

Interim report

1 July - 31 December 2022



15% revenue growth and DKK 145 million operating profit (+25%) for the first half following a challenging second quarter

Steen Søndergaard, CEO: *“Following a very satisfactory 2021/22 with historically high revenue and operating profit growth rates, revenue for the first half of 2022/23 unfortunately disappointed, despite 15% growth. Second quarter sales of instruments, particularly in the North American market, were challenged by a generally more subdued investment sentiment in our primary business segment, cell-based therapy. Our order intake was mainly impacted by weakened demand from capital-sensitive development companies. On the other hand, we saw continued satisfactory growth in sales of consumables and services.*

Despite the unfavourable market conditions, our earnings continued to grow. While our market is currently affected by the prevailing macroeconomic environment, we have a strong underlying business and a highly competitive product portfolio, and I am confident that the launch of our new XcytoMatic instruments will further strengthen our market position in the coming years.”

Sales and operating results

- First half revenue amounted to DKK 240.6 million, a 15% year-on-year increase. Revenue growth was evenly distributed across ChemoMetec’s regions.
- Sales of instruments were down 5%, mainly due to a decline in sales to capital-sensitive customers.
- Revenue growth was driven by higher sales of consumables and services, up 33% and 53%, respectively. Sales of consumables and services each accounted for 37% and 17% of total revenue, compared with 32% and 13% in the year-earlier period.
- Revenue in ChemoMetec’s core business area, LCB (Life science research, Cell-based therapy and Bioprocessing), increased 15% in the first half and accounted for 93% of total revenue.
- EBITDA increased 25% to DKK 145.2 million, and the EBITDA margin was 60%, compared with 55% in the year-earlier period.
- Revenue and EBITDA both benefited from a strengthened USD, which was 15% up on the year-earlier period, on average. At constant exchange rates, revenue growth was approximately 6% and EBITDA growth approximately 12%.
- ChemoMetec sold and delivered the first prototype of the new XcytoMatic 40 (XM40) instrument towards the end of October 2022. Production of the XM40 is still expected to be established during the first quarter of 2023.
- Based on the performance in the first half, and due to continued uncertainty about the global economic outlook and general market conditions, our current guidance for the 2022/23 financial year is a revenue of DKK 430-460 million, against the previous guidance of DKK 485-505 million. The guidance for EBITDA for the financial year 2022/23 is maintained at DKK 245-260 million.

Key figures and financial ratios

DKK'000	2022/23 H1	2021/22 H1	2021/22
Income statement			
Revenue	240,603	209,807	427,160
EBITDA	145,241	115,930	222,892
EBIT	134,763	106,247	202,854
Net financials	1,186	2,888	365
Net profit for the period	105,423	85,185	159,469
Comprehensive income	99,985	85,347	159,943
Balance sheet			
Assets	556,737	371,205	501,273
Net working capital	108,245	97,627	63,088
Invested capital	263,047	216,991	203,439
Equity	457,190	282,609	357,205
Net interest-bearing debt	-216,477	-108,759	-202,230
Cash flows			
- from operating activities	45,753	67,050	176,860
- from investing activities	-24,023	-41,650	-56,046
- from financing activities	-1,478	-66,191	-69,012
Financial ratios			
EBIT margin (%)	56.0	50.6	47.5
EBITDA margin (%)	60.4	55.3	52.2
Tax rate (%)	22.5	21.9	21.5
Return on invested capital (%)	57.8	59.7	118.5
Revenue/Invested capital	0.9	1.0	2.1
Net interest-bearing debt/EBITDA	-1.5	-0.9	-0.9
Financial gearing	-0.5	-0.4	-0.6
Return on equity (%)	24.6	31.2	51.4
Average number of employees	162	143	147
Per share ratios			
Market price per share, end of period (DKK)	690	833	757
Earnings per share (DKK)	6.1	4.9	9.2
Book value per share (DKK)	26.3	16.2	20.5
Dividend per share (DKK)	-	4.0	4.0

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 have been defined and calculated in accordance with "Recommendations and Financial Ratios" issued by the Danish Finance Society.

