Drug Development Consulting Holding ApS

Smedeland 36, 2600 Glostrup

CVR no. 42 28 57 22

Annual Report 2023

Approved at the Company's annual general meeting on 25 April 2024

Chairman:

DocuSigned by:

Nils Peder Nielsen

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Contents

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 Drug Development Consulting Holding ApS 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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of their operations and consolidated cash flows for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the Group's and the Parent Company's operations and financial matters, the results for the year and the Group's and the Parent Company's financial position.

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

Glostrup, 25 April 2024

Executive Board:

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Rasmus Nelund	René Pedersen

Board of Directors:

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Niels Peder Nielsen Chairman	Alejandra Mørk	Mette Kirstine Agger
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Rafael Natanek	Redmar Koene	

Independent auditor's report

To the shareholders of Drug Development Consulting Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Drug Development Consulting Holding ApS for the financial year January 1 – 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2023 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 company financial statements" (hereinafter collectively referred to as "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 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 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 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 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
* 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 Parent 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 Group's and the Parent 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 Group and the Parent 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.
* 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.

Independent auditor's report

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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 25 April 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

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Christian Schwenn Johansen
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mne 33234

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State Authorised Public Accountant
mne 35501

Company details

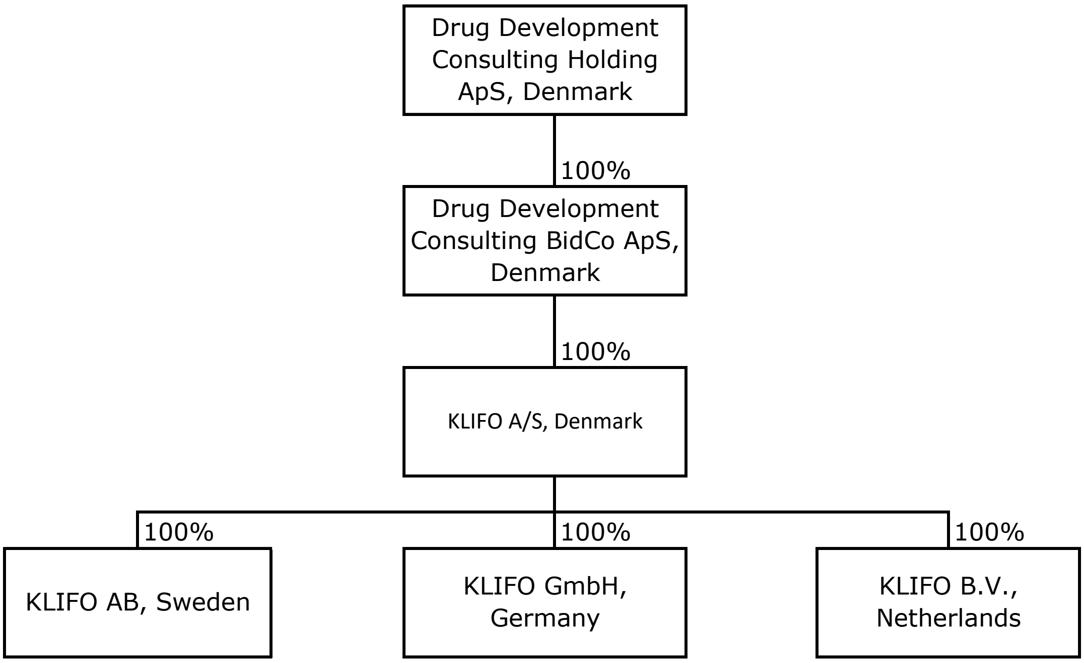
Name	Drug Development Consulting Holding ApS
Address, Postal code, City	Smedeland 36, 2600 Glostrup
CVR no.	42 28 57 22
Established	7 April 2021
Registered office	Albertslund
Financial year	1 January - 31 December
Board of Directors	Niels Peder Nielsen, Chairman Alejandra Mørk Mette Kirstine Agger Rafael Natanek Redmar Koene
Executive Board	Rasmus Nelund René Pedersen
Auditors	EY Godkendt Revisionspartnerselskab

Management's review

Business review
Drug Development Consulting Holding ApS was established on 7 April 2021 and on 17 May 2021 Gilde Healthcare, a private equity company with headquarter in the Netherlands, acquired the KLIFO A/S (the KLIFO Group) through subsidiary Drug Development Consulting BidCo ApS.

