

# Interim report

1 July - 31 December 2023



## Full-year guidance maintained despite continued challenging market conditions

**Rasmus Kofoed, CEO:** *“In the second quarter, we saw early signs of market conditions improving within our key market area, cell-based therapy, but the investment climate remains subdued. Our revenue therefore continued to be under pressure, as expected, declining 15% year-on-year to DKK 108.1 million. Lower sales of instruments remained a drag on revenue, whereas sales of consumables and services both showed satisfactory growth.*

*In the first half of 2023/24, our sales initiatives were maintained at a high level with the aim of identifying new customers and generating additional sales to existing customers. Furthermore, we have focused strongly on planning the roll-out of our new XcytoMatic products to wider customer groups. We are seeing growing interest in our new XcytoMatic 40 (XM40) and XcytoMatic 30 (XM30) instruments. Combined with a strong underlying business and further product launches scheduled in 2024, this makes me confident that we will see gradual progress in the second half, while at the same time creating a solid platform for growth in the coming years. We therefore maintain our full-year revenue and EBITDA guidance”.*

2023/24	Q2		Q1		H1	
	DKKm	Change, %	DKKm	Change, %	DKKm	Change, %
Revenue	108.1	-15	91.1	-20	199.3	-17
EBITDA	51.6	-36	41.5	-36	93.1	-36

### Sales and operating results

- Revenue was down 15% in the second quarter of 2023/24 to DKK 108.1 million from DKK 126.8 million in the year-earlier period. In the first half of 2023/24, revenue was down 17% to DKK 199.3 million from DKK 240.6 million in the year-earlier period.
- Sales of instruments were down 37% in the second quarter from DKK 59.6 million to DKK 37.5 million, and down 43% in the first half from DKK 108.7 million to DKK 61.8 million. Sales of instruments accounted for 31% of total revenue in the first half, compared with 45% in the year-earlier period.
- Second-quarter revenue from the sale of consumables and services was up by 5% and 7%, respectively, and for the first half, the increase was 1% and 12%, respectively. For the first half, sales of consumables and services each accounted for 45% and 23% of total revenue, compared with 37% and 17% in the year-earlier period.
- Revenue in ChemoMetec’s core business area, LCB (Life science research, Cell-based therapy and Bioprocessing), was down 21% for the second quarter and 19% for the first half. LCB market revenue accounted for 91% of total revenue in the first half.
- EBITDA for the second quarter fell by 36% to DKK 51.6 million, and the EBITDA margin was 48%, compared with 63% in the year-earlier period. EBITDA for the first half fell by 36% to DKK 93.1 million, and the EBITDA margin was 47%, compared with 60% in the year-earlier period.

- The weaker USD adversely affected both revenue and EBITDA in the first half of 2023/24. Assuming constant exchange rates, revenue was down by approximately 14% and EBITDA by approximately 32% in the first half.
- During the first half of 2023/24, our new XcytoMatic 40 (XM40) and XcytoMatic 30 (XM30) instruments enjoyed great attention and positive feedback. We still expect sales of the XM40 to grow steadily during the second half of 2023/24 and consequently to make a positive contribution to revenue for the financial year 2023/24.
- Developments in the first half were in line with expectations, and as the general market conditions are expected to remain highly uncertain, we maintain our full-year guidance for 2023/24 of revenue in the range of DKK 400-435 million and EBITDA in the range of DKK 200-220 million.

## Financial highlights

DKK'000	2023/24 H1	2022/23 H1	2022/23 FY
<b>Income statement</b>			
Revenue	199,277	240,603	442,274
EBITDA	93,080	145,241	251,030
EBIT	84,646	134,763	230,561
Net financials	4,376	1,186	-201
Profit for the period	70,556	105,423	178,667
Comprehensive income	70,103	99,985	175,904
<b>Balance sheet</b>			
Assets	593,508	556,737	657,976
Net working capital	117,256	108,245	103,856
Invested capital	287,348	263,047	264,104
Equity	498,731	457,190	533,042
Net interest-bearing debt	-226,202	-216,477	-309,411
<b>Cash flows</b>			
– from operating activities	40,814	45,753	154,146
– from investing activities	-18,468	-24,023	-40,831
– from financing activities	-106,009	-1,478	-2,925
<b>Financial ratios</b>			
EBITDA margin (%)	46.7	60.4	56.8
EBIT margin (%)	42.5	56.0	52.1
Tax rate (%)	21.4	22.5	22.4
Return on invested capital (%)	30.8	57.8	98.6
Revenue/Invested capital	0.7	0.9	1.7
Net interest-bearing debt/EBITDA	-2.4	-1.5	-1.2
Financial gearing	-0.5	-0.5	-0.6
Return on equity (%)	14.7	24.6	39.5
Average number of employees	171	162	164
<b>Per share ratios</b>			
Market price per share, end of period (DKK)	388	690	466
Earnings per share (DKK)	4.1	6.1	10.0
Book value per share (DKK)	28.7	26.3	30.6
Dividend paid per share (DKK)	6.0	-	-

The financial ratios used in the interim report are calculated for the relevant period, which means that figures have not been converted to a full-year basis.

