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NB Herlev Holding ApS

Herlev Hovedgade 205
2730 Herlev
CVR No. 37126306

Annual report 2022

The Annual General Meeting adopted the annual report on 06.07.2023

Thomas Nielsen
Chairman of the General Meeting

Contents

Entity details

Entity

NB Herlev Holding ApS
Herlev Hovedgade 205
2730 Herlev

Business Registration No.: 37126306
Date of foundation: 20.09.2015
Registered office: Herlev
Financial year: 01.01.2022 - 31.12.2022

Executive Board

Thomas Nielsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of NB Herlev Holding ApS for the financial year 01.01.2022 - 31.12.2022.

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

In my 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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

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

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

Herlev, 06.07.2023

Executive Board

Thomas Nielsen

Independent auditor's report

To the shareholders of NB Herlev Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of NB Herlev Holding ApS for the financial year 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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 under the Danish Financial Statements Act.

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 06.07.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jan Larsen
State Authorised Public Accountant
Identification No (MNE) mne16541

Management commentary

Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
Key figures					
Revenue	294,161	224,976	421,641	356,836	275,928
Gross profit/loss	242,215	193,103	293,810	280,764	222,652
Operating profit/loss	77,189	56,941	143,338	123,525	81,728
Net financials	(316,553)	457,940	671,032	(9,671)	(14,291)
Profit/loss for the year	(225,683)	440,375	753,375	70,817	5,403
Profit for the year excl. minority interests	(239,094)	432,171	738,011	49,538	(525)
Balance sheet total	1,348,505	1,538,335	1,108,781	570,263	79,466
Investments in property, plant and equipment	5,390	3,962	40,197	29,529	79,466
Equity	1,108,742	1,342,469	956,086	199,812	79,411
Equity excl. minority interests	1,094,267	1,327,407	931,732	146,914	79,411
Ratios					
Net margin (%)	(76.72)	195.74	178.68	19.85	1.96
Return on equity (%)	(19.75)	38.26	136.84	43.78	(0.68)
Equity ratio (%)	81.15	86.29	84.03	25.76	99.93

The financial highlights from 2018 to 2020 have not been restated as a result of changes in accounting policies to IFRS on the recognition of development projects and revenue. Please refer to the accounting policies for further specifications.
The financial highlights, include the activities of NBCD A/S and Sanos A/S in the period before 30 june 2020.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Net margin (%):
Profit/loss for the year * 100
Revenue

Return on equity (%):
Profit/loss for the year excl. minority interests * 100
Average equity excl. minority interests

Equity ratio (%):
Equity excl. minority interests * 100
Balance sheet total

Primary activities

The activities of the Parent Company comprise shareholdings in other companies and related activity. The most material investment is in Nordic Bioscience Holding A/S which carry out research and development within the pharmaceutical sector.

The group's business activities

The Group was established in 2018 when the Company acquired the majority interest in Nordic Bioscience Holding A/S.

The main activities of the group are research and development within the pharmaceutical sector. The research and development are performed both for own and for third parties on contract basis and consist of both clinical and preclinical research.

For a more detailed description we refer to the consolidated financials of Nordic Bioscience Holding A/S

Development in activities and finances

The Group have performed a IFRS conversion project (GAAP Analysis) to evaluate the impact of changing accounting policies to International Financial Reporting Standards (IFRS). The analysis showed differences in two areas: Certain development cost should be capitalized under IFRS and the historic applied revenue recognition principle was different compared to IFRS 15. Based on this, the Group have decided to change its accounting principles on these two areas. The change is further described in the Accounting Principles-section.

The Group has continued its activities with an increased level of activity compared to 2021. As a result, the Group reached a gross profit of DKK 242,2 million and an operating profit of DKK 77,1 million. Earnings before interest, taxes, depreciation and amortisation (EBITDA) was DKK 88,4 million compared to DKK 63 million in 2021.

Profit/loss for the year in relation to expected developments

The Parent Company's income statement for the year ended 31.12.2022 shows a loss of DKK 239,094,047 and the balance sheet shows equity of DKK 1,094,267,464 at 31.12.2022.

The Group's income statement for the year ended 31.12.2022 shows a loss of DKK 225,683,296 and the balance sheet shows equity of DKK 1,108,741,500 at 31.12.2022.

