Interim report

1 July - 31 December 2020

ChemoMetec A/S | Gydevang 43 | DK-3450 Allerød | CVR no. 19 82 81 31

Good first half year with strong revenue growth and improved EBITDA margin

ChemoMetec generated revenue of DKK 133.0 million in H1 2020/21, a 28% increase on the year-earlier period. EBITDA grew by 53% to DKK 67.1 million, and the EBITDA margin was improved to 51%.

In the first half year, ChemoMetec was still affected by COVID-19, including the increasing spread of the virus towards the end of the period and the introduction of extensive restrictions in many European and Asian markets as well as in the USA. In addition to COVID-19 and the resulting consequences, our markets and customers were also marked by uncertainty due to the US election and Brexit in the first half year, just like the falling USD exchange rate had a negative impact on both revenue and earnings.

In spite of this, ChemoMetec generated strong growth and progress in all important markets – a growth driven by increasing volumes, including an increasing number of instruments, consumables and not least service contracts sold.

"In light of the very special situation in all our markets due to COVID-19, we are very satisfied with the results achieved in the first half year. We have made extensive efforts to adapt to the new reality across the organisation, and we managed to maintain all significant functions and serve our customers online. This meant that we maintained strong growth in all our important markets – among other things, due to good performance in sales of our latest cell counter, the NucleoCounter NC-202 (NC-202), as well as service contracts. However, sending home many employees within product development and difficulties in conducting external tests delayed the development of our coming cell counter, the XcytoMatic, and the expected launch is now postponed to the first half year of 2021/22. In the meantime, we are confident that our existing products will ensure sustained strong growth", says Steen Søndergaard, CEO.

Highlights

- Revenue amounted to DKK 133.0 million in H1 2020/21, a 28% increase on the year-earlier period.
- Growth in all important markets – especially the European market developed favourably and recorded growth of 43%. Growth in the USA/Canada was 20% (25% measured in USD), while the other markets grew by 28%, mainly driven by China.
- Sales of analytical instruments were up by 19% in H1, while sales of consumables grew by 20%.
- Revenue from service contracts increased from DKK 2.3 million to DKK 12.4 million. Overall, ChemoMetec has approximately 700 active service contracts, approximately 230 of which were sold in H1.
- Revenue in ChemoMetec's core business area, LCP, increased by 32% in H1 and accounted for 90% of the total revenue.
- EBITDA increased to DKK 67.1 million in H1, up from DKK 43.8 million in the year-earlier period, corresponding to an increase of 53%. At the same time, the EBITDA margin was improved from 42% to 51%.
- Sales of the latest NC-202 analytical instrument, which was launched in the 2019/20 financial year, are developing according to plan and contributed significantly to the revenue growth. ChemoMetec sold 85 NC-202 instruments in the first half year.

- ChemoMetec now expects to complete the development of the new XcytoMatic instrument during the first half year of 2021/22. The development of the XcytoMatic has been delayed due to COVID-19-related restrictions.
- The most recent guidance released on 14 December 2020 is maintained.

Steen Søndergaard
CEO

About ChemoMetec A/S

ChemoMetec develops, manufactures and markets analytical instruments for cell counting and a wide range of other measurements. ChemoMetec's analytical instruments are marketed to the pharmaceutical industry, biotech and agriculture worldwide. ChemoMetec's customers comprise some of the world's leading pharmaceutical companies, including 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.

Financial highlights

DKK 1,000	H1 2020/21	H1 2019/20	2019/20
Income statement			
Revenue	**132,981**	103,599	214,101
Operating profit before amortisation and depreciation (EBITDA)	**67,135**	43,752	92,610
Operating profit (EBIT)	**57,634**	36,433	77,470
Net financials	**-4,284**	-488	-1,547
Net profit for the period	**42,278**	27,454	59,163
Comprehensive income for the period	**42,245**	27,457	59,166
Balance sheet			
Assets	**288,823**	442,895	263,116
Net working capital	**53,539**	43,235	35,108
Invested capital	**127,911**	111,451	118,357
Equity	**218,892**	397,274	202,751
Net interest-bearing debt	**-106,269**	-288,311	-94,650
Cash flows			
- cash flow from operating activities	**55,596**	24,951	72,016
- cash flow from investing activities	**-14,216**	-12,825	-26,605
- cash flow from financing activities	**-26,613**	180,692	-46,260
Key figures and ratios			
Profit margin (EBIT margin) (%)	**43.3**	35.2	36.2
EBITDA margin (%)	**50.5**	42.2	43.3
Tax rate (%)	**20.8**	23.6	22.1
Return on invested capital (ROIC), (%)	**46.8**	34.4	70.9
Revenue/Invested capital	**1.0**	0.9	1.8
Net interest-bearing debt/EBITDA	**-1.6**	-6.6	-1.0
Financial gearing	**-0.5**	-0.7	-0.5
Return on equity (%)	**20.0**	9.6	31.5
Average number of employees (FTE)	**121**	97	102
Share related ratios			
Market price per share (DKK)	**578**	205	315
Earnings per share (DKK)	**2.43**	1.68	3.51
Equity value per share (DKK)	**12.6**	22.8	11.7
Dividend per share (DKK)	**1.50**	-	20.50

