

DANSK BIOTEK

Ole Maaløes Vej 3, DK-2200 Copenhagen N

CVR no. 28 43 65 72

Annual report 2020

TO BE DISCUSSED AT BOARD
OF DIRECTORS MEETING





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TO BE DISCUSSED AT BOARD
OF DIRECTORS MEETING

Statement by Management

Today the Board of Directors has discussed and approved the annual report of DANSK BIOTEK for the financial year 2020.

The annual report has been presented in accordance with generally accepted accounting principles as described in the accounting policies on page 9.

Copenhagen, 12 April 2021
Board of Directors:

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Hans Schambye
Chair

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Adam Steensberg

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Alejandra Mørk

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Anders Hinsby

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Henrik Blou

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Henrik Dalbøge

.....
Mai-Britt Zocca

.....
Søren Møller

TO BE DISCUSSED AT BOARD
OF DIRECTORS MEETING

Independent auditor's report

To the Board of Directors of DANSK BIOTEK

Opinion

We have audited the financial statements of DANSK BIOTEK for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with generally accepted accounting principles as described in the accounting policies on page 9.

In our opinion, the financial statements of DANSK BIOTEK for the period 1 January - 31 December 2020 are prepared, in all material respects, in accordance with the generally accepted accounting principles as described in the accounting policies on page 9.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements". We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of the financial statements in accordance with generally accepted accounting principles as described in the accounting policies on page 9. Management is also responsible 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

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

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

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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements. We did not identify any material misstatement of the Management's review.

Copenhagen, 12 April 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Christian Schwenn Johansen
State Authorised
Public Accountant
mne33234

Rasmus Bloch Jespersen
State Authorised
Public Accountant
mne35503

Management's review

Association details

Name	DANSK BIOTEK
Address, P.O. Box, city	Ole Maaølæs Vej 3 DK-2200 Copenhagen N
CVR no.	28 43 65 72
Registered office	Copenhagen
Financial year	1 January – 31 December
Objective	The objective of the Association is to create opportunities for biotech research, development and production in Denmark and to safeguard the joint interests of biotech companies in this regard, both nationally and internationally.
Website	www.danskbiotek.dk
E-mail	office@danskbiotek.dk
Telephone	+45 51 50 05 60
Board of Directors	Hans Schambye, Chair Adam Steensberg Alejandra Mørk Anders Hinsby Henrik Blou Henrik Dalbøge Mai-Britt Zocca Søren Møller
Auditor	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, DK-2000 Frederiksberg
Bankers	Danske Bank

Management's review

Business overview

The objective of the Association is to create opportunities for biotech research, development and production in Denmark and to safeguard the joint interests of biotech companies in this regard, both nationally and internationally.

Financial review

The income statement for 2020 shows a profit of DKK 91,038 against profit of DKK 84,823 last year. The balance sheet at 31 Decembers 2020 shows equity of DKK 1,437,197.

COVID-19

2020 was an unusual year due to the COVID-19 pandemic, which is still affecting our day-to-day lives. Both in our private and in our business sphere, we have had to accept limited socialising, travel bans, virtual conferences, meetings, etc.

The situation has also deeply affected DANSK BIOTEK in the sense that we have had to cancel our scheduled annual members' meeting in May 2020, several planned Biotek Salons and two additional members' meetings during the second half of 2020.

We are very sorry about this, as the members' meetings provide such a nice forum for everybody to network with industry colleagues, collaborators and other business partners whilst getting inspiration and learning new practice from a variety of national and international speakers, politicians and industry experts.

DANSK BIOTEK has not been inactive in 2020. COVID-19 has given the chair and our Board plenty of time to focus on our organisation's political strategy. We have participated in several meetings with various members of the political parties at Christiansborg in a pursuit to promote life sciences to our politicians. We have played an important role in the establishment of the new Genstartsteams and have been able to weigh in on both short- and long-term political proposals related to our industry. Our main target continues to be getting life sciences and biotech on the political agenda in order to improve conditions and financial opportunities for our industry and for new and existing entrepreneurs.

To compensate for the low activity level with regard to events and meetings in 2020, the Board of Directors has decided to offer a 50% reduction on the 2021 membership fee for current members. The fee is due to be renewed in the beginning of 2021.

Event after the balance sheet date

No events materially affecting the Association's financial position have occurred after the balance sheet date.

