

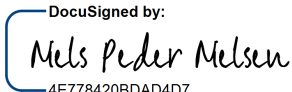
# Drug Development Consulting BidCo ApS

Smedeland 36, 2600 Glostrup

CVR no. 42 28 70 67

Annual Report 2023

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

Chairman:  DocuSigned by:  
Mels Peder Melsen  
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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Drug Development Consulting BidCo ApS for the financial year 1 January - 31 December 2023.

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

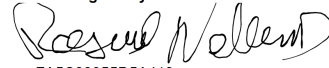
In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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

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

Glostrup, 25 April 2024

Executive Board:

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Rasmus Nelund

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René Pedersen

Board of Directors:

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Niels Peder Nielsen  
Chairman

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Alejandra Mørk

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Mette Kirstine Agger

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Redmar Koene

## **Independent auditor's report**

### **To the shareholders of Drug Development Consulting BidCo ApS**

#### **Opinion**

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 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.

#### **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 financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

## **Independent auditor's report**

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 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

## 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 Statement 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 Johansen*

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Christian Schwenn Johansen

State Authorised Public Accountant

mne 33234

DocuSigned by:

*Allan Nørgaard*

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Allan Nørgaard

State Authorised Public Accountant

mne 35501

## Management's review

### Company details

Name	Drug Development Consulting BidCo ApS
Address, Postal code, City	Smedeland 36, 2600 Glostrup
CVR no.	42 28 70 67
Established	8 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 BidCo ApS was established on 8 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 Drug Development Consulting BidCo ApS.

Drug Development Consulting Bidco ApS is a management consultancy company for the KLIFO Group.

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 gross margin for the year is k.DKK 2.320 and below gross margin in 2022 mainly due to release of provisions in 2022.

Loss for the year is k.DKK 9.381 or k.DKK 2.450 lower than the loss in 2022 of k.DKK 11.831. The negative result is due to loss in the group enterprises of kDKK 6.029 which include amortization of goodwill and other intangible assest of k.DKK 11.925 net of tax, and financial expenses of k.DKK 3.817. The 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 k.DKK 70.212. A capital contribution was made during the year of k.DKK 7.800.

### **Outlook**

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



## Management's review

Financial highlights k.DKK	2023	2022	2021*
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### Key figures:

Gross margin	2.320	3.760	-4.389
Loss before net financials	-622	1.822	-5.320
Financial items	-9.708	-14.390	-10.783
Loss	-9.381	-11.831	-15.752

Total assets	120.669	124.307	129.982
Financial assets	112.742	106.310	125.474
Equity	70.212	71.831	70.809

Average number of full time employees	1	1	1
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### Financial ratios:

Return on assets	-8%	-10%	-12%
Solvency ratio	58%	58%	54%
Return on equity	-13%	-33%	-44%

\*2021 is for the period 8 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:

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

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

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

### Events after the balance sheet date

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

**Financial statements 1 January - 31 December 2023****Income statement**

k.DKK			
Note		2023	2022
	<b>Gross margin</b>	2.320	3.760
2	Staff costs	-2.942	-1.938
	<b>Loss before net financials</b>	-622	1.822
3	Result from investments in group enterprises	-6.029	-11.717
4	Financial income	138	0
5	Financial expenses	-3.817	-2.673
	<b>Loss before tax</b>	-10.330	-12.568
6	Tax for the year	949	737
	<b>Loss for the year</b>	-9.381	-11.831
<b>Proposed distribution of the result for the year</b>			
	Retained earnings	-9.381	-11.831
	<b>TOTAL</b>	-9.381	-11.831

## Financial statements 1 January - 31 December 2023

### Balance sheet

k.DKK

Note	2023	2022	
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Financial assets</b>			
3	Investments in group enterprises	112.742	106.310
<b>Total financial assets</b>		<b>112.742</b>	<b>106.310</b>
<b>Total non-current assets</b>		<b>112.742</b>	<b>106.310</b>
<b>Current assets</b>			
Receivables from group enterprises		5.090	0
Corporate tax receivable		0	737
6	Deferred tax asset	949	0
Prepayments		471	580
<b>Total receivables</b>		<b>6.510</b>	<b>1.317</b>
Cash		1.417	16.680
<b>Total current assets</b>		<b>7.927</b>	<b>17.997</b>
<b>TOTAL ASSETS</b>		<b>120.669</b>	<b>124.307</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
7	Share capital	40	40
Retained earnings		70.172	71.791
<b>Total equity</b>		<b>70.212</b>	<b>71.831</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
8	Credit institutions	45.590	48.310
<b>Total non-current liabilities</b>		<b>45.590</b>	<b>48.310</b>
<b>Current liabilities</b>			
Credit institutions		2.720	2.720
Other payables		2.147	1.446
<b>Total current liabilities</b>		<b>4.867</b>	<b>4.166</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>120.669</b>	<b>124.307</b>

1 Accounting policies

9 Contractual obligations and contingencies, etc.

10 Collateral and pledges

11 Related parties

12 Subsequent events

**Financial statements 1 January - 31 December 2023****STATEMENT OF CHANGES IN EQUITY**

k.DKK	Share capital	Share premium	Retained earnings	Dividend proposed	Total
<b>Equity 1 January 2022</b>	40	0	70.569	200	70.809
Capital contribution	0	0	13.000	0	13.000
Dividend distributed	0	0	0	-200	-200
Transfer through appropriation of profit	0	0	-11.831	0	-11.831
Currency adjustment of equity in subsidiaries	0		53	0	53
<b>Equity 1 January 2023</b>	40	0	71.791	0	71.831
Capital contribution	0	0	7.800	0	7.800
Transfer through appropriation of profit	0	0	-9.381	0	-9.381
Currency adjustment of equity in subsidiaries	0	0	-38	0	-38
<b>Equity 31 December 2023</b>	40	0	70.172	0	70.212

## **Financial statements 1 January - 31 December 2023**

### **Notes to the financial statement**

#### **1 Accounting policies**

The annual report of Drug Development Consulting BidCo 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.

