
Romarine ApS

c/o Miramare ApS, Vedbæk Strandvej 350, DK-2950 Vedbæk

Annual Report for 2024

CVR No. 37 12 63 06

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 3/7 2025

Henrik Sanders
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Romarine ApS for the financial year 1 January - 31 December 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024.

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

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

Vedbæk, 3 July 2025

Executive Board

Thomas Nielsen
CEO

Board of Directors

Claus Henrik Christiansen
Chairman

Bente Juel Christiansen

Henrik Bernt Sanders

Independent Auditor's report

To the shareholders of Romarine ApS

Opinion

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 2024 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Romarine ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the 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.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of 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 about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 disclosures, and whether the 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 Company 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.

Independent Auditor's report

Hellerup, 3 July 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Rasmus Friis Jørgensen

State Authorised Public Accountant

mne28705

Kristian Højgaard Carlsen

State Authorised Public Accountant

mne44112

Company information

The Company	Romarine ApS c/o Miramare ApS Vedbæk Strandvej 350 DK-2950 Vedbæk CVR No: 37 12 63 06 Financial period: 1 January - 31 December Incorporated: 20 September 2015 Financial year: 9th financial year Municipality of reg. office: Vedbæk
Board of Directors	Claus Henrik Christiansen, chairman Bente Juel Christiansen Henrik Bernt Sanders
Executive Board	Thomas Nielsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Group Chart

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
Romarine ApS	Herlev	
Nordic Bioscience Holding A/S	Herlev	73.97%
Nordic Bioscience A/S	Herlev	100%
KeyBioscience AG	Lugano, Schweiz	100%
Symic OA ApS	Herlev	55.63%
Miramare ApS	Vedbæk	100%
Nordic Sporting Clay ApS	Frederiksberg	51%
Nordic Clays Inc.	Delaware, USA	100%
Alma Madmarked A/S	Gentofte	80%
Spora ApS	København	16%

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	473,469	151,686	242,217	193,103	293,810
Profit/loss of primary operations	79,538	-27,675	44,774	56,941	143,338
Profit/loss of financial income and expenses	71,693	51,580	-316,552	117,408	-20,763
Net profit/loss for the year	134,767	42,868	-225,683	440,375	753,375
Balance sheet					
Balance sheet total	1,812,155	1,415,905	1,348,506	1,538,335	1,108,781
Investment in property, plant and equipment	27,366	33,702	5,390	3,962	40,197
Equity	1,306,348	1,151,797	1,108,742	1,342,469	956,086
Equity excl. minority interests	1,215,784	1,140,576	1,094,267	1,327,407	931,732
Number of employees	182	175	172	151	219
Ratios					
Solvency ratio	72.1%	81.3%	82.2%	87.3%	86.2%
Net margin	25.6%	20.6%	-76.7%	195.7%	178.7%
Return on equity	11.0%	3.8%	-18.4%	38.3%	130.4%

The financial highlights for 2020 and 2021 have not been restated as a result of the adoption of IFRS. The revenue for 2022 and 2021 has been restated and consequently all impacted key figures and ratios for 2022 and 2021 has been restated accordingly.

Management's review

Key activities

The Parent's activities comprise shareholding in subsidiaries with the following key activities.

In Nordic Bioscience the activities are within the pharmaceutical sector and consist of the following segments

- The R&D services and Diagnostics segment – where the groups knowledge of especially ECM biomarkers are developed and commercialized both as an in-house testing service but also licensed to companies like Roche Diagnostics for global commercialization as IVD-approved diagnostic products.
- The Drug Development segment – where the group has strong internal-developed drug candidates in both clinical and preclinical development.

In Nordic Sporting Clay the activities are within the skeet shooting industry. The company has developed and patented a novel clay pigeon thrower system with bio-degradable pigeons and a novel launch system.

In Alma Madmarked the activities are within the retail industry with food stores launched in the Alma brand.

Development in the year

The income statement of the Group for 2024 shows a profit of TDKK 134,767, and at 31 December 2024 the balance sheet of the Group shows a positive equity of TDKK 1,306,348.

