

# Interim report

1 July - 31 December 2021



## Good first half with 58% revenue growth and improved EBITDA margin

ChemoMetec continued its growth trend in H1 2021/22, generating revenue of DKK 209.8 million, a 58% increase on the year-earlier period. The company recorded improvements in all regions and product segments. The North American market provided the strongest improvement, driven by continued high growth rates within cell-based therapy. EBITDA grew by 73% to DKK 115.9 million, and the EBITDA margin increased to 55.3%, compared with 50.5% in the year-earlier period.

The first half was marked by general uncertainty about the global supply situation and, to varying degrees, about the Covid-19 pandemic. These factors are not deemed to have had a noticeable negative impact on either ChemoMetec's revenue or earnings, however.

*"We're extremely pleased with the results achieved in the first half, particularly in the USA, where our business grew at its highest rate ever. We are very proud of the position we have built in the USA in the past few years – we have gained a good foothold in the largest market for the type of analytical instruments we offer. Of course, it's also worth noting that we've generated such strong growth during a period when both Covid-19 and the global supply difficulties have been on the agenda. We've so far been able to handle these challenges. In the coming period, however, our business may still be affected by developments in these areas," says Steen Søndergaard, CEO.*

### Highlights

- Revenue in the first half amounted to DKK 209.8 million, a 58% increase on the year-earlier period.
- Much of the revenue improvement was due to an 83% increase in the North American market, which now accounts for 58% of ChemoMetec's total revenue.
- Revenue in ChemoMetec's core business area, LCB (Life science research, Cell-based therapy and Bioprocessing), increased by 62% in H1 to account for 93% of the total revenue.
- The global supply situation for raw materials has not impacted ChemoMetec's ability to supply its finished products, but there are growing concerns about the future supply situation, should the global component shortage continue in 2022.
- EBITDA increased to DKK 115.9 million in H1, up by 73% from DKK 67.1 million in the year-earlier period. The EBITDA margin was 55.3%, against 50.5% in the same period last year.
- We maintain the previously announced expectation that XcytoMatic will be completed in April 2022.
- On 1 December 2021, ChemoMetec purchased the property at Gydevang 42-44 in Allerød, Denmark to secure capacity for future growth.

- On 3 January 2022, the ChemoMetec share moved from Nasdaq Copenhagen's Mid Cap segment to the Large Cap segment. ChemoMetec's market cap at 31 December 2021 was DKK 14.5 billion.
- We maintain our guidance for the 2021/22 financial year, most recently upgraded on 28 January 2022.

Steen Søndergaard  
CEO

## 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 the Nasdaq Copenhagen stock exchange.*

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

## Key figures and financial ratios

DKK'000	2021/22 H1	2020/21 H1	2020/21
<b>Income statement</b>			
Revenue	209,807	132,981	281,127
EBITDA	115,930	67,135	135,630
EBIT	106,247	57,634	116,023
Net financials	2,888	-4,284	-3,290
Profit for the period	85,185	42,278	88,354
Comprehensive income	85,347	42,245	88,330
<b>Balance sheet</b>			
Assets	371,205	288,823	344,909
Net working capital	97,627	53,539	45,658
Invested capital	216,991	127,911	138,991
Equity	282,609	218,892	264,977
Net interest-bearing debt	-108,759	-106,269	-147,751
<b>Cash flows</b>			
- from operating activities	67,050	55,596	107,901
- from investing activities	-41,650	-14,216	-24,683
- from financing activities	-66,191	-26,613	-26,037
<b>Financial ratios</b>			
EBIT margin (%)	50.6	43.3	41.3
EBITDA margin (%)	55.3	50.5	48.2
Tax rate (%)	21.9	20.8	21.6
Return on invested capital (ROIC) (%)	59.7	46.8	90.2
Revenue/Invested capital	1.0	1.0	2.0
Net interest-bearing debt/EBITDA	-0.9	-1.6	-1.1
Financial gearing	-0.4	-0.5	-0.6
Return on equity (%)	31.2	20.0	37.8
Average no. of employees (FTE)	143	121	128
<b>Share-related ratios</b>			
Market price per share end of period (DKK)	833	578	843.50
Earnings per share (DKK)	4.90	2.43	5.08
Book value per share (DKK)	16.2	12.6	15.2
Dividend paid per share (DKK)	4.00	1.50	1.50

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

### Current Covid-19 situation and global supply of raw materials

The first half of 2021/22 started with easing Covid-19-related challenges, but towards the end of the period, the situation unfortunately again took a turn for the worse with the spread of the new Omicron variant of Covid-19, giving rise to new global restrictions.