Management's review

Macroeconomic environment

In the first half, revenue on our main markets was adversely impacted by the global economic slowdown and subdued investment sentiment. Uncertain market conditions, generally rising interest rates and subdued investment sentiment have made it more difficult for newly established US biotech companies, in particular, to attract capital to finance their projects.

In addition, the high inflation pushed up the level of costs, and ChemoMetec experienced increasing expenses in a number of areas. At the same time, however, the stronger dollar, which was 15% up on the year-earlier period, on average, had a positive impact on both revenue and operating profit.

We expect the declining investment appetite and increasing inflation to continue to affect ChemoMetec's sales performance negatively for the remainder of the 2022/23 financial year.

Sales trends

Total revenue grew 15% from DKK 209.8 million to DKK 240.6 million compared with the same period last year. Evenly distributed across geographical segments, growth was primarily driven by increased sales of consumables and services. At constant exchange rates, the growth rate was approximately 6%.

Sales trends in individual product segments

Within the three product segments (instruments, consumables and services), ChemoMetec continued to achieve satisfactory growth in sales of consumables and services, up 33% and 53%, respectively. On the other hand, sales of instruments were down 5%, following a growth rate of 68% in the year-earlier period. The decline was mainly driven by a 14% drop in revenue from instruments in the North American market, made up of a 22% increase in sales of instruments in the first quarter and a 20% decrease in the second quarter.

Sales of consumables, comprising cassettes, glass counting chambers, test kits and reagents, grew from DKK 66.5 million to DKK 88.6 million. Growth in sales of consumables was evenly distributed over the first and second quarters and was mainly driven by increased sales of cassettes. Sales of the latest cassette type, the Via2-Cassette, were up 64% in the first half. Revenue from consumables accounted for 37% of total revenue, compared with 32% in the year-earlier period.

Sales of services increased from DKK 26.6 million to DKK 40.7 million in the first half. Revenue from services accounted for 17% of total revenue, compared with 13% in the year-earlier period. Service contracts are only sold to customers in the LCB market.

Sales trends in individual geographical segments

Revenue breaks down into three geographical segments:

Revenue	2022/23 H1		2021/22 H1	
	DKKm	Growth (%)	DKKm	Growth (%)
USA/Canada	140.8	16	121.8	83
Europe	68.9	13	61.1	27
Other (RoW)	30.9	15	26.8	47
Total revenue	240.6	15	209.8	58

USA/Canada

In the USA/Canada, revenue for the first half grew from DKK 121.8 million to DKK 140.8 million, corresponding to a 16% increase, compared with the record 83% growth achieved in the first half of 2021/22. Revenue in the USA/Canada region accounted for 59% of our total global revenue in the first half, against 58% in the year-earlier period. At constant exchange rates, the growth rate was 2%.

Sales of instruments declined by 14% in the first half to DKK 55.8 million, compared with a 106% increase in sales in the year-earlier period. This development was driven by declining investments in cell-based therapy, resulting in a reduced number of clinical trials. The decrease in sales of instruments is primarily due to lower sales to capital-sensitive customers.

For our two best-selling instruments, the NC-200 and the NC-202, revenue was down 8%, compared with 81% revenue growth in the same period last year.

Sales of consumables were up 47% to DKK 52.1 million from DKK 35.3 million in the year-earlier period. Sales of cassettes performed well, rising 45%.

Sales of services, including sales of service contracts and installations, rose 54% from DKK 20.0 million to DKK 30.7 million. Services accounted for 22% of total revenue in the North American market.

Europe

In Europe, revenue was up 13% in the first half, in part driven by 50% growth in sales of services. Total revenue grew from DKK 61.1 million to DKK 68.9 million, and unchanged from the year-earlier period, European revenue accounted for 29% of ChemoMetec's total revenue.

Sales of instruments grew from DKK 31.9 million to DKK 33.7 million, a 6% year-on-year increase. Our revenue in the European market was not affected by the subdued investment sentiment to the same extent as in North America, as the proportion of new sales to capital-sensitive development companies is smaller in Europe. The increase in revenue from instruments was driven by a 20% increase in sales of the NC-202. However, sales of the NC-200 were down 6%.

Sales of consumables rose 13% to DKK 25.1 million to make up 36% of European revenue, unchanged from the year-earlier period.

