

2021



LYRAS DK ApS

Lyngvej 3, DK-9000 Aalborg | CVR No. 38814656

ANNUAL REPORT

The Annual General Meeting adopted the annual report on 12.05.2022

Martin Bøge Mikkelsen

Chairman of the General Meeting



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Entity details

Entity

Lyras DK ApS

Lyngvej 3

9000 Aalborg

Business Registration No.: 38814656

Registered office: Aalborg

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Martin Bøge Mikkelsen, Chairman

Jan Nygaard

Simon Krogsgaard Ibsen

Søren Birn

Thomas Videbæk

Executive Board

Rasmus Mortensen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Østre Havnepromenade 26, 4th floor

9000 Aalborg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Lyras DK ApS for the financial year 01.01.2021 - 31.12.2021.

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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 12.05.2022

Executive Board

Rasmus Mortensen
CEO

Board of Directors

Martin Bøge Mikkelsen
Chairman

Jan Nygaard

Simon Krogsgaard Ibsen

Søren Birn

Thomas Videbæk

Independent auditor's report

To the shareholders of Lyras DK ApS

Opinion

We have audited the financial statements of Lyras DK ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including 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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

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 Entity'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 financial statements unless Management either intends to liquidate the Entity 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 judgement 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the management commentary.

Aalborg, 12.05.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Sami Nikolai El-Galaly

State Authorized Public Accountant
Identification No (MNE) mne42793

Management commentary

Primary activities

Who is Lyras?

Lyras is a Danish company located in Aalborg, Denmark. The company was founded in 2017 based on several years of rigorous research and development. Lyras was founded on an ambition to prove that microbial inactivation in milk could be done efficiently using UV-light instead of pasteurization.

Microbial inactivation in milk using UV-light had never been successfully done before, because the opaque liquid is impossible to shine a light through. For this reason, milk became the main focus of our research. The development of our raslysaton technology is built upon evidence-based research and extensive consultation with a range of stakeholders from the dairy and juice industries, academia, public health experts and specialists. With our patented technology we can treat liquid products regardless of transparency and product type.

Lyras sustainable raslysaton solution provides a gentle treatment of liquids with higher uptime and less cleaning. Resulting in a simple and more efficient production line without compromising quality or taste.

Our company goal is to:

Purpose: We accelerate the global reduction of CO₂ emissions within the processing industry.

Mission: Enabling our customers to achieve energy & water reduction.

Identity:

Sustainability is a natural part of everything we do. It is the key feature of our technology and a fundamental part of the way we run our business and achieve profitable growth. Sustainability lies in the small choices we make in our day-to-day work as well as in the economic, social and environmental responsibility we carry.

Quality is achieved through sincere effort, focused direction, and skillful execution. When we strive for a positive change, it can never be at the expense of quality for our customers. Customer adapted solutions space and overall high quality standards are essential in everything we do, whether it be the quality of our products, our service, or our daily lives.

Innovation is the key ingredient in making clever solutions characterized by scalability, simplicity and quality. We rise to the challenge of creating a better future through innovation; by trying new approaches to reach our goals while working as a team. The technology is here, the possibilities are here, and we dare to do it.

Voluntary disclosure of **Our work with CSR**



At Lyras, we see CSR as an opportunity to use our skills, expertise, knowledge, and relationships to make a positive difference for our customers, the society and especially - the environment.

Sustainability is the core feature of our systems and what leads the way for our technological development. We strive to make a positive change for the environment with our systems. We do this by creating a healthy business founded on a sustainable solution. A solution that solves several problems within the production of liquid foods.

A sustainable industry can only be achieved if we have ambitious common goals. These common goals must be achieved through strong partnerships and cooperation's with international partners.



Working with ESG and SDG: At Lyras fight to have a high standard for ESG goals as well as setting the bar high to reach our SDG goals. We currently focus on goal no. 6, 7 and 9.

The company's main activity is to hold shares in subsidiaries.

Development in activities and finances

The profit for the year is a deficit of DKK 10,927k against a deficit of DKK 1,315k by 2020.

The Company has reestablished the share capital in the current financial year and is therefore no longer subject to the provisions of the Danish companies Act on capital losses.

Events after the balance sheet date

In March 2022 the company had a new major investor in Tablet 5 (subsidiary of Bagger Sørensen Equity) to secure further capital for the continuous development of the company.

