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CVR no. 20 22 26 70

**TEITUR TROPHICS APS**

**C/O SIMON MØLGAARD JENSEN, HJORTSHØJVANGEN 112, 8530 HJORTSHØJ**

**ANNUAL REPORT**

**8 JANUARY - 31 DECEMBER 2020**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 24 March 2021**

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**Simon Mølgaard Jensen**

**CVR NO. 41 05 84 39**

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**COMPANY DETAILS**

<b>Company</b>	Teitur Trophics ApS c/o Simon Mølgaard Jensen, Hjortshøjvangen 112 8530 Hjortshøj  CVR No.: 41 05 84 39 Established: 8 January 2020 Registered Office: Aarhus Financial Year: 8 January - 31 December
<b>Executive Board</b>	Simon Mølgaard Jensen
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C

## MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Teitur Trophics ApS for the financial year 8 January - 31 December 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 Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 8 January - 31 December 2020.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

The board of executives remain of the opinion that the conditions for opting out of audit have been fulfilled.

I recommend the Annual Report be approved at the Annual General Meeting.

Hjortshøj, 24 March 2021

Executive Board

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Simon Mølgaard Jensen

## ENGAGEMENT TO COMPILE FINANCIAL INFORMATION

### To the Shareholders of Teitur Trophics ApS

We have compiled the Financial Statements of Teitur Trophics ApS for the financial year 8 January - 31 December 2020 based on the Company's accounting records and other information provided by Management.

The Financial Statements comprise a summary of income statement, Balance Sheet, statement of changes in equity, notes and significant accounting policies.

We performed this compilation engagement in accordance with the International Standard, Compilation Engagements.

We have applied our professional expertise to assist Management in the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant statutory provisions of the Danish Audit Act, the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark.

The Financial Statements and the accuracy and completeness of the information used to compile the Financial Statements are Management's responsibility.

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

Aarhus, 24 March 2021

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Morten Trap Olesen  
State Authorised Public Accountant  
MNE no. mne35625

## MANAGEMENT COMMENTARY

### **Principal activities**

The company's purpose is to research, develop, produce and sell biotechnological products and medicinal products.

### **Development in activities and financial and economic position**

The company's income statement for the financial year 2020 shows a loss of 3,392 DKK ('000) and the company's balance sheet per 31 December 2020 shows an equity of -3,352 DKK ('000).

The result is characterized by the fact that the company is in the start-up phase with limited operations and costs for research. The company's financial position complies with management's expectations and is considered satisfactory.

The company has in beginning of 2021 obtained external capital and liquidity, and it is management's expectation that this can cover the company's continued research and re-establish the company's share capital until research activities are completed, and future operation will be able to generate profit.

In March 2020 the World Health Organization declared the global novel coronavirus disease 2019 (COVID-19) outbreak a pandemic, and the effect of this pandemic have had an impact on the results and financial condition for the company in 2020. National restrictions has prevented the conduct of research activities, as facilities for periods have been shut down.

In addition, as of the date the financial statements were available to be issued, there is uncertainty with respect to the extent or impact of restrictions or other measures that have been and may be implemented by local, state, federal or foreign governments or other parties, and how those measures may impact the Company in 2021.

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

Except the above effect of COVID-19 no events have occurred after the end of the financial year of material importance for the Company's financial position.

## INCOME STATEMENT 8 JANUARY - 31 DECEMBER

	Note	2020 DKK
GROSS LOSS.....		-2.395.661
Staff costs.....	1	-1.328.631
OPERATING LOSS.....		-3.724.292
Other financial income.....		1.143
Other financial expenses.....		-139.407
LOSS BEFORE TAX.....		-3.862.556
Tax on profit/loss for the year.....	2	470.074
LOSS FOR THE YEAR.....		-3.392.482
<b>PROPOSED DISTRIBUTION OF PROFIT</b>		
Retained earnings.....		-3.392.482
TOTAL.....		-3.392.482

