

2020



Lyras A/S

# ANNUAL REPORT

Gugvej 148, 9210 Aalborg SØ  
CVR No. 40222103

The Annual General Meeting adopted the  
annual report on 26.05.2021

**Jan Arndt Trintved**  
Chairman of the General Meeting



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# Entity details

## Entity

Lyras A/S

Gugvej 148

9210 Aalborg SØ

CVR No.: 40222103

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

Stefan Sletting Nielsen

## 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 A/S 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**

**Stefan Sletting Nielsen**

## 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 A/S

### Opinion

We have audited the financial statements of Lyras A/S 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 (ISAs).

### 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 company'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 company. 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 company will move to new facilities in 2021, to expand the production capacity.

Lyras A/S 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 company'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 company 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 company 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
<b>Gross profit/loss</b>		<b>(65,185)</b>	<b>(51,330)</b>
Staff costs	1	(1,499,301)	(594,463)
Depreciation, amortisation and impairment losses		(104,474)	(12,902)
<b>Operating profit/loss</b>		<b>(1,668,960)</b>	<b>(658,695)</b>
Other financial income		19,219	225
Other financial expenses	2	(210,590)	(46,460)
<b>Profit/loss before tax</b>		<b>(1,860,331)</b>	<b>(704,930)</b>
Tax on profit/loss for the year	3	571,162	166,941
<b>Profit/loss for the year</b>		<b>(1,289,169)</b>	<b>(537,989)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(1,289,169)	(537,989)
<b>Proposed distribution of profit and loss</b>		<b>(1,289,169)</b>	<b>(537,989)</b>



# Balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	5	7,453,921	0
Development projects in progress	5	55,811	3,593,491
<b>Intangible assets</b>	4	<b>7,509,732</b>	<b>3,593,491</b>
Other fixtures and fittings, tools and equipment		38,706	51,608
Leasehold improvements		52,975	0
<b>Property, plant and equipment</b>	6	<b>91,681</b>	<b>51,608</b>
Deposits		75,063	0
<b>Financial assets</b>		<b>75,063</b>	<b>0</b>
<b>Fixed assets</b>		<b>7,676,476</b>	<b>3,645,099</b>
Raw materials and consumables		483,691	0
Manufactured goods and goods for resale		1,488,200	0
<b>Inventories</b>		<b>1,971,891</b>	<b>0</b>
Trade receivables		18,811	0
Other receivables		98,484	161,158
Income tax receivable		533,579	790,568
<b>Receivables</b>		<b>650,874</b>	<b>951,726</b>
<b>Cash</b>		<b>584,785</b>	<b>803,246</b>
<b>Current assets</b>		<b>3,207,550</b>	<b>1,754,972</b>
<b>Assets</b>		<b>10,884,026</b>	<b>5,400,071</b>



## Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		400,000	400,000
Reserve for development expenditure		5,857,590	0
Retained earnings		(4,967,117)	962,011
<b>Equity</b>		<b>1,290,473</b>	<b>1,362,011</b>
Deferred tax		929,478	623,627
<b>Provisions</b>		<b>929,478</b>	<b>623,627</b>
Other payables		232,222	80,784
<b>Non-current liabilities other than provisions</b>	7	<b>232,222</b>	<b>80,784</b>
Bank loans		539,465	0
Prepayments received from customers		744,100	0
Trade payables		569,398	253,049
Payables to group enterprises		6,119,505	2,891,595
Other payables	8	459,385	189,005
<b>Current liabilities other than provisions</b>		<b>8,431,853</b>	<b>3,333,649</b>
<b>Liabilities other than provisions</b>		<b>8,664,075</b>	<b>3,414,433</b>
<b>Equity and liabilities</b>		<b>10,884,026</b>	<b>5,400,071</b>
Contingent liabilities	9		
Assets charged and collateral	10		
Non-arm's length related party transactions	11		



# Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	400,000	0	962,011	1,362,011
Group contributions etc	0	0	1,561,065	1,561,065
Tax of entries on equity	0	0	(343,434)	(343,434)
Transfer to reserves	0	5,857,590	(5,857,590)	0
Profit/loss for the year	0	0	(1,289,169)	(1,289,169)
<b>Equity end of year</b>	<b>400,000</b>	<b>5,857,590</b>	<b>(4,967,117)</b>	<b>1,290,473</b>



# Notes

## 1 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	2,592,556	1,766,365
Pension costs	132,468	118,928
Other social security costs	20,080	18,488
Other staff costs	66,494	40,613
	<b>2,811,598</b>	<b>1,944,394</b>
Staff costs classified as assets	(1,312,297)	(1,349,931)
	<b>1,499,301</b>	<b>594,463</b>
Average number of full-time employees	<b>7</b>	<b>5</b>

## 2 Other financial expenses

	2020 DKK	2019 DKK
Financial expenses from group enterprises	186,581	43,548
Other interest expenses	24,009	2,912
	<b>210,590</b>	<b>46,460</b>

## 3 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Change in deferred tax	(35,766)	623,627
Adjustment concerning previous years	(1,817)	0
Refund in joint taxation arrangement	(533,579)	(790,568)
	<b>(571,162)</b>	<b>(166,941)</b>



#### 4 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	0	3,593,491
Addition through business combinations etc	0	1,561,065
Transfers	7,524,105	(7,524,105)
Additions	0	2,425,360
<b>Cost end of year</b>	<b>7,524,105</b>	<b>55,811</b>
Amortisation for the year	(70,184)	0
<b>Amortisation and impairment losses end of year</b>	<b>(70,184)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>7,453,921</b>	<b>55,811</b>

#### 5 Development projects

Capitalized development costs comprises of direct costs incurred in the development of the Group's technology. In test environments, the company has been successful in supporting the business model, and the capitalized development costs have been invested in creating a scalable prototype.

At the time of the presentation of the annual report, the first agreement of sale has been signed. Management expects that the asset will benefit Lyras A/S over the expected useful life.

The year's approach to acquisitions, etc., derives from contributions from Lyras DK ApS.

Development costs in progress constitutes further development of the same technology to be used on other product types.

#### 6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	64,510	0
Additions	0	74,363
<b>Cost end of year</b>	<b>64,510</b>	<b>74,363</b>
Depreciation and impairment losses beginning of year	(12,902)	0
Depreciation for the year	(12,902)	(21,388)
<b>Depreciation and impairment losses end of year</b>	<b>(25,804)</b>	<b>(21,388)</b>
<b>Carrying amount end of year</b>	<b>38,706</b>	<b>52,975</b>



## 7 Non-current liabilities other than provisions

	<b>Due after more than 12 months 2020 DKK</b>
Other payables	232,222
	<b>232,222</b>

Outstanding debt after 5 years amounts to DKK 232k.

## 8 Other payables

	<b>2020 DKK</b>	<b>2019 DKK</b>
Wages and salaries, personal income taxes, social security costs, etc payable	357,503	59,553
Holiday pay obligation	101,882	128,615
Other costs payable	0	837
	<b>459,385</b>	<b>189,005</b>

## 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 9,611k as of 31 December 2020.

## 11 Non-arm's length related party transactions

Only transactions with related parties that have not been conducted on market terms are disclosed in the annual report. Other than the received 1,561k from Lyras DK ApS no such transactions have occurred.



# 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.

## Non-comparability

The current financial year is 12 months compared to 11 months in the last financial year, why there is a lack of comparability.

## 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

### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, other operating income and external expenses.

### Revenue

Revenue from the sale of manufactured goods is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory





writedowns.

### **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 property, plant and equipment, leasehold improvements and intangible assets comprise depreciation for the financial year.

### **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.

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

### **Property, plant and equipment**

Other fixtures and fittings, tools and equipment and leasehold improvements 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:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	3-5 years

Estimated useful lives and residual values are reassessed annually. Residual values are DKK 0.

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

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### **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.

### **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.

### **Other financial liabilities**

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



**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.