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21st.BIO A/S

Sydmarken 42
2860 Søborg
CVR No. 41554908

Annual report 2024

The Annual General Meeting adopted the annual report on 24.06.2025

Thomas Günther Schmidt
Chairman of the General Meeting

Contents

Entity details

Entity

21st.BIO A/S
Sydmarken 42
2860 Søborg

Business Registration No.: 41554908
Date of foundation: 01.08.2020
Registered office: Gladsaxe
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Anders Bendsen Spohr, chairman
Thomas Günther Schmidt
Claus Crone Fuglsang
Thomas Grotkjær
Thomas Dal Stenfeldt Batchelor

Executive Board

Thomas Günther Schmidt
Mikael Bechsgaard
Thomas Troelsgaard Kabel
Jose Arnau Martinez
Henrik Marcus Geertz-Hansen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of 21st.BIO A/S for the financial year 01.01.2024 - 31.12.2024.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Søborg, 24.06.2025

Executive Board

Thomas Günther Schmidt

Mikael Bechsgaard

Thomas Troelsgaard Kabel

Jose Arnau Martinez

Henrik Marcus Geertz-Hansen

Board of Directors

Anders Bendsen Spohr
chairman

Thomas Günther Schmidt

Claus Crone Fuglsang

Thomas Grotkjær

Thomas Dal Stenfeldt Batchelor

Independent auditor's report

To the shareholders of 21st.BIO A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of 21st.BIO A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 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 financial statements" section of this auditor's report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and the Entity’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 consolidated financial statements and the parent 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 Entity’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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

København, 24.06.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen
State Authorised Public Accountant
Identification No (MNE) mne33712

Management commentary

Primary activities

21st.BIO is a bio-industrial scale-up company founded on a mission to support biotech companies across the globe to upscale their molecule innovations to large-scale production. This allows our customers to compete effectively and meet market demands for biobased solutions with new functionality, in turn allowing us to jointly advance the green transition together. 21st.BIO also develops molecule assets in-house, which are offered to the market in our programs. The focus areas of 21st.BIO include proteins and peptides that can be utilized mainly for the food, materials, and agricultural industries.

21st.BIO builds on select industrially proven technologies from Novonesis, which we use to develop our own and customers' expression platforms and processes for large-scale production of molecule innovations.

We typically do this by assessing the expressability of the target molecule in our various expression platforms within fungi, yeast or bacteria. With the right expression platform identified, our expert science team draws on a comprehensive strain bank and crafts the best-performing strain and develops upstream and downstream processes for it. The purpose is to enable customers to produce their target molecule at commercially attractive costs and quantities, in turn leading to an increase in the likelihood of a successful launch and a decrease in time to market.

Description of material changes in activities and finances

In 2024, 21st.BIO continued to leap forward as we advanced our customers' production platforms to bring innovative, biology-based and commercially competitive solutions to the market. Over the past four years, 21st.BIO has grown our revenues and customer base substantially. This is a testament to our dedicated science team and the strength of our core technology. With the realized revenue for 2024, we continue a great growth trajectory of 90% CAGR since initiation.

In the period, 21st.BIO:

- delivered value to our customers with multiple new program participants and projects added to our platform
- expanded and optimized the delivery capabilities via redesigned agile ways of working and increased use of physical and digital automation,
- continued building our teams by adding e.g. bioinformatics and productization competences,
- advanced our core technology offering, such as next-generation strains that are faster to engineer, or can deliver more product due to unique and beneficial genetic changes that we've discovered,
- and strengthened our infrastructure by adding e.g. more liquid handlers and maturing our data capture, visualization and analysis systems.

As a result, our R&D laboratory facilities and teams in Copenhagen and California are able to continue to serve our growing customer base and increasingly demanding internal programs.

Beyond our laboratory facilities, 21st.BIO established an industrial-grade pilot plant at our site near Copenhagen. A key milestone of the year was the successful completion of this facility in the first quarter of 2024. With the pilot plant, 21st.BIO customers are now able to experience an integrated development process from strain design to pilot scaling and CMO technology transfer.