Revenue from sales of services was up 50% from DKK 6.4 million to DKK 9.6 million and accounted for 14% of our European revenue, against 10% in the same period last year.

The major geographical markets in Europe are the UK, Germany, France, Belgium and the Netherlands. The largest market in the region is the UK market, in which we saw 25% revenue growth in the first half.

Other (RoW)

Revenue in the RoW region in the first half was up 15% from DKK 26.8 million to DKK 30.9 million and accounted for 13% of total revenue, unchanged from the same period last year.

Sales of instruments in RoW rose 7% from DKK 17.5 million to DKK 18.7 million and accounted for 60% our total revenue in RoW.

China remains the single largest market in the RoW region, followed by Japan and South Korea. These three countries accounted for 75% of total revenue in RoW. Revenue was down 9% in China but up 21% and 57%, respectively, in Japan and South Korea.

Sales in RoW are predominantly in EUR, which remained stable during the period.

Sales trends in the 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 (LCB market)

The LCB market is ChemoMetec's most important business area, accounting for an unchanged 93% of total revenue in the first half. Revenue in the LCB market grew to DKK 223.6 million, a 15% increase. With sales of instruments decreasing 5% and sales of consumables and services increasing 36% and 53%, respectively, the product segments reflected the general sales trend.

Revenue in the LCB market by geographical segment:

Revenue	2022/23 H1		2021/22 H1	
	DKKkm	Growth (%)	DKKkm	Growth (%)
USA/Canada	131.3	15	114.0	90
Europe	64.1	15	55.8	27
Other (RoW)	28.2	13	25.0	55
LCB market	223.6	15	194.8	62

As described above, the declining sales of instruments could be ascribed to a challenging investment climate and increasingly uncertain market conditions for companies in the LCB segment, particularly in the USA.

ChemoMetec maintains a strong market position in the global cell-based therapy market and, with the launch of our coming XcytoMatic products, we expect to penetrate attractive new areas of the bioprocessing market.

Production and quality control of animal semen

Sales of cell counting products for semen analysis grew 15% in the first half to DKK 13.7 million. Semen analysis accounts for approximately 6% 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 around 1% of revenue.

Product development

In the past six months, ChemoMetec's product development primarily focused on the two XcytoMatic products as well as on product upgrades for existing instruments. We focused especially on completing the development of the XcytoMatic 30 (XM30) and on product maturing and production preparation of the XcytoMatic 40 (XM40).

Long delivery times for components and raw materials have continually hampered efforts to bring the XM40 into production. Most of the components have been delivered towards the end of the first half, however, and the training of production staff has commenced. A few components, such as certain cabinet parts, are not expected to be delivered in their final form until February-March 2023, however.

ChemoMetec sold the first XM40 instrument in late October 2022. The instrument sold was a prototype model, which will be exchanged for a completed version of the XM40 when it is available. The customer has so far operated the instrument without problems.

As mentioned in the interim report for Q1 2022/23, we expect production of the XM40 to be established in the first quarter of 2023, following which the gradual launch of the product can be initiated. A similar launch of the XM30 is expected to follow some six months after the launch of the XM40.

The XM40 targets the cell counting market, primarily within bioprocessing (pharmaceutical process development and production), and our ambition is to strengthen ChemoMetec's position in this segment going forward.

Prototype of XcytoMatic 40



The XM40 is a fully automated cell counter based on the use of a 24-sample carousel and a cuvette for flow-through measurements. The XM40 features several unique selling points. For example, it has an approximate analysis time of just 30 seconds per sample. Unlike the principal competing products on the market, the XM40 does not use the dye trypan blue, which is considered carcinogenic. The XM40 will feature another property important to a number of customers, in that the instrument is able to analyse samples with cell densities of up to 100 million cells per ml. Just a few years ago, it was considered satisfactory if a cell counter was able to analyse up to 10 million cells per ml, but advanced cell culture techniques have made it possible

to reach cell densities of up to 100 million cells per ml in the bioreactors. High cell density implies a greater production yield for the customer. As the only microscope-based cell counter on the market, the XM40 is able to analyse high-density samples without prior dilution. This eliminates a procedure for the customer and simplifies training and documentation work.

