
BioInnovation Institute Fonden

Ole Maaløes Vej 3, DK-2200 Copenhagen N

Annual Report for 2024

CVR No. 41 89 86 66

The Annual Report was
presented and adopted
at the Board Meeting of
the foundation
on 20/3 2025

Mathias Dahlerup
Krarup
Chairman of the
general meeting

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
General information about the Foundation	5
Financial Highlights	6
Management's Review	7
Financial Statements	
Income Statement 1 January - 31 December	17
Balance sheet 31 December	18
Statement of changes in equity	20
Cash Flow Statement 1 January - 31 December	21
Notes to the Financial Statements	22

Management's statement

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

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

In our opinion the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Foundation and the Group and of the results of the Foundation 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.

Copenhagen, 20 March 2025

Executive Board

Jens Bredal Nielsen
CEO

Board of Directors

Marianne Philip
Chair

Robert Glen Urban
Deputy-chair

Hans Thalsgård Schambye

Martin Bonde

Mads Krogsgaard Thomsen

Regina Hodits

Independent Auditor's report

To the board of BioInnovation Institute Fonden

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Foundation Financial Statements give a true and fair view of the financial position of the Group and the Parent Foundation at 31 December 2024 and of the results of the Group's and the Parent Foundation'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 Foundation Financial Statements of BioInnovation Institute Fonden 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 Foundation, 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 Foundation 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 foundation 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 Foundation'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 Foundation 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 Foundation'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 Foundation'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 Foundation 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 Foundation 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, 20 March 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Tue Stensgård Sørensen

State Authorised Public Accountant

mne32200

Elife Savas

State Authorised Public Accountant

mne34453

General information about the Foundation

The Foundation

BioInnovation Institute Fonden
Ole Maaløes Vej 3
DK-2200 Copenhagen N

CVR No: 41 89 86 66
Financial period: 1 January - 31 December
Incorporated: 1 December 2020
Financial year: 4th financial year
Municipality of reg. office: Copenhagen

Board of Directors

Marianne Philip, chair
Robert Glen Urban, deputy-chair
Hans Thalsgård Schambye
Martin Bonde
Mads Krogsgaard Thomsen
Regina Hodits

Executive Board

Jens Bredal Nielsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a 4-year period, the development of the Group is described by the following financial highlights:

	Group			
	2024	2023	2022	2021
	TDKK	TDKK	TDKK	TDKK
Key figures				
Profit/loss				
Gross profit	561,937	434,047	390,912	396,869
Profit of primary operations	435,577	342,062	330,221	350,181
Financial income and expenses	9,906	7,798	-811	-1,132
Profit before tax	445,483	349,860	329,410	349,049
Net profit/loss for the year	448,772	349,750	329,410	349,049
Balance sheet				
Balance sheet total	951,609	747,061	556,266	374,607
Investment in property, plant and equipment	33,449	14,281	11,434	11,239
Equity	807,705	617,260	473,785	325,360
Cash flows				
Cash flows from:				
- operating activities	330,973	366,703	313,957	258,322
- investing activities	-58,703	-48,656	-43,446	-28,454
- financing activities	-248,390	-178,461	-152,458	-92,870
Number of employees	105	78	48	31
Ratios				
Return on assets	45.8%	45.8%	59.4%	93.5%
Equity ratio	84.9%	82.6%	85.2%	86.9%

Management's review

The objectives of the Foundation

The objectives of the BioInnovation Institute Fonden (BII) are with a charitable aim to own and operate the BioInnovation Institute and to promote research, innovation and entrepreneurship for the benefit of people and society, including by funding and supporting the development of inventions, discoveries and companies operating within the biotechnology and life sciences sector, thus providing a basis for growth and creation of new jobs within biotechnology and life science.

The Foundation can also support other charitable scientific purposes within biotechnology and life science.

The Strategic Objectives and Activities for the Foundation

BII was established by The Novo Nordisk Foundation (NNF) in 2018 with the aim of bridging the gap between research and commercialization in life science innovation. In 2021, BII became an independent commercial foundation with a non-for-profit objective.

BII's **vision** is to support world-class life science innovation that drives the development of new solutions by early life science start-ups for the benefit of people and society.

BII's **mission** is to incubate world-class life science and catalyze its commercialization of new solutions through start-ups by using our knowledge, network, funding, and infrastructure.

BII realizes its mission and vision by attracting and developing international need-based projects and start-ups with high commercial potential that work to solve some of the world's most complex issues and support them in successful business development from idea to funding. BII is supporting start-ups within:

- o **Human Health**, with the focus areas: Metabolic Diseases, Neurological Diseases, and Women's Health.
- o **Planetary Health**, with the focus areas: Novel Foods, Sustainable Agriculture, Carbon Capture & Energy and Biomaterials & Biochemicals.

BII creates value for its start-ups by offering:

- o **Knowledge:** hands-on business development and programs with a strong educational component that supports founders in becoming successful entrepreneurs.
- o **Infrastructure:** access to a unique start-up community in Copenhagen that supports start-up needs.
- o **Network:** access to our network that increases attention and collaboration opportunities for our teams in Denmark and abroad. We currently have +100 VCs in our investor network.
- o **Funding:** being non-profit and able to offer very founder-friendly funding terms.

