127,148,851)</b>
Financial income received		557,262,482	0
Financial expenses paid		(5,927,407)	(14,009,590)
Taxes refunded/(paid)		(24,589,627)	(30,563,065)
<b>Cash flows from operating activities</b>		<b>734,539,573</b>	<b>(171,721,506)</b>
Acquisition etc. of intangible assets		0	(345,901)
Acquisition etc. of property, plant and equipment		(3,961,601)	3,129,424
Acquisition of fixed asset investments		0	(127,026,736)
Sale of fixed asset investments		39,916,767	0
Acquisition of enterprises		0	(1,978,614)
Sale of group enterprises		0	820,436,608
<b>Cash flows from investing activities</b>		<b>35,955,166</b>	<b>694,214,781</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>770,494,739</b>	<b>522,493,275</b>
Dividend paid		0	(45,529,874)
Mortgage debt paid		(3,539,861)	(21,271,640)
<b>Cash flows from financing activities</b>		<b>(3,539,861)</b>	<b>(66,801,514)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>766,954,878</b>	<b>455,691,761</b>
Cash and cash equivalents beginning of year		584,447,329	131,189,376
Currency translation adjustments of cash and cash equivalents		(1,125,729)	(2,433,808)
<b>Cash and cash equivalents end of year</b>		<b>1,350,276,478</b>	<b>584,447,329</b>



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

Cash	73,494,448	70,812,594
Securities	1,276,782,030	513,634,735
<b>Cash and cash equivalents end of year</b>	<b>1,350,276,478</b>	<b>584,447,329</b>

# Notes to consolidated financial statements

## 1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	78,831,237	99,944,749
Pension costs	4,961,145	6,108,873
Other social security costs	695,271	255,272
Other staff costs	3,545,114	1,762,977
	<b>88,032,767</b>	<b>108,071,871</b>
Average number of full-time employees	<b>152</b>	<b>219</b>

### Special incentive programmes

By reference to section 98b(3),(ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

## 2 Other financial income

	2021 DKK	2020 DKK
Fair value adjustments	110,466,473	29,084,817
Other financial income	14,652,802	88,791
	<b>125,119,275</b>	<b>29,173,608</b>

## 3 Other financial expenses

	2021 DKK	2020 DKK
Other interest expenses	3,816,007	43,985,679
Exchange rate adjustments	328,191	186,455
Other financial expenses	1,783,209	5,943,814
	<b>5,927,407</b>	<b>50,115,948</b>

## 4 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	46,722,865	31,876,798
Change in deferred tax	226,516	(8,668,680)
Adjustment concerning previous years	(192,583)	1,769,287
	<b>46,756,798</b>	<b>24,977,405</b>

## 5 Proposed distribution of profit/loss

	2021 DKK	2020 DKK
Retained earnings	439,438,586	738,010,549
Minority interests' share of profit/loss	11,481,008	15,364,258
	<b>450,919,594</b>	<b>753,374,807</b>

## 6 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK
Cost beginning of year	49,645,725	180,087,835
Additions	24,689,121	0
Disposals	0	(4,502,196)
<b>Cost end of year</b>	<b>74,334,846</b>	<b>175,585,639</b>
Amortisation and impairment losses beginning of year	(49,645,725)	(99,048,309)
Amortisation for the year	(24,689,121)	(36,017,567)
<b>Amortisation and impairment losses end of year</b>	<b>(74,334,846)</b>	<b>(135,065,876)</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>40,519,763</b>

## 7 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	77,032,075	32,070,040	0
Transfers	700,150	(2,425,935)	1,725,785
Additions	617,600	3,344,001	0
Disposals	0	(4,800,403)	(145,580)
<b>Cost end of year</b>	<b>78,349,825</b>	<b>28,187,703</b>	<b>1,580,205</b>
Depreciation and impairment losses beginning of year	(7,686,440)	(21,602,930)	0
Transfers	(700,639)	2,426,425	(1,725,785)
Depreciation for the year	(1,672,180)	(4,383,701)	0
Reversal regarding disposals	0	4,800,403	145,580
<b>Depreciation and impairment losses end of year</b>	<b>(10,059,259)</b>	<b>(18,759,803)</b>	<b>(1,580,205)</b>
<b>Carrying amount end of year</b>	<b>68,290,566</b>	<b>9,427,900</b>	<b>0</b>

## 8 Financial assets

	Investments in associates DKK	Other investments DKK
Cost beginning of year	35,101,412	91,612,166
Transfers	(40,666,270)	0
Additions	5,564,858	0
<b>Cost end of year</b>	<b>0</b>	<b>91,612,166</b>
Impairment losses for the year	0	(91,612,166)
<b>Impairment losses end of year</b>	<b>0</b>	<b>(91,612,166)</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>0</b>

Associates	Registered in
Risma Systems A/S	Herlev

The investments in associates has been transfered to the financial post "Other Investments".

