Annual Report 2023/24

ChemoMetec offers high-quality cell counting and analysis equipment for use in life science research and development and production of pharmaceuticals, among other things.

Company reg. (CVR) no. 19 82 81 31

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This report is a translation of the Danish version of the ChemoMetec Annual Report 2023/24.

The Danish version of the ChemoMetec Annual Report 2023/24 serves as the official version filed with the Danish authorities.

In case of discrepancy between the Danish language original text and the English language translation, the Danish text shall prevail.

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CEO letter

Strengthened commercial focus after challenging year

Market conditions in ChemoMetec's business areas have been challenging in the past year, and this has impacted sales of instruments as well as earnings. Following a difficult period, we now have a more positive outlook on the future – we have intensified our commercial focus and initiated the gradual launch of our new, high-tech products and are starting to see signs of improving market conditions. We have also made changes to our organisation in order to optimise our ability to capitalise on the growth potential that we expect for ChemoMetec in the coming years.

The past year was particularly impacted by the effects of a continued decline in instrument sales, the work to complete the development of our new instruments and the organisation and Management changes towards the end of the year.

Sales of instruments continued to decline in 2023/24 in a market in which some existing customers and potential new customers exercised restraint

in purchasing new instruments as they continued to face challenges in raising the capital needed to finance their development projects. This is particularly the case for small and medium-sized biotech companies – a segment in which, prior to the 2022/23 financial year, we successfully generated strong sales growth in the cell and gene therapy area and built a very attractive market position.

Management and organisation strengthened

Internally, we made changes to strengthen ChemoMetec's organisation in order to get back on the growth trajectory. We changed the composition of the Executive Management during the second half and made several other adjustments to the rest of the organisation. In connection with these changes, we focused our sales efforts and pushed to complete the development of our new products that are to pave the way for growth within bioprocessing – a new, major and well-established growth market – as well as in our existing markets.

Promising trends emerging in cell and gene therapy

At the end of the financial year, we are starting to see some positive trends in our markets. Market data indicates a slight improvement towards the end of the financial year in the injection of capital to cell and gene therapy companies with projects in the later development stages. This is mainly the case for medium-sized US companies that have produced good test results, which generally means a shorter investment horizon. Small companies are still struggling to attract fresh capital, however. We are keeping a close eye on developments, and we actively seek to target our sales initiatives at the companies that are showing progress.

Market analyses also indicate that confidence remains high in the effectiveness and potential of cell and gene therapies, of which the so-called CAR-T therapies are so far the most prevalent. The major companies in the field still focus on the development of this type of therapies, and several new therapies have obtained approval in the past year. Of these, a few therapies have now been approved as second-line cancer therapy, and not only in third-line settings, which are often terminal therapy. At the same time, there is increasing focus on developing therapies in new disease areas, including rare diseases and autoimmune diseases. This widens the market potential, of course. Against this background, we are optimistic about the long-term potential of cell and gene therapy – and consequently also ChemoMetec's ability to generate growth in this area again.

Our customers call for automation...

As the number of approved cell-based therapies increases and this type of therapy generally matures, we see a growing need to produce and commercialise the therapies. A major obstacle, however, is that these therapies are both expensive and complex to produce – which limits their use in the already financially strained healthcare systems. This applies not only to newer cell-based therapies, but also to other types of cell and gene therapies that continue to grow.

... which is where the XcytoMatic 30 fits in

One of the ways to bring down production costs is automation. We are currently seeing growing demand for new methods of automation – and in this respect, ChemoMetec's new XcytoMatic 30 instrument is relevant, as it can be integrated into a fully-automated production flow. ChemoMetec is working steadily towards a wider launch of the instrument, and as almost all leading pharmaceutical companies have already purchased the existing NucleoCounter instruments, we see good potential for marketing the new instruments though our existing customer relations. This process is well under way, and we have already sold the first instruments.

Sales of the other instrument in the XcytoMatic family, the XcytoMatic 40, will target the process development phases, particularly in the bioprocessing area.

Continuing sustainability work

In the past year, we continued our sustainability work. For example, we completed parts of the preparatory works to ensure our alignment with the new EU reporting requirements etc. and to ensure that our business is operated according to ever more sustainable principles. Our specific initiatives in 2023/24 included the implementation of our Code of Conduct and the preparation of a Code of Conduct aimed at our suppliers, which is currently being implemented. We are also committed to continually incorporating sustainability in our product development. For example, this means a considerable reduction of the consumables used in some of our new products.

Exciting year ahead

For the coming financial year, our main focus is clear: To intensify the sales drive for the XM30 and XM40 in both the cell and gene therapy and bioprocessing areas and to complete the development of the Xcyto 5 and the NC-203 and start marketing these to customers in the same mar-

"The coming year will see a wider launch of our two new XcytoMatic instruments and the introduction of two additional instruments. With these four new instruments, we'll significantly strengthen our overall product portfolio, and we'll cover a larger part of our customers' value chain from development to production. Accordingly, our business will become more diversified, providing a stronger basis for future growth – both in our existing and in new market segments."

Martin Helbo Behrens, CEO

ket segments during 2024. With four new instruments, our overall product portfolio will be significantly strengthened, and we will cover a larger part of our customers' value chain from development to production. Accordingly, our business will become more diversified, providing a stronger basis for future growth.

At the same time, we will naturally also ensure that we maintain sufficient focus on our existing NucleoCounter instruments.

We are already seeing considerable interest in our new XM30/XM40 instruments, and we are very confident that the new instruments will make a strong contribution to our growth in 2024/25 and the following years. It is important to note, however, that the XcytoMatic instruments are also targeted at bioprocessing, an established market segment, and it will take time to position our new products – even though we expect the automation agenda to advance our growth prospects.

The challenging market conditions in the past year combined with a number of organisational changes have been demanding for the entire organisation – and it has taken a great deal of adaptability to adjust to the new situation. I would like to thank ChemoMetec's employees for their dedicated contribution, and I look forward to working with the entire team to create an even stronger business and the best possible foundation for ChemoMetec's future business.

Also a big thank you to our customers – it is a pleasure working with you. Finally, I would like to thank our shareholders for supporting ChemoMetec.

Martin Helbo Behrens
CEO

ChemoMetec at a glance

ChemoMetec specialises in the development, production and sale of high-quality analytical equipment for cell counting and analysis within a wide range of areas – for example cell and gene therapy, cancer and stem cell research, development and manufacturing of pharmaceuticals as well as production control and quality control of animal semen, beer and milk.

Our analytical equipment is based on a unique technology platform, and we offer various innovative solutions which all share the characteristic that they simplify complex analytical processes. Moreover, it is crucial to our customers that the analytical results are accurate and consistent, and in this field, ChemoMetec's products are best in class.

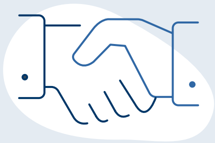
High-quality analytical equipment

Our analytical equipment primarily comprises analytical instruments and related articles for preparing and storing cell samples during measurement. We also offer various services, including annual servicing of our customers' instruments.

At ChemoMetec, our main focus is on our customers, and we strive to provide the best and most qualified customer support. The combination of unique technology and efficient customer support is key to having a content and loyal customer base – which in turn is a prerequisite for building a profitable and steadily growing business within ChemoMetec's business areas.

Market leading position

We are a global company and among the largest in our field. We sell our analytical equipment in more than 100 countries.

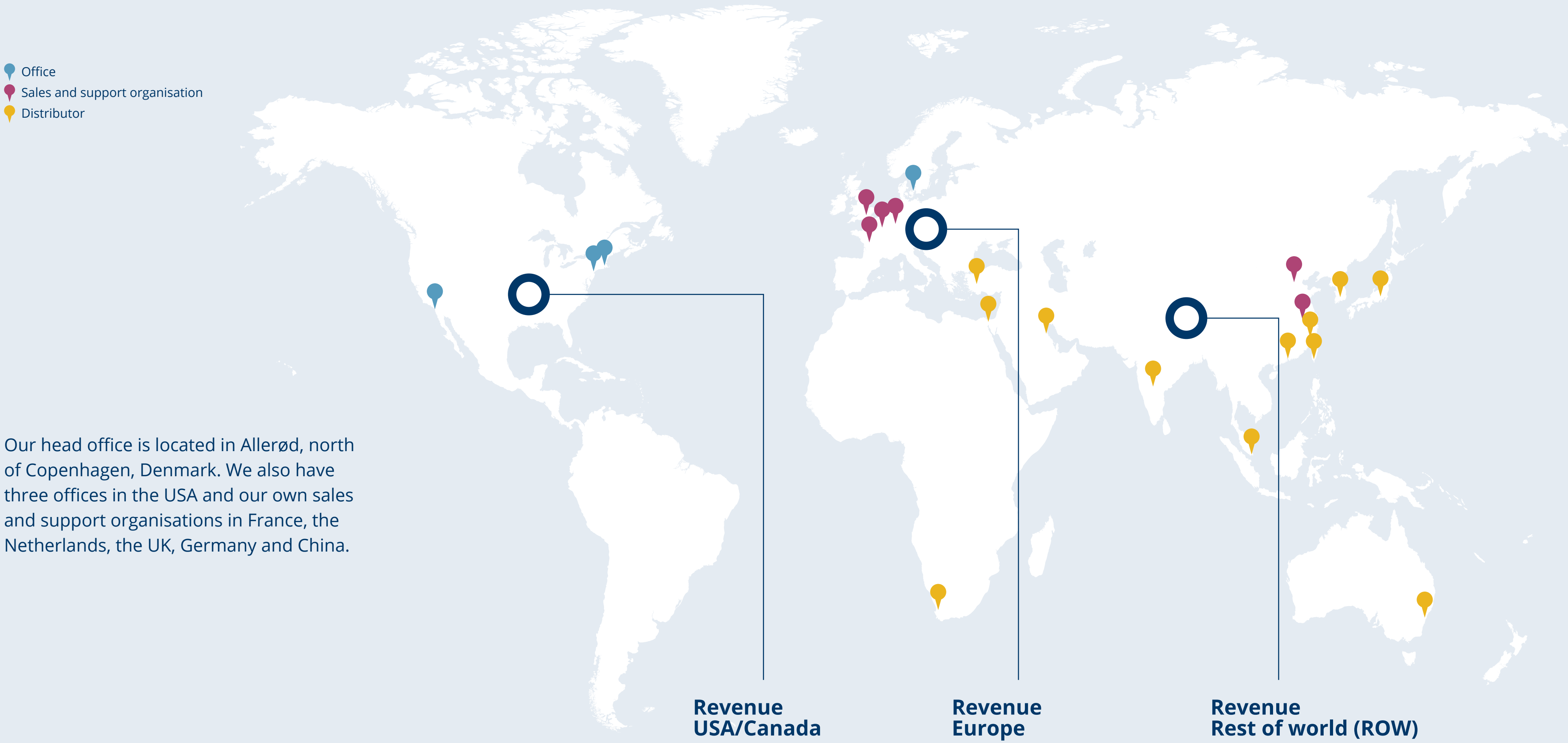


We work closely with customers and experts within cell counting to continuously develop new solutions that are tailored to our customers' needs – and that contribute to achieving the best possible analytical results and most efficient processes.

Close customer relations

Proximity to our markets and to our customers is a cornerstone of our business. This ensures that we are able to deliver the right solutions and provide good customer service.

International presence



Our head office is located in Allerød, north of Copenhagen, Denmark. We also have three offices in the USA and our own sales and support organisations in France, the Netherlands, the UK, Germany and China.

Revenue USA/Canada

59%

(2022/23: 59%)

Revenue Europe

32%

(2022/23: 29%)

Revenue Rest of world (ROW)

9%

(2022/23: 12%)

Highlights 2023/24

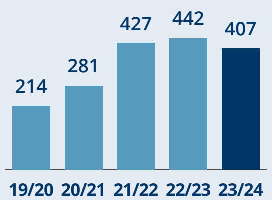
Revenue
DKKm
407.4
˅ 8%

EBITDA
DKKm
186.2
˅ 26%

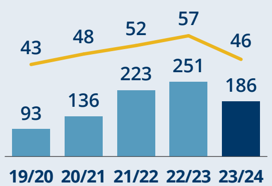
EBITDA margin
%
45.7
˅ 11.1 percentage points

Earnings per share
DKK
7.8
˅ 24%

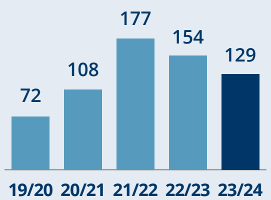
Revenue
DKKm



Operating profit (EBITDA) and EBITDA margin
DKKm

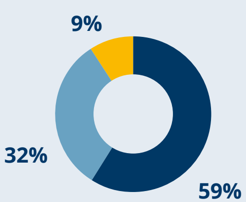


Cash flow from operating activities
DKKm



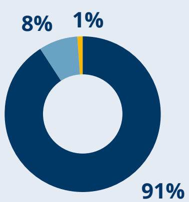
Earnings per share
DKKm

Revenue by geography



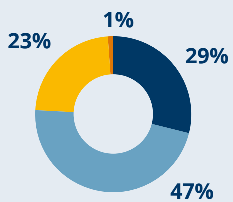
- USA/Canada
- Europe
- Rest of world (ROW)

Revenue by business area



- Life science research, Cell and gene therapy and Biopro-cessing (LCB)
- Production and quality control of animal semen
- Production control of beer and quality control of milk

Revenue by product group



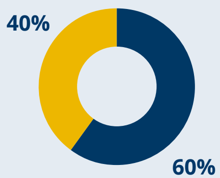
- Instruments
- Consumables
- Services
- Other

Climate

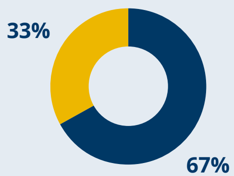
Renewable energy
94%

Social matters

Gender distribution, employees

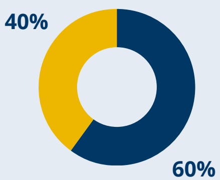


Gender distribution management



Governance

Gender distribution, Board of Directors



- Men
- Women

Financial highlights

DKK'000	2023/24	2022/23	2021/22	2020/21	2019/20
Income statement					
Revenue	407,350	442,274	427,160	281,127	214,101
EBITDA	186,175	251,030	222,892	135,630	92,610
EBIT	168,966	230,561	202,854	116,023	77,470
Net financials	7,620	-201	365	-3,290	-1,547
Profit for the year	136,284	178,667	159,469	88,354	59,163
Comprehensive income	136,689	175,904	159,943	88,330	59,166
Balance sheet					
Assets	676,673	657,976	501,273	344,909	263,116
Net working capital	118,266	103,856	63,088	45,658	35,108
Invested capital	293,008	264,104	203,439	138,991	118,357
Equity	565,316	533,042	357,205	264,977	202,751
Net interest-bearing debt	-291,991	-309,411	-202,230	-147,751	-94,650
Cash flows					
– from operating activities	129,002	154,146	176,860	107,901	72,016
– from investing activities	-43,494	-40,831	-56,046	-24,683	-26,605
– from financing activities	-105,715	-2,925	-69,012	-26,037	-46,260

	2023/24	2022/23	2021/22	2020/21	2019/20
Financial ratios					
EBITDA margin (%)	45.7	56.8	52.2	48.2	43.3
EBIT margin (%)	41.5	52.1	47.5	41.3	36.2
Tax rate (%)	22.8	22.4	21.5	21.6	22.1
Return on invested capital (%)	60.7	98.6	118.5	90.2	70.9
Revenue/Invested capital	1.4	1.7	2.1	2.0	1.8
Net interest-bearing debt/EBITDA	-1.6	-1.2	-0.9	-1.1	-1.0
Financial gearing	-0.5	-0.6	-0.6	-0.6	-0.5
Return on equity (%)	24.9	39.5	51.4	37.8	31.5
Average number of employees	173	164	147	128	102
Per share ratios					
Market price per share at 30 June (DKK)	305.00	466.00	757.00	843.50	315.00
Earnings per share (DKK)	7.8	10.27	9.16	5.08	3.51
Book value per share (DKK)	32.5	30.6	20.5	15.2	11.7
Dividend paid per share	6.0	-	4.0	1.5	20.5

Definitions of financial ratios are set out in note 5.1 to the financial statements

Guidance for 2024/25

DKKm	Guidance for 2024/25	Realised 2023/24
Revenue	435-450	407.4
Operating profit (EBITDA)	216-223	186.2

Our business

Our business model – how we create value

We aim to offer solutions that create value for our customers by helping to optimise processes and workflows so as to contribute to lower production costs, better products and better and broader patient treatment. We cover the entire value chain from development and production to sales and servicing.

We endeavour to run our business on a sustainable basis and establish a solid foundation for future value creation for the benefit of ChemoMetec, our customers, partners, employees and shareholders as well as society at large.

At ChemoMetec, we believe that the combination of innovative products and first-class customer support is the key to high customer satisfaction. This, in turn, creates a valuable branding of ChemoMetec and our products and a basis for continued consolidation of our market position and international presence.

Resources

- Our highly skilled employees and their know-how and expertise
- Our brand and patented analytical technology
- Capital and production facilities
- Stakeholder relations and partnerships, including engagement with customers, partners and experts

Core business

Development

High-tech production

Specialised sales force and support

Platform:
Employees – Technology – Sustainability

Read more on the following pages

Value creation

- Effective and innovative solutions, including some 8-9 million cell counts and analyses annually, and competent customer advice and support
- About 170 employees, who are offered challenging and meaningful jobs as well as equal opportunities for personal and professional growth
- Export revenue – export ratio of approx. 97%
- Shareholder return
- ChemoMetec's and employees' tax payments

Development

The core of our business is the development of innovative solutions and high-quality equipment for cell counting and analysis. We continually develop our technology platform and strengthen our entire portfolio of products to enable us to offer new and more comprehensive solutions that meet our customers' ever growing demands for modern analytical equipment.

Our R&D department is responsible for developing new products and solutions, for product maintenance and updates and for improving our technology platform. We develop new solutions and improve existing ones on the basis of close contact with our customers to identify their unfulfilled needs. This close interaction between ChemoMetec and our customers increases the probability of our solutions being successful. In order to achieve our strategic development goals, it is essential that we create and maintain an innovative environment across the organisation, and we continually invest in and develop the skills of our employees.

Our solutions are primarily developed at our head office in Denmark by our own specialists in all relevant areas and by selected consultants. The close collaboration between different professional groups plus the size of our organisation, our clear product focus and proximity to our customers give us great agility and flexibility in the development processes.

We have a long-term perspective in developing new products to ensure they have a long useful life. This is due to the fact that ChemoMetec's products are typically used in areas that require validation and in which they form part of an overall workflow. Validation is a time-consuming process, and our customers therefore demand analytical equipment with long durability. Fundamentally, all our instruments are constructed using the same basic technology comprising the use of a special-purpose fluorescence microscope with a built-in camera. With relatively low magnification, the instruments record images of the prepared cell samples, which are then automatically analysed using ChemoMetec's proprietary image analysis software.

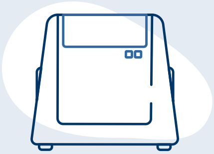
Over the past few years, our technological platform has undergone major developments, not least of our proprietary software, which includes the use of AI for cell counting purposes. Our two new XcytoMatic instruments and the coming new instrument, the NC-203, are all based on the brand-new software platform.

The XcytoMatic instruments have furthermore been developed to be integrated into our customers' more or less fully-automated production flows so as to optimise production processes and significantly reduce production costs. The instruments will typically be used in an attractive new market segment, bioprocessing, and in cell and gene therapy, which is currently ChemoMetec's most important market segment.

We expect the development of software solutions to play an increasingly important role for ChemoMetec in the coming years. Solutions that facilitate additional automation of our customers' handling of samples are expected to become equally important.

ChemoMetec's unique technologies are an important competitive factor, and patenting has therefore been a central part of the strategy since the Company's establishment in 1997. Over time, ChemoMetec has invested substantial amounts and resources in patent protection of its technologies and expects to continue this strategy in future.

ChemoMetec has a total of 13 patent families, with 80 patents taken out in selected countries, including 14 in the USA.



High-tech production

Instruments and cassettes are produced in-house. We continually adapt and optimise our production and improve efficiency in step with the developing demand for our products and our and our customers' increasing focus on sustainability.

Instruments and consumables are produced in accordance with customer and end-user requirements and standards.

Regular investments are made in production in order to enhance the efficiency of processes and optimise consumption of raw materials and energy. The aim is to make our production ever more sustainable, particularly in terms of reducing its climate footprint.

All instruments are produced by ChemoMetec. We use a large number of (primarily European) sub-suppliers, for example for the manufacture of circuit boards, whereas production management, assembly, calibration and quality control are carried out at our facilities in Allerød, Denmark.

The fully-automated production of cassettes also takes place at ChemoMetec's premises in Allerød, while the plastic parts used in the production of cassettes are produced by various Danish injection moulding companies using fully-automated facilities. During the autumn of 2024, we will establish another production line for cassettes, which will be capable of even more efficient production than the existing production lines, as the manual packing of bags in cartons will now be fully automated.

The glass counting chambers that are used for the NC-250 and the NC-3000 are currently manufactured by a business partner in the Netherlands. In the latter part of 2024, ChemoMetec will start up an in-house semi-automated production of glass analysis chambers to be used with the Xcyto 5 when it is launched.

ChemoMetec's instruments also use a range of ready-made reagents, which are applied in the various cell counts and analyses. The production of these reagents has been outsourced to a number Danish manufacturers, whereas ChemoMetec performs the quality control.

The various test kits used to check the instruments, e.g. when they are serviced, are produced at a fully-automated facility at ChemoMetec's premises in Allerød.

Production quality assurance is a key priority for ChemoMetec. Our customers expect and need us to supply high-quality, uniform products, as they typically form an important part of our customers' overall value chain. Our customers check the quality of our products on an ongoing basis in connection with their daily use, but also through questionnaires about our internal business processes and procedures. Furthermore, planned annual audits are conducted at ChemoMetec's premises. ChemoMetec must comply with the customers' requirements in order to continue to supply them with products.

ChemoMetec's products are packaged in cardboard, plastics and foils and are transported primarily by road and by sea. We continually work on optimising packaging and transport in order to reduce our climate footprint throughout our value chain. When goods are transported between ChemoMetec's warehouses in Allerød and in Long Island, USA, the transport is almost exclusively by sea.

Specialised sales force and support

Our sales and support functions serve to strengthen ChemoMetec's market position through targeted sales efforts and high-quality customer service and support.

Sales and distribution of our products are handled by our in-house sales organisations in the USA and Europe, while we collaborate with distributors in other markets, including Asia. This set-up ensures targeted and effective efforts as well as proximity to our customers in the main markets – allowing us to service our customers and gain in-depth knowledge of our customers' needs and the general market trends across our business segments.

Across ChemoMetec's own sales organisation, we have established a common, structured sales process encompassing every step from identification of prospective customers through the use of sophisticated analytical tools to the final sale.

Selling our solutions requires great technical knowledge and insight into our customers' activities. Many of our sales staff therefore hold a higher technical degree to ensure professional, knowledge-based sales.

Customer service and support is a high priority for us. This, along with our robust quality instruments and local presence in our main markets, is the key to loyal, satisfied customers who widely use and repurchase ChemoMetec's analytical instruments and consumables. Our offering of service contracts and other services further strengthens our customer relations and ongoing support.

We act quickly and efficiently when our customers request assistance. Our technicians are close to our customers, and we provide assistance by highly educated staff, all the way up to the R&D department, if needed. As we grow, we are very mindful of maintaining this proximity to our customers.

Our dedicated sales efforts and emphasis on customer service have given us a solid foothold in our individual markets and allows us to continually grow our customer base. More or less all top-50 companies in our most important business area, LCB (Life science research, cell and gene therapy and Bioprocessing), are our customers. Not least, we have successfully built a unique position within cell and gene therapy and gained a strong position in the US market. This gives us a good foundation for future growth in both existing and new business areas.

Our markets

ChemoMetec's analytical equipment is applied for cell counting and analysis in a broad range of areas – in both private and public businesses and across companies' value chains from research to production.

ChemoMetec's most important market area is cell and gene therapy, and with the current launch of the XcytoMatic products, ChemoMetec is expected to maintain its dominant position in this area. The XM30 plays a particularly important role in this respect, as the instrument is specifically designed to be integrated into a fully-automated production set-up.

The bioprocessing market is another large market, which has so far been of minor importance to ChemoMetec, because the market has been dominated by a few major suppliers of cell counting solutions that have been integrated into customers' workflows over a number of years. The products are carousel-based and can analyse multiple samples at a time, which ChemoMetec's cassette-based solutions have not been able to do. However, with the new XcytoMatic products, we are now able to offer carousel-based products to bioprocessing customers. The plan is therefore for ChemoMetec to achieve a significant market share within cell counting in this market, and the area is expected to play an important future role for ChemoMetec. The XM40 will compete against the existing solutions available in the market, whereas the XM30 is designed more specifically to be used in the fully-automated production systems that are being widely developed in the pharmaceutical industry.

The overall LCB market is expected to continue to grow at the same rate as in the past few years, i.e. by 5-10% p.a. This provides a good basis for achieving future growth. Some sub-segments of the market have previously generated significantly higher growth rates, e.g. within the development of cell and gene therapies. In these areas, however, growth has decelerated significantly in the past couple of years due to a slow-down of investments in these areas. Nonetheless, ChemoMetec expects that the cell counting market within both cell and gene therapy and bioprocessing will grow significantly in the coming years and that this growth will mainly be driven by the above-mentioned surge of automation currently happening in the production of therapies and biologically based pharmaceuticals.