The management had expected that earnings was positive in 2022, and consequently the result is below the expectations. The Parent Company has significant investment in publicly traded Securities which fluctuate with the stock market. The loss in 2022 is influenced by negative fair value adjustments of DKK 315 million.

The management expects earnings before net financial items to be positive in 2023 and net financial items to fluctuate with the stock market.

Outlook

The Group expects increased activities in 2023. For the R&D Services and Diagnostics we expect increased revenue and earnings of at least 10%. We furthermore expect that the pharmaceutical projects will be fully financed by the earnings from the R&D Services and Diagnostics, also without receiving any milestones or other payments form partnered programs.

Use of financial instruments

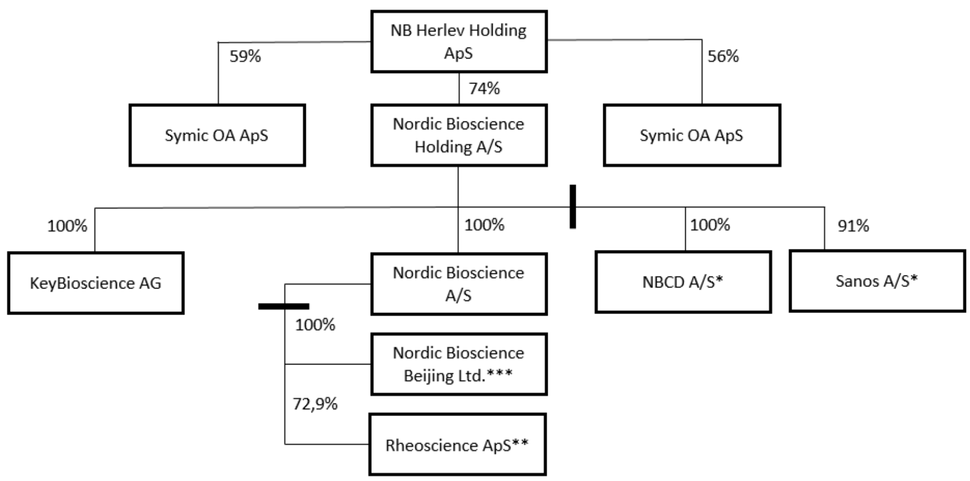
Inflation-risk is low as the Company is not bound to material agreements with long duration and fixed prices.

Credit-risk is low as the customer-base is broad and the largest customers within top-25 Pharma-Companies. The Company has a good profitability and no interest-bearing debt, except for customary Danish Mortgage debt (long term property financing).

Knowledge resources
The key to the Group's success is our +25 years of research in the ECM (Extracellular Matrix) and the development of diagnostic and therapeutic tools from insights of our more than 168 employees, whereby more than 120 are directly engaged in research and development activities. The Group seeks to foster a unique and competitive environment with the freedom to explore scientific ideas. We believe in publishing our scientific results and publish more than 50 scientific articles a year in the highest-ranking specialist journals.

Environmental performance
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.

Research and development activities
The Group carries out research and development for own and third parties within the pharmaceutical sector. The core activities are carried out in the entities Nordic Bioscience A/S and in KeyBioscience AG. The biochemical markers developed and commercialized in Nordic Bioscience A/S are typically used as aid in diagnosing or predicting disease development for various diseases, including response to various therapies. In KeyBioscience AG, the focus is on pharmaceutical projects with the aim to develop better treatments.

Group relations


* *NBCD A/S and Sanos A/S were sold with effect from december 10, 2020.*
** Rheoscience ApS has been liquidated with effect from 4. November 2022.
*** Nordic Bioscience Beijing Ltd. were sold with effect from 3. April 2022.

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 2022

	Notes	2022 DKK	2021 DKK
Revenue		294,160,929	224,975,925
Cost of sales		(1,621,639)	0
Production costs		(50,324,424)	(31,872,870)
Gross profit/loss		**242,214,866**	**193,103,055**
Research and development costs		(120,526,675)	(105,252,838)
Administrative expenses		(46,860,173)	(33,934,327)
Other operating income		2,361,336	3,025,606
Operating profit/loss		**77,189,354**	**56,941,496**
Income from investments in group enterprises		(32,415,810)	(31,636,152)
Income from other fixed asset investments		(1,305,835)	340,531,041
Other financial income	2	11,172,657	125,617,923
Other financial expenses	3	(326,419,716)	(8,209,200)
Profit/loss before tax		**(271,779,350)**	**483,245,108**
Tax on profit/loss for the year	4	46,096,054	(42,546,778)
Other taxes		0	(323,753)
Profit/loss for the year	5	**(225,683,296)**	**440,374,577**