Other investments	Registered in	Corporate form
Symic OA ApS	Herlev	ApS

## 9 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

## 10 Deferred tax

	2021 DKK	2020 DKK
Intangible assets	0	(53,878)
Property, plant and equipment	1,261,185	1,088,547
Liabilities other than provisions	(440,000)	(440,000)
<b>Deferred tax</b>	<b>821,185</b>	<b>594,669</b>

Changes during the year	2021 DKK	2020 DKK
Beginning of year	594,669	(8,865,143)
Recognised in the income statement	226,516	209,812
Other adjustments	0	9,250,000
<b>End of year</b>	<b>821,185</b>	<b>594,669</b>

**11 Other payables**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Holiday pay obligation	0	6,192,323
	<b>0</b>	<b>6,192,323</b>

**12 Non-current liabilities other than provisions**

	<b>Due within 12 months</b>	<b>Due within 12 months</b>	<b>Due after more than 12 months</b>	<b>Outstanding after 5 years</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
Mortgage debt	3,275,000	3,275,000	45,351,185	32,462,803
	<b>3,275,000</b>	<b>3,275,000</b>	<b>45,351,185</b>	<b>32,462,803</b>

Mortgage debt is secured by way of mortgage on properties at a book value of DKK 68,290,566.

**13 Other payables**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries, personal income taxes, social security costs, etc. payable	9,168,089	9,070,987
Holiday pay obligation	8,570,931	2,923,136
Other costs payable	3,002,822	21,403,424
	<b>20,741,842</b>	<b>33,397,547</b>

**14 Changes in working capital**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Increase/decrease in inventories	(7,615,023)	0
Increase/decrease in receivables	113,687,944	(42,576,374)
Increase/decrease in trade payables etc.	11,274,874	(244,643,579)
Other changes	10,095,646	35,851,908
	<b>127,443,441</b>	<b>(251,368,045)</b>

**15 Fair value information**

	<b>Other investments</b>
	<b>DKK</b>
Fair value end of year	1,276,782,030
Unrealised fair value adjustments recognised in the income statement	110,466,473

**16 Non-arm's length related party transactions**

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

**17 Subsidiaries**

	<b>Registered in</b>	<b>Corporate form</b>	<b>Ownership %</b>
Nordic Bioscience Holding A/S	Herlev	A/S	73.90

# Parent income statement for 2021

	Notes	2021 DKK	2020 DKK
Administrative expenses		(126,942)	(59,531)
<b>Operating profit/loss</b>		<b>(126,942)</b>	<b>(59,531)</b>
Income from investments in group enterprises		436,928,792	28,305,455
Income from other fixed asset investments		(91,612,166)	691,885,693
Other financial income	2	125,119,275	29,173,608
Other financial expenses	3	(2,107,339)	(5,961,775)
<b>Profit/loss before tax</b>		<b>468,201,620</b>	<b>743,343,450</b>
Tax on profit/loss for the year	4	(28,439,281)	(5,332,901)
Other taxes		(323,753)	0
<b>Profit/loss for the year</b>	5	<b>439,438,586</b>	<b>738,010,549</b>

# Parent balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Investments in group enterprises		128,169,543	193,469,740
Investments in associates		0	35,101,412
Other investments		0	91,612,166
<b>Financial assets</b>	<b>6</b>	<b>128,169,543</b>	<b>320,183,318</b>
<b>Fixed assets</b>		<b>128,169,543</b>	<b>320,183,318</b>
Receivables from group enterprises		0	1,967,702
Other receivables		3,262,388	36,159,767
Receivables from owners and management		0	71,558,525
<b>Receivables</b>		<b>3,262,388</b>	<b>109,685,994</b>
Other investments		1,276,782,030	504,069,908
<b>Investments</b>		<b>1,276,782,030</b>	<b>504,069,908</b>
<b>Cash</b>		<b>6,435,231</b>	<b>3,196,138</b>
<b>Current assets</b>		<b>1,286,479,649</b>	<b>616,952,040</b>
<b>Assets</b>		<b>1,414,649,192</b>	<b>937,135,358</b>



**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital		2,167,035	2,167,035
Retained earnings		1,370,129,737	929,565,422
<b>Equity</b>		<b>1,372,296,772</b>	<b>931,732,457</b>
Payables to group enterprises		5,088,007	0
Payables to owners and management		8,226,510	0
Joint taxation contribution payable		28,979,903	5,332,901
Other payables		58,000	70,000
<b>Current liabilities other than provisions</b>		<b>42,352,420</b>	<b>5,402,901</b>
<b>Liabilities other than provisions</b>		<b>42,352,420</b>	<b>5,402,901</b>
<b>Equity and liabilities</b>		<b>1,414,649,192</b>	<b>937,135,358</b>
Staff costs	1		
Fair value information	7		
Contingent liabilities	8		
Transactions with related parties	9		