In recent years, ChemoMetec has won substantial market shares and is now assessed to be among the two largest players in the global cell counting market. Going forward, ChemoMetec expects to continue to be well positioned to capitalise on the expected growth in its market areas – both as a result of the attractive market position of our existing products and the current and coming launches of new products. ChemoMetec thus expects to continue to win further market shares within cell counting in the LCB market.

Cell counting market – ChemoMetec's presence and the application of ChemoMetec's products*

Research & Development (private and public)

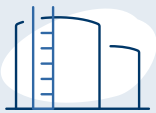
- Cell and gene therapy
- Stem cell research
- Cancer research

Hospital laboratories

- Cell and gene therapy

Pharmaceutical and biotech companies

- Cell and gene therapy
- Production and process control
- Production and process development



Other, including production companies

- Production of semen doses for insemination (animal semen)
- Production and process control of beer

* The above overview is not exhaustive, but includes the most important areas in which ChemoMetec is active.

Market trends and opportunities

Opportunities

Stricter compliance and process documentation requirements	Calls for digitalisation and automation of analytical processes	Development of new therapies, including cell and gene therapy	Demand for sustainable products
ChemoMetec offers products with the right specifications and which can be validated with the fewest possible resources and interact with other parts of a customer's given workflow.	Variants of products in the XcytoMatic family are designed so that they can be integrated into our customers' fully-automated solutions. The analytical equipment can be easily integrated into the overall workflow.	Over the past few years, ChemoMetec has established an attractive position in the cell and gene therapy market – and a solid platform from which to capitalise on the expected growth in this area, including in bioprocessing.	ChemoMetec is continually striving to reduce the climate impact of its products, for example by optimising and reducing the use of plastics.

Market trends

Stricter compliance and process documentation requirements	Calls for digitalisation and automation of analytical processes	Development of new therapies, including cell and gene therapy	Demand for sustainable products
ChemoMetec's customers typically work within areas subject to strict internal and external compliance requirements (e.g. FDA CFR Title 21 Part 11).	There is a demand for analytical equipment that can perform analyses quickly, automatically and with a large degree of precision. In addition, there is a growing need for both digitalisation and automation of the overall workflow in connection with analytical processes.	Globally, the life science industry continually seeks to develop new therapies aimed at a wide range of diseases, for example in the "personalised medicine" area. The therapies in this field include cell and gene therapy, which requires cell counting both during the development process and when the therapies subsequently reach the production phase and come into use.	Our customers wish to contribute to driving a more sustainable development and therefore demand products that accommodate this goal.

Our products

Our analytical equipment comprises analytical instruments and related consumables, such as auxiliary reagents, plastic cassettes or glass counting chambers.

In principle, the instruments themselves are based on a fluorescence microscope with a built-in camera, and the images produced are analysed automatically using proprietary software.

Our technology allows for high-precision counting and analysis of large numbers of cells at competitive prices, and our instruments in combination with the consumables ensure customers a particularly user-friendly workflow and a very robust analysis concept.

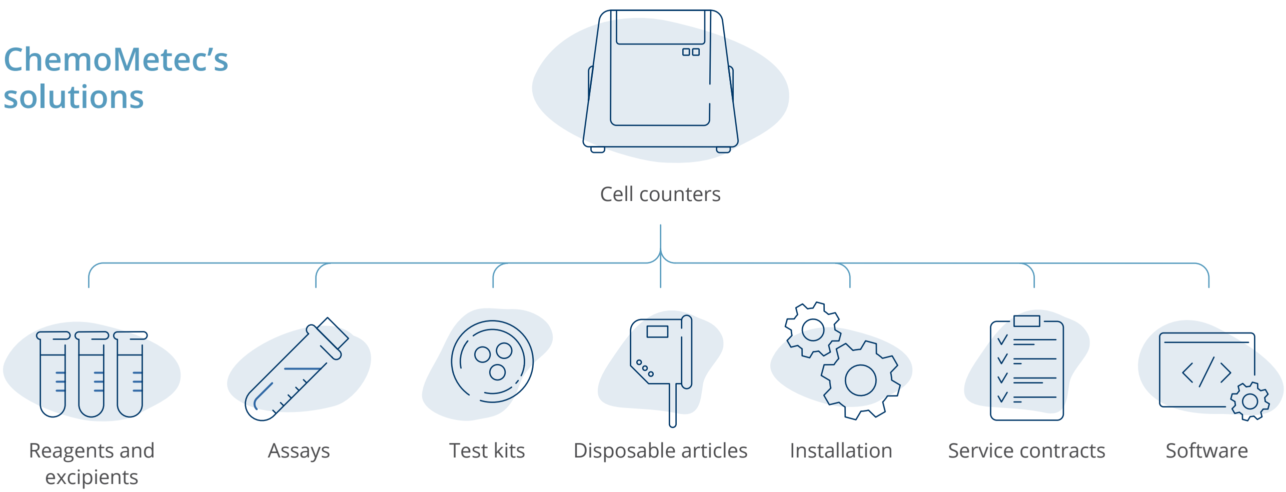
Our new cell counting instruments apply integrated artificial intelligence (AI) to support the cell counting process. Future expected uses of AI include contributing to the development of new algorithms to classify cell types and determine cell viability and to discover anomalies or abnormalities in cell structures.

Our disposable cassette for the NucleoCounter instruments is key to our success within cell counting. The cassettes are constructed as a kind of mini lab. First, the sample comprising cells is loaded into the cassette, where it comes into contact with the dyes, which are contained within the cassette from the production of the cassette. This analysis concept is simpler and more robust and precise than the ones used by competing cell counters, and it eliminates many of the factors typically causing measurement variations and inconsistencies, as all cassettes are calibrated individually during the production process.

Unlike the NC-200 and the NC-202, our new XcytoMatic instruments are not based on a cassette solution. Instead, they have a reusable measuring cuvette (flow-through cuvette), which is automatically cleaned between measurements. This new principle has been introduced for two reasons. Firstly, the flow-through cuvette is ideally suited for integration into various automation solutions and, secondly, it accommodates our customers' and ChemoMetec's wish to use less plastics and thus reduce the climate impact of our instruments and their use. See also the section "New and future measuring instruments" below.

In addition to this, ChemoMetec offers customers a number of other products, including test kits to verify that the instruments are functioning correctly. We also offer customers the option of adding on a range of software solutions and a number of services in the form of service contracts and assistance in installing analytical equipment.

ChemoMetec's solutions



New and future measuring instruments

XcytoMatic 30 (XM30)
The XM30 is an automated cell counter based on a brand-new software platform, which is also used in the XM40 and the NC-203. The XM30 was developed for integration into fully-automated production flows so as to optimise production processes and significantly reduce our customers' production costs. The XM30 is based on the application of a reusable measuring cuvette, which is cleaned with a rinsing solution between measurements. A cell sample is loaded into the XM30 by an external robotic arm (or manually), after which the AI-based cell count is performed. The instrument will typically be used in bioprocessing and in cell and gene therapy, which is currently ChemoMetec's most important market segment.

XcytoMatic 40 (XM40)
The XM40 is an instrument in the same family as the XM30, and the two instruments largely share the same technologies. They generally differ in that the XM40 applies a sample carousel that can hold 24 samples, while the XM30 applies a stationary sample cone. The XM40 was developed for integration into semi-automated production flows, primarily in the bioprocessing market, which traditionally uses carousel-based instruments. With the XM40, customers can within approximately 15 minutes get fast and accurate cell counting of 24 samples of up to 100 million cells per ml.

Xcyto 5
The Xcyto 5 is scheduled to be launched towards the end of 2024 and the instrument is to supplement, and in time replace, the NC-3000. The Xcyto 5 addresses both the cell and gene therapy market and the bioprocessing market. The instrument is an image-based cell analyser that can automatically identify and mark the individual cells and provide accurate information about in which cells – and where in the cells – the various fluorescent markers are located. The Xcyto 5 is expected to be used in quality control of cells to be used for therapeutic purposes, among other things.

NucleoCounter NC-203
The NC-203 is an upgraded version of the NC-202. Like the NC-202, the instrument applies disposable cassettes, and it has furthermore been upgraded with new technology from the XcytoMatic platform. The main elements of the upgrade are a new analytical module, a new software platform and the use of contrast microscopy combined with AI-based image analysis.

Other measuring instruments

NucleoCounter NC-200
The NC-200 offers fast and simple cell counting that can be performed using a cassette without the need for manual addition of either dyes or auxiliary reagents. In addition, the analyses provide information on average cell sizes and cell clumping. The NC-200 is mainly used in cell and gene therapy, and it analyses samples in about 45-50 seconds.

NucleoCounter NC-202
The NC-202 is an upgrade of the NC-200 and is based on the advanced Xcyto technology, which means that we can offer our customers one cell counting protocol for most mammalian cell types. Like the NC-200, the NC-202 is primarily used in the cell and gene therapy area. The NC-202 is based on cassette technology, and it analyses samples in about 25 seconds.

NucleoCounter NC-250
The NC-250 is a competitive top-of-the-line product offering fast and cost-effective high-precision cell counting. In addition to cell counting, the NC-250 can also perform cell cycle analysis. The NC-250 uses disposable counting chambers made of glass with two or eight chambers.

NucleoCounter NC-3000
The NC-3000 is an easy-to-operate, flexible analysis platform that can be used both for cell counting and various types of cell analysis, e.g. analysis of cell cycle and programmed cell death. The NC-3000 uses both cassettes and disposable counting chambers made of glass with two or eight chambers.

Read more about all the products on our website

Performance in 2023/24 and guidance

Business performance

Revenue fell by 8% in 2023/24 to DKK 407.4 million, and operating profit (EBITDA) was down by 26% to DKK 186.2 million. Revenue was adversely affected by a 35% decline in sales of instruments, while sales of consumables and services were up by 13% in total. During the year, ChemoMetec initiated a gradual launch of the XcytoMatic 40 and XcytoMatic 30 instruments, and this proceeded satisfactorily.

2023/24 was a challenging financial year, as the difficult market conditions continued. Many companies in ChemoMetec's most important business area, cell and gene therapy, are highly dependent on obtaining external capital. Uncertain market conditions and a persistent high interest rate environment meant that fresh capital remained in short supply, however. This mainly affected small businesses and start-ups in the biotech industry, which have contributed significantly to ChemoMetec's growth in recent years. These companies consequently had to reduce the number of trials and cut their investment budgets. We also saw general investment restraint among our customers, resulting in reduced sales of instruments in all markets. On the other hand, we recorded double-digit revenue growth from sales of consumables and services. The increase in sales of services was mainly due to our continued focus on selling new services to existing customers.

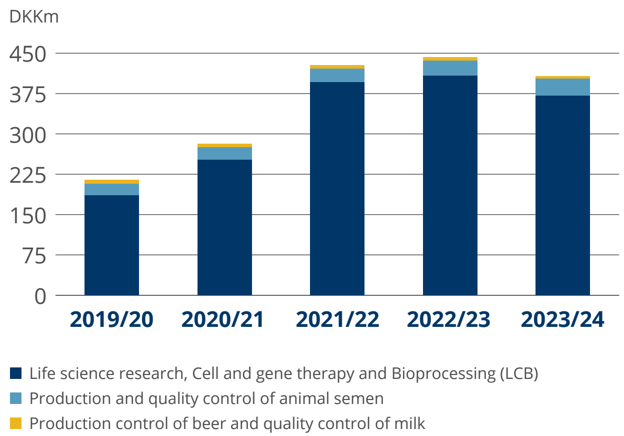
At the end of the financial year, there are indications that both the availability of fresh capital and the number of clinical trials in the cell and gene therapy market are stabilising – albeit at a significantly lower level than in the years of strong growth in this area. However, the companies that are able to obtain fresh capital are primarily those that have activities in late clinical trial phases, whereas start-ups whose activities are in early clinical trial phases still struggle to raise the necessary capital.

During the financial year, our sales initiatives were maintained at a high level with the aim of identifying new customer leads and generating additional sales to existing customers. We targeted our sales toward companies with activities in later trial phases, and towards the end of the financial year, we initiated new sales efforts targeting existing and potential customers with activities in early trial phases. The aim of these initiatives is to be well positioned when funding once again becomes available to start-ups. To support the sales process, we also set up a research department, which is to contribute to a more data-driven sales process in the future.

The continued development of the Xcyto platform and the completion of the development of the XcytoMatic 30 (XM30) and the XcytoMatic 40 (XM40) were in focus throughout the financial year. During the third quarter, a strategic decision was made to prioritise the XM30 due to customer demand. Read more about the XM30 and the XM40 and our other new instruments in the pipeline in the "Product development" section of this report.

Another focus area in the past year was to modernise the acquired property at Gydevang 42-44 in Allerød, Denmark to ensure on a timely basis that adequate production and administration facilities are established. The modernisation is happening in stages. The first stage of establishing a canteen and conference rooms is expected to be completed in 2024.

Revenue by business area



Focus areas in 2024/25

ChemoMetec's main goal is to create a strong foundation for future growth and strong earnings through in-depth insight into our customers' needs, first-class customer support as well as sustained improvements to the advanced technological platform. In the coming financial year, the main focus will be the below areas.

Customers and markets

- Gradual launch of the XcytoMatic 30 and XcytoMatic 40 cell counters targeting both the bioprocessing market and the cell and gene therapy market.
- Launch of two additional products, the NC-203, which is an upgrade of the NC-202, and the Xcyto 5, which is a cell analyser primarily for use in quality control of cells.
- Increased focus on sales of existing service contracts and continued development of new services for new and existing products.
- Increased focus on existing customers as well as new segments and markets.

Innovation and production

- Increased focus on automation and products for this purpose.
- Increased focus on developing software that may contribute to automation and efficiency improvements among our customers, who are typically subject to strict documentation and quality control requirements.
- Investment in new competencies in order to create innovation and new products and services.
- Upgrade and optimisation of our production technology with a view to improving efficiency and production capacity as well as reducing resource consumption.

Sales performance and market developments

Revenue was down by 8% from DKK 442.3 million to DKK 407.4 million in 2023/24. Of total revenue, the business area LCB (Life science research, Cell and gene therapy and Bioprocessing) accounted for 91%, the animal semen market accounted for 8% and the market for production control and quality control of beer and milk accounted for 1%. ChemoMetec recorded a decline in the LCB market, as revenue dropped by 9%, whereas the two other business areas were up.

As was also the case in 2022/23, the greatest part of revenue was generated by the NC-200 and NC-202 cell counting instruments, of which the NC-202 was for the first time the better selling.

As mentioned above, ChemoMetec's performance in 2023/24 was affected by external factors. Sales of instruments were adversely affected by the changing investment climate in ChemoMetec's markets and were down by 35%. Although all three geographical regions were affected, the greatest decline was seen in the North American market, where revenue was down by 42%.

The gradual launch of the XM40 and the XM30 proceeded according to plan, and customers generally showed strong interest in the new instruments, which can contribute to the automation of their workflows, among other benefits. Total sales of the XM40 and the XM30 amounted to DKK 8.3 million, of which sales in the North American market amounted to DKK 6.0 million. Read more about the XM40 and the XM30 in the "Our products" and "Product development" sections of this report.

Sales of consumables and services are mainly driven by the number of instruments on the market, including the number of new instruments put into service by customers during the year. Sales of consumables increased by 10% from DKK 174.4 million to DKK 192.5 million.

In the past year, an important focus area was to establish and renew service contracts across all customer segments, which resulted in a 13% increase in sales of services, despite a decline in the number of instruments sold.

To strengthen the basis for future growth and the launch of ChemoMetec's new products, the organisation was adjusted, both in Denmark and internationally, in the fourth quarter of 2023/24. The adjustment included the appointment of a new Executive Management and a number of initiatives and changes to the sales organisation. These include the establishment of a "XcytoMatic group" with selected competences to ensure the future wider launch of the new products, the establishment of a research department to support sales of both new and existing products and the optimisation of teams and work processes across ChemoMetec.

The average number of full-time employees increased from 164 to 173 in 2023/24, and at the end of the financial year the total number of employees had increased by 7 from 167 to 174, of which the number of employees at the head office in Allerød increased from 118 to 123. The number of employees at the international offices was 51 at the end of the financial year, 37 of whom were employed in the US subsidiary.

USA/Canada

Revenue (DKK)

239.4m

(2022/23: DKK 262.0 million)

Growth

-9%

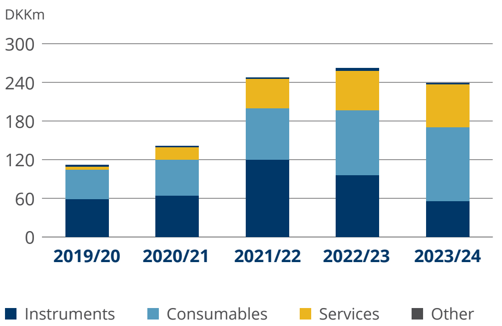
(2022/23: 6%)

Share of revenue

59%

(2022/23: 59%)

Revenue by product group



Revenue in the North American market fell by 9% in 2023/24 to DKK 239.4 million, compared with 6% growth the previous year. Revenue in the USA/Canada accounted for 59% of total revenue, unchanged compared with the previous year.

The decline in revenue followed several years of strong growth in cell and gene therapy, a market in which ChemoMetec has established a strong position. As mentioned on page 21 of this report, the decline was due to the continued low investment level among US customers in cell and gene therapy – resulting in declining sales of instruments to these customers.

Sales of instruments declined by 42% in 2023/24. Sales of the NC-202 were down by 38% and sales of the NC-200 were down by 55%. The NC-200 has now been overtaken by the NC-202 as ChemoMetec's best selling instrument in the North American market, the reason being that several existing customers have implemented the NC-202 whereas, previously, more customers used the NC-200 in their setups. Moreover, most new customers in the cell and gene therapy area today purchase the NC-202. The third best-selling instrument in the North American market is still the NC-3000, which saw a 35% decline in sales.

More than 75% of revenue was generated from sales of consumables and services. Sales of consumables increased by 13% in 2023/24 to DKK 114.5 million. In the service business (service contracts, installations, reinstallations, etc.), revenue increased by 9% from DKK 61.0 million to DKK 66.3 million. Service contracts were introduced in the North American market in 2019, and the number of service contracts has grown steadily ever since. It is also gratifying that the vast majority of service contracts are renewed year after year. In the coming financial year, ChemoMetec plans to continue to expand the range of services offered to US customers. The launch of the XM30 and the XM40 will be accompanied by the development of new services, which are expected to contribute positively to sales of services in the future.

In the past year, we adjusted the US organisation, mainly to support our new initiatives and products.

ChemoMetec still has its head office in Long Island, New York and additional sales offices in San Diego, California and Boston, Massachusetts. This strategic network ensures a wide reach and close contact with customers across important regions and will be essential to the gradual launch of the new products.

We see good growth prospects in the North American market in the longer term, both in cell and gene therapy and bioprocessing, and we will continue to invest in developing our US organisation. Despite signs that investment appetite is stabilising, there is still a risk that existing and new customers may further reduce the number of clinical trials, which could affect ChemoMetec's instrument sales, particularly to small US biotech companies.

We expect our new products, the XM40 and the XM30, the NC-203 and the Xcyto 5 and our current best-selling product in the US market, the NC-202, to drive growth in the North American market in the coming years.

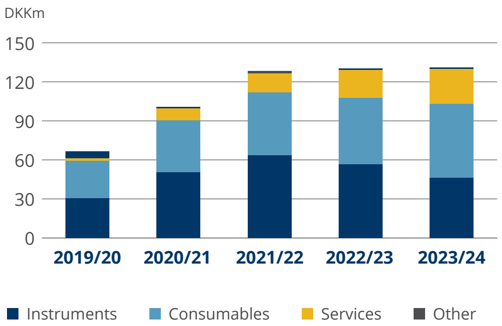
Europe

Revenue (DKK)
130.9m
(2022/23: DKK 130.2 million)

Growth
1%
(2022/23: 1%)

Share of revenue
32%
(2022/23: 29%)

Revenue by product group



In Europe, revenue was up by 1% in 2023/24 from DKK 130.2 million to DKK 130.9 million. Almost 92% of total revenue in Europe was generated in the LCB market, and our typical customer has activities in the cell and gene therapy area.

The revenue performance was made up of an 18% decline in sales of instruments and increases in sales of consumables and services of 11% and 27%, respectively.

Europe was the region in which we saw the least sales decline in sales of instruments, which accounted for 35% of total revenue compared with 43% in the 2022/23 financial year. The decline was confined to the NC-200, and sales of the NC-202 instruments are now more than three times higher than those of the NC-200, whereas they were 1.6 times higher last year. This development was a result of the NC-202 being implemented by more companies and the fact that new customers mainly buy this instrument.

Like our other markets, the European market was adversely affected by the macroeconomic environment and a weak investment climate. Nonetheless, there is still demand for ChemoMetec's cell counters, and the NC-202 instrument is particularly attractive to many laboratories across the LCB segment.

In the past year, we focused particularly on identifying new customer leads within cell and gene therapy and on introducing services to existing customers.

The European sales organisation is based at the head office in Allerød, in addition to which ChemoMetec has local sales offices in the five major geographical markets. The local sales offices undertake sales and support functions in their respective geographical areas of responsibility, supported by experts and specialists, such as product managers and technicians, at the head office in Allerød.

The main part (64%) of European revenue is still generated in the top-five countries: the UK, the Netherlands, Germany, Denmark and France.

Revenue in top-five countries – Europe (DKKm)

Top 5	2023/24	2022/23	Growth
United Kingdom	27.4	28.4	-4%
The Netherlands	18.0	13.5	33%
Germany	14.2	17.7	-20%
Denmark	13.3	11.2	19%
France	11.4	13.3	-15%

United Kingdom: Despite revenue falling by 4% to DKK 27.4 million in 2023/24, the UK remains ChemoMetec's largest European market. Following the decline in revenue, we made an adjustment of the organisation with a view to lifting sales going forward. Among other things, we strengthened our focus on sales to new customers developing cell-based therapies for the treatment of cancer.

The Netherlands: In the Netherlands, revenue was up by 33% to DKK 18.0 million in 2023/24, making the Netherlands our second-largest market in Europe. ChemoMetec has a sales office in the Netherlands covering this market, in which several North American companies have established operations in recent years.

Germany: Although revenue declined by 20% to DKK 14.2 million, Germany was our third-largest European market in 2023/24. Sales declined more in Germany than in

Europe as a whole. The launch of the XcytoMatic instruments is important in terms of securing high future growth rates in the German market, which is known for its large bioprocessing market with large, established players. The XcytoMatic instruments are expected to be competitive products in this segment of the German market.

Denmark: In the Danish market, revenue grew by 19% in 2023/24 to DKK 13.3 million, placing Denmark in the top five of European countries.

France: 2023/24 was a challenging year for our business in France, which saw a 15% decline in revenue to DKK 11.4 million. This meant that France dropped down from its previous position as our fourth-largest market to the fifth-largest. Our French customers are mainly in the big pharma segment, and this is the customer group that is set to drive growth in the coming years.

In the rest of Europe, i.e. the countries outside our top five, revenue grew by 3%. The countries outside the top five account for just over a third of total European revenue.

Also in the European market, we expect our new products, the XM40 and the XM30, the NC-203 and the Xcyto 5, and our current best-selling product in the European market, the NC-202, to drive growth in Europe in the coming years.

Rest of world (ROW)

Revenue in ROW (DKK)

37.1m

(2022/23: DKK 50.1 million)

Growth in ROW

-26%

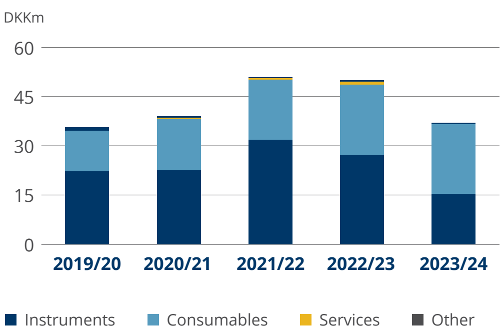
(2022/23: -2%)

Share of revenue

9%

(2022/23: 12%)

Revenue by product group



Revenue in ROW declined by 26% from DKK 50.1 million to DKK 37.1 million in 2023/24, and the relative share of revenue was down from 12% to 9%.

As sales of services are limited in ROW, the decline was mainly driven by sales of instruments and consumables. The trend in ChemoMetec's other regions of declining sales of instruments was also seen in ROW, whereas sales of consumables were in line with the year before. Sales of instruments declined by 43%, while sales of consumables declined by 2%. Growth was hampered in ROW by challenging market conditions in all regions.

In recent years, ChemoMetec has been committed to consolidating its market-leading position in cell counting and analysis in the Asian market via targeted initiatives, including a strengthening of relations with key stakeholders in the Asian market. The strategy has been – and remains – to build strong strategic relations with established distributors, who facilitate our products' access to the local regional markets. This model enables ChemoMetec to engage with researchers, clinical staff and laboratory staff via the distributors' networks and offer solutions covering their specific cell counting and analysis needs. In the latter part of the year, we strengthened our sales drive in the Asian market, as an experienced American Field Applications Scientist stayed in the region for two to three weeks per month to assist and train local sales personnel in ChemoMetec's products and sales methods, through both training sessions and joint customer visits. The aim is to strengthen our collaboration with distributors and customers in the region.