Management's review

BII operates with four different programs:

Program	Purpose	Duration	Funding
Bio Studio	Support world-leading scientists in translating academic research into innovative products and solutions.	Up to 3 years	Grant of 7,860 TDKK per year
Venture Lab	Help newly established start-ups in the early phases	12 months	Convertible loan of 4,000 TDKK
Venture House	Mature start-ups to attract funding; now only for start-ups graduating from Venture Lab	18 months	Convertible loan of up to 10,000 TDKK
Deep Tech Lab	Support early-stage companies based on quantum and quantum-enabling technologies with programs tailored for this field.	6 months	Funding for companies in the DIANA program, and Convertible loans of 4,000 TDKK

BII leverages the life science ecosystem within human and planetary health to attract and develop viable start-ups. This includes collaboration with Danish and European Universities and research institutions to attract the most interesting projects and collaboration with VCs to ensure the right start-ups are selected and early enough on track to get additional funding.

Activities in 2024

In 2024, BII went through a mid-term evaluation of the activities from 2018-2023.

By November 2024, BII has supported 112 start-ups excl. Bio Studio, with 79 of them securing external funding.

Furthermore, the Bio Studio programme, has helped 20 projects.

Bio Studio was launched in 2022 as a successor of the Faculty program, which was inaugurated primo 2020. Bio Studio is specifically designed to support leading academic Principal Investigators (PIs) from universities, hospitals, and/or research institutions in translating research into innovative products and solutions. Bio Studio projects are executed at BII where the PI together with an Entrepreneur in Residence (hired by BII) establishes a team that works at BII. The team forms the basis for a potential future start-up company.

Management's review

In 2024, Bio Studio has been centered on evaluating the programme and addressing key needs. One such improvement was offering projects the option to convert their 3rd-year grant into a convertible loan, helping overcome the funding gap and accelerate spin-out formation.

The third cohort of projects was successfully onboarded this year, bringing the total to 11 active projects and four former Faculty projects actively fundraising. These developments mark significant progress in strengthening Bio Studio's impact and support structure for early-stage life science ventures.

Venture Lab was launched in 2020 based on the learnings of the Business Acceleration Academy, which was the first program launched by BII. Venture Lab is designed to develop businesses and entrepreneurs. It is built around three key pillars: Team, Science & Business. The team pillar aims to support the development of resilient start-up leaders by focusing on leadership challenges and mental health through the so-called founder Halos, which are run by a business psychologist. The science pillar focuses on the identification and execution of critical experiments. The business pillar focuses on generating actionable components in the business plan and due diligence portfolio as well as a solid pitch.

Based on agreement with the Board of Directors in December 2022, BII has been preparing to scale its intake and expand the reach of Venture Lab start-ups from 10 to 20 annually. Accordingly, several key updates to the programme have been made in 2024 to ensure its continued success. To accommodate a larger number of start-ups, BII has transitioned to a more flexible operation that still delivers targeted support while being efficient for a growing number of start-ups. This shift was supported by an increased emphasis on virtual participation, enabling start-ups to join and benefit from the programme regardless of their location. In addition, BII introduced a bespoke Investment Readiness Framework, designed to be adaptable across various focus areas, providing personalized support for start-ups.

The Venture House program was redesigned in 2022 based on the learnings from the former Creation House program. The programme focuses on scaling start-ups beyond the seed stage and preparing them for larger investments, such as Series A rounds. Since its inception, 51 start-ups have participated, with 38 raising external capital, i.e. most of the capital raised by BII companies is by those companies that proceed to Venture House.

In 2024, the programme intensified its support by delivering four executive sprints targeting key growth areas, including operational capabilities, fundraising strategies, strategic partnerships, and leadership development. This structured approach helps start-ups mature and position them for long-term success.

Diana: In 2024, BII successfully ran an acceleration programme for six dual-use quantum technology startups from across the alliance, as one of five sites activated under NATO's DIANA (Defense Innovation Accelerator for the North Atlantic) initiative. All DIANA-related operations are fully funded by the Danish government. BII established Deep Tech Lab A/S as a new deep-tech accelerator, initially focused on quantum technologies. While the accelerator primarily supports startups identified by NATO's DIANA initiative, the staff also assisted in anchoring companies within Venture Lab that applied quantum technologies.

In the **Residence** Program, BII rents out fully serviced lab and office space for start-ups. It specifically targets start-ups graduating from either Venture Lab or Venture House that have received financing. In 2024, major renovations at the BII Domicile were completed, including the atrium, ground floor, and 2nd floor labs and offices becoming fully operational, with the final refurbishment of the 4th floor set for completion by year-end.

BII Residence, responsible for BII's rental activities, has expanded significantly alongside the Domicile's renovation. Initially focused on providing space for start-ups, the Residence now offers a variety of rental options tailored to different tenant needs, including private offices, private lab spaces, Service Provider offices and Showroom labs.

These new facilities have attracted a diverse range of tenants, including Service Providers requiring flexible rental options such as part-time access (once a week), as well as start-ups and potential larger tenants seeking private space on the ground floor. While start-ups remain the primary occupants of the shared office and lab spaces, the expanded offering is designed to accommodate a broader array of businesses.

BII is engaged in several specific Strategic Projects:

Management's review

CENTERS OF EXCELLENCE (CoE's): BII has initiated the establishment of nine Centers of Excellence (CoE's) to strategically drive innovation and address critical unmet needs in human and planetary health. In 2024, BII developed a clear framework outlining how the CoE's will leverage existing expertise, networks, and infrastructure to accelerate early-stage innovation. In 2024, BII successfully completed the Women's Health CoE and initiated work on a Biosolutions CoE.

GLOBAL MARKETS: The Global Market Initiative (GMI) has engaged partners in India and East Africa, focusing on technology localization through field trials and planning business delegations to Kenya and India for late 2024. As part of these efforts, the GMI team has developed a data repository to facilitate market entry and built a network of collaborators to support BII's start-ups in accessing Low- and Middle-Income Countries (LMICs). Additionally, BII actively contributed to local ecosystem development by co-hosting the East Africa Base camp in Nairobi, in collaboration with Delta40 Venture Studio and NNF.

