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CVR no. 20 22 26 70

CHROMOLOGICS APS
MASKINVEJ 5, 2860 SØBORG
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 8 May 2023**

Jarne Elleholm

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COMPANY DETAILS

Company	Chromologics ApS Maskinvej 5 2860 Søborg
	CVR No.: 38 78 99 53 Established: 28 June 2017 Municipality: Gladsaxe Financial Year: 1 January - 31 December
Board of Directors	Jarne Elleholm, chairman Lauri Johannes Reuter Thomas Grotkjær Henrik Dalbøge Lea Bajc
Executive Board	Gerit Tolborg Anders Sebastian Rosenkrans Ødum
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Chromologics ApS for the financial year 1 January - 31 December 2022.

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 assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

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

Søborg, 12 April 2023

Executive Board

Gerit Tolborg

Anders Sebastian Rosenkrans
Ødum

Board of Directors

Jarne Elleholm
Chairman

Lauri Johannes Reuter

Thomas Grotkjær

Henrik Dalbøge

Lea Bajc

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Chromologics ApS

Opinion

We have audited the Financial Statements of Chromologics ApS for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, 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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary 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 Commentary.

Copenhagen, 12 April 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Mads Juul Hansen
State Authorised Public Accountant
MNE no. mne44386

MANAGEMENT COMMENTARY

Principal activities

The company's purpose is to develop new pigments for various purposes which include food, feed, beverages, textiles, polymers and other technical applications.

Description of material changes in activities and finances

The income statement of the company shows a loss for the year of DKK'000 13,813, and at 31 December 2022 the balance sheet shows an equity of DKK'000 18,265.

Significant events after the end of the financial year

After year-end a capital increase has been carried out in the Company. The capital increase ensures an injection of funds of DKK'000 44.700 to secure the cash flow needs for 2023. Further, all outstanding convertible debt end of 2022 was converted into equity in connection with the capital increase.

Apart from the above-mentioned events no events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
GROSS LOSS		-8.170.277	-3.596.539
Staff costs.....	1	-8.005.518	-4.032.755
Depreciation, amortisation and impairment losses.....		-417.127	-220.525
OPERATING LOSS		-16.592.922	-7.849.819
Other financial expenses.....		-358.488	-349.448
LOSS BEFORE TAX		-16.951.410	-8.199.267
Tax on profit/loss for the year.....	2	3.138.011	1.292.677
LOSS FOR THE YEAR		-13.813.399	-6.906.590
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-13.813.399	-6.906.590
TOTAL		-13.813.399	-6.906.590

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Intangible fixed assets acquired.....		2.000.000	0
Intangible assets.....	3	2.000.000	0
Other plant, machinery tools and equipment.....		1.068.765	711.939
Property, plant and equipment.....	4	1.068.765	711.939
NON-CURRENT ASSETS.....		3.068.765	711.939
Other receivables.....		1.331.338	927.716
Corporation tax receivable.....		3.138.007	1.292.677
Prepayments.....		55.910	15.275
Receivables.....		4.525.255	2.235.668
Cash and cash equivalents.....		17.549.160	33.534.497
CURRENT ASSETS.....		22.074.415	35.770.165
ASSETS.....		25.143.180	36.482.104

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital.....	5	439.467	439.467
Retained earnings.....		17.825.286	31.638.685
EQUITY.....		18.264.753	32.078.152
Convertible and interest-bearing debt instruments.....		0	3.363.224
Non-current liabilities.....	6	0	3.363.224
Convertible and interest-bearing debt instruments.....		5.491.407	0
Trade payables.....		647.376	502.736
Other liabilities.....		700.966	537.992
Deferred income.....		38.678	0
Current liabilities.....		6.878.427	1.040.728
LIABILITIES.....		6.878.427	4.403.952
EQUITY AND LIABILITIES.....		25.143.180	36.482.104
 Contingencies etc.	 7		

EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2022.....	439.467	31.638.685	32.078.152
Proposed profit allocation.....		-13.813.399	-13.813.399
Equity at 31 December 2022.....	439.467	17.825.286	18.264.753

NOTES

	2022 DKK	2021 DKK	Note
Staff costs			1
Average number of employees	12	7	
Wages and salaries.....	7.324.492	3.833.381	
Pensions.....	580.050	137.917	
Social security costs.....	100.976	61.457	
	8.005.518	4.032.755	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	-3.138.011	-1.292.677	
	-3.138.011	-1.292.677	
Intangible assets			3
		Intangible fixed assets acquired	
Additions.....		2.000.000	
Cost at 31 December 2022.....		2.000.000	
Carrying amount at 31 December 2022.....		2.000.000	
The patent is acquired at year-end why no amortisation has been recognized.			
Property, plant and equipment			4
		Other plant, machinery tools and equipment	
Cost at 1 January 2022.....		932.464	
Additions.....		773.953	
Cost at 31 December 2022.....		1.706.417	
Depreciation and impairment losses at 1 January 2022.....		220.525	
Depreciation for the year.....		417.127	
Depreciation and impairment losses at 31 December 2022.....		637.652	
Carrying amount at 31 December 2022.....		1.068.765	

NOTES

	2022 DKK	2021 DKK	Note
Share capital			5
Allocation of share capital:			
Contributed capital, A-shares, 160.000 unit in the denomination of 1 DKK.....	160.000	160.000	
Contributed capital, B-shares, 279.467 unit in the denomination of 1 DKK.....	279.467	279.467	
	439.467	439.467	

	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities	6
Long-term liabilities					
Convertible and interest-bearing debt instruments.....	3.632.282	3.632.282	0	3.363.224	
	3.632.282	3.632.282	0	3.363.224	

Contingencies etc. 7

Contingent liabilities

In the event that an Exit takes place before the maturity date of the Convertible and interest-bearing debt instruments, and if the lender do not want the loan amount to be repaid early, the lender is entitled to convert the loan amount into shares of the company (in the share class in which shares most recently have been issued).

After year-end lender has converted the Convertible and interest-bearing debt instruments into shares of the company.

Unrecognised rental and lease commitments

The company has concluded lease agreements until maturity is in total DKK'000 174.

ACCOUNTING POLICIES

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

INCOME STATEMENT

Other operating income

Other operating income includes items of a secondary nature in relation to the Company's activities. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of 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, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

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 share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

Patents are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period. The amortisation period for patents are 20 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	1-3 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets, are assessed annually 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 recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and cash at tax account.

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.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

ACCOUNTING POLICIES

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction 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 loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.