The new restrictions mainly affected the sales organisation, but as was the case under previous restrictions, ChemoMetec was able to effectively employ digital solutions. However, travel and quarantine restrictions as well as general restrictions related to arranging meetings have complicated sales to and contact with new customers and our ability to carry out service visits.

The global supply situation for raw materials has not yet impacted ChemoMetec's ability to supply finished products. ChemoMetec has sought to build substantial inventories of a number of raw materials and components, while also concluding framework agreements with key suppliers. However, lead times are growing ever longer, especially for electronic components, causing ongoing challenges in ensuring the necessary inventory build-up of certain critical components.

Despite challenges related to Covid-19 and the global supply situation, revenue performance was extremely satisfactory in the first half of 2021/22.

### Sales and marketing activities as well as sales trends in the individual geographical segments and business areas

Revenue increased by 58% to DKK 209.8 million in H1. The growth was mainly driven by an increase in sales of instruments to US cell-based therapy customers and in addition by good growth in sales of consumables and services.

Sales of analytical instruments were up by 68% from DKK 68.1 million to DKK 114.4 million in the first half. The greatest increase – by more than 200% – was seen in sales of the NC-202 analytical instrument, which was launched a couple of years ago. In addition, sales of the NC-200 also developed favorably with an 39% increase, and the NC-200 is still the product generating most revenue.

Sales of consumables, comprising cassettes, glass counting chambers, test kits and reagents, grew by 32% from DKK 50.4 million to DKK 66.5 million.

Sales of services, including service contracts, also performed satisfactorily. In the first half, sales of services amounted to DKK 26.6 million, a 108% year-on-year increase. Revenue from services now accounts for 13% of total revenue. Service contracts are only sold to customers in the LCB market and relate to the NC-200 and NC-202 instruments and, to a lesser extent, the NC-250 and NC-3000.

In the first half of 2021/22, ChemoMetec continued expanding and strengthening the sales organisation. During the period, a new sales office was established in Boston, Massachusetts. In addition to this, ChemoMetec has its US head office on Long Island, New York and a sales office in San Diego, California.

In order to secure capacity for future growth, ChemoMetec in December 2021 purchased the property at Gydevang 42-44 in Allerød, Denmark. The 4,400 square metre property has scope for expansion by a further approx. 7,000 square metres.

### Development in geographical segments

Revenue is divided into three geographical segments:

- USA/Canada
- Europe
- Other (rest of the world)

Revenue	2021/22 H1		2020/21 H1	
	DKKm	Growth (%)	DKKm	Growth (%)
USA/Canada	121.8	83	66.5	20
Europe	61.1	27	48.2	43
Other (RoW)	26.8	47	18.3	28
<b>Total revenue</b>	<b>209.8</b>	<b>58</b>	<b>133.0</b>	<b>28</b>

#### **USA/Canada**

Revenue in the USA/Canada amounted to DKK 121.8 million compared with DKK 66.5 million in the year-earlier period, an increase of 83% (H1 2020/21: 20%). This was the highest growth rate recorded in any six-month period. Revenue in the USA/Canada now accounts for 58% of total revenue globally, against 50% in 2020/21. The average USD/DKK exchange rate rose 0.8% year-on-year in the first half of 2021/22 and therefore had only a marginal effect on revenue growth. Growth in local currency (USD) was 82%.

Revenue growth in the North American market was mainly driven by instrument sales, up by 106% to DKK 65.0 million in the first half. The performance reflected a high level of activity among cell-based therapy customers – in part owing to the fact that several customers have advanced further in the development and approval process of their various new treatments.

The NC-200 is still the best-selling instrument in the USA/Canada, as demand remains high among customers who have already validated the instrument and are in the process of ramping up their cell therapy facilities. With a growth rate of more than 400%, sales of the NC-202 have also taken off in the North American market. NC-202 instruments are primarily sold to new customers in the cell therapy market.

Sales of consumables were up by 39% to DKK 35.3 million, and sales of services grew from DKK 8.5 million to DKK 20.0 million. Services under service contracts are invoiced and recognised in revenue as the services are provided.

Revenue in the LCB market, the largest business area, grew by 90%.

The average number of full-time employees in the US subsidiary in H1 2021/22 was 28.

### **Europe**

Revenue in Europe amounted to DKK 61.1 million in the first half of 2021/22 compared with DKK 48.2 million last year, a 27% year-on-year increase (H1 2020/21: 43%). Revenue in Europe accounted for 29% of total revenue globally, a drop compared with 36% in the year-earlier period. The decline was due to relative revenue growth in the first half being considerably higher in USA/Canada than in Europe, reflecting major geographical differences in the level of activity within cell-based therapy.