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	7	6,791,668	3,492,368
Acquired intangible assets		0	0
Acquired patents		7,626,624	0
Goodwill		8,103,953	40,519,763
Development projects in progress	7	1,627,708	1,496,729
Intangible assets	6	**24,149,953**	**45,508,860**
Land and buildings		66,927,864	68,290,566
Other fixtures and fittings, tools and equipment		9,529,765	9,427,900
Leasehold improvements		0	0
Property, plant and equipment	8	**76,457,629**	**77,718,466**
Deposits		103,500	31,500
Deferred tax	10	62,248,691	0
Financial assets	9	**62,352,191**	**31,500**
Fixed assets		**162,959,773**	**123,258,826**
Raw materials and consumables		29,421,390	7,615,023
Inventories		**29,421,390**	**7,615,023**
Trade receivables		38,381,305	20,465,357
Contract work in progress	11	309,381	241,243
Deferred tax	12	63,269,620	16,305,347
Other receivables		4,996,363	19,955,291
Tax receivable		9,627,642	0
Prepayments	13	485,396	217,078
Receivables		**117,069,707**	**57,184,316**
Other investments		972,761,267	1,276,782,030
Investments		**972,761,267**	**1,276,782,030**

Cash	**66,293,013**	**73,494,448**
Current assets	**1,185,545,377**	**1,415,075,817**
Assets	**1,348,505,150**	**1,538,334,643**

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital	14	2,167,035	2,167,035
Retained earnings		1,092,100,429	1,325,239,815
Equity belonging to Parent's shareholders		**1,094,267,464**	**1,327,406,850**
Equity belonging to minority interests		**14,474,036**	**15,062,566**
Equity		**1,108,741,500**	**1,342,469,416**
Mortgage debt		42,197,610	45,351,185
Non-current liabilities other than provisions	15	**42,197,610**	**45,351,185**
Current portion of non-current liabilities other than provisions	15	3,260,000	3,275,000
Deposits		164,346	164,346
Prepayments received from customers	16	72,840,760	72,065,481
Contract work in progress	11	2,845,266	4,467,524
Trade payables		18,949,353	14,868,551
Payables to group enterprises		64,645,552	0
Payables to owners and management		13,726,510	8,226,510
Joint taxation contribution payable		0	25,451,418
Other payables	17	19,227,691	20,741,844
Deferred income	18	1,906,562	1,253,368
Current liabilities other than provisions		**197,566,040**	**150,514,042**
Liabilities other than provisions		**239,763,650**	**195,865,227**
Equity and liabilities		**1,348,505,150**	**1,538,334,643**
Staff costs	1		
Fair value information	20		
Transactions with related parties	21		
Subsidiaries	22		

Consolidated statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Equity belonging to Parent's shareholders DKK	Equity belonging to minority interests DKK	Total DKK
Equity beginning of year	2,167,035	1,370,129,737	1,372,296,772	30,893,980	1,403,190,752
Changes in accounting policies	0	(44,889,922)	(44,889,922)	(15,831,414)	(60,721,336)
Adjusted equity, beginning of year	**2,167,035**	**1,325,239,815**	1,327,406,850	15,062,566	**1,342,469,416**
Ordinary dividend paid	0	0	0	(9,821,926)	(9,821,926)
Other entries on equity	0	5,954,661	5,954,661	(4,177,355)	1,777,306
Profit/loss for the year	0	(239,094,047)	(239,094,047)	13,410,751	(225,683,296)
Equity end of year	**2,167,035**	**1,092,100,429**	**1,094,267,464**	**14,474,036**	**1,108,741,500**

Other entries on equity is including the value of the Groups Warrent program which was introduced in 2022. The value of the Groups Warrent program is 1,052,715 DKK.

Changes in accounting policies is the value of the Groups change in accounting policies to IFRS related to previous years.