COLLABORATION AND PARTNERSHIPS: In 2024, BII initiated the development of a framework for collaborating with industry partners, focusing on leveraging these partnerships to generate income and create growth opportunities. In parallel, BII actively pursued new collaborations with foundations to secure funding for future activities.

One key partnership established in 2024 was with Industriens Fond. Together, BII and Industriens Fond will support emerging start-ups that use AI technologies to create positive impacts on Danish industry and society. Industriens Fond has committed DKK 3m to BII to help define the programme and secure the necessary commitments to establish a fund that can finance AI-driven companies, including those outside the life sciences sector.

Internationalization: BII has in 2024 started expanding beyond Denmark to create a more integrated European bio-innovation ecosystem. During 2024 BII has initiated planning on launching a BII Accelerator Fund that will extend BII's platform across Europe, demonstrating the impact, network effects, and financial viability of scaling its model internationally. The fund will accelerate start-ups in human and planetary health, providing selected companies with access to BII's upgraded virtual acceleration platform and a broader European network. BII's expansion will contribute to solving Europe's innovation gap while reinforcing Denmark's position as a leader in life sciences. This initiative will not only drive start-up success but also attract global capital and talent to Europe, strengthening the region's long-term competitiveness in life science innovation.

Financial results

The Consolidated financial result for the financial year 2024 is a profit of 448,772 TDKK versus 349,750 TDKK in 2023. The Consolidated equity at 31 December 2024 is 807,705 TDKK versus 617,260 TDKK in 2023.

The Consolidated result for 2024 is satisfactory and according to expectations. For 2025, a similar Consolidated result in the interval of 380,000 TDKK to 450,000 TDKK is expected.

Management's review

Future development of BII

BII will focus our efforts on ensuring that BII demonstrates excellence and creates a strong foundation for future operations, where BII has ambitions of scaling its operations both nationally and internationally. The current strategy period of 2023-2025 evolves around four strategic focus areas:

1. Keep BII attractive: BII has a world-class innovation environment in Denmark and offers a package that can match other leading players.
2. Foster a culture of engagement: BII has a highly engaged team and community that add value to the life science innovation ecosystem.
3. Deliver impact efficiently: BII works to deliver impactful offerings from a robust operating model that is ready for BII's future operations.
4. Expand value creation: BII has formulated a long-term strategy.

As part of its commitment to the long-term vision for 2026-2035, BII will increase its intake in 2025 to support more transformative projects and strengthen its role in the life sciences ecosystem. Several projects from earlier cohorts are expected to either spin out or terminate during 2024, making room for new entrants.

The Venture Lab and the Venture House will expand their intake in 2025 to meet the growing demand and align with BII's long-term goals.

Financial risks

The projects and start-ups in BII programs are financed by grants and convertible loans. If the recipients of the convertible loans close the company, the loans will be converted into grants. Financial assets are written down when there is an indication of impairment. Based on the nature of the grant-giving activities, it is assessed that there are no further financial risks involved in the business.

In the case of external investments, the convertible loans are converted to shares at fair value. The values presented in the table below reflect the consolidated fair value at which other financial assets are recognized at 31 December 2024, categorized by the respective year in which the fair value was determined through the corresponding equity round or change in capital structure, shown in segments.

Segment	Up to 2022	2023	2024	Total
Health Tech	15,090	0	0	15,090
Therapeutics	6,058	23,858	93,876	123,792
Planetary Health	0	4,269	55,981	60,250
Total	21,148	28,127	149,857	199,132

Management's review

As of 31 December 2024, the foundation's consolidated portfolio comprises 22 companies with a fair value of 199,132 TDKK. 21,148 TDKK of the fair value is based on fair value triggering events coming from the years up to 2022, 28,127 TDKK from the year 2023 and 149,857 TDKK from the year 2024. On a stand-alone basis, the Foundation's portfolio comprises 1 company with a fair value of 4,013 TDKK and the full value is based on fair value triggering events coming from the year 2024.

Policy on grants

The Board of Directors has in accordance with the Recommendations on Foundation governance and the Danish Commercial Foundations Act, adopted a policy on grants.

Applications and grants awarded will be divided into the following categories:

1) BioInnovation Institute (research, innovation and entrepreneurship grants) by which grants are awarded as part of one or more of the current three funding programs of the BioInnovation Institute: the "Bio Studio", "Venture Lab", and "Venture House". The BioInnovation Institute may change its funding programs over time, e.g. by adding new programs, removing one of the current programs, or redesigning one of the current programs. In addition, grants may be awarded as one-off grants to promote research, innovation or entrepreneurship, typically in connection with the BioInnovation Institute.

2) Other charitable scientific purposes within biotechnology and life science granted as strategic one-off grants. National and international experts assess the submitted project applications. Based on the expert assessments of applications or of strategic one-off initiatives the board decides whether to support the initiatives.

The primary geographical focus of the Foundation's grant-awarding activities will be Denmark, followed by the Nordic countries. The Foundation's commercial activities will be international.

The Foundation's policy on grants is available on the website, <https://bii.dk/governance/>.

BII awarded 263,067 TDKK in 2024 split over the following programs:

- Bio Studio, Faculty + IP/PI grants	85,097
- Venture House (previously Creation House):	85,380
- Venture Lab:	83,520
- CEO & COO grants:	5,470
- Prizes & Awards:	3,600
- Total awarded	263,067

For further information on grants and loans, please see the full list of grant recipients: <https://bii.dk/governance/>

This list contains all awarded grants and loans with named recipients and amount.

As stated in the Balance Sheet, the total equity of the Group is 807,705 TDKK, of which 325,000 TDKK is available for distribution to new grants in 2024.