The result for the year is affected by value adjustments of the Group's financial assets and costs related to a gift to the Danish Research Foundation of TDKK 100.000.

Knowledge resources

The key to the Group's scientific success is our 25 years of research in the ECM (Extracellular Matrix). Most of the employees in Nordic Bioscience are directly engaged in the research and development activities. We believe in publishing our scientific results and publish more than 50 scientific articles a year in the highest ranked specialist journals

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

The profit/loss for the year is in line with the outlook expressed in the Annual Report for 2023.

Operating risks

Operational risks refer to the potential losses resulting from inadequate or failed internal processes, systems, human errors, or external events.

In the Nordic Bioscience Group, we have implemented a risk management system which seeks to mitigate operational risks related to especially the quality of the manufactured products and delivered test results.

Targets and expectations for the year ahead

We expect a moderate increase in 2025-gross profit compared to 2024, driven by increased activities. For 2025 we expect slightly improved operating margins compared to 2024.

Research and development

The Group, via the subsidiaries in Nordic Bioscience, carries out research and development within the pharmaceutical sector. The activities are focused on biomarkers, with the vast majority being either formation or degradation of different collagens. The biomarkers are typically used to help diagnose or predict the development of various diseases.

Management's review

External environment

In Nordic Bioscience, we use a minimal number of products in our activities and limited quantities hereof, which could potentially damage the external environment. We find it very important to comply with or exceed all applicable environmental regulations and have a good and close relationship with the relevant authorities overseeing such activities

Unusual events

The financial position at 31 December 2024 of the Group and the results of the activities and cash flows of the Group for the financial year for 2024 have not been affected by any unusual events.

Subsequent events

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

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Gross profit		473,469	151,686	0	0
Development expenditure	1	-199,319	-112,857	0	0
Administrative expenses	1,2	-94,612	-66,504	-10,146	-81
Operating profit/loss		179,538	-27,675	-10,146	-81
Other operating expenses	3	-100,000	0	-100,000	0
Profit/loss before financial income and expenses		79,538	-27,675	-110,146	-81
Income from investments in subsidiaries		0	0	112,073	-3,188
Financial income	4	75,647	57,315	63,368	59,571
Financial expenses	5	-3,954	-5,735	-29	-644
Profit/loss before tax		151,231	23,905	65,266	55,658
Tax on profit/loss for the year	6	-16,464	18,963	9,659	-16,270
Net profit/loss for the year	7	134,767	42,868	74,925	39,388

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Completed development projects		4,056	7,973	0	0
Acquired patents		7,620	7,627	0	0
Acquired other similar rights		8,126	0	8,126	0
Intangible assets	8	19,802	15,600	8,126	0
Land and buildings		151,240	135,886	0	0
Other fixtures and fittings, tools and equipment		23,977	20,148	0	0
Property, plant and equipment	9	175,217	156,034	0	0
Investments in subsidiaries	10	0	0	208,831	63,919
Investments in participating interests	11	13,000	10,000	13,000	10,000
Receivables from group enterprises	12	0	0	20,293	14,458
Deposits	12	1,884	72	0	0
Fixed asset investments		14,884	10,072	242,124	88,377
Fixed assets		209,903	181,706	250,250	88,377
Raw materials and consumables		26,053	26,957	0	0
Inventories		26,053	26,957	0	0
Trade receivables		82,995	21,264	0	0
Contract work in progress		13,436	16,472	0	0
Receivables from group enterprises		0	0	71,883	42,444
Other receivables		41,796	13,337	38,613	7,904
Deferred tax asset	13	125,076	87,647	55,965	46,652
Corporation tax		23,665	11,063	0	0
Corporation tax receivable from group enterprises		0	0	11,080	0
Prepayments	14	278	1,515	0	0
Receivables		287,246	151,298	177,541	97,000