Key figures and financial ratios are defined and calculated in accordance with "Recommendations and Financial Ratios" issued by the Danish Finance Society.

## Management's review

### Macroeconomics and market conditions

Our revenue for the first half was adversely impacted by a continued subdued investment climate. The uncertain market conditions and generally higher interest rates are still making it difficult for newly established biotech companies, in particular, to raise capital to finance their projects. Despite signs in the past quarter of improved financing opportunities and of a marginal increase in the number of clinical trials, particularly in cell and gene therapies, our customers are still showing restraint.

The high rate of inflation in 2022 pushed up the general cost level during 2023. This caused ChemoMetec's costs to rise in a number of areas, in particular staff costs and costs of raw materials and consumables, which feed through as inventories are used. ChemoMetec was also affected by the weaker USD, which was 6% lower on average in the first half of 2023/24 than in the year-earlier period. This had an adverse impact on revenue and EBITDA.

These factors are expected to prevail for the remaining part of the financial year 2023/24, as are the prospects of a subdued investment climate in our key markets.

### Sales performance

Revenue was down 15% to DKK 108.1 million in the second quarter of 2023/24 from DKK 126.8 million in the year-earlier period. For the first half, revenue was down 17% from DKK 240.6 million to DKK 199.3 million. Revenue fell in all three geographical segments due to declining sales of instruments, whilst we continued to record satisfactory growth in sales of consumables and services. Assuming constant exchange rates, revenue was down approximately 14% for the first half of 2023/24.

### Sales performance in individual product segments

Sales of instruments for the second quarter were down 37% from DKK 59.6 million to DKK 37.5 million, and for the first half they were down 43% from DKK 108.7 million to DKK 61.8 million. This development was the result of a general decline across all instrument types, although sales of a few XM40 instruments contributed positively. The NC-202 instrument generated the largest proportion of revenue, accounting for approximately 43% of total sales of instruments, against 37% in the year-earlier period.

Sales of consumables, comprising cassettes, glass counting chambers, test kits and reagents, grew by 5% in the second quarter from DKK 44.2 million to DKK 46.4 million. For the first half, sales grew by 1% to DKK 89.6 million. The growth was driven by sales of the latest cassette type, the Via2-Cassette, which rose by 7% in the first half. Revenue from consumables accounted for 45% of total revenue for the first half, compared with 37% in the year-earlier period.

Sales of services grew by 7% in the second quarter from DKK 21.9 million to DKK 23.3 million. For the first half, sales grew by 12% from DKK 41.0 million to DKK 46.0 million. Sales of services benefited from contracts entered into during the financial year 2022/23, but the growth in sales was dampened by the declining sales of instruments. Sales of services accounted for approximately 23% of total revenue for the first half, compared with 17% in the year-earlier period.

## Sales performance in individual geographical segments

Revenue breaks down into three geographical segments:

2023/24	Q2		Q1		H1	
	DKKm	Change, %	DKKm	Change, %	DKKm	Change, %
USA/Canada	60.8	-18	54.6	-18	115.4	-18
Europe	36.2	-4	28.2	-10	64.4	-7
RoW	11.2	-25	8.3	-48	19.5	-37
<b>Total revenue</b>	<b>108.1</b>	<b>-15</b>	<b>91.1</b>	<b>-20</b>	<b>199.3</b>	<b>-17</b>

### USA/Canada

In the USA/Canada region, revenue declined by 18% to DKK 60.8 million for the second quarter, and also by 18% to DKK 115.4 million for the first half of 2023/24. The revenue decline in the second quarter was attributable to a 52% fall in sales of instruments, while sales of consumables rose by approximately 13% and sales of services rose by 1%. In the first half, sales of instruments fell by 52%, as well, while sales of consumables and services rose by 3% and 7%, respectively. Revenue in the USA/Canada region accounted for 58% of total revenue for the first half, unchanged compared with the year-earlier period.

The drop in sales of instruments was due to the decline in investments in the cell-based therapy area over the recent period. Reduced sales of instruments also adversely affect sales of services due to fewer installations and new service contracts.

### Europe

Revenue in Europe declined by 4% to DKK 36.2 million for the second quarter and by 7% to DKK 64.4 million for the first half. The second quarter development was attributable to drops in sales of instruments and consumables of 10% and 8%, respectively, whereas sales of services rose by 26%. For the first half, sales of instruments fell by 23%, while sales of consumables were unchanged and sales of services rose by 32%. Revenue in Europe accounted for 32% of total revenue in the first half, against 29% in the year-earlier period.

The decline in sales was seen across all of Europe, with revenue in the most important market, the UK, declining by 7% in the first half. The European markets were generally adversely affected by the macroeconomic environment and a weak investment climate.