Management's review

Board of Directors

The Board of Directors consists of six members. The Board of Directors has elected a chair and a deputy chair among its members and of the candidates nominated by Novo Nordisk Fonden. The chair and the deputy chair constitute the chairship and the remuneration committee.

The Foundation strives to ensure that the composition of the board is diverse in terms of gender, age, and cultural background, and it is the aspiration to have at least two board members of the underrepresented sex. As of 31 December 2024, two board members were female and 4 were male. Consequently, the Foundation has fulfilled its aspiration in terms of gender composition. The Board of Directors will continue to work on securing the desired diversity among its members.

The members of the Board of Directors are elected for a term of 1 year and eligible for re-election until the age of 75.

Good Foundation governance

The Danish Committee for good Foundation Governance, has in accordance with the Commercial Foundations Act, drafted the Recommendations for good Foundation governance for the individual commercial Foundation to consider in accordance with the 'comply or explain' principle and subject to reporting in the annual report.

The Foundation complies with all recommendations except the following two:

- The Committee recommends that members of the Board of Directors be appointed for a period of two to four years. The members of the Board of Directors of the Foundation are elected for a period of one year. It is important to the board to ensure flexibility in the board composition with a view to attract new talent and the representation of the relevant competences at all times. It is not the intention that all board members are replaced annually.
- The Committee recommends that the majority of the members of the Board of Directors of a commercial Foundation are not also members of the Board of Directors or executive board of the Foundation's subsidiary, unless it is a fully owned actual holding company. The members of the Board of Directors of the Foundation are also members of the Board of Directors of the Foundation's wholly owned subsidiary. Most of the Foundation's commercial activities are conducted through the subsidiary. Thus, it is of considerable importance to the board that the Foundation's Board of Directors has a thorough knowledge of and impact on the activities of the subsidiary. The board considers the composition and organisation appropriate in order to ensure an effective and professional management of the subsidiary.

The Foundation's statutory report on Foundation governance is available on the website: <https://bii.dk/governance/>.

Principles for communication

The Board of Directors has adopted principles for external communication including by whom public statements on behalf of the Foundation should be made. It is decided that all communication with the general public is undertaken by the chair, the deputy chair or by another board member following authorisation from the board. The chairship has authorised the Executive Management to communicate with the general public in respect of the Foundation's commercial activities or the BioInnovation Institute's activities.

Remuneration

The following remuneration was awarded to the members of the Board of Directors relating to the financial year 2024: DKK 675,000 to the chair, DKK 450,000 to the deputy-chair, and DKK 225,000 to each ordinary board member. Further, DKK 75,000 was awarded to Robert Glen Urban as travel allowance per visit to Denmark.

Management's review

Table 1: About the Board members in BioInnovation Institute Fonden

Name, position, birth year, gender	First elected	End of election period	Management and board positions Competencies of member appointed in pursuant to the articles of association
<p>Marianne Philip Chair 1957 Female</p>	<p>1 December 2020 Re-elected: 20 March 2024</p>	<p>Annual meeting 2025</p>	<p>Marianne Philip is the chair of Gerda & Victor B. Strands Fond (Toms Gruppens Fond), Nordea Invest, Nordea Invest Kommune, Nordea Invest Bolig, Nordea Invest Engros, Nordea Funds Oy, Copenhagen Capacity, Fonden til Markedsføring of Erhvervsfremme i Region Hovedstaden, and STG's Gavefond. Deputy-chair of LIFE Fonden, LIFE A/S and Bitten og Mads Clausens Fond (Danfoss Fonden). She is a board member in Kirsten og Peter Bangs Fond, Erhvervslivets Tænketank, Nordic I&P DK ApS, Brenntag Nordic A/S, Brenntag Nordic AB and Aktieselskabet af 1. Januar 1987. Chair of the Committee on Foundation Governance and Adj. Professor at the Center for Corporate Governance, CBS. Marianne Philip is a Senior Advisor in Kromann Reumert.</p> <p>Competencies: Significant experience with start-ups including financing and governance related matters, and with overall management and board membership for both large and small corporations, financial institutions, and foundations. Significant experience with legal affairs including company law and foundation law related matters.</p> <p>The member is considered independent.</p> <p>Re-elected by the Board of Directors on 20 March 2024.</p> <p>Ownership in Foundation subsidiaries: None.</p>
<p>Martin Bonde Member 1963 Male</p>	<p>1 December 2020 Re-elected: 20 March 2024</p>	<p>Annual meeting 2025</p>	<p>Martin Bonde is the chief executive officer of Akylox Therapeutics Aps. He is chair of the board in Asgard Therapeutics AB and the chair of the board in HepaRegeniX GmbH. Also, Martin is a board member in Visiopharm A/S and a board member in Inthera Bioscience AG.</p> <p>Competencies: Significant experience within entrepreneurship, company building, management and board work. Experience within financing and research.</p> <p>The member is considered independent.</p> <p>Re-elected by the Board of Directors on 20 March 2024.</p> <p>Ownership in Foundation subsidiaries: None.</p>