Revenue in top-five countries – ROW (DKKm)

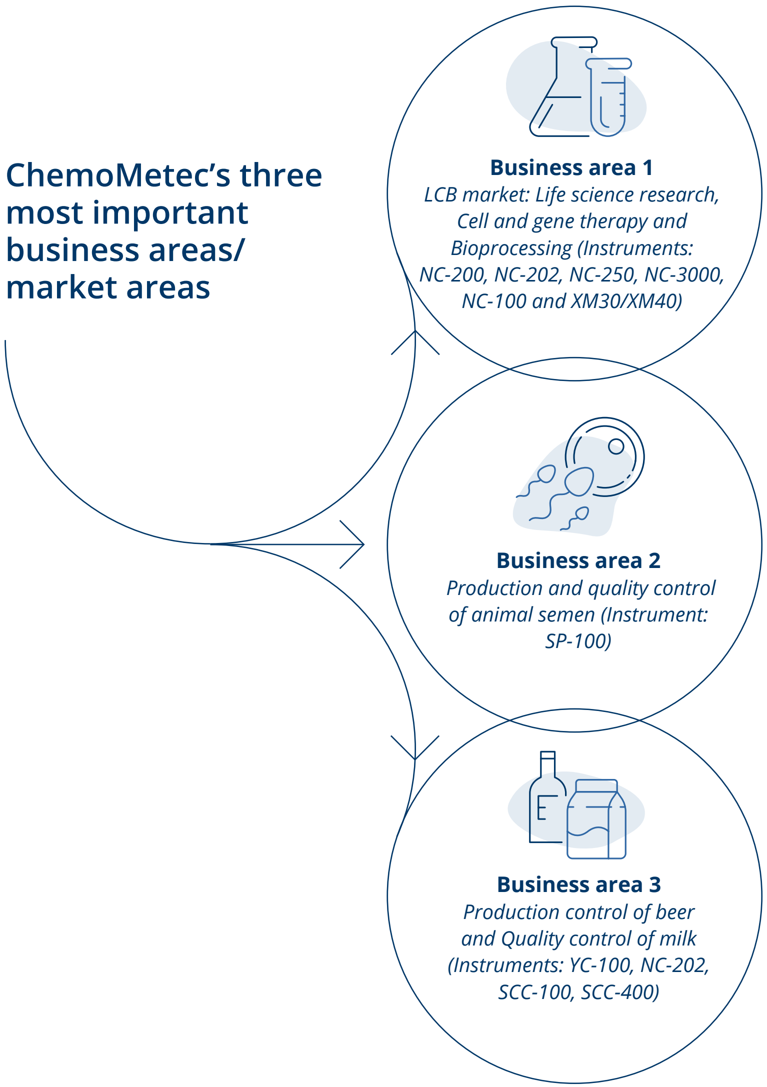
Top 5	2023/24	2022/23	Growth
China	9.4	18.6	-49%
Japan	9.4	10.3	-9%
South Korea	5.1	6.6	-23%
Singapore	2.7	3.8	-29%
Taiwan	2.6	2.8	-7%

The five largest markets in ROW are China, Japan, South Korea, Singapore and Taiwan, all of which saw declining revenue in 2023/24. In the past financial year, revenue in the top five countries accounted for 79% of ROW revenue, compared with some 83% the year before.

China: China is ChemoMetec's largest market in the ROW segment. Revenue in the Chinese market was down by 49% to DKK 9.4 million in 2023/24 (2022/23: down by 19%). The revenue decline in China was driven by a general decline in the LCB area, and particularly in the core area, cell and gene therapy. In China, sales are generated through a close collaboration between a distributor and local sales agents supported by sales staff and product specialists at the head office in Allerød.

Performance by business area

ChemoMetec's three most important business areas/ market areas



Business area 1
Life science research, Cell and gene therapy and Bioprocessing (LCB market)

Revenue (DKK)

370.9m

(2022/23: DKK 407.8 million)

Growth

-9%

(2022/23: 3%)

Share of revenue

91%

(2022/23: 93%)

ChemoMetec's most important business area is sales of cell counting and analysis equipment to three sub-areas, A) Life science research, B) Cell and gene therapy and C) Bioprocessing. In the following, these three market areas are jointly referred to as the LCB market.

We define bioprocessing as any production and production control process that uses biological organisms for manufacturing of pharmaceuticals and for medical therapies. Process development, selection/screening of cell cultures and upscaling of production are also considered bioprocessing. In other words, bioprocessing comprises all upstream and downstream processes in the manufacturing of pharmaceuticals using biological organisms. In practical terms, bioprocessing also includes large parts of the cell and gene therapy market, which in principle also includes the production of a pharmaceutical product using a biological organism. For now, we have decided to distinguish between bioprocessing and cell and gene therapy, although technological advances in terms of automation are creating a large overlap between the two areas.

In the LCB market, revenue was down by 9% from DKK 407.8 million to DKK 370.9 million in 2023/24. This business area has become increasingly important to ChemoMetec in recent years, and the LCB market today accounts for 91% of total revenue.

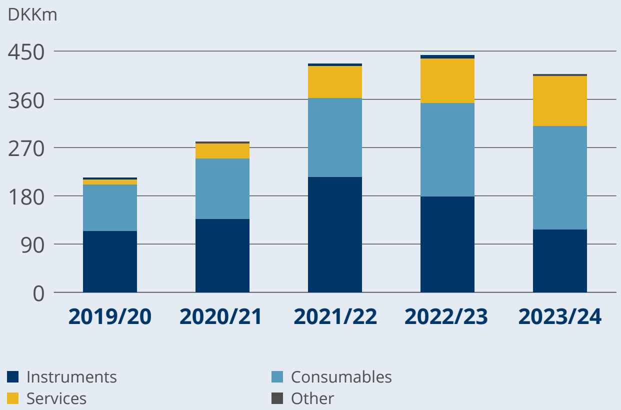
ChemoMetec's revenue in the LCB market has approximately doubled in the past five years (see the chart below). As the market's overall global growth rate in the same period is estimated to have been lower, we have effectively won market shares, particularly in the cell counting area.

ChemoMetec's advances in the LCB market in recent years has been driven mainly by strong growth within cell and gene therapy. Cell and gene therapy is a relatively new type of therapy that has the potential to treat many diseases for which there is currently no, or no effective, treatment. The so-called CAR-T method is the most prevalent of these therapies, and after the FDA approved it for the treatment of certain forms of cancer in 2017, the development of new therapies and commercialisation of such innovative forms of treatment has gathered momentum. ChemoMetec has successfully established a very attractive market position in this area, which requires cell-counting throughout the process from development up to the actual treatment of patients.

Over the past couple of years, the cell and gene therapy market has slowed down considerably, however. Due to the sustained high interest rate environment and growing general uncertainty, the trend of the previous financial year continued in 2023/24, and fresh capital remained in short supply for companies in the cell and gene therapy area. Read more about developments in the cell and gene therapy market in the "Our markets" section and on page 21.

At the end of the financial year, there were clear indications that the cell and gene therapy market is stabilising – albeit at a lower level than in previous years, when growth was high in this area. Moreover, market research indicates a continued high level of confidence in the effectiveness and potential of cell and gene therapies, and a number of new therapies obtained FDA approval during the financial year. There is also increasing focus on developing cell and gene therapies in new disease areas, not least rare diseases. Against this background, we are optimistic about the long-term potential of cell and gene therapy, and we are therefore continuing our dedicated efforts to adapt our products and solutions to the requirements of our many customers in this field. Read more about developments in ChemoMetec's markets in the "Our markets" section of this report.

Revenue by product group



Bioprocessing is a future focus area for ChemoMetec, and our current market share is limited. The market has until now been dominated by two major players who offered customers equipment with a higher degree of automation than the equipment ChemoMetec has so far been able to offer customers. The market for cell counting within bioprocessing is expected to expand significantly in the coming years, and the growing automation is expected to put substantial pressure on cell counting suppliers to be able to deliver automation solutions and advanced software for their cell counters. With the launch of the XcytoMatic products, it is our ambition to gain a significant share of this market over the coming years. Read more about bioprocessing and about our new XcytoMatic products on page 35.

Case:

Need for automation in the production of treatments based on cell therapy

In recent years, growing numbers of new cell therapy treatments have been developed and approved, and several of these have now reached the production phase. Producing the treatments is complex and expensive, however, and to reach a wider range of patients, it is necessary to reduce production costs and scale up production. A keyword in this context is automation.

As new treatments based on cell therapy complete the development phase and are approved, the production and commercialisation of these naturally become a focal point.

Today, the complexity and cost of producing cell therapy products are a challenge, and the manufacturers of this type of treatments therefore need to invest heavily in establishing complex production processes, making these efficient and making it possible to scale up production. This is a major stumbling block to the commercialisation and the wider use of cell-based therapies.

Moreover, as healthcare systems around the world are generally under pressure, the great expense of these treatments severely limits their use.

Consequently, production costs need to come down in order for the new treatment methods to benefit wider patient groups. The only means of lowering costs sufficiently is increased automation and digitalisation of production processes. Reducing costs will also lower the price of the therapies and consequently boost demand.

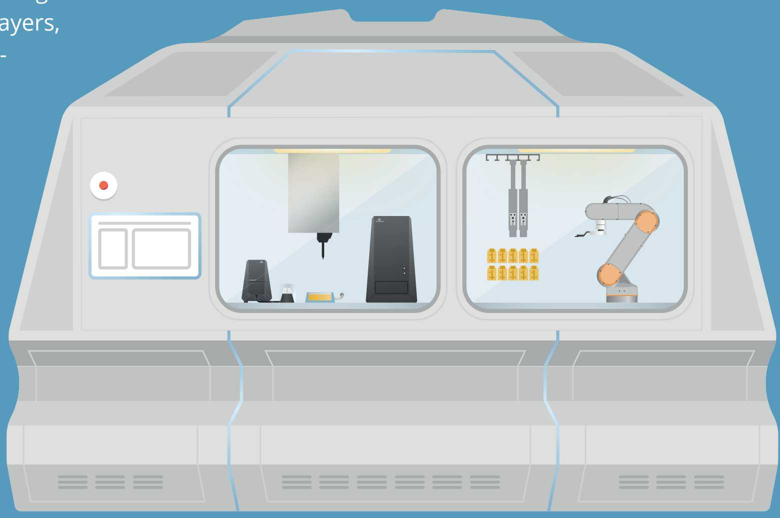
To accommodate a growing demand, production capacity must be increased, and this is also an area where automation plays a key role, as it is far simpler and faster to scale up an automated production process than a manual one.

Consequently, there is strong focus in the industry on exploring possibilities of automating and integrating the various production processes. Many industry players, including ChemoMetec, are working on developing new technologies and products to facilitate the required automation and integration, and we regularly see launches of new initiatives and solutions, including robotic technology and collaborations across the value chain. Digitalisation and the use of AI technology are an important part on this development, as different suppliers' products need to "talk together" in order to ensure production stability and security.

With the development of the new XcytoMatic instruments, ChemoMetec offers a high-tech, innovative cell counting solution that can contribute to workflow automation in the production and production optimisation of cell and gene therapy treatments. Our goal is to maintain our existing strong position in this segment – and to be able to accommodate the growing need for fully-automated cell counting and analysis solutions.

The need to widen the use of cell-based medicine, which is revolutionary but very expensive, has led to various automation initiatives, where cell therapies are produced with the aid of robots in closed environments. In this context, the XcytoMatic 30 and the Xcyto 5 are designed to perform cell counting and analysis tasks.

Read more about the XcytoMatic products on pages 33-34.



Revenue (DKK)

31.4m
(2022/23: DKK 28.7 million)

Growth

10%
(2022/23: 14%)

Share of revenue

8%
(2022/23: 6%)

Business area 2
Production and quality control of animal semen (SP-100)

A significant component in the market for production control and quality control of animal semen is various forms of semen analysis. ChemoMetec's SP-100 addresses this market and is used to determine sperm cell concentration and viability in a sample. The SP-100 is typically used at bull, boar and stallion stations producing semen doses for artificial insemination.

Sperm cell counting in livestock farming is not a very competitive market, and the SP-100 has established itself as a very strong brand in this niche market. The global market size is not known in detail, but it is estimated to be about DKK 50-100 million.

The SP-100 instrument, belonging to the NC-100 product family, was launched some 20 years ago, and the product has not been updated since then. This is very unusual in the laboratory equipment industry, but our customers nonetheless still consider the product to be up to date. This is also reflected in revenue, which was up by 9% to DKK 31.4 million in 2023/24.

The North American market is the primary geographical segment, accounting for more than half of revenue.

The market for semen analysis in livestock farming accounts for some 8% of ChemoMetec's total revenue. This share increased slightly during the year, mainly due to challenging conditions in ChemoMetec's most important LCB market.

ChemoMetec mainly sells its semen analysis products via direct sales. In a very few geographical markets, ChemoMetec is represented by a local distributor.

Business area 3

Production control of beer and quality control of milk (NC-202/SCC-100)

Revenue (DKK)

5.1m

(2022/23: DKK 5.8 million)

Growth

-13%

(2022/23: 1%)

Share of revenue

1%

(2022/23: 1%)

ChemoMetec's sales to the brewing and dairy markets account for some 1% of total revenue, in line with the year before. The market is not high on ChemoMetec's list of priorities, and it has not been for a number of years. However, we have developed a variant of the NC-202 to replace the YC-100 for use in production control of beer. We are not currently planning to develop the SCC-100 further, as the market for cell count control of milk in dairy production is not considered to be of interest to ChemoMetec.

Product development

Our product development in the past year focused on completing the development of the two new cell counters, the XcytoMatic 40 and the XcytoMatic 30, and to bring them into production. Working together, the R&D department and the sales department were in close dialogue with key customers who thoroughly tested the products. This resulted in invaluable customer feedback and in several XcytoMatic 30/40 sales. In addition to the two XcytoMatic products, we also plan to introduce the NC-203 and the Xcyto 5 to the market during 2024. These new products are expected to improve ChemoMetec's position, not only in the bioprocessing market but also in the cell and gene therapy market.

XcytoMatic 30 (XM30)
Completing the XM30 was a top priority in 2023/24, particularly in the second half of the financial year, as we became aware that our customers were very interested in this product, specifically. We are seeing a surge of automation in both bioprocessing and cell and gene therapy, which reflects a wish to enhance development and production efficiency, particularly in the cell and gene therapy area, and a wish to reduce payroll costs, which typically make up the largest part of a product's cost. Within a relatively short period of time, we expect many of the large players in the pharmaceutical/biotech industry to choose suppliers of fully automated systems.

ChemoMetec's future growth prospects depend on our ability to tap into this surge of automation and focus on becoming the preferred cell counting partner in this industry. As the XM30 is an automated and 100% integrable cell counting solution, we therefore decided to prioritise completing the development of the XM30.

The development work has covered all aspects from biology to mechanics, electronics, operation and software. The way the XM30 functions in principle is that a robotic arm delivers a cell sample from a bioreactor system to a stationary cone in the XM30, after which the cell count is initiated. On completion of the measurement, the cone is cleaned and the result is communicated. The XM30 does not have an integral reagent and waste system so as to allow for reagents and waste containers to vary in size according to the automated processes in which the XM30 may be used. The XM30 will, however, have the option of being delivered with an external reagent/waste module, the XcytoMatic R1, which is expected to be ready for sale by December 2024 at the latest.

While the XM30 instruments were initially produced by the R&D department, in May/June 2024, the production department was ready to start producing XM30 instruments.

In addition to the version with a cone that must be cleaned between measurements, the XM30 will also come in a version with an external reagent/waste module, the XcytoMatic R1, which is expected to be ready for sale by December 2024 at the latest.

At the end of the financial year, however, the development process had not quite been completed, and especially on the software side there is still a number of customer requests that need to be implemented in the software. Such customer requests have arisen, for example, in connection with external testing in cell and gene therapy. Employees of ChemoMetec's R&D department have actively taken part in all external tests in order to get the best possible understanding of the customers' requests and needs in relation to the use of the XM30. Although the development of the product has not yet been fully completed, the external tests have resulted in sales of several XM30s.

The gradual launch of the XM30 was successfully initiated at the end of the financial year, and sales are expected to grow steadily in the coming financial year, as the product is fully completed. Initial sales are expected to be made little by little to various customers, and not until an extensive internal validation process has been conducted will it be decided whether the XM30 is to be widely implemented in a given organisation. If this happens, ChemoMetec can expect to receive larger orders for the XM30. Management is very optimistic about the sales potential of the XM30.

Read more about the XM30 at
https://chemometec.com/nucleocounters/xcytomatic

The XM30 will be sold with a service contract, which will be an integral part of the package, given the complex nature and several movable parts of the instrument which require regular service and maintenance.

The XM30 will supplement the existing product portfolio, and with the XM30, ChemoMetec expects to maintain its current dominant position in cell and gene therapy.

XcytoMatic 40 (XM40)

During the financial year, a lot of development resources also went into completing the XM40. The main focus was on preparing a brand-new software platform for release, planned to take place at the end of the 2023/24 financial year. The software platform is the same as that used for the XM30. Furthermore, the R&D department in collaboration with the production engineering department and the production department put a lot of resources into establishing the production of the XM40.

Like the XM30, the XM40 was tested externally – with the assistance of the R&D department – by a number of customers in both the bioprocessing and the cell and gene therapy area. Several tests resulted in a subsequent sale to the customer in question.

Read more about the XM40 at
https://chemometec.com/nucleocounters/xcytomatic-40/

Like the XM30, the XM40 will be sold with a service contract, which will be an integral part of the package.

The XM40 will supplement the existing product portfolio, and ChemoMetec will use the launch to enter new attractive growth areas in the bioprocessing market (pharmaceutical process development and production), a market in which ChemoMetec currently has a limited presence. The market introduction of the XM40 therefore represents an important strategic milestone and is expected to contribute significantly to ChemoMetec's future revenue growth. The market for cell counting products within bioprocessing is estimated to be worth about DKK 800-900 million.

The gradual launch of the XM40, which was initiated at the beginning of the year, is expected to be gradually intensified over the course of the coming financial year.

NucleoCounter NC-203

The development of the NC-203 was suspended during the year, as this instrument is of lower priority than the XM30, the XM40 and the Xcyto 5. Directed at the same market segment as the NC-202, the product is still expected to be released for sale before the end of 2024, however.

Xcyto 5

The Xcyto 5 is an image-based cell analyser that can automatically identify and mark the individual cells and provide accurate information about in which cells – and where in the cells – the various fluorescent markers are located. Even very weak markers are easily identified using the Xcyto 5, and thanks to its robust and user-friendly functionality, the Xcyto 5 offers an attractive instrument solution for quality control within cell and gene therapy.

During the financial year, a double-digit number of Xcyto 5 instruments were produced. Based on customer requests, a simple assay was developed to be used for routine control of cells to be used in CAR-T therapy. Several other specific uses have also been identified for the instrument.

The instrument employs disposable counting chambers made of glass. The chambers need to be of particularly good optical quality in order to generate optimal results. During the financial year, ChemoMetec worked on establishing a new production plant for these chambers. The plant is scheduled to be commissioned later on in 2024.

The Xcyto 5 is expected to be launched before the end of 2024. The Xcyto 5 is also expected to contribute significantly to the coming years' revenue.

Case:

The XcytoMatic 30 and 40 targeting the attractive bioprocessing market

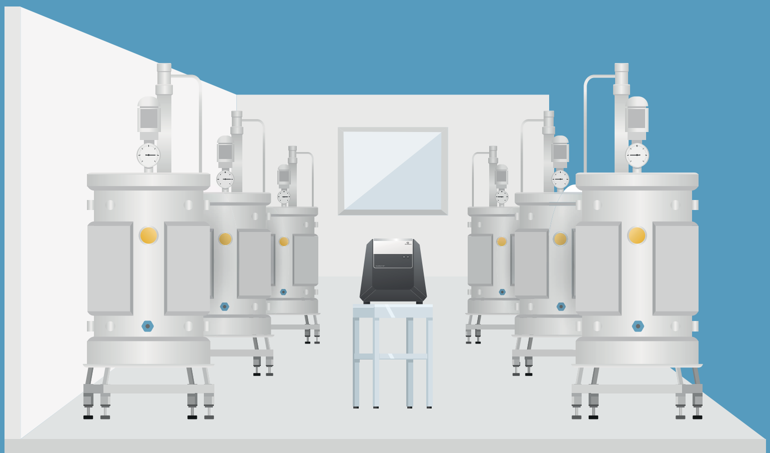
Bioprocessing is an area of pharmaceutical manufacturing in which living cell cultures are used to produce pharmaceuticals. In bioprocessing, it is essential to produce as much biological material as possible and as efficiently as possible. It is therefore very important to closely monitor the cell cultures and optimise their growth conditions during the production process.

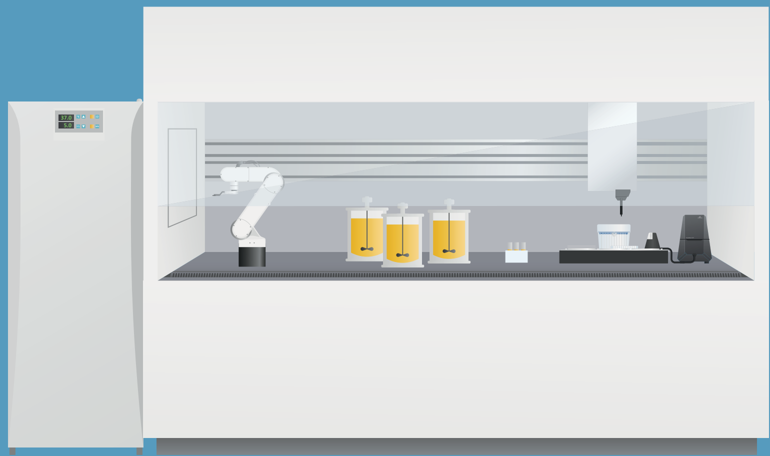
ChemoMetec's new XcytoMatic cell counters were developed to accommodate a number of the special requirements and challenges that our bioprocessing customers face in the different phases of the complex development of such pharmaceuticals – from identifying and isolating cells to the subsequent production phase.

In recent years, it has become possible to grow cell cultures with very high cell concentrations, significantly improving the production output, e.g. in the production of monoclonal antibodies and vaccines. The existing cell counting instruments are not capable of analysing samples with high cell concentrations without prior dilution, however. By contrast, our XcytoMatic products are able measure most high-concentration samples directly. This saves time and simplifies work processes. The carousel-based XcytoMatic 40 cell counter was designed specifically to be integrated into the more or less automated processes typically seen in bioprocessing.

As each production batch often represents considerable value, it is essential to work with the optimal cell culture. During the development process, it is therefore desirable to screen as many cell cultures as possible in a set-up simulating the final production. Manufacturers have therefore begun to develop fully automated processes in which different cells under varying conditions are cultivated in small containers, from which cell samples are taken regularly and transferred to a cell counter by a robot. The XcytoMatic 30 was designed specifically to be integrated in such fully automated processes.

The XcytoMatic instruments stand out from existing measuring equipment by being highly flexible. As the instruments are able to measure both low concentrations in small volumes and very high concentrations, and can be integrated in both manual and fully automated processes, they can be used right from the early development phases, over process development to the final production phase.





The production of pharmaceuticals in the bioprocessing area takes place in tanks (bioreactors). An operator takes numerous samples, which are then analysed in a XcytoMatic 40 (illustration on the left). Before the expensive production process is commenced, it is essential to optimise the process by way of simulation in many small bioreactors. In the development process, a fully automated workflow has therefore been introduced which delivers the sample directly to the analysis instruments, including the XcytoMatic 30 (illustration on the right).

Read more about the XcytoMatic products on pages 33-34.

R&D partnerships

In order to ensure that ChemoMetec is able to continually accumulate new knowledge and support ongoing development projects, we participate in various fund-supported projects. By participating in such development projects, ChemoMetec is able to accumulate specialist knowledge and expertise enabling us to become first-movers in terms of developing products adapted to the latest technologies.

Current projects:

Circular Vision

ChemoMetec and Roche Sequencing Solutions in partnership with the University of Copenhagen, Aarhus University, Herlev and Gentofte Hospital and a number of universities and research units in Spain, Italy and Switzerland participated in a three-year EU-funded project to explore the use of circular DNA as a biomarker for early detection of various cancers and autoimmune diseases.

The project sought to identify a potential correlation between the size and number of circular DNA molecules and the development of lung cancer and chronic inflammatory bowel disease.

The consortium published its project results in a number of high-impact journals, such as Nature Communication, Molecular Cell and Trends in Genetics, and submitted several patent applications in order to protect the knowledge gained through the project and the related commercial rights.

As part of the Circular Vision project, ChemoMetec developed methods of detecting and counting biomolecules at the single cell level. This new technology has a broad scope of application, including various single-cell analyses, which are in demand within cell therapy and other biological segments.

Financial review

Profit for the year (DKK)
136.3m
(2022/23: DKK 178.7 million)

Cash flows from operating activities (DKK)
129.0m
(2022/23: DKK 154.1 million)

Equity ratio
84%
(2022/23: 81%)

Revenue

In the 2023/24 financial year, revenue declined by 8% to DKK 407.4 million measured in Danish kroner and by 6% measured at constant exchange rates.

ChemoMetec's revenue is distributed with 59% in the USA/Canada, 32% in Europe and 9% in the rest of the world.

In ChemoMetec's largest market, the North American market, revenue in 2023/24 declined by 9% measured in Danish kroner and by 5% measured at a constant exchange rate. In the European market, revenue rose by 1% measured in Danish kroner. In the rest of the world, revenue declined by 26% measured in Danish kroner.

Sales of instruments declined by 35% in 2023/24, while sales of consumables and services grew by 13%.

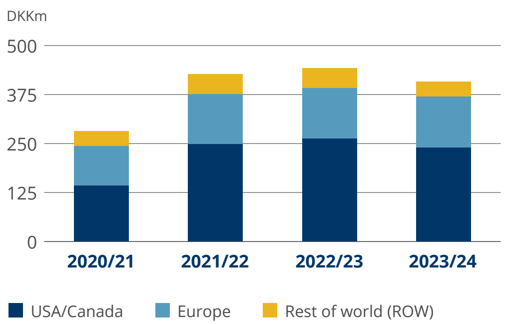
Costs

Cost of goods sold rose by 13% to DKK 68.1 million measured in Danish kroner in 2023/24, and the resulting gross margin was 90% (2022/23: 93%). The relative increase in cost of goods sold to revenue was mainly due to rising prices of raw materials and consumables and a changed sales mix.