Our company performed very well in terms of financial performance driven by a 22% increase in revenue. The growth was fuelled by good traction on customer projects, where our expression platforms continued to deliver and perform. Despite this rapid expansion, we maintained disciplined cost management, ensuring that expenses remained within the planned range and targets. As planned, the company invested strongly in both people and sites, realizing an operating loss for the year of 60.1 million DKK. The result after tax was a loss of 41.6 million DKK including refund from the joint taxation scheme. This was in line with the budget for the year.

In 2024, we successfully progressed through the third tranche of our Series A financing, meeting all strategic milestones outlined in our roadmap. This funding has strengthened our financial position, enabling the expansion of customer intake and driving revenue growth.

Our enhanced delivery capabilities have positioned us to scale operations effectively, supporting a broader customer base and accelerating commercial traction. With a strong cash position, we are well-capitalized to sustain our growth trajectory towards profitability.

Looking ahead, our focus remains on advancing customer projects and 21st.Bio programs. Several initiatives are nearing market readiness, and we anticipate the first downstream value realizations in the near future.

Environmental performance

In 2024, we initiated the development of a structured ESG framework, laying the groundwork for future sustainability reporting. This included the creation of a reporting dashboard to enhance data collection and transparency. Toward the end of the year, we expanded our internal capabilities by hiring resources to refine ESG reporting processes and strengthen our overall sustainability efforts.

Our ESG framework is aligned with the Principal Adverse Impact (PAI) indicators under the Sustainability Finance Disclosure Regulation (SFDR), ensuring a robust approach to assessing and reporting ESG risks. With initial data collection underway, we expect to report on mandatory PAI indicators, supplemented by additional metrics relevant to our business, once a sufficient data foundation has been established. Internal ESG reporting is set to begin in 2025.

Beyond compliance, our long-term ambition is to support our customers in achieving positive environmental impact through precision fermentation technology. Within nutritional proteins, we have partnered with third-party providers to assess the environmental benefits of our technology compared to conventional alternatives. We will continue collaborating with our customers to validate these findings, reinforcing our commitment to sustainable solutions.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss		**11,854,856**	**11,613,418**
Staff costs	1	(49,992,142)	(37,438,692)
Depreciation, amortisation and impairment losses		(21,915,189)	(18,608,117)
Operating profit/loss		**(60,052,475)**	**(44,433,391)**
Other financial income	2	4,353,283	1,362,139
Other financial expenses	3	(5,228,580)	(5,326,496)
Profit/loss before tax		**(60,927,772)**	**(48,397,748)**
Tax on profit/loss for the year	4	19,298,821	6,137,630
Profit/loss for the year		**(41,628,951)**	**(42,260,118)**
Proposed distribution of profit and loss			
Retained earnings		(41,628,951)	(42,260,118)
Proposed distribution of profit and loss		**(41,628,951)**	**(42,260,118)**

Consolidated balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Completed development projects	6	36,342,466	17,379,018
Acquired intangible assets		201,921,064	218,747,822
Development projects in progress	6	0	7,693,447
Intangible assets	5	**238,263,530**	**243,820,287**
Other fixtures and fittings, tools and equipment		39,551,699	41,306,408
Leasehold improvements		32,291,836	3,687,473
Property, plant and equipment in progress		0	18,279,994
Property, plant and equipment	7	**71,843,535**	**63,273,875**
Deposits		1,970,135	1,859,252
Financial assets	8	**1,970,135**	**1,859,252**
Non-current assets		**312,077,200**	**308,953,414**
Raw materials and consumables		1,575,572	0
Inventories		**1,575,572**	**0**
Trade receivables		20,766,776	10,211,617
Other receivables		987,603	3,657,397
Joint taxation contribution receivable		15,420,866	10,307,300
Prepayments		2,727,316	3,951,716
Receivables		**39,902,561**	**28,128,030**
Cash		**91,437,332**	**88,706,107**
Current assets		**132,915,465**	**116,834,137**
Assets		**444,992,665**	**425,787,551**