Management's review

<p>Regina Hodits</p> <p>Member</p> <p>1969</p> <p>Female</p>	<p>1 December 2020</p> <p>Re-elected:</p> <p>20 March 2024</p>	<p>Annual meeting 2025</p>	<p>Regina Hodits is managing partner at Wellington Partners Venture Capital GmbH. She is a board member in Minervax, Seamless Therapeutics, SNIPR Biome, Carisma, Sidekick Health and Tricare, as well as chair of the INiTS incubator in Vienna, Austria.</p> <p>Competencies: Board work, networking, entrepreneurship, development of companies, investment, capital raising and venture capitalism, inter alia as founding investor in Rigontec GmbH, Middle Peak Medical GmbH, F-star Biotechnology Ltd., and Bicycle Therapeutics plc., and board member of Themis Bioscience GmbH, U3 Pharma GmbH, Nitec Pharma AG (now part of Horizon Pharma Switzerland GmbH), (now part of Horizon Pharma / Amgen) and Novamed Ltd.</p> <p>The member is considered independent.</p> <p>Re-elected by the Board of Directors on 20 March 2024.</p> <p>Ownership in Foundation subsidiaries: None.</p>
<p>Hans Thalsgård Schambye</p> <p>Member</p> <p>1964</p> <p>Male</p>	<p>1 December 2020</p> <p>Re-elected:</p> <p>20 March 2024</p>	<p>Annual meeting 2025</p>	<p>Hans Schambye is president and chief executive officer of Galecto, Inc. chair of Dansk Biotek and Venture Partner in Sunstone.</p> <p>Competencies: Significant experience with entrepreneurs and management. Experience with financing, research and board work.</p> <p>The member is considered independent.</p> <p>Re-elected by the Board of Directors on 20 March 2024.</p> <p>Ownership in Foundation subsidiaries: None</p>
<p>Robert Glen Urban</p> <p>Deputy-chair</p> <p>1962</p> <p>Male</p>	<p>1 December 2020</p> <p>Re-elected:</p> <p>20 March 2024</p>	<p>Annual meeting 2025</p>	<p>Robert Urban is the chair of Opening Doors Cambodia. He is on both the National and Boston-local Boards of Life Science Cares Inc.</p> <p>Competencies: Significant experience with management from large international companies. Experience with financing, entrepreneurship, research and board work in the private and non-profit sectors.</p> <p>The member is considered independent.</p> <p>Re-elected by the Board of Directors on 20 March 2024.</p> <p>Ownership in Foundation subsidiaries: None.</p>

Management's review

Mads Krogsgaard Thomsen	21 March 2023	Annual meeting 2025	Mads Krogsgaard Thomsen is the CEO of the Novo Nordisk Foundation. Since 2000, he has served as adjunct professor of pharmacology at the Faculty of Health at University of Copenhagen. He is a board member of BB BioTech, Switzerland.
Member	Re-elected:		
1960	20 March 2024		Competencies: Significant experience with management from large international companies, significant experience within research, pharmacology, drug development, medical affairs. Experience with board work in the private and public sectors, including as chair of University of Copenhagen.
Male			The member is considered non-independent. Re-elected by the Board of Directors on 20 March 2024. Ownership in Foundation subsidiaries: None.

Events after the balance sheet data

No events have occurred after the end of the financial year with significant impact on the Group's and the Foundation's financial position at 31 December 2024.

Income statement 1 January - 31 December

	Note	Group		Parent foundation	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Revenue	1	89,319	68,979	64,808	40,983
Value adjustments of assets held for investment	2	118,790	24,207	28,074	27,340
Received Grants	3	465,797	428,418	451,524	420,158
Other external expenses		-111,969	-87,557	-79,528	-53,930
Gross profit		561,937	434,047	464,878	434,551
Staff expenses	4	-110,778	-79,228	-105,369	-78,418
Depreciation on tangible and intangible assets	5	-15,582	-12,757	-4,539	-4,539
Profit before financial income and expenses		435,577	342,062	354,970	351,594
Income/loss from investments in subsidiaries		0	0	85,614	-7,800
Financial income	6	10,027	7,868	8,270	6,007
Financial expenses	7	-121	-70	-65	-51
Profit before tax		445,483	349,860	448,789	349,750
Tax on profit/loss for the year	8	3,289	-110	-17	0
Net profit for the year	9	448,772	349,750	448,772	349,750

Balance sheet 31 December

Assets

	Note	Group		Parent foundation	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Development projects		15,476	20,015	15,476	20,015
Intangible assets	10	15,476	20,015	15,476	20,015
Equipment		21,622	15,157	0	0
Leasehold improvements		15,447	16,589	0	0
Assets under construction		32,544	16,588	0	0
Property, plant and equipment	11	69,613	48,334	0	0
Investments in subsidiaries	12	0	0	394,889	188,016
Other financial investments	13	199,132	83,136	4,013	22,711
Convertible loans	13	109,050	79,875	109,050	79,125
Fixed asset investments		308,182	163,011	507,952	289,852
Fixed assets		393,271	231,360	523,428	309,867
Trade receivables		435	3,057	0	0
Receivables from group enterprises		0	0	2,380	8,370
Other receivables		110,805	112,383	103,709	105,848
Deferred tax asset		4,736	18	0	0
Prepayments		23,545	5,306	3,545	306
Receivables		139,521	120,764	109,634	114,524
Cash at bank and in hand		418,817	394,937	311,214	314,956
Current assets		558,338	515,701	420,848	429,480
Assets		951,609	747,061	944,276	739,347

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent foundation	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Capital base		10,000	10,000	10,000	10,000
Reserve for Grants in the future		325,000	275,000	325,000	275,000
Retained earnings		472,705	332,260	472,705	332,260
Equity		807,705	617,260	807,705	617,260
Trade payables		30,632	11,183	14,001	6,965
Payables to group enterprises		0	0	3,918	82
Corporation tax		507	128	0	0
Other payables		10,809	17,502	18,349	17,325
Grants payable	14	96,694	86,757	96,694	86,757
Deferred income		5,262	14,231	3,609	10,958
Short-term debt		143,904	129,801	136,571	122,087
Debt		143,904	129,801	136,571	122,087
Liabilities and equity		951,609	747,061	944,276	739,347
Contingent liabilities	15				
Related parties	16				
Subsequent events	17				
Accounting Policies	18				