# Parent statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2,167,035	929,565,422	931,732,457
Other entries on equity	0	1,125,729	1,125,729
Profit/loss for the year	0	439,438,586	439,438,586
<b>Equity end of year</b>	<b>2,167,035</b>	<b>1,370,129,737</b>	<b>1,372,296,772</b>

# Notes to parent financial statements

## 1 Staff costs

	2021 DKK	2020 DKK
Average number of full-time employees	0	0

## 2 Other financial income

	2021 DKK	2020 DKK
Fair value adjustments	110,466,473	29,084,817
Other financial income	14,652,802	88,791
	<b>125,119,275</b>	<b>29,173,608</b>

## 3 Other financial expenses

	2021 DKK	2020 DKK
Other interest expenses	33,631	17,962
Exchange rate adjustments	290,499	0
Other financial expenses	1,783,209	5,943,813
	<b>2,107,339</b>	<b>5,961,775</b>

## 4 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	28,439,281	5,332,901
	<b>28,439,281</b>	<b>5,332,901</b>

## 5 Proposed distribution of profit and loss

	2021 DKK	2020 DKK
Retained earnings	439,438,586	738,010,549
	<b>439,438,586</b>	<b>738,010,549</b>

## 6 Financial assets

	Investments in group enterprises DKK	Investments in associates DKK	Other investments DKK
Cost beginning of year	676,120,275	35,101,412	91,612,166
Transfers	0	(40,666,270)	0
Additions	50,000	5,564,858	0
Disposals	(9,651,140)	0	0
<b>Cost end of year</b>	<b>666,519,135</b>	<b>0</b>	<b>91,612,166</b>
Impairment losses beginning of year	(482,650,534)	0	0
Amortisation of goodwill	(36,017,567)	0	0
Share of profit/loss for the year	40,803,152	0	0
Dividend	(61,610,372)	0	0
Impairment losses for the year	0	0	(91,612,166)
Other adjustments	1,125,729	0	0
<b>Impairment losses end of year</b>	<b>(538,349,592)</b>	<b>0</b>	<b>(91,612,166)</b>
<b>Carrying amount end of year</b>	<b>128,169,543</b>	<b>0</b>	<b>0</b>

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

Investments in associates	Registered in	Corporate form
Risma Systems A/S	Herlev	A/S

The investments in associates has been transfered to the financial post "Other Investments".

Other investments	Registered in	Corporate form
Symic OA ApS	Herlev	ApS

## 7 Fair value information

	Other investments DKK
Fair value end of year	1,276,782,030
Unrealised fair value adjustments recognised in the income statement	110,466,473

## **8 Contingent liabilities**

The Entity participates in a Danish joint taxation arrangement in which Nordic Bioscience Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## **9 Non-arm's length related party transactions**

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

# Accounting policies

## Reporting class

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

The presentation of a few comparative figures has been restated. However, the restatement does neither affect the Company's results nor its equity.

Apart from the areas mentioned above, the accounting policies applied to these consolidated financial statements and parent 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.

## Consolidated financial statements

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

## Basis of consolidation

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

### Foreign currency translation

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

### Income statement

#### Revenue

Revenue from contracts concluded on performance of clinical studies as well as sale of other services is recognised in the income statement provided that delivery and transfer of risk have been made to the purchaser by year-end.

Contracts concluded on performance of clinical studies running over several financial years are recognised under the percentage-of-completion method as the studies progress.

Contract work in progress is 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).

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

#### Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary writedown of inventories.

#### Research and development costs

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

#### Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

#### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

#### Income from investments in group enterprises

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

**Income from other fixed asset investments**

Income from other fixed asset investments comprises gains in the form of interest, dividends, etc. on fixed asset investments which are not investments in group enterprises or associates.

**Other financial income**

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

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Other taxes**

The item includes tax amounts calculated on a basis other than income for the year, which are not refunded to the Entity.

**Balance sheet****Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

**Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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.



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

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

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment 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 financial 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
Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

### **Investments in group enterprises**

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

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

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

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

### **Investments in associates**

Investments in associates are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Investments in associates fall within the definitions of both participating interests and associates, yet in these consolidated financial statements they have been presented as investments in associates because this designation reflects more accurately the Group's involvement in the relevant entities.

**Other investments**

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date, and unlisted equity investments measured at the lower of cost and net realisable value.

**Inventories**

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

Cost consists of purchase price plus delivery costs.

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

**Receivables**

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

**Contract work in progress**

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

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

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

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

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

**Prepayments**

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

**Other investments (current assets)**

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date, and unlisted investments measured at the lower of cost and net realisable value.

**Cash**

Cash comprises cash in hand and bank deposits.

**Minority interests**

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

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.

**Mortgage debt**

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

**Other financial liabilities**

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

**Prepayments received from customers**

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

**Cash flow statement**

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

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

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

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

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