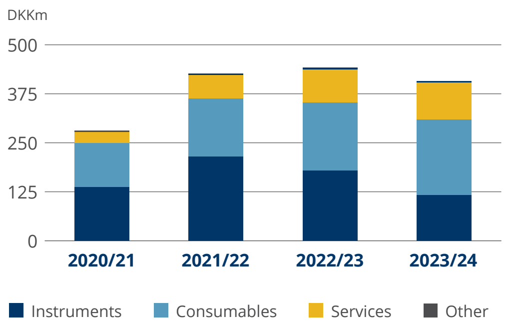
Other external costs, including sales promotion costs, premises and administrative expenses, rose by 3% in the financial year. The increase was mainly related to higher travel activity in connection with customer visits and the like.

ChemoMetec's overall staff costs rose by 17% in 2023/24 to DKK 135.2 million. Staff costs were affected by non-recurring costs in connection with the replacement of executive officers in 2023/24. See note 2.6 to the financial statements for a detailed description.

Revenue by region



Revenue by business area



Earnings

Operating profit (EBITDA) in 2023/24 amounted to DKK 186.2 million, against DKK 251.0 million in 2022/23. The decline in EBITDA was primarily attributable to a combination of a DKK 43.9 million decrease in gross profit and a DKK 19.5 million increase in staff costs.

The EBITDA margin for 2023/24 amounted to 46%, against 57% in 2022/23. The lower margin was due to the above-mentioned higher staff costs and the relatively higher cost of goods sold. At constant exchange rates, the EBITDA margin for the year was 49%.

EBIT fell by 27% in 2023/24 to DKK 169.0 million (2022/23: DKK 230.6 million), and the EBIT margin was 42%, down from 52% last year.

Profit for the year declined by DKK 42.4 million year-on-year to DKK 136.3 million.

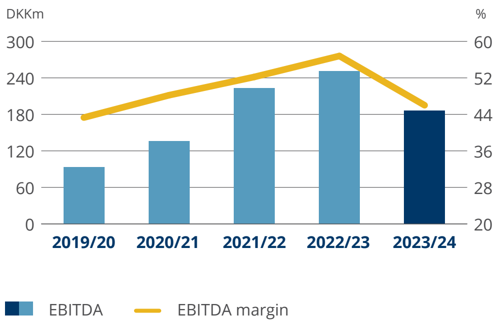
Revenue and EBITDA for the year were in line with the most recent guidance announced on 12 April 2024 of revenue in the range of DKK 400-415 million and EBITDA in the range of DKK 185-200 million.

Balance sheet

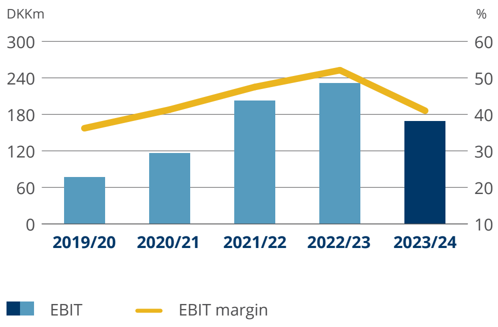
ChemoMetec's total assets at 30 June 2024 amounted to DKK 676.7 million, which was a year-on-year increase of DKK 18.7 million. The increase was driven by a DKK 21.6 million increase in non-current assets, whereas current assets were down by DKK 2.9 million.

At 30 June 2024, equity amounted to DKK 565.3 million, a DKK 32.3 million increase, which means that the rise in total assets was still self-financed. ChemoMetec's equity ratio rose to 84% from 81% in 2022/23.

EBITDA and EBITDA margin



EBIT and EBIT margin



Non-current assets

Intangible assets amounted to DKK 94.5 million at 30 June 2024, which was an increase of DKK 14.9 million. The increase was driven by an addition to the item 'Development projects in progress', mainly attributable to development work on the Xcyto platform, including the new analysis instruments, the XM40 and the XM30. The majority of development projects in progress are expected to be completed in the 2024/25 financial year.

Property, plant and equipment increased by DKK 9.4 million to DKK 92.0 million at 30 June 2024. The increase was mainly related to the refurbishment of the property located next to ChemoMetec's head office building in Allerød, purchased in 2021.

Current assets

Current assets were down by DKK 2.9 million to DKK 489.8 million at 30 June 2024, which was primarily attributable to a decrease in cash and cash equivalents, offset by an increase in inventories and trade receivables.

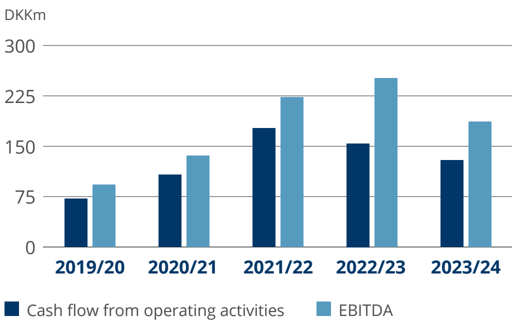
At 30 June 2024, cash and cash equivalents amounted to DKK 296.1 million, a DKK 20.4 million decrease. The decrease was mainly attributable to a DKK 104.4 million dividend distribution in 2023/24. Cash and cash equivalents made up 44% of ChemoMetec's total assets at 30 June 2024.

Inventories amounted to DKK 119.5 million at 30 June 2024, which was an increase of DKK 6.9 million. The increase was mainly related to higher inventories of raw materials and subassemblies relative to the year before.

Trade receivables at 30 June 2024 amounted to DKK 62.3 million, a DKK 6.9 million increase. The increase was mainly driven by ChemoMetec's higher activity in Q4 2023/24 compared with the year-earlier period.

Current assets represented 72% of ChemoMetec's total assets at 30 June 2024.

EBITDA and cash flow from operating activities



Cash flows

The cash flow was made up of a DKK 129.0 million net cash inflow from operations and net cash outflows from investing and financing activities of DKK 43.5 million and DKK 105.7 million, respectively.

Cash flow from operating activities

The DKK 61.6 million decline in EBIT was the main reason for the DKK 25.1 million decrease in cash flow from operating activities compared with 2022/23.

Financial income amounted to DKK 8.1 million (2022/23: DKK 2.5 million), and the increase was due to rising interest rates on ChemoMetec's cash and cash equivalents. In 2023/24, income tax payments amounted to DKK 52.0 million (2022/23: DKK 57.7 million).

Cash flow from investing and financing activities

The cash flow from investing activities was a net outflow of DKK 43.5 million (2022/23: DKK 40.8 million), attributable to the investments mentioned in the 'Non-current assets' section above.

As ChemoMetec is self-financed, financing activities have limited impact on cash flows, except for the dividend distribution for the year. The cash flow from financing activities for the year was a net outflow of DKK 105.7 million (2022/23: DKK 2.9 million), which included a DKK 104.4 million dividend distribution regarding 2022/23.

Events after the balance sheet date

No significant events have occurred after the balance sheet date that affect the annual report for 2023/24.

Guidance for 2024/25

After a couple of years marked by challenging market conditions, at the beginning of the 2024/25 financial year we are starting to see some positive trends in ChemoMetec's markets. Market data indicates a slight improvement towards the end of the past financial year in the availability of capital to cell and gene therapy companies for projects in the later development stages. This is mainly the case for medium-sized US companies, while small companies are still struggling to attract fresh capital.

Market research also indicates a continued high level of confidence in the effectiveness and potential of cell and gene therapies, and the major companies in the field still focus on the development of this type of therapies. At the same time, there is increasing focus on developing therapies in new disease areas, including rare diseases and autoimmune diseases. Against this background, we are optimistic about the long-term potential of cell and gene therapy, which is ChemoMetec's primary business area, and consequently also about ChemoMetec's ability to generate growth in this area again.

We expect to see continued moderately positive trends in our markets in the coming financial year, although the macroeconomic and geopolitical situation remains uncertain.

Our guidance for 2024/25 is based on the following assumptions:

- That the availability of fresh capital to businesses in the cell and gene therapy area improves slightly over the course of the year, and that our customers are thus able to gradually raise their levels of activity and investment.
- That the USD exchange rate remains close to the level at 30 June 2024.

Towards the end of the financial year, ChemoMetec initiated a gradual launch of the two new products, the XcytoMatic 30 (XM30) and the XcytoMatic 40 (XM40), and in the coming year, we will gradually intensify our sales drive for the two instruments in both the cell and gene therapy and bioprocessing areas. We are currently seeing growing demand for new methods of automation – and in this respect the XM30 will be relevant, as it can be integrated into a fully-automated production flow. The XM40 will target the process development phases, particularly in the bioprocessing area.

We will also complete the development of two additional instruments, the Xcyto 5 and the NC-203, and gradually start marketing these in the coming financial year.

With these four new instruments, our overall product portfolio will be significantly strengthened, and we will cover a larger part of our customers' value chain from development to production, which is expected to strengthen our ability to generate growth both in the short term and the longer term.

Based on an even more intensified commercial focus across the organisation, the expected market conditions, the launch of four new high-tech instruments and continued focus on sales of our existing instruments, we expect to see increasing sales of instruments in the coming financial year.

Sales of consumables and service contracts are also expected to increase in the coming year.

Based on the above, ChemoMetec's guidance for the 2024/25 financial year is revenue in the range of DKK 435-450 million, corresponding to a growth rate of 7-10%, and EBITDA in the range of DKK 216-223 million, corresponding to a growth rate of 16-20%.

In 2024/25, ChemoMetec expects to invest some DKK 70 million in product development, patents, production plant and land and buildings, etc. Management believes that this level of investment will create a basis for continued effective development of the business.

Forward-looking statements

The above forward-looking statements, in particular future revenue and earnings projections, are uncertain and subject to risk. Many factors are beyond ChemoMetec's control, which might entail that actual events differ significantly from the expectations expressed in the annual report. Such factors include significant changes in market conditions, including developments in technology, customer portfolio or exchange rates.

See also the section on risk factors.

Governance

Risk factors

ChemoMetec is subject to various different risks, some of which are beyond our direct control. The individual risks could have a significant impact on our business.

We consider the identification of risks to be an integral part of our ongoing strategic process, and understanding and managing the most significant risks is essential if we are to effectively execute the strategy.

The Board of Directors holds overall responsibility for assessing the nature and scope of the risks associated with ChemoMetec's activities. It is also responsible for ensuring effective risk identification and implementing appropriate risk management and internal control systems and policies.

Together, the Board of Directors and the Executive Management at least once a year review ChemoMetec's overall risk profile and its most significant risks.

The Executive Management holds responsibility for continually managing risk responsibly and effectively in accordance with the Company's policies. Risk monitoring and management forms part of the ongoing risk assessment process and is an integral part of the regular reporting to the Board of Directors.

ChemoMetec's most significant risks relate to product development, intellectual property rights, the macroeconomic environment, production and inventory, key employees and IT security.

Area	Description of risk	Risk mitigation
Product development	The development of new, innovative products is subject to major inherent risks related to technological, design and intellectual property obstacles that can delay or stop the development process. Moreover, product development is subject to major financial risks. Realising ChemoMetec's strategy requires that we are able to successfully develop and introduce new products to the market.	ChemoMetec continually seeks to ensure in-depth knowledge of the needs of existing and prospective customers in the cell counting and analysis market and bases the development of solutions on this knowledge combined with the Company's technological expertise. In the development process, ChemoMetec makes regular risk assessments of all development projects and changes or terminates development projects, where this is deemed necessary. Risk assessments are conducted by the project managers and the R&D department management. Risk assessments are presented to Management on an ad hoc basis.
Intellectual property rights	There is an inherent risk that not all patent applications will result in patents being issued, and there is no assurance that issued patents will not be contested. There is also a risk of other parties intentionally infringing ChemoMetec's intellectual property rights. Furthermore, there is a risk that other parties – justifiably or not – believe that ChemoMetec is infringing their patents or rights and, as a result, actively enforce these alleged rights. Patent disputes can be costly, and they can prevent ChemoMetec from marketing its products.	ChemoMetec's patents, including patent applications, are handled in close collaboration between the R&D department and legal experts. ChemoMetec continually spends significant resources on patent applications to ensure the freedom to operate or to ensure that other parties do not infringe our intellectual property rights. On a case-by-case basis, Management makes individual assessments of what action to take, particularly in consideration of the risk that this is deemed to involve.

Area	Description of risk	Risk mitigation
Macroeconomic environment	ChemoMetec operates in a number of global markets in which market developments are affected by macroeconomic conditions and the factors influencing these, such as geopolitical instability. Macroeconomic risks include rising interest rates and a resulting decline in investments in ChemoMetec's business areas. This may have an impact on our customers' demand for and use of our products as well as on their ability to pay. In turn, this may have an adverse impact on ChemoMetec's earnings. The fact that ChemoMetec operates in a number of markets exposes us to currency risk. As a large proportion of ChemoMetec's sales are in the USA, we are mainly exposed to USD fluctuations. Financial risks and financial risk management are described in detail in note 4.7 to the financial statements.	ChemoMetec continually considers and monitors these risks in the context of current business activities and specific market opportunities and prioritises activities based on this. The continuing weak global investment climate, especially in the biotech industry, was in particular focus in 2023/24, as it affected many of our existing and prospective new customers. In order to mitigate the effects of this on our sales, we intensified our focus on canvassing and on generating customer leads. We also carefully assessed credit risk in relation to each customer in order to limit any adverse consequences on our business and financial position. Currency risk management is handled centrally by the finance function in accordance with policies and instructions adopted by the Board of Directors. ChemoMetec did not enter into hedging transactions of cash flows or foreign exchange positions during the year.
Production and inventory	As production and inventory holdings are concentrated in a few locations, potential fire, vandalism or the like at one of these locations could cause severe interruptions or suspension of activities. Long-term stoppages would temporarily affect ChemoMetec's supply capability. Production is furthermore dependent on the ability of suppliers to continuously supply the required quality and volumes of raw materials and other components on a timely basis.	A number of initiatives have been taken to mitigate this risk, including fire protection. Additionally, ChemoMetec seeks to maintain a minimum inventory of finished goods to mitigate the consequences of a potential stoppage. The Company is in regular dialogue with critical suppliers to ensure that raw materials and other components are of the required quality and that the suppliers adapt their production to changes in demand. Furthermore, ChemoMetec seeks to build up inventories of critical raw materials and components and seeks to identify at least two suppliers for critical product groups.
Key employees	In order to be able to continually develop innovative products and ensure satisfactory financial results, it is essential for the Company to be able to attract, develop and retain the right employees.	ChemoMetec focuses on each employee's individual development, ongoing career development and on giving employees a significant degree of responsibility.
IT security	ChemoMetec's operations, reporting and control systems are to a wide extent run by IT systems and are therefore dependent on a high degree of IT security. Consequently, system breakdowns, errors or unauthorised access to the Group's IT systems constitute a significant and growing risk to ChemoMetec's activities. Lengthy IT breakdowns would affect operations. Unauthorised access to ChemoMetec's IT systems and other attempts at financial IT crime, including theft of business-critical knowledge such as data concerning products, technologies or customer lists, could affect future results. The current geopolitical situation has heightened the risk of cyber attacks.	ChemoMetec assesses and adjusts its use of IT on an ongoing basis, including IT infrastructure and security. ChemoMetec has established procedures and back-up routines to ensure a high level of security and protection against loss of data in the course of operations and as a general defence against IT crime. The aim is to continuously strengthen the Company's technical ability to protect, identify and react when attempts are made to gain unauthorised access to ChemoMetec's IT infrastructure. IT security penetration tests are carried out regularly to identify any areas in which the security of the existing IT set-up needs strengthening. Furthermore, in 2023/24, ChemoMetec has initiated awareness training of its employees, and this will be performed regularly going forward. At the same time, preparations are being made for the implementation of the new NIS2 Directive on cybersecurity.

Sustainability

Our business model implies that we take a long-term approach in our sustainability work, as our business is based on the development and sale of products and solutions that are typically in use for many years and that create value for our customers and society by ultimately contributing to better and more widely applicable patient therapies.

As an international company, we are mindful of the impact our business has on our community and stakeholders, and we acknowledge our responsibility for contributing to a sustainable future. It is important to us that ChemoMetec's business is conducted responsibly and ethically in accordance with applicable legislation and standards and that our future growth and development are sustainable. We pursue continuous reduction of our environmental and climate impact, and we also focus on social and governance aspects.

As we begin to report on our overall CO_2 emissions, we expect to see very low emissions relative to relevant key figures such as revenue and earnings.

ChemoMetec's focused business model and innovative products have produced attractive earnings over the years. This, and our simple legal structure, has meant that ChemoMetec has contributed large income tax payments as well as increasing tax payments from our employees as the number of employees has grown.

For a detailed description of ChemoMetec's business model, see the "Our business model" section of the annual report.

ESG work stepped up

In the past year, we stepped up our sustainability work another notch. The aims of this increased focus are to ensure that ChemoMetec's operations become ever more sustainable and to enable us to comply with the ever stricter reporting requirements that will be phased in over the coming years. ChemoMetec will be required to report in accordance with the Corporate Sustainability Reporting Directive (CSRD) and accompanying standards and in accordance with the EU Taxonomy Regulation as from the 2025/26 financial year. To enable us to manage this, we boosted our ESG work with additional resources and expertise in the area in 2023/24. The areas we focused on included completing the initial work in connection with the upcoming double materiality assessment and planning the subsequent work to ensure that our reporting is aligned with the CSRD. We plan to initiate the double materiality assessment in the first half of 2024/25.

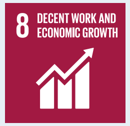
Framework of our ESG work

We base our sustainability work on the ten UN Global Compact principles on environmental protection, human rights, labour rights and anti-corruption.

We promote sustainability, as expressed in the 17 UN Sustainable Development Goals, by developing and operating ChemoMetec in a responsible manner. We have assessed the importance of each of the Sustainable Development Goals in relation to ChemoMetec's activities and selected the following five:

We help our life science customers ensure good health and well-being for all.

We promote gender equality and women's opportunities in the workplace.



We provide secure and good working conditions for our employees, and our business model is based on sustainable growth.

We focus on reducing our energy and water consumption and we seek to minimise the volume of waste and ensure responsible sourcing.

We are aware of our environmental and climate impact and actively seek to contribute to reducing the impact of climate change on life on earth.

We have chosen to focus our sustainability efforts on three areas under the headings of climate and environment, social and employee-related matters and governance and community relations. The Board of Directors has approved the policies, which relate to sustainability and the three areas.

Read more about our sustainability policy here

Policies and guidelines govern our operations

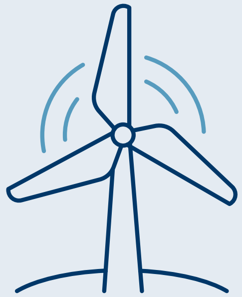
ChemoMetec's operations are performed in accordance with Danish and international sustainability legislation, conventions and standards. Our compliance with these is ensured through the policies and internal guidelines we have drawn up.

List of relevant policies:

- Code of Conduct
- Supplier Code of Conduct
- Whistleblower policy
- Sustainability policy
- Diversity and inclusion policy
- Remuneration policy
- Data ethics policy
- Tax policy

Read more about ChemoMetec's policies here.

Sustainability at ChemoMetec – our priorities



Climate and environment (E)

- Energy consumption
- Waste
- Plastics
- Travel activity
- Digital marketing and customer support solutions
- Procurement and transport

Social matters (S)

- Employee skills development
- Diversity and inclusion
- Human rights
- Employee well-being, health and safety

Governance & community relations (G)

- Business ethics
- Corporate governance
- Responsible tax
- Remuneration

Governance structure

The Board of Directors holds overall responsibility for ChemoMetec's sustainability strategy and policies and considers and decides on strategic and tactical subjects related to the area.

The Executive Management holds the day-to-day sustainability responsibility across the organisation and oversees the implementation of and compliance with various policies as well as the overall prioritisation of our efforts.

The finance department holds responsibility for obtaining and quality-controlling data and reporting on our results.

Our policies and procedures serve to mitigate our risks in the ESG area. In this connection, compliance with statutory requirements and other regulation, including the rules laid down in our Code of Conduct, is of vital importance.

We also interact with our various stakeholders on a regular basis to learn about their demands and needs and their special focus areas. This gives us regular input on how we can adapt and strengthen our business and reduce potential risks.

Ongoing dialogue with our stakeholders via various channels:

Stakeholders	Expectations on ESG	Interaction
Customers	Products based on sustainable business practices, including respect for human rights, high ethical standards, no hazardous chemicals, and responsible sourcing.	• Regular interaction • Regular engagement about environmental and social issues • Feedback on new and existing products • Conferences • Customer audits
Employees	Meaningful work, fair treatment and pay, sense of belonging and good development opportunities.	• Daily interaction between managers and employees • Joint meetings • Performance interviews • Employee satisfaction surveys
Investors/ shareholders	Transparency, measurement, targets and ESG reporting. Plans and initiatives for mitigation of existing and future ESG-related risks.	• Investor meetings and presentations • Conference calls • The general meeting
Suppliers and business partners	Responsible business practices and partnerships on strategic issues.	• Ongoing dialogue, including on the Supplier Code of Conduct framework
Regulators	Compliance with legislation and other regulations.	• Bilateral dialogue with local, national and international authorities
Civil society	Responsibility for important issues and contribution to promoting sustainable local development and growth.	• Bilateral dialogue • Dialogue with local representatives

Climate and environment

We are committed to minimising our impact on the global climate as well as on the local environment, and we approach this by focusing on our responsible use of resources. We also strive to offer our customers solutions that help them reduce their footprint.

When we develop new products, we increasingly consider our choice of materials and their impact on the external environment over the total life cycle of the product.

Significantly reduced consumption of plastics using the XM30 and the XM40

The new XcytoMatic products are designed with a reusable measuring glass cuvette rather than the disposable plastic cassettes used for cell counts in a number of our NucleoCounter instruments.

Relative to ChemoMetec's cassette-based NucleoCounter instruments, the use of plastics is reduced by 95-97% per analysis in the XM30 and by 75-85% in the XM40.

We consider it an important parameter for ChemoMetec that the materials we use in our products and consumables are acceptable to our customers. It is also important to us that the design and the materials used in the production of our instruments make it feasible to repair the instruments in the future – thus increasing their useful life and reducing the climate footprint over the instruments' lifecycle.

In line with these considerations and our ongoing dialogue with our customers, we have significantly reduced the amount of plastics used in the new XcytoMatic products compared with the amount used in ChemoMetec's existing products. We have also considerably reduced our use of cardboard packaging, and we have lowered the energy consumption in relation to shipment by reducing shipment volumes and the weight per cell count performed.

Our direct external environmental impact is mainly connected to the production of our instruments and related consumables, including the use of plastics for our disposable cassettes. We continually strive to reduce our negative environmental impact by applying responsible and sustainable solutions in our production. For example, we have implemented a number of sustainability considerations in our investment policies and supplier agreements, and we take environmental and climate considerations into account when we approve investments.

Examples of our investments and initiatives in our production in the past year:

- Continued conversion from pneumatic to server-controlled production machinery in order to reduce energy consumption and minimise sources of wastage.
- Minimisation of wastage in the production of consumables through a systematic effort to improve processes and equipment as well as initiatives to more effectively identify sources of wastage.
- All hard plastics from the production in Allerød are sorted and collected in specialised containers in order to maximise recycling.

Disposable cassettes for our NucleoCounter instruments are made of plastic, and the cell sample to be analysed is loaded into this cassette prior to the sample being analysed. We continually explore ways to minimise the volume of plastics used, but these efforts are somewhat constrained by requirements as to the quality of the cassettes. Another constraint is that we cannot use recycled plastics in the production of the cassettes, as the purity of recycled plastics is not high enough to be approved for use in analytical processes. Also, used cassettes cannot be reused, as they contain organic matter belonging to our customers, who are therefore responsible for the compulsory collection and destruction thereof.

We are furthermore committed to reducing our climate and environmental impact throughout our value chain, including in connection with procurement, transport and travel activity.

Examples of our initiatives in the past year:

- Focus on the use of recycled packaging materials.
- Collaborating with our transport company on plans to transition to using containers on electrically powered trucks.
- Goods are increasingly transported by sea. Air transport of products to the USA has been minimised to consignments that need to be kept cool throughout the transport. Road transport of goods has also been reduced.

For example, road transport of products to container ports in Germany has ceased, and goods are now transported by road to the nearest Danish port and from the port by feeder vessel to one of the large container ports, from where they are shipped to their final destination.

- We continually implement new digital solutions to make sales efforts more efficient and optimise travel activity.
- We are renovating the building at Gydevang 42-44 in Allerød rather than demolishing it and building a new one.

Also, we exclusively use green energy at our Allerød facilities, where most of our total energy consumption is concentrated.

While we do not currently apply climate or environmental targets or KPIs, these will be determined as our efforts in this area are developed further. ChemoMetec is not assessed to be subject to significant risks related to climate and environmental issues.

Social, employee-related and diversity matters

ChemoMetec supports and respects internationally adopted basic human rights and labour rights, including the rights set out in the UN Global Compact, the Universal Declaration of Human Rights and the ILO's basic labour conventions.

The well-being, health and safety of our employees is a key concern for ChemoMetec as an employer. We strive to provide a well-functioning health and safety environment and to avoid occupational injuries. Furthermore, ChemoMetec focuses on mental health and well-being, as this is essential to our productivity as well as to our employees' job satisfaction and development.