Organisation

Niels Høy Nielsen joined ChemoMetec as CFO and as a member of the Management Board in November 2022.

In December 2022, Steen Søndergaard announced his decision to resign his position as CEO of ChemoMetec. We are currently in the process of finding a new CEO, and to ensure a smooth transition, Steen Søndergaard will remain until his successor is in place.

Financial review

Revenue and gross profit

ChemoMetec generated a revenue of DKK 240.6 million in the first half, compared with DKK 209.8 million in the same period of last year. Gross profit amounted to DKK 212,7 million corresponding to a gross margin of 88%, compared with 87% in the year-earlier period. The higher gross margin was due to a changed product mix and a stronger USD, which had a positive effect on revenue.

EBITDA

ChemoMetec reported an EBITDA of DKK 145.2 million for the period, representing a DKK 29.3 million year-on-year increase. The 25% EBITDA improvement was driven by an increased gross profit combined with a limited rise in costs, including other external costs and staff costs. The EBITDA margin was 60.4%, against 55.3% in the year-earlier period.

Other external costs amounted to DKK 22.1 million, against DKK 18.0 million in the same period last year. The increase in costs in the first half was related to a higher level of activity, including increased travel expenses, higher costs of premises resulting from an expanded portfolio of properties and leased premises, as well as higher IT costs and administrative expenses.

During the first half, we revised our estimate of time consumption for in-house production of goods. This resulted in a larger proportion of staff costs being included in direct production labour costs and thus being recognised in cost of sales or capitalised as part of inventories. Staff costs were down 5% from DKK 47.7 million to DKK 45.4 million. The revised estimate had an effect of DKK 7.0 million on staff costs. The increased cost of sales reduced gross profit by approximately DKK 3.5 million and the effect of the capitalised costs on operating profit is approximately DKK +3.5 million, corresponding to an increase in the EBITDA margin of approximately 1.5 percentage points.

EBIT for the period amounted to DKK 134.8 million, and the EBIT margin was 56.0%, compared with 50.6% in the year-earlier period.

Profit before tax for the period amounted to DKK 136.0 million and was affected by net financial income of DKK 1.2 million, with DKK 1.8 million relating to positive exchange rate adjustments, mainly due to the higher average USD rate. Tax on the profit for the year amounted to DKK 30.5 million for an effective tax rate of 22.5%.

Comprehensive income for the first half was DKK 100.0 million, a year-on-year increase of DKK 14.7 million.

Equity and balance sheet

At the balance sheet date, total assets amounted to DKK 556.7 million, of which equity amounted to DKK 457.2 million, corresponding to an equity ratio of 82%. No dividend was distributed in the first half.

The balance sheet included intangible assets of DKK 74.1 million (2021/22: DKK 67.4 million), which primarily consisted of development projects in progress or completed as well as patents. Investments in these amounted to DKK 10.3 million for the period, against DKK 8.3 million in the same period last year.

Property, plant and equipment amounted to DKK 84.0 million (2021/22: DKK 74.8 million). The increase was mainly related to the purchase of the property at Frederiksborgvej 171 in Allerød at a price of DKK 8 million.

At the balance sheet date, funds tied up in inventories and trade receivables amounted to DKK 166.6 million (2020/21: DKK 132.7 million). The main reasons for this increase were inventory build-up and higher revenue.

Cash flows and cash flow performance

Cash flows from operating activities amounted to an inflow of DKK 45.8 million in the first half, compared with an inflow of DKK 67.1 million in the year-earlier period. The relative year-on-year reduction was mainly due to a tax payment relating to the 2021/22 financial year and increased inventories. Investing activities produced a cash outflow of DKK 24.0 million, against an outflow of DKK 41.7 million in the year-earlier period, and mainly comprised the investment in the property at Frederiksborgvej 171, development projects, refurbishment of buildings and investments in production and operating equipment.

IPR and licence agreements

At the end of the first half, ChemoMetec had a total of 15 patent families, of which 56 patents had been taken out in selected countries, including 15 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 2022/23, 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 can influence through its own actions. There have been no changes to the risk factors relative to the 2021/22 annual report.