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		16,707,491	12,058,092
Translation reserve		(31,421)	0
Retained earnings		313,655,820	282,750,672
Equity		**330,331,890**	**294,808,764**
Deferred tax		52,046,961	55,514,216
Provisions		**52,046,961**	**55,514,216**
Other provisions		1,536,000	1,536,000
Other payables		43,569,386	45,000,293
Deferred income		0	3,592,730
Non-current liabilities other than provisions	9	**45,105,386**	**50,129,023**
Current portion of non-current liabilities other than provisions	9	1,430,614	463,192
Trade payables		7,938,293	15,125,258
Other payables	10	8,139,521	9,747,098
Current liabilities other than provisions		**17,508,428**	**24,615,723**
Liabilities other than provisions		**62,613,814**	**74,744,746**
Equity and liabilities		**444,992,665**	**425,787,551**
Unrecognised rental and lease commitments	12		
Assets charged and collateral	13		
Subsidiaries	14		

Consolidated statement of changes in equity for 2024

	Contributed capital DKK	Share premium DKK	Translation reserve DKK	Retained earnings DKK	Total DKK
Equity beginning of year	12,065,235	0	0	282,743,529	294,808,764
Increase of capital	4,642,256	72,541,242	0	0	77,183,498
Exchange rate adjustments	0	0	(31,421)	0	(31,421)
Transfer to reserves	0	(72,541,242)	0	72,541,242	0
Profit/loss for the year	0	0	0	(41,628,951)	(41,628,951)
Equity end of year	**16,707,491**	**0**	**(31,421)**	**313,655,820**	**330,331,890**

Consolidated cash flow statement for 2024

	Notes	2024 DKK	2023 DKK
Operating profit/loss		(60,052,475)	(44,433,391)
Amortisation, depreciation and impairment losses		21,915,189	18,608,117
Working capital changes	11	(11,183,875)	(4,726,510)
Other adjustments		(2,805,877)	0
Cash flow from ordinary operating activities		**(52,127,038)**	**(30,551,784)**
Financial income received		4,353,283	1,362,139
Financial expenses paid		(952,490)	(5,326,496)
Taxes refunded/(paid)		10,718,000	11,617,696
Cash flows from operating activities		**(38,008,245)**	**(22,898,445)**
Acquisition etc. of intangible assets		(13,518,258)	(16,206,708)
Sale of intangible assets		110,880	3,272,189
Acquisition etc. of property, plant and equipment		(13,168,618)	(55,289,282)
Sale of property, plant and equipment		4,422,363	(325,516)
Deposits		(110,883)	0
Other cash flows from investing activities		(5,847,207)	5,847,207
Cash flows from investing activities		**(28,111,723)**	**(62,702,110)**
Free cash flows generated from operations and investments before financing		**(66,119,968)**	**(85,600,555)**
Loans raised		0	45,000,293
Cash capital increase		77,183,498	74,500,000
Other cash flows from financing activities		(8,332,305)	4,410,031
Cash flows from financing activities		**68,851,193**	**123,910,324**
Increase/decrease in cash and cash equivalents		**2,731,225**	**38,309,769**
Cash and cash equivalents beginning of year		88,706,107	50,396,338
Cash and cash equivalents end of year		**91,437,332**	**88,706,107**

Cash and cash equivalents at year-end are composed of:

Cash	91,437,332	88,706,107
Cash and cash equivalents end of year	**91,437,332**	**88,706,107**

Notes to consolidated financial statements

1 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	47,390,632	34,986,282
Pension costs	1,992,880	820,955
Other social security costs	608,630	141,383
	49,992,142	**35,948,620**

Average number of full-time employees	**55**	**32**

2 Other financial income

	2024 DKK	2023 DKK
Other interest income	1,631,336	1,183,811
Exchange rate adjustments	2,671,975	160,296
Other financial income	49,972	18,032
	4,353,283	**1,362,139**