ChemoMetec's health and safety representatives and Management together monitor the health and safety environment. Management follows up on sickness absence on an ongoing basis and interviews employees who have a high rate of absence. In the past year, the rate of absence was approximately 7%, against 5% the previous year. The increase was mainly attributable to a few cases of long-term illness and is not regarded as a sign of a general deterioration of employee health and well-being.

Management believes that these continued efforts over the past year have enabled us to maintain a strong health and safety environment.

We also offer our employees decent and attractive working and employment conditions as well as regular development, training and upgrading of skills to ensure that they are able to meet the ever increasing labour market demands and to help deliver on ChemoMetec's strategy.

Promoting a diverse and inclusive workplace culture is an important goal to us because we believe a diverse employee group enhances the value we create for all our stakeholders. In the past year, the gender distribution was 60% men and 40% women. With its range of perspectives and experience, a diverse employee group fosters new ways of thinking and developing the Company, which helps us maintain and strengthen ChemoMetec's competitiveness. We use a broad definition of diversity, including diversity of skills, experience, education, age, gender, ethnicity, religion and sexual orientation.

To keep a regular check on the organisation and ensure progress in our priority areas, it is important that we maintain good dialogue with our employees and get their feedback.

In 2023/24, we conducted an employee satisfaction survey, which indicated a high general level of job satisfaction.

We conduct regular performance interviews as well as interviews when employees leave the company. Such exit interviews give Management a valuable understanding of the why employees leave and an opportunity to make any necessary changes to the organisation.

ChemoMetec is not exposed to significant risk in relation to social and employee-related matters, and we do not currently apply targets or KPIs other than gender composition targets.

Diversity on the Board of Directors and other management levels

At ChemoMetec, we believe that diversity and inclusion are important prerequisites for running a sound and sustainable business for the benefit of our customers, our employees and society.

ChemoMetec's goal is therefore to achieve a reasonable gender composition on the Board of Directors and at other management levels based on a wish to achieve the diversity in expertise and experience required to strengthen the business and its competitiveness and to manage ChemoMetec.

Board of Directors

The Board of Directors aims for its members to complement each other as much as possible with respect to age, background, gender, etc. to ensure a qualified and versatile contribution to the Board's work.

The composition of the Board of Directors, including the recruitment of new members, is based on an evaluation of the overall expertise represented on the Board, any need to strengthen certain areas of expertise and the professional skills of the individual members. As well as professional skills, we consider personal skills and the wish for diversity. The goal is to ensure that the Board possesses the knowledge and experience required to handle the general and strategic management of ChemoMetec.

Gender distribution, %
(number shown in brackets)

Employees

40% Women (70)

60% Men (103)

Management

33% Women (3)

67% Men (9)

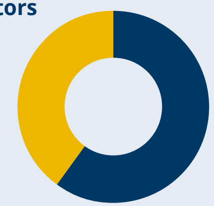
New hires

36% Women (15)

64% Men (27)

Board of Directors

40% Women (2)



60% Men (3)

The Board of Directors currently has three male and two female members. As the current gender composition on ChemoMetec's Board is equal in accordance with the Danish Business Authority's guidelines on target figures and policies, there is no need to determine separate targets in this respect.

Other management levels

ChemoMetec is striving for a more equal gender composition at other management levels, both to improve their diversity and to make full use of the talent pool and bring the greatest talents into play.

The guiding principles when hiring new management members are:

- to provide equal opportunities and terms for all candidates based on their expertise, motivation and personality,
- to offer equal pay for work of equal value,
- to promote diversity and discourage discrimination.

Other recruitment criteria taken into account are ChemoMetec's needs and corporate culture and the wish to recruit new managers who can contribute to realising our overall strategy.

In the 2023/24 financial year, the Management team had 67% male and 33% female members. The target gender composition is 60/40 by 2026.

With a view to achieving this goal, we focus on the following:

- Recruitment procedures that help draw attention to Management candidates of both genders. We aim for at least one of the candidates invited to job interviews to be a woman.
- Seeking to ensure that persons taking part in the recruitment and appointment process reduce any bias.
- Considering the views of our current and prospective employees on what constitutes an inclusive workplace, and regularly adjusting our policies and ways of working so they are aligned with our goal of greater diversity and also foster equal opportunity.
- Providing attractive and inclusive opportunities for career and leadership development within ChemoMetec.

Governance & community relations

We are committed to running our business according to high ethical standards and in compliance with applicable legislation. It is therefore key for us to create the right framework for all our activities across the organisation.

Establishment of board committees
In June 2024, the Board of Directors resolved to establish an audit committee, a nomination committee and a remuneration committee. The three committees will be established effective from the 2024/25 financial year.

Code of Conduct
We prepared a Code of Conduct for our employees, Management and Board of Directors at the end of 2022/23 and implemented it during the past year. With our Code of Conduct, we aim to support everyone in our organisation in making the right decisions in their daily work and to ensure good and healthy relations with our stakeholders, including customers, suppliers, distributors and other business partners. We will maintain regular dialogue within the organisation and arrange training to ensure that everyone is familiar with and complies with the guidelines and the mindset of our Code of Conduct.

ChemoMetec's relations with our suppliers and other business partners are generally based on agreements and contracts setting out a number of standard requirements for the purpose of minimising risk and operating our business responsibly and to high ethical standards.

Typically, these standard requirements relate to quality and reliability of delivery as well as responsibility in relation to the environment, human rights and anti-corruption. Based on our knowledge, we assess that suppliers and other partners adequately meet these requirements.

In the past year, we intensified our efforts in this area and prepared a Supplier Code of Conduct, which is based on the same principles as our Code of Conduct for employees, Management and Board of Directors. Our Supplier Code of Conduct is currently being implemented for selected suppliers and will be incorporated in our contracts with these. Over time, we will expand the number of suppliers covered by our Supplier Code of Conduct.

Whistleblower scheme
ChemoMetec's whistleblower scheme is an important tool that gives employees an efficient channel through which to report any suspected or actual breaches of our Code of Conduct. No incidents were reported via the whistleblower scheme in 2023/24. In addition to the whistleblower scheme, we actively seek to promote a corporate culture at ChemoMetec in which it is natural and legitimate to speak up on conduct or actions that are not compliant with our Code of Conduct.

Data ethics

ChemoMetec has prepared a data ethics policy which comprises a number of data ethics principles.

The overall responsibility for our data ethics principles lies with the Board of Directors, whereas the day-to-day responsibility lies with the IT department and ChemoMetec's CFO.

Read more about our Data ethics policy and the annual reporting on data ethics here.

Tax policy and tax payments

ChemoMetec solely uses business structures driven by commercial considerations and reflecting our business activities. Accordingly, we have established a simple legal structure with the various activities placed in legal entities, and the Company's registrations for legal and tax purposes largely coincide.

ChemoMetec has no activities in tax havens, and we endeavour to avoid commercial relations with customers or suppliers in such jurisdictions.

ChemoMetec strives to comply with tax legislation applicable at any time in the countries in which we operate and to pay taxes in accordance with generally accepted international practice.

Transactions between group entities are performed on an arm's-length basis and in accordance with applicable OECD transfer pricing guidelines.

In 2023/24, ChemoMetec's income tax amounted to DKK 40.3 million, equalling an effective tax rate of 22.8% and 10% of revenue.

Read more about ChemoMetec's tax policy here.

Sustainability – Key figures*

		2023/24	2022/23	2021/22	2020/21	2019/20
Environmental data						
Energy consumption	GJ	185,315	146,344	144,655	121,350	96,238
Energy consumption per FTE	GJ	1,071	892	984	948	944
Energy consumption per DKKm revenue	GJ	455	331	339	432	449
Renewable energy share	%	94	95	95	25	-
Water consumption	m^3	1,004	1,182	873	657	866
Water consumption per FTE	m^3	6	7	6	5	8
Water consumption per DKKm revenue	m^3	2	3	2	2	4
Social matters						
Income tax/revenue	%	10	12	10	9	8
Number of full-time employees	FTE	173	164	147	128	102
Gender distribution	% (M/F)	60/40	58/42	56/44	66/34	63/37
Gender distribution, other management levels	% (M/F)	67/33	67/33	75/25	71/29	71/29
Employee turnover rate	%	20	16	29	16	30
Sickness absence	Days per FTE	7	5	4	5	2
Governance						
Gender distribution, Board of Directors	% (M/F)	60/40	60/40	60/40	75/25	100/0
Board meeting attendance rate	%	93	96	92	100	100
CEO pay ratio to average employees	Ratio	12	4	14	14	6

* Key figures are calculated in accordance with the definitions in "ESG key figures in the annual report" issued by CFA Society Denmark, FSR – Danish Auditors and Nasdaq in January 2022, except for the key figure "CEO pay ratio", which is calculated on the basis of the employees' average salary rather than the median salary.

Corporate governance

Corporate Governance report

ChemoMetec is committed to running our business and arranging our management systems in compliance with the principles of good corporate governance. This is a prerequisite for our long-term value creation and for establishing credibility towards customers, employees, shareholders and other stakeholders.

ChemoMetec's corporate governance is based on the recommendations issued by the Committee on Corporate Governance (included in Nasdaq Nordics' "Nordic Main Market Rulebook for Issuers of Shares"), applicable stock exchange regulations, regulatory requirements, established practice and in-house rules.

The Company complies with the recommendations of the Committee on Corporate Governance with a few exceptions, mainly related to ChemoMetec's size and business model.

ChemoMetec's statutory corporate governance report for the 2023/24 financial year is available on the Company's website www.ChemoMetec.com www.chemometec.com under "IR" and the item "Corporate Governance", Corporate governance reports (https://investor.chemometec.com/corporate-governance/corp-gov-reports).

Management structure

ChemoMetec has a two-tier management structure consisting of the Board of Directors and the Executive Management. The Board of Directors, whose members are elected by the shareholders, supervises the Executive Management. The Board of Directors and the Executive Management are independent of each other.

Board of Directors

The Board of Directors is in charge of the overall management of ChemoMetec and is responsible for decisions on its strategic development, financial issues, risk factors and major development and investment projects. The Board of Directors also has wide powers to supervise ChemoMetec and to check that it is being properly managed as required by law and by the articles of association.

The Board of Directors conducts its business in accordance with the rules of procedure of ChemoMetec's Board of Directors and Executive Management.

Pursuant to ChemoMetec's articles of association, the shareholders in general meeting elect between three and seven board members. The Board of Directors currently consists of five members, all elected by the shareholders in general meeting. They are elected for terms of one year but are eligible for re-election. No changes were made to the Board of Directors in 2023/24.

The articles of association do not stipulate any special restrictions as to the election of members to the Board of Directors.

An evaluation of the work of the Board of Directors is carried out annually. The purpose of this evaluation is to ensure that the Board works well as a unit and that the members of the Board combined possess expertise and experience within ChemoMetec's product areas and markets, product development, production, sales and marketing in global markets, strategy and business development, general management, finance and capital markets, including the special issues pertaining to listed companies.

The evaluation is facilitated by the Chairman on the basis of a questionnaire to be completed in writing by all members of the Board of Directors. The results of the most recent evaluation were presented to and discussed by the Board, and based on the evaluation, it was concluded that the Board works well as a unit and that the members of the Board combined possess the required expertise in due consideration of ChemoMetec's business model and strategy.

Furthermore, the Board of Directors evaluates the work and results of the Executive Management at least once annually.

Two of the five board members are considered not to be independent as per the definitions of the corporate governance recommendations of Nasdaq Copenhagen. Niels Thestrup, Chairman of the Board, is a partner of the law firm that ChemoMetec uses for legal advice, and Martin Glensbjerg has held a position as a senior employee of the Company within the past five years.

Information about the individual board members is provided in the "Board of Directors and Executive Management" section of this report.

In addition to the recurring items on the agenda, the Board of Directors considered other business during the year, including:

- Macroeconomic trends, including the effects of the market developments of ChemoMetec and our customers
- Management changes
- Product development of new instruments and their launch
- ChemoMetec's ESG efforts
- Approval and implementation of ChemoMetec's Code of Conduct

In June 2024, the Board of Directors resolved to establish an audit committee, a nomination committee and a remuneration committee. The three committees will be established effective from the 2024/25 financial year.

Executive Management
The Executive Management is appointed by the Board of Directors and is responsible for the general management of the Company, including its operating performance and financial results. The Executive Management is responsible for carrying out the strategy and overall decisions approved by the Board of Directors.

The Executive Management consists of ChemoMetec's Chief Executive Officer (CEO) and Chief Financial Officer (CFO).

In the 2023/24 financial year, 12 board meetings were held, which were attended by the following board members:

Name	Title	Board meetings
Niels Thestrup	Chairman	● ● ● ● ● ● ● ● ● ● ● ●
Martin Glensbjerg	Deputy Chairman	● ● ● ● ● ● ● ● ● ● ● ●
Kristine Færch	Board member	● ● ● ● ● ● ● ● ● ● ● ●
Betina Hagerup	Board member	● ● ● ○ ● ● ● ○ ● ● ● ○
Peter Reich	Board member	● ● ● ● ● ● ○ ● ● ● ● ●

● Attended
○ Did not attend

The following changes were made to the Executive Management in 2023/24:

- Martin Helbo Behrens took up the position of CEO on 13 March 2024.
- Kim Nicolajsen took up the position of CFO on 1 July 2024 (after the end of the financial year).
- Niels Høy Nielsen stepped down as CFO on 30 June 2024.
- Rasmus Kofoed took up the position of CEO on 1 August 2023 and stepped down on 13 March 2024.
- Steen Søndergaard stepped down as CEO on 31 July 2023.

Remuneration of Board of Directors and Executive Management
ChemoMetec's Board of Directors and Executive Management are remunerated on the basis of a remuneration policy approved by the company in general meeting. The current remuneration policy was approved at the annual general meeting held on 8 October 2020.

ChemoMetec's remuneration policy is available on the company's website www.chemometec.com under "IR" and the item "Remuneration policy" (https://investor.chemometec.com/corporate-governance/company-policies)

The main purposes of the remuneration policy are to:

- Achieve results in accordance with the general strategy and annual plans.
- Ensure that ChemoMetec is able to attract, motivate and retain highly qualified members of the Board of Directors and the Executive Management.
- Align the interests of management with those of ChemoMetec and its shareholders.
- Provide transparency to enable shareholders to assess the basis for the remuneration of the Executive Management and the Board of Directors of ChemoMetec.

The remuneration of the Board of Directors consists of a fixed fee. Members of the Board of Directors do not receive incentive pay in any form, although they may be covered by incentive schemes in their capacity as employees.

In 2023/24, the total fee paid to the Board of Directors amounted to DKK 810,000 (2022/23: DKK 810,000), see note 2.6 to the financial statements, and the individual board members' fees were unchanged from the year before. The Chairman received a fee of DKK 360.000, the Deputy Chairman received a fee of DKK 150,000 and the rest of the board members received fees of DKK 100,000 each.

The remuneration of the Executive Management consists of a fixed base salary, a variable cash-based incentive scheme based on financial performance criteria, and other usual benefits. In special circumstances, the Board of Directors may resolve to grant a member of the Executive Management an extraordinary one-off bonus. The combination of fixed and incentive-based remuneration is intended to support the purpose of the remuneration policy.

Total remuneration paid to the members of the Executive Management in 2023/24 amounted to DKK 12,660 thousand (2022/23: DKK 4,543 thousand). The increase in remuneration was due to the appointment of a new CEO and payment of a sign-on bonus in relation to this, the full-year effect of the appointment of a new CFO in November 2022 and remuneration related to the notice period for the two executive officers amounting to DKK 4,342 thousand.

Read more about the remuneration of the Board of Directors and the Executive Management in note 2.6 to the financial statements and in the remuneration report for 2023/24, which is available on the company's website www.chemometec.com under "IR" and the item "Remuneration report for 2023/24" (https://investor.chemometec.com/corporate-governance/remuneration-reports).

Control and risk management in relation to the financial reporting process

The primary responsibility for ChemoMetec's risk management and internal controls in relation to the financial reporting rests with the Board of Directors, including compliance with applicable legislation, etc.

The Company' risk management and internal controls in relation to the financial reporting are intended to:

- Ensure timely, fair and informative financial reporting in accordance with applicable financial reporting legislation and disclosure requirements for listed companies.
- Create a basis for effective internal financial management and budget follow-up.
- Minimise the risk of errors and omissions in the financial reporting process.

Powers and responsibilities are defined in the Board of Directors' instructions to the Executive Management as well as in other policies, procedures and codes.

The Board of Directors approves ChemoMetec's overall finance, currency and risk management policy. The Board of Directors also discusses significant estimates and uncertainties in relation to the financial reporting.

ChemoMetec's organisation is relatively small, with relatively few employees to undertake administrative tasks such as bookkeeping, accounting records and reconciliations. The limited size of the organisation makes it difficult to maintain proper segregation of duties in some areas. In those areas, the Company has established supplementary controls to prevent misappropriation of assets, losses and/or significant errors and omissions in the financial reporting.

The Executive Management regularly assesses risks, including risks that directly affect the financial reporting, risks relating to IT controls, including IT breakdowns and loss of data as well as risks related to fraud or irregularities.

The Board of Directors and Executive Management receive regular financial and sales reporting and comments on ChemoMetec's financial and business performance.

Board of Directors and Executive Management

Board of Directors

Niels Thestrup (1962)
Chairman

Member of the Board of Directors of ChemoMetec A/S since October 2021. Re-elected in 2023.

Not independent as per the definitions of the corporate governance recommendations of Nasdaq Copenhagen, as the law firm of which Niels Thestrup is a partner provides legal advice to ChemoMetec.

Position
Attorney-at-law (SC), Partner, Kønig Advokater I/S.
CEO of Thestrup Holding Advokatanpartsselskab, Thestrup Advokatanpartsselskab, N. Thestrup Holding ApS, Thestrup Ejendomme ApS and Ziegler Holding ApS.

Directorships
Chairman of the boards of directors of Co-Ros Fond, Nova5 Arkitekter a/s, Sani Membranes A/S, Løvbjerggård A/S, KG Holding, Søllerød ApS, Pnn Medical A/S, Pnn Medical US A/S, Pnn Memocore ApS and A/S Erik Thestrup.

Member of the boards of directors of MedTech Invest A/S, Ejendomsselskabet Dr. Tværgade 5 A/S, Brancor Futures A/S and Brancor Securities A/S.

Areas of expertise
Commercial law, including capital markets law, general corporate governance, economics and international business affairs.

Martin Glensbjerg (1959)
Deputy Chairman

Member of the Board of Directors of ChemoMetec A/S since October 2013. Re-elected in 2023.

Member of the Board of Directors of ChemoMetec A/S for the period 2001-2010.

Not independent as per the definitions of the corporate governance recommendations of Nasdaq Copenhagen, as Martin Glensbjerg has been a senior employee of ChemoMetec within the past five years.

Position
Senior advisor of ChemoMetec A/S and co-founder of ChemoMetec A/S.
CEO of ChemoMetec Holding A/S and HMG Technology ApS.

Directorships
Member of the boards of directors of ChemoMetec Holding A/S, Sani Membranes A/S, Udviklingsselskabet Hovedgaden 148 ApS and Byggeselskabet Danmark A/S.

Areas of expertise
Product development and project management as well as production and business development.

Kristine Færch (1976)
Member of the Board of Directors of ChemoMetec A/S since October 2020. Re-elected in 2023.

Independent as per the definitions of the corporate governance recommendations of Nasdaq Copenhagen.

Position
Project Director, Data Science, Novo Nordisk A/S.

Areas of expertise
Experience in research and development, broad expertise in biology and in-depth knowledge of the activities and challenges of the principal customer group that ChemoMetec targets.

Board of Directors

Betina Hagerup (1961)
Member of the Board of Directors of ChemoMetec A/S since October 2021. Re-elected in 2023.

Independent as per the definitions of the corporate governance recommendations of Nasdaq Copenhagen.

Position
Professional board member.

Directorships
Chairman of Statens It-råd
Member of the boards of directors of the ATTA Foundation and Center for Cyberkompetencer

Areas of expertise
Broad knowledge of national and international business affairs, strategic and business development, digitalisation and general management.

Peter Reich (1962)
Member of the Board of Directors of ChemoMetec A/S since October 2014. Re-elected in 2023.

Independent as per the definitions of the corporate governance recommendations of Nasdaq Copenhagen.

Position
Director and co-owner of telecommunications provider DSTNY A/S and CEO of Jore ApS, Soft Invest Holding ApS, Bulltrading ApS, PRE Invest Holding ApS and Soft Holding ApS.

Directorships
Member of the boards of directors of Leto Leasing P/S and BPM Micro ApS.

Areas of expertise
Strategic and business development, general corporate governance, specifically sales and marketing.

Executive Management

Martin Helbo Behrens (1992)
Chief Executive Officer (CEO) since March 2024.

Kim Nicolajsen (1980)
CFO since July 2024 (appointed after end of financial year).

The previous CEO of ChemoMetec A/S, Rasmus Kofoed, stepped down on 13 March 2024, and the previous CFO of ChemoMetec A/S, Niels Høy Nielsen, stepped down on 30 June 2024.

Shareholdings – Board of Directors and Executive Management

No. of shares	Acquired in 2023/24	Sold in 2023/24	Shareholding at 30 June 2023
Niels Thestrup	1,427	0	1,949
Martin Glensbjerg	987	0	631,637
Kristine Færch	95	0	150
Betina Hagerup	0	0	293
Peter Reich	1,450	0	1,450
Martin Helbo Behrens (joined on 13 March 2024)	3,203	0	3,257
Rasmus Kofoed* (stepped down on 13 March 2024)	576	0	576
Niels Høy Nielsen** (stepped down on 30 June 2024)	900	0	900

* Shareholding at Rasmus Kofoed's resignation from the Executive Management on 13 March 2024
** Shareholding at Niels Høy Nielsen's resignation from the Executive Management on 30 June 2024

Shareholdings comprise direct ownership as well as indirect ownership through companies under control.

Shareholder information

Share information
The ChemoMetec share is listed on Nasdaq Copenhagen and has been a component of the Large Cap index since the beginning of 2022. The share is listed under the ID code DK0060055861 with a denomination of DKK 1. The shares are negotiable instruments with no restrictions on their transferability, issued to bearer, and each DKK 1 share carries one vote.

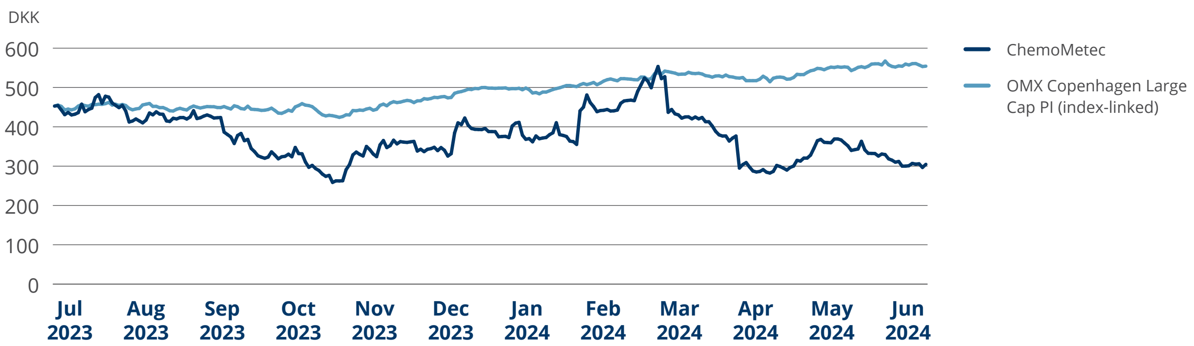
Share capital
ChemoMetec's share capital at 30 June 2024 comprised 17,402,479 shares of DKK 1 nominal value each, totalling DKK 17,402,479. The size of the share capital has not changed in the past financial year.

At year end 2023/24, the share was priced at DKK 304.6, compared with DKK 466.0 at year end 2022/23. The market capitalisation of the Company's shares at year end 2023/24 was DKK 5,300 million, down by 34.6% from DKK 8,110 million at year end 2022/23. By way of comparison, the Nasdaq Large Cap PI index was up 21.7% in the same period.

In 2023/24, approximately 21.1 million ChemoMetec shares were traded via Nasdaq Copenhagen, corresponding to 121% of the share capital of 17.4 million shares. The turnover was close to DKK 8.0 billion, which was an increase of 11% compared with the year before.

Capital and share structure
The Board of Directors regularly considers ChemoMetec's capital and share structure in order to ensure that it supports our strategy and our aim of long-term value creation. The Board of Directors finds that ChemoMetec currently has a sound capital and share structure, including adequate capital and sufficient liquidity to ensure the required flexibility for the continued development of the Company's activities in accordance with our strategic priorities.

Share price performance



Ownership
At the beginning of the financial year, ChemoMetec had 13,037 registered shareholders. At 30 June 2024, the number had risen to 17,031, representing 97.7% of the Company's share capital.

ChemoMetec wants to provide shareholders with the best possible level of information, and we therefore encourage all shareholders to register their shares in the Company's register of shareholders and via the shareholder portal on the Company's website, https://chemometec.com/investor-relations/.

The following shareholders have notified ChemoMetec that they hold 5% or more of the Company's share capital:

- BlackRock, Inc. and group companies
- SEB Investment Management AB / SEBinvest A/S
- Invesco Ltd.
- AIM International Mutual Funds

At 30 June 2024, ChemoMetec held no treasury shares.

There are no restrictions on ownership or voting rights in the Company's Articles of Association. If an offer is made to acquire the Company's shares, the Board of Directors will, as laid down in law, take an open-minded approach and will pass the offer on to shareholders, accompanied by the Board of Directors' comments.

ChemoMetec has not entered into any material contracts that would be affected, amended or expire, should control of the Company change.

