

2020



Lyras DK ApS

ANNUAL REPORT

Gugvej 148, 9210 Aalborg SØ
CVR No. 38814656

The Annual General Meeting adopted the
annual report on 26.05.2021

Jan Arndt Trintved
Chairman of the General Meeting



Table of Content

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2020	8
Balance sheet at 31.12.2020	9
Statement of changes in equity for 2020	11
Notes	12
Accounting policies	15



Entity details

Entity

Lyras DK ApS
Gugvej 148
9210 Aalborg SØ

CVR No.: 38814656
Registered office: Aalborg
Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Jan Arndt Trintved
Holger Colding-Kristensen
Mathias Kræmmergaard Kristensen
Rasmus Mortensen
Henrik Lyhne Jensen

Executive Board

Rasmus Mortensen

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 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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, 26.05.2021

Executive Board

Rasmus Mortensen

Board of Directors

Jan Arndt Trintved

Holger Colding-Kristensen

Mathias Kræmmergaard Kristensen

Rasmus Mortensen

Henrik Lyhne Jensen



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 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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 of 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.

Other matter

The comparative figures in the financial statements have not been audited in accordance with the International Standards on Auditing (IASs).

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 scepticism 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, 26.05.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Sami Nikolai El-Galaly

State Authorised Public Accountant
Identification No (MNE) mne42793



Management commentary

Key activities

The Group's main activity is to develop and supply cold pasteurization for the liquid processing industries. In 2020, as in prior years, the company's focus has been the development of the company's core technology.

Development in the year

2020 is seen as the beginning of a transition for the group. The core technology development was completed, and management began to shift the focus towards sales activities and commercializing the core technology. The transition will take effect in 2021. Therefore, management expects high revenue growth throughout 2021. Furthermore, there has been a focus on strengthening the supply chain. Based on the traction in 2020, the group will move to new facilities in 2021, to expand the production capacity.

The group continues to invest many resources into the development of their core technology and they are exploring new research fields which will sustain and expand the company's competitive advantage.

Environmental impact

With the increased focus on commercializing the group's technology, 2021 is expected to see huge external impact on the environment. Each system sold will have a positive impact in the fight against climate change.

Events after the balance sheet day

At the time of the approval of the financial statement the group has secured funding expected to last throughout 2021 and delivered the first commercial systems with great customer satisfaction. The sales budget for 2021 was reached within the first two months of the year.

The group has grown to 20 dedicated employees and expects to reach 40 during the year of 2021.



Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		(58,016)	(102,163)
Staff costs	1	0	(31,082)
Depreciation, amortisation and impairment losses		0	(21,388)
Operating profit/loss		(58,016)	(154,633)
Income from investments in group enterprises		(1,644,603)	(494,950)
Other financial income	2	186,581	43,548
Other financial expenses		(304,687)	(102,852)
Profit/loss before tax		(1,820,725)	(708,887)
Tax on profit/loss for the year	3	495,684	18,851
Profit/loss for the year		(1,325,041)	(690,036)
Proposed distribution of profit and loss			
Retained earnings		(1,325,041)	(690,036)
Proposed distribution of profit and loss		(1,325,041)	(690,036)



Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired intangible assets		569,915	173,041
Development projects in progress	5	0	1,561,065
Intangible assets	4	569,915	1,734,106
Leasehold improvements		0	74,363
Property, plant and equipment	6	0	74,363
Investments in group enterprises		1,398,512	1,373,050
Deposits		0	23,563
Financial assets	7	1,398,512	1,396,613
Fixed assets		1,968,427	3,205,082
Receivables from group enterprises		6,267,499	3,033,657
Deferred tax		171,101	0
Other receivables		121,562	12,415
Income tax receivable		0	343,434
Receivables		6,560,162	3,389,506
Cash		19,232	789,200
Current assets		6,579,394	4,178,706
Assets		8,547,821	7,383,788



Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		60,508	55,556
Retained earnings		(706,456)	511,807
Equity		(645,948)	567,363
Deferred tax		0	324,583
Provisions		0	324,583
Debt to other credit institutions		5,145,404	2,186,486
Payables to shareholders and management		721	721
Other payables		3,532,136	2,225,000
Non-current liabilities other than provisions	8	8,678,261	4,412,207
Current portion of non-current liabilities other than provisions	8	505,508	0
Trade payables		10,000	20,625
Payables to shareholders and management		0	2,000,000
Other payables		0	59,010
Current liabilities other than provisions		515,508	2,079,635
Liabilities other than provisions		9,193,769	6,491,842
Equity and liabilities		8,547,821	7,383,788
Contingent liabilities	9		
Assets charged and collateral	10		



Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	55,556	511,807	567,363
Increase of capital	4,952	106,778	111,730
Profit/loss for the year	0	(1,325,041)	(1,325,041)
Equity end of year	60,508	(706,456)	(645,948)



Notes

1 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	0	342,918
Other social security costs	0	9,687
Other staff costs	0	(47,207)
	0	305,398
Staff costs classified as assets	0	(274,316)
	0	31,082
Average number of full-time employees	0	1

2 Other financial income

	2020 DKK	2019 DKK
Financial income from group enterprises	186,581	43,548
	186,581	43,548

3 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Change in deferred tax	(36,576)	324,583
Refund in joint taxation arrangement	(459,108)	(343,434)
	(495,684)	(18,851)

4 Intangible assets

	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	173,041	1,561,065
Additions	396,874	0
Disposals	0	(1,561,065)
Cost end of year	569,915	0
Carrying amount end of year	569,915	0

5 Development projects

Capitalized development costs have been transferred to Lyras A/S.



6 Property, plant and equipment

	Leasehold improvements DKK
Cost beginning of year	106,939
Disposals	(106,939)
Cost end of year	0
Depreciation and impairment losses beginning of year	(32,576)
Reversal regarding disposals	32,576
Depreciation and impairment losses end of year	0
Carrying amount end of year	0

7 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	1,868,000
Addition through business combinations etc	1,670,065
Cost end of year	3,538,065
Impairment losses beginning of year	(494,950)
Adjustments on equity	(343,434)
Amortisation of goodwill	(12,000)
Share of profit/loss for the year	(1,289,169)
Impairment losses end of year	(2,139,553)
Carrying amount end of year	1,398,512

Goodwill of DKK 108k 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



8 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK	Due after more than 12 months 2020 DKK
Debt to other credit institutions	255,508	5,145,404
Payables to shareholders and management	0	721
Other payables	250,000	3,532,136
	505,508	8,678,261

9 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.

10 Assets charged and collateral

Nordjysk Lånefond and Vækstfonden have registered company charge as collateral for lending. The value of pledged assets is DKK 570k as of 31 December 2020.



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.

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.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to leasehold improvements and intangible assets comprise depreciation, amortisation 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 recognised in the income statement by the portion attributable to the profit for the year and recognised 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.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 18 years.

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

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

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Leasehold improvements	5 years
------------------------	---------

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**Investments in group enterprises**

Investments in group enterprises are recognised 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 realisable 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 recognised 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 amortised 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 amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised 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 recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises bank deposits.

Other financial liabilities

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