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Current asset investments	15	<u>741,297</u>	<u>805,622</u>	<u>741,297</u>	<u>805,622</u>
Cash at bank and in hand		<u>547,656</u>	<u>250,322</u>	<u>69,199</u>	<u>168,005</u>
Current assets		<u>1,602,252</u>	<u>1,234,199</u>	<u>988,037</u>	<u>1,070,627</u>
Assets		<u>1,812,155</u>	<u>1,415,905</u>	<u>1,238,287</u>	<u>1,159,004</u>

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Share capital		2,167	2,167	2,167	2,167
Reserve for exchange rate conversion		3,763	3,794	0	0
Retained earnings		1,241,259	1,134,615	1,225,216	1,138,409
Equity attributable to shareholders of the Parent Company		1,247,189	1,140,576	1,227,383	1,140,576
Minority interests		59,159	11,221	0	0
Equity		1,306,348	1,151,797	1,227,383	1,140,576
Mortgage loans		37,042	39,830	0	0
Lease obligations		2,398	3,069	0	0
Other payables		22	0	0	0
Long-term debt	16	39,462	42,899	0	0
Mortgage loans	16	2,806	2,823	0	0
Credit institutions		0	28	0	0
Lease obligations	16	671	512	0	0
Prepayments received from customers		9,627	3,248	0	0
Trade payables		38,187	10,497	134	58
Contract work in progress		329,000	163,453	0	0
Payables to owners and Management		10,830	12,770	10,770	12,770
Corporation tax		65,629	0	0	0
Payables to group enterprises relating to corporation tax		0	0	0	5,600
Other payables	16	9,595	27,878	0	0
Short-term debt		466,345	221,209	10,904	18,428
Debt		505,807	264,108	10,904	18,428
Liabilities and equity		1,812,155	1,415,905	1,238,287	1,159,004

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Contingent assets, liabilities and other financial obligations	19				
Related parties	20				
Subsequent events	21				
Accounting Policies	22				

Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	2,167	3,794	1,134,615	1,140,576	11,220	1,151,796
Exchange adjustments	0	-31	0	-31	-11	-42
Share-based payment	0	0	11,915	11,915	4,193	16,108
Other equity movements	0	0	2,069	2,069	1,650	3,719
Net profit/loss for the year	0	0	92,660	92,660	42,107	134,767
Equity at 31 December	2,167	3,763	1,241,259	1,247,189	59,159	1,306,348

Parent company

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	2,167	1,132,189	1,134,356
Other equity movements	0	11,883	11,883
Depreciation, amortisation and impairment for the year	0	6,219	6,219
Net profit/loss for the year	0	74,925	74,925
Equity at 31 December	2,167	1,225,216	1,227,383

Cash flow statement 1 January - 31 December

	Note	Group	
		2024	2023
		TDKK	TDKK
Result of the year		134,767	42,868
Adjustments	17	-22,942	-48,521
Change in working capital	18	92,591	17,988
Cash flow from operations before financial items		204,416	12,335
Financial income		75,647	56,933
Financial expenses		-3,954	-5,096
Cash flows from ordinary activities		276,109	64,172
Corporation tax paid		0	51,979
Cash flows from operating activities		276,109	116,151
Purchase of intangible assets		-9,389	-3,442
Purchase of property, plant and equipment		-27,366	-90,595
Fixed asset investments made etc		-3,000	-2,402
Cash flows from investing activities		-39,755	-96,439
Repayment of mortgage loans		-2,805	-2,822
Repayment of loans from credit institutions		-28	0
Reduction of lease obligations		-512	0
Cash flows from financing activities		-3,345	-2,822
Change in cash and cash equivalents		233,009	16,890
Cash and cash equivalents at 1 January		1,055,944	1,039,054
Cash and cash equivalents at 31 December		1,288,953	1,055,944
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		547,656	250,322
Current asset investments		741,297	805,622
Cash and cash equivalents at 31 December		1,288,953	1,055,944

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
1. Staff				
Wages and salaries	133,405	97,468	0	0
Pensions	7,850	7,212	0	0
Other social security expenses	615	602	0	0
Other staff expenses	17,904	3,804	0	0
	159,774	109,086	0	0
 Including remuneration to the Executive Board and Board of Directors	 12,277	 7,483	 0	 0
 Average number of employees	 182	 175	 0	 0
	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
2. Administrative expenses				
Other expenses	94,612	66,504	10,146	81
	94,612	66,504	10,146	81
	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
3. Special items				
Gift to the Danish Research Foundation	100,000	0	100,000	0
	100,000	0	100,000	0

The profit before tax for the year 2024 is negatively affected by TDKK 100,000 relating to a gift to the Danish Research Foundation. The gift to the Danish Research Foundation is recognised under "Other operating expenses" in the income statement.