### Other (RoW)

Revenue in RoW declined by 25% to DKK 11.2 million for the second quarter and by 37% to DKK 19.5 million for the first half. In the first half, RoW revenue accounted for 10% of total revenue, against 13% in the year-earlier period.

The revenue performance for the second quarter and for the first half related to declines in sales of instruments of 39% and 54%, respectively. Sales of instruments accounted for 44% of revenue for the first half, compared with 61% in the year-earlier period.

China remains the single largest market in the RoW region, accounting for 28% of total revenue in RoW. In China, revenue fell by 53% in the first half. China as well of the other countries in the RoW region were similarly impacted by the macroeconomic environment.



## Sales performance in individual business areas

Revenue is broken down by the following business areas:

- Life science research, Cell-based therapy and Bioprocessing (LCB)
- Production and quality control of animal semen
- Production control of beer and quality control of milk

### ***Life science research, Cell-based therapy and Bioprocessing (the LCB market)***

In the LCB market, revenue was down by 17% to DKK 97.6 million for the second quarter and by 19% to DKK 223.7 million for the first half. The LCB market is ChemoMetec's most important business area, accounting for 91% of total revenue in the first half, against 93% in the year-earlier period.

### ***Production and quality control of animal semen***

Revenue from sales of cell counting products for semen analysis grew by 42% to DKK 8.8 million for the second quarter and by 12% to DKK 13.7 million for the first half. Semen analysis accounts for approximately 8% of total revenue.

### ***Production control of beer and quality control of milk***

Production control of beer and quality control of milk are two small business areas, which combined account for approximately 1% of revenue.

## Product development

In the past six months, ChemoMetec's development resources were directed primarily at product preparation of the XcytoMatic 40 and the Xcyto 5 and completion of the XcytoMatic 30.

### **XcytoMatic 40**

Production of the XcytoMatic 40 (XM 40) was established during the first half, and the so-called 0 series was successfully produced. Parts of the instrument's cabinet had previously presented production challenges, but these have now been solved by way of a major reconstruction of the instrument.

As the XM40 has not yet been released for sale, we have not yet launched an extensive marketing campaign for the product. Instead, we had several potential customers test the XM40 during the first half, and the product was presented at relevant exhibitions and scientific meetings. The main objective of this process was to gather relevant user feedback before the product's official release for sale. We sought information to determine whether the instrument and the concept were sufficiently robust to suit the customers' patterns of consumption and use, as well as customer feedback such as requests or other important observations about the product. In other words, we aim to identify and fix potential problems with the instrument as early as possible, before the XM40 is released for sale to a wider customer group.

In connection with the testing performed by potential customers, we received several important customer requests, mainly related to the instrument's software. We have therefore launched development activities with a view to implementing a number of software features, for example regarding FDA 21 CFR Part 11 compliance. These will be included in a new software package that is expected to be ready for release in March 2024.

So far, the XM40 has been received with great interest by potential customers, and four orders were placed during the first half and have subsequently been delivered and invoiced. This is satisfactory in view of the gradual launch strategy adopted.

Sales of the new XcytoMatic products are expected to contribute significantly to ChemoMetec's revenue in the coming years, as it is our expectation that the products will open new opportunities that will enable us to build an attractive position in the bioprocessing market.

### **XcytoMatic 30**

Finalising the development of the XcytoMatic 30 (XM30) was a priority in the first half of 2023/24. We built a number of prototypes, which are used for testing and for presentation at scientific meetings and to a small number of selected potential customers.

We expect to make a gradual roll-out of the XM30 similar to that of the XM40, but with a time lag of about six months. That will enable us to correct potential issues in collaboration with the end users.

### **Xcyto 5**

We expect the upgraded version of our image-based cell analyser Xcyto 5 to be gradually rolled out in the LCB market during the second half of the financial year 2023/24.

## **Organisation**

Co-founder of ChemoMetec, COO and Deputy Chairman of the Board of Directors, Martin Glensbjerg has decided to scale down his work commitments and pass the baton to the next generation. From 1 February 2024 until the end of 2024, he will act as Senior Advisor reporting to Rasmus Kofoed, CEO.

In that connection, Martin Helbo Behrens, Vice COO, has been appointed COO, and Bo Melholt Nielsen, Physicist & Project Manager, has been appointed Chief R&D Officer. Both will take up their new positions on 1 February 2024.

## **ESG**

During the first half of 2023/24, we focused on executing the activities set out in the ESG plan established during the second half of the financial year 2022/23. The main activities were to perform an employee engagement survey for the entire organisation and to implement our Code of Conduct.

The employee engagement survey results were very positive and above the benchmark index average. As regards the Code of Conduct, practically all employees have now completed the planned training, and the next activity in this field is the completion and implementation of a Supplier Code of Conduct.