Financial statements 1 January – 31 December

Income statement

Note	DKK	2020	2019
	Income		
2	Membership fees	903,667	917,333
3	Other income	3,500	2,000
	Total income	907,167	919,333
	Costs		
	Operation of website and newsletter	2,835	3,759
	Membership fee, Europa Bio	42,725	42,656
	Membership fee, Dansk Erhverv	361,152	352,344
	Office supplies	4,444	5,191
	Rent, including consumption	7,196	16,015
	Communication, marketing and advertisements	32,587	6,362
	Audit and accounting assistance	18,125	14,375
	Bookkeeping assistance	26,365	29,778
	Back office	212,513	223,156
	Travelling expenses	177	4,771
	Entertainment	16,369	17,400
	Fees, etc.	3,537	3,328
	Subscriptions	24,850	20,902
	Newspapers	0	7,500
	Postage	34	130
	Office equipment and IT equipment	8,668	6,104
	Meetings	33,953	1,138
	Speakers	16,406	71,530
	Provision for bad debts	4,000	1,000
	Depreciation on property, plant and equipment	0	6,618
	Total costs	815,936	834,057
	Profit before net financials	91,231	85,276
4	Financial expenses	-193	-453
	Profit for the year	91,038	84,823

Profit for the year is transferred to equity

Financial statements 1 January – 31 December

Balance sheet

Note	DKK	2020	2019
	ASSETS		
	Non-fixed assets		
	Receivables		
	Membership fees receivable	4,000	2,318
	Other receivables	0	5,114
	Prepayments	16,667	0
	Total receivables	20,667	7,432
5	Cash	1,460,186	1,413,443
	Total non-fixed assets	1,480,853	1,420,875
	TOTAL ASSETS	1,480,853	1,420,875
	EQUITY AND LIABILITIES		
	Equity		
6	Capital account	1,437,197	1,346,159
	Total equity	1,437,197	1,346,159
	Liabilities		
	Current liabilities		
	Trade payables	24,506	55,566
7	Other payables	19,150	19,150
	Total current liabilities	43,656	74,716
	Total liabilities	43,656	74,716
	TOTAL EQUITY AND LIABILITIES	1,480,853	1,420,875

1 Accounting policies

8 Contractual obligations and contingencies, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

General information

The financial statements of DANSK BIOTEK are presented in accordance with generally accepted accounting principles as described in detail below.

The accounting policies used are consistent with those of last year.

The accounting policies may be summarised as follows:

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Income

Income includes membership fees from the Association's members. Revenue related to annual membership fees is recognised in revenue when there is no significant uncertainty about their recoverability. Membership fees are recognised on a straight-line basis over the membership period, which typically follows the calendar year.

year. Income also includes grants and donations. Grants and donations are recognised as income at the time of receipt of such grants and donations.

Costs

Costs include staff costs, membership fees, back office costs, meeting costs, administration and depreciation on property, plant and equipment, etc.

Net financials

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses and realised and unrealised foreign exchange gains and losses.

Balance sheet

Receivables

Receivables are measured at amortised cost, which is usually equivalent to the nominal value. The value is reduced by provisions for anticipated bad debt losses.

Cash

Cash includes bank balances.

Liabilities other than provisions

Liabilities are measured at amortised cost, which in all material respects corresponds to nominal value.

Financial statements 1 January – 31 December

Notes

DKK	2020	2019
2 Membership fees		
Small members	120,334	129,000
Medium-sized members and associated members	523,333	548,333
Large and medium-large sized members	260,000	240,000
	<u>903,667</u>	<u>917,333</u>
3 Other income		
Participation fees	<u>3,500</u>	<u>2,000</u>
4 Financial expenses		
Exchange difference, creditors	<u>193</u>	<u>453</u>
	<u>193</u>	<u>453</u>
5 Cash		
Danske Bank, account 4400 250 464	686,937	640,194
Danske Bank, account 4400 630 313	773,249	773,249
	<u>1,460,186</u>	<u>1,413,443</u>
6 Equity		
Balance at 1 January	1,346,159	1,261,336
Profit for the year	91,038	84,823
Equity at 31 December	<u>1,437,197</u>	<u>1,346,159</u>
7 Other payables		
Audit and accounting assistance	13,750	13,750
Bookkeeping assistance	5,400	5,400
	<u>19,150</u>	<u>19,150</u>

8 Contractual obligations and contingencies, etc.

Contractual obligations relating to non-cancellable lease terms under rent contracts amounted to DKK 14,000 at 31 December 2020.