Statement of changes in equity

Group

	Capital base	Reserve for future Grants	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	10,000	275,000	332,260	617,260
Grants, net	0	-258,327	0	-258,327
Transfers, reserves	0	50,000	-50,000	0
Net profit/loss for the year	0	258,327	190,445	448,772
Equity at 31 December	10,000	325,000	472,705	807,705

Parent foundation

	Capital base	Reserve for future Grants	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	10,000	275,000	332,260	617,260
Grants, net	0	-258,327	0	-258,327
Transfers, reserves	0	50,000	-50,000	0
Net profit/loss for the year	0	258,327	190,445	448,772
Equity at 31 December	10,000	325,000	472,705	807,705

Cash flow statement 1 January - 31 December

	Note	Group	
		2024	2023
		TDKK	TDKK
Result of the year		448,772	349,750
Adjustments		-116,403	78
Change in working capital		-10,252	9,077
Cash flow from operations before financial items		322,117	358,905
Financial income		10,027	7,798
Financial expenses		-121	0
Cash flows from ordinary activities		332,023	366,703
Corporation tax paid		-1,050	0
Cash flows from operating activities		330,973	366,703
Purchase of property, plant and equipment		86,468	-14,281
Fixed asset investments made etc		-145,171	-36,875
Sale of fixed asset investments made etc		0	2,500
Cash flows from investing activities		-58,703	-48,656
Grants		-248,390	-178,461
Cash flows from financing activities		-248,390	-178,461
Change in cash and cash equivalents		23,880	139,586
Cash and cash equivalents at 1 January		394,937	255,351
Cash and cash equivalents at 31 December		418,817	394,937
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		418,817	394,937
Cash and cash equivalents at 31 December		418,817	394,937

Notes to the Financial Statements

	Group		Parent foundation	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Sale of services	68,572	38,399	64,808	40,983
Rent	20,747	30,580	0	0
	89,319	68,979	64,808	40,983

	Group		Parent foundation	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
2. Value adjustments of investment assets				
Value adjustments of investments	91,840	5,078	28,074	8,210
Gains on convertible loans	0	18,314	0	18,315
Interest from loans and investments	0	815	0	815
Dividends received	26,950	0	0	0
	118,790	24,207	28,074	27,340

	Group		Parent foundation	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
3. Received Grants				
Grants received from Novo Nordisk Fonden	436,000	411,972	436,000	411,972
Grants received from others	29,797	8,186	15,524	8,186
Other operating income	0	8,260	0	0
	465,797	428,418	451,524	420,158

Notes to the Financial Statements

	Group		Parent foundation	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
4. Staff expenses				
Wages and salaries	94,909	68,850	90,200	68,120
Pensions	8,844	6,402	8,474	6,335
Other social security expenses	1,598	850	1,543	847
Other staff expenses	5,427	3,126	5,152	3,116
	110,778	79,228	105,369	78,418
Including remuneration to the Executive Board and Board of Directors:				
Executive board	5,612	3,936	5,612	3,936
Board of directors	2,100	2,025	2,100	2,025
	7,712	5,961	7,712	5,961
Average number of employees	105	78	101	77
			Board of Directors fee, BioInnovation Institute Fonden	Total
			TDKK	TDKK
Marianne Philip			675	675
Robert Glen Urban			750	750
Hans Thalsgård Schambye			225	225
Martin Bonde			225	225
Regina Hodits			225	225
			2,100	2,100

Notes to the Financial Statements

	Group		Parent foundation	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
5. Depreciation on tangible and intangible assets				
Amortisation of intangible assets	4,539	4,539	4,539	4,539
Depreciation of property, plant and equipment	11,043	8,218	0	0
	15,582	12,757	4,539	4,539

	Group		Parent foundation	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
6. Financial income				
Interest, banks	10,027	7,860	8,358	5,999
Interest, convertible loans	8,669	25,579	9,568	24,701
Interest impairment	-8,669	-25,579	-9,568	-24,701
Exchange gains	0	8	-88	8
	10,027	7,868	8,270	6,007

	Group		Parent foundation	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
7. Financial expenses				
Other financial expenses	121	70	65	51
	121	70	65	51

Notes to the Financial Statements

	Group		Parent foundation	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
8. Income tax expense				
Current tax for the year	1,473	128	17	0
Deferred tax for the year	-4,718	-18	0	0
Adjustment of tax concerning previous years	-44	0	0	0
	-3,289	110	17	0

	Parent foundation	
	2024	2023
	TDKK	TDKK
9. Profit allocation		
Grants, net	258,327	206,275
Retained earnings	190,445	143,475
	448,772	349,750

10. Intangible fixed assets

	Group	Parent foundation
	Development projects	Development projects
	TDKK	TDKK
Cost at 1 January	33,632	33,632
Cost at 31 December	33,632	33,632
Impairment losses and amortisation at 1 January	13,617	13,617
Amortisation for the year	4,539	4,539
Impairment losses and amortisation at 31 December	18,156	18,156
Carrying amount at 31 December	15,476	15,476

Notes to the Financial Statements

11. Property, plant and equipment Group

	Equipment	Leasehold improve- ments	Assets under construction
	TDKK	TDKK	TDKK
Cost at 1 January	25,808	25,217	16,588
Additions for the year	991	3,100	29,358
Disposals for the year	-222	-905	0
Transfers for the year	13,402	0	-13,402
Cost at 31 December	<u>39,979</u>	<u>27,412</u>	<u>32,544</u>
Impairment losses and depreciation at 1 January	10,651	8,628	0
Depreciation for the year	7,706	3,337	0
Impairment losses and depreciation at 31 December	<u>18,357</u>	<u>11,965</u>	<u>0</u>
Carrying amount at 31 December	<u>21,622</u>	<u>15,447</u>	<u>32,544</u>