In the coming period, we will focus on performing a double materiality assessment and establishing a platform for sustainability reporting under the EU Corporate Sustainability Reporting Directive (CSRD). ChemoMetec is required to report under the CSRD as from the financial year 2025/26.

## **Financial review**

### ***Revenue and gross profit***

ChemoMetec generated revenue of DKK 199.3 million in the first half, compared with DKK 240.6 million in the same period last year. Gross profit amounted to DKK 168.7 million for a gross margin of 84%, compared with 88% in the year-earlier period. The lower gross margin was primarily due to the effects of rising prices of raw materials and consumables and a weaker USD, which adversely affected revenue.

### ***EBITDA***

ChemoMetec reported EBITDA of DKK 93.1 million for the first half, representing a DKK 52.2 million year-on-year decrease. The 36% EBITDA decline was driven by a lower gross profit combined with rising costs, primarily staff costs. The EBITDA margin was 46.7%, against 60.4% in the year-earlier period.



Other external costs amounted to DKK 23.1 million, against DKK 22.1 million in the same period last year. The rising costs in the first half included higher travel expenses, IT costs and administrative expenses.

Staff costs were up 18% from DKK 53.6 million to DKK 63.5 million. The increase mainly related to higher salary adjustments, a larger number of employees and non-recurring effects.

EBIT for the period amounted to DKK 84.6 million, and the EBIT margin was 42%, compared with 56% in the year-earlier period.

Profit before tax for the period amounted to DKK 70.6 million, of which net financial income contributed DKK 4.4 million. Tax on the profit for the year amounted to DKK 18.5 million, for an effective tax rate of 21%.

Comprehensive income for the first half was DKK 70.1 million, a year-on-year decrease of DKK 29.9 million.

### ***Equity and balance sheet***

At the balance sheet date, total assets stood at DKK 593.5 million, of which equity amounted to DKK 498.7 million, corresponding to an equity ratio of 84% (2022/23: 81%). In the first half, ChemoMetec paid out dividend of DKK 104.4 million, or DKK 6.00 per share.

The balance sheet comprised intangible assets of DKK 87.2 million (2022/23: DKK 79.7 million), which primarily consisted of development projects in progress or completed as well as patents. Investments amounted to DKK 11.2 million for the period, against DKK 10.3 million in the same period last year.

Property, plant and equipment amounted to DKK 85.2 million (2022/23: DKK 82.7 million). The increase related to the current refurbishment of the building at Gydevang 42-44 in Allerød, adjacent to the head office.

At the balance sheet date, funds tied up in inventories and trade receivables amounted to DKK 177.6 million (2022/23: DKK 167.5 million). The increase related to inventory build-up and increased receivables from customers.

### ***Cash flows and changes in liquidity***

Cash flows from operating activities amounted to an inflow of DKK 40.8 million in the first half, compared with an inflow of DKK 48.2 million in the same period last year. The relative reduction compared with the year-earlier period was primarily due to a lower operating profit (EBIT), affected mainly by lower revenue and higher staff costs.

Investing activities produced a cash outflow of DKK 18.5 million against an outflow of DKK 24.0 million in the year-earlier period and consisted mainly in investments in the property at Gydevang 42-44 and development projects.

Cash flows from financing activities were an outflow of DKK 106.0 million, primarily due to a dividend payment of DKK 6.0 per share, totalling DKK 104.4 million.

### **IPR and licence agreements**

At the end of the first half, ChemoMetec had a total of 13 patent families, of which 80 patents had been taken out in selected countries, including 14 in the USA. ChemoMetec has invested substantial amounts and resources in patent protection of its technologies and expects to continue this strategy in future.

At the end of the first half of 2023/24, ChemoMetec had not been informed of any opposition proceedings against the company's patents.

## Risk factors

ChemoMetec's business involves a range of commercial and financial risks that may have an adverse impact on the company's future growth, activities, financial position and results of operations. ChemoMetec consistently seeks to identify these risks and, to the greatest extent possible, to counter and mitigate risks that the company is able to influence through its own actions. There have been no changes to the risk factors relative to the 2022/23 annual report.

For a more detailed description of the company's risk factors, see the relevant sections of the 2022/23 annual report.

## Guidance for 2023/24

For the coming six months, the general market conditions remain subject to significant uncertainty. We expect this uncertainty to impact investments in cell-based therapy and, not least, investments in the capital-sensitive biotech companies.

We are closely monitoring the market situation and maintain our high level of sales initiatives with the aim of identifying new customers, generating additional sales and providing effective support to existing customers. We are also very focused on planning the launch of our new XcytoMatic products, which primarily target customers in the attractive bioprocessing business segment.

During the first half of 2023/24, ChemoMetec was markedly affected by rising prices of raw materials and consumables. To address this, we adjusted our prices for all products by 5-10% at 1 January 2024 in order to protect our profitability. We expect this to have a net positive effect on both revenue and EBITDA in the coming period.

