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## Sundew ApS

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### Annual report for 2021

(3rd Financial year)

c/o Bioinnovation Institute  
Ole Maaløes Vej 3  
2200 København N  
CVR no. 39 82 17 02

Adopted at the annual general meeting on 9  
June 2022

Neil Goldsmith  
chairman



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## Statement by management on the annual report

The Board of Directors and Executive Board have today discussed and approved the annual report of Sundew ApS for the financial year 1 January - 31 December 2021.

The annual report is prepared 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 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

The Board recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 9 June 2022

### Executive Board

Giovanni Salerno  
CEO

Jørgen Hansen  
director

Neil Goldsmith  
director

### Board of Directors

Neil Goldsmith  
chairman

Nicky Deasy

Jørgen Hansen

Andrew David Gardiner

John Bosco Carrigan



## Independent auditor's report

### *To the management of Sundew ApS*

#### **Opinion**

We have audited the financial statements of Sundew ApS for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under 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 2021 and of the results of the company's operations for the financial year 1 January - 31 December 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 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 and 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 the 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.



## Independent auditor's report

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 company'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 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.



## Independent auditor's report

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.

Copenhagen, 9 June 2022

Ri Statsautoriseret Revisionsaktieselskab  
CVR no. 53 37 19 14

Joachim Munch  
State authorized public accountant  
MNE no. mne42244



## Company details

### The company

Sundew ApS  
c/o Bioinnovation Institute  
Ole Maaløes Vej 3  
2200 København N

E-mail: info@sundew.bio  
Website: www.sundew.bio  
CVR no.: 39 82 17 02  
Reporting period: 1 January - 31 December 2021  
Incorporated: 1 September 2018  
Domicile: Copenhagen

### Board of Directors

Neil Goldsmith, chairman  
Nicky Deasy  
Jørgen Hansen  
Andrew David Gardiner  
John Bosco Carrigan

### Executive Board

Giovanni Salerno  
Jørgen Hansen  
Neil Goldsmith

### Auditors

Ri Statsautoriseret Revisionsaktieselskab  
Skagensgade 1  
2630 Taastrup



## Management's review

### **Business review**

Sundew is developing biological solutions for water-borne pests, diseases and invasive species.

### **Financial review**

The company's income statement for the year ended 31 December 2021 shows a loss of DKK 6,890,393, and the balance sheet at 31 December 2021 shows equity of DKK 17,989,366.

Management considers the Company's financial performance in the year satisfactory and in line with the strategic directions.

### **Investments**

During 2021, the Company acquired, via a share swap, an Irish Company, Microsynbiotix Ltd, which increased the Company's capital by DKK 21 million. Additionally, the Company secured additional finance in the form of equity of DKK 5 million DKK from The Yield Lab Europe.

### **Significant events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.





## Accounting policies

The annual report of Sundew ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in DKK.

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### Public grants

Grants to cover research and development costs are recognised in the income statement when it is deemed likely that all grant criteria have been met. Grants which must be repaid under certain circumstances are recognised only where they are not expected to be repaid.

Grants for production assets and development projects are recognised in the balance sheet as deferred income and transferred to other operating income in the income statement in step with depreciation and amortisation of the assets to which the grants relate.



## Accounting policies

### Income statement

#### Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including public grants, gains on the sale of intangible assets and property, plant and equipment.

Public grants to cover expenses are recognised in the income statement when it is deemed likely that all grant criterias have been met. Grants which must be repaid under certain circumstances are recognised only when they are not expected to be repaid.

#### Administrative costs

Administrative costs comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

#### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

#### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

#### Research and development costs

Research costs comprises costs not satisfying the criteria for capitalisation. Research costs comprise salaries, patent costs, consultancy fees, clinical trial costs etc.

Development costs comprise costs relating to development projects that do not qualify for recognition in the balance sheet and amortisation of recognised development projects.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on foreign currency transactions etc.



## Accounting policies

### Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Tax of the year includes tax credit for costs incurred in connection with research and development activities under the Danish Tax Credit Regime.

### Balance sheet

#### Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	2-5 years

Assets costing less than DKK 30,700 are expensed in the year of acquisition.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

#### Investments in subsidiaries

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

#### Impairment of fixed assets

The carrying amount of equipment is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.