Instrument sales grew by 25% from DKK 25.6 million to DKK 31.9 million in the first half. The increase was primarily attributable to a 92% year-on-year increase in sales of the NC-202. For the first time, sales of the NC-202 exceeded sales of the NC-200, an indication that the NC-202 has firmly established itself as the instrument set to replace the NC-200 in the European market. Revenue from sales of instruments accounted for 52% of total European revenue in the first half.

Sales of consumables increased by 23% to DKK 22.2 million and now make up 36% of European revenue.

Revenue from sales of services was up 56% from DKK 4.1 million to DKK 6.4 million and accounted for 10% of revenue.

The major geographical markets in Europe are the UK, Germany, France, the Netherlands and Denmark. Sales to the Netherlands performed particularly well, revenue growing by 71% to DKK 6.9 million. The UK is the largest market in the region with revenue of DKK 11.9 million, up 21%. This growth rate was below average for the region, but should be seen relative to last year's growth rate of 47%.

### **Rest of world**

Revenue in the rest of the world (RoW) increased by 47% from DKK 18.3 million to DKK 26.8 million. Revenue in RoW accounted for 13% of total revenue, against 14% in the year-earlier period.

China is the largest single market in RoW, followed by Japan. Revenue in the Chinese market grew by 35% to DKK 13.0 million in H1. In Japan, revenue grew by 45% to DKK 5.4 million. Revenue performance in the other individual markets varies considerably.

Mainly settled in EUR, sales in RoW are not significantly affected by the USD/DKK exchange rate, unlike sales in the USA/Canada region.

## **Developments 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 (the LCB market)***

The LCB market is ChemoMetec's most important business area, accounting for 93% of total revenue. In the first half, revenue in the LCB market grew by DKK 194.8 million, or 62%, and sales of instruments, consumables and services grew by 71%, 35% and 108%, respectively.

### Revenue in the LCB market by geographical segment:

Revenue	2021/22 H1		2020/21 H1	
	DKKm	Growth (%)	DKKm	Growth (%)
USA/Canada	114.0	90	60.0	20
Europe	55.8	27	44.0	55
Other (RoW)	25.0	55	16.1	31
<b>LCB market</b>	<b>194.8</b>	<b>62</b>	<b>120.1</b>	<b>32</b>

As in previous years, revenue growth in the LCB market was mainly driven by increased sales to customers operating in the cell-based therapy segment. Growth in this segment is high relative to the growth rate in the LCB market generally, and ChemoMetec still holds a very favourable position in cell therapy relative to competing companies. As previously mentioned, LCB growth is highest in the North American market. This is due, among other things, to the fact that a number of cell-based therapy customers have advanced further in the development and approval process, resulting in several large orders for analytical instruments. ChemoMetec expects to receive such large orders on a regular basis, but they will not necessarily be evenly distributed over the coming quarters.

The NC-200 and the NC-202 are the main products sold to the LCB market. The latter was launched in September 2019 as an upgraded version of the NC-200. Sales of the NC-202 instruments do not yet match those of the NC-200, but the difference between the two has now narrowed to about 25%.

In the LCB market, the combined revenue from sales of the NC-200 and the NC-202 grew by 81% in the first half to DKK 87.0 million.

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

Sales of cell counting products for semen analysis grew by 20% to DKK 11.9 million in H1. Semen analysis accounts for approx. 6% of total revenue. The SP-100 instrument belonging to the NC-100 product family was launched in the 2003/04 financial year. Despite its years on the market, the instrument still holds a leading position within analysis of animal semen.

#### ***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. Revenue in these two business areas has been declining for a number of years and these areas are not considered strategically important to ChemoMetec.

### Product development

In the past six months, ChemoMetec's product development primarily focused on the XcytoMatic as well as product upgrades and new applications for existing instruments. New applications include a NC-202 assay for full blood cell counts. Moreover, substantial resources were spent on developing a new, generic software platform and new, intelligent counting algorithms intended for use in new products to support future growth.



### ***XcytoMatic***

The XcytoMatic is a fully automatic cell counter based on the Xcyto technology and use of a test carousel and a cuvette for flow-through measurements. The instrument is targeted at the cell counting market, primarily within bioprocessing (pharmaceutical process development and production), as ChemoMetec wishes to strengthen its position in this segment in the coming years. Compared with competing products, the XcytoMatic will possess a range of unique sales parameters, one of the most important of which will be a high analysis capacity.

