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Kystvejen 29
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CVR no. 20 22 26 70

DRAUPNIR BIO APS
SOLSIKKEVEJ 8, 8240 RISSKOV
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2019

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 25 May 2020**

Simon Glerup Pedersen

CVR NO. 38 54 68 80

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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 Simon Glerup Pedersen Stefan Emanuel Luzi Roel Bulthuis
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 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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, 13 May 2020

Board of Executives

Simon Glerup Pedersen

Board of Directors

Emmanuelle Coutanceau
Chairman

Simon Glerup Pedersen

Stefan Emanuel Luzi

Roel Bulthuis

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 2019, 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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, 13 May 2020

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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 2019 shows a loss of 15,194 DKK ('000) and the company's balance sheet per 31 December 2019 shows an equity of 51,974 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 of 68,957 DKK ('000), and it is management's expectation that this can cover the company's continued research and patent application.

Significant events after the end of the financial year

In March 2020 the World Health Organization declared the global novel coronavirus disease 2019 (COVID-19) outbreak a pandemic, and the effect of this pandemic may impact the results and financial condition in the global market.

In addition, as of the date the financial statements were available to be issued, there is uncertainty with respect to the extent or impact of restrictions or other measures that have been and may be implemented by local, state, federal or foreign governments or other parties, and how those measures may impact the Company. However the outbreak of coronavirus disease is not expected to have a negative impact on the Company and its markets.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2019 DKK	2018 DKK
GROSS LOSS		-15,909,546	-1,779,479
Staff costs.....	1	-1,842,114	0
Depreciation, amortisation and impairment.....		0	-508,374
OPERATING LOSS		-17,751,660	-2,287,853
Other financial income.....		1,167	383
Other financial expenses.....		-798,677	-90,957
LOSS BEFORE TAX		-18,549,170	-2,378,427
Tax on loss for the year.....	2	3,355,110	260,873
LOSS FOR THE YEAR		-15,194,060	-2,117,554
 PROPOSED DISTRIBUTION OF DIVIDEND			
Retained earnings.....		-15,194,060	-2,117,554
TOTAL		-15,194,060	-2,117,554

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2019 DKK	2018 DKK
Other receivables.....		424,892	291,637
Corporation tax receivable.....		3,355,110	260,873
Receivables.....		3,780,002	552,510
Cash and cash equivalents.....		49,615,260	4,029,758
CURRENT ASSETS.....		53,395,262	4,582,268
ASSETS.....		53,395,262	4,582,268
EQUITY AND LIABILITIES			
Share capital.....		250,737	80,000
Retained profit.....		51,723,535	-1,868,946
EQUITY.....	3	51,974,272	-1,788,946
Other liabilities.....		0	5,060,000
Long-term liabilities.....	4	0	5,060,000
Trade payables.....		1,181,559	640,754
Other liabilities.....		239,431	670,460
Current liabilities.....		1,420,990	1,311,214
LIABILITIES.....		1,420,990	6,371,214
EQUITY AND LIABILITIES.....		53,395,262	4,582,268
Contingencies etc.	5		

NOTES

		2019 DKK	2018 DKK	Note	
Staff costs				1	
Average number of employees 2 (2018: 1)					
Wages and salaries.....		1,828,699	0		
Social security costs.....		13,415	0		
		1,842,114	0		
Tax on loss for the year				2	
Calculated tax on taxable income of the year.....		-3,355,110	-260,873		
		-3,355,110	-260,873		
<p>Calculated tax on taxable income of the year relates to the company's use of the Danish tax credit scheme (Skattekreditordningen) and is the company tax (22 %) of the company's qualifying research and development costs.</p>					
Equity				3	
		Share capital	Retained profit	Total	
Equity at 1 January 2019.....		80,000	-1,868,946	-1,788,946	
Capital increase.....		170,737	68,786,541	68,957,278	
Proposed distribution of profit.....			-15,194,060	-15,194,060	
Equity at 31 December 2019		250,737	51,723,535	51,974,272	
Long-term liabilities				4	
	31/12 2019 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2018 total liabilities	Current portion at the beginning of the year
Other liabilities.....	0	0	0	5,060,000	0
	0	0	0	5,060,000	0
Contingencies etc.					5
Contingent assets					
<p>The company has unutilised tax losses amounting to 3,908 DKK ('000), which are not recognised due to uncertainty related to future utilization.</p>					

ACCOUNTING POLICIES

The Annual Report of Draupnir Bio ApS for 2019 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

Research and development costs

Research and development costs include laboratory materials, patent costs, clinical studies and other costs relating to the company's research and development activities.

Other external expenses

Other external expenses include cost of sales, administration etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

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

Impairment of fixed assets

The carrying amount of fixed assets, which are not measured at fair value, 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.

Corporation tax receivable relates to the company's use of the tax credit scheme (skattekreditordningen) in accordance with section 8X of the Danish Tax Assessment Act (ligningsloven). According to the tax credit scheme the company has the opportunity to apply for a payout of an amount corresponding to the company tax (22 %) of the company's qualifying research and development costs, against a reduction of the remaining unused taxable losses.

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.