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
4. Financial income				
Interest from group enterprises	0	0	4,050	2,770
Other financial income	75,647	57,315	59,318	56,801
	75,647	57,315	63,368	59,571

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
5. Financial expenses				
Impairment losses on financial assets	0	644	0	644
Other financial expenses	3,954	5,091	29	0
	3,954	5,735	29	644

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
6. Income tax expense				
Current tax for the year	53,894	-685	-6,570	0
Deferred tax for the year	-37,430	-23,759	-3,089	18,049
Adjustment of tax concerning previous years	0	5,481	0	-1,779
	16,464	-18,963	-9,659	16,270

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
7. Profit allocation				
Minority interests' share of net profit/loss of subsidiaries	42,107	3,480	0	0
Retained earnings	92,660	39,388	74,925	39,388
	134,767	42,868	74,925	39,388

Notes to the Financial Statements

8. Intangible fixed assets

	Group			Parent company
	Completed development projects	Acquired patents	Acquired other similar rights	Acquired other similar rights
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	17,145	82,786	0	0
Additions for the year	1,263	0	8,126	8,126
Cost at 31 December	18,408	82,786	8,126	8,126
Impairment losses and amortisation at 1 January	9,173	74,724	0	0
Amortisation for the year	5,179	442	0	0
Impairment losses and amortisation at 31 December	14,352	75,166	0	0
Carrying amount at 31 December	4,056	7,620	8,126	8,126
Amortised over	3 years	20 years		

Completed development projects include the development of technology which automate various processes within the production of biomarkers. The development projects comprise both external consultancy fees and internal labor costs.

Acquired other similar rights relate to investments in ETFs that track the price of the cryptocurrency Bitcoin. As of 31 December 2024, the fair value of the investments is TDKK 16,168. Thus, no indications of impairment as of 31 December 2024.

Notes to the Financial Statements

9. Property, plant and equipment Group

	Land and buildings	Other fixtures and fittings, tools and equipment
	TDKK	TDKK
Cost at 1 January	152,806	48,770
Additions for the year	18,820	8,546
Cost at 31 December	171,626	57,316
Impairment losses and depreciation at 1 January	16,920	28,622
Depreciation for the year	3,466	4,717
Impairment losses and depreciation at 31 December	20,386	33,339
Carrying amount at 31 December	151,240	23,977
Amortised over	40-50 years	3-7 years
Including assets under finance leases amounting to	0	2,527

Notes to the Financial Statements

10. Investments in subsidiaries

	Parent company	
	2024	2023
	TDKK	TDKK
Cost at 1 January	744,115	700,171
Additions for the year	33,869	43,947
Disposals for the year	-13,553	0
Cost at 31 December	764,431	744,118
Value adjustments at 1 January	-680,199	-650,430
Net profit/loss for the year	118,381	7,891
Dividend to the Parent Company	0	-32,857
Amortisation of goodwill	-4,217	-11,723
Other adjustments	9,388	6,920
Value adjustments at 31 December	-556,647	-680,199
Equity investments with negative net asset value amortised over receivables	1,047	0
Carrying amount at 31 December	208,831	63,919
Remaining positive difference included in the above carrying amount at	27,572	28,290

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Nordic Bioscience Holding A/S	Herlev	10,616	73.97%
Symic OA ApS	Herlev	404	55.63%
Miramare ApS	Vedbæk	700	100%
Alma Madmarked	Gentofte	5,000	80%
Nordic Clays ApS	Frederiksberg C	500	51%