#### **Consolidated financial statements**

In accordance with section 112 (1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Drug Development Consulting BidCo ApS and its subsidiaries are included in the consolidated financial statement of Drug Development Consulting Holding ApS.

#### **Cash flow statement**

In accordance with section 86.4 of the Danish Financial Statements Act, no cash flow statement has been prepared. The cash flow statement of Drug Development Consulting BidCo ApS and its subsidiaries are included in the consolidated financial statement of Drug Development Consulting Holding ApS.

#### **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.

## **Financial statements 1 January - 31 December 2023**

### **Notes to the financial statement**

#### **Accounting policies (continued)**

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.

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.

#### **Business combinations**

Newly acquired entities are recognised in the 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.

## **Financial statements 1 January - 31 December 2023**

### **Notes to the financial statement**

#### **Accounting policies (continued)**

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.

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.

**Financial statements 1 January - 31 December 2023****Notes to the financial statement****Accounting policies (continued)****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 amortisation of goodwill, customer relationship, brand and backlog acquired through the acquisition of KLIFO A/S.

The expected useful lives of the assets are as follows:

Goodwill	10 years
Customer relationship	10 years
Brand	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 amortisation is included the result from investments in enterprises.

**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****Equity investments in subsidiaries and associates in the 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. Acquisition 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.



## **Financial statements 1 January - 31 December 2023**

### **Notes to the financial statement**

#### **Accounting policies (continued)**

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 deduced from the carrying amount.

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

#### **Impairment of non-current assets**

The carrying amount of 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.

#### **Receivables**

Receivables are measured at amortised cost.

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

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

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.

#### **Prepayments**

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

## **Financial statements 1 January - 31 December 2023**

### **Notes to the financial statement**

#### **Accounting policies (continued)**

##### **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 2023

### Notes to the financial statement

Note k.DKK

2	<b>Staff costs</b>	2023	2022
	Salaries	2.618	1.697
	Pensions	322	239
	Other social security costs	2	2
	<b>TOTAL</b>	2.942	1.938
	Average number of full-time employees	1	1

3	<b>Investments in group enterprises</b>	2023
	Cost at 1 January	134.800
	Capital contribution	12.500
	Cost at 31 December	147.300
	Value adjustments at 1 January	-28.490
	Currency adjustment	-38
	Dividend received	0
	Profit/loss for the year	5.896
	Customer, brand and goodwill amortization and tax hereof	-11.925
	Value adjustments at 31 December	-34.558
	Carrying amount at 31 December	112.742

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 value of brand k.DKK 4.130.

Subsidiary name	Domicile	Interest	Profit	Equity
KLIFO A/S	Glostrup, Denmark	100%	5.896	33.661
Customer, brand, goodwill and tax hereof			-11.925	79.081
			-6.029	112.742

4	<b>Financial income</b>	2023	2022
	Interest income, group enterprises	54	0
	Other interest income	84	0
	<b>TOTAL</b>	138	0

5	<b>Financial expenses</b>	2023	2022
	Interest expenses	3.537	2.193
	Other financial expenses	280	480
	<b>TOTAL</b>	3.817	2.673

**Financial statements 1 January - 31 December 2023****Notes to the financial statement**

Note k.DKK

6 <b>Tax for the year</b>	2023	2022
Estimated tax charge for the year	0	-737
Deferred tax adjustments in the year	-949	0
<b>TOTAL</b>	-949	-737

Deferred tax asset of k.DKK 949 (k.DKK 0 in 2022) relates to tax loss carry forward.

**7 Share capital**

Contributed capital consist of 10.000 shares to nominal value DKK 40.

8 <b>Credit institutions</b>	2023	2022
Due within 1 - 5 years	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.

**9 Contractual obligations and contingencies, etc.****Other contingent liabilities**

The company is jointly taxed with its parent company Drug Development Consulting Holdco 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.

The company has under the loan facilities amounting to k.DKK 49.000, issued and unconditionally an irrevocables guarantee as primary obligors for the loans.

**10 Collateral and pledges**

The company has pledged the shares in the subsidiary KLIFO A/S for the company's loan facilities of k.DKK 49.000.

## Financial statements 1 January - 31 December 2023

### Notes to the financial statement

Note k.DKK

#### 11 Related parties

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

##### Parties exercising control

Drug Development Consulting Holding ApS

##### Domicile

Glostrup, Denmark

##### Basis

##### for control

Parent company

##### Other related parties

KLIFO A/S

Glostrup

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:

Drug Development Consulting Holding ApS, Smedeland 36, 2600 Glostrup owns 100% of the shares

<b>Transaction with related parties</b>	<b>2023</b>	<b>2022</b>
Sale of services to subsidiaries	2.765	2.223
Capital contribution from parent company	7.800	13.000
Capital contribution to subsidiary	12.500	0
Receivables from subsidiaries	5.090	0
Staff costs	2.942	1.938
Interest income from subsidiaries	54	0

#### 12 Subsequent events

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