Throughout the first half of 2021/22, the development of the XcytoMatic has been affected by the global raw materials supply situation due to significantly extended component lead times from suppliers. Generally, a development process involves testing various components in order to select the one that best meets product requirements. An example of this is the testing of various motor types, where only a small quantity of each type is purchased initially. Once the most suitable motor has been chosen, a slightly larger quantity is purchased for the production of prototypes and test productions, following which larger orders are placed for final production. In order to avoid extended/prolonged development processes, lead times from the suppliers must be short, but given the current supply situation, lead times for electronic and mechanical components are now often six to twelve months rather than a few weeks. To mitigate the effects of the long lead times, ChemoMetec has widely purchased large quantities at an earlier stage of the development process than usual but, despite this, has not been able to avoid major delays in the product development process. Further compounding the problem, the R&D department has been hard hit by staff working from home since December 2021 in connection with the spread of the Omicron variant of Covid-19. As previously announced, XcytoMatic is expected to be completed in April 2022. This expectation is maintained, assuming that the number of employees working from home due to Covid-19 will be significantly reduced in the spring and that the supply difficulties for components in the production of XcytoMatic do not become significantly worse.

### ***Development partnerships***

#### **CareDNA**

The CareDNA project continued into its second year, and ChemoMetec regularly paid costs and received a share of the grant from Innovation Fund Denmark. The purpose of the project is to develop new technologies for diagnosing pancreatic cancer. Pancreatic cancer is one of the deadliest cancers with only an 8% survival rate five years after diagnosis. The project is a collaboration between the University of Copenhagen, Herlev and Gentofte Hospital, Roche Sequencing Solutions and ChemoMetec. ChemoMetec is responsible for developing methods to detect and quantify circular DNA markers in cells, tissue and blood.

#### ***Circular Vision***

The EU has granted DKK 30 million to the Circular Vision project for the development of a technology platform that will allow extrachromosomal circular DNA (eccDNA) to be used as a tool for early diagnosis and monitoring of diseases. Ultimately, the platform is also expected to be applied as a cure for eccDNA in human cells. The objective of Circular Vision is to identify and quantify plasmid-borne markers for lung and intestinal cancers and markers for inflammatory intestinal disease. The project forms part of the Horizon 2020 programme under the “Future and Emerging Technologies Open” (FET Open) theme, which supports the development of breakthrough technology that may potentially have a huge impact on society. FET Open is a very prestigious programme, and only around 7% of applicants receive a grant. Circular Vision is a collaboration between the University of Copenhagen, Aarhus University, Herlev and Gentofte Hospital and

various universities and research units in Spain, Italy and Switzerland as well as ChemoMetec. The project was launched on 1 March 2021 and is expected to end on 31 March 2024.

## Financial review

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

ChemoMetec generated revenue of DKK 209.8 million in H1 2021/22, against DKK 133.0 million in the year-earlier period. Gross profit amounted to DKK 181.7 million for a gross margin of 86.6%. The gross margin was slightly lower than last year's 88.7%, mainly due to a changed product mix, higher raw materials prices and freight charges as well as higher production-related costs due to the revenue growth.

### ***EBITDA***

ChemoMetec reported EBITDA of DKK 115.9 million in H1, representing a DKK 48.8 million year-on-year improvement. The improvement in EBITDA, corresponding to 73%, was due to revenue growth and a higher gross profit combined with a significantly lower increase in other external and staff costs. The EBITDA margin was 55.3%, against 50.5% in the year-earlier period.

Other external costs amounted to DKK 18.0 million against DKK 10.4 million in the year-earlier period and comprised costs for sales-promoting activities, premises, IT, administration, etc. The higher costs in the first half related to the increased level of activity, including higher travel expenses, costs of premises (linked to growth in the USA), IT costs and administrative expenses.

Staff costs amounted to DKK 47.7 million, an 18% increase, which was linked to the continued expansion and strengthening of the organisation within sales, production and staff functions. The average number of full-time employees increased from 121 last year to 143 in the first half of 2021/22.

EBIT came to DKK 106.2 million in H1, against DKK 57.6 million in the year-earlier period, and the EBIT margin was 50.6% against 43.3% in the year-earlier period.

Profit before tax for the period was DKK 109.1 million and was positively affected by net financial income of DKK 2.9 million, DKK 3.7 million of which related to positive exchange rate adjustments, primarily due to the higher USD rate and increased activity in North America. Tax on the profit for the year amounted to DKK 23.9 million for an effective tax rate of 21.9%.