Drug Development Consulting Holding ApS is a shareholder company with no operational activities.

KLIFO Group structure



KLIFO Group is a drug development consultancy with significant experience in partnering with biotech and pharmaceutical companies to advance their drug development projects. KLIFO offers cross functional consulting and operational solutions spanning all areas of strategic advises, regulatory affairs, CMC development, clinical research, pharmacovigilance, clinical trial supply and quality assurance.

Over the past decade, KLIFO has grown to become an established and integrated drug development consultancy providing end to end expert capabilities, enabling our partners to maximize opportunity, mitigate risks, drive innovation and achieve efficient project advancement.

In 2023, the biotech market, particularly in the Nordics, faced significant challenges exacerbated by a constrained funding environment post-COVID, coupled with heightened interest and market volatility. These factors notably affected KLIFO during the first half of 2023, resulting in a decline in activity level compared to 2022. To adapt to the new market situation, KLIFO made organizational adjustments throughout 2023. Looking forward, KLIFO is witnessing a rise in activity levels and order book, projecting a return to business growth in 2024.

Environment
The company does not conduct any operations subject to permit or reporting requirements under the Environmental Code.

Financial review

The consolidated Gross Margin for the Group decreased from 154.321 in 2022 to k.DKK 141.604 in 2023 corresponding to a decrease of 8%.

Loss before net financials for the group is k.DKK 9.194 due to amortization of goodwill and other intangible related to the acquisition of KLIFO A/S of k.DKK 11.925.

Loss for the year is k.DKK 9.376 or k.DKK 2.498 lower than the loss in 2022 of k.DKK 11.874. Loss for the year is in line with the expectations stated in the annual report for 2022.

The balance sheet as of 31 December 2023 shows an equity of k.DKK 70.460. A capital contribution was made during the year of k.DKK 7.887.

Outlook

Expectations for 2024 is a loss between k.DKK 0 to k.DKK 4.000.

Financial highlights for the Group k.DKK	**2023**	**2022**	**2021***
Key figures:			
Gross margin	141.604	154.321	83.872
Loss before net financials	-9.194	-7.662	-13.473
Financial items	-3.746	-3.497	-2.271
Loss	-9.376	-11.874	-15.712
Total assets	182.978	213.619	265.104
Tangible assets	6.643	5.591	6.699
Investments in tangible assets	2.898	739	935
Equity	70.460	71.988	70.809
Average number of full time employees	164	184	167
Financial ratios:			
Return on assets	-5%	-6%	-6%
Solvency ratio	39%	34%	27%
Return on equity	-13%	-15%	-20%

*2021 is for the period 7 April - 31 December.

Financial ratios are calculated in accordance with the Danish Finance Societys' guidelines on the calculation of financial ratios. The financial ratios have been calculated as follows:

Return on Assets $$\frac{\text{Profit x 100}}{\text{Total Assets}}$$

Solvency ratio $$\frac{\text{Equity x 100}}{\text{Total Assets}}$$

Return on Equity $$\frac{\text{Profit x 100}}{\text{Average Equity}}$$

Events after the balance sheet date

No material events affecting the financial statements for 2023 have occured after 31 December 2023.

Financial statements 1 January - 31 December

Income statement

Note	k.DKK	Group 2023	Group 2022	Parent 2023	Parent 2022
	Gross margin	141.604	154.321	-53	-58
2	Staff costs	-134.352	-144.844	0	0
3/4	Depreciation and amortisation	-16.446	-17.139	0	0
	Loss before net financials	-9.194	-7.662	-53	-58
5	Result from investments in group enterprises	0	0	-9.381	-11.831
6	Financial income	921	509	52	17
7	Financial expenses	-4.667	-4.006	0	0
	Loss before tax	-12.940	-11.158	-9.382	-11.872
8	Tax for the year	3.564	-716	6	-2
	Loss for the year	-9.376	-11.874	-9.376	-11.874

	Parent 2023	Parent 2022
Proposed distribution of the result for the year		
Proposed dividend recognised under equity	0	0
Retained earnings	-9.376	-11.874
TOTAL	-9.376	-11.874

