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Kystvejen 29
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DRAUPNIR BIO APS
SOLSIKKEVEJ 8, 8240 RISSKOV
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2018

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 21 May 2019**

Simon Glerup Pedersen

CVR NO. 38 54 68 80

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Statement by Board of Directors and Board of Executives.....	4
Independent Auditor's Report.....	5-6
Management's Review	
Management's Review.....	7
Financial Statements 1 January - 31 December	
Income Statement.....	8
Balance Sheet.....	9
Notes.....	10-11
Accounting Policies.....	12-13

COMPANY DETAILS

Company	Draupnir Bio ApS Solsikkevej 8 8240 Risskov CVR No.: 38 54 68 80 Established: 4 April 2017 Registered Office: Aarhus Financial Year: 1 January - 31 December
Board of Directors	Emmanuelle Coutanceau, chairman Peter Hans Andreas Seeberger
Board of Executives	Simon Glerup Pedersen
Auditor	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C
Bank	Handelsbanken Åboulevarden 11 8000 Aarhus C

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Draupnir Bio ApS for the financial year 1 January - 31 December 2018.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

Risskov, 21 May 2019

Board of Executives

Simon Glerup Pedersen

Board of Directors

Emmanuelle Coutanceau
Chairman

Peter Hans Andreas Seeberger

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Draupnir Bio ApS

Opinion

We have audited the Financial Statements of Draupnir Bio ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

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 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as 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 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 Financial Statements.

As part of an audit conducted in accordance with ISAs 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

Statement on 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 Act. We did not identify any material misstatement of Management's Review.

Aarhus, 21 May 2019

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Trap Olesen
State Authorised Public Accountant
MNE no. mne35625

MANAGEMENT'S REVIEW

Principal activities

The principal activities comprise research, development, production and sell biotechnology products and pharmaceutical products.

Development in activities and financial position

The company's income statement for the financial year 2018 shows a loss of 2.118 DKK ('000) and the company's balance sheet per 31 December 2018 shows a negative equity of 1.789 DKK ('000).

The result is characterized by the fact that the company is in the start-up phase with limited operations and costs for research and patent application. The company's financial position complies with management's expectations and is considered satisfactory.

The company has obtained external capital and liquidity, and it is management's expectation that this can cover the company's continued research and patent application. It is management's expectation that the company's financial situation will be improved when research activities are completed, and that the future operation will be able to re-establish the company's share capital within a few years.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2018 DKK	2017 DKK
GROSS LOSS		-1.779.479	-65.376
Depreciation, amortisation and impairment.....		-508.374	0
OPERATING LOSS		-2.287.853	-65.376
Other financial income.....		383	0
Other financial expenses.....		-90.957	-6.016
LOSS BEFORE TAX		-2.378.427	-71.392
Tax on loss for the year.....	2	260.873	0
LOSS FOR THE YEAR		-2.117.554	-71.392
PROPOSED DISTRIBUTION OF DIVIDEND			
Retained earnings.....		-2.117.554	-71.392
TOTAL		-2.117.554	-71.392

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2018 DKK	2017 DKK
Intangible fixed assets acquired.....		0	635.467
Intangible fixed assets.....	3	0	635.467
FIXED ASSETS.....		0	635.467
Other receivables.....		291.637	0
Corporation tax receivable.....		260.873	0
Receivables.....		552.510	0
Cash and cash equivalents.....		4.029.757	73.492
CURRENT ASSETS.....		4.582.267	73.492
ASSETS.....		4.582.267	708.959
EQUITY AND LIABILITIES			
Share capital.....		80.000	60.000
Retained profit.....		-1.868.946	168.608
EQUITY.....	4	-1.788.946	228.608
Other liabilities.....		5.060.000	0
Long-term liabilities.....	5	5.060.000	0
Trade payables.....		640.753	24.336
Other liabilities.....		670.460	456.015
Current liabilities.....		1.311.213	480.351
LIABILITIES.....		6.371.213	480.351
EQUITY AND LIABILITIES.....		4.582.267	708.959
 Condition for continued operation	 6		

NOTES

				Note	
Staff costs				1	
Average number of employees 1 (2017: 1)					
		2018 DKK	2017 DKK		
Tax on loss for the year				2	
Calculated tax on taxable income of the year.....		-260.873	0		
		-260.873	0		
Intangible fixed assets				3	
			Intangible fixed assets acquired		
Cost at 1 January 2018.....			635.467		
Cost at 31 December 2018.....			635.467		
Impairment losses.....			635.467		
Amortisation at 31 December 2018.....			635.467		
Carrying amount at 31 December 2018.....			0		
Equity				4	
		Share capital	Retained profit	Total	
Equity at 1 January 2018.....		60.000	168.608	228.608	
Capital increase.....		20.000	80.000	100.000	
Proposed distribution of profit.....			-2.117.554	-2.117.554	
Equity at 31 December 2018.....		80.000	-1.868.946	-1.788.946	
Long-term liabilities				5	
	31/12 2018 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2017 total liabilities	Current portion at the beginning of the year
Other liabilities.....	5.060.000	0	5.060.000	0	0
	5.060.000	0	5.060.000	0	0

NOTES**Note****Condition for continued operation****6**

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The company has obtained external capital and liquidity, and it is management's expectation that this can cover the company's continued research and patent application. It is management's expectation that the company's financial situation will be improved when research activities are completed, and that the future operation will be able to re-establish the company's share capital within a few years.

ACCOUNTING POLICIES

The Annual Report of Draupnir Bio ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Other external expenses

Other external expenses include cost of sales, administration etc.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation or the recoverable amount. Patents are amortized over the patent period, which is expected to run for 20 years.

Expenses for the acquisition of patent rights are capitalized if the conditions for capitalization is met, and depreciation is commenced upon obtaining approval.

Impairment of fixed assets

The carrying amount of intangible fixed assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

ACCOUNTING POLICIES

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.