Board resolutions and proposals for the annual general meeting

Appropriation of profit
The Board of Directors proposes that the profit for the year of DKK 136.3 million be carried forward to next year, but see below.

Dividend
At the annual general meeting, the Board of Directors will propose that a dividend of DKK 4.0 per share be distributed for the 2023/24 financial year (see also note 4.3 to the financial statements), corresponding to a dividend payment of DKK 69.6 million.

The proposed dividend distribution should be seen in light of ChemoMetec's strong financial position, having taken into account investment in property refurbishments and expansion of both production and warehouse capacity.

ChemoMetec has not defined a specific future dividend policy, but any dividend distribution will be made in due consideration of ChemoMetec's capital position, liquidity, financial performance and strategic plans.

Other proposals
The Board of Directors proposes that it be authorised on behalf of the Company to acquire treasury shares in ChemoMetec.

The proposals will be specified in the notice convening the annual general meeting.

Investor relations
ChemoMetec's ambition is to provide a high and reliable level of information. The Company is committed to disseminating transparent, relevant information to the Company's shareholders and other stakeholders and also to engage in active dialogue with them.

We communicate with investors, analysts, the press and other stakeholders through regular company announcements. Information about ChemoMetec's results and performance is available on the Company's website.

At the end of the financial year, the ChemoMetec share was covered by Danske Bank, SEB, Nordea, ABG Sundal Collier and DNB.

Shareholders, analysts, investors, stockbrokers and other interested parties who have questions about ChemoMetec should contact:

ChemoMetec A/S
Gydevang 43
DK-3450 Allerød
Contact: Martin Helbo Behrens, CEO / Kim Nicolajsen, CFO
Tel.: +45 48 13 10 20
E-mail: ir@chemometec.com

Annual general meeting

The Company's annual general meeting will be held on 10 October 2024 at 5.30 p.m. at Nordsjællands Konferencecenter in Allerød.

Financial calendar 2024/25

2024

11 September 2024	Annual report 2023/24
10 October 2024	Annual general meeting
7 November 2024	Trading statement for Q1 2024/25

2025

5 February 2025	Interim report for H1 2024/25
7 May 2025	Trading statement for Q3 2024/25
11 September 2025	Annual report 2024/25
9 October 2025	Annual general meeting

Statement and report

Statement by Management

The Board of Directors and the Executive Management have today considered and approved the annual report of ChemoMetec A/S for the financial year 1 July 2023 to 30 June 2024.

The annual report has been prepared in accordance with IFRS Accounting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the consolidated financial statements and the Parent Company financial statements give a true and fair view of the Group's and the Company's assets, liabilities and financial position at 30 June 2024 and of the results of the Group's and the Company's operations and cash flows for the financial year 1 July 2023 - 30 June 2024.

In our opinion, the management report includes a fair review of the development and performance of the business and financial position of the Group and the Company, the financial results for the year as well as the financial position of the Company and the overall financial position of the consolidated companies, together with a description of the principal risks and uncertainties that the Group and the Company face.

In our opinion, the annual report of ChemoMetec A/S for the financial year 1 July 2023 to 30 June 2024 with the file name chemometec-2024-06-30-da.zip, has been prepared, in all material respects, in compliance with Commission Delegated Regulation (EU) 2019/815 on the single electronic reporting format (the ESEF Regulation).

We recommend that the annual report be adopted at the annual general meeting.

Allerød, 11 September 2024

Executive Management

Martin Helbo Behrens
CEO

Kim Nicolajsen
CFO

Board of Directors

Niels Thestrup
Chairman

Martin Glensbjerg
Deputy Chairman

Kristine Færch

Betina Hagerup

Peter Reich

Independent auditor's report

To the shareholders of ChemoMetec A/S

Report on the consolidated financial statements and the parent financial statements

Opinion

We have audited the consolidated financial statements and the parent financial statements of ChemoMetec A/S for the financial year 1 July 2023 - 30 June 2024, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group as well as for the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30 June 2024 , and of the results of their operations and cash flows for the financial year 1 July 2023 - 30 June 2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark.

Our opinion is consistent with our audit book comments issued to the Audit Committee and the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No 537/2014.

We were appointed auditors of ChemoMetec A/S for the first time on 31 August 2001 for the financial year 2001/02. We have been reappointed annually by decision of the general meeting for a total contiguous engagement period of 22 years up to and including the financial year 2023/24.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and the parent financial statements for the financial year 1 July 2023 to 30 June 2024. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters.

The carrying amount of the Group's completed and in-progress development projects is DKK 93 million at 30 June 2024, corresponding to 14% of the Group's balance sheet total. The amount of the completed and in-progress development projects and the related significant management judgements are considered to have a material influence on the evaluation of the Company's financial statements and are therefore a key audit matter.

Management subjects the Company's completed and in-progress development projects to annual impairment testing to ensure that the development projects are written down if their carrying amount exceeds their expected recoverable amount.

Management's impairment test comprises significant management judgements related particularly to:

- Expected future cash flows from the Group's sale of instruments and disposable products

- The discount rate used to discount cash flows to present value

Key input and assumptions included in management judgements and the related uncertainties are described in note 3.1 to the consolidated financial statements.

How the matter was addressed in our audit

We obtained an understanding of Management's processes for and control over the valuation of the Company's completed and in-progress development projects.

Through risk-oriented sampling, we tested the future cash flows estimated by Management for accuracy and completeness and ensured that the methods and principles used were unchanged compared to last year.

We assessed the risk of misstatements and the uncertainty related to Management's impairment testing of development projects by performing the following procedures:

- Assessed the appropriateness of the valuation approach adopted by the Company to determine impairment of development projects

- Tested Management's expected future cash flow for each project, which included testing of historical selling prices and sales by comparing them with budgets approved by the Board of Directors.

- Compared the discount rate used with the one used last year and assessed the assumptions underlying the discount rate used.

- Reviewed and tested the sensitivity analyses prepared by Management for the calculated present value of each development project.

We consider the method and the assumptions used by Management to value the Group's completed and in-progress development projects to be appropriate.

We find Management's comments on the uncertainties related to management judgements in note 3.1 to the consolidated financial statements to be appropriate and adequate.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Management responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, safeguards put in place and measures taken to eliminate threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with ESEF Regulation

As part of our audit of the consolidated financial statements and the parent financial statements of ChemoMetec A/S we performed procedures to express an opinion on whether the annual report for the financial year 1 July 2023 - 30 June 2024, with the file name chemometec-2024-06-30-da.zip, is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation), which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;

- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the consolidated financial statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion.

The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the consolidated financial statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited consolidated financial statements.

In our opinion, the annual report of ChemoMetec A/S for the financial year 1 July 2023 - 30 June 2024, with the file name chemometec-2024-06-30-da.zip, is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 11 September 2024

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No. 33963556

Jens Serup
State-Authorised Public Accountant
Identification No. (MNE): mne45825

Financial statements 2023/24

Consolidated financial statements 2023/24

Contents

Statement of comprehensive income

DKK'000	Note	2023/24	2022/23
Revenue	2.1, 2.2	407,350	442,274
Other income		520	2,127
Cost of goods sold	2.3	-68,098	-60,359
Work carried out for own account and capitalised	2.4	27,823	27,458
Gross profit		**367,595**	**411,500**
Other external costs	2.5	-46,194	-44,716
Staff costs	2.6	-135,226	-115,754
Depreciation, amortisation and impairment	2.7	-17,209	-20,469
EBIT		**168,966**	**230,561**
Financial income	2.8	8,900	2,516
Financial expenses	2.8	-1,280	-2,717
Profit before tax		**176,586**	**230,360**
Tax on profit for the year	2.9	-40,302	-51,693
Profit for the year		**136,284**	**178,667**
Earnings per share in DKK	2.10		
Earnings per share		7.83	10.27
Diluted earnings per share		7.83	10.27
Profit for the year		136,284	178,667
Other comprehensive income:			
Foreign exchange adjustment of foreign subsidiaries		405	-2,763
Comprehensive income for the year		**136,689**	**175,904**

Balance sheet at 30 June 2024

DKK'000	Note	2023/24	2022/23
Assets			
Completed development projects		20,617	21,732
Acquired patents and licences		1,549	1,755
Development projects in progress		72,381	56,176
Intangible assets	3.1	**94,547**	**79,663**
Land and buildings		54,388	56,003
Plant and machinery		6,586	9,776
Other fixtures and fittings, tools and equipment		2,902	3,369
Property, plant and equipment in progress		28,173	13,537
Property, plant and equipment	3.2	**92,049**	**82,685**
Deferred tax	3.3	-	2,649
Deposits		281	318
Financial assets		**281**	**2,967**
Non-current assets		**186,877**	**165,315**
Inventories	3.4	**119,495**	**112,635**
Trade receivables	3.5	62,257	54,830
Other receivables		6,820	4,913
Prepayments		5,078	3,712
Receivables		**74,155**	**63,455**
Cash and cash equivalents		**296,146**	**316,571**
Current assets		**489,796**	**492,661**
Assets		**676,673**	**657,976**

DKK'000	Note	2023/24	2022/23
Equity and liabilities			
Share capital	4.2	17,402	17,402
Other reserves		547,914	515,640
Equity		**565,316**	**533,042**
Deferred tax	3.3	8,454	-
Other provisions	3.6	3,400	2,100
Lease liabilities	4.4	974	3,643
Non-current liabilities		**12,828**	**5,743**
Current lease liabilities	4.4	1,850	2,506
Credit institutions	4.4	1,331	1,011
Trade payables		11,085	17,550
Income tax		19,964	43,440
Contractual obligations	4.5	50,816	46,480
Other payables	4.6	13,483	8,204
Current liabilities		**98,529**	**119,191**
Liabilities		**111,357**	**124,934**
Equity and liabilities		**676,673**	**657,976**
Charges and contingent liabilities	5.2 - 5.3		
Other notes	5.4 - 5.7		

Statement of changes in equity

DKK'000	Share capital	Transla-tion reserve	Retained earnings	Proposed dividend	Total
Equity at 1 July 2023	**17,402**	**18**	**411,207**	**104,415**	**533,042**
Profit for the year	-	-	66,684	69,600	136,284
Foreign exchange adjustments	-	4	401	-	405
Comprehensive income	**-**	**4**	**67,085**	**69,600**	**136,689**
Other adjustments	-	-	-	-	-
Dividend paid	-	-	-	-104,415	-104,415
	-	**-**	**-**	**-104,415**	**-104,415**
Equity at 30 June 2024	**17,402**	**22**	**478,292**	**69,600**	**565,316**
Equity at 1 July 2022	**17,402**	**26**	**339,777**	**-**	**357,205**
Profit for the year	-	-	74,252	104,415	178,667
Foreign exchange adjustment of foreign subsidiaries	-	-8	-2,755	-	-2,763
Comprehensive income	**-**	**-8**	**71,497**	**104,415**	**175,904**
Other adjustments	-	-	-67	-	-67
Dividend paid	-	-	-	-	-
	-	**-**	**-67**	**-**	**-67**
Equity at 30 June 2023	**17,402**	**18**	**411,207**	**104,415**	**533,042**

Statement of cash flows

DKK'000	Note	2023/24	2022/23
EBIT		**168,966**	**230,561**
Depreciation, amortisation and impairment		17,209	20,469
Financial income received		8,075	2,457
Financial expenses paid		-183	-1,093
Income tax paid		-51,955	-57,749
Changes in working capital	4.1	-13,110	-40,499
Cash flow from operating activities		**129,002**	**154,146**
Purchase, etc. of property, plant and equipment		-20,947	-21,181
Sale of property, plant and equipment		-	-
Purchase, etc. of intangible assets		-22,584	-19,635
Addition of financial assets		37	-15
Cash flow from investing activities		**-43,494**	**-40,831**
Debt financing:			
Lease payments		-1,620	-2,844
Raising/repayment of debt to credit institutions re. credit cards		320	-14
Shareholders:			
Dividend paid		-104,415	-
Other adjustments		-	-67
Cash flow from financing activities		**-105,715**	**-2,925**
Change in cash and cash equivalents		**-20,207**	**110,390**
Cash and cash equivalents at 1 July		316,571	209,025
Foreign exchange adjustment of cash and cash equivalents		-218	-2,844
Cash and cash equivalents at 30 June		**296,146**	**316,571**
Cash and cash equivalents comprise:			
Cash		296,146	316,571
Cash and cash equivalents at 30 June		**296,146**	**316,571**

Notes

1. General accounting policies

The note disclosures, the description of accounting policies and the description of significant accounting estimates in connection with the preparation of the financial statements are separated into three sections describing the various parts of the financial statements, including individual financial statement items. The separation means that the accounting policies, significant accounting estimates and specification of amounts and comments are presented together for each separate area and financial statement items.

For the sake of clarity, descriptions are marked with the following symbols:

§ = Accounting policies

= Significant accounting estimates

1.1 Frame of reference

§ Accounting policy

ChemoMetec A/S is a public limited company domiciled in Denmark.

The annual report of ChemoMetec A/S for 2023/24 comprises the consolidated financial statements of ChemoMetec A/S and its subsidiaries (the Group) and the separate financial statements of the Parent Company.

The consolidated and Parent Company financial statements of ChemoMetec A/S for 2023/24 have been prepared in accordance with International Financial Reporting Standards as issued by IASB and adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

It was decided in April 2024 that IAS 1 is to be replaced by IFRS 18 Presentation and Disclosure in Financial Statements in 2027. The new standard is expected to set out new requirements for the presentation of annual reports, primarily relating to the income statement and disclosure of alternative performance measures in a note to the consolidated financial statements.

ChemoMetec expects to implement the standard when it becomes effective. ChemoMetec has initiated, but not yet completed, an analysis of the effects that IFRS 18 will have on the Group's primary financial statements and notes.

1.2 Basis of preparation of financial statements

§ Accounting policy

The consolidated and Parent Company financial statements are presented in Danish kroner (DKK), which is the presentation currency of the Group's operations and the functional currency of the Parent Company.

The basis of preparation of the financial statements is the historical cost principle, except where IFRS specifically prescribes the use of fair value, see the accounting policy described for each item.

1.3 Significant estimates applied in preparing the financial statements

 # Significant accounting estimates

On recognition and measurement of financial statement items, it is in some cases necessary to make assessments and estimates as well as assumptions regarding future events. These estimates and assumptions are based on historical experience and other relevant factors that Management considers reasonable under the circumstances, but which are inherently uncertain and unpredictable. Actual outcomes may therefore differ from these estimates.

The estimates and judgments and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognised in the reporting period in which the changes occur and in subsequent reporting periods if the changes affect these.

In preparing the financial statements, significant accounting estimates have been made in the following areas:

- Distribution of selling price on delivery obligations and accrual of service contracts (note 2.2)
- Assessment of whether development projects qualify for capitalisation and assessment of impairment of intangible assets (note 3.1)

Notes

1. General accounting policies (continued)

1.4 Materiality in the preparation of financial statements

 # Significant accounting estimates

In connection with the preparation of the annual report, Management considers how the annual report is to be presented. The deciding factor in this assessment is that the contents must be relevant to users of the annual report.

In relation to the presentation of the statement of comprehensive income, balance sheet, statement of cash flows and statement of changes in equity, Management thus considers whether further decomposition of line items or aggregation of amounts etc. would add to the clarity of the financial statements.

In preparing accompanying notes, the main consideration is that their content is relevant to users and that the notes are presented in a clear, informative manner. These considerations are made with due regard to the requirements of Danish legislation, international financial reporting standards and interpretations and the overriding objective that the financial statements as a whole must provide a true and fair view, and information that Management deems immaterial is therefore not disclosed in the financial statements.

1.5 Implementation of new and amended standards and interpretations

§ Accounting policy

ChemoMetec has implemented all new standards and interpretations that were in force in the EU at the reporting date. IASB has issued a number of new or amended financial reporting standards and interpretations that have not yet entered into force.

ChemoMetec expects to implement new financial reporting standards as and when they become mandatory.

1.6 Consolidated financial statements

§ Accounting policy

The consolidated financial statements comprise the financial statements of ChemoMetec A/S (the Parent Company) and enterprises (subsidiaries) controlled by the Parent Company. The Parent Company is considered to exercise control when it holds, directly or indirectly, more than 50% of the voting rights or is otherwise able to exercise or actually exercises a controlling influence.

1.7 Principles of consolidation

§ Accounting policy

The consolidated financial statements are prepared on the basis of the financial statements of ChemoMetec A/S and its subsidiaries. The consolidated financial statements are prepared by combining financial statement items of a uniform nature. The financial statements on which the consolidation is based are prepared in accordance with the Group's accounting policies. On consolidation, intra-group income and expenses, intra-group balances and dividends, and gains and losses arising on transactions between the consolidated enterprises are eliminated. Financial statement items of subsidiaries are recognised 100% in the consolidated financial statements.

1.8 Foreign currency translation

§ Accounting policy

On initial recognition, transactions denominated in currencies other than the individual company's functional currency are translated at the exchange rates at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Exchange differences arising between the transaction date and the payment date or the balance sheet date are recognised as financial income or financial expenses. Property, plant and equipment and intangible assets, inventories and other non-monetary assets acquired in foreign currency and measured based on historical cost are translated at the exchange rates at the transaction date.

On recognition in the consolidated financial statements of subsidiaries whose financial statements are presented in a functional currency other than Danish kroner (DKK), the income statements are translated at average exchange rates for the year, unless these deviate materially from the actual exchange rates at the transaction dates. In that case, the actual exchange rates are used. Balance sheet items are translated at the exchange rates at the balance sheet date.

Exchange differences arising on translation of foreign subsidiaries' opening balance sheet items to the exchange rates at the balance sheet date and on translation of income statements from average exchange rates to exchange rates at the balance sheet date are recognised in other comprehensive income. Similarly, exchange differences arising as a result of changes taken directly to the equity of the foreign enterprise are also recognised in other comprehensive income.

Notes

2. Operating profit

2.1 Segment information

§ Accounting policy

The segment information is prepared in accordance with the Group's accounting policies and is based on the Group's internal management reporting to senior decision-makers.

Based on the internal reporting used by Management to assess results of operations and allocation of resources, the Company has identified four segments: instruments; consumables; services and other, which is in accordance 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 and installations
Other	Sales of analytical modules and accessories etc.

As the Group does not use systems registering all costs by segment, operating profit by segment is calculated proportionately based on total revenue. When the Group Management makes decisions about resource allocation etc., the decisions are also based on revenue figures by segment, while the operating profit is always assessed for all segments combined.

	Revenue		EBIT	
DKK'000	2023/24	2022/23	2023/24	2022/23
Segment revenue and operating profit				
Instruments	117,073	178,963	48,561	93,295
Consumables	192,465	174,375	79,833	90,903
Services	93,534	83,017	38,797	43,277
Other	4,278	5,919	1,775	3,086
Total	**407,350**	**442,274**	**168,966**	**230,561**
Other financial income			8,900	2,516
Financial expenses			-1,280	-2,717
Profit before tax			**176,586**	**230,360**

2.1 Segment information (continued)

DKK'000	2023/24	2022/23
Segment assets and liabilities		
Instruments	107,323	136,947
Consumables	176,437	133,436
Services	85,745	63,526
Other	3,922	4,529
Assets not allocated	303,246	319,538
Total assets	**676,673**	**657,976**
Instruments	7,975	11,844
Consumables	13,111	11,541
Services	57,188	51,974
Other	291	392
Liabilities not allocated	32,791	49,183
Total liabilities	**111,356**	**124,934**

Notes

2. Operating profit (continued)

2.1 Segment information (continued)

Revenue by geographical market

DKK'000	Europe	USA/ Canada	Other	Total
2023/24				
Instruments	46,116	55,587	15,370	117,073
Consumables	56,790	114,514	21,161	192,465
Services	26,902	66,296	336	93,534
Other	1,042	3,045	191	4,278
Total	**130,850**	**239,442**	**37,058**	**407,350**
2022/23				
Instruments	56,510	95,389	27,064	178,963
Consumables	51,277	101,452	21,646	174,375
Services	21,237	60,968	812	83,017
Other	1,165	4,183	571	5,919
Total	**130,189**	**261,992**	**50,093**	**442,274**

Revenue is based on the customer's domicile. Other than the USA/Canada, no country accounts for more than 10% of the Group's total revenue. The USA/Canada accounted for a total of 59% of revenue in 2023/24, equal to DKK 239.4 million (2022/23: 59%, equal to DKK 262.0 million). In the segment, revenue in the USA amounted DKK 229.1 million (2022/23: DKK 253.5 million), while revenue in Canada amounted to DKK 10.3 million (2022/23: DKK 8.5 million).

2.1 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	Total
2023/24				
Instruments	111,950	3,725	1,398	117,073
Consumables	161,572	27,283	3,610	192,465
Services	93,534	-	-	93,534
Other	3,845	342	91	4,278
Total	**370,901**	**31,350**	**5,099**	**407,350**
2022/23				
Instruments	173,817	3,418	1,728	178,963
Consumables	145,612	24,798	3,965	174,375
Services	83,017	-	-	83,017
Other	5,319	457	143	5,919
Total	**407,765**	**28,673**	**5,836**	**442,274**

Notes

2. Operating profit (continued)

2.1 Segment information (continued)

Revenue by market area
ChemoMetec's products are sold within various business areas that may vary over time. The breakdown of revenue by business area is based, among other things, on allocation keys as customers within the various business areas may use some of 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 and gene therapy and Bioprocessing (Instruments: NC-200, NC-202, NC-250, NC-3000, XM30 and XM40 and the NC-100 family)

Business area 2
Production control 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, SCC-400)

Disclosure of significant customers
In the financial years 2023/24 and 2022/24, no individual customer accounted for more than 10% of total revenue.

2.2 Revenue

§ Accounting policy
The Group generates revenue from sales of instruments and related consumables. Revenue is furthermore generated from sales of services, including service contracts and extended warranties on products sold.

The Group's sales contracts are broken down into individually identifiable performance obligations, which are recognised and measured separately at fair value. If a sales contract comprises more than one performance obligation, the total sales value of the sales contract is allocated proportionately to the individual performance obligations under the contract.

Revenue is recognised when control of the individual identifiable performance obligation passes to the customer.

2.2 Revenue (continued)

Revenue is measured at the fair value of the agreed consideration net of VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Sales of goods
Sales of goods, comprising instruments and consumables, are recognised in revenue when control of the individual identifiable performance obligation in the sales contract passes to the customer, which according to the terms of sale is at the time of dispatch or delivery.

Sales of services
Services consist in sales of service contracts, comprising support, extended warranty and validation of the instrument. The services generally have a term of 12 months and are invoiced at the start of the service period. As service contracts comprise more than one performance obligation, including support, extended warranty and validation of the instrument, revenue is recognised as each performance obligation is satisfied. As performance obligations are generally satisfied on an ongoing basis over the service period, revenue from service contracts is recognised as earned.

 # Significant accounting estimates
In connection with sales of service contracts, the selling price is distributed on the individual performance obligations. The distribution is based in part on selling prices and list prices and in part on estimates. The recognition of revenue from individual performance obligations is based on an estimate of whether performance happens on an ongoing basis and/or at once.

DKK'000	2023/24	2022/23
Sales of goods	313,816	359,257
Sales of services	93,534	83,017
	407,350	**442,274**

In the 2023/24 financial year, revenue from services was recognised in the amount of DKK 93.5 million, while revenue corresponding to DKK 50.8 million was accrued for recognition in the coming financial year (2022/23: DKK 83.0 million was recognised in revenue and DKK 43.8 million was accrued).

Notes

2. Operating profit (continued)

2.3 Cost of goods sold

§ Accounting policy

Cost of goods sold comprises the raw materials and consumables consumed during the year measured at cost and directly attributable costs such as freight costs. Additionally, cost of goods sold comprises any changes in inventories, including write-down for obsolescence, adjustment of warranty commitments and adjustment of indirect production costs.

2.4 Work carried out for own account and capitalised

§ Accounting policy

Work carried out for own account and capitalised comprises staff costs and other indirect costs incurred during the financial year and recognised in the cost of finished goods included under inventories and completed and in-progress development projects.

2.5 Other external costs

§ Accounting policy

Other external costs comprise expenses for sale, marketing, administration, leasehold improvements, bad debts, etc.

Other external costs also comprise research costs relating to development projects that do not qualify for recognition in the balance sheet.

2.6 Staff costs

§ Accounting policy

Staff costs comprise payroll costs, social security costs, pensions etc. relating to the Group's employees. ChemoMetec has changed the income statement presentation of staff costs incurred during the year for the production of inventories. These are now allocated to the items "staff costs" and "work carried out for own account and capitalised", whereas previously, they were set off against staff costs. The changed presentation, which was implemented in the interim report for the period 1 July – 31 December 2023, was made to more accurately reflect the principles of an income statement classified by type of expenditure. As a result, staff costs for 2023/24 have increased by DKK 13.1 million (2022/23: DKK 16.1 million), and the value of work carried out for own account and capitalised (income) has correspondingly increased by DKK 13.1 million (2022/23: DKK 16.1 million). Comparative figures for 2022/23 have been restated to reflect the changed presentation. It should be noted that the changed presentation does not affect EBITDA, profit for the period or equity.

DKK'000	2023/24	2022/23
Payroll costs	123,971	105,914
Pensions	6,089	5,307
Other social security costs	5,166	4,533
	135,226	**115,754**
Average number of employees	173	164

DKK'000	Type of remuneration	2023/24	2022/23
Remuneration of Board of Directors and Executive Management			
Board of Directors	Fee	810	810

Members of the Board of Directors receive a fixed fee, which is determined annually. Board members' service agreements with ChemoMetec have a term of one year, as board members stand for election each year at the annual general meeting. Board members are not subject to any special terms of termination and are not entitled to compensation on resignation. There are no special retention or severance schemes for board members.