Comprehensive income for the first half of 2021/22 was DKK 85.3 million, an increase of DKK 43.1 million in the period.

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

At the balance sheet date, total assets amounted to DKK 371.2 million, of which equity amounted to DKK 282.6 million, corresponding to an equity ratio of 76% (2020/21: 76%). ChemoMetec paid out dividend of DKK 69.6 million in the first half, corresponding to DKK 4.00 per share.

The balance sheet includes intangible assets of DKK 62.6 million (2020/21: DKK 54.3 million), which primarily consisted of development projects in progress or completed as well as patents. Investments in these during the period amounted to DKK 8.3 million (2020/21: DKK 6.1 million).

Property, plant and equipment amounted to DKK 69.8 million (2020/21: DKK 44.9 million). The increase in property, plant and equipment was primarily attributable to the DKK 24 million purchase of the property at Gydevang 42-44 in Allerød, Denmark.

At the balance sheet date, funds tied up in inventories and trade receivables amounted to DKK 100.8 million against DKK 72.0 million at the end of the 2020/21 financial year. The increase was due to the higher level of activity.

### **Cash flow**

Cash flows from operating activities were an inflow of DKK 67.1 million in the first half, compared to an inflow of DKK 55.6 million in the year-earlier period. Investing activities produced a cash outflow of DKK 41.7 million against an outflow of DKK 14.2 million in the year-earlier period and comprised investments in the property at Gydevang 42-44, development projects, refurbishment of buildings as well as production and operating equipment. Furthermore, ChemoMetec paid out dividend of DKK 69.6 million in the period, resulting in a cash outflow from financing activities.

### **IPR and licence agreements**

At the end of the first half of 2021/22, ChemoMetec had a total of 17 patent families, of which 73 patents had been taken out in selected countries, including 16 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 2021/22, 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 compared to the 2020/21 annual report.

For a more detailed description of the company's risk factors, see the relevant section of the 2020/21 annual report.

### **Guidance for 2021/22**

Our revenue and EBITDA guidance for the financial year 2021/22 was most recently raised on 28 January 2022 (company announcement no. 218) to revenue in the DKK 385-395 million range, up from the previous guidance of DKK 370-380 million, and EBITDA in the DKK 195-200 million range, up from the previous guidance of DKK 175-180 million.

A number of factors give rise to uncertainty for the coming six months. Covid-19 continues to cause uncertainty, as does the future supply situation, should the global component shortage continue in 2022. Furthermore, upward pressure on procurement prices may squeeze earnings. ChemoMetec closely monitors developments in each of these areas and seeks to adjust its activities as much as possible to the prevailing conditions.

## 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 2021. 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 2021 and of the results of the Group's operations and cash flows for the period 1 July to 31 December 2021.

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 2022

Executive Management:

Steen Søndergaard

CEO

Board of Directors:

Niels Thestrup

Chairman

Martin Glensbjerg

Vice Chairman

Peter Reich

Kristine Færch

Betina Hagerup

## Consolidated statement of comprehensive income

DKK'000	2021/22 H1	2020/21 H1	2020/21
Revenue	209,807	132,981	281,127
Work performed by the entity and capitalised	5,737	3,612	9,547
Change in inventory of finished goods and work in progress	-15,475	-290	-5,001
Cost of goods sold	-18,377	-18,339	-32,329
<b>Gross profit</b>	<b>181,692</b>	<b>117,964</b>	<b>253,344</b>
Other external costs	-18,033	-10,410	-23,441
Staff costs	-47,728	-40,419	-94,273
<b>EBITDA</b>	<b>115,930</b>	<b>67,135</b>	<b>135,630</b>
Depreciation, amortisation and impairment	-9,684	-9,501	-19,607
<b>EBIT</b>	<b>106,247</b>	<b>57,634</b>	<b>116,023</b>
Other financial income	3,662	67	920
Financial expenses	-775	-4,351	-4,210
<b>Profit before tax</b>	<b>109,134</b>	<b>53,350</b>	<b>112,733</b>
Tax on profit for the period	-23,949	-11,072	-24,379
<b>Profit for the period</b>	<b>85,185</b>	<b>42,278</b>	<b>88,354</b>
<b>Earnings per share in DKK</b>			
Earnings per share (EPS)	4.90	2.43	5.08
Diluted earnings per share (EPS-D)	4.90	2.43	5.08
<b>Statement of comprehensive income</b>			
Profit for the period	85,185	42,278	88,354
<b>Other comprehensive income:</b>			
Foreign exchange adjustment of foreign subsidiaries	162	-33	-24
<b>Comprehensive income for the period</b>	<b>85,347</b>	<b>42,245</b>	<b>88,330</b>

