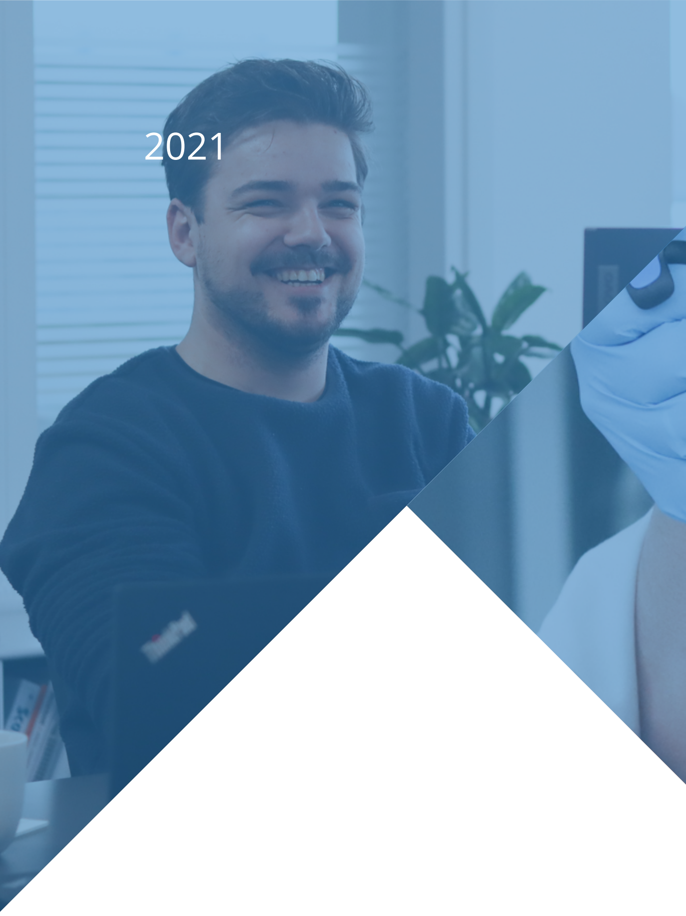

2021

LYRAS A/S

Lyngvej 3, DK-9000 Aalborg | CVR No. 40222103

ANNUAL REPORT

The Annual General Meeting adopted the annual report on 12.05.2022

Martin Bøge Mikkelsen
Chairman of the General Meeting

Contents

Entity details

Entity

Lyras A/S

Lyngvej 3, 1.

9000 Aalborg

Business Registration No.: 40222103

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 A/S 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 totherein.

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 A/S

Opinion
We have audited the financial statements of Lyras A/S 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 raslysation 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 raslysation 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

-CO_2e

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.

Management commentary

Development in activities and finances

Lyras A/S has finished the development of commercial product and has been established on markets in Europe, US and Australia. A full production has been established at new facilities in Aalborg.

In 2021 the organization has been fully established with a new sales organization, service, marketing, finance and further strengthening of R&D. The result of this build up is Lyras A/S expected to benefit from in 2022 and 2023.

Events after the balance sheet date

In March 2022, the group had a new major investor in Tablet 5 (subsidiary of Bagger Sørensen Equity) to securefurther capital for the continuous development of Lyras A/S.

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		**(2,250,635)**	**(65,185)**
Staff costs	1	(9,549,855)	(1,499,301)
Depreciation, amortization and impairment losses		(791,181)	(104,474)
Operating profit/loss		**(12,591,671)**	**(1,668,960)**
Other financial income		15,000	19,219
Other financial expenses	2	(1,085,429)	(210,590)
Profit/loss before tax		**(13,662,100)**	**(1,860,331)**
Tax on profit/loss for the year	3	3,099,113	571,162
Profit/loss for the year		**(10,562,987)**	**(1,289,169)**

Proposed distribution of profit and loss		
Retained earnings	(10,562,987)	(1,289,169)
Proposed distribution of profit and loss	**(10,562,987)**	**(1,289,169)**

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	5	9,378,173	7,453,921
Development projects in progress	5	1,319,171	55,811
Intangible assets	4	**10,697,344**	**7,509,732**
Other fixtures and fittings, tools and equipment		1,484,319	38,706
Leasehold improvements		1,142,075	52,975
Property, plant and equipment	6	**2,626,394**	**91,681**
Investments in group enterprises		40,000	0
Deposits		741,209	75,063
Financial assets	7	**781,209**	**75,063**
Fixed assets		**14,104,947**	**7,676,476**
Raw materials and consumables		2,302,967	483,691
Manufactured goods and goods for resale		1,067,955	1,488,200
Inventories		**3,370,922**	**1,971,891**
Trade receivables		446,386	18,811
Contract work in progress	8	6,030,163	0
Deferred tax		1,397,573	0
Other receivables		1,262,991	98,484
Joint taxation contribution receivable		798,005	533,579
Prepayments		182,392	0
Receivables		**10,117,510**	**650,874**
Cash		**3,207,892**	**584,785**
Current assets		**16,696,324**	**3,207,550**
Assets		**30,801,271**	**10,884,026**