3 Other financial expenses

	2024 DKK	2023 DKK
Other interest expenses	4,820,090	2,998,194
Exchange rate adjustments	402,187	2,327,405
Other financial expenses	6,303	897
	5,228,580	**5,326,496**

4 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	(32,903)	70,083
Change in deferred tax	(3,467,255)	1,328,938
Adjustment concerning previous years	(377,797)	2,770,649
Refund in joint taxation arrangement	(15,420,866)	(10,307,300)
	(19,298,821)	**(6,137,630)**

5 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	18,601,078	252,401,333	7,693,447
Exchange rate adjustments	6,037	0	0
Transfers	8,009,130	0	(8,009,130)
Additions	13,091,695	0	426,563
Disposals	0	0	(110,880)
Cost end of year	**39,707,940**	**252,401,333**	**0**
Amortisation and impairment losses beginning of year	(1,222,060)	(33,653,511)	0
Exchange rate adjustments	(1,307)	0	0
Amortisation for the year	(2,142,107)	(16,826,758)	0
Amortisation and impairment losses end of year	**(3,365,474)**	**(50,480,269)**	**0**
Carrying amount end of year	**36,342,466**	**201,921,064**	**0**

6 Development projects

Management has not identified any indicators of impairment relative to the carrying amount of capitalized development projects.

The company has capitalized external and internal development cost relating to the development of a budget model, strain engineering, ERP system, CRM system and a scientific data platform.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Property, plant and equipment in progress DKK
Cost beginning of year	41,961,287	4,144,673	18,279,994
Exchange rate adjustments	2,426,880	216,790	180,278
Transfers	83,975	29,046,832	(29,130,807)
Additions	2,220,978	98,000	10,849,640
Disposals	(4,670,707)	0	(179,105)
Cost end of year	**42,022,413**	**33,506,295**	**0**
Depreciation and impairment losses beginning of year	(654,879)	(457,200)	0
Exchange rate adjustments	(52,609)	(3,141)	0
Depreciation for the year	(2,190,675)	(754,118)	0
Reversal regarding disposals	427,449	0	0
Depreciation and impairment losses end of year	**(2,470,714)**	**(1,214,459)**	**0**
Carrying amount end of year	**39,551,699**	**32,291,836**	**0**

Additions for leasehold improvements comprises a construction of a pilot plan for a full industrial production setup.

8 Financial assets

	Deposits DKK
Cost beginning of year	1,859,252
Exchange rate adjustments	25,847
Additions	85,036
Cost end of year	**1,970,135**
Carrying amount end of year	**1,970,135**

9 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK	Due within 12 months 2023 DKK	Due after more than 12 months 2024 DKK	Outstanding after 5 years 2024 DKK
Other provisions	0	64,000	1,536,000	1,536,000
Other payables	1,430,614	0	43,569,386	15,668,498
Deferred income	0	399,192	0	0
	1,430,614	**463,192**	**45,105,386**	**17,204,498**

10 Other payables

	2024 DKK	2023 DKK
Wages and salaries, personal income taxes, social security costs, etc. payable	7,431,201	9,307,145
Holiday pay obligation	708,320	439,953
	8,139,521	**9,747,098**

11 Changes in working capital

	2024 DKK	2023 DKK
Increase/decrease in inventories	(1,575,572)	0
Increase/decrease in receivables	(6,660,965)	(5,624,035)
Increase/decrease in trade payables etc.	(2,947,338)	781,119
Other changes	0	116,406
	(11,183,875)	**(4,726,510)**

12 Unrecognised rental and lease commitments

	2024 DKK	2023 DKK
Total liabilities under rental or lease agreements until maturity	**82,089,880**	**97,417,833**

13 Assets charged and collateral

Mortgage debt is secured by way of mortgage on assets and collateral amounting to DKK 45,000,000.