## Consolidated balance sheet at 31 December 2021

DKK'000	Note	31 December 2021	31 December 2020	30 June 2021
<b>Assets</b>				
Completed development projects		29,539	29,429	32,704
Acquired patents and licences		2,100	2,438	2,269
Development projects in progress		30,927	22,464	22,911
<b>Intangible assets</b>	3	<b>62,566</b>	<b>54,331</b>	<b>57,884</b>
Land and buildings		48,457	23,867	24,172
Plant and machinery		15,029	13,747	11,692
Other fixtures and fittings, tools and equipment		6,295	7,286	6,632
<b>Property, plant and equipment</b>	4	<b>69,781</b>	<b>44,900</b>	<b>42,496</b>
Deposits		298	166	172
<b>Financial assets</b>		<b>298</b>	<b>166</b>	<b>172</b>
<b>Non-current assets</b>		<b>132,645</b>	<b>99,397</b>	<b>100,552</b>
<b>Inventories</b>	5	<b>45,588</b>	<b>25,402</b>	<b>30,113</b>
Trade receivables	6	55,235	46,639	50,644
Other receivables		23,005	7,399	12,005
Income tax		-	1,935	-
Prepayments		-	-	1,486
<b>Receivables</b>		<b>78,240</b>	<b>55,973</b>	<b>64,135</b>
<b>Cash and cash equivalents</b>		<b>114,732</b>	<b>108,051</b>	<b>150,109</b>
<b>Current assets</b>		<b>238,560</b>	<b>189,426</b>	<b>244,357</b>
<b>Assets</b>		<b>371,205</b>	<b>288,823</b>	<b>344,909</b>

## Consolidated balance sheet at 31 December 2021

DKK'000	Note	31 December 2021	31 December 2020	30 June 2021
<b>Equity and liabilities</b>				
Share capital		17,402	17,402	17,402
Other reserves		265,207	201,490	247,575
<b>Equity</b>		<b>282,609</b>	<b>218,892</b>	<b>264,977</b>
Deferred tax		6,333	22,398	5,757
Other provisions	7	1,390	1,090	1,290
Lease liabilities		3,423	751	912
<b>Non-current liabilities</b>		<b>11,146</b>	<b>24,239</b>	<b>7,959</b>
Short-term lease liabilities		1,837	620	854
Credit institutions		713	411	592
Trade payables		11,505	7,562	8,710
Income tax		23,445	1,995	21,937
Contractual obligations		25,254	14,830	18,634
Other payables		14,696	20,274	21,246
<b>Current liabilities</b>		<b>77,450</b>	<b>45,692</b>	<b>71,973</b>
<b>Liabilities</b>		<b>88,596</b>	<b>69,931</b>	<b>79,932</b>
<b>Equity and liabilities</b>		<b>371,205</b>	<b>288,823</b>	<b>344,909</b>

Other notes 8, 9, 10.

## Consolidated statement of changes in equity

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

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

DKK'000	Share capital	Translation reserve	Retained earnings	Proposed dividend	Total
<b>Equity at 1 July 2020</b>	<b>17,402</b>	<b>14</b>	<b>159,231</b>	<b>26,104</b>	<b>202,751</b>
Profit for the period	-	-	42,278	-	42,278
Foreign exchange adjustments	-	-16	-17	-	-33
<b>Comprehensive income</b>	<b>-</b>	<b>-16</b>	<b>42,261</b>	<b>-</b>	<b>42,245</b>
Distributed dividend	-	-	-	-26,104	-26,104
<b>Equity at 31 December 2020</b>	<b>17,402</b>	<b>-2</b>	<b>201,492</b>	<b>-</b>	<b>218,892</b>



