

Annual Report for the period December 27, 2019 to December 31, 2020

***BII Holdings A/S***  
***Ole Maaløes Vej 3, 2200***  
***Copenhagen N, Denmark***

**Annual Report 2020**

*CVR-nr. 41 05 98 50*

*The Annual Report was presented  
and adopted at the Annual  
General Meeting of the Company  
on March 17, 2021*

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*Mads Robert Bording Jensen*

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# Management statement

The Executive Management and Board of Directors have today considered and adopted the Annual Report of BII Holdings A/S for the financial year December 27, 2019 – December 31, 2020.

The Annual Report has been 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 December 31, 2020 and of the result of the Company's operation for the financial year December 27, 2019 - December 31, 2020.

In our opinion, Management's Review includes a true and fair view of the matters included in the Management Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, March 17, 2021

## Executive Management

Jens Nielsen

## Board of Directors

Sten Scheibye  
Chairman

Marianne Philip  
Deputy chairman

Bo Ahrén

Martin Bonde

Regina Hodits

Birgitte Nauntofte

Hans Schambye

Thomas Schäfer

Robert Urban

# Independent Auditor's Report

To the shareholder of BII Holdings A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at December 31, 2020, and of the results of the Company's operations for the financial period December 27, 2019 - December 31, 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of BII Holdings A/S for the financial period December 27, 2019 - December 31, 2020, which comprise income statement, balance sheet, cash flow statement, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

## Basis for Opinion

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

## Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

### **Management's Responsibilities for the Financial Statements**

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

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

### **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 judgment and maintain professional skepticism throughout the audit. We also:

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

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, March 17, 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Torben Jensen

State Authorised Public Accountant

Mne18651

# Management Review

## General information about the Company

<b>Company</b>	BII Holdings A/S Ole Maaløes Vej 3 2200 Copenhagen N Denmark	
	Phone:	3527 6600
	Date of foundation:	December 27, 2019
	CVR-no.:	41 05 98 50
	Financial year:	January 1 to December 31
	First financial year:	December 27, 2019 to December 31, 2020
	Municipality of domicile:	Copenhagen

<b>Board of Directors</b>	Sten Scheibye (Chairman) Marianne Philip (Deputy Chairman) Bo Ahrén Martin Bonde Regina Hodits Birgitte Nauntofte Hans Schambye Thomas Schäfer Robert Urban
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<b>Auditor</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup Denmark
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# Management Review

## The objective of the Company

The objective of BII Holdings A/S is to manage assets within research, innovation and entrepreneurship for the benefit of the public and to be a holding company of companies in Denmark and abroad for the BioInnovation Institute Foundation.

## The main activities of the Company

BII Holdings A/S was established as a subsidiary of the Novo Nordisk Foundation on December 27, 2019. The main activities of the company for the first financial year have been to hold a limited number of new shares issued upon conversion of convertible loans and to hold bridge funding loans from the companies operating at the BioInnovation Institute, which was a department at the Novo Nordisk Foundation until January 1, 2021.

## Financial results

The Company's financial result for the first financial year, which covers the period December 27, 2019 to December 31, 2020 is a deficit of TDKK 38. The Company's equity is at December 31, 2020 TDKK 21.240.

The Company has one employee.

## Future activities

BII Holdings A/S was transferred from the Novo Nordisk Foundation to the BioInnovation Institute Foundation on January 1, 2021 in continuation of the establishment of the BioInnovation Institute Foundation in December 2020. From January 2021 BII Holdings A/S is therefore a fully owned subsidiary to the BioInnovation Institute Foundation.

Going forward BII Holdings A/S will continue to be the owner of the converted shares from startups that have received convertible loans by the BioInnovation Institute Foundation. Furthermore, the company will be subject to other commercial activities, e.g. lease of the BII domicile to accommodate the activities within the BioInnovation Institute and sublease office- and laboratory space to the companies and project teams in the programs in BII. Furthermore, BII Holdings A/S is expected to buy services from the BioInnovation Institute Foundation, as well as from third-party entities.

As of January 2021, the BioInnovation Institute is operating as an incubator hosting about 20 biotech start-up companies. BII is unique as it combines the operation of an incubator, provision of funding, and strong support for company creation and business development. BII is expected to grow rapidly and within the next 2-3 years, the incubator at BII is projected to host more than 50 companies at different stages of their development. BII Holdings A/S will ensure to provide the infrastructure to the expected growth of BII.

## Financial risks

It is expected that the valuation of the shares from the portfolio of start-ups may vary according to the scientific development, the progress of the companies, and the commercial interest from potential investors. This is expected in the business model of BII and a part of the nature of investing in very early life science startups.

The financial risk in the other activities in the company, i.e. rental and sublease of office- and laboratory space are limited.



**Events after the balance sheet date**

Please refer to note 2 for a description of events after the balance sheet date.

