

BiOrigin ApS

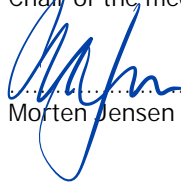
c/o Cobis, Ole Maaløes Vej 3, 2200 Copenhagen N

CVR no. 38 73 41 64

Annual report 2020

Approved at the Company's annual general meeting on 1 July 2021

Chair of the meeting:



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Morten Jensen





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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of BiOrigin ApS for the financial year 1 January - 31 December 2020.

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 of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 1 July 2021
Executive Board:


Jakob Dynnes Hansen
CEO

Board of Directors:


Emmanuelle Coutanceau
Chair
Pieter Jeron Bakker

Independent auditor's report

To the shareholders of BiOrigin ApS

Opinion

We have audited the financial statements of BiOrigin ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the 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.

Independent auditor's report

- ▶ 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 1 July 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Christian Schwenn Johansen
State Authorised Public Accountant
mne33234



Rasmus Bloch Jespersen
State Authorised Public Accountant
mne35503

Management's review

Company details

Name	BiOrigin ApS
Address, Postal code, City	c/o Cobis, Ole Maaløes Vej 3, 2200 Copenhagen N
CVR no.	38 73 41 64
Established	22 June 2017
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Emmanuelle Coutanceau, Chair Pieter Jeron Bakker
Executive Board	Jakob Dynnes Hansen, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

BiOrigin ApS' primary activity consists of rendering strategic and operational support to the establishment and management of early-stage life sciences companies, primarily within the Novo Seeds portfolio, to help them steer through the critical start-up and subsequent growth phase.

Financial review

The income statement for 2020 shows a loss of DKK 3,109,048 against a loss of DKK 2,148,483 last year, and the balance sheet at 31 December 2020 shows equity of DKK 9,335,641.

The Company is fully-owned by Novo Holdings A/S. In 2020, the Company carried out a cash capital increase with proceeds of DKK 7,000,000

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2020	2019
	Revenue	1,651,840	1,159,899
	External expenses	-583,141	-619,259
	Gross profit	1,068,699	540,640
2	Staff costs	-5,061,937	-3,281,630
	Profit/loss before net financials	-3,993,238	-2,740,990
	Financial income	37,927	52
	Other financial expenses	-30,648	-13,527
	Profit/loss before tax	-3,985,959	-2,754,465
	Tax for the year	876,911	605,982
	Profit/loss for the year	-3,109,048	-2,148,483
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-3,109,048	-2,148,483

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	ASSETS		
	Fixed assets		
	Investments		
	Deposits, investments	16,293	16,293
		16,293	16,293
	Total fixed assets	16,293	16,293
	Non-fixed assets		
	Receivables		
	Trade receivables	460,393	274,035
	Corporation tax receivable	1,482,548	605,637
	Other receivables	0	5,852
		1,942,941	885,524
	Cash	9,001,245	5,555,574
	Total non-fixed assets	10,944,186	6,441,098
	TOTAL ASSETS	10,960,479	6,457,391
	EQUITY AND LIABILITIES		
	Equity		
3	Share capital	500,003	500,002
	Retained earnings	8,835,638	4,944,687
	Total equity	9,335,641	5,444,689
	Liabilities other than provisions		
4	Non-current liabilities other than provisions		
	Provision for holiday pay	489,744	158,894
		489,744	158,894
	Current liabilities other than provisions		
	Trade payables	182,474	325,238
	Other payables	952,620	528,570
		1,135,094	853,808
		1,624,838	1,012,702
	TOTAL EQUITY AND LIABILITIES	10,960,479	6,457,391

1 Accounting policies

5 Contractual obligations and contingencies, etc.

6 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2019	500,001	3,104,884	3,604,885
Capital increase	1	3,999,999	4,000,000
Expenses, capital increase	0	-11,713	-11,713
Transfer through appropriation of loss	0	-2,148,483	-2,148,483
Equity at 1 January 2020	500,002	4,944,687	5,444,689
Capital increase	1	6,999,999	7,000,000
Transfer through appropriation of loss	0	-3,109,048	-3,109,048
Equity at 31 December 2020	500,003	8,835,638	9,335,641

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of BiOrigin ApS for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting 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 rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received.

Cash

Cash comprise cash in banks.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

DKK	2020	2019
2 Staff costs		
Wages/salaries	4,906,749	3,268,530
Pensions	137,500	0
Other social security costs	13,637	12,338
Other staff costs	4,051	762
	<u>5,061,937</u>	<u>3,281,630</u>
Average number of full-time employees	<u>4</u>	<u>2</u>
Number of employees at the balance sheet date	<u>7</u>	<u>7</u>

3 Share capital

Analysis of changes in the share capital over the past 3 years:

DKK	2020	2019	2018
Opening balance	500,002	500,001	500,000
Capital increase	1	1	1
	<u>500,003</u>	<u>500,002</u>	<u>500,001</u>

Financial statements 1 January - 31 December

Notes to the financial statements

4 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Provision for holiday pay	489,744	0	489,744	0
	489,744	0	489,744	0

5 Contractual obligations and contingencies, etc.

The Company is jointly taxed with its Parent, Novo Holdings A/S, which acts as the tax administrative body in relation to the joint taxation. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2018 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 31 December 2018.

Other financial obligations

Other rent and lease liabilities:

DKK	2020	2019
Rent and lease liabilities	23,650	31,534

6 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Novo Holdings A/S	Denmark	Tuborg Havnevej 19, 2900 Hellerup