Financial ratios used in interim reports are calculated for the relevant period, which means that conversion to a full-year basis has not been made.

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

COVID-19 situation

COVID-19 affects ChemoMetec in various ways. Due to the risk of infection and the restrictions, ChemoMetec has adapted its sales and marketing efforts to the new market conditions and at the same time, carrying out service has been challenged for periods of time. High priority is given to protecting the employees from the risk of infection and at the same time maintaining a continuous production of instruments and consumables – high reliability of delivery is crucial to the customers. On the product development side, the development work related to the new cell counter, the XcytoMatic, was affected by delays as a result of sending home employees and difficulties in conducting external tests.

In the first half of 2020/21, revenue performance was satisfactory despite COVID-19. However, it is not possible to determine the effect of COVID-19 on revenue as the pandemic has both positive effects such as increased sales to some customers, and negative effects such as caution among other customers. It is a fact, though, that the market conditions under COVID-19 remain marked by general uncertainty.

The sales organisation has implemented the use of digital solutions successfully and efficiently. However, travel and quarantine restrictions as well as general restrictions related to arranging meetings complicate sales to new customers as well as the possibilities of carrying out service visits. As a result, additional resources were allocated to digitalising sales and marketing as well as the planning and performance of service inspections. Overall, ChemoMetec has generated substantial cost savings due to very low costs of travel activity.

ChemoMetec handles the production of all instruments. A large number of sub-suppliers are used for the manufacture of for instance circuit boards, but controlling, assembly, alignment and quality control are carried out at the company's facilities in Allerød. Within consumables, the production of cassettes is most important. The plastic parts used in the production of cassettes are supplied by a Danish injection moulding business, whereas the assembly of cassettes takes place at the company's facilities in Allerød. ChemoMetec has introduced a number of measures to limit the risk of infection among its employees, while at the same time maintaining continuous production. The measures comprise several initiatives, such as sending home employees, introduction of additional work shifts, and increasing raw material stocks when deemed appropriate.

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

Revenue growth in the first half year was driven by higher volume and not least sales of the NC-202 and service contracts. However, the growth rate was adversely impacted by the falling USD rate.

In the first half year, ChemoMetec continued expanding and strengthening the sales organisation and completed a restructuring of the European sales set-up in the first quarter as well. The average number of full-time employees in sales and marketing was increased by around 11 in the period, and a new sales office was established in San Diego, California. ChemoMetec's US head office will remain located on Long Island, New York.

Sales of analytical instruments grew by 19% to DKK 64.4 million in H1, and a total of 489 instruments were sold, up from 366 in the year-earlier period.

Launched in the 2019/20 financial year, the NC-202 contributed to the positive performance by 85 instruments sold, up from 1 instrument in the first half of 2019/20 and 47 instruments in the 2019/20 full year.

In the first half year, the overall average price of an instrument was approximately 10% lower than in the year-earlier period. Several factors affect the average price of an instrument. Foreign exchange movements are an important factor, and particularly developments in the USD exchange rate had a significant effect as around 50% of the company's revenue is settled in USD. Another factor affecting the average price of an instrument is the sales of new service contracts as ChemoMetec sometimes offers customers a discount if they also buy a service contract for the instrument. In addition, the product mix will obviously affect the average price of instruments as the prices of the various types of instruments vary greatly. Lastly, the average prices are impacted by systematic discounts given to distributors and a few large customers.

Sales of consumables, comprising disposable cassettes, glass slides, test kits, reagents and solutions, grew by 20% to DKK 50.4 million. In the first half year, 2.8 million disposable cassettes were sold, up from 2.3 million in the year-earlier period.

Sales of service contracts in the first half year were highly satisfactory. Around 230 new service contracts were sold, thus ChemoMetec now has approximately 700 active service contracts. At DKK 12.4 million, sales of service contracts accounted for 9% of total revenue. Early experience from the annual renewal of service contracts shows a 95% renewal rate. Service contracts are only sold to customers in the LCP market and for the NC-200 and NC-202 instruments, and to a lesser extent the NC-3000.