Parent foundation

2024	2023
TDKK	TDKK

12. Investments in subsidiaries

Cost at 1 January	208,224	175,613
Additions for the year	121,259	32,611
Cost at 31 December	<u>329,483</u>	<u>208,224</u>
Value adjustments at 1 January	-20,208	-12,408
Net profit/loss for the year	85,614	-7,800
Value adjustments at 31 December	<u>65,406</u>	<u>-20,208</u>
Carrying amount at 31 December	<u>394,889</u>	<u>188,016</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Owner- ship	Equity	Net profit/loss for the year
BII Holdings A/S	Copenhagen	100%	392,925	83,940
Deep Tech Lab A/S	Copenhagen	100%	1,964	1,674
			<u>394,889</u>	<u>85,614</u>

Notes to the Financial Statements

13. Other fixed asset investments

	Group		Parent foundation	
	Other financial investments	Convertible loans	Other financial investments	Convertible loans
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	41,756	295,260	8,500	294,510
Additions for the year	55,338	219,700	51,231	219,700
Disposals for the year	0	-61,000	-55,718	-58,000
Cost at 31 December	97,094	453,960	4,013	456,210
Revaluations at 1 January	41,380	-215,385	14,211	-215,385
Exchange adjustment	-14	0	-14	0
Revaluations for the year	60,672	-175,275	263	-175,275
Reversal for the year of revaluations of assets sold	0	45,750	-14,460	43,500
Revaluations at 31 December	102,038	-344,910	0	-347,160
Carrying amount at 31 December	199,132	109,050	4,013	109,050

The general principle applied in the selection of valuation approach maximizes the use of observable inputs and minimizes the use of unobservable inputs. Usually there is no active market for the kinds of financial investments held by the Company. By nature, uncertainties exist regarding fair value assessments of financial investments.

The primary valuation method is based on recent investment or financing rounds. If a portfolio company has carried out any recent equity investment round, and the equity investment is likely to represent a fair value, the fair value estimate is based on the subscription price obtained in the equity investment round. Differences in share classes, such as preference shares versus common shares, may necessitate a closer examination of specific valuation methods for each class to ensure accuracy. These include adjustments for liquidation preferences, participating rights, and conversion mechanisms, as well as the impact of exit bonuses, which may provide preferential payouts in a liquidity event. The valuation approach ensures that senior share classes and special rights are appropriately reflected in fair value assessment.

Significant fair value assumptions:

If no recent investment round has occurred, the fair value will be based on the application of a modelling approach.

If the company does not run an established business with an identifiable stream of continuing earnings or cash flows that are maintainable, the fair value shall be based on a pre-defined value trigger approach, by which the fair value changes.

The pre-defined value triggers include the following:

- Funding availability and product development. If the portfolio company has a greater than 6-12 months cash runway and investors are willing to finance, actively engage in discussions under CDA or can present signed term sheets, the value is maintained.
- Limited funding availability and negative product development. If the portfolio company has less than 6-12 months runway with limited fundraising possibilities and/or there are negative product developments, the value is not maintained. If one of criteria is not met, value is impaired by 50%. If both criteria are not met, value is impaired by 100%.

Notes to the Financial Statements

	Group		Parent foundation	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
14. Grants payable				
Grants payable				
beginning of the year	86,757	58,857	86,757	58,857
Grants for the year	258,327	206,361	258,327	206,361
Payments during the year	-248,390	-178,461	-248,390	-178,461
Grants payable at the end of the year	96,694	86,757	96,694	86,757

Distributions made for the year consists of grants awarded of 263 mDKK and refunds of -4,6 mDKK.

15. Contingent assets, liabilities and other financial obligations

Rental obligations amount to 357,554 TDKK. The rental agreement is non-cancellable until 30 June 2036.

The Foundation has issued a guarantee towards a third party in respect BII Holdings A/S' payment of the above-mentioned rent.

Notes to the Financial Statements

16. Related parties

Transactions

Related parties are considered the management and the Board of Directors of the Foundation, BII Holdings A/S as well as related parties to this, including members of the management.

In 2023 and 2024, the BioInnovation Institute Fonden had the following transactions with related parties

	Group		Parent foundation	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
Purchase of services from BII Holdings A/S	24,827	4,714	0	0
Sale of services to BII Holdings A/S	4,770	5,060	0	0
Sale of services to Deep Tech Lab A/S	3,344	5,079	0	0
Receivable from Deep Tech Lab A/S	0	8,370	0	0
Payables to BII Holdings A/S	104	82	0	0
Payable to BII Holdings A/S	2,337	0	0	0
Payable to Deep Tech Lab A/S	7,372	0	0	0

17. Subsequent events

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

Notes to the Financial Statements

18. Accounting policies

The Annual Report of BioInnovation Institute Fonden 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 accounting policies applied remain unchanged from last year.

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

The presentation of the income statement and balance sheet has been adjusted to be in line with the activities of a foundation.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Foundation, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Foundation, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the parent foundation BioInnovation Institute Fonden and entities controlled by the BioInnovation Institute Fonden. Control exists when the BioInnovation Institute Fonden has effective power over the entity and has the right to variable returns from the entity.

All intra-Group transactions, balances, income and expenses are eliminated in full when consolidated.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal.

Entities in which the Group directly or indirectly controls at least 20% but not more than 50% of the voting power are accounted for as associates and measured using the equity method.