14 Subsidiaries

	Registered in	Corporate form	Ownership %
21st.BIO Inc.	California, USA	Inc	100.00

Parent income statement for 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss		**(17,202,758)**	**(9,825,858)**
Staff costs	1	(28,774,068)	(20,173,627)
Depreciation, amortisation and impairment losses		(20,007,585)	(18,068,434)
Operating profit/loss		**(65,984,411)**	**(48,067,919)**
Income from investments in group enterprises		3,370,629	(4,818,490)
Other financial income	2	6,882,229	7,643,229
Other financial expenses	3	(5,194,488)	(3,224,651)
Profit/loss before tax		**(60,926,041)**	**(48,467,831)**
Tax on profit/loss for the year	4	19,265,918	6,207,713
Profit/loss for the year		**(41,660,123)**	**(42,260,118)**

Proposed distribution of profit and loss			
Retained earnings		(41,660,123)	(42,260,118)
Proposed distribution of profit and loss		**(41,660,123)**	**(42,260,118)**

Parent balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Completed development projects	6	36,250,122	17,298,910
Acquired intangible assets		201,921,064	218,747,822
Development projects in progress	6	0	7,693,447
Intangible assets	5	**238,171,186**	**243,740,179**
Other fixtures and fittings, tools and equipment		1,785,029	1,498,736
Leasehold improvements		28,624,635	433,903
Property, plant and equipment in progress		0	18,460,272
Property, plant and equipment	7	**30,409,664**	**20,392,911**
Investments in group enterprises		726,386	0
Deposits		1,506,491	1,421,455
Financial assets	8	**2,232,877**	**1,421,455**
Non-current assets		**270,813,727**	**265,554,545**
Trade receivables		20,766,776	10,211,618
Receivables from group enterprises	9	41,789,600	43,812,446
Other receivables		987,603	3,657,397
Joint taxation contribution receivable		15,420,866	10,307,300
Prepayments		1,237,534	2,783,226
Receivables		**80,202,379**	**70,771,987**
Cash		**89,877,955**	**82,873,903**
Current assets		**170,080,334**	**153,645,890**
Assets		**440,894,061**	**419,200,435**

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		16,700,348	12,058,092
Reserve for net revaluation according to equity method		719,825	0
Retained earnings		312,911,966	282,750,672
Equity		**330,332,139**	**294,808,764**
Deferred tax		52,046,961	55,514,216
Provisions		**52,046,961**	**55,514,216**
Other provisions		1,536,000	1,536,000
Other payables		43,569,386	45,000,293
Non-current liabilities other than provisions	10	**45,105,386**	**46,536,293**
Current portion of non-current liabilities other than provisions	10	1,430,614	64,000
Trade payables		5,979,271	14,705,821
Other payables	11	5,999,690	7,571,341
Current liabilities other than provisions		**13,409,575**	**22,341,162**
Liabilities other than provisions		**58,514,961**	**68,877,455**
Equity and liabilities		**440,894,061**	**419,200,435**
Unrecognised rental and lease commitments	12		
Assets charged and collateral	13		

Parent statement of changes in equity for 2024

	Contributed capital DKK	Share premium DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	12,058,092	0	0	282,750,672	294,808,764
Increase of capital	4,642,256	72,541,242	0	0	77,183,498
Transfer to reserves	0	(72,541,242)	0	72,541,242	0
Profit/loss for the year	0	0	719,825	(42,379,948)	(41,660,123)
Equity end of year	**16,700,348**	**0**	**719,825**	**312,911,966**	**330,332,139**

The company has introduced incentive plans aimed at key employees. Share options are vesting over time to ensure the retention of such key employees. The total number of shares for which key employees may become eligible at 31. December 2024 is 440.453. The options are exercisable at an average exercise price of DKK 1.

As part of the merger with Novozymes Biotechnology ApS the company has granted performance warrants based on fulfilment of certain milestones.