Development in geographical segments

Sales are organised in three regions:

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

Revenue by geographical segment:

	H1 2020/21		H1 2019/20	
Revenue	**DKKm**	**Growth (%)**	**DKKm**	**Growth (%)**
USA/Canada	**66.5**	20	55.6	34
Europe	**48.2**	43	33.8	19
Other (ROW)	**18.3**	28	14.2	15
Total revenue	**133.0**	28	**103.6**	**26**

USA/Canada

Revenue in the USA/Canada amounted to DKK 66.5 million, a 20% increase compared with DKK 55.6 million and 34% in the year-earlier period. Revenue in the USA/Canada accounted for 50% of total revenue globally, against 54% in the year-earlier period. Growth in local currency (USD) was 25%. The USD exchange rate (USD/DKK) fell approximately 9% during the period.

ChemoMetec sold more instruments in the first half year, but revenue from sales of instruments, DKK 29.2 million, was slightly lower relative to the same period of last year as the average price of instruments declined, see the above section.

Sales of consumables were up by 15% to DKK 25.4 million, driven by an increase in the number of cassettes and test kits sold.

Sales of service contracts now account for 13% of revenue in the USA/Canada, corresponding to DKK 8.5 million against DKK 2.0 million in the year-earlier period.

Revenue in the LCP market, the main business area, grew by 19%.

The number of employees in the US subsidiary rose from 20 to 26 during the first half year.

Europe

Revenue in Europe amounted to DKK 48.2 million, a 43% increase compared with DKK 33.8 million and 19% in the year-earlier period. Revenue in Europe accounted for 36% of total revenue, against 33% in the year-earlier period.

Revenue from sales of instruments grew by 50% to DKK 24.3 million, primarily driven by a significant increase in sales of the NC-202.

Sales of consumables increased by 27% to DKK 18.0 million, also driven by a higher volume.

Sales of service contracts accounted for 8% of revenue, corresponding to DKK 3.8 million against DKK 0.3 million in the year-earlier period.

The major geographical markets in Europe are the UK, France, Germany, Denmark and the Netherlands. There was a particularly positive trend in sales to France with revenue of DKK 7.1 million, or a 63% increase. Likewise, sales to the UK were satisfactory with a 47% increase, corresponding to DKK 9.9 million.

The improvement in Europe was especially driven by the LCP market, where revenue was up by 55%.

Other countries

Revenue in the rest of the world ("Other countries") grew by 28% from DKK 14.2 million to DKK 18.3 million. Revenue in the other markets accounted for 14% of total revenue, which was more or less unchanged relative to the year-earlier period.

China is the largest single market in "Other countries", followed by Japan. Revenue in the Chinese market was up by 117% to DKK 9.7 million in H1. In Japan, revenue grew by 33% to DKK 3.7 million. Revenue performance in the other individual markets varies considerably, but overall a decline was seen in these countries.

Sales in "Other countries" are mainly settled in Euro and therefore not affected by the falling USD exchange rate to the same extent as the USA/Canada.

Development in the individual business areas

Revenue is divided into the following business areas:

- Life Science Research, Cell-based Therapy and Pharmaceutical Process and Quality Control (LCP market)
- Production and quality control of animal semen
- Production control of beer and quality control of milk

The LCP business area accounts for 90% of total revenue, semen analysis for 8%, while the other business areas, beer and milk together account for 2%.

Life Science Research, Cell-based Therapy and Pharmaceutical Process and Quality Control (LCP market)

The LCP market is ChemoMetec's most important business area, accounting for more than 90% of total revenue. Relative to the year-earlier period, revenue in the LCP market grew by 32% equivalent to DKK 119.8 million. The improvement was composed of an increase in sales of instruments and sales of consumables of 18% and 24%, respectively, while sales of service contracts grew by 450% to DKK 12.4 million, but from a low starting point.

Revenue in the LCP market by geographical segment:

Revenue	H1 2020/21 DKKm	H1 2020/21 Growth (%)	H1 2019/20 DKKm	H1 2019/20 Growth (%)
USA/Canada	**59.8**	19	50.1	37
Europe	**43.9**	55	28.4	17
Other (ROW)	**16.1**	31	12.3	17
LCP market	**119.8**	32	**90.8**	**27**

As in previous years, sales in the LCP market are primarily driven by substantial market growth within cell-based therapy – an area in which ChemoMetec still holds a very favourable position relative to competing players.