For a more detailed description of the company's risk factors, see the relevant section of the 2021/22 annual report.

Guidance for 2022/23

For the coming six months, uncertainty persists about the global economic outlook and general market conditions. We expect this uncertainty to continue to impact investments in cell-based therapy, and not least investments in capital-sensitive biotech companies. Due to the current limited visibility in our markets, it is difficult to predict how long this investment slow-down will continue. In the longer term, and hopefully already during 2023, we continue to expect that we will see good progress in the development of new effective treatments within cell-based therapy – and consequently an increased demand for cell counters.

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

Based on the above-mentioned uncertainty and expectations of a continued low level of investments in biotech, including cell-based therapy, in the remaining part of the financial year, we are adjusting our revenue guidance for the 2022/23 financial year to a revenue in the range of DKK 430-460 million, against the previous guidance of DKK 485-505 million.

Our guidance for EBITDA for the financial year 2022/23 is maintained at DKK 245-260 million.

Statement by Management

The Board of Directors and the Executive Management today considered and approved the interim report of ChemoMetec A/S for the period 1 July to 31 December 2022. The company's independent auditors have not audited or reviewed the interim report.

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. In addition, the interim report and the management's review have been presented 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 2022 and of the results of the Group's operations and cash flows for the period 1 July - 31 December 2022.

Furthermore, in our opinion the management's review includes a fair review of the performance of the Group's operations and financial condition, of the net results for the period and the financial position while also describing the significant risks and uncertainties that may affect the Group.

Allerød, 8 February 2023

Executive Management:

Steen Søndergaard
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	2022/23 H1	2021/22 H1	2021/22
Revenue	240,603	209,807	427,160
Other income	2,054	-	1,231
Cost of sales	-35,377	-33,852	-55,354
Work carried out for own account and capitalised	5,445	5,737	11,216
Gross profit	212,725	181,692	384,253
Other external costs	-22,100	-18,033	-41,301
Staff costs	-45,384	-47,728	-120,060
Depreciation, amortisation and impairment	-10,478	-9,684	-20,038
EBIT	134,763	106,247	202,854
Other financial income	2,037	3,662	1,883
Financial expenses	-851	-775	-1,518
Profit before tax	135,949	109,134	203,220
Tax on profit for the period	-30,526	-23,949	-43,751
Net profit for the period	105,423	85,185	159,469
Earnings per share in DKK			
Earnings per share (EPS)	6.06	4.90	9.16
Diluted earnings per share (EPS-D)	6.06	4.90	9.16
Statement of comprehensive income			
Net profit for the period	105,423	85,185	159,469
Other comprehensive income:			
Foreign exchange adjustment of foreign subsidiaries	-5,438	162	474
Comprehensive income for the year	99,985	85,347	159,943

Consolidated balance sheet

DKK'000	Note	31 December 2022	31 December 2021	30 June 2022
Assets				
Completed development projects		23,209	29,539	26,374
Acquired patents and licences		1,821	2,100	1,928
Development projects in progress		49,045	30,927	39,096
Intangible assets	3	74,076	62,566	67,398
Land and buildings		59,991	48,457	48,392
Plant and machinery		19,552	15,029	21,066
Other fixtures and fittings, tools and equipment		4,492	6,295	5,326
Property, plant and equipment	4	84,036	69,781	74,783
Deferred tax		-	-	5,854
Deposits		323	298	303
Financial assets		323	298	6,157
Non-current assets		158,435	132,645	148,338
Inventories	5	92,860	45,588	66,790
Trade receivables	6	73,759	55,235	65,867
Other receivables		3,801	23,005	3,669
Prepayments		3,459	-	7,583
Receivables		81,019	78,240	77,119
Cash and cash equivalents		224,422	114,732	209,025
Current assets		398,301	238,560	352,935
Assets		556,737	371,205	501,273

Consolidated balance sheet

DKK'000	Note	31 December 2022	31 December 2021	30 June 2022
Equity and liabilities				
Share capital		17,402	17,402	17,402
Other reserves		439,788	265,207	339,803
Equity		457,190	282,609	357,205
Deferred tax		1,279	6,333	-
Other provisions	7	2,030	1,390	1,830
Lease liabilities		4,512	3,423	4,860
Non-current liabilities		7,821	11,146	6,690
Current lease liabilities		2,492	1,837	909
Credit institutions		941	713	1,025
Trade payables		12,650	11,505	17,023
Income tax		22,659	23,445	54,622
Contractual obligations		41,082	25,254	33,623
Other payables		11,902	14,696	30,176
Current liabilities		91,726	77,450	137,378
Liabilities		99,547	88,596	144,068
Equity and liabilities		556,737	371,205	501,273

Other notes 8, 9, 10.