In light of the above-mentioned uncertainty and expectations of a continued subdued investment level for the remainder of the financial year in the biotech industry, including in the cell-based therapy area, we maintain our full-year 2023/24 guidance of revenue in the range of DKK 400-435 million and EBITDA in the range of DKK 200-220 million.

## Statement by Management

The Board of Directors and the Executive Management have today considered and approved the interim report of ChemoMetec A/S for the period 1 July to 31 December 2023. The company's independent auditors have not audited or reviewed the interim report.

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act. The accounting policies are consistent with those applied in the latest annual report. In addition, the interim report and the management's review have been prepared in accordance with Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets, liabilities and financial position at 31 December 2023 and of the results of the Group's operations and cash flows for the period 1 July - 31 December 2023.

Furthermore, in our opinion the management's review includes a fair review of the development and performance of the Group's business, the results for the period and the Group's overall financial position together with a description of the principal risks and uncertainties that the Group faces.

Allerød, 5 February 2024

Executive Management:

Rasmus Kofoed  
CEO

Niels Høy Nielsen  
CFO

Board of Directors:

Niels Thestrup	Martin Glensbjerg	Kristine Færch	Betina Hagerup	Peter Reich
Chairman	Vice Chairman			

## Consolidated statement of comprehensive income

DKK'000	Note	2023/24 H1	2022/23 H1	2022/23 FY
Revenue	2	199,277	240,603	442,274
Other income		520	2,054	2,127
Cost of goods sold		-31,064	-35,377	-60,359
Work carried out for own account and capitalised		10,897	13,626	27,458
<b>Gross profit</b>		<b>179,629</b>	<b>220,905</b>	<b>411,500</b>
Other external costs		-23,067	-22,100	-44,716
Staff costs	3	-63,483	-53,565	-115,754
Depreciation, amortisation and impairment		-8,434	-10,478	-20,469
<b>EBIT</b>		<b>84,646</b>	<b>134,763</b>	<b>230,561</b>
Other financial income		6,152	2,037	2,516
Financial expenses		-1,776	-851	-2,717
<b>Profit before tax</b>		<b>89,022</b>	<b>135,949</b>	<b>230,360</b>
Tax on profit for the period		-18,466	-30,526	-51,693
<b>Profit for the period</b>		<b>70,556</b>	<b>105,423</b>	<b>178,667</b>
<b>Earnings per share in DKK</b>				
Earnings per share		4.05	6.06	10.27
Diluted earnings per share		4.05	6.06	10.27
<b>Statement of comprehensive income</b>				
Profit for the period		70,556	105,423	178,667
<b>Other comprehensive income:</b>				
Foreign exchange adjustment of foreign subsidiaries		-453	-5,438	-2,763
<b>Comprehensive income for the year</b>		<b>70,103</b>	<b>99,985</b>	<b>175,904</b>

## Consolidated balance sheet

DKK'000	Note	31 December 2023	31 December 2022	30 June 2023
<b>Assets</b>				
Completed development projects		18,437	23,209	21,732
Acquired patents and licences		1,637	1,821	1,755
Development projects in progress		67,095	49,045	56,176
<b>Intangible assets</b>	4	<b>87,169</b>	<b>74,075</b>	<b>79,663</b>
Land and buildings		54,437	59,991	56,003
Plant and machinery		8,280	11,839	9,776
Other fixtures and fittings, tools and equipment		3,223	4,492	3,369
Property, plant and equipment in progress		19,233	7,714	13,537
<b>Property, plant and equipment</b>	5	<b>85,173</b>	<b>84,036</b>	<b>82,685</b>
Deferred tax		210	-	2,649
Deposits		313	323	318
<b>Financial assets</b>		<b>523</b>	<b>323</b>	<b>2,967</b>
<b>Non-current assets</b>		<b>172,865</b>	<b>158,435</b>	<b>165,315</b>
<b>Inventories</b>	6	<b>117,779</b>	<b>92,860</b>	<b>112,635</b>
Trade receivables	7	59,863	73,759	54,830
Other receivables		7,478	3,801	4,913
Prepayments		3,374	3,459	3,712
<b>Receivables</b>		<b>70,715</b>	<b>81,019</b>	<b>63,455</b>
<b>Cash</b>		<b>232,150</b>	<b>224,422</b>	<b>316,571</b>
<b>Current assets</b>		<b>420,644</b>	<b>398,301</b>	<b>492,661</b>
<b>Assets</b>		<b>593,508</b>	<b>556,737</b>	<b>657,976</b>

