
Sanos Holding A/S

Telefonvej 8D,2, DK-2860 Søborg

Annual Report for 2023

CVR No. 41 40 90 29

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 17/4 2024

Jeppe Ragnar Andersen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Sanos Holding A/S for the financial year 1 January - 31 December 2023.

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 at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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

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

Søborg, 17 April 2024

Executive Board

Jeppe Ragnar Andersen
CEO

Board of Directors

Andrea Jayne Davis
Chairman

Karl Sebastian Inger

Pierre Khaitrine

Independent Auditor's report

To the shareholder of Sanos Holding A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Sanos Holding A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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' 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.

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.

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 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, 17 April 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Kristian Højgaard Carlsen
State Authorised Public Accountant
mne44112

Company information

The Company	Sanos Holding A/S Telefonvej 8D,2 DK-2860 Søborg CVR No: 41 40 90 29 Financial period: 1 January - 31 December Municipality of reg. office: Søborg
Board of Directors	Andrea Jayne Davis, chairman Karl Sebastian Inger Pierre Khaitrine
Executive Board	Jeppe Ragnar Andersen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 4-year period, the development of the Company is described by the following financial highlights:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
	TDKK	TDKK	TDKK	TDKK
Key figures				
Profit/loss				
Profit/loss of primary operations	-95	-137	-127	-732
Net profit/loss for the year	79,005	49,596	34,877	50,031
Balance sheet				
Balance sheet total	266,327	187,324	167,958	131,890
Equity	212,509	133,504	113,908	65,031
Ratios				
Solvency ratio	79.8%	71.3%	67.8%	49.3%
Return on equity	45.7%	40.1%	39.0%	153.9%

Management's review

Key activities

The company's main activity is to do business within the life science industry and also owning investments in associates as well as in subsidiaries.

Development in the year

The income statement of the Company for 2023 shows a profit of DKK 79,005,325, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 212,509,256.

The past year and follow-up on development expectations from last year

The company's expectations of an increase in the net result has been met.

Targets and expectations for the year ahead

Management expects an increase in profit in the coming year.

External environment

The company is conscious about its impact on the environment and is committed to improving in this area.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit/loss		0	0
Administrative expenses		-95,114	-136,832
Profit/loss before financial income and expenses		-95,114	-136,832
Income from investments in subsidiaries	2	79,050,815	49,540,575
Financial income	3	36,793	209,887
Financial expenses	4	0	-1,796
Profit/loss before tax		78,992,494	49,611,834
Tax on profit/loss for the year	5	12,831	-15,677
Net profit/loss for the year	6	79,005,325	49,596,157

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Investments in subsidiaries	7	264,867,774	185,816,959
Fixed asset investments		264,867,774	185,816,959
Fixed assets		264,867,774	185,816,959
Receivables from group enterprises		12,831	12,467
Receivables		12,831	12,467
Cash at bank and in hand		1,446,228	1,494,086
Current assets		1,459,059	1,506,553
Assets		266,326,833	187,323,512

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		16,000,000	16,000,000
Reserve for net revaluation under the equity method		114,697,499	105,646,684
Retained earnings		11,811,757	11,857,247
Proposed dividend for the year		70,000,000	0
Equity		212,509,256	133,503,931
Trade payables		23,000	25,000
Payables to group enterprises		53,794,577	53,794,581
Short-term debt		53,817,577	53,819,581
Debt		53,817,577	53,819,581
Liabilities and equity		266,326,833	187,323,512
Staff	1		
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Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	16,000,000	105,646,684	11,857,247	0	133,503,931
Net profit/loss for the year	0	9,050,815	-45,490	70,000,000	79,005,325
Equity at 31 December	16,000,000	114,697,499	11,811,757	70,000,000	212,509,256

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
1. Staff		
Average number of employees	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
2. Income from investments in subsidiaries		
Share of profits	80,991,971	51,481,731
Amortisation of goodwill	-1,941,156	-1,941,156
	<u>79,050,815</u>	<u>49,540,575</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
3. Financial income		
Other financial income	36,793	3,635
Exchange adjustments	0	206,252
	<u>36,793</u>	<u>209,887</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
4. Financial expenses		
Other financial expenses	0	1,796
	<u>0</u>	<u>1,796</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
5. Income tax expense		
Current tax for the year	-12,831	15,677
	<u>-12,831</u>	<u>15,677</u>

Notes to the Financial Statements

	2023	2022
	DKK	DKK
6. Profit allocation		
Proposed dividend for the year	70,000,000	0
Reserve for net revaluation under the equity method	9,050,815	49,540,575
Retained earnings	-45,490	55,582
	<u>79,005,325</u>	<u>49,596,157</u>

	2023	2022
	DKK	DKK
7. Investments in subsidiaries		
Cost at 1 January	80,170,275	80,170,275
Cost at 31 December	<u>80,170,275</u>	<u>80,170,275</u>
Value adjustments at 1 January	105,646,684	86,106,109
Net profit/loss for the year	80,991,971	51,481,731
Dividend to the Parent Company	0	-30,000,000
Amortisation of goodwill	-1,941,156	-1,941,156
Value adjustments at 31 December	<u>184,697,499</u>	<u>105,646,684</u>
Carrying amount at 31 December	<u>264,867,774</u>	<u>185,816,959</u>
Positive differences arising on initial measurement of subsidiaries at net asset value	40,306,698	40,306,698
Remaining positive difference included in the above carrying amount at	<u>31,060,060</u>	<u>33,001,329</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Sanos A/S	Herlev		100%	39,287,063	10,331,443
NBCD A/S	Søborg		100%	194,301,003	70,806,144
Sanos Supply A/S	Hørsholm		50%	439,076	-291,235

The company applies the principle of simultaneity for proposed dividends. NBCD A/S has proposed dividends of DKK 70.000.000 for year-end 2023 with approval date of 17. April 2024.

Notes to the Financial Statements

8. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for debt financing of DKK 220m to Sanos Group ApS.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Sonas HoldCo ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

9. Related parties and disclosure of consolidated financial statements

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
Investcorp Holdings B.S.C.	Kingdom of Bahrain
Sonas MidCo ApS	Søborg, Denmark

The Group Annual Report of Sonas MidCo ApS may be obtained at the following address:
Telefonvej 8D, 2. , 2860 Søborg, Denmark

Notes to the Financial Statements

10. Accounting policies

The Annual Report of Sanos Holding A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of , the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of , the Company has not prepared a cash flow statement.

Recognition and measurement

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.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and cost of sales.

Notes to the Financial Statements

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries. The company applies the principle of simultaneity for proposed dividends, which is why it differences can arise between the equity reserve and the value adjustment of the capital shares, corresponding to that dividend that will be received by the controlled capital share on the same proposed date.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item. At proposed dividend for the year, the simultaneity principle is applied.

Notes to the Financial Statements

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Financial Highlights

Explanation of financial ratios

Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$