Financial statements 1 January - 31 December

Balance sheet

Note	k.DKK	Group 2023	Group 2022	Parent 2023	Parent 2022
	ASSETS				
	Non-current assets				
	Intangible assets				
3	Development projects	6.796	2.897	0	0
3	Customer relationships	28.100	33.611	0	0
3	Brand	4.130	4.690	0	0
3	Goodwill	56.044	63.649	0	0
	Total intangible assets	95.070	104.847	0	0
	Tangible assets				
4	Fixtures and fittings, other plant and equipment	1.845	1.549	0	0
4	Leasehold improvements	4.798	4.042	0	0
	Total tangible assets	6.643	5.591	0	0
	Financial assets				
4	Deposits, investments	2.503	2.295	0	0
5	Investments in group enterprises	0	0	70.212	71.831
	Total financial assets	2.503	2.295	70.212	71.831
	Total non-current assets	104.216	112.733	70.212	71.831
	Current assets				
	Trade receivables	38.210	39.551	0	0
	Work in progress	10.619	4.247	0	0
	Corporate tax receivable	0	0	0	7
	Deferred tax assset	0	0	6	0
	Other receivables	1.699	4.437	0	0
	Prepayments	2.718	3.013	0	0
	Total receivables	53.246	51.248	6	7
	Cash	25.516	49.638	264	183
	Total current assets	78.762	100.886	270	190
	TOTAL ASSETS	182.978	213.619	70.482	72.021

Financial statements 1 January - 31 December

Balance sheet

Note	k.DKK	Group		Parent	
		2023	2022	2023	2022
	EQUITY AND LIABILITIES				
	Equity				
9	Share capital	245	228	245	228
	Share premium	107.163	99.293	107.163	99.293
	Retained earnings	-36.948	-27.533	-36.948	-27.533
	Total equity	70.460	71.988	70.460	71.988
	Liabilities				
	Non-current liabilities				
10	Other payables	6.181	6.175	0	0
8	Deferred tax	5.546	9.111	0	0
11	Credit institutions	45.590	48.310	0	0
	Total non-current liabilities	57.317	63.596	0	0
	Current liabilities				
11	Credit institutions	2.720	2.720	0	0
	Prepayments on work in progress	6.439	26.135	0	0
	Trade paybles	25.462	33.841	0	0
	Corporation tax payable	0	2.186	0	0
	Other payables	20.580	13.153	22	33
	Total current liabilities	55.201	78.035	22	33
	TOTAL EQUITY AND LIABILITIES	182.978	213.619	70.482	72.021

1 Accounting policies
12 Contractual obligations and contingencies, etc.
13 Collateral and pledges
14 Related parties
15 Subsequent events

Financial statements 1 January - 31 December

STATEMENT OF CHANGES IN EQUITY

Group

k.DKK	Share capital	Share premium	Retained earnings	Total
Equity 1 Janauar 2022	200	86.321	-15.712	70.809
Capital contribution	28	12.972	0	13.000
Transfer through appropriation of profit	0	0	-11.874	-11.874
Currency adjustment of equity in subsidiaries	0	0	53	53
Equity 1 January 2023	228	99.293	-27.533	71.988
Capital contribution	17	7.870	0	7.887
Dividend distributed	0	0	0	0
Transfer through appropriation of profit	0	0	-9.376	-9.376
Currency adjustment of equity in subsidiaries	0	0	-38	-38
Equity 31 December 2023	245 0	107.163	-36.948	70.460

Parent

k.DKK	Share capital	Share premium	Retained earnings	Total
Equity 1 Janauar 2022	200	86.321	-15.712	70.809
Capital contribution	28	12.972	0	13.000
Transfer through appropriation of profit	0	0	-11.874	-11.874
Currency adjustment of equity in subsidiaries	0	0	53	53
Equity 1 January 2023	228	99.293	-27.533	71.988
Capital contribution	17	7.870	0	7.887
Dividend distributed	0	0	0	0
Transfer through appropriation of profit	0	0	-9.376	-9.376
Currency adjustment of equity in subsidiaries	0	0	-38	-38
Equity 31 December 2023	245 0	107.163	-36.948	70.460