## Consolidated balance sheet (continued)

DKK'000	Note	31 December 2023	31 December 2022	30 June 2023
<b>Equity and liabilities</b>				
Share capital		17,402	17,402	17,402
Other reserves		481,328	439,788	515,640
<b>Equity</b>		<b>498,731</b>	<b>457,190</b>	<b>533,042</b>
Deferred tax		-	1,279	-
Other provisions	8	2,250	2,030	2,100
Lease liabilities		2,609	4,512	3,643
<b>Non-current liabilities</b>		<b>4,859</b>	<b>7,821</b>	<b>5,743</b>
Current lease liabilities		2,228	2,492	2,506
Credit institutions		1,112	941	1,011
Trade payables		11,631	12,650	17,550
Income tax		15,342	22,659	43,440
Contractual obligations		46,770	41,082	46,480
Other payables		12,837	11,902	8,204
<b>Current liabilities</b>		<b>89,919</b>	<b>91,726</b>	<b>119,191</b>
<b>Liabilities</b>		<b>94,778</b>	<b>99,547</b>	<b>124,934</b>
<b>Equity and liabilities</b>		<b>593,508</b>	<b>556,737</b>	<b>657,976</b>

Other notes 1, 9, 10, 11.



## Consolidated statement of changes in equity

DKK'000	Share capital	Translation reserve	Retained earnings	Proposed dividend	Total
<b>Equity at 1 July 2023</b>	<b>17,402</b>	<b>18</b>	<b>411,207</b>	<b>104,415</b>	<b>533,042</b>
Profit for the period	-	-	70,556	-	70,556
Foreign exchange adjustments	-	-2	-451	-	-453
<b>Comprehensive income</b>	<b>-</b>	<b>-2</b>	<b>70,106</b>		<b>70,103</b>
Dividend paid	-	-	-	-104,415	-104,415
<b>Equity at 31 December 2023</b>	<b>17,402</b>	<b>16</b>	<b>481,313</b>	<b>-</b>	<b>498,731</b>

DKK'000	Share capital	Translation reserve	Retained earnings	Proposed dividend	Total
<b>Equity at 1 July 2022</b>	<b>17,402</b>	<b>26</b>	<b>339,777</b>	<b>-</b>	<b>357,205</b>
Profit for the period	-	-	105,423	-	105,423
Foreign exchange adjustments	-	-5	-5,433	-	-5,438
<b>Comprehensive income</b>	<b>-</b>	<b>-5</b>	<b>99,990</b>		<b>99,985</b>
Dividend paid	-	-	-	-	-
<b>Equity at 31 December 2022</b>	<b>17,402</b>	<b>21</b>	<b>439,767</b>	<b>-</b>	<b>457,190</b>

## Consolidated statement of cash flows

DKK'000	2023/24 H1	2022/23 H1	2022/23 FY
<b>EBIT</b>	<b>84,646</b>	<b>134,763</b>	<b>230,561</b>
Depreciation, amortisation and impairment	8,434	10,478	20,469
Financial income received	4,310	217	2,457
Financial expenses paid	-140	-634	-1,093
Income tax paid	-43,186	-51,619	-57,749
Changes in working capital	-13,250	-44,958	-40,499
<b>Cash flow from operating activities</b>	<b>40,814</b>	<b>48,247</b>	<b>154,146</b>
Purchase, etc. of property, plant and equipment	-7,266	-13,691	-21,181
Sale of property, plant and equipment	-	-	-
Purchase, etc. of intangible assets	-11,207	-10,313	-19,635
Addition of investments	5	-21	-15
<b>Cash flow from investing activities</b>	<b>-18,468</b>	<b>-24,023</b>	<b>-40,831</b>
Debt financing:			
Lease payments	-1,313	-1,393	-2,844
Raising/repayment of debt to credit institutions	172	-84	-14
Shareholders:			
Dividend paid	-104,415	-	-
Other adjustments	-453	-	-67
<b>Cash flow from financing activities</b>	<b>-106,009</b>	<b>-1,478</b>	<b>-2,925</b>
<b>Change in cash and cash equivalents</b>	<b>-83,663</b>	<b>20,253</b>	<b>110,390</b>
Cash and cash equivalents at 1 July	316,571	209,025	209,025
Foreign exchange adjustment	-758	-4,856	-2,844
<b>Cash and cash equivalents at 31 December</b>	<b>232,150</b>	<b>224,422</b>	<b>316,571</b>
<b>Cash and cash equivalents comprise:</b>			
Cash	232,150	224,422	316,571
<b>Cash and cash equivalents at 31 December</b>	<b>232,150</b>	<b>224,422</b>	<b>316,571</b>

## Notes to the consolidated financial statements

### 1. Accounting policies

The interim report is presented in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act. The accounting policies are unchanged from those applied in the latest annual report, to which reference is made.

### 2. Segment information

The segment information has been prepared in accordance with the Group's accounting policies and is based on the Group's internal management reporting.

Based on the internal reporting used by management to assess the results of operations and allocation of resources, ChemoMetec has identified four segments: Instruments, Consumables, Services and Other, which is consistent with the way the activities are organised and managed.

Segment	Description
Instruments	Sales of instruments, licences and spare parts
Consumables	Sales of disposable cassettes, counting chambers and reagents
Services	Sales of services, including service contracts and installations
Other	Sales of measuring modules and accessories etc.