Consolidated cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		77,189,354	56,941,496
Amortisation, depreciation and impairment losses		11,200,246	6,055,881
Working capital changes	19	7,281,867	127,443,441
Other adjustments		0	17,353,307
Cash flow from ordinary operating activities		**95,671,467**	**207,794,125**
Financial income received		11,172,657	557,262,482
Financial expenses paid		(360,141,361)	(5,927,407)
Taxes refunded/(paid)		(39,724,591)	(24,589,627)
Cash flows from operating activities		**(293,021,828)**	**734,539,573**
Acquisition etc. of intangible assets		(15,844,961)	0
Acquisition etc. of property, plant and equipment		(5,151,350)	(3,961,601)
Sale of fixed asset investments		0	39,916,767
Cash flows from investing activities		**(20,996,311)**	**35,955,166**
Free cash flows generated from operations and investments before financing		**(314,018,139)**	**770,494,739**
Mortage debt paid		(3,124,031)	(3,539,861)
Cash flows from financing activities		**(3,124,031)**	**(3,539,861)**
Increase/decrease in cash and cash equivalents		**(317,142,170)**	**766,954,878**
Cash and cash equivalents beginning of year		1,350,276,478	584,447,329
Currency translation adjustments of cash and cash equivalents		5,919,972	(1,125,729)
Cash and cash equivalents end of year		**1,039,054,280**	**1,350,276,478**

Cash and cash equivalents at year-end are composed of:		
Cash	66,293,013	73,494,448
Securities	972,761,267	1,276,782,030
Cash and cash equivalents end of year	**1,039,054,280**	**1,350,276,478**

Notes to consolidated financial statements

1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	96,020,749	76,845,387
Pension costs	6,699,304	4,961,145
Other social security costs	428,618	695,271
Other staff costs	4,393,474	3,545,114
	107,542,145	**86,046,917**

Average number of full-time employees	172	152

By reference to section 98b(3),(ii), of the Danish Financial Statemnts Act, remuneration to Management is not disclosed.

2 Other financial income

	2022 DKK	2021 DKK
Other interest income	876,559	0
Fair value adjustments	0	110,466,473
Other financial income	10,296,098	15,151,450
	11,172,657	**125,617,923**

3 Other financial expenses

	2022 DKK	2021 DKK
Other interest expenses	3,359,809	6,097,800
Exchange rate adjustments	7,830,480	328,191
Fair value adjustments	313,779,689	0
Other financial expenses	1,449,738	1,783,209
	326,419,716	**8,209,200**

4 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	(1,223,295)	46,722,865
Change in deferred tax	(46,964,273)	(3,983,504)
Adjustment concerning previous years	2,091,514	(192,583)
	(46,096,054)	**42,546,778**

5 Proposed distribution of profit/loss

	2022 DKK	2021 DKK
Retained earnings	(239,094,047)	432,171,244
Minority interests' share of profit/loss	13,410,751	8,203,333
	(225,683,296)	**440,374,577**

6 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Acquired patents DKK	Goodwill DKK	Development projects in progress DKK
Cost beginning of year	4,490,188	74,334,846	0	162,079,051	1,496,729
Addition through business combinations etc	0	0	206,592,000	0	90,496,502
Transfers	6,380,122	0	0	0	(6,380,122)
Additions	0	0	8,028,025	0	7,816,936
Cost end of year	**10,870,310**	**74,334,846**	**214,620,025**	**162,079,051**	**93,430,045**
Amortisation and impairment losses beginning of year	(997,819)	(74,334,846)	0	(121,559,288)	0
Addition through business combinations etc	0	0	(206,592,000)	0	(90,496,502)
Impairment losses for the year	0	0	0	0	(1,305,835)
Amortisation for the year	(3,080,823)	0	(401,401)	(32,415,810)	0
Amortisation and impairment losses end of year	**(4,078,642)**	**(74,334,846)**	**(206,993,401)**	**(153,975,098)**	**(91,802,337)**
Carrying amount end of year	**6,791,668**	**0**	**7,626,624**	**8,103,953**	**1,627,708**

7 Development projects

Completed development projects and development projects in progress include the development of tecnology which automate various processes within the production of biomarkers. The development projects are expected to be completed within one year and comprise both external consultancy fees and internal labor costs.