Consolidated statement of changes in equity

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

DKK'000	Share capital	Translation reserve	Retained earnings	Proposed dividend	Total
Equity at 1 July 2021	17,402	4	177,961	69,610	264,977
Net profit for the period	-	-	85,185	-	85,185
Foreign exchange adjustments	-	7	155	-	162
Comprehensive income	-	7	85,340	-	85,347
Adjustment*	-	-	1,895	-	1,895
Distributed dividend	-	-	-	-69,610	-69,610
Equity at 31 December 2021	17,402	11	265,196	-	282,609

*Refund of excess dividend tax paid on treasury shares for the 2019/20 financial year.

Consolidated cash flow statement

DKK'000	2022/23 H1	2021/22 H1	2021/22
EBIT	134,763	106,247	202,854
Depreciation, amortisation and impairment	10,478	9,684	20,038
Financial income received	217	1	9
Financial expenses paid	-634	-775	-1,518
Income tax paid	-51,619	-21,492	-27,634
Changes in working capital	-44,958	-26,615	-16,890
Cash flow from operating activities	48,247	67,050	176,860
Purchase, etc. of property, plant and equipment	-13,691	-33,220	-39,101
Sale of property, plant and equipment	-	38	-
Purchase, etc. of intangible assets	-10,313	-8,342	-16,815
Addition of investments	-21	-126	-131
Cash flow from investing activities	-24,023	-41,650	-56,046
Debt financing:			
Lease payments	-1,393	-854	-1,729
Addition of lease assets	-	4,152	-
Raising/repayment of debt to credit institutions	-84	121	433
Shareholders:			
Distributed dividend	-	-69,610	-69,610
Treasury share transactions	-	-	1,895
Cash flow from financing activities	-1,478	-66,191	-69,012
Change in cash and cash equivalents	20,253	-40,791	51,802
Cash and cash equivalents beginning of period	209,025	150,109	150,109
Foreign exchange adjustment	-4,856	5,414	7,114
Cash and cash equivalents end of period	224,422	114,732	209,025
Cash and cash equivalents comprise:			
Cash	224,422	114,732	209,025
Cash and cash equivalents end of period	224,422	114,732	209,025

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.

As the Group does not use systems registering all costs by segment, the operating results by segment are calculated proportionately based on total net revenue. When the Group's management makes decisions about the allocation of resources, etc., the decisions are also based on revenue figures by segment, while the operating result is always assessed for all segments combined.

DKK'000	Revenue		Operating profit (EBIT)	
	2022/23 H1	2021/22 H1	2022/23 H1	2021/22 H1
Segment revenue and operating profit				
Instruments	108,184	114,351	60,595	57,919
Consumables	88,595	66,486	49,623	33,669
Services	40,717	26,607	22,806	13,474
Other	3,107	2,363	1,739	1,185
Total	240,603	209,807	134,763	106,247
Net financials			1,186	2,888
Profit for the period before tax			135,949	109,134

2. Segment information, continued

DKK'000	2022/23 H1	2021/22 H1
Segment assets and liabilities		
Instruments	149,276	127,098
Consumables	122,246	73,898
Services	56,182	29,573
Other	4,286	2,601
Assets not allocated	224,747	138,035
Total assets	556,737	371,205
Instruments	12,583	18,928
Consumables	10,305	10,197
Services	45,818	29,335
Other	361	360
Liabilities not allocated	30,480	29,778
Total liabilities	99,547	88,598

Revenue by product segment and geographical market

DKK'000	USA and Canada	Europe	Other (RoW)	2022/23 H1 Total	2021/22 H1 Total
Instruments	55,812	33,692	18,681	108,184	114,351
Consumables	52,105	25,085	11,405	88,595	66,486
Services	30,656	9,613	448	40,717	26,607
Other	2,188	518	400	3,107	2,363
Total	140,762	68,908	30,934	240,603	209,807

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	2022/23 H1 Total	2021/22 H1 Total
Instruments	104,984	2,030	1,170	108,184	114,351
Consumables	75,075	11,464	2,056	88,595	66,486
Services	40,717	-	-	40,717	26,607
Other	2,792	240	75	3,107	2,363
Total	223,568	13,734	3,301	240,603	209,807

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 XytoMatic 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 10% of total revenue.