Notes

2. Operating profit (continued)

2.6 Staff costs (continued)

The following changes were made to the Executive Management during the financial year:
- Martin Helbo Behrens took up the position of CEO on 13 March 2024.
- Kim Nicolajsen took up the position of CFO on 1 July 2024 (after the end of the financial year).
- Niels Høy Nielsen stepped down as CFO on 30 June 2024.
- Rasmus Kofoed took up the position of CEO on 1 August 2023 and stepped down on 13 March 2024.
- Steen Søndergaard stepped down as CEO on 31 July 2023.

DKK'000	2023/24	2022/23
Executive Management		
Martin Helbo Behrens[2]		
Fixed Executive Management remuneration	877	-
Total remuneration[1]	**877**	**-**
Niels Høy Nielsen		
Fixed Executive Management remuneration	2,104	1,400
Pension	210	140
Cash supplement paid in lieu of stay-on bonus	1,000	-
Remuneration re. notice period	1,217	-
Total remuneration[1]	**4,531**	**1,540**
Rasmus Kofoed[3]		
Sign-on bonus	1,500	-
Fixed Executive Management remuneration	1,627	-
Bonus	750	-
Remuneration re. notice period	3,125	-
Total remuneration[1]	**7,002**	**-**
Steen Søndergaard[4]		
Fixed Executive Management remuneration	250	3,003
Total remuneration[1]	**250**	**3,003**
Total	**12,660**	**4,543**

1) Fixed remuneration is inclusive of benefits.
2) Martin Helbo Behrens joined the Executive Management on 13 March 2024.
3) Rasmus Kofoed joined the Executive Management on 1 August 2023 and left on 13 March 2024.
4) Steen Søndergaard left the Executive Management on 31 July 2023.

The fixed salary payable to members of the Executive Management is determined by the Board of Directors based on market levels, ChemoMetec's financial situation and the expertise, efforts and performance of the members of the Executive Management. In addition to the fixed base salary, which is adjusted annually, the Executive Management members' remuneration comprises a variable cash-based incentive scheme. The variable cash-based incentive scheme is tied to certain financial performance criteria and determined annually with a view to supporting the overall strategy and annual plans. The Executive Management members additionally receive usual non-cash benefits. For additional information, see the separate remuneration report 2023/24.

Total remuneration paid to the members of the Executive Management in 2023/24 amounted to DKK 12,660 thousand (2022/23: DKK 4,543 thousand). The increase in remuneration was due to the appointment of a new CEO and payment of a sign-on bonus in relation to this, the full-year effect of the appointment of a new CFO in November 2022 and remuneration related to the notice period for the two executive officers amounting to DKK 4,342 thousand.

In 2023/24, Niels Høy Nielsen received DKK 1.0 million in compensation for a stay-on bonus agreement entered into upon Niels Høy Nielsen's appointment. As part of this compensation agreement, Niels Høy Nielsen waived the right to a bonus payment for the 2023/24 financial year. Niels Høy Nielsen, who stepped down at the end of June 2024, will furthermore receive regular remuneration payments covering the notice period in the 2024/25 financial year.

Rasmus Kofoed received a sign-on bonus of DKK 1.5 million in connection with his appointment on 1 August 2023. Furthermore, Rasmus Kofoed was rewarded a bonus of DKK 750 thousand related to the 2023/24 EBITDA performance (see description below). Rasmus Kofoed will furthermore receive regular remuneration payments covering the remainder of the notice period in the 2024/25 financial year.

DKK'000	Type of remuneration	2023/24	2022/23
Other senior employees	Remuneration including benefits and bonuses	2,350	2,850

Notes

2. Operating profit (continued)

2.7 Depreciation, amortisation and impairment

DKK'000	2023/24	2022/23
Depreciation, amortisation and impairment		
Acquired patents and licences	764	910
Completed development projects	7,393	6,460
Buildings	2,074	3,648
Production plant	4,864	6,231
Other fixtures and fittings, tools and equipment	2,116	3,141
Gain/loss, disposal	-2	79
	17,209	**20,469**

No impairment losses were recognised in 2023/24 (2022/23: No impairment losses)

2.8 Financial items

§ Accounting policy
Financial items comprise interest income and expenses, the interest element of finance lease payments, realised and unrealised foreign exchange gains and losses on receivables, liabilities and transactions in foreign currency.

DKK'000	2023/24	2022/23
Other financial income		
Interest income	8,075	2,457
Foreign exchange adjustments	825	59
	8,900	**2,516**
Financial expenses		
Interest expenses paid to credit institutions	74	859
Interest, lease liabilities	106	229
Other	3	5
Subtotal, interest	183	1,093
Foreign exchange adjustments	1,097	1,624
Total	**1,280**	**2,717**

2.9 Tax

§ Accounting policy
Tax for the year, which consists of current tax and changes in deferred tax for the year, is recognised in the income statement at the portion attributable to the profit for the year and directly in equity or in other comprehensive income at the portion attributable to items under equity or other comprehensive income. Foreign exchange adjustments of deferred tax are recognised as part of the adjustment of deferred tax for the year.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax paid on account.

The current tax charge for the year is calculated based on the tax rates and tax rules applicable at the balance sheet date.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to the initial recognition of goodwill or the initial recognition of a transaction, apart from business combinations, and where the temporary difference existing at the date of initial recognition affects neither profit/loss for the year nor taxable income.

Deferred tax is recognised for all temporary differences arising from investments in subsidiaries, except if the Parent Company is able to control when the deferred tax is to be realised and it is probable that the deferred tax will not crystallise as current tax in the foreseeable future.

Deferred tax is calculated on the basis of the planned use of the individual asset and settlement of the individual liability, respectively.

Deferred tax is measured using the tax rates and tax rules that, based on legislation in force or in reality in force at the balance sheet date, are expected to apply in the respective countries when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax resulting from changed tax rates and tax rules are recognised in the income statement, unless the deferred tax is attributable to transactions previously recognised directly in equity or in other comprehensive income. In the latter case, the change in deferred tax is also recognised directly in equity or in other comprehensive income.

Notes

2. Operating profit (continued)

2.9 Tax (continued)

§ Accounting policy (continued)

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised in the balance sheet at the value at which the asset is expected to be realised, either through a set-off against deferred tax liabilities or as net tax assets to be offset against future positive taxable income. At each balance sheet date, it is assessed whether it is likely that there will be sufficient future taxable income for the deferred tax asset to be utilised.

DKK'000	2023/24	2022/23
Tax on profit for the year		
Current tax	28,323	48,818
Change in deferred tax	11,103	2,004
Prior-year tax adjustment	876	871
	40,302	**51,693**
Specified as follows:		
Tax on profit for the year	40,302	51,693
Tax on changes in equity	-	-
	40,302	**51,693**
Tax on profit for the year can be summarised as follows:		
Computed 22.0% tax on profit before tax	38,849	50,679
Effect of tax rates in foreign subsidiaries	919	1,899
Effect of higher deductible for research and development costs	-357	-360
Non-deductible income/expenses	16	346
Prior-year tax adjustment	876	-871
	40,303	**51,693**
Effective tax rate (%)	22.8	22.4

2.10 Earnings per share

DKK'000	2023/24	2022/23
The calculation of earnings per share is based on the following:		
Profit for the year attributable to the shareholders of ChemoMetec A/S , DKK'000	136,284	178,667
Average number of issued shares	17,402,479	17,402,479
Average number of treasury shares	-	-
Number of shares used to calculate earnings per share	**17,402,479**	**17,402,479**
Earnings per share, DKK	7.83	10.27
Diluted earnings per share, DKK	7.83	10.27

Notes

3. Operating assets and liabilities

3.1 Intangible assets

§ Accounting policy

Development projects concerning products and processes which are clearly defined and identifiable are recognised as intangible assets if it is probable that the product or process will generate future economic benefits for the Company and the development costs of the individual asset can be measured reliably.

Other development costs are recognised as costs in the income statement when incurred.

On initial recognition, development projects are measured at cost. The cost of development projects comprises costs such as salaries, costs and amortisation that are directly attributable to the development projects and are necessary to complete the project, calculated from the date when the development project first qualifies for recognition as an asset.

Completed development projects are amortised on a straight-line basis over their expected useful lives when the asset is ready for its intended use. The amortisation period is usually seven years.

Intellectual property rights acquired in the form of patents and licences are measured at cost less accumulated amortisation and impairment losses. Administrative expenses for the maintenance of patent rights are recognised as expenses, while expenses related to patent extensions are capitalised. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the licence period. The amortisation period of patents is up to 20 years. If the actual useful life is shorter than the remaining patent or licence period, respectively, the asset is amortised over the shorter useful life.

In the Parent Company financial statements, an amount corresponding to the recognised development costs after tax is recognised directly in Reserve for development costs under equity. The reserve is reduced as development costs are amortised.

3.1 Intangible assets (continued)

Intangible assets are tested for impairment annually and written down to their recoverable amount if the carrying amount is higher than the recoverable amount. The recoverable amount is the higher of an asset's net selling price and the net present value of expected future net cash flows. An impairment loss is recognised when the carrying amount of an asset or its cash-generating unit exceeds the recoverable amount of the asset or its cash-generating unit. Impairment losses are recognised in the income statement.

Significant accounting estimates

Determining whether intangible assets are impaired requires the calculation of the recoverable amounts of the cash-generating units to which the individual intangible assets can be allocated. Calculating recoverable amounts requires that an estimate of future expected cash flows in the individual cash-generating unit is made and that a reasonable discount rate is determined.

The useful life of the Company's intangible assets, and consequently the amortisation period, is based on management estimates, and the assessment is therefore subject to some degree of uncertainty.

Notes

3. Operating assets and liabilities (continued)

3.1 Intangible assets (continued)

DKK'000	Completed development projects	Acquired patents and licenses	Development projects in progress
Cost at 1 July 2023	92,943	20,839	56,441
Transfers	5,821	-	-5,821
Additions	-	558	22,026
Cost at 30 June 2024	**98,764**	**21,397**	**72,646**
Amortisation at 1 July 2023	-71,211	-19,084	-265
Amortisation for the year	-6,936	-764	-
Impairment for the year	-	-	-
Amortisation at 30 June 2024	**-78,147**	**-19,848**	**-265**
Carrying amount at 30 June 2024	**20,617**	**1,549**	**72,381**
Cost at 1 July 2022	91,125	20,102	39,361
Transfers	1,818	-	-1,818
Additions	-	737	18,898
Cost at 30 June 2023	**92,943**	**20,839**	**56,441**
Amortisation at 1 July 2022	-64,751	-18,174	-265
Amortisation for the year	-6,460	-910	-
Impairment for the year	-	-	-
Amortisation at 30 June 2023	**-71,211**	**-19,084**	**-265**
Carrying amount at 30 June 2023	**21,732**	**1,755**	**56,176**

3.1 Intangible assets (continued)

As in the previous financial year, the capitalised completed development projects relate to Xcyto products, including the NC-202 and the Xcyto 5 and 10.

As in the previous financial year, the capitalised development projects in progress relate to XcytoMatic products and product upgrades. The majority of development projects in progress are expected to be completed in the 2024/25 financial year.

The amortisation period is seven years from the date when the asset is ready for use.

During the financial year, research and development costs were expensed in the amount of DKK 1.0 million (2022/23: DKK 0.7 million).

ChemoMetec pursues an active patent strategy to ensure that intellectual property rights to the developed technologies are maintained and updated. The Company on a current basis invests large sums in protecting these rights, and at 30 June 2024, the average remaining term of patent rights was nine years (30 June 2023: nine years).

Impairment testing

During the financial year, the Company's Management assessed the recoverability of the carrying amounts of the Company's completed and in-progress development projects, standing at DKK 93.0 million at 30 June 2024 (2023: DKK 77.9 million), and acquired patents and licences amounting to DKK 1.5 million at 30 June 2024 (2023: DKK 1.8 million).

The development projects are proceeding according to expectations, and customer surveys have confirmed Management's previous assessments of the products' sales potential.

In its impairment testing, the Company applied a budget period of five years and a weighted average capital cost (WACC) of 8.8% (2022/23: WACC 8.9%). The impairment testing did not result in any impairment.

Notes

3. Operating assets and liabilities (continued)

3.2 Property, plant and equipment

§ Accounting policy

Land and buildings, plant and machinery and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment. Land is not depreciated.

Cost comprises the acquisition price, any costs directly attributable to the acquisition and any preparation costs incurred until the date when the asset is available for use. For leased assets, cost is the net present value of future lease payments.

Interest expenses on loans to finance the manufacture of property, plant and equipment are recognised in cost if such expenses relate to the production period and are material. Other borrowing costs are recognised in the income statement.

The basis of depreciation is cost less residual value. The residual value is the amount expected to be obtainable in a sale of the asset today, less costs to sell, if the age and condition of the asset were as they are expected to be at the end of the asset's useful life. The cost of an asset is divided into separate components which are each depreciated separately if the useful lives of the individual components are not identical.

Property, plant and equipment is depreciated on a straight-line basis according to the following estimated useful lives of the assets:

Buildings	5-40 years
Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	3-5 years

Depreciation methods, useful lives and residual values are reassessed annually.

The carrying amounts of property, plant and equipment are tested annually to determine whether there is any indication of impairment. When there is an indication that an asset may be impaired, the recoverable amount of the asset is calculated.

3.2 Property, plant and equipment (continued)

The recoverable amount is the higher of an asset's net selling price and the net present value of expected future net cash flows. An impairment loss is recognised when the carrying amount of an asset or its cash-generating unit exceeds the recoverable amount of the asset or its cash-generating unit. Impairment losses are recognised in the income statement.

Impairment losses on property, plant and equipment are reversed in the event of changes to the assumptions and estimates on which the impairment loss was based. Impairment is only reversed to the extent the new carrying amount of an asset does not exceed the carrying amount the asset would have had net of depreciation, had the asset not been impaired.

Notes

3. Operating assets and liabilities (continued)

3.2 Property, plant and equipment (continued)

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 July 2023	69,364	48,903	23,255	13,537
Foreign exchange adjustment	134	-	13	-
Transfers	-	-	-	-
Additions	2,538	1,699	2,073	14,636
Disposals	-	-3,214	-493	-
Cost at 30 June 2024	**72,036**	**47,388**	**24,848**	**28,173**
Depreciation at 1 July 2023	-13,361	-39,127	-19,886	-
Foreign exchange adjustment	-73	3	-8	-
Impairment for the year	-	-	-	
Depreciation for the year	-4,214	-3,017	-2,305	-
Disposals	-	1,339	253	-
Depreciation at 30 June 2024	**-17,648**	**-40,802**	**-21,946**	**-**
Carrying amount at 30 June 2024	**54,388**	**6,586**	**2,902**	**28,173**

Land and buildings include right of use of leased assets in the amount of DKK 2.8 million.

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 July 2022	58,234	46,248	22,134	7,714
Foreign exchange adjustment	-252	-	-39	-
Transfers	-	-	-	-
Additions	11,382	2,655	1,321	5,823
Disposals	-	-	-161	-
Cost at 30 June 2023	**69,364**	**48,903**	**23,255**	**13,537**
Depreciation at 1 July 2022	-9,843	-32,896	-16,809	-
Foreign exchange adjustment	130	-	23	-
Impairment for the year	-	-	-	
Depreciation for the year	-3,648	-6,231	-3,141	-
Disposals	-	-	41	-
Depreciation at 30 June 2023	**-13,361**	**-39,127**	**-19,886**	**-**
Carrying amount at 30 June 2023	**56,003**	**9,776**	**3,369**	**13,537**

Land and buildings include right of use of leased assets in the amount of DKK 3.9 million.

Notes

3. Operating assets and liabilities (continued)

3.3 Deferred tax

§ Accounting policy

Deferred tax is calculated as the difference between temporary differences between the carrying amounts and tax bases at a tax rate of 22%.

DKK'000	2023/24	2022/23
Deferred tax at 1 July 2023	-2,649	-5,854
Foreign exchange adjustment	-	375
Recognised in profit for the year	11,103	2,830
Deferred tax at 30 June 2024	**8,454**	**-2,649**

DKK'000	Deferred tax assets	Deferred tax liabilities	Net
Deferred tax assets and liabilities			
Intangible assets	377	20,460	20,083
Property, plant and equipment	1,667	-	-1,667
Current assets	10,846	884	-9,962
Deferred tax assets and liabilities at 30 June 2024	**12,890**	**21,344**	**8,454**
Deferred tax assets and liabilities			
Intangible assets	464	17,782	17,318
Property, plant and equipment	-	225	225
Current assets	20,204	12	-20,192
Deferred tax assets and liabilities at 30 June 2023	**20,668**	**18,019**	**-2,649**

3.4 Inventories

§ Accounting policy

Inventories are measured at the lower of cost according to the FIFO method and net realisable value. The cost of raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods comprises the cost of raw materials, consumables and direct labour as well as allocated fixed and variable indirect production costs.

Variable indirect production costs comprise indirect materials and wages and are allocated based on preliminary calculations of the goods actually produced. Fixed indirect production costs comprise maintenance costs and depreciation of the machinery, production facilities and equipment used in the production process. Fixed production costs are allocated on the basis of the normal capacity of the production plant.

The net realisable value of inventories is calculated as the expected selling price less completion costs and costs to sell.

DKK'000	2023/24	2022/23
Raw materials and consumables	82,221	72,638
Finished goods	37,274	39,997
	119,495	**112,635**
Includes indirect production costs at	3,800	5,550
Reversal for the year of prior-year write-downs recognised in costs of raw materials and consumables	-	2,500
Write-down of inventories for the year recognised in costs of raw materials and consumables	-2,040	973

Of the carrying amount, DKK 47 million is expected to be realised after more than 12 months (2022/23: DKK 50 million).

Notes

3. Operating assets and liabilities (continued)

3.5 Trade receivables

§ Accounting policy

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.

DKK'000	2023/24	2022/23
Trade receivables, gross	**62,733**	**55,245**
Change in expected credit loss provision:		
Provision at 1 July	415	2,419
Realised loss	-280	-518
Change in provision	341	-1,486
Provision at 30 June	476	415
Trade receivables, net	**62,257**	**54,830**

Expected costs for repairs of defects are based on historical experience.

3.5 Trade receivables (continued)

Calculation of expected credit losses:

		Overdue by				
	Not overdue	0-90 days	91-180 days	181-365 days	More than 365 days	Total
30 June 2024						
Expected loss rate	0%	1%	15%	28%	100%	**1%**
Trade receivables, DKK'000	44,133	16,940	1,281	379	-	**62,733**
Expected credit loss, DKK'000	47	128	196	105	-	**476**
30 June 2023						
Expected loss rate	0%	0%	3%	21%	70%	**1%**
Trade receivables, DKK'000	34,887	17,186	2,663	327	182	**55,245**
Expected credit loss, DKK'000	68	61	89	68	128	**415**

Notes

3. Operating assets and liabilities (continued)

3.6 Provisions

§ Accounting policy

Provisions comprise expected expenses relating to warranty obligations. Provisions are recognised when the Company has a legal or constructive obligation that arises from past events and it is probable that an outflow of financial resources will be required to settle the obligation. Provisions are measured at net realisable value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

DKK'000	2023/24	2022/23
Warranty provisions at 1 July	2,100	1,830
Used during the period	-825	-658
Provisions for the period	2,125	928
Warranty provisions at 30 June	**3,400**	**2,100**

Expected costs for repairs of defects are based on historical experience.

4. Capital structure and financing

4.1 Statement of cash flows

§ Accounting policy

The statement of cash flows shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the financial year.

Cash flow from operating activities is presented using the indirect method and calculated as the operating profit adjusted for non-cash operating items, changes in working capital and financial income, financial expenses and income taxes paid.

Cash flow from investing activities comprises payments in connection with the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flow from financing activities comprises changes in the Company's share capital and related costs as well as the raising and repayment of loans, instalments on interest-bearing debt, acquisition of treasury shares and payment of dividend. It also comprises cash flows relating to leased assets in the form of lease payments made.

Cash flows in currencies other than the functional currency are recognised in the statement of cash flows using average monthly exchange rates, unless they deviate significantly from the actual exchange rates at the transaction dates. In that case, the actual daily exchange rates are used.

DKK'000	2023/24	2022/23
Changes in working capital		
Change in inventories	-6,860	-45,845
Change in trade receivables	-7,427	11,037
Change in other receivables	-3,273	2,627
Change in warranty obligations	1,300	270
Change in trade payables	-6,465	527
Change in other payables, etc.	9,615	-9,115
	-13,110	**-40,499**

Notes

4. Capital structure and financing (continued)

4.2 Share capital

The share capital, which is fully paid up, consists of 17,402,479 shares with a nominal value of DKK 1 each. No shares carry any special rights, and there is one class of shares only.

DKK'000	2023/24	2022/23
Share capital at 1 July 2023	17,402	17,402
Changes	-	-
Share capital at 30 June 2024	**17,402**	**17,402**

4.3 Dividend

§ Accounting policy

Proposed dividend is not presented as a separate line item in the balance sheet, but solely as a disclosure in the notes, as dividend distribution requires approval by the shareholders in general meeting.

For the 2023/24 financial year, the Board of Directors has proposed a dividend of DKK 4 per share, corresponding to DKK 69.6 million, which will be paid to the shareholders immediately after the annual general meeting to be held on 10 October 2024, subject to approval of the proposal by the shareholders in general meeting. The proposed dividend is excluding dividend on treasury shares.

For the 2022/23 financial year, the Board of Directors proposed a dividend of DKK 6.00 per share, corresponding to DKK 104.4 million.

Notes

4. Capital structure and financing (continued)

4.4 Interest-bearing debt

§ Accounting policy

Financial liabilities are recognised at the time the loans are obtained at the amount of the proceeds less transaction costs. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to their capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual lease liability on leases, measured at amortised cost.

DKK'000	2023/24	2022/23
Lease liabilities	974	3,643
Non-current interest-bearing debt	**974**	**3,643**
Credit institutions	1,331	1,011
Lease liabilities	1,850	2,506
Current interest-bearing debt	**3,181**	**3,517**
Weighted average effective interest rate	3%	3%
Interest-bearing debt at 1 July 2023	**7,160**	**6,795**
Raising/repayment of lease liabilities	-3,325	379
Raising/repayment of debt to credit institutions	320	-14
Interest-bearing debt at 30 June 2024	**4,155**	**7,160**

4.5 Contractual obligations

Contractual obligations at the beginning of the financial year are recognised in full as revenue in the current financial year. Contractual obligations for the current financial year amounted to DKK 50.8 million (2022/23: DKK 46.5 million).

4.6 Other payables

DKK'000	2023/24	2022/23
Payroll liabilities, tax liabilities, accrued social security contributions, etc.	7,579	3,075
Holiday pay obligation	5,479	4,595
VAT and other taxes payable	425	534
	13,483	**8,204**

Other payables fall due within one year. The carrying amount of other payables equals the fair value of the liabilities.

Notes

4. Capital structure and financing (continued)

4.7 Financial instruments and risks, etc.

DKK'000	2023/24	2022/23
Categories of financial instruments		
Trade receivables	62,257	54,830
Other receivables	6,820	4,913
Cash	296,146	316,571
Financial assets at amortised cost	**365,223**	**376,314**
Lease liabilities	2,824	6,149
Credit institutions	1,331	1,011
Trade payables	11,085	17,550
Other payables	13,483	8,204
Financial liabilities at amortised cost	**28,723**	**32,914**

Financial risk management policy

Due to the nature of its operations, investments and financing, ChemoMetec is exposed to market risk in the form of changes in exchange and interest rates as well as credit risk and currency risk. The Group has a low risk profile, and currency, interest rate and credit risks arise only in commercial relations. The Group does not engage in active speculation in financial risks.

ChemoMetec's financial risk management is handled centrally by the finance function in accordance with a policy and instructions adopted by the Board of Directors, setting out guidelines and limits with respect to the Company's financial transactions.

ChemoMetec does not use derivative financial instruments for risk management purposes.

4.7 Financial instruments and risks, etc. (continued)

Currency risk

The Group primarily hedges its currency risks by matching the currency of payments received with the currency of payments made. The difference between payments received and made in the same currency represents an unhedged currency risk. The vast majority of positions are in EUR, USD and GBP.

Interest rate risk

ChemoMetec's interest rate risks relate to the management of the Company's cash and financing.

Liquidity risk

It is the Group's objective to have sufficient cash resources to be able to continuously make appropriate arrangements in case of unforeseen changes in cash outflows.

Excess cash is placed in deposit accounts or fixed-term deposit accounts according to the expected liquidity requirement. Cash funds are placed only with financial institutions with high credit ratings.

Credit risk

The Company's credit risk is generally low due to the type of customers, which include pharmaceutical companies and universities. In connection with sales to customers in the USA/Canada and Europe, the Company generally extends 30 days' credit, while it does not extend credit to customers in other geographies (RoW) until long-term customer relations have been established.

The finance function performs regular reviews of credit risk, including amounts and ageing of receivables from individual customers.

At 30 June 2023, total impairment losses amounted to DKK 0.3 million (2022/23: DKK 0.4 million). Only non-material losses were realised during the financial year.

Notes

4. Capital structure and financing (continued)

4.7 Financial instruments and risks, etc. (continued)

Currency risk regarding recognised assets and liabilities

The Group has not entered into derivative financial instruments to hedge recognised financial assets and liabilities.