8 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	78,349,825	28,187,702	1,580,205
Additions	299,112	5,091,032	0
Disposals	0	0	(1,063,057)
Cost end of year	**78,648,937**	**33,278,734**	**517,148**
Depreciation and impairment losses beginning of year	(10,059,260)	(18,759,802)	(1,580,205)
Depreciation for the year	(1,661,813)	(4,989,167)	0
Reversal regarding disposals	0	0	1,063,057
Depreciation and impairment losses end of year	**(11,721,073)**	**(23,748,969)**	**(517,148)**
Carrying amount end of year	**66,927,864**	**9,529,765**	**0**

9 Financial assets

	Deposits DKK	Deferred tax DKK
Cost beginning of year	31,500	0
Addition through business combinations etc	0	62,248,691
Additions	72,000	0
Cost end of year	**103,500**	**62,248,691**
Carrying amount end of year	**103,500**	**62,248,691**

10 Deferred tax

Changes during the year	2022 DKK
Recognised directly as tax asset	62,248,691
End of year	**62,248,691**

Deferred tax assets

Deferred tax relates to intangible assets, property, plant and equipment, inventories and other provisions.

11 Contract work in progress

	2022 DKK	2021 DKK
Contract work in progress	3,256,207	2,521,900
Progress billings	(5,792,092)	(6,748,181)
Transferred to liabilities other than provisions	2,845,266	4,467,524
	309,381	**241,243**

12 Deferred tax

	2022 DKK	2021 DKK
Intangible assets	(3,530,120)	(1,097,602)
Property, plant and equipment	(1,541,758)	(1,261,184)
Receivables	440,000	440,000
Tax losses carried forward	2,896,760	0
Other taxable temporary differences	0	18,224,133
Other deductible temporary differences	303,600	0
Deferred tax	**(1,431,518)**	**16,305,347**

Changes during the year	2022 DKK	2021 DKK
Beginning of year	16,305,347	(594,669)
Recognised in the income statement	(17,736,865)	3,983,504
Recognised directly in equity	0	12,916,512
End of year	**(1,431,518)**	**16,305,347**

Deferred tax assets

The tax asset is composed of tax loss carryforwards and unutilised tax deductions consisting of timing differences. Management believes that the tax asset is likely to be offset against future taxable income within the next 2-3 years.

13 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

14 Contributed capital

	Number	Nominal value DKK	Recorded par value DKK
Shares	2,167,035	1	2,167,035
	2,167,035	**1**	**2,167,035**

15 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Mortgage debt	3,260,000	3,275,000	42,197,610	29,228,545
	3,260,000	**3,275,000**	**42,197,610**	**29,228,545**

Mortgage debt is secured by way of mortgage on properties at a book value of DKK 66,927,864.

16 Prepayments received from customers

Prepayments received from customers consist of payments received in connection with projects in progress and future projects.

17 Other payables

	2022 DKK	2021 DKK
Wages and salaries, personal income taxes, social security costs, etc. payable	8,880,298	9,168,089
Holiday pay obligation	3,602,088	8,570,931
Other costs payable	6,745,305	3,002,824
	19,227,691	**20,741,844**

18 Deferred income

Deferred income is related to the Groups PhD- and Post-Doc projects which is supported and funded by Innovationsfonden.

19 Changes in working capital

	2022 DKK	2021 DKK
Increase/decrease in inventories	(21,806,367)	(7,615,023)
Increase/decrease in receivables	61,233,962	113,687,944
Increase/decrease in trade payables etc.	(1,007,205)	11,274,874
Other changes	(31,138,523)	10,095,646
	7,281,867	**127,443,441**

20 Fair value information

	Other investments DKK
Fair value end of year	972,761,267
Unrealised fair value adjustments recognised in the income statement	(313,779,689)

The items listed above are unrealised and realised fair value adjustments recognised in the income statement on listed securities included in other investments.