Financial statements 1 January - 31 December

CASH FLOW STATEMENT

	k.DKK	Group	
Note		2023	2022
	Loss before net financials	-9.194	-7.662
3/4	Depreciation and amortisation	16.446	17.139
16	Other adjustments	63	-3.454
17	Change in working capital	-22.646	-24.370
	Interest paid, net	-3.380	-2.195
	Corporation tax, paid	-2.186	-3.068
	Cash flow from operating activitities	-20.897	-23.610
3	Purchase of intangible assets	-4.822	-1.072
4	Purchase of tangible assets and deposits	-3.106	-791
	Cash flow from investing activitities	-7.928	-1.863
	Capital increase	7.887	13.000
	Change in short term credit instiution	0	-5.001
	Repayment to credit institution	-3.000	-3.000
	Repayment of other non-current payables	-184	-50
	Cash flow from financing activities	4.703	4.949
	Cash Flow for the year	-24.123	-20.524
	Cash, beginning	49.638	70.162
	Cash Flow for the year	-24.123	-20.524
	Cash, ending	25.516	49.638

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

In accordance with section 86 (4) of the Danish Financial Statements Act, cash flows for the parent company are not disclosed.

Financial statements 1 January - 31 December

Notes to the financial statement

1 **Accounting policies**

The annual report of Drug Development Consulting Holding ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class C middle sized entities.

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

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

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.

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign entities at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Accounting policies (continued)

Foreign exchange adjustments of balances with foreign subsidiaries that are considered part of the total investment in the subsidiary are recognised directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

On recognition of foreign subsidiaries that are integral entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company Drug Development Consulting Holding ApS and subsidiaries controlled by Drug Development Consulting Holding ApS.

Control means the power to exercise decisive influence over a subsidiary's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Significant influence

Entities over whose financial and operating decisions the Group can exercise significant influence are classified as associates. Significant influence is deemed to exist when the Parent Company holds or controls, directly or indirectly, more than 20% of the voting rights of an entity but does not control it.

The existence of potential voting rights that may currently be exercised or converted into voting rights is considered when assessing whether significant influence exists.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

Accounting policies (continued)

The subsidiaries' financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries that are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

Business combinations

Newly acquired entities are recognised in the consolidated financial statements from the acquisition date. Entities sold or otherwise disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The acquisition date is the date when the Group actually obtains control of the acquiree.

The purchase method is applied to acquisitions of new businesses over which the Group obtains control. The acquired businesses' identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill in intangible assets. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the acquisition date.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the Group's presentation currency are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is contingent on future events or compliance with agreed terms, such part of the purchase consideration is recognised at fair value at the acquisition date. Subsequent adjustments of contingent purchase considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Accounting policies (continued)

If uncertainties regarding the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. If it turns out subsequently that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments are recognised as errors.

Gains or losses from divestment or winding-up of subsidiaries that implies that control is no longer maintained are calculated as the difference between, on the one hand, the selling price less selling costs and, on the other hand, the proportionate share of the carrying amount of net assets. If the Parent Company still holds equity investments in the divested entity, the remaining proportionate share of the carrying amount forms the basis for the measurement of equity investments in associates or securities and equity investments.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of equity investments, mergers, demergers, additions of assets and share conversions, etc., in which entities controlled by the Parent Company are involved, provided that the combination is considered completed at the acquisition date without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

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).

Gross margin

The items revenue, direct costs, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

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.

Depreciation and amortisation

The item comprises depreciation of property, plant and equipment and amortisation of goodwill, customer relationship and brand.

Accounting policies (continued)

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Goodwill	10 years
Customer relationships	10 years
Brand	10 years
Development projects	5 years
Fixtures and fittings, other plant and equipment	3-10 years
Leasehold improvements	3-10 years

Customer relationship include the value of the order backlog that is amortized over the execution period that is within 3,5 years.

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

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

Development projects

Development projects cost comprise expenses, salaries and amortization directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential use of the IT system are identifiable and where the Company intends to use the projects, are recognized as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future use of the IT system can assist in generating profit for the Company.

Development costs that are recognized in the balance sheet are measured at cost less accumulation the amortization and impairment losses.

On completion of a development project, development cost are amortized on a straight-line basis over the estimated useful life. The amortization period is usually 5 years.