The NC-200 and the NC-202 are the main products in the LCP market. The latter was launched in September 2019. Thus, NC-202 is ChemoMetec's latest instrument based on the Xcyto technology. Reduced time of analysis and improved counting algorithms are some of the unique features of the NC-202. The NC-202 is sold to both new and existing customers. In the first half year, ChemoMetec sold 85 instruments, of which 30 instruments were sold in the first quarter and 55 in the second quarter. By way of comparison, 47 instruments were sold during the entire 2019/20 financial year.

Sales of the NC-200 increased by 24 units in the first half year. The NC-200 will still be marketed and sold for a number of years, both for the good of existing customers and to be able to offer new customers a lower price alternative to the NC-202.

Overall, revenue from sales of the NC-200 and the NC-202 rose by 23% in the half year, corresponding to DKK 48.0 million. Revenue related to the NC-200 and the NC-202, including consumables and service contracts, amounted to DKK 93.0 million.

Towards the end of the 2018/19 financial year, ChemoMetec introduced service contracts, comprising support, extended guarantee and on-site validation of the instrument. The service contracts are primarily directed at the NC-200 and the NC-202 and to a lesser extent other instruments within the LCP market. The service contracts have a duration of one year, and experience so far shows that around 95% of the service contracts are renewed before they expire. Service contracts are offered both in connection with new sales of NC-200 and NC-202 instruments and to existing customers.

Overview – service contracts:

	H1 2020/21	H1 2019/20	2018/19
Sold service contracts (units)	**231**	463	31
Active service contracts (units)	**702**	494	31

Invoiced sales of service contracts are recognised in revenue on an ongoing basis upon delivery of the service. At DKK 12.4 million in H1, revenue from service contracts accounted for 9% of total revenue.

Production and quality control of animal semen

Sales of cell counting products for semen analysis grew by 13% to DKK 10.2 million in H1. Semen analysis accounts for 8% of total revenue. The SP-100 instrument belonging to the NC-100 product family was launched in the 2003/04 financial year. Despite its age, 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 2% of revenue. Revenue in these two business areas has been declining for a number of years and they are not considered strategically important to ChemoMetec.

Product development

In the past half year, ChemoMetec's product development primarily focused on the XcytoMatic as well as product upgrades and new applications for existing instruments. New applications comprise, among other things, two NC-202 assays for counting yeast and microcarrier cultures. Counting of yeast cultures is relevant within several business areas. Moreover, substantial resources were spent on developing a new software platform intended for both existing and 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 pharmaceutical process development and production. Compared with competing products, the XcytoMatic will possess a range of unique sales parameters, and one of the most important will be a significantly higher analysis capacity.

Since the COVID-19 outbreak in March 2020, the development of the XcytoMatic has been affected by reduced activity in the R&D department due to sending home several employees. Most recently, many employees of the R&D department have been temporarily sent home since early December 2020. Naturally, this has complicated the project work as well as the conduct of field tests, where functional models and prototypes are tested externally in collaboration with potential customers. The difficulties involved in conducting external tests and interacting with potential customers are expected to continue in the period ahead and cause further delays in the original project plans. ChemoMetec now expects to complete the development of the XcytoMatic during the first half year of 2021/22.

Development partnerships

CareDNA

The CareDNA project continued in the first half year where 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. The project is headed by Birgitte Regenberg, Associate Professor at the Department of Biology at the University of Copenhagen.

ChemoMetec is responsible for developing methods to detect and quantify circular DNA markers in cells and tissue.

Circular Vision

The EU has granted DKK 30 million to the Circular Vision project that will develop a technology platform that will allow extrachromosomal circular DNA (eccDNA) to be used as a tool for early diagnosis, sensitive monitoring and ultimately cure diseases related to eccDNA. The project forms part of the Horizon 2020 programme and is a Future and Emerging Technologies Open (FET Open), supporting 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 the 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 is expected to start on 1 April 2021 and end on 31 March 2024.

Financial review

Revenue and gross profit
ChemoMetec generated revenue of DKK 133.0 million in H1 2020/21, against DKK 103.4 million in the year-earlier period. Gross profit amounted to DKK 118.0 million, corresponding to a gross margin of 89%. The gross margin is on level with the year before.

Operating profit before amortisation and depreciation (EBITDA)
ChemoMetec reported EBITDA of DKK 67.1 million for the period, representing a DKK 23.4 million year-on-year improvement. The improvement in EBITDA, corresponding to 53%, was due to revenue growth combined with a significantly lower increase in costs. The EBITDA margin was 50.5%, against 42.2% in the same period of last year.