## Consolidated cash flow statement

DKK'000	2021/22 H1	2020/21 H1	2020/21
<b>EBIT</b>	<b>106,247</b>	<b>57,634</b>	<b>116,023</b>
Depreciation, amortisation and impairment	9,684	9,501	19,607
Financial income	1	-	88
Financial expenses	-775	-487	-918
Income tax	-21,492	-9,406	-16,569
Changes in working capital	-26,615	-1,646	-10,330
<b>Cash flow from operating activities</b>	<b>67,050</b>	<b>55,596</b>	<b>107,901</b>
Purchase, etc. of property, plant and equipment	-33,220	-8,037	-11,249
Disposal of property, plant and equipment	38	-	-
Purchase, etc. of intangible assets	-8,342	-6,125	-13,373
Addition of investments	-126	-54	-61
<b>Cash flow from investing activities</b>	<b>-41,650</b>	<b>-14,216</b>	<b>-24,683</b>
Debt financing:			
Lease payments	-854	-496	-854
Addition of lease assets	4,152	-	753
Repayment to mortgage credit institutions	-	-	-
Raising/repayment of debt to credit institutions	121	-13	168
Shareholders:			
Distributed dividend	-69,610	-26,104	-26,104
Treasury share transactions	-	-	-
<b>Cash flow from financing activities</b>	<b>-66,191</b>	<b>-26,613</b>	<b>-26,037</b>
<b>Change in cash and cash equivalents</b>	<b>-40,791</b>	<b>14,767</b>	<b>57,181</b>
Cash and cash equivalents beginning of period	150,109	96,941	96,941
Foreign exchange adjustment	5,414	-3,657	-4,013
<b>Cash and cash equivalents end of period</b>	<b>114,732</b>	<b>108,051</b>	<b>150,109</b>
<b>Cash and cash equivalents composed as follows:</b>			
Cash	114,732	108,051	150,109
<b>Cash and cash equivalents end of period</b>	<b>114,732</b>	<b>108,051</b>	<b>150,109</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.

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	
	2021/22 H1	2020/21 H1*	2021/22 H1	2020/21 H1*
<b>Segment revenue and operating profit</b>				
Instruments	114,351	68,148	57,919	29,594
Consumables	66,486	50,429	33,669	21,899
Services	26,607	12,799	13,474	5,558
Other	2,363	1,605	1,185	583
<b>Total</b>	<b>209,807</b>	<b>132,981</b>	<b>106,247</b>	<b>57,634</b>
Net financials			2,888	-4,284
<b>Profit for the period before tax</b>			<b>109,134</b>	<b>53,350</b>

\*Comparative figures have been restated using the methodology applied in the 2020/2021 Annual Report (see p. 67). Accordingly, Installations have been reclassified from "Other" to "Services", and licences and spare parts have been reclassified from "Other" to "Instruments".

## 2. Segment information, continued

DKK'000	2021/22 H1	2020/21 H1
<b>Segment assets and liabilities</b>		
Instruments	127,098	82,904
Consumables	73,898	64,854
Services	29,573	16,030
Other	2,601	7,484
Assets not allocated	138,035	117,551
<b>Total assets</b>	<b>371,205</b>	<b>288,823</b>
<b>Liabilities</b>		
Instruments	18,928	15,426
Consumables	10,197	11,215
Services	29,335	17,602
Other	360	1,295
Liabilities not allocated	29,778	24,393
<b>Total liabilities</b>	<b>88,598</b>	<b>69,931</b>

### Revenue by product segment and geographical market

DKK'000	USA/ Canada	Europe	Other (RoW)	2021/22 H1 Total	2020/21 H1 Total*
Instruments	64,988	31,896	17,467	114,351	68,147
Consumables	35,334	22,205	8,947	66,486	50,429
Services	19,970	6,393	244	26,607	12,799
Other	1,553	643	167	2,363	1,605
<b>Total</b>	<b>121,845</b>	<b>61,137</b>	<b>26,825</b>	<b>209,807</b>	<b>132,981</b>

\*Comparative figures have been restated using the methodology applied in the 2020/2021 Annual Report (see p. 67). Accordingly, Installations have been reclassified from "Other" to "Services", and licences and spare parts have been reclassified from "Other" to "Instruments".

## 2. Segment information, continued

### Revenue by business area

DKK'000	LCB market	Production and quality control of animal semen	Production control of beer and quality control of milk	2021/22 H1 Total	2020/21 H1 Total*
Instruments	110,950	2,251	1,150	114,351	68,147
Consumables	55,148	9,481	1,857	66,486	50,429
Services	26,607	-	-	26,607	12,799
Other	2,127	177	59	2,363	1,605
<b>Total</b>	<b>194,832</b>	<b>11,909</b>	<b>3,066</b>	<b>209,807</b>	<b>132,981</b>

\*Comparative figures have been restated using the methodology applied in the 2020/2021 Annual Report (see p. 67). Accordingly, Installations have been reclassified from "Other" to "Services", and licences and spare parts have been reclassified from "Other" to "Instruments".

ChemoMetec's products are sold within various business areas that may vary over time. 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 and Xcyto 5 and 10).