## Accounting policies

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

### Receivables

Receivables are measured at amortised cost.

### Cash and cash equivalents

Cash and cash equivalents comprise cash.

### Income tax and deferred tax

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

### Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.



## Income statement 1 January 2021 - 31 December 2021

	Note	2021 DKK	2020 DKK
Research and development costs		-7,603,408	-1,667,462
Administrative costs		<u>-1,350,192</u>	<u>-377,451</u>
<b>Operating profit/loss</b>		<b>-8,953,600</b>	<b>-2,044,913</b>
Other operating income		<u>1,539,690</u>	<u>754,272</u>
<b>Profit/loss before financial income and expenses</b>		<b>-7,413,910</b>	<b>-1,290,641</b>
Financial costs	2	<u>-1,094,862</u>	<u>-285,908</u>
<b>Profit/loss before tax</b>		<b>-8,508,772</b>	<b>-1,576,549</b>
Tax on profit/loss for the year	3	<u>1,618,379</u>	<u>344,891</u>
<b>Net profit/loss for the year</b>		<b><u>-6,890,393</u></b>	<b><u>-1,231,658</u></b>
<b>Proposed distribution of profit</b>			
Retained earnings		<u>-6,890,393</u>	<u>-1,231,658</u>
		<b><u>-6,890,393</u></b>	<b><u>-1,231,658</u></b>



## Balance sheet at 31 December 2021

	Note	2021 DKK	2020 DKK
<b>Assets</b>			
Other fixtures and fittings, tools and equipment		<u>1,428,408</u>	<u>282,688</u>
<b>Tangible assets</b>	4	<u><b>1,428,408</b></u>	<u><b>282,688</b></u>
Investments in subsidiaries		<u>21,346,059</u>	<u>22</u>
<b>Fixed asset investments</b>		<u><b>21,346,059</b></u>	<u><b>22</b></u>
<b>Total non-current assets</b>		<u><b>22,774,467</b></u>	<u><b>282,710</b></u>
Other receivables		1,909,240	710,841
Corporation tax		<u>1,618,379</u>	<u>344,891</u>
<b>Receivables</b>		<u><b>3,527,619</b></u>	<u><b>1,055,732</b></u>
<b>Cash at bank and in hand</b>		<u><b>16,660,939</b></u>	<u><b>11,030,948</b></u>
<b>Total current assets</b>		<u><b>20,188,558</b></u>	<u><b>12,086,680</b></u>
<b>Total assets</b>		<u><u><b>42,963,025</b></u></u>	<u><u><b>12,369,390</b></u></u>



## Balance sheet at 31 December 2021

	Note	2021 DKK	2020 DKK
<b>Equity and liabilities</b>			
Share capital		120,455	82,953
Retained earnings		17,868,911	-1,599,041
<b>Equity</b>		<b>17,989,366</b>	<b>-1,516,088</b>
Convertible and profit-yielding instruments of debt		23,027,740	12,407,213
Payables to associates		207,476	155,791
Shareholders and management		183,850	295,701
<b>Total non-current liabilities</b>	5	<b>23,419,066</b>	<b>12,858,705</b>
Trade payables		811,281	565,256
Payables to controlling shareholder		22	22
Other payables		519,154	291,882
Deferred income		224,136	169,613
<b>Total current liabilities</b>		<b>1,554,593</b>	<b>1,026,773</b>
<b>Total liabilities</b>		<b>24,973,659</b>	<b>13,885,478</b>
<b>Total equity and liabilities</b>		<b>42,963,025</b>	<b>12,369,390</b>



## Statement of changes in equity

	<u>Share capital</u>	<u>Share premium account</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	82,955	0	-1,599,043	-1,516,088
Share premium account	37,500	26,358,347	0	26,395,847
Transfers, reserves	0	-26,358,347	26,358,347	0
Net profit/loss for the year	0	0	-6,890,393	-6,890,393
<b>Equity at 31 December 2021</b>	<b><u>120,455</u></b>	<b><u>0</u></b>	<b><u>17,868,911</u></b>	<b><u>17,989,366</u></b>