Other external costs amounted to DKK 10.4 million against DKK 13.0 million in the year-earlier period and comprise costs for sales-promoting activities, premises, IT, administration, etc. The lower costs in the first half year of 2020/21 are a combination of generally higher IT and administration costs as well as very low travel expenses.

Staff costs amounted to DKK 40.4 million, a 9% increase. In the first half year of 2020/21, staff costs also comprised severance payment of DKK 4 million to the former CEO. Adjusted for the severance payment, the increase in staff costs was 20%. In the period, the expansion and strengthening of the organisation continued within sales, production and staff functions, and the average number of full-time employees increased to 121 against 97 in the first half year of 2019/20.

EBIT came to DKK 57.6 million in the period, against DKK 36.4 million in the year-earlier period, and the EBIT margin was 43.3% against 35.2% the year before.

Profit before tax for the period was DKK 53.4 million and was affected by net financial expenses of DKK (4.3) million, DKK (3.9) million of which relates to negative exchange rate adjustments primarily due to the low USD exchange rate. Tax on the profit for the year amounted to DKK 11.1 million, equivalent to an effective tax rate of just over 21%.

Comprehensive income for the first half year of 2020/21 was DKK 42.2 million, an increase of DKK 14.8 million in the period.

Equity and balance sheet
At the balance sheet date, total assets amounted to DKK 288.8 million, of which equity amounted to DKK 218.9 million, corresponding to an equity ratio of 76% (2019/20: 77%). ChemoMetec paid out dividend of DKK 26.1 million in the first half year, corresponding to DKK 1.50 per share.

The balance sheet includes intangible assets of DKK 54.3 million (2019/20: DKK 51.4 million), which primarily consist of development projects in progress and completed as well as patents. Investments herein during the period amounted to DKK 6.1 million (2019/20: DKK 6.2 million).

At the balance sheet date, funds tied up in inventories and trade receivables amounted to DKK 72.0 million against DKK 60.6 million at the end of the 2019/20 financial year. The increase was mainly due to a rise in trade receivables as a result of the higher level of activity.

Cash flows and cash flow performance
Cash flows from operating activities were an inflow of DKK 55.6 million in the period, compared to an inflow of DKK 25.0 million in the year-earlier period. Investing activities adversely impacted liquidity by DKK 14.2 million against DKK 12.8 million in the year-earlier period and comprise investments in development projects, refurbishment of buildings as well as production and operating equipment. Moreover, ChemoMetec paid out dividend of DKK 26.1 million in the period.

IPR and licence agreements

At the end of the first half year, ChemoMetec had a total of 16 patent families, of which 67 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 year, 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 2019/20 annual report.

For a more detailed description of the company's risk factors, see the relevant section in the 2019/20 annual report.

Guidance for 2020/21

On 14 December 2020, we raised our revenue and EBITDA guidance to revenue in the DKK 250-260 million range, up from DKK 240-250 million, and EBITDA in the DKK 110-115 million range, up from DKK 100-105 million. This guidance is maintained.

Statement by Management

The Board of Directors and the Executive Management today considered and approved the interim report of Chemo-Metec A/S for the period 1 July to 31 December 2020. 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 as at 31 December 2020 and of the results of the Group's operations and cash flows for the period 1 July - 31 December 2020.

Furthermore, in our opinion the management's review includes a fair review of the performance of the Company's operations and financial conditions, 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, 5 February 2021

Executive Management:

Steen Søndergaard

CEO

Board of Directors:

Preben Kønig	Martin Glensbjerg	Peter Reich	Kirstine Færch
Chairman	Vice Chairman		

Income statement

and statement of comprehensive income

DKK 1,000	H1 2020/21	H1 2019/20	2019/20
Revenue	132,981	103,599	214,101
Work performed at own expense and entered under assets	3,612	4,196	8,563
Change in inventory of finished goods and work in progress	-290	-4,336	-5,595
Cost of goods sold	-18,339	-9,551	-23,150
Gross profit	**117,964**	**93,908**	**193,919**
Other external costs	-10,410	-12,996	-25,728
Staff costs	-40,419	-37,160	-75,581
Amortisation, depreciation and impairment	-9,501	-7,319	-15,140
Operating profit (EBIT)	**57,634**	**36,433**	**77,470**
Financial income	67	411	47
Financial expenses	-4,351	-899	-1,594
Profit before tax	**53,350**	**35,945**	**75,923**
Tax on profit for the period	-11,072	-8,491	-16,760
Net profit for the period	**42,278**	**27,454**	**59,163**
Items which are moved to the income statement under certain conditions:			
Translation adjustment in foreign subsidiaries	-33	3	3
Other comprehensive income after tax	**-33**	**3**	**3**
Comprehensive income for the period	**42,245**	**27,457**	**59,166**
Earnings per share in DKK			
Earnings per share (EPS)	2.43	1.68	3.51
Diluted earnings per share (EPS-D)	2.43	1.68	3.51

