

White Labs - Copenhagen ApS

Kirstinehøj 1, 2770 Kastrup
CVR no. 36 07 71 66

Annual report for 2020

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 10.03.21

Troels Prahl Jørgensen
Dirigent



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The company

White Labs - Copenhagen ApS
Kirstinehøj 1
2770 Kastrup
Tel.: 26 29 22 68
Registered office: København K
CVR no.: 36 07 71 66
Financial year: 01.01 - 31.12

Executive Boards

Man. Director Troels Prahl Jørgensen
Manager Lisa Rodriguez White
Manager Christopher Eric White

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Parent company

White Labs, Inc., 9495 Candida Street
San Diego, CA 92126
USA

Statement of the Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.20 - 31.12.20 for White Labs - Copenhagen ApS.

The annual report is presented in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements give a true and fair view of the the company's assets, liabilities and financial position as at 31.12.20 and of the results of the the company's activities for the financial year 01.01.20 - 31.12.20.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Beierholm Statsautoriseret Revisionspartnerselskab has assisted with bookkeeping and payroll service, and we hereby confirm having reviewed and approved the result of this assistance.

Copenhagen, March 10, 2021

Executive Boards

Troels Prah Jørgensen
Man. Director

Lisa Rodriguez White
Manager

Christopher Eric White
Manager

To the capital owners of White Labs - Copenhagen ApS**Opinion**

We have audited the financial statements of White Labs - Copenhagen ApS for the financial year 01.01.20 - 31.12.20, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.20 and of the results of the company's operations for the financial year 01.01.20 - 31.12.20 in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

Basis for conclusion

We conducted our audit in accordance with International Standards on Auditing 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 financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement regarding the management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 International Standards on Auditing 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 financial statements.

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 company'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 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 company'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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Soeborg, Copenhagen, March 10, 2021

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Kim Larsen

State Authorized Public Accountant
MNE-no. mne32179

Primary activities

The company's principal activities is to sell yeast products to the European market and related services.

Development in activities and financial affairs

The income statement for the period 01.01.20 - 31.12.20 shows a profit/loss of DKK 1,289,741 against DKK 729,497 for the period 01.01.19 - 31.12.19. The balance sheet shows equity of DKK 694,641.

Outlook

We have seen a strong and creative response to the covid-19 pandemic among our customers in the second half of 2020, which allowed White Labs Copenhagen to bounce back from the hit in the spring and not only reestablish sales in the second half of the year but grow revenue at the targeted goal or beyond. This leads to continued optimism for 2021 as the resilience among our customers remains impressive.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2020 DKK	2019 DKK
	Gross profit	7.134.372	6.068.688
2	Staff costs	-5.543.996	-4.525.572
	Profit before depreciation, amortisation, write-downs and impairment losses	1.590.376	1.543.116
	Depreciation and impairments losses of property, plant and equipment	-559.138	-527.963
	Profit before net financials	1.031.238	1.015.153
	Financial income	324.295	0
	Financial expenses	-138.888	-285.656
	Profit before tax	1.216.645	729.497
	Tax on profit for the year	73.096	0
	Profit for the year	1.289.741	729.497
	Proposed appropriation account		
	Retained earnings	1.289.741	729.497
	Total	1.289.741	729.497

Balance sheet

ASSETS		31.12.20	31.12.19
		DKK	DKK
Note			
	Leasehold improvements	651.063	911.561
	Other fixtures and fittings, tools and equipment	1.519.402	1.761.357
3	Total property, plant and equipment	2.170.465	2.672.918
	Deposits	167.406	166.650
	Total investments	167.406	166.650
	Total non-current assets	2.337.871	2.839.568
	Manufactured goods and goods for resale	462.614	1.031.897
	Total inventories	462.614	1.031.897
	Trade receivables	567.436	365.646
	Deferred tax asset	73.096	0
	Other receivables	149.408	177.373
	Prepayments	177.576	205.712
	Total receivables	967.516	748.731
	Cash	986.778	550.713
	Total current assets	2.416.908	2.331.341
	Total assets	4.754.779	5.170.909

EQUITY AND LIABILITIES		31.12.20	31.12.19
		DKK	DKK
Note			
	Share capital	59.000	59.000
	Share premium	409.735	409.735
	Retained earnings	225.906	-1.063.835
	Total equity	694.641	-595.100
4	Payables to group enterprises	2.573.824	4.636.678
4	Other payables	294.432	82.461
	Total long-term payables	2.868.256	4.719.139
	Trade payables	310.482	435.617
	Other payables	812.405	393.451
	Deferred income	68.995	217.802
	Total short-term payables	1.191.882	1.046.870
	Total payables	4.060.138	5.766.009
	Total equity and liabilities	4.754.779	5.170.909

Statement of changes in equity

Figures in DKK	Share capital	Share premium	Retained earnings	Total equity
Statement of changes in equity for 01.01.20 - 31.12.20				
Balance as at 01.01.20	59.000	409.735	-1.063.835	-595.100
Net profit/loss for the year	0	0	1.289.741	1.289.741
Balance as at 31.12.20	59.000	409.735	225.906	694.641

1. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

Special items:	Recognised in the income statement in:	2020 DKK	2019 DKK
Public grants	Other operating income	878.783	0

2. Staff costs

Wages and salaries	4.686.682	4.365.612
Other staff costs	857.314	159.960
Total	5.543.996	4.525.572
Average number of employees during the year	9	9

3. Property, plant and equipment

Figures in DKK	Leasehold improvements	Other fixtures and fittings, tools and equipment
Cost as at 01.01.20	1.355.370	2.364.364
Additions during the year	11.330	45.357
Cost as at 31.12.20	1.366.700	2.409.721
Depreciation and impairment losses as at 01.01.20	-443.809	-603.007
Depreciation during the year	-271.828	-287.312
Depreciation and impairment losses as at 31.12.20	-715.637	-890.319
Carrying amount as at 31.12.20	651.063	1.519.402

4. Long-term payables

Figures in DKK	Outstanding debt after 5 years	Total payables at 31.12.20	Total payables at 31.12.19
Payables to group enterprises	0	2.573.824	4.636.678
Other payables	294.432	294.432	82.461
Total	294.432	2.868.256	4.719.139

5. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

5. Accounting policies - continued -**INCOME STATEMENT****Gross profit**

Gross profit comprises revenue, other operating income and raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

5. Accounting policies - continued -**Depreciation and impairment losses**

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Leasehold improvements	5 years	0
Other plant, fixtures and fittings, tools and equipment	5-15 years	0

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

5. Accounting policies - continued -

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

5. Accounting policies - continued -

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Current and deferred tax

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

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax

5. Accounting policies - continued -

is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.