



Pincer Biotech ApS

Inge Lehmanns Gade 10
8000 Aarhus C
CVR No. 40497978

Annual report 2020

The Annual General Meeting adopted the
annual report on 06.05.2021

Claus Hansen

Chairman of the General Meeting

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Entity details

Entity

Pincer Biotech ApS
Inge Lehmanns Gade 10
8000 Aarhus C

CVR No.: 40497978
Registered office: Aarhus
Financial year: 01.01.2020 - 31.12.2020

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 01.01.2020 - 31.12.2020.

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

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 01.01.2020 - 31.12.2020 as complied with.

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

Aarhus, 06.05.2021

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 01.01.2020 - 31.12.2020 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, 06.05.2021

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 as expected.

The plan for 2021 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.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		(43,572)	(23,022)
Staff costs	1	(2,722)	(1,790)
Operating profit/loss		(46,294)	(24,812)
Other financial expenses		(223)	(180)
Profit/loss before tax		(46,517)	(24,992)
Tax on profit/loss for the year	2	19,631	5,000
Profit/loss for the year		(26,886)	(19,992)
Proposed distribution of profit and loss			
Retained earnings		(26,886)	(19,992)
Proposed distribution of profit and loss		(26,886)	(19,992)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Development projects in progress	4	261,263	122,568
Intangible assets	3	261,263	122,568
Fixed assets		261,263	122,568
Other receivables		7,091	0
Income tax receivable		54,631	24,000
Prepayments		0	375
Receivables		61,722	24,375
Cash		625,407	26,009
Current assets		687,129	50,384
Assets		948,392	172,952

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		64,328	50,000
Reserve for development expenditure		203,785	0
Retained earnings		421,629	(19,992)
Equity		689,742	30,008
Deferred tax		30,000	19,000
Provisions		30,000	19,000
Subordinate loan capital		200,000	100,000
Non-current liabilities other than provisions	5	200,000	100,000
Trade payables		28,650	23,944
Current liabilities other than provisions		28,650	23,944
Liabilities other than provisions		228,650	123,944
Equity and liabilities		948,392	172,952

Statement of changes in equity for 2020

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	0	0	(19,992)	30,008
Increase of capital	14,328	685,672	0	0	700,000
Transferred from share premium	0	(685,672)	0	685,672	0
Costs related to equity transactions	0	0	0	(13,380)	(13,380)
Transfer to reserves	0	0	203,785	(203,785)	0
Profit/loss for the year	0	0	0	(26,886)	(26,886)
Equity end of year	64,328	0	203,785	421,629	689,742

Notes

1 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	49,000	49,250
Other staff costs	2,722	1,790
	51,722	51,040
Staff costs classified as assets	(49,000)	(49,250)
	2,722	1,790
Average number of full-time employees	0	0

2 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	(30,513)	(24,000)
Change in deferred tax	11,000	19,000
Adjustment concerning previous years	(118)	0
	(19,631)	(5,000)

3 Intangible assets

	Development projects in progress DKK
Cost beginning of year	122,568
Additions	138,695
Cost end of year	261,263
Carrying amount end of year	261,263

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 2020 DKK
Subordinate loan capital	200,000
	200,000

The subordinated loan capital resigns for all the company's creditors. The loans bear interest at 6% p.a. and is irrevocable on the part of the creditor.

The loans are interest-only in 2021 and the outstanding debt after 5 years is DKK 0.

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

This financial year covers the financial period 01.01.2020 - 31.12.2020, while the last financial year includes accounting period 06.05.2019 - 31.12.2019. As a result, there is no comparability between this year's figures and the comparative figures in the annual report.

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, net capital or exchange losses on securities, payables and transactions in foreign currencies 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.

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.

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.