Fixtures and fittings, other plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investments

Investments consist of rent deposits and is measured at cost.

Equity investments in subsidiaries in the parent company financial statements

Equity investments in subsidiaries are measured according to the equity method in the parent company financial statements. The Parent Company has chosen to consider the equity method a measurement method.

On initial recognition, equity investments in subsidiaries and associates are measured at cost. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding the consolidated financial statements above. Acquision costs are expensed.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Financial statements 1 January - 31 December

Notes to the financial statement

Accounting policies (continued)

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Leases

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

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of future lease payments. In calculating the present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for as the Company's other assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Receivables

Receivables are measured at amortised cost.

The Company and Group 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.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Work in progress

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Net revaluation reserve according to the equity method

Net revaluation of equity investments in subsidiaries and associates is recognised at cost in the net revaluation reserve according to the equity method.

The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting estimates.

The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

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. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Long term other liabilities are stated at amortized cost which in all material aspects is equal to the nominal value.

Financial statements 1 January - 31 December

Notes to the financial statement

Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquisitions of entities are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less that are subject to only minor risks of changes in value.

Financial statements 1 January - 31 December

Notes to the financial statement

Note	k.DKK	Group		Parent	
2	**Staff costs**	2023	2022	2023	2022
	Salaries	119.792	129.217	0	0
	Pensions	10.148	10.445	0	0
	Other social security costs	4.412	5.182	0	0
	TOTAL	134.352	144.844	0	0
	Average number of full-time employees	164	184	0	0
	Compensation to management	4.547	0	0	0
	Compensation to board of directors	700	0	0	0
	Compensation to management and board of directors	5.247	2.138	0	0

In accordance with section 98b.3 no.1 of the Danish Financial Statements Act, compensation is disclosed as a total for 2022.

Note		Group				
3	**Intangible assets**	Development projects	Customer relationship	Brand	Goodwill	Total
	Cost 1 January	4.438	48.276	5.600	76.006	134.320
	Additions	4.822	0	0	0	4.822
	Cost 31 December	9.260	48.276	5.600	76.006	139.142
	Amortisation at 1 January	1.541	14.665	910	12.357	29.473
	Amortisation	923	5.511	560	7.605	14.599
	Amortization 31 December	2.464	20.176	1.470	19.962	44.072
	Carrying amount 31 December	6.796	28.100	4.130	56.044	95.070

Note		Group			
4	**Tangible assets and deposits**	Fixtures and fittings	Leasehold improve-ments	Deposits	Total
	Cost 1 January	3.949	8.348	2.295	14.592
	Additions	759	2.139	208	3.106
	Disposals	0	0	0	0
	Cost 31 December	4.708	10.487	2.503	17.698
	Depreciation 1 January	2.400	4.306	0	6.706
	Depreciation	464	1.383	0	1.847
	Disposal	0	0	0	0
	Depreciation 31 December	2.864	5.689	0	8.553
	Carrying amount 31 December	1.845	4.798	2.503	9.146

Financial statements 1 January - 31 December

Notes to the financial statement

Note	k.DKK	Parent
5	**Investments in group enterprises**	2023
	Cost 1 January	99.561
	Capital contribution	7.800
	Cost 31 December	107.361
	Value adjustments 1 January	-27.730
	Currency adjustment of equity in subsidiaries	-38
	Profit/loss for the year	-9.381
	Value adjustments 31 December	-37.149
	Carrying amount 31 December	70.212

The carrying amount of group entities comprises a share of the entities' net asset value, goodwill at a carrying amount of k.DKK 55.835, customer relationship of k.DKK 28.100 and brand of k.DKK 4.130.