**Financial highlights**

<b>TDKK</b>	<b>2020</b>
Result before financial expenses	-38
Result before tax	-38
Result after tax	-38
Equity	21.240
Total assets	21.278
<b>Financial highlights</b>	
Equity ratio	99,8%

# Income Statement for the period December 27, 2019 to December 31, 2020

TDKK	Note	2020
Costs of administration	4	-38
<b>Result before tax</b>		<b>-38</b>
Tax on profit for the year	5	0
<b>Profit/loss for the year</b>		<b>-38</b>
<b>Proposed distribution of the result:</b>		
Proposed dividend		0
Retained earnings		-38
		<b>-38</b>

# Balance sheet at December 31, 2020

TDKK	Note	2020
<b>Assets</b>		
Financial assets		18.111
Convertible loans		3.167
<b>Total non-current assets</b>		<u>21.278</u>
Cash and bank balances		0
<b>Total current assets</b>		<u>0</u>
<b>Total assets</b>		<u>21.278</u>
<b>Equity and liabilities</b>		
Capital base		400
Share premium		20.878
Retained earnings		-38
<b>Total equity</b>		<u>21.240</u>
Trade payables		38
<b>Total current liabilities</b>		<u>38</u>
<b>Total equity and liabilities</b>		<u>21.278</u>
Accounting policies	1	
Events after the balance sheet date	2	
Employees	3	

# Statement of changes in equity

TDKK	Base capital	Share Premium	Retained earnings	Total
<b>2019/2020</b>				
Equity December 27, 2019	0	0	0	0
Asset contribution December 27, 2019	400	3.077	0	3.477
Asset contribution November 19, 2020	0	17.801		17.801
Result for the year	0		-38	-38
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Equity at the end of the year</b>	<b>400</b>	<b>20.878</b>	<b>-38</b>	<b>21.240</b>

# Cash flow statement

TDKK	Note	2020
<b>Result for the year</b>		<b>-38</b>
Changes in trade payables		38
<b>Cash flow from operating activities</b>		<b>38</b>
Cash contribution		0
<b>Cash flow from investment activities</b>		<b>0</b>
<b>Net cash flow</b>		<b>0</b>
<b>Cash at December 31</b>		<b>0</b>

# Notes

## Note 1 – Accounting policies

The Annual Report of the BII Holdings A/S has been prepared in accordance with the requirement of the Danish Financial Statements Act reporting class B – and additional selected information for reporting class C in conformity with the Danish Financial Statements Act.

The Annual Report is presented in TDKK.

### Recognition and measurement

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

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

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

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

### Administration costs

Administration costs comprise audit costs.

### Income taxes

The tax expense for the period comprises current and deferred tax and interests including adjustments to prior year.

### Financial assets

Investments are recognised at cost price. If the costs exceeds the recoverable amount, the carrying amount is written down to recoverable amount.

### Short-term liabilities

Short-term liabilities are recognized at amortized cost unless specified otherwise.

### Cash flow statement

The cash flow shows the Company's cash flows for the year broken down by operating and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

**Cash flow from operating activities**

Cash flows from operating activities are calculated as the net profit/ loss for the year adjusted for changes in working capital and noncash operating items such as depreciation, amortization and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

**Cash flows from investing activities**

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

**Cash flow from financing activities**

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to base capital.

**Cash and cash equivalents**

Cash and cash equivalents comprise solely cash at banks.

**Financial ratios**

Equity ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$



**Notes 2-7 - Other**

TDKK

**2020****Note 2 Events after the balance sheet date**

On November 30, 2020, the Novo Nordisk Foundation decided to donate the shares of BII Holdings A/S to the BioInnovation Institute Foundation and transfer the shares from the Novo Nordisk Foundation to the BioInnovation Institute Foundation on January 1, 2021.

On January 1, 2021 BioInnovation Institute Foundation provided an in-kind contribution of fixed assets with a total value of DKK 31 million to BII Holdings A/S.

No other events have occurred after the end of the financial year with significant impact on the Foundation's financial position at December 31, 2020

**Note 3 Employees**

The Company had one director employed during the period December 27, 2019 to December 31, 2020. The director did not receive any remuneration in the financial year.

**Note 4 Costs of administration**

Audit fee	<u>38</u>
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**Note 5 Tax on profit for the year**

Current tax on profit for the year	0
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Deferred tax on profit for the year	<u>0</u>
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<b>Tax on profit for the year</b>	<b><u>0</u></b>
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**Note 6 Investments**

Cost at beginning of year	0
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Additions	<u>18.111</u>
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Carrying amount end of year	<u>18.111</u>
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**Note 7 Related party transactions**

Related parties are considered the management and the Board of Directors of the Company, the Novo Nordisk Foundation as well as related parties to this, including members of management.

No remuneration was awarded to the members of the Board of Directors in the financial year.

**Ownership**

BII Holdings A/S is a fully owned subsidiary of Novo Nordisk Foundation.