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

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		(141,475)	(58,016)
Depreciation, amortization and impairment losses		(51,877)	0
Operating profit/loss		(193,352)	(58,016)
Income from investments in group enterprises		(10,574,987)	(1,644,603)
Other financial income	1	254,194	186,581
Other financial expenses		(511,823)	(304,687)
Profit/loss before tax		(11,025,968)	(1,820,725)
Tax on profit/loss for the year	2	99,216	495,684
Profit/loss for the year		(10,926,752)	(1,325,041)
Proposed distribution of profit and loss			
Retained earnings		(10,926,752)	(1,325,041)
Proposed distribution of profit and loss		(10,926,752)	(1,325,041)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Acquired patents		1,197,721	569,915
Acquired rights		126,257	0
Intangible assets	3	1,323,978	569,915
Investments in group enterprises		6,033,525	1,398,512
Financial assets	4	6,033,525	1,398,512
Fixed assets		7,357,503	1,968,427
Receivables from group enterprises		8,070,211	6,267,499
Deferred tax		226,721	171,101
Other receivables		164,506	121,562
Joint taxation contribution receivable		18,495	0
Receivables		8,479,933	6,560,162
Cash		20,994	19,232
Current assets		8,500,927	6,579,394
Assets		15,858,430	8,547,821

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		66,294	60,508
Retained earnings		5,960,477	(706,456)
Equity		6,026,771	(645,948)
Debt to other credit institutions		4,978,946	5,145,404
Payables to shareholders and management		721	721
Other payables		2,907,136	3,532,136
Non-current liabilities other than provisions	5	7,886,803	8,678,261
Current portion of non-current liabilities other than provisions	5	921,966	505,508
Trade payables		1,022,890	10,000
Current liabilities other than provisions		1,944,856	515,508
Liabilities other than provisions		9,831,659	9,193,769
Equity and liabilities		15,858,430	8,547,821
Employees	6		
Contingent liabilities	7		
Assets charged and collateral	8		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	60,508	(706,456)	(645,948)
Increase of capital	5,786	18,019,045	18,024,831
Costs related to equity transactions	0	(425,360)	(425,360)
Profit/loss for the year	0	(10,926,752)	(10,926,752)
Equity end of year	66,294	5,960,477	6,026,771

Notes

1 Other financial income

	2021 DKK	2020 DKK
Financial income from group enterprises	254,194	186,581
	254,194	186,581

2 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Change in deferred tax	(80,721)	(36,576)
Refund in joint taxation arrangement	(18,495)	(459,108)
	(99,216)	(495,684)

3 Intangible assets

	Acquired patents DKK	Acquired rights DKK
Cost beginning of year	569,915	0
Additions	673,348	132,592
Cost end of year	1,243,263	132,592
Amortization for the year	(45,542)	(6,335)
Amortization and impairment losses end of year	(45,542)	(6,335)
Carrying amount end of year	1,197,721	126,257

4 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	3,538,065
Addition through business combinations etc.	15,210,000
Cost end of year	18,748,065
Impairment losses beginning of year	(2,139,553)
Amortization of goodwill	(12,000)
Share of profit/loss for the year	(10,562,987)
Impairment losses end of year	(12,714,540)
Carrying amount end of year	6,033,525

Goodwill of DKK 96k is included in the carrying amount of investments in group enterprises.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Lyras A/S	Aalborg	A/S	100.00
Lyras Nordamerika ApS	Aalborg	ApS	100.00
Lyras North America Inc.	Delaware	Inc.	100.00

Lyras North America Inc. is owned through Lyras Nord Amerika ApS which is owned through Lyras A/S.

5 Non-current liabilities other than provisions

	Due within 12 months	Due within 12 months	Due after more than 12 months	Outstanding after 5 years
	2021	2020	2021	2021
	DKK	DKK	DKK	DKK
Debt to other credit institutions	421,966	255,508	4,978,946	1,723,893
Payables to shareholders and management	0	0	721	721
Other payables	500,000	250,000	2,907,136	2,225,000
	921,966	505,508	7,886,803	3,949,614

6 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

7 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Lyras Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

8 Assets charged and collateral

Nordjysk Lånefond, Danske Bank and Vækstfonden have registered company charge as collateral for lending. The value of pledged assets is DKK 1,376k as of 31 December 2021.

Collateral provided for group enterprises

The Company has issued statements of deposit against Lyras A/S.

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 a few provisions for reporting class C.

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

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Income statement

Gross profit or loss

Gross profit or loss comprises other operating income and external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses relating to leasehold improvements and intangible assets comprise depreciation, amortization and impairment losses for the financial year.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress and acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortization. Patents are amortized on a straight-line basis over their remaining duration, and licenses are amortized over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognized and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realizable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognized that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortized straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortized cost, usually equaling nominal value less write-downs for bad and doubtful debts.

Deferred tax

Deferred tax is recognized on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognized in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable is only recognized if such losses are expected to be used under the joint taxation arrangement.

Cash

Cash comprises bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortized cost, which usually corresponds to nominal value.