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		400,000	400,000
Reserve for development expenditure		8,343,928	5,857,590
Retained earnings		(2,806,442)	(4,967,117)
Equity		**5,937,486**	**1,290,473**
Deferred tax		0	929,478
Provisions		**0**	**929,478**
Debt to other credit institutions		6,000,000	0
Other payables		232,222	232,222
Non-current liabilities other than provisions	9	**6,232,222**	**232,222**
Bank loans		4,616,116	539,465
Prepayments received from customers		390,901	744,100
Trade payables		3,767,149	569,398
Payables to group enterprises		7,897,587	6,119,505
Other payables		1,460,928	459,385
Deferred income		498,882	0
Current liabilities other than provisions		**18,631,563**	**8,431,853**
Liabilities other than provisions		**24,863,785**	**8,664,075**
Equity and liabilities		**30,801,271**	**10,884,026**

Unrecognized rental and lease commitments	10
Contingent liabilities	11
Assets charged and collateral	12
Non-arm's length related party transactions	13

Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	400,000	5,857,590	(4,967,117)	1,290,473
Group contributions etc.	0	0	15,210,000	15,210,000
Transfer to reserves	0	2,486,338	(2,486,338)	0
Profit/loss for the year	0	0	(10,562,987)	(10,562,987)
Equity end of year	**400,000**	**8,343,928**	**(2,806,442)**	**5,937,486**

Notes

1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	11,752,018	2,592,556
Pension costs	218,171	132,468
Other social security costs	122,538	20,080
Other staff costs	0	66,494
	12,092,727	**2,811,598**
Staff costs classified as assets	(2,542,872)	(1,312,297)
	9,549,855	**1,499,301**

Average number of full-time employees	**22**	**7**

2 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	254,194	186,581
Other interest expenses	831,235	24,009
	1,085,429	**210,590**

3 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Change in deferred tax	(2,301,108)	(35,766)
Adjustment concerning previous years	0	(1,817)
Refund in joint taxation arrangement	(798,005)	(533,579)
	(3,099,113)	**(571,162)**

4 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	7,524,105	55,811
Additions	2,363,927	1,263,360
Cost end of year	**9,888,032**	**1,319,171**
Amortization and impairment losses beginning of year	(70,184)	0
Amortization for the year	(439,675)	0
Amortization and impairment losses end of year	**(509,859)**	**0**
Carrying amount end of year	**9,378,173**	**1,319,171**

5 Development projects

Capitalized development costs comprise 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. The prototype has been completed and sales has been signed and delivered in the financial year.
At the time of the presentation of the annual report, further agreements of sale have been signed. Managementexpects that the asset will benefit Lyras A/S over the expected useful life.

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	74,363
Additions	1,595,877	1,290,342
Disposals	0	(74,363)
Cost end of year	**1,660,387**	**1,290,342**
Depreciation and impairment losses beginning of year	(25,804)	(21,388)
Depreciation for the year	(150,264)	(155,745)
Reversal regarding disposals	0	28,866
Depreciation and impairment losses end of year	**(176,068)**	**(148,267)**
Carrying amount end of year	**1,484,319**	**1,142,075**

7 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	0	75,063
Additions	40,000	741,209
Disposals	0	(75,063)
Cost end of year	**40,000**	**741,209**
Carrying amount end of year	**40,000**	**741,209**

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Lyras Nord Amerika ApS	Aalborg	ApS	100.00
Lyras North America Inc.	Delaware	Inc.	100.00

Lyras North America Inc. is owned through Lyras Nord Amerika ApS.

8 Contract work in progress

	2021 DKK	2020 DKK
Contract work in progress	6,030,163	0
	6,030,163	**0**

Work in progress recognized as revenue is derived from sales on a frame agreement to deliver 5 units. The frame agreement is binding for the client, however pending final SAT test, which have been approved with minor contingencies. It is management assessment that the contingencies will be cleared, and they do not contain technical difficulties for completion. Due to this, production have been initiated in 2021 and from this revenue have been recognized based on the production

9 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Debt to other credit institutions	6,000,000	1,875,000
Other payables	232,222	232,222
	6,232,222	**2,107,222**

10 Unrecognized rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	5,252,805	0

11 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.

12 Assets charged and collateral

Nordjysk Lånefond and Vækstfonden have registered company charge as collateral for lending. The value of pledged assets is DKK 23,171k as of 31 December 2021.

13 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 15,210k 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 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.

Recognition and measurement
Assets are recognized 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 recognized 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 recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Public grants
Public grants are recognized when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognized as income in the income statement as earned. Grants awarded for acquisition of assets are recognized as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset.

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

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

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 write-downs.

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 entitystaff.

Depreciation, amortization and impairment losses
Depreciation, amortization 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.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies and amortization of financial liabilities.

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.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilization, 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 recognized as intangible assets. Other development costs are recognized as costs in the income statement as incurred. When recognizing development projects as intangible assets, an amount equaling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortized and written down.

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

Completed development projects are amortized 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 amortization is the remaining duration of the relevant rights. The amortization periods used are 17-18 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.

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.

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

Investments in group enterprises 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 realizable value.

Cost consists of purchase price plus delivery costs.

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

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

doubtful debts.

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

Each contract in progress is recognized in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognized in the income statement as incurred.

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.

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

Cash
Cash comprises bank deposits.

Other financial liabilities
Other financial liabilities are measured at amortized 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.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.