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK
Other plant, machinery tools and equipment.....		19.999
Property, plant and equipment.....	3	19.999
<b>NON-CURRENT ASSETS.....</b>		<b>19.999</b>
Other receivables.....		139.839
Corporation tax receivable.....		470.074
Prepayments.....		28.814
<b>Receivables.....</b>		<b>638.727</b>
<b>Cash and cash equivalents.....</b>		<b>3.916.902</b>
<b>CURRENT ASSETS.....</b>		<b>4.555.629</b>
<b>ASSETS.....</b>		<b>4.575.628</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital.....		40.000
Retained earnings.....		-3.392.482
<b>EQUITY.....</b>		<b>-3.352.482</b>
Convertible loan.....		7.376.940
Frozen holiday pay.....		23.781
<b>Non-current liabilities.....</b>	4	<b>7.400.721</b>
Trade payables.....		273.279
Other liabilities.....		254.110
<b>Current liabilities.....</b>		<b>527.389</b>
<b>LIABILITIES.....</b>		<b>7.928.110</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>4.575.628</b>
 Contingencies etc.	 5	



## EQUITY

	Share capital	Retained earnings	Total
Equity at 8 January 2020.....	40.000	0	40.000
Proposed profit allocation.....		-3.392.482	-3.392.482
Equity at 31 December 2020.....	40.000	-3.392.482	-3.352.482

## NOTES

	2020 DKK	Note		
<b>Staff costs</b>		<b>1</b>		
Average number of employees	3			
Wages and salaries.....	1.312.431			
Social security costs.....	12.082			
Other staff costs.....	4.118			
	<b>1.328.631</b>			
<b>Tax on profit/loss for the year</b>		<b>2</b>		
Calculated tax on taxable income of the year.....	-470.074			
	<b>-470.074</b>			
<p>Calculated tax on taxable income of the year relates to the company's use of the Danish tax credit scheme (Skattekreditordningen) and is the company tax (22%) of the company's qualifying research and development costs.</p>				
<b>Property, plant and equipment</b>		<b>3</b>		
	Other plant, machinery tools and equipment			
Additions.....	19.999			
Cost at 31 December 2020.....	19.999			
Carrying amount at 31 December 2020.....	19.999			
<b>Long-term liabilities</b>		<b>4</b>		
	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	7/1 2020 total liabilities
Convertible loan.....	7.376.940	0	0	0
Frozen holiday pay.....	23.781	0	0	0
	<b>7.400.721</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Company has entered into a convertible loan of a carrying amount of DKK ('000) 7,377 at 31 December 2020. The last tranche still remains to be paid out at 31 December 2020. Conversion into shares must take place at the latest three years after the last tranche has been paid out, and the deadline is therefore expected to be end 2024. Rate shall correspond to the market price pr. share as determined by the Lender and the Company. The conversion rate can in no event be lower than par value of the shares.

**NOTES****Note****Contingencies etc.****5****Contingent assets**

The company has unutilised tax losses amounting to 2,306 DKK ('000), which are not recognised due to uncertainty related to future utilization.

**Contingent liabilities**

The company has signed lease agreements with a non-terminability period which expires at 31 March 2021. The total liability in the lease period is 48 DKK ('000).

**ACCOUNTING POLICIES**

The Annual Report of Teitur Trophics ApS for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared with the following accounting principles.

**INCOME STATEMENT**

**Research and development costs**

Research and development costs include laboratory materials, patent costs, clinical studies and other costs relating to the company's research and development activities.

**Other external expenses**

Other external expenses include cost of sales, administration etc.

**Staff costs**

Staff costs comprise wages and salaries, including holiday pay, pensions, and other costs for social security etc., for the company's employees. Repayments from public authorities are deducted from staff costs.

**Financial income and expenses**

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from debt and transactions in foreign currencies. Financial income and expenses are recognised in the Income Statement by the amounts that relate to the financial year.

**Tax**

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

**BALANCE SHEET**

**Tangible fixed assets**

Plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3 years	0%

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

## ACCOUNTING POLICIES

### Impairment of fixed assets

The carrying amount of tangible assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

### Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.