## Notes

	2021 DKK	2020 DKK
<b>1 Staff</b>		
Wages and Salaries	4,110,092	1,051,614
Other social security expenses	17,582	865
Other staff expenses	154,297	60,951
	<u><b>4,281,971</b></u>	<u><b>1,113,430</b></u>
Wages and Salaries, other social security expenses and other staff expenses are recognised in the following items:		
Distribution expenses	3,917,971	1,057,387
Administrative expenses	364,000	56,043
	<u><b>4,281,971</b></u>	<u><b>1,113,430</b></u>
Including remuneration to the executive board:		
Executive Board	954,000	172,000
	<u><b>954,000</b></u>	<u><b>172,000</b></u>
Average number of employees	<u>6</u>	<u>2</u>
<b>2 Financial costs</b>		
Interest paid to associates	3,982	4,907
Other financial costs	1,085,775	280,298
Exchange adjustments costs	5,105	703
	<u><b>1,094,862</b></u>	<u><b>285,908</b></u>



## Notes

	2021 DKK	2020 DKK
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	<u>-1,618,379</u>	<u>-344,891</u>
	<b><u>-1,618,379</u></b>	<b><u>-344,891</u></b>

## 4 Tangible assets

	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2021	330,050
Additions for the year	<u>1,419,475</u>
Cost at 31 December 2021	<u>1,749,525</u>
Impairment losses and depreciation at 1 January 2021	47,362
Depreciation for the year	<u>273,755</u>
Impairment losses and depreciation at 31 December 2021	<u>321,117</u>
<b>Carrying amount at 31 December 2021</b>	<b><u>1,428,408</u></b>



## Notes

### 5 Long term debt

	Debt at 1 January 2021	Debt at 31 December 2021	Instalment next year	Debt outstanding after 5 years
Convertible and profit-yielding instruments of debt	12,407,213	23,027,740	0	0
Payables to associates	155,791	207,476	0	0
Shareholders and management	295,701	183,850	0	0
	<b><u>12,858,705</u></b>	<b><u>23,419,066</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

### 6 Rent and lease liabilities

Operating lease liabilities.

Total future lease payments:

	2021 DKK	2020 DKK
Operating lease liabilities, 3-month period of interminability	78,000	78,000
Operating lease liabilities, 12-month period of interminability	0	168,000
	<b><u>78,000</u></b>	<b><u>246,000</u></b>

### 7 Contingent liabilities

Consultancy agreement, 10-month period of interminability	-	223,300
Consultancy agreement, 3-month period of interminability	103,000	-
	<b><u>103,000</u></b>	<b><u>223,300</u></b>

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"By my signature I confirm all dates and content in this document."

## Nicky Deasy

Board member

Serial number: nicky@altacf.ie

IP: 37.228.xxx.xxx

2022-06-09 13:02:12 UTC



## Jørgen Hansen

Board member

Serial number: PID:9208-2002-2-086572984657

IP: 5.57.xxx.xxx

2022-06-09 13:55:24 UTC

NEM ID 

## Jørgen Hansen

Director

Serial number: PID:9208-2002-2-086572984657

IP: 5.57.xxx.xxx

2022-06-09 13:55:24 UTC

NEM ID 

## Neil Goldsmith

Chairman

Serial number: PID:9208-2002-2-722887518303

IP: 80.197.xxx.xxx

2022-06-09 15:40:46 UTC

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## Neil Goldsmith

Director

Serial number: PID:9208-2002-2-722887518303

IP: 80.197.xxx.xxx

2022-06-09 15:40:46 UTC

NEM ID 

## Andrew Gardiner

Board member

Serial number: andyg@sundew.bio

IP: 80.195.xxx.xxx

2022-06-09 15:42:54 UTC



## Giovanni Salerno

CEO

Serial number: PID:9208-2002-2-802485150352

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2022-06-13 06:31:39 UTC

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## John Bosco Carrigan

Board member

Serial number: john@theyieldlab.com

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2022-06-14 12:39:05 UTC



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"By my signature I confirm all dates and content in this document."

## Joachim Munch

State authorized public accountant

Serial number: CVR:53371914-RID:15945722

IP: 86.58.xxx.xxx

2022-06-14 12:42:26 UTC

NEM ID 

## Neil Goldsmith

Chairman

Serial number: PID:9208-2002-2-722887518303

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