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
11. Investments in participating interests				
Cost at 1 January	10,000	10,000	10,000	10,000
Additions for the year	3,000	0	3,000	0
Cost at 31 December	13,000	10,000	13,000	10,000
 Carrying amount at 31 December	 13,000	 10,000	 13,000	 10,000

Investments in participating interests are specified as follows:

Name	Place of registered office	Share capital	Ownership
Spora ApS	Copenhagen	52	16%

12. Other fixed asset investments

	Group	Parent company
	Deposits	Receivables from group enterprises
	TDKK	TDKK
Cost at 1 January	172	14,458
Additions for the year	1,712	5,835
Cost at 31 December	1,884	20,293
 Carrying amount at 31 December	 1,884	 20,293

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
13. Deferred tax asset				
Deferred tax asset at 1 January	87,647	63,270	46,652	64,701
Deferred tax assets, previous year	0	618	6,224	0
Amounts recognised in the income statement for the year	37,429	23,759	3,089	-18,049
Deferred tax asset at 31 December	125,076	87,647	55,965	46,652

The capitalized deferred tax assets in 2023 and 2024 relates to carried-forward tax losses of KeyBioscience AG, Nordic Bioscience Holding ApS and Romarine ApS. KeyBioscience has incurred the losses since the beginning of the company's development of its core product. The losses arise from significant research and development. Based on approved business plans and budgets management expects the subsidiary to generate taxable income from 2025 and onwards and management has therefore concluded that the deferred tax assets will be recoverable. The losses can be carried forward indefinitely and have no expiry date.

The remaining part of the tax loss carry-forward relates to Nordic Bioscience Holding A/S and Romarine ApS. Based on approved business plans and budgets management expects to generate taxable income on Group level from 2025 and onwards and management has therefore concluded that the deferred tax assets will be recoverable. The losses can be carried forward indefinitely and have no expiry date.

The capitalized deferred tax assets in 2024 include an amount of TDKK 29,452 regarding deferred income. It relates to taxation of deferred income in KeyBioscience AG. The deferred income are qualified as CFC income according to the Danish CFC rules and has been included in the taxable income for Nordic Bioscience Holding A/S. The deferred tax will be released when the deferred income is recognized the foreseeable future of 2-3 years.

14. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

15. Securities

Securities are measured at fair value. The value adjustment for the year in the income statement amounts to TDKK 24,196. The fair value of securities on 31 December 2024 amounts to TDKK 741,297.

Notes to the Financial Statements

Group		Parent company	
2024	2023	2024	2023
TDKK	TDKK	TDKK	TDKK

16. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Mortgage loans

After 5 years	25,192	28,536	0	0
Between 1 and 5 years	11,850	11,294	0	0
Long-term part	37,042	39,830	0	0
Within 1 year	2,806	2,823	0	0
	39,848	42,653	0	0

Lease obligations

After 5 years	0	0	0	0
Between 1 and 5 years	2,398	3,069	0	0
Long-term part	2,398	3,069	0	0
Within 1 year	671	512	0	0
	3,069	3,581	0	0

Other payables

After 5 years	0	0	0	0
Between 1 and 5 years	22	0	0	0
Long-term part	22	0	0	0
Other short-term payables	9,595	27,878	0	0
	9,617	27,878	0	0

Notes to the Financial Statements

	Group	
	2024	2023
	TDKK	TDKK
17. Cash flow statement - Adjustments		
Financial income	-75,647	-57,315
Financial expenses	3,954	5,735
Depreciation, amortisation and impairment losses, including losses and gains on sales	13,369	16,533
Tax on profit/loss for the year	16,464	-18,963
Other adjustments	18,918	5,489
	-22,942	-48,521

	Group	
	2024	2023
	TDKK	TDKK
18. Cash flow statement - Change in working capital		
Change in inventories	904	2,464
Change in receivables	-87,729	10,703
Change in other provisions	-20,199	0
Change in trade payables, etc	199,615	4,821
	92,591	17,988

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
19. Contingent assets, liabilities and other financial obligations				
Charges and security				
The following assets have been placed as security with mortgage credit institutes:				
Land and buildings with a carrying amount of	64,286	65,637	0	0

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
19. Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Lease obligations, period of non-terminability 12 months	1,200	0	600	0
Lease obligations, period of non-terminability 132 months	23,417	0	0	0
Lease obligations, period of non-terminability 6 months	158	0	0	0

Guarantee obligations

The parent company has provided a bank guarantee to the subsidiary's landlord for a total of TDKK 16,000 regarding the lease agreement.

