



Pincer Biotech ApS

Tjørnevej 6 A, 1.
8240 Risskov
CVR No. 40497978

**Annual report 06.05.2019 -
31.12.2019**

22.06.2020

Claus Hansen

Chairman of the General Meeting

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Entity details

Entity

Pincer Biotech ApS

Tjørnevej 6 A, 1.

8240 Risskov

CVR No.: 40497978

Registered office: Aarhus

Financial year: 06.05.2019 - 31.12.2019

Executive Board

Claus Hansen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors have today considered and approved the annual report of Pincer Biotech ApS for the financial year 06.05.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 06.05.2019 - 31.12.2019.

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

I consider the preconditions for not auditing the financial statements for the financial year 06.05.2019 - 31.12.2019 as complied with..

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

Aarhus, 22.06.2020

Executive Board

Claus Hansen

The independent auditor's compilation report

To Management of Pincer Biotech ApS

We have compiled the financial statements of Pincer Biotech ApS for the financial year 06.05.2019 - 31.12.2019 based on the Entity's bookkeeping records and other information Management has provided.

These financial statements comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies.

We performed this compilation engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct for professional accountants, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile the financial statements are Management's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the disclosures Management provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion about whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Aarhus, 22.06.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Lauridsen

State Authorised Public Accountant
Identification No (MNE) mne34323

Management commentary

Primary activities

The Company's objective is to design patentable compounds with effect against multi-resistant persisters based on anti-persister efficacy of small molecule fragments.

Description of material changes in activities and finances

Management considers the financial performance not quite satisfactory, but as expected.

The plan for 2020 is to test further new compounds and to take some of the already identified one step further in the development process.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

The outbreak of the pandemic COVID-19 took place after the balance sheet date. It is difficult to assess how this will affect the Company's financial position and development.

Income statement for 2019

	Notes	2019 DKK
Gross profit/loss		(23,022)
Staff costs	1	(1,790)
Operating profit/loss		(24,812)
Other financial expenses		(180)
Profit/loss before tax		(24,992)
Tax on profit/loss for the year	2	5,000
Profit/loss for the year		(19,992)
Proposed distribution of profit and loss		
Retained earnings		(19,992)
Proposed distribution of profit and loss		(19,992)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK
Development projects in progress	4	122,568
Intangible assets	3	122,568
Fixed assets		122,568
Income tax receivable		24,000
Prepayments		375
Receivables		24,375
Cash		26,009
Current assets		50,384
Assets		172,952

Equity and liabilities

	Notes	2019 DKK
Contributed capital		50,000
Retained earnings		(19,992)
Equity		30,008
Deferred tax		19,000
Provisions		19,000
Subordinate loan capital		100,000
Non-current liabilities other than provisions	5	100,000
Trade payables		23,944
Current liabilities other than provisions		23,944
Liabilities other than provisions		123,944
Equity and liabilities		172,952

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	50,000	0	50,000
Profit/loss for the year	0	(19,992)	(19,992)
Equity end of year	50,000	(19,992)	30,008

Notes

1 Staff costs

	2019
	DKK
Other staff costs	1,790
	1,790
Average number of full-time employees	0

2 Tax on profit/loss for the year

	2019
	DKK
Current tax	(24,000)
Change in deferred tax	19,000
	(5,000)

3 Intangible assets

	Development projects in progress
	DKK
Additions	122,568
Cost end of year	122,568
Carrying amount end of year	122,568

4 Development projects

Pincer ApS designs patentable compounds with effect against multi-resistant persisters based on anti-persister efficacy of small molecule fragments.

5 Non-current liabilities other than provisions

	Due after more than 12 months
	2019
	DKK
Subordinate loan capital	100,000
	100,000

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.

Non-comparability

As it is the company's first financial year, no comparative figures have been included. The financial year consists of the period 06.05.2019-31.12.2019.

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 other external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including administrations costs, etc.

Staff costs

Staff costs comprise other personal costs for entity staff.

Other financial expenses

Other financial expenses comprise interest expenses, etc.

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.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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 such as salaries and amortisation that are directly and indirectly attributable to the development projects.

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

Income 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.

Prepayments

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

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.