21 Transactions with related parties

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

22 Subsidiaries

	Registered in	Corporate form	Ownership %
Nordic Bioscience Holding A/S	Herlev	A/S	73.90
Symic OA ApS	Herlev	ApS	55.63
Nordic Sporting Clays ApS	Copenhagen	ApS	59.00

Parent income statement for 2022

	Notes	2022 DKK	2021 DKK
Administrative expenses		(91,982)	(126,942)
Operating profit/loss		**(91,982)**	**(126,942)**
Income from investments in group enterprises		3,189,114	429,661,450
Income from other fixed asset investments		0	(91,612,166)
Other financial income	1	10,504,619	125,119,275
Other financial expenses	2	(315,247,584)	(2,107,339)
Profit/loss before tax		**(301,645,833)**	**460,934,278**
Tax on profit/loss for the year	3	62,551,786	(28,439,281)
Other taxes		0	(323,753)
Profit/loss for the year	4	**(239,094,047)**	**432,171,244**

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Investments in group enterprises		49,740,141	83,279,620
Receivables from group enterprises		14,005,180	0
Other investments		0	0
Financial assets	5	**63,745,321**	**83,279,620**
Fixed assets		**63,745,321**	**83,279,620**
Deferred tax	6	64,701,138	0
Other receivables		3,279,319	3,262,389
Receivables		**67,980,457**	**3,262,389**
Other investments		972,761,267	1,276,782,030
Investments		**972,761,267**	**1,276,782,030**
Cash		**3,574,783**	**6,435,231**
Current assets		**1,044,316,507**	**1,286,479,650**
Assets		**1,108,061,828**	**1,369,759,270**

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		2,167,035	2,167,035
Retained earnings		1,092,100,429	1,325,239,815
Equity		**1,094,267,464**	**1,327,406,850**
Payables to group enterprises		0	5,088,007
Payables to owners and management		13,726,510	8,226,510
Joint taxation contribution payable		0	28,979,903
Other payables		67,854	58,000
Current liabilities other than provisions		**13,794,364**	**42,352,420**
Liabilities other than provisions		**13,794,364**	**42,352,420**
Equity and liabilities		**1,108,061,828**	**1,369,759,270**
Employees	7		
Fair value information	8		
Contingent liabilities	9		
Transactions with related parties	10		

Parent statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2,167,035	1,370,129,737	1,372,296,772
Changes in accounting policies	0	(44,889,922)	(44,889,922)
Adjusted equity, beginning of year	**2,167,035**	**1,325,239,815**	**1,327,406,850**
Other entries on equity	0	5,954,661	5,954,661
Profit/loss for the year	0	(239,094,047)	(239,094,047)
Equity end of year	**2,167,035**	**1,092,100,429**	**1,094,267,464**

Other entries on equity is including the value of the Groups Warrent program which was introduced in 2022. The value of the Groups Warrent program is 1,052,715 DKK.

Changes in accounting policies is the value of the Groups change in accounting policies to IFRS related to previous years.

Notes to parent financial statements

1 Other financial income

	2022 DKK	2021 DKK
Other interest income	208,521	0
Fair value adjustments	0	110,466,473
Other financial income	10,296,098	14,652,802
	10,504,619	**125,119,275**

2 Other financial expenses

	2022 DKK	2021 DKK
Other interest expenses	18,157	33,631
Exchange rate adjustments	0	290,499
Fair value adjustments	313,779,689	0
Other financial expenses	1,449,738	1,783,209
	315,247,584	**2,107,339**

3 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	0	28,439,281
Change in deferred tax	(64,701,138)	0
Adjustment concerning previous years	2,149,352	0
	(62,551,786)	**28,439,281**

4 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Retained earnings	(239,094,047)	432,171,244
	(239,094,047)	**432,171,244**

5 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK	Other investments DKK
Cost beginning of year	608,558,248	0	91,612,166
Transfers	91,612,166	0	(91,612,166)
Additions	0	17,000,000	0
Disposals	0	(500,000)	0
Cost end of year	**700,170,414**	**16,500,000**	**0**
Impairment losses beginning of year	(480,388,705)	0	(91,612,166)
Changes in accounting policies	(44,889,923)	0	0
Transfers	(91,612,166)	0	91,612,166
Amortisation of goodwill	(32,415,810)	0	0
Share of profit/loss for the year	36,681,325	0	0
Dividend	(45,178,074)	0	0
Reversal of impairment losses	(1,076,401)	0	0
Investments with negative equity value depreciated over receivables	2,494,820	(2,494,820)	0
Other adjustments	5,954,661	0	0
Impairment losses end of year	**(650,430,273)**	**(2,494,820)**	**0**
Carrying amount end of year	**49,740,141**	**14,005,180**	**0**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements. For *Investments in group enterprises*, the value of DKK 8,103,953 is related to Goodwill.