The consolidated financial statements are prepared by combining items of a uniform nature and subsequently eliminating intercompany transactions, internal stockholdings and balances, and unrealized inter-company profits and losses.

Notes to the Financial Statements

Income statement

Revenue

Revenue from sale of services

Revenue from the sale of services is recognized in the income statement when delivery and transfer of risk and provided that the income can be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties.

Revenue from sale of services comprises delivery of services to customers and of mark-up on projects produced behalf of grant recipients.

Income from investment portfolio

Income from investment portfolio comprise interest from convertible loans and realized and unrealized values adjustments of convertible loans and other financial investments.

Rent income

Rent from income is recognized in the income statement when delivery of the service and transfer of risk to the tenant have take place and provided that the income can be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognized in Rent income.

Received grants

Grants are recognized in the income statement once the grant giver is obligated towards the Group. From that point of time and until the grants have been paid out, the grants are included in other receivable as a receivable. Received grants are not considered revenue, but other operating income.

Other operating income

Other operating income is recognized in the income statement once the contract party is obligated to pay. The means are disbursed by the contract party in accordance with the amounts specified in the government budget. In case where the Foundation is unable to utilize the disbursed means within a given year, the unspent amount is required to be recognized on the balance sheet as deferred income, with the intention of utilizing the funds in the following year.

Other operating income also comprises items secondary to the activities of the Group, including gains on disposal of intangible and tangible assets.

Other external expenses

Other external expenses include the year's expenses relating to the Group's core activities, including relating to distribution, sales, advertising, administration, premises bad debts, payments under operation leases, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions to the Foundation's employees, as well as other social security contributions etc. The item is net of refunds from public authorities.

Notes to the Financial Statements

Financial income and expenses

Financial income and expenses comprise interest, realized and unrealized gains and losses on transactions denominated in foreign currencies, amortization of financial liabilities as well as surcharges and refunds under the on-account tax scheme.

Tax on profit/loss for the year

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The BioInnovation Institute Fonden has the option to use section 3(4) fo the Danish Corporation Tax Act. Under these rules, the taxable income of BII Holdings A/S is considered to have been earned by BioInnovation Institute Fonden if the taxable income is distributed as a dividend to BioInnovation Institute Fonden. Since BioInnovation Institute Fonden's taxable income is regularly offset against grants for the year and /or tax provisions for future grants, no deferred tax asset or liability is recognised in respect of assets (portfolio investments) and other intangible and tangible assets owned by BioInnovation Institute Fonden and BII Holdings A/S.

Balance sheet

Intangible fixed assets

Development projects

Intangible assets comprise the development of the Biolnnovation Institute.

Development projects which are clearly defined and identifiable, where the technical rate of amortization, adequate resources and a potential future market or development potential can be established and where it is the intention to produce, market or amortize the project, are recognized as intangible assets if cost can be calculated reliably and if sufficient assurance is obtained as to the ability of future revenue to cover expenses relating to production, sale, administration and development. Other development costs are recognized in the income statement as defrayed.

Capitalized development costs are measured at the lower of cost less accumulated amortization and recoverable amount.

After completion of the development project, developments costs are amortized on a straight-line basis over the estimated use-life. The amortization period is 10 years.

Gains and losses from disposals of development projects are measured as the difference between sales price less sales costs and the carrying amount at the time of disposal. Gains and losses are recognized in the income statement as other operating income or other operating expenses.

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 year.

Property, plant and equipment

Tangible assets are measured at cost less accumulated depreciations and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

Leasehold improvements	10 years
Equipment	5 years

Notes to the Financial Statements

Depreciation is based on the residual value of the asset and is reduced by impairment losses. If any, the depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognized.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognized prospectively as a change in accounting estimates.

Gains and losses from disposals of assets are measured as the difference between sales price less sales costs and the carrying amount at the time of disposal. Gains and losses are recognized in the income statement as other operating income or other operating expenses.

Convertible loans

Convertible loans are measured at amortized cost.

Other financial investments

Other financial investments comprise securities other than convertible loans and are measured at fair value. Other financial investments are written down when there is evidence of impairment. Fair value is the price that would be received by selling the asset in an orderly transaction between market participants at the measurement date.

Differences in share classes, such as preference shares versus common shares, may necessitate a closer examination of specific valuation methods for each class to ensure accuracy. Additionally, adjustments are made based on objective criteria when available.

Investment in group companies (Parent Foundation)

Investments in group companies are measured under the equity method. In the income statement the proportional share of the result after tax is recognized.

Impairment of fixed assets

The carrying amounts of intangible assets and tangible assets is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impairment assets is reduced to the higher of the net selling price and the value in use (recoverable amount). The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from disposal of the asset or the group of assets after the end of the useful life. Previously recognized impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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.

Other fixed asset investments

Other fixed asset investments consist of deposit.

Notes to the Financial Statements

Receivables

Receivables are measured at amortized cost.

An impairment loss is recognized if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognized on an individual basis. Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Foundation's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realizable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments consists of prepaid costs related to subsequent financial years.

Equity

The Foundations base capital consists of its original base capital and following increases.

Grants payable

Grants are recognized as distribution once the Foundation is obligated towards the grant recipient. From that point of time and until the grants have been paid out, the grants are included in payables for grants as provision.

Deferred tax receivable/payable and payable

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivable/payable is computed based on the expected taxable income for the year and any adjustment for tax payable for previous years.

Short-term liabilities

Short-term liabilities are recognized at amortized cost unless specified otherwise.

Deferred income

Deferred income recognized as a liability comprises payments received concerning income in subsequent financial reporting years.

Cash Flow Statement

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

Notes to the Financial Statements

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.

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 base capital.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

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

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Equity ration	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$