3. Intangible assets

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
Cost at 31 December 2022	91,125	20,464	49,310
Amortisation and impairment at 1 July 2022	-64,751	-18,174	-265
Amortisation and impairment for the year	-3,165	-469	-
Amortisation and impairment at 31 December 2022	-67,916	-18,643	-265
Carrying amount at 31 December 2022	23,209	1,821	49,045

DKK'000	Completed development projects	Acquired patents and licenses	Development projects in progress
Cost at 1 July 2021	91,125	19,473	23,176
Additions	-	326	8,016
Cost at 31 December 2021	91,125	19,799	31,192
Amortisation and impairment at 1 July 2021	-58,421	-17,204	-265
Amortisation and impairment for the year	-3,165	-495	-
Amortisation and impairment at 31 December 2021	-61,586	-17,699	-265
Carrying amount at 31 December 2021	29,539	2,100	30,927

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 XytoMatic, product upgrades and new applications.

4. Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
Cost at 1 July 2022	58,234	53,962	22,134
Foreign exchange adjustment	-164	-	-24
Additions	13,465	1,924	857
Disposals	-	-	-142
Cost at 31 December 2022	71,535	55,886	22,824
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
Depreciation at 31 December 2022	-11,544	-36,334	-18,332
Carrying amount at 31 December 2022	59,991	19,552	4,492

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

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
Cost at 1 July 2021	30,864	38,228	19,923
Foreign exchange adjustment	148	-	39
Additions	25,325	6,450	1,445
Disposals	-	-	-38
Cost at 31 December 2021	56,337	44,678	21,369
Depreciation and impairment at 1 July 2021	-6,692	-26,536	-13,291
Foreign exchange adjustment	-64	-	-20
Depreciation and impairment for the year	-1,124	-3,113	-1,782
Disposals	-	-	19
Depreciation at 31 December 2021	-7,880	-29,649	-15,074
Carrying amount at 31 December 2021	48,457	15,029	6,295

Land and buildings include right of use of leased assets in the amount of DKK 2.2 million.

5. Inventories

DKK'000	31 December 2022	31 December 2021	30 June 2022
Raw materials and consumables	64,843	35,710	47,003
Finished goods	28,017	9,878	19,787
	92,860	45,588	66,790
Indirect production costs included	5,150	1,117	2,392
Of the carrying amount, DKK 0 thousand is expected to be realised after more than 12 months.			
Write-down of inventories for the period recognised in costs of raw materials and consumables	-	-265	1,495

6. Trade receivables

DKK'000	31 December 2022	31 December 2021	30 June 2022
Trade receivables, gross	74,767	57,444	68,286
Change in expected credit loss provision:			
Provision beginning of period	2,419	1,888	1,888
Net addition	-1,411	321	531
Provision end of period	1,008	2,209	2,419
Trade receivables, net	73,759	55,235	65,867

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.

7. Provisions

DKK'000	31 December 2022	31 December 2021	30 June 2022
Warranty provisions beginning of period	1,830	1,290	1,290
Used during the period	-657	-206	-613
Provisions for the period	857	306	1,153
Warranty provisions at 31 December 2021	2,030	1,390	1,830

Provisions comprise expected expenses relating to warranty obligations.

8. Contingent liabilities

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

9. 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 2022/23, ChemoMetec had the same type and scope of related party transactions as described in the 2021/22 annual report. The transactions did not have any material impact on the interim report.

10. Events after the balance sheet date


No significant events have occurred after 31 December 2022 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.



The English version of the Interim Report 2022/23 (1 July to 31 December 2022) 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.