Balance sheet

Assets

DKK 1,000	Note	31 December 2020	31 December 2019	30 June 2020
Completed development projects		29,429	26,695	28,398
Acquired patents and licenses		2,438	3,088	2,787
Development projects in progress		22,464	18,498	20,198
Intangible assets	**3**	**54,331**	**48,281**	**51,383**
Land and buildings		23,867	20,850	20,550
Plant and machinery		13,747	13,739	14,630
Other fittings and equipment		7,286	5,855	6,758
Property, plant and equipment in progress		-	-	1,423
Property, plant and equipment	**4**	**44,900**	**40,444**	**43,361**
Deposit		166	112	111
Financial assets		**166**	**112**	**111**
Total non-current assets		**99,397**	**88,837**	**94,855**
Inventories	5	**25,402**	**20,895**	**25,112**
Trade receivables	6	46,639	39,043	35,441
Other receivables		7,399	1,828	7,837
Income tax receivable		1,935	970	1,059
Prepayments		-	-	1,871
Receivables		**55,973**	**41,841**	**46,208**
Cash		**108,051**	**291,322**	**96,941**
Total current assets		**189,426**	**354,058**	**168,261**
TOTAL ASSETS		**288,823**	**442,895**	**263,116**

Balance sheet

Equity and liabilities

DKK 1,000	Note	31 December 2020	31 December 2019	30 June 2020
Share capital		17,402	17,402	17,402
Other reserves		201,490	379,872	185,349
Equity		**218,892**	**397,274**	**202,751**
Contingent consideration	7	1,090	626	1,070
Deferred tax		22,398	17,656	10,425
Lease liabilities		751	1,420	1,190
Non-current liabilities		**24,239**	**19,702**	**12,685**
Lease liabilities		620	807	677
Interest-bearing debt		411	784	424
Trade payables		7,562	6,103	8,427
Income tax		1,995	-	11,426
Prepayments from customers		14,830	4,827	9,207
Other payables		20,274	13,398	17,519
Current liabilities		**45,692**	**25,919**	**47,680**
Total liabilities		**69,931**	**45,621**	**60,365**
TOTAL EQUITY AND LIABILITIES		**288,823**	**442,895**	**263,116**
Other notes	*8, 9, 10*			

Statement of changes in equity

DKK 1,000	Note	31 December 2020	31 December 2019	30 June 2020
Share capital		17,402	17,402	17,402
Other reserves		201,490	379,872	185,349
Equity		**218,892**	**397,274**	**202,751**
Contingent consideration	7	1,090	626	1,070
Deferred tax		22,398	17,656	10,425
Lease liabilities		751	1,420	1,190
Non-current liabilities		**24,239**	**19,702**	**12,685**
Lease liabilities		620	807	677
Interest-bearing debt		411	784	424
Trade payables		7,562	6,103	8,427
Income tax		1,995	-	11,426
Prepayments from customers		14,830	4,827	9,207
Other payables		20,274	13,398	17,519
Current liabilities		**45,692**	**25,919**	**47,680**
Total liabilities		**69,931**	**45,621**	**60,365**
TOTAL EQUITY AND LIABILITIES		**288,823**	**442,895**	**263,116**
Other notes	*8, 9, 10*			

Cash flow statement

DKK 1,000	H1 2020/21	H1 2019/20	2019/20
Operating profit (EBIT)	57,634	36,433	77,470
Amortisation and depreciation	9,501	7,375	15,140
Changes in net working capital	-1,646	-10,592	-7,818
Income tax paid	-9,406	-7,471	-11,634
Interest received	-	105	47
Interest expenses paid	-487	-899	-1,189
Cash flow from operating activities	**55,596**	**24,951**	**72,016**
Purchase of tangible assets	-8,037	-6,695	-14,288
Disposal of tangible assets	-	78	129
Purchase of intangible assets	-6,125	-6,207	-12,446
Acquistion of other non-current assets	-54	-1	-
Cash flow from investing activities	**-14,216**	**-12,825**	**-26,605**
Debt financing:			
Payment of lease liabilities	-496	-449	-809
Raising of lease liabilities	-	2,676	2,676
Repayment to mortgage credit institutions	-	-17,762	-17,982
Raising/repayment of debt to credit institutions	-13	-249	-389
Shareholders:			
Dividend paid	-26,104	-121,900	-348,133
Sale of own shares	-	318,376	318,377
Cash flow from financing activities	**-26,613**	**180,692**	**-46,260**
Change in cash	**14,767**	**192,818**	**-849**
Cash beginning of year	96,941	98,205	98,195
Translation adjustment of cash	-3,657	299	-405
Cash end of period	**108,051**	**291,322**	**96,941**
Cash and cash equivalents composed as follows:			
Cash	108,051	291,322	96,941
Cash end of period	**108,051**	**291,322**	**96,941**

