

DANSK BIOTEK

Ole Maaløes Vej 3, DK-2200 Copenhagen N

CVR no. 28 43 65 72

Annual report 2021

Contents

Statement by Management	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January – 31 December	7
Income statement	7
Balance sheet	8
Notes	9

Statement by Management

Today the Board of Directors has discussed and approved the annual report of DANSK BIOTEK for the financial year 2021.

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

Copenhagen, 6 May 2022

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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Lone Nilsson

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Mai-Britt Zocca

.....
Søren Møller

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 2021, 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 consideration of the special rules applying to non-commercial foundations.

In our opinion, the financial statements of DANSK BIOTEK for 1 January – 31 December 2021 are prepared, in all material respects, in accordance with generally accepted accounting principles, as described in the accounting policies on page 9, in consideration of the special rules applying to non-commercial foundations.

Basis for opinion

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

Independence

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements in accordance with generally accepted accounting principles, as described in the accounting policies on page 9, in consideration of the special rules applying to non-commercial foundations 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 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 the financial statements.

Independent auditor's report

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, 6 May 2022
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 Maaløes 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 Lone Nilsson Mai-Britt Zocca Søren Møller
Auditor	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, DK-2000 Frederiksberg
Bank	Danske Bank

Management's review

Association 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 2021 shows a loss of DKK 318,669 against profit of DKK 91,038 last year. The balance sheet at 31 Decembers 2021 shows equity of DKK 1,118,528.

The loss for the year 2021 is due to the 50% reduction of membership fees in 2021, approved by the Board of Directors, as a compensation for low activities in the association during the COVID-19 pandemic.

COVID-19

The COVID-19 pandemic affected all our lives in 2021, but it was great to see how biotech companies played a central role in providing solutions to the crisis. The best vaccines and the most promising treatments all originated from biotech companies. The Danish companies AdaptVac, Expres2ion and Bavarian Nordic picked up the mantle and developed a promising COVID vaccine that is currently making its way to approval.

The pandemic continued to affect DANSK BIOTEK, as we had fewer meetings and Biotek Salons than normally, but we managed to have two well attended members' meetings during the second half of 2021 and a virtual meeting in April 2021 on alternative ways to list on stock exchanges.

DANSK BIOTEK has continued to push for changes that can improve the conditions for life science and biotech companies in Denmark. We have actively engaged politicians from the major parties and provided important input to the government's life science strategy. There is still room for improvement, and we will continue this important work. The board of DANSK BIOTEK is currently reviewing our strategy and aim to become an even more central player in the Danish life science arena.

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	2021	2020
	Income		
2	Membership fees	489,667	903,667
3	Other income	4,500	3,500
	Total income	<u>494,167</u>	<u>907,167</u>
	Costs		
	Operation of website and newsletter	4,304	2,835
	Membership fee, Europa Bio	0	42,725
	Membership fee, Dansk Erhverv	368,737	361,152
	Office supplies	1,469	4,444
	Rent, including consumption	7,869	7,196
	Communication, marketing and advertisements	24,319	32,587
	Audit and accounting assistance	14,750	18,125
	Bookkeeping assistance	16,623	26,365
	Back office	270,139	212,513
	Travelling expenses	0	177
	Entertainment	13,269	16,369
	Fees, etc.	3,529	3,537
	Subscriptions	40,472	24,850
	Postage	45	34
	Office equipment and IT equipment	8,307	8,668
	Meetings	31,475	33,953
	Speakers	3,281	16,406
	Provision for bad debts	4,000	4,000
	Total costs	<u>812,588</u>	<u>815,936</u>
	Result before net financials	-318,421	91,231
4	Financial expenses	-248	-193
	Result for the year	<u>-318,669</u>	<u>91,038</u>
	Result for the year is transferred to equity		

Financial statements 1 January – 31 December

Balance sheet

Note	DKK	31 December 2021	31 December 2020
	ASSETS		
	Current assets		
	Receivables		
	Membership fees receivable	7,382	4,000
	Prepayments	1,987	16,667
	Total receivables	9,369	20,667
5	Cash	1,147,114	1,460,186
	Total current assets	1,156,483	1,480,853
	TOTAL ASSETS	1,156,483	1,480,853
	EQUITY AND LIABILITIES		
	Equity		
6	Capital account	1,118,528	1,437,197
	Total equity	1,118,528	1,437,197
	Liabilities		
	Current liabilities		
	Trade payables	18,805	24,506
7	Other payables	19,150	19,150
	Total current liabilities	37,955	43,656
	Total liabilities	37,955	43,656
	TOTAL EQUITY AND LIABILITIES	1,156,483	1,480,853

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.

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.

Other income also includes participation fees, 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	2021	2020
2	Membership fees		
	Members with less than 10 employees, DKK 4,000	56,333	120,333
	Members with between 10 and 200 employees, DKK 10,000	293,333	523,333
	Members with between 200 and 1,000 employees, DKK 20,000	50,000	80,000
	Members with more than 1,000 employees, DKK 30,000	90,000	180,000
		<u>489,666</u>	<u>903,667</u>
	The reduction in membership fees in 2021 is due to the 50% reduction of membership fees in 2021, approved by the Board of Directors, as a compensation for low activities in the Association during the COVID-19 pandemic.		
	DKK	2021	2020
3	Other income		
	Participation fees	4,500	3,500
		<u>4,500</u>	<u>3,500</u>
4	Financial expenses		
	Exchange difference, creditors	248	193
		<u>248</u>	<u>193</u>
5	Cash		
	Danske Bank, account 4400 250 464	373,864	686,937
	Danske Bank, account 4400 630 313	773,250	773,249
		<u>1,147,114</u>	<u>1,460,186</u>
6	Equity		
	Balance at 1 January	1,437,197	1,346,159
	Result for the year	-318,669	91,038
	Equity at 31 December	<u>1,118,528</u>	<u>1,437,197</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 7,125 at 31 December 2021.		