Other contingent liabilities

The Parent Company has provided a letter of support to two of its subsidiaries, ensuring that the subsidiaries Nordic Clays ApS and Miramare ApS will have access to the necessary financial resources to meet their obligations as they fall due. The letter of support guarantees that the parent company will provide sufficient liquidity if required, thereby ensuring the continuity of operations for the subsidiaries. While this support is not expected to be called upon, the obligation remains in place and will be effective until the point in time where the annual report for the subsidiaries for 2025 is approved by the general meeting.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group's liability.

20. Related parties

	Basis
Controlling interest	
Claus Christiansen	Principal shareholders
Bente Christiansen	Principal shareholders

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

No such transactions were carried out in the financial year.

Notes to the Financial Statements

21. Subsequent events

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

Notes to the Financial Statements

22. Accounting policies

The Annual Report of Romarine ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Group has chosen to implement the Danish Financial Statements Act's option to apply the recognition and measurement principles in IFRS 2: Share-based Payment, IFRS 15: Revenue from contracts with customers, and IFRS 16: Leases, within the framework of the Act.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024 are presented in TDKK.

Changes in accounting policies

Material reclassification has been prepared between revenue, other operating income, contract work in progress (assets/liabilities) and prepayments in the comparative figures due to change in accounting policy.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Romarine ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

Notes to the Financial Statements

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. This is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date for the leases. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less lease incentives received. Right-of-use assets are depreciated over the shorter of the asset's useful life and lease term on a straight-line basis.

Notes to the Financial Statements

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value for lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on a index or a rate, and amounts expected to be paid under residual value guaranties. The lease payment also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Non-lease components are not included in the calculation of lease liabilities. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the implied interest of the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Additionally, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments, or a change in the assessment of an option to purchase the underlying asset.

Short term leases and leases of low-value assets

The Group applies the short-term recognition exemption to its short-term leases insofar the leases have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Furthermore, the Group applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term and low value assets are recognised as expenses on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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 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 written down. The items of the income statement are translated at the average rates of the months; however, items deriving from nonmoneta.

Notes to the Financial Statements

Incentive schemes

Share-based compensation benefits are provided to employees of the Group and include a warrants-program and restricted stock units program (RSUs).

The fair value of the warrants and RSUs granted under equity settled programs are recognised as an expense with a corresponding increase in equity.

The total amount to be expensed is determined by reference to the grant date fair value of the warrants and RSUs respectively.

Since there is no exercise price for the RSUs, the value of each RSU equals the share on the date employees are granted with the RSUs. The share price used for the grant of the RSUs is estimated at the amount that reflects the latest acquisition price between independent shareholders.

At grant date, the value of the warrants have been valued using the Black-Scholes option pricing model, which is a commonly used model for warrant pricing. The assumptions applied in the Black-Scholes valuation of the warrants.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of warrants and RSUs that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. Warrants subject to accelerated vesting clauses are reassessed at the reporting date to determine the length of the service period. Any change in the service period is accounted for as a change in estimate and any catch-up effect is expensed. The cost allocated to the remaining service period are expensed immediately for cancelled warrants.

Income statement

Revenue

The Group is in the business of preclinical and clinical drug development and is specialized in precision medicine using unique biomarker technologies.

Revenue is recognised when customers obtain control of promised goods or services, at an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. Unless otherwise stated below the significant payment terms are generally that revenue is paid upfront.