#### Revenue by product segment and geography

DKK'000	USA and Canada	Europe	Other (RoW)	2023/24 H1 Total	2022/23 H1 Total
Instruments	27,050	26,163	8,580	61,793	108,184
Consumables	53,827	25,134	10,593	89,554	88,595
Services	33,030	12,710	233	45,973	40,717
Other	1,474	382	101	1,957	3,107
<b>Total</b>	<b>115,381</b>	<b>64,389</b>	<b>19,507</b>	<b>199,277</b>	<b>240,603</b>

## 2. Segment information, continued

### Revenue by product segment and business area

DKK'000	LCB market	Production and quality control of animal semen	Production control of beer and quality control of milk	2023/24 H1 Total	2022/23 H1 Total
Instruments	57,918	2,551	1,324	61,793	108,184
Consumables	75,160	12,645	1,749	89,554	88,595
Services	45,973	-	-	45,973	40,717
Other	1,759	151	47	1,957	3,107
<b>Total</b>	<b>180,810</b>	<b>15,347</b>	<b>3,120</b>	<b>199,277</b>	<b>240,603</b>

ChemoMetec's products are sold within various business areas. The breakdown of revenue by business area is among other things based on allocation keys as customers within the various business areas may use the same consumables. Thus, the breakdown of revenue by business area is subject to uncertainty. The three most important business areas are the following:

#### Business area 1

LCB market: Life science research, Cell-based therapy and Bioprocessing (Instruments: NC-200, NC-202, NC-250, NC-3000, NC-100 family, Xcyto 5 and 10 and XcytoMatic 40).

#### Business area 2

Production and quality control of animal semen (Instrument: SP-100).

#### Business area 3

Production control of beer (Instrument: YC-100) and quality control of milk (Instruments: SCC-100 and SCC-400)

#### Information on significant customers

In the period, no single customer accounted for more than 5% of total revenue.

### 3. Staff costs

DKK'000	H1 2023	H1 2022	FY 2022/23
Payroll costs	58,125	48,942	105,914
Pensions	2,879	2,454	5,307
Other social security costs	2,479	2,169	4,533
<b>Total staff costs</b>	<b>63,483</b>	<b>53,565</b>	<b>115,754</b>
Average number of employees	171	162	164

ChemoMetec has changed the income statement presentation of staff costs incurred during the period for the production of inventories. These are now allocated to the items “staff costs” and “work carried out for own account and capitalised”, whereas previously, they were set off against staff costs. The change is made to more accurately reflect the principles of an income statement classified by type of expenditure. As a result, staff costs for the first half of 2023/24 have increased by DKK 3.8 million (H1 2022/23: DKK 8.2 million and FY 2022/23: DKK 16.1 million), and the value of work carried out for own account and capitalised (income) has correspondingly increased by DKK 3.8 million (H1 2022/23: DKK 8.2 million and FY 2022/23: DKK 16.1 million). Comparative figures for H1 2022/23 and FY 2022/23 have been restated to reflect the changed presentation. It should be noted that the changed presentation does not affect EBITDA, profit for the period or equity.

#### 4. Intangible assets

DKK'000	Completed development projects	Acquired patents and licenses	Development projects in progress
Cost at 1 July 2023	92,943	20,839	56,441
Additions	-	288	10,919
<b>Cost at 31 December 2023</b>	<b>92,943</b>	<b>21,127</b>	<b>67,360</b>
Amortisation and impairment at 1 July 2023	-71,211	-19,084	-265
Amortisation and impairment for the year	-3,295	-406	-
<b>Amortisation and impairment at 31 December 2023</b>	<b>-74,506</b>	<b>-19,490</b>	<b>-265</b>
<b>Carrying amount at 31 December 2023</b>	<b>18,437</b>	<b>1,637</b>	<b>67,095</b>

DKK'000	Completed development projects	Acquired patents and licenses	Development projects in progress
Cost at 1 July 2022	91,125	20,102	39,361
Additions	-	326	9,949
<b>Cost at 31 December 2022</b>	<b>91,125</b>	<b>20,464</b>	<b>49,310</b>
Amortisation and impairment at 1 July 2022	-64,751	-18,174	-265
Amortisation and impairment for the year	-3,165	-469	-
<b>Amortisation and impairment at 31 December 2022</b>	<b>-67,916</b>	<b>-18,643</b>	<b>-265</b>
<b>Carrying amount at 31 December 2022</b>	<b>23,209</b>	<b>1,821</b>	<b>49,045</b>

The capitalised completed development projects relate to Xcyto products, including the NC-202 and the Xcyto 5 and 10.

The capitalised development projects in progress relate to XcytoMatic, product upgrades and new applications.