Subsidiary name	Domicile	Interest	Profit	Equity
Drug Development Consulting BidCo ApS	Albertslund	100%	-9.381	70.212

Note		Group		Parent	
6	**Financial income**	2023	2022	2023	2022
	Other interest income	601	126	52	17
	Exchange rate gains	53	0	0	0
	Other financial income	267	383	0	0
	TOTAL	921	509	52	17

Note		Group		Parent	
7	**Financial expenses**	2023	2022	2023	2022
	Interest expenses	4.248	2.902	0	0
	Exchange losses	87	567	0	0
	Other financial expenses	332	537	0	0
	TOTAL	4.667	4.006	0	0

Note		Group		Parent	
8	**Tax for the year**	2023	2022	2023	2022
	Estimated tax charge for the year	0	2.132	0	2
	Deferred tax adjustments in the year	-3.564	-1.416	-6	0
	TOTAL	-3.564	716	-6	2

Deferred tax releate to:		
Intangible assets	6.967	8.329
Tangible assets	-630	29
Work in progress	751	753
Tax loss carry forward	-1.542	0
Deferred tax 31 December	5.546	9.111

Note k.DKK

9 **Share capital**

Contributed capital consist of 2.283 shares to nominal value DKK 100.

Note		Group	
10	**Other payables**	2023	2022
	Due within 1 - 5 years	1.122	1.022
	Due after 5 years	5.059	5.153
	TOTAL	6.181	6.175

Other payables include Frozen holiday pay debt, as per Danish legislation.

Note		Group	
11	**Credit institutions**	2023	2022
	Due within 1 - 5 years	45.590	48.310
	Due after 5 years	0	0
	TOTAL	45.590	48.310

Interest on the loan facilities of k.DKK 49.000 is based on Nordea-Bor plus a fixed margin. The loan facilities are subject to covenants that are fulfilled for Q4 2023.

12 **Contractual obligations and contingencies, etc.**

Other contingent liabilities

The Company is jointly taxed with its subsidiary Drug Development Consulting BidCo ApS and is jointly and severally liable with other jointly taxed group enterprises for payment of income taxes for the income year 2021 and onwards as well as withholding taxes on interest, royalties and dividends falling due for payment.

	Group	
Other financial obligations	2023	2022
Rent and lease liabilities	32.304	22.959

Rent and lease liabilities include rent obligation totalling k.DKK 31.210, with contract terms within 5 years. the Company has liabilities under operating leases for buildings, cars and IT equipment.

13 **Collateral and pledges**

The shares in the subsidiary KLIFO A/S is pledged for the Group's loan facilties of k.DKK 49.000.
As part of a drawing right, Nordea Danmark has claimed a lien of DKK 5.000.000 covering trade receivables, stocks, fixtures and fittings, goodwill and domain name.

Financial statements 1 January - 31 December

Notes to the financial statement

Note k.DKK

14 **Related parties**

Drug Development Consulting Holding ApS' related parties comprise the following:

Parties exercising control

Related party	**Domicile**	**Basis for control**
Coöperatieve Gilde Healthcare Services III U.	Utrecht, Netherlands	Majority shareholder

Other related parties

Drug Development Consulting BidCo ApS	Glostrup, Denmark	Subsidiary
KLIFO A/S	Glostrup, Denmark	Subsidiary
KLIFO AB	Malmö, Sweden	Subsidiary
KLIFO GmbH	Munich, Germany	Subsidiary
KLIFO B.V.	Eindhoven, Netherlands	Subsidiary
DDC Mørk Holding ApS	Lyngby-Taarbæk, Denmark	Minority shareholder
Mørk Holding 2007 ApS	Lyngby-Taarbæk, Denmark	Minority shareholder
Alejandra Mørk	Virum, Denmark	Minority shareholder

Ownership

Shareholders holding 5% or more of the share capital or the voting rights:

Coöperatieve Gilde Healthcare Services III U.A., Stadsplateau 36, 3521 AZ Utrecht, Netherlands owns 71% of the shares in the company.

DDC Mørk Holding ApS, Bakkevej 59, 2830 Virum, Denmark owns 21% of the shares in the company.

Transaction with related parties	2023	2022
Capital contribution to subsidiary	7.800	13.000
Staff costs	2.942	1.938

15 **Subsequent events**

No material events affecting the financial statements for 2023 have occured after 31 December 2023.

Note		Group	
16	**Other adjustments**	2023	2022
	Non cash interest expenses	-103	-118
	Exchange losses, net	-34	-567
	Non cash change in other payables, non-current	0	-2.600
	Other adjustments	200	-169
	TOTAL	63	-3.454

Note		Group	
17	**Change in working capital**	2023	2022
	Change in total receivables	-1.998	15.685
	Change in other current liabilities	-20.648	-40.055
	TOTAL	-22.646	-24.370