For the purpose of recognising revenue, the group distinguishes between its typical customer contracts consisting of 1. R&D Services, 2. Clinical diagnostics, and 3. Drug development. 1. and 2. comprising the segment R&D services and Diagnostics and 3 comprising the segment Drug Development.

R&D Services

R&D services consist of both R&D collaborations and sample measurements agreements.

In R&D collaborations, the entity is collaborating with the customers in research projects, which aim to provide services to the customer to facilitate drug discovery and data analysis across both pre-clinical and clinical phases.

The contracts contain various work packages (e.g. translation research and sample measurement, rodent assay development, and ex vivo and in vitro validation), each comprising a separate performance obligation.

The transaction price includes a single fixed non-refundable upfront fee plus any milestone payments to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the specific milestone payment is subsequently resolved.

Notes to the Financial Statements

Management has assessed that the price stated in the contract for each work package is equal to the stand-alone selling price of each work package. The milestone payments are allocated to each work package to which the milestone relates.

Revenue is recognized over time as the entity's performance does not create an asset with an alternative use to the Group, and the entity has an enforceable right to payment for performance completed to date.

In sample-measurement agreements, the entity provides various services with respect to clinical trials including quality control, data management and analysis, and measurement of clinical samples. Specifically, this includes the provision of various biomarkers, a statistical package, bioanalytical reports and project management.

Although the customers may be able to benefit from the various deliverables on their own, the contracts comprise a single performance obligation (i.e., a sample measurement project) as the nature of the promise is to deliver a combined output to which the promised deliverables are inputs.

The entity provides a significant service of integrating the deliverables into a bundle and the nature of the promise (from the customer's perspective) is to receive the final results of the sample-measurement. It is not to receive each deliverable on a stand-alone basis.

The transaction price is fixed and does not include any forms of variable consideration.

Revenue is recognized based on samples measured to date relative to the total samples to be measured (output), which is the method that most faithfully depicts the Group's performance in transferring control of the performance obligation. This is because the Group's effort in measuring samples is the main value of the project.

Revenue related to all performance obligations is recognized over time as the customer receives and consumes the benefits as the entity performs, by reference to the method that most faithfully depicts the entity's performance in transferring control of the performance obligation. This is either by reference to the number of data points transferred relative to the number of data points expected to be transferred (output) or by reference to labour hours spent compared to the total estimate of hours to be spent to complete the work (input).

Clinical diagnostics

In Clinical diagnostics the entity receives royalties and milestones for partnerships where diagnostic companies receive access to the entity's proprietary biomarkers.

Revenue related to the license agreements is recognized as the entity receive a right to the payments. Milestones is recognized at a point in time upon the triggering event of such milestone.

Revenue related royalties are recognized the period of the royalty is calculated.

Notes to the Financial Statements

Drug development

For the purpose of providing an understanding of the activities in the drug development revenue category, the entity has identified one major contract that is representative for the material accounting policies related to revenue recognition in the category:

Eli Lilly and Company collaboration and license agreement

In July 2024, the entity entered into a collaboration and license agreement with Eli Lilly and Company (Lilly) to further develop one or more DACRA compounds and if successfully developed for Lilly to commercialize the compounds.

At contract inception, the entity granted Lilly an exclusive license to the compounds.

Under the agreement the entity has received a non-refundable upfront payment of USD 50 million. The agreement also provides the potential for regulatory milestone payments, commercial milestone payments, and royalty payments related to the compounds' regulatory approval, commercialization and subsequent product sales.

Both the exclusive license and development services are assessed to comprise separate performance obligations because both are capable of being distinct and distinct within the context of the contract.

At contract inception the transaction price consists solely of the non-refundable upfront payment due to the significant uncertainty associated with the future events that would trigger milestone payments (i.e. milestone payments are fully constrained at contract inception). Royalty payments are only recognised when the subsequent sale occurs and the entity is entitled to receive royalty payments.

The non-refundable upfront payment is thus allocated based on the relative stand-alone selling prices of the license and development services, respectively. To estimate the stand-alone selling prices the residual approach has been applied since no established price for the license is present (refer to note 2). Variable consideration (e.g. when a milestone payment is triggered) is allocated to the license and development services based on their relative stand-alone selling prices (refer to note 2).