Notes to parent financial statements

1 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	26,577,823	18,425,914
Pension costs	1,981,462	1,606,330
Other social security costs	214,783	141,383
	28,774,068	**20,173,627**

Average number of full-time employees	**30**	**19**

2 Other financial income

	2024 DKK	2023 DKK
Financial income from group enterprises	4,879,301	6,393,141
Other interest income	1,631,336	1,183,811
Exchange rate adjustments	371,592	66,277
	6,882,229	**7,643,229**

3 Other financial expenses

	2024 DKK	2023 DKK
Other interest expenses	4,820,090	2,998,194
Exchange rate adjustments	374,398	226,457
	5,194,488	**3,224,651**

4 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Change in deferred tax	(3,467,255)	1,328,938
Adjustment concerning previous years	(377,797)	2,770,649
Refund in joint taxation arrangement	(15,420,866)	(10,307,300)
	(19,265,918)	**(6,207,713)**

5 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	18,498,821	252,401,333	7,693,447
Transfers	8,009,130	0	(8,009,130)
Additions	13,039,378	0	426,563
Disposals	0	0	(110,880)
Cost end of year	**39,547,329**	**252,401,333**	**0**
Amortisation and impairment losses beginning of year	(1,199,911)	(33,653,511)	0
Amortisation for the year	(2,097,296)	(16,826,758)	0
Amortisation and impairment losses end of year	**(3,297,207)**	**(50,480,269)**	**0**
Carrying amount end of year	**36,250,122**	**201,921,064**	**0**

6 Development projects

Management has not identified any indicators of impairment relative to the carrying amount of capitalized development projects.

The company has capitalized external and internal development cost relating to the development of a budget model, strain engineering, ERP system, CRM system and a scientific data platform.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Property, plant and equipment in progress DKK
Cost beginning of year	1,627,734	472,699	18,460,272
Transfers	83,975	29,046,832	(29,130,807)
Additions	331,749	98,000	10,849,640
Disposals	0	0	(179,105)
Cost end of year	**2,043,458**	**29,617,531**	**0**
Depreciation and impairment losses beginning of year	(128,998)	(38,796)	0
Depreciation for the year	(129,431)	(954,100)	0
Depreciation and impairment losses end of year	**(258,429)**	**(992,896)**	**0**
Carrying amount end of year	**1,785,029**	**28,624,635**	**0**

Additions for leasehold improvements comprises a construction of a pilot plan for a full industrial production setup.

8 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	6,561	1,421,455
Additions	0	85,036
Cost end of year	**6,561**	**1,506,491**
Revaluations beginning of year	(6,561)	0
Exchange rate adjustments	(31,536)	0
Share of profit/loss for the year	3,402,165	0
Investments with negative equity value depreciated over receivables	(2,644,243)	0
Revaluations end of year	**719,825**	**0**
Carrying amount end of year	**726,386**	**1,506,491**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

9 Receivables from group enterprises

Receivables from group enterprises is not expected to be settled within 12 months.

10 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK	Due within 12 months 2023 DKK	Due after more than 12 months 2024 DKK	Outstanding after 5 years 2024 DKK
Other provisions	0	64,000	1,536,000	1,536,000
Other payables	1,430,614	0	43,569,386	15,668,498
	1,430,614	**64,000**	**45,105,386**	**17,204,498**

11 Other payables

	2024 DKK	2023 DKK
Wages and salaries, personal income taxes, social security costs, etc. payable	5,291,734	7,131,388
Holiday pay obligation	707,956	439,953
	5,999,690	**7,571,341**

12 Unrecognised rental and lease commitments

	2024 DKK	2023 DKK
Total liabilities under rental or lease agreements until maturity	**49,475,915**	**52,638,340**

13 Assets charged and collateral

Mortgage debt is secured by way of mortgage on assets and collateral amounting to DKK 45,000,000.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, costs of consumables and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including salary refunds.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and normal writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income
Other financial income comprises exchange gains on payables and transactions in foreign currencies.

Other financial expenses
Other financial expenses comprise interest expenses.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc.
Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the manufacturing process are recognised in cost based on time spent on each asset.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	10-15 years
Leasehold improvements	10-15 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Joint taxation contributions payable or receivable
Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other provisions
Other provisions comprise anticipated costs of restructuring leasehold.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.