6 Deferred tax

	2022 DKK
Tax losses carried forward	64,701,138
Deferred tax	**64,701,138**

Changes during the year	2022 DKK
Recognised in the income statement	64,701,138
End of year	**64,701,138**

Deferred tax assets
The tax asset is composed of tax loss carryforwards and unutilised tax deductions consisting of timing differences. Management believes that the tax asset is likely to be offset against future taxable income within the next 2-3 years.

7 Employees

The Entity has no employees other than the Executive Board.

8 Fair value information

	Other investments DKK
Fair value end of year	972,761,267
Unrealised fair value adjustments recognised in the income statement	(313,779,689)

The items listed above are unrealised and realised fair value adjustments recognised in the income statement on listed securities included in other investments.

9 Contingent liabilities

The Entity serves as the administration company in a Danish jointtaxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entityis therefore liable for income taxes etc for the jointly taxed entities, and also for obligations, if any, relating tothe withholding of tax on interest, royalties and dividends for these entities.

10 Transactions with related parties

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

Changes in accounting policies

The Group has performed a IFRS conversion project (GAAP Analysis) to evaluate the impact of changing accounting policies from the Danish Financial Statements Act to International Financial Reporting Standards (IFRS). The conclusion of the analysis was, that certain development cost should be capitalized under IFRS. Furthermore the historic revenue recognition principles was different from the principles in IFRS 15. Based on this, the Group have decided to change its accounting principles on these two areas. The Annual report for 2022 is prepared accordance with the Danish Financial Statements Act but without any numerical differences to the principles in IFRS.

Revenue

The change in accounting policies has led to a decrease in Revenue for 2022 of DKK 15,828 thousand and increase of Prepayment received from customers of DKK 15,828 thousand. Consequently, the total effect of the change in accounting policies is a decrease in this year's pre-tax profit of DKK 15,828 thousand. Tax for the year incumbent on the change in accounting policies, consisting of an adjustment of current tax, amounts to DKK 3,482 thousand, after which net profit for the year decreases by DKK 12,345 thousand. The balance sheet total increases by DKK 12,345 thousand, while equity decreases by DKK 12,345 thousand at 31.12.2022.

Development projects

The change in accounting policies has led to an increase in Development projects of DKK 3,430 thousand and decrease of Research and development costs of DKK 3,430 thousand. Consequently, the total effect of the change in accounting policies is an increase in this year's pre-tax profit of DKK 3,430 thousand. Tax for the year incumbent on the change in accounting policies, consisting of an adjustment of deferred tax, amounts to DKK 775 thousand, after which net profit or loss for the year increases by DKK 3,430 thousand. The balance sheet total increases by DKK 2,675 thousand, while equity increases by DKK 2,675 thousand at 31.12.2022.

The comparative figures have been restated following the change in accounting policies.

Furthermore the presentation of few comparative figures has been restated. However, the restatement does not neither affect the Group's results nor it equity.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with 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. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

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.

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.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. 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.

Contract work in progress consist of EU-projects which are included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise 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. In addition, the item includes ordinary write-down of inventories.

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

Research and development costs
Research and development costs comprise research costs, costs of development projects not qualifying for recognition in the balance sheet, and amortisation and impairment losses relating to development projects.

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

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

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.

Income from other fixed asset investments
Income from other fixed asset investments comprises gains in the form of interest, dividends, etc. on fixed asset investments which are not investments in group enterprises or associates.

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.

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).

Other taxes
The item includes tax amounts calculated on a basis other than income for the year, which are not refunded to the Entity.

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

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.

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.

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, but over no more than 20 years. The amortisation of patents and licences begins after regulatory approval has been obtained.

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

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

Land and buildings, 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.

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 financial 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:

	Useful life
Buildings	50 years
Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	10 years

For leasehold improvements and assets subect 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 reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

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

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.

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.

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

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, ispositive or negative.

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

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

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

Other investments (current assets)
Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date, and unlisted investments measured at the lower of cost and net realisable value.

Cash
Cash comprises cash in hand and bank deposits.

Minority interests
On initial recognition, minority interests are measured at the minority interests’ share of the acquiree’s net assets measured at fair value. No goodwill related to the minority interests’ equity interests in the acquiree is recognised.

Mortgage debt
At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

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

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

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 less short-term bank loans.