#### 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 2021	91,125	19,473	23,176
Additions	-	326	8,016
<b>Cost at 31 December 2021</b>	<b>91,125</b>	<b>19,799</b>	<b>31,192</b>
Amortisation and impairment at 1 July 2021	-58,421	-17,204	-265
Amortisation and impairment for the year	-3,165	-495	-
<b>Amortisation and impairment at 31 December 2021</b>	<b>-61,586</b>	<b>-17,699</b>	<b>-265</b>
<b>Carrying amount at 31 December 2021</b>	<b>29,539</b>	<b>2,100</b>	<b>30,927</b>

DKK'000	Completed development projects	Acquired patents and licenses	Development projects in progress
Cost at 1 July 2020	81,291	18,912	20,198
Additions	3,642	217	2,266
<b>Cost at 31 December 2020</b>	<b>84,933</b>	<b>19,129</b>	<b>22,464</b>
Amortisation and impairment at 1 July 2020	-52,893	-16,125	-
Amortisation and impairment for the year	-2,611	-566	-
<b>Amortisation and impairment at 31 December 2020</b>	<b>-55,504</b>	<b>-16,691</b>	<b>-</b>
<b>Carrying amount at 31 December 2020</b>	<b>29,429</b>	<b>2,438</b>	<b>22,464</b>

Of the recognised completed development projects, DKK 29.5 million is attributable to Xcyto products, including the NC-202 and Xcyto 5 and 10 (H1 2020/21: DKK 29.4 million).

Of the recognised development projects in progress, DKK 30.9 million is attributable to XcytoMatic, product upgrades and new applications (H1 2020/21: DKK 22.5 million).

#### 4. Property, plant and equipment

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
<b>Cost at 31 December 2021</b>	<b>56,337</b>	<b>44,678</b>	<b>21,369</b>
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
<b>Depreciation at 31 December 2021</b>	<b>-7,880</b>	<b>-29,649</b>	<b>-15,074</b>
<b>Carrying amount at 31 December 2021</b>	<b>48,457</b>	<b>15,029</b>	<b>6,295</b>

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

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
Cost at 1 July 2020	25,610	35,815	18,051
Foreign exchange adjustment	-224	-	-230
Additions	4,148	1,671	2,218
Disposals	-900	-	-8
<b>Cost at 31 December 2020</b>	<b>28,634</b>	<b>37,486</b>	<b>20,031</b>
Depreciation and impairment at 1 July 2020	-3,637	-21,185	-11,293
Foreign exchange adjustment	61	-	206
Depreciation and impairment for the year	-2,091	-2,554	-1,666
Disposals	900	-	8
<b>Depreciation and impairment at 31 December 2020</b>	<b>-4,767</b>	<b>-23,739</b>	<b>-12,745</b>
<b>Carrying amount at 31 December 2020</b>	<b>23,867</b>	<b>13,747</b>	<b>7,286</b>

Land and buildings include right of use of leased assets in the amount of DKK 1.4 million.

## 5. Inventories

DKK'000	31 December 2021	31 December 2020	30 June 2021
Raw materials and consumables	35,710	19,896	24,628
Finished goods	9,878	5,506	5,485
	<b>45,588</b>	<b>25,402</b>	<b>30,113</b>
Indirect production costs included	1,117	1,106	1,003
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	304	803

## 6. Trade receivables

DKK'000	31 December 2021	31 December 2020	30 June 2021
Trade receivables, gross	57,444	48,037	52,532
Change in expected credit loss provision:			
Provision beginning of period	1,888	1,710	1,710
Net addition	321	-312	178
Provision end of period	2,209	1,398	1,888
<b>Trade receivables, net</b>	<b>55,235</b>	<b>46,639</b>	<b>50,644</b>

Other 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 2021	31 December 2020	30 June 2021
Warranty provisions beginning of period	1,290	1,070	1,070
Used during the period	-206	-302	-507
Provisions for the period	306	322	727
<b>Warranty provisions at 31 December 2021</b>	<b>1,390</b>	<b>1,090</b>	<b>1,290</b>

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%.

On 18 November 2021, (Company announcement no. 215) ChemoMetec Holding A/S distributed a total of 1,616,100 shares in three equal parts to each of the three owner companies of ChemoMetec Holding A/S. Each of the three owner companies received 538,700 shares, corresponding to 3.10% of the share capital and voting rights in ChemoMetec A/S. After the distribution, ChemoMetec Holding A/S holds 183,900 shares, corresponding to 1.06% of the share capital and voting rights in ChemoMetec A/S.

In the first half of 2021/22, ChemoMetec had the same type and scope of related party transactions as described in the 2020/21 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 2021 that affect the interim report.





*The English version of the Interim Report 2021/22 (1 July to 31 December 2021) 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.*