## 5. Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 July 2023	69,364	48,903	23,255	13,536
Foreign exchange adjustment	-154	-	-14	-
Additions	356	64	1,150	5,696
Disposals	-	-	-	-
<b>Cost at 31 December 2023</b>	<b>69,565</b>	<b>48,967</b>	<b>24,391</b>	<b>19,233</b>
Depreciation and impairment at 1 July 2023	-13,361	-39,127	-19,886	-
Foreign exchange adjustment	89	3	11	-
Depreciation and impairment for the year	-1,856	-1,563	-1,293	-
Disposals	-	-	-	-
<b>Depreciation at 31 December 2023</b>	<b>-15,128</b>	<b>-40,687</b>	<b>-21,168</b>	<b>-</b>
<b>Carrying amount at 31 December 2023</b>	<b>54,437</b>	<b>8,280</b>	<b>3,223</b>	<b>19,233</b>

Land and buildings include right of use of leased assets in the amount of DKK 6.3 million.

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 July 2022	58,234	46,248	22,134	7,714
Foreign exchange adjustment	-164	-	-24	-
Additions	13,465	1,924	857	-
Disposals	-	-	-142	-
<b>Cost at 31 December 2022</b>	<b>71,535</b>	<b>48,172</b>	<b>22,824</b>	<b>7,714</b>
Depreciation and impairment at 1 July 2022	-9,843	-32,896	-16,809	-
Foreign exchange adjustment	87	-	15	-
Depreciation and impairment for the year	-1,788	-3,438	-1,560	-
Disposals	-	-	22	-
<b>Depreciation at 31 December 2022</b>	<b>-11,544</b>	<b>-36,334</b>	<b>-18,332</b>	<b>-</b>
<b>Carrying amount at 31 December 2022</b>	<b>59,991</b>	<b>11,839</b>	<b>4,492</b>	<b>7,714</b>

Land and buildings include right of use of leased assets in the amount of DKK 4.5 million.

## 6. Inventories

DKK'000	31 December 2023	31 December 2022	30 June 2023
Raw materials and consumables	80,910	64,843	72,638
Finished goods	36,868	28,017	39,997
	<b>117,779</b>	<b>92,860</b>	<b>112,635</b>
Indirect production costs included	3,950	5,150	5,550
Of the carrying amount, DKK 0 thousand is expected to be realised after more than 12 months.	600	-	2,500
Write-down of inventories for the period recognised in costs of raw materials and consumables	-	-	2,300

## 7. Trade receivables

DKK'000	31 December 2023	31 December 2022	30 June 2023
Trade receivables, gross	60,267	74,767	55,245
Change in expected credit loss provision:			
Provision beginning of period	415	2,419	2,419
Net addition	-25	-857	-518
Change in provision	14	-554	-1,486
Provision end of period	404	1,008	415
<b>Trade receivables, net</b>	<b>59,863</b>	<b>73,759</b>	<b>54,830</b>

Trade receivables are measured at amortised cost, usually corresponding to nominal value less expected credit losses.

Expected credit losses on trade receivables are recognised on the basis of an expected credit loss model. Expected losses are measured on the basis of historical losses and Management's expectations. Expected losses are recognised upon initial recognition of the receivable. Expected credit losses for the year are recognised in other external costs in the income statement.

## 8. Provisions

DKK'000	31 December 2023	31 December 2022	30 June 2023
Warranty provisions beginning of period	2,030	1,830	1,830
Used during the period	-405	-657	-658
Provisions for the period	625	857	928
<b>Warranty provisions end of period</b>	<b>2,250</b>	<b>2,030</b>	<b>2,100</b>

Provisions comprise expected expenses relating to warranty obligations.

## 9. Contingent liabilities

The Group was not aware of any claims or threats of claims made against the Group at the balance sheet date.

## 10. Related parties

Related parties with significant influence comprise management and shareholders holding an ownership interest of more than 20% of the share capital.

At the balance sheet date, no shareholders held an ownership interest of more than 20%.

In the first half of 2023/24, ChemoMetec had the same type and scope of related party transactions as described in the 2022/23 annual report. The transactions did not have any material impact on the interim report.

## 11. Events after the balance sheet date

No significant events have occurred after 31 December 2023 that affect the interim report.

## About ChemoMetec A/S

*ChemoMetec develops, manufactures and markets instruments for cell counting and a wide range of other measurements. ChemoMetec's instruments are marketed to the pharmaceutical, biotech and agricultural industries worldwide. ChemoMetec's customers include some of the world's leading pharmaceutical companies, such as Novartis, Novo Nordisk, H. Lundbeck, Merck, AstraZeneca and Johnson & Johnson.*

*ChemoMetec was founded in 1997 and is listed on Nasdaq OMX Copenhagen.*

*For more information, go to [www.chemometec.com](http://www.chemometec.com).*



*The English version of the Interim Report 2023/24 (1 July to 31 December 2023) is a translation of the original Danish report. The original Danish report is the governing text for all purposes, and in case of any discrepancy, the Danish wording will be applicable.*