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, the company has identified four segments: Instruments, consumables, service and other, which is in accordance with the way the activities are organised and managed.

Segment	Description
Instruments	Sales of instruments
Consumables	Sales of disposable cassettes, counting chambers and reagents
Service	Sales of services
Other	Sales of measuring modules and accessories etc.

The Group does not use systems registering all costs by segment, which is why the operating results by segment are calculated proportionately based on the 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.

Segment revenue and operating profit:

	H1 2020/21	H1 2019/20	H1 2020/21	H1 2019/20
DKK 1,000	**Revenue**		**Operating profit (EBIT)**	
Instruments	64,369	54,000	27,953	18,990
Consumables	50,355	41,853	21,867	14,719
Service contracts	12,446	2,261	5,405	795
Other	5,811	5,485	2,409	1,929
Total	**132,981**	**103,599**	**57,634**	**36,433**
Net financials			-4,284	-488
Profit before tax			**53,350**	**35,945**

2. Segment information (continued)

Segment assets and liabilities:

	31 December 2020	31 December 2019
Instruments	82,904	77,489
Consumables	64,854	60,058
Service contracts	16,030	3,245
Other	7,484	7,871
Not allocated	117,551	294,232
Total assets	**288,823**	**442,895**
Instruments	15,426	14,576
Consumables	11,215	11,298
Service contracts	17,602	610
Other	1,295	1,481
Not allocated	24,393	17,656
Total liabilities	**69,931**	**45,621**

Revenue by geographical market:

				H1 2020/21
DKK 1,000	**Europe**	**USA/ Canada**	**Other (ROW)**	**Total**
Instruments	24,302	29,236	10,831	64,369
Consumables	18,045	25,371	6,939	50,355
Service contracts	3,759	8,509	178	12,446
Other	2,139	3,344	328	5,811
Total	**48,245**	**66,460**	**18,276**	**132,981**

				H1 2019/20
DKK 1,000	**Europe**	**USA/ Canada**	**Other (ROW)**	**Total**
Instruments	16,237	30,094	7,669	54,000
Consumables	14,160	22,017	5,676	41,853
Service contracts	306	1,955	-	2,261
Other	3,065	1,519	901	5,485
Total	**33,768**	**55,585**	**14,246**	**103,599**

2. Segment information (continued)

Revenue by business area:

DKK 1,000	LCP market	Production and quality control of animal semen	Production control of beer and quality control of milk	H1 2020/21 Total
Instruments	61,239	2,393	737	64,369
Consumables	40,886	7,415	2,054	50,355
Service contracts	12,446	-	-	12,446
Other	5,227	441	143	5,811
Total	**119,798**	**10,249**	**2,934**	**132,981**

DKK 1,000	LCP market	Production and quality control of animal semen	Production control of beer and quality control of milk	H1 2019/20 Total
Instruments	51,695	1,604	701	54,000
Consumables	32,894	6,835	2,124	41,853
Service contracts	2,261	-	-	2,261
Other	3,999	635	851	5,485
Total	**90,849**	**9,074**	**3,676**	**103,599**

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

LCP market: Life Science Research, Cell-based Therapy and Pharmaceutical Process and Quality Control (Instruments: NC-200, NC-202, NC-250, NC-3000, the NC-100 family as well as 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 1,000	Completed development projects	Acquired patents and licences	Projects in progress
Cost at 1 July 2020	81,291	18,912	20,198
Additions	3,642	217	2,266
Disposals	-	-	-
Cost at 31 December 2020	**84,933**	**19,129**	**22,464**
Amortisation at 1 July 2020	-52,893	-16,125	-
Amortisation	-2,611	-566	-
Amortisation at 31 December 2020	**-55,504**	**-16,691**	**-**
Carrying amount at 31 December 2020	**29,429**	**2,438**	**22,464**