Revenue related to the license is recognised at a point in time. Revenue related to development services are recognised over the service period by reference to the hours spent compared to the total estimate of hours to be spent to complete the work.

General policy considerations

For contracts comprising a license to the entity's intellectual property, as well as research and development services, the entity considers whether there are multiple performance obligations to which a portion of the transaction price needs to be allocated.

In determining whether the license is a separate performance obligation, the entity considers whether the license is both capable of being distinct and distinct within the context of the contract. The entity considers this determination a significant judgment.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on a residual value approach.

The contracts may comprise both fixed and variable consideration. The fixed consideration usually consists of a non-refundable upfront fee. For the variable consideration, the group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

If the license is determined to comprise a separate performance obligation, the portion of the transaction price allocated to the license is recognized at a point in time. This is usually at contract inception.

Revenue from providing services is recognized over time as the services are rendered, measuring progress on the basis of costs.

Notes to the Financial Statements

Production expenses

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, production expenses and other operating income.

Development expenditure

Development expenditure comprise research costs, costs of development projects not qualifying for recognition in the balance sheet such as staff costs and amortisation and impairment losses relating to development projects.

Administrative expenses

Administrative expenses comprise expenses incurred for the Group's administrative functions, including wages and salaries for administrative staff and Management, rent, stationary and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Group.

Other operating income and expenses

Other operating income comprises income of a secondary nature as viewed in relation to the group's primary activities.

Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relates to EU-projects. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. It is recognised as other operating income. Upfront payment of grants are included in the "Prepayments from customers" line items as deferred income and they are recognised when the costs related to the EU projects are recognised.

Income from investments in subsidiaries and participating interests

Dividends from participating interests are recognised as income in the income statement when adopted at the General Meeting of the participating interest. However, dividends relating to earnings in the participating interest before it was acquired by the Parent Company are set off against the cost of the participating interest.

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

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Notes to the Financial Statements

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

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.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intangible fixed assets

Development projects

Intellectual property rights etc comprise development projects completed.

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.

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. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3 year.

Other intangible fixed assets

Acquired patents and acquired other similar rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use. Acquired 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, but over no more than 20 years. The amortisation of patents and licences begins after regulatory approval has been obtained.

Acquired other similar rights relate to investments in ETFs that track the price of the cryptocurrency Bitcoin and measured at cost less any accumulated impairment losses or at a lower value in use.

Property, plant and equipment

Land and buildings, other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Notes to the Financial Statements

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.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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:

Buildings	40-50 years
Other fixtures and fittings, tools and equipment	3-7 years

Estimated useful lives and residual values are reassessed annually.

The fixed assets' residual values are determined at nil.

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

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries and participating interests

Investments in subsidiaries are recognised and measured under the equity method. Investments in participating interests are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

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

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

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

Other fixed asset investments

Other fixed asset investments consist of Receivables from group enterprises and deposits.

Inventories

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

Notes to the Financial Statements

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.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date. Contract assets are written down for expected credit losses with the simplified approach.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a contract in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Current Asset Investments

Current Asset Investments, which consist of listed securities that are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Equity

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss

Deferred tax assets and liabilities

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.

Notes to the Financial Statements

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet to the extent that it is probable that taxable profit will be available against which losses can be utilised.

The group accepts government sponsored tax credits and incentives with strict adherence to the rules and in line with the economic substance of the group's business activities. Under Danish tax, the group is eligible to receive cash refunds on qualifying research and development costs. As such, tax deductions related to qualifying research and development costs have been recognised for all periods presented.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

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

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

Prepayments received from customers

Prepayments comprise amounts grants received from EU-projects. Prepayments related to EU-projects are recognised as other operating income when the Group performs under the EU-projects.

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

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

Cash flows from operating activities

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

Notes to the Financial Statements

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Current asset investments". "Current asset investments" consist of short-term securities with an insignificant risk of value changes that can readily be turned into cash.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

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