DKK'000	Cash and securities	Receivables	Liabilities	Unhedged net position	Pre-tax loss at 10% DKK appreciation	Pre-tax gain at 10% DKK depreciation
EUR	3,136	15,808	-	18,944	-1,894	1,894
USD	11,777	41,249	-3,689	49,337	-4,934	4,934
GBP	984	3,128	-	4,112	-411	411
30 June 2024	**15,897**	**60,185**	**-3,689**	**72,393**	**-7,239**	**7,239**
EUR	981	17,699	-	18,680	-1,868	1,868
USD	17,790	32,358	-4,477	45,671	-4,567	4,567
GBP	461	1,992	-	2,453	-245	245
30 June 2023	**19,232**	**52,049**	**-4,477**	**66,804**	**-6,680**	**6,680**

Interest rate risk regarding financing

The Group has interest-bearing financial assets and liabilities and is consequently exposed to interest rate risk. The following table shows the Group's financial assets and liabilities broken down by contractual interest reset or maturity dates, whichever occurs first, and the amount of fixed-rate interest-bearing assets and liabilities.

4.7 Financial instruments and risks, etc. (continued)

Interest reset or maturity date

DKK'000	Within 1 year	Between 1 and 5 years	After 5 years	Total	Of which fixed rate	Average maturity
Bank deposits	296,146	-	-	296,146	-	
Lease liabilities	-1,850	-974	-	-2,824	-2,824	4 years
Credit institutions	-1,331	-	-	-1,331	-	
30 June 2024	**292,965**	**-974**	**-**	**291,991**	**-2,824**	
Bank deposits	316,572	-	-	316,572	-	
Lease liabilities	-2,506	-3,643	-	-6,149	-6,149	4 years
Credit institutions	-1,011	-	-	-1,011	-	
30 June 2023	**313,055**	**-3,643**	**-**	**309,412**	**-6,149**	

Interest rate fluctuations solely affect the Group's floating-rate bank deposits, bank loans and mortgage credit loans. Increases or decreases in interest rates relative to the year-end rate are assessed to have only an insignificant effect on the Company's financial position and results of operations.

Notes

4. Capital structure and financing (continued)

4.7 Financial instruments and risks, etc. (continued)

Liquidity risk

Maturity dates for financial liabilities are specified below, broken down by the time intervals applied in the Group's cash management. The amounts specified represent the amounts falling due inclusive of interest, etc.

The Group has no derivative financial instruments.

Non-derivative financial liabilities

DKK'000	Less than 6 months	Between 6 and 12 months	Between 1 and 5 years	After 5 years	Total
Lease liabilities	991	859	974	-	2,824
Credit institutions	1,331	-	-	-	1,331
Trade payables	11,085	-	-	-	11,085
Other payables	12,043	1,440	-	-	13,483
30 June 2024	**25,450**	**2,299**	**974**	**-**	**28,723**
Lease liabilities	456	2,050	3,643	-	6,149
Credit institutions	1,011	-	-	-	1,011
Trade payables	17,550	-	-	-	17,550
Other payables	3,948	4,256	-	-	8,204
30 June 2023	**22,965**	**6,306**	**3,643**	**-**	**32,914**

Credit risk

The Group's principal credit risk relates to trade receivables. The Group's customers are mainly large companies in the EU and the USA, and the Group has no significant risk exposure to any individual customer or business partner. The maximum credit risk related to trade receivables corresponds to their carrying amount. The ageing of the Company's trade receivables, including expected credit losses, is set out in note 3.5.

4.8 Capital structure

The Group Management regularly assesses whether the Company's capital structure serves the Company's and its shareholders' interests. The overriding goal is to ensure a capital structure that supports long-term financial growth and at the same time maximises the return for the Company's stakeholders by optimising the ratio of equity to debt. The Group's overall strategy is unchanged compared to the previous year.

The Group's capital structure consists of finance lease liabilities, debt to credit institutions and mortgage credit institutions, cash and equity, including share capital and retained earnings.

The Board of Directors reviews the capital structure twice a year in connection with the preparation of interim and annual reports. As part of these reviews, the Board of Directors assesses costs of capital and the risks related to individual types of capital.

DKK'000	2023/24	2022/23
The Company's financial gearing at the balance sheet date is summarised as follows:		
Credit institutions	1,331	1,011
Lease liabilities	2,824	6,149
Cash	-296,146	-316,571
	-291,991	**-309,411**
Equity	**565,316**	**533,042**
Financial gearing	**-0.5**	**-0.6**

The Group has no set target as to the amount of financial gearing.

During the financial year and the previous year, the Group was not in breach of any loan agreements.

Notes

5. Other notes

5.1 Definitions of financial ratios

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

Financial ratios	Formula	Comments
EBIT margin (%)	EBIT * 100 / Revenue	The ratio reflects an entity's operating profitability, i.e. the entity's ability to generate profits from its operating activities.
Return on invested capital excluding goodwill (%)	EBIT * 100 / Avg. invested capital	The ratio reflects an entity's ability to generate a return on the invested capital through its operating activities.
Return on equity (%)	Parent Company's share of profit for the year * 100 / Parent Company's avg. share of consolidated equity	The ratio reflects an entity's ability to generate a return for the Parent Company's shareholders, taking into account the entity's total capital.
Financial gearing	Net interest-bearing debt / Total equity	The ratio reflects financial gearing, i.e. the entity's sensitivity to changes in interest rates etc. All else being equal, a high financial gearing reflects a relatively high degree of financial risk.

Calculations of earnings per share and diluted earnings per share are specified in note 2.10.

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) is defined as operating profit.

EBIT is defined as Earnings Before Interest and Tax.

5.1 Definitions of financial ratios (continued)

Invested capital is defined as net working capital plus the carrying amount of property, plant and equipment and non-current intangible assets, less other provisions and non-current operating liabilities.

Net interest-bearing debt is defined as interest-bearing liabilities, such as income tax payable, less interest-bearing assets, such as cash and cash equivalents and income tax receivable.

5.2 Charges and guarantees

As security for debt to credit institutions of DKK 0.0 million at 30 June 2024, a floating charge has been registered over the parent company (2022/23: DKK 1.0 million). In 2023/24, ChemoMetec provided security by way of a payment guarantee of DKK 6 million (2022/23: DKK 6 million).

5.3 Contingent liabilities

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

5.4 Fees to auditors appointed in general meeting

DKK'000	2023/24	2022/23
Audit services	475	460
Other assurance engagements	125	110
Tax advice	76	216
Other services	349	25
	1,025	**811**

Other services comprise fees to Deloitte, including fees for non-assurance reports and agreed-upon procedures.

Notes

5. Other notes (continued)

5.5 Related parties

Related party transactions during the financial year
During the financial year, the Group had the following transactions with related parties:

DKK'000	Key Management personnel	Other related parties	Total
2023/24			
Purchase of services	785	-	785
Liabilities at 30 June 2024	5,093	-	5,093
2022/23			
Purchase of services	638	-	638

Remuneration etc. for related parties is set out in note 2.4 to the financial statements.

Other than as set out above, the Group had no receivables from nor payables to related parties at the balance sheet date.

Purchase of services concerns legal assistance from a law firm owned by a member of the Board of Directors.

The transactions were settled on an arm's-length basis.

5.6 Events after the balance sheet date

No significant events have occurred after the balance sheet date that affect the annual report.

5.7 Approval of annual report for publication

The Board of Directors has adopted this annual report for publication at a board meeting held on 11 September 2024.

The annual report will be presented to ChemoMetec's shareholders for approval at the annual general meeting to be held on 10 October 2024.

Parent company financial statements 2023/24

Contents

* See the corresponding note to the consolidated financial statements

Statement of comprehensive income

DKK'000	Note	2023/24	2022/23
Revenue	2.1, 2.2	306,950	386,674
Other income		520	2,132
Cost of goods sold	2.3	-60,685	-56,948
Work carried out for own account and capitalised	2.4	27,823	27,458
Gross profit		**274,608**	**359,316**
Other external costs	2.5	-42,625	-36,138
Staff costs	2.6	-100,946	-81,635
Depreciation, amortisation and impairment	2.7	-15,064	-18,344
EBIT		**115,973**	**223,199**
Financial income	2.8	12,364	4,629
Financial expenses	2.8	-3	-5,955
Profit before tax		**128,334**	**221,873**
Tax on profit for the year	2.9	-28,989	-48,776
Profit for the year		**99,345**	**173,097**
Earnings per share in DKK			
Earnings per share	2.10	5.71	9.95
Diluted earnings per share		**5.71**	**9.95**
Profit for the year		99,345	173,097
Other comprehensive income:			
Foreign exchange adjustment of foreign subsidiaries		4	-8
Comprehensive income for the year		**99,349**	**173,089**

Balance sheet at 30 June 2024

DKK'000	Note	2023/24	2022/23
Assets			
Completed development projects		20,617	21,732
Acquired patents and licences		1,549	1,755
Development projects in progress		72,381	56,176
Intangible assets	3.1	**94,547**	**79,663**
Land and buildings		51,587	52,128
Plant and machinery		6,583	9,776
Other fixtures and fittings, tools and equipment		2,904	3,094
Property, plant and equipment in progress		28,172	13,537
Property, plant and equipment	3.2	**89,246**	**78,535**
Investments in subsidiaries	3.7	398	395
Financial assets		**398**	**395**
Non-current assets		**184,191**	**158,593**
Inventories	3.4	**113,636**	**102,475**
Trade receivables	3.5	21,423	22,830
Amount receivable from subsidiaries		53,133	91,455
Other receivables		5,871	3,259
Prepayments		4,756	3,712
Receivables		**85,183**	**121,256**
Cash and cash equivalents		**284,294**	**308,939**
Current assets		**483,113**	**532,670**
Assets		**667,304**	**691,263**

DKK'000	Note	2023/24	2022/23
Equity and liabilities			
Share capital	4.2	17,402	17,402
Other reserves		568,094	573,160
Equity		**585,496**	**590,562**
Deferred tax	3.3	19,300	16,334
Other provisions	3.6	3,400	2,100
Lease liabilities	4.4	-	1,771
Non-current liabilities		**22,700**	**20,205**
Current lease liabilities	4.4	-	519
Credit institutions	4.4	466	393
Trade payables		10,556	16,199
Amount owed to subsidiaries		1,112	1,562
Income tax		18,497	42,622
Contractual obligations	4.5	17,279	13,960
Other payables	4.6	11,198	5,241
Current liabilities		**59,108**	**80,496**
Liabilities		**81,808**	**100,701**
Equity and liabilities		**667,304**	**691,263**
Charges and contingent liabilities	5.2 - 5.3		
Other notes	5.4 - 5.7		

Statement of changes in equity

DKK'000	Share capital	Translation reserve	Reserve for development costs	Retained earnings	Proposed dividend	Total
Equity at 1 July 2023	**17,402**	**18**	**56,397**	**412,330**	**104,415**	**590,562**
Profit for the year	-	-	11,770	17,975	69,600	99,345
Foreign exchange adjustments	-	4	-	-	-	4
Comprehensive income	**-**	**4**	**11,770**	**17,975**	**69,600**	**99,349**
Other transactions	-	-	-	-	-	-
Dividend paid	-	-	-	-	-104,415	-104,415
	-	**-**	**-**	**-**	**-104,415**	**-104,415**
Equity at 30 June 2024	**17,402**	**22**	**68,167**	**430,305**	**69,600**	**585,496**
Equity at 1 July 2022	**17,402**	**26**	**43,447**	**356,598**	**-**	**417,473**
Profit for the year	-	-	12,950	55,732	104,415	173,097
Foreign exchange adjustment of foreign subsidiaries	-	-8	-	-	-	-8
Comprehensive income	**-**	**-8**	**12,950**	**55,732**	**104,415**	**173,089**
Other transactions	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**
Equity at 30 June 2023	**17,402**	**18**	**56,397**	**412,330**	**104,415**	**590,562**

Statement of cash flows

DKK'000	Note	2023/24	2022/23
EBIT		**115,973**	**223,199**
Depreciation, amortisation and impairment		15,064	18,344
Financial income received		11,520	3,544
Financial expenses paid		-3	-896
Income tax paid		-50,023	-55,199
Changes in working capital	4.1	29,395	-35,721
Cash flow from operating activities		**121,926**	**153,271**
Purchase, etc. of property, plant and equipment		-19,950	-18,119
Sale of property, plant and equipment		-	161
Purchase, etc. of intangible assets		-22,584	-19,635
Addition of financial assets		-3	-
Cash flow from investing activities		**-42,537**	**-37,593**
Debt financing:			
Lease payments		-655	-519
Raising/repayment of debt to credit institutions		73	89
Shareholders:			
Dividend paid		-104,415	-
Cash flow from financing activities		**-104,997**	**-430**
Change in cash and cash equivalents		**-25,608**	**115,248**
Cash and cash equivalents at 1 July		308,939	196,998
Foreign exchange loss/gain of cash and cash equivalents		963	-3,307
Cash and cash equivalents at 30 June		**284,294**	**308,939**
Cash and cash equivalents comprise:			
Cash		284,294	308,939
Cash and cash equivalents at 30 June		**284,294**	**308,939**

Notes

2. Operating profit

2.2 Revenue

§ Accounting policy

The Parent Company generates revenue from sales of instruments and related consumables. Revenue is furthermore generated from sales of services, including service contracts and extended warranties on products sold.

The Parent Company's sales contracts are broken down into individually identifiable performance obligations, which are recognised and measured separately at fair value. If a sales contract comprises more than one performance obligation, the total sales value of the sales contract is allocated proportionately to the individual performance obligations under the contract.

Revenue is recognised when control of the individual identifiable performance obligation passes to the customer.

Revenue is measured at the fair value of the agreed consideration net of VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue. Fair value equals the agreed price discounted to net present value where the terms of payment exceed 12 months.

Sales of goods

Sales of goods, comprising instruments and consumables, are recognised in revenue when control of the individual identifiable performance obligation in the sales contract passes to the customer, which according to the terms of sale is at the time of dispatch or delivery.

Sales of services

Services consist in sales of service contracts, comprising support, extended warranty and validation of the instrument. The services generally have a term of 12 months and are invoiced at the start of the service period. As service contracts comprise more than one performance obligation, including support, extended warranty and validation of the instrument, revenue is recognised as each performance obligation is satisfied. As performance obligations are generally satisfied on an ongoing basis over the service period, revenue from service contracts is recognised as earned.

2.2 Revenue (continued)

DKK'000	2023/24	2022/23
Sales of goods	279,990	364,601
Sales of services	26,960	22,073
	306,950	**386,674**

In the 2023/24 financial year, revenue from services was recognised in the amount of DKK 27.0 million, while revenue corresponding to DKK 17.3 million was accrued for recognition in the coming financial year (2022/23: DKK 22.1 million was recognised in revenue and DKK 13.0 million was accrued).

Notes

2. Operating profit

2.6 Staff costs

§ Accounting policy

Staff costs comprise payroll costs, social security costs, pensions etc. relating to the Company's employees.

ChemoMetec has changed the income statement presentation of staff costs incurred during the year for the production of inventories. These are now allocated to the items "staff costs" and "work carried out for own account and capitalised", whereas previously, they were set off against staff costs. The changed presentation, which was implemented in the interim report for the period 1 July – 31 December 2023, was made to more accurately reflect the principles of an income statement classified by type of expenditure. As a result, staff costs for 2023/24 have increased by DKK 13.1 million (2022/23: DKK 16.1 million), and the value of work carried out for own account and capitalised (income) has correspondingly increased by DKK 13.1 million (2022/23: DKK 16.1 million). Comparative figures for 2022/23 have been restated to reflect the changed presentation. It should be noted that the changed presentation does not affect EBITDA, profit for the period or equity.

DKK'000	2023/24	2022/23
Payroll costs	94,678	76,050
Pensions	5,569	4,927
Other social security costs	699	658
Total staff costs	**100,946**	**81,635**

2.8 Financial items

§ Accounting policy

Financial items comprise interest income and expenses, the interest element of finance lease payments, realised and unrealised foreign exchange gains and losses on securities, liabilities and transactions in foreign currency.

DKK'000	2023/24	2022/23
Financial income		
Interest income	11,520	3,544
Foreign exchange adjustments	844	1,085
	12,364	**4,629**
Financial expenses		
Interest expenses paid to credit institutions	-	763
Interest on lease liabilities	-	128
Other	-3	5
Subtotal, interest	-3	896
Foreign exchange adjustments	-	5,059
Total	**-3**	**5,955**

Notes

2. Operating profit (continued)

2.9 Tax

§ Accounting policy

For a description of the Parent Company's accounting policy, see note 2.9 to the consolidated financial statements.

DKK'000	2023/24	2022/23
Tax on profit for the year		
Current tax	24,926	46,202
Adjustment for the year of deferred tax	2,966	2,596
Prior-year adjustments	1,097	-22
	28,989	**48,776**
Specified as follows:		
Tax on profit for the year	28,989	48,776
Tax on changes in equity	-	-
	28,989	**48,776**
Tax on profit for the year can be summarised as follows:		
Computed 22.0% tax on profit before tax	28,233	48,812
Effect of higher deductible for research and development costs	-357	-360
Non-deductible income/expenses	16	346
Prior-year tax adjustment	1,097	-22
	28,989	**48,776**
Effective tax rate (%)	22.6	22.0

2.10 Earnings per share

DKK'000	2023/24	2022/23
The calculation of earnings per share is based on the following:		
Profit for the year attributable to the shareholders of ChemoMetec A/S , DKK'000	99,345	173,096
Average number of issued shares	17,402,479	17,402,479
Average number of treasury shares	-	-
Number of shares used to calculate earnings per share	**17,402,479**	**17,402,479**
Earnings per share, DKK	5.71	9.95
Diluted earnings per share, DKK	5.71	9.95

Notes

3. Operating assets and liabilities

3.2 Property, plant and equipment

§ Accounting policy

For a description of the Parent Company's accounting policy, see note 3.2 to the consolidated financial statements.

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 July 2023	60,462	48,903	22,564	13,537
Transfers	-	-	-	-
Additions	1,542	1,699	2,073	14,635
Disposals	-	-3,214	-	-
Cost at 30 June 2024	**62,004**	**47,388**	**24,637**	**28,172**
Depreciation at 1 July 2023	-8,334	-39,127	-19,470	-
Impairment for the year	-	-	-	-
Depreciation for the year	-2,083	-3,017	-2,263	-
Disposals	-	1,339	-	-
Depreciation at 30 June 2024	**-10,417**	**-40,805**	**-21,733**	**-**
Carrying amount at 30 June 2024	**51,587**	**6,583**	**2,904**	**28,172**

Land and buildings include right of use of leased assets in the amount of DKK 0 million.

3.2 Property, plant and equipment (continued)

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 July 2022	52,143	46,248	21,403	7,714
Transfers	-	-	-	-
Additions	8,319	2,655	1,322	5,823
Disposals	-	-	-161	-
Cost at 30 June 2023	**60,462**	**48,903**	**22,564**	**13,537**
Depreciation at 1 July 2022	-6,664	-32,899	-16,440	-
Impairment for the year	-	-	-	-
Depreciation for the year	-1,670	-6,228	-3,071	-
Disposals	-	-	42	-
Depreciation at 30 June 2023	**-8,334**	**-39,127**	**-19,470**	**-**
Carrying amount at 30 June 2023	**52,128**	**9,776**	**3,094**	**13,537**

Land and buildings include right of use of leased assets in the amount of DKK 0 million.

Notes

3. Operating assets and liabilities (continued)

3.3 Deferred tax

§ Accounting policy

Deferred tax is calculated as the difference between temporary differences between the carrying amounts and tax bases at a tax rate of 22%.

DKK'000	2023/24	2022/23
Deferred tax at 1 July	16,334	13,738
Recognised in profit for the year	2,966	2,596
Deferred tax at 30 June	**19,300**	**16,334**

DKK'000	Deferred tax assets	Deferred tax liabilities	Net
Deferred tax assets and liabilities			
Intangible assets	377	20,460	20,083
Property, plant and equipment	1,667	-	-1,667
Current assets	-	884	884
Deferred tax assets and liabilities at 30 June 2024	**2,044**	**21,344**	**19,300**
Deferred tax assets and liabilities			
Intangible assets	464	17,782	17,318
Property, plant and equipment	-	225	225
Current assets	1,221	12	-1,209
Deferred tax assets and liabilities at 30 June 2023	**1,685**	**18,019**	**16,334**

3.4 Inventories

§ Accounting policy

Inventories are measured at the lower of cost according to the FIFO method and net realisable value. The cost of raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods comprises the cost of raw materials, consumables and direct labour as well as allocated fixed and variable indirect production costs.

Variable indirect production costs comprise indirect materials and wages and are allocated based on preliminary calculations of the goods actually produced. Fixed indirect production costs comprise maintenance costs and depreciation of the machinery, production facilities and equipment used in the production process as well as general production administration and management expenses. Fixed production costs are allocated on the basis of the normal capacity of the production plant.

The net realisable value of inventories is calculated as the expected selling price less completion costs and costs to sell.

DKK'000	2023/24	2022/23
Raw materials and consumables	81,976	72,638
Finished goods	31,660	29,837
	113,636	**102,475**
Includes indirect production costs at	3,800	5,550
Reversal for the year of prior-year write-downs recognised in costs of raw materials and consumables	-	2,500
Write-down of inventories for the year recognised in costs of raw materials and consumables	-2,040	973

Of the carrying amount, DKK 49 million is expected to be realised after more than 12 months (2022/23: 30 million).

Notes

3. Operating assets and liabilities (continued)

3.5 Trade receivables

§ Accounting policy

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.

DKK'000	2023/24	2022/23
Trade receivables, gross	21,643	22,885
Change in expected credit loss provision:		
Provision at 1 July	55	700
Realised loss	-84	-
Change in provision	249	-645
Provision at 30 June	220	55
Trade receivables, net	**21,423**	**22,830**

3.5 Trade receivables (continued)

Calculation of expected credit losses:

		Overdue by				
	Not overdue	0-90 days	91-180 days	181-365 days	More than 365 days	Total
30 June 2024						
Expected loss rate	0%	0%	19%	46%	100%	**1%**
Trade receivables, DKK'000	16,707	3,977	931	28	-	**21,643**
Expected credit loss, DKK'000	17	12	178	13	-	**220**
30 June 2023						
Expected loss rate	0%	0%	2%	8%	100%	**0%**
Trade receivables, DKK'000	16,037	5,423	1,407	17	-	**22,885**
Expected credit loss, DKK'000	17	11	26	1	-	**55**

Notes

3. Operating assets and liabilities

3.7 Investments in subsidiaries

§ Accounting policy

Investments in subsidiaries are measured at cost in the Parent Company's financial statements.

Where the recoverable amount of the investments is lower than cost, the investments are written down to this lower value. If the dividend distributed exceeds the company's accumulated earnings since the Parent Company's acquisition of the investments, this is considered an indication of impairment. See the section on impairment above.

When investments in subsidiaries are sold, the profit or loss is calculated as the difference between the carrying amount of the investments sold and the fair value of the sales proceeds.

DKK'000	2023/24	2022/23
Cost at 1 July 2023	395	402
Foreign exchange adjustments	3	-7
Additions on acquisition of investments	-	-
Cost at 30 June	**398**	**395**
Carrying amount at 30 June	**398**	**395**

	Registered office	Ownership		Share of voting rights	
		1 July 2023	30 June 2024	1 July 2023	30 June 2024
The subsidiaries are:					
ChemoMetec Inc.	USA	100%	100%	100%	100%
ChemoMetec GmbH	Germany	100%	100%	100%	100%
ChemoMetec SAS	France	100%	100%	100%	100%

4. Capital structure and financing

4.1 Statement of cash flows

§ Accounting policy

For a description of the Parent Company's accounting policy, see note 4.1 to the consolidated financial statements.

DKK'000	2023/24	2022/23
Changes in working capital		
Change in inventories	-11,161	-45,551
Change in trade receivables	1,407	3,905
Change in other receivables	-2,612	3,352
Change in intercompany balances with subsidiaries	37,872	15,662
Change in warranty obligations	1,300	270
Change in trade payables	-5,643	191
Change in other payables, etc.	8,232	-13,550
	29,395	**-35,721**

Notes

5. Other notes

5.5 Related parties

No related parties have been identified among Management and shareholders with significant influence and with an ownership interest exceeding 20% of the share capital.

Related party transactions during the financial year
During the financial year, the Company had the following transactions with related parties:

DKK'000	Key management personnel	Subsidiaries	Total
2023/24			
Purchase of services	785	8,805	9,590
Management fee	-	8,753	8,753
Interest income	-	3,688	3,688
Interest expenses	-	-	-
Liabilities at 30 June 2024	5,093	-	5,093
Net receivable from subsidiaries	-	52,022	52,022
Sales of goods	-	139,897	139,897
2022/23			
Purchase of services	638	7,628	8,266
Management fee	-	4,100	4,100
Interest income	-	1,465	1,465
Interest expenses	-	2	2
Liabilities at 30 June 2023	-	-	-
Net receivable from subsidiaries	-	89,892	89,892
Sales of goods	-	233,657	233,657

5.5 Related parties (continued)

Remuneration etc. for related parties is set out in note 2.4 to the financial statements.

Other than as set out above, the Company had no receivables from nor payables to related parties at the balance sheet date.

Purchase of services concerns legal assistance from a law firm owned by a member of the Board of Directors.

The transactions were settled on an arm's-length basis.

Registered and unregistered trademarks

ChemoMetec has a number of registered and unregistered trademarks for its products. For the products mentioned in the annual report, the following trademarks apply:

NC-200: NucleoCounter® NC-200™
NC-202: NucleoCounter® NC-202™
NC-250: NucleoCounter® NC-250™
NC-3000: NucleoCounter® NC-3000™
SCC-100: NucleoCounter® SCC-100™
SP-100: NucleoCounter® SP-100™
YC-100: NucleoCounter® YC-100™
XcytoView: XcytoView™
Xcyto: Xcyto®
XcytoMatic: XcytoMatic®
XcytoMatic®30 (Short version: XM30™)
XcytoMatic®40 (Short version: XM40™)
XcytoMatic®40 (Short version: XM40™)

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