DKK 1,000	Completed development projects	Acquired patents and licences	Projects in progress
Cost at 1 July 2019	77,045	18,143	12,767
Additions	-	476	5,731
Disposals	-	-	-
Cost at 31 December 2019	**77,045**	**18,619**	**18,498**
Amortisation at 1 July 2019	-47,917	-14,907	-
Amortisation	-2,433	-624	-
Amortisation at 31 December 2019	**-50,350**	**-15,531**	**-**
Carrying amount at 31 December 2019	**26,695**	**3,088**	**18,498**

Of the recognised completed development projects, DKK 29.4 million is attributable to Xcyto products, including the NC-202, Xcyto 5 and 10 (H1 2019/20: DKK 26.6 million was attributable to Xcyto products, while DKK 0.1 million was attributable to the NC-250).

Of the recognised development projects in progress, DKK 22.5 million is attributable to Xcyto products, including the XcytoMatic and new applications (H1 2019/20: DKK 18.5 million was attributable to Xcyto products and products based on the Xcyto technology).

4. Tangible assets

DKK 1,000	Land and buildings	Plant and machinery	Other fittings and equipment
Cost at 1 July 2020	25,610	35,815	18,051
Exchange rate adjustments	-224	-	-230
Additions	4,148	1,671	2,218
Disposals	-900	-	-8
Cost at 31 December 2020	**28,634**	**37,486**	**20,031**
Depreciation at 1 July 2020	-3,637	-21,185	-11,293
Exchange rate adjustments	61	-	206
Depreciation	-2,091	-2,554	-1,666
Disposals	900	-	8
Depreciation at 31 December 2020	**-4,767**	**-23,739**	**-12,745**
Carrying amount at 31 December 2020	**23,867**	**13,747**	**7,286**

DKK 1,000	Land and buildings	Plant and machinery	Other fittings and equipment
Cost at 1 July 2019	21,083	29,601	14,764
Exchange rate adjustments	-	-	7
Additions	2,512	2,663	1,520
Disposals	-	-	-257
Cost at 31 December 2019	**23,595**	**32,264**	**16,034**
Depreciation at 1 July 2019	-2,081	-16,153	-9,069
Exchange rate adjustments	-	-	-4
Depreciation	-664	-2,372	-1,282
Disposals	-	-	176
Depreciation at 31 December 2019	**-2,745**	**-18,525**	**-10,179**
Carrying amount at 31 December 2019	**20,850**	**13,739**	**5,855**

Of land and buildings, assets held under finance leases amount to a book value of DKK 1.4 million (H1 2019/20: DKK 2.1 million).

5. Inventories

DKK 1,000	31 December 2020	31 December 2019	30 June 2020
Raw materials and consumables	19,896	17,227	20,798
Finished goods	5,506	3,668	4,314
	25,402	**20,895**	**25,112**
Indirect production costs included	1,106	459	689
Write-down of inventories included in production costs for the period	304	422	147

Of the carrying amount, DKK 0 is expected to be realised after more than 12 months.

6. Trade receivables

DKK 1,000	31 December 2020	31 December 2019	30 June 2020
Trade receivables before write-downs	48,037	40,293	37,151
Change in expected credit losses:			
Write-down beginning of period	1,710	800	800
Change in write-down	-312	450	910
Write-down end of period	1,398	1,250	1,710
Trade reveivables after write-downs	**46,639**	**39,043**	**35,441**

Total credit losses concern doubtful debts and single customers subject to bankruptcy or reconstruction proceedings Credit insurance is not used, and all trade receivables fall due within one year. The age distribution of trade receivables improved during the period, and as a result, provisions for credit losses were reduced.

7. Contingent consideration

DKK 1,000	31 December 2020	31 December 2019	30 June 2020
Contingent consideraton beginning of period	1,070	593	593
Used during the period	-302	-114	-372
Additions in the period	322	147	849
Contingent consideration end of period	**1,090**	**626**	**1,070**

8. Contingent liabilities

The Group is 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 hold an ownership interest of more than 20%. In the first half of 2020/21, ChemoMetec Holding A/S reduced its ownership interest to less than 20%, see company announcement no. 197.

In the interim period, the company has had the same type and scope of related party transactions as described in the 2019/20 annual report. The transactions have not had any material impact on the interim report.

10. Events after the balance sheet date

No significant events have occurred after 31 December 2020 that affect the interim report.

Disclaimer

The English translation has been prepared solely for the convenience of English-speaking readers. Despite all the efforts devoted to this translation, certain discrepancies, omissions, or approximations may exist. In case of any differences between the Danish and the English versions, the Danish version shall prevail.