

Baylund Management ApS

Lottenborgvej 24

2800 Kongens Lyngby

CVR No. 42040223

Annual Report 2021

1. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 14 January 2022

Anna Baylund
Chairman

Baylund Management ApS

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Baylund Management ApS

Management's Statement

Today, Management has considered and adopted the Annual Report of Baylund Management ApS for the financial year 19 January 2021 - 31 December 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 assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 19 January 2021 - 31 December 2021.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Kongens Lyngby, 14 January 2022

Executive Board

Svend Tøttrup
CEO

Supervisory Board

Birger Baylund
Chairman

Andreas Haugen Baylund
Member

Oskar Haugen Baylund
Member

Sofie Haugen Baylund
Member

Anna Baylund
Member

Baylund Management ApS

Auditors' Report on Compilation of Financial Statements

To the day-to-day management of Baylund Management ApS

We have compiled the Financial Statements of Baylund Management ApS for the financial year 19 January 2021 - 31 December 2021 based on the Company's bookkeeping and other information provided by it.

The Financial Statements comprise a summary of significant accounting Policies, income statement, balance sheet and notes.

We have completed the engagement of Compiling Financial Information in accordance with The International Standards on Related Services, ISRS 4410 (Revised), Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of these Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions in the Danish Act on Auditors and Audit Firms as well as Danish Auditors' (FSR) ethical rules for auditors, including principles of integrity, objectivity, professional competence and due care.

The Financial Statement and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement regarding financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you have given us in order for us to compile the Financial Statements. Accordingly, we do not express an audit or review opinion on whether the Financial Statements are prepared in accordance with the Danish Financial Accounts Act.

Kongens Lyngby, 14 January 2022

**Harboe Consult ApS - GODKENDT
REVISIONSVIRKSOMHED**
CVR-no. 35649417

Michael Harboe
Registered Public Accountant
mne661

Baylund Management ApS

Company details

Company	Baylund Management ApS Lottenborgvej 24 2800 Kongens Lyngby
email	contact@baylundmanagement.com
CVR No.	42040223
Date of formation	19 January 2021
Registered office	Lyngby-Taarbaek
Supervisory Board	Birger Baylund Andreas Haugen Baylund Oskar Haugen Baylund Sofie Haugen Baylund Anna Baylund
Executive Board	Svend Tøttrup, CEO
Parent Company	Baylund & Co. ApS
Group enterprises	Baylund Invest ApS BikeRunners Friends ApS Biowatch Friends ApS BlueJay Friends ApS

Management's Review

The Company's principal activities

The objective of the company is to conduct within trade, service, and industry and to carry out any related business.

Development in activities and the financial situation

The Company's Income Statement of the financial year 19 January 2021 - 31 December 2021 shows a result of DKK -380.668 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 4.778.500 and an equity of DKK -340.669.

Loss of equity

The company has lost more than 50% of its equity and is therefore comprehend by the capital provisions ind section 119 of the Danish Companies Act. The company expects to reestablish the capital either though normal activities or debt conversion.

The parent company Baylund & Co. ApS supports the running activities of the Company and will provide sufficient cash to cover existing and future liabilities until 31 December 2022. Thus, the annual report is presented on the assumption of continued operation.

The Company's activities during the year

The world is constantly changing and evolving more rapidly than ever, accelerated by the previously unthinkable fact that we can grow our business and economy even when working from home.

Two areas are however suffering big time: People's Wellbeing and our Planet! These have become our areas of focus, as we believe investing in sustainable startups will not only make the World a better place for humans and nature, but also result in a higher return on our investments!

Baylund Management is a Micro Operational VC Fund investing in Impact Startups, that can dramatically improve People's Mental & Physical Health or help prevent them from getting sick. Startups that can help reduce Carbon footprint, is on our radar as well!

Baylund Management went live in April 2021 with a focus on early stage (pre-seed) investments, acting as lead investor with 10-20% ownership. Being operational covering Go-To Market and Corporate Finance, we aim to reduce investor risk and accelerate equity value creation!

In the previous 9 months, we have invested in 3 Startups: bikerunner.dk and biowatch.me both with HQ in Denmark, and axonjay.ai with HQ in Belgium. In total we have invested 6,7m DKK in 2021, and expect to invest an equal amount in 2022 especially within the HealthTech Industri. As we prove our ability to accelerate value creation and reduce investor risk, we expect our syndicate investments to expand even further.

Please find more details on our website www.baylundmanagement.com.

Baylund Management ApS

Accounting Policies

Reporting Class

The Annual Report of Baylund Management ApS for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

As the financial year 2021 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Revenue

Income from delivery of services is recognised on a straight-line basis in net sales, as the service is delivered.

Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises. loss of debtors, operating leasing costs etc.

Income from investments in group enterprises and associates

Income from equity investments comprises dividends from group enterprises and associates.

Accounting Policies

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, realised and unrealised capital gains and losses regarding accounts payable and transactions in foreign currencies and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured at fair value. Revaluations and reversals of these, less deferred tax, are recognised directly in equity.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Accounting Policies

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Other payables

Other payables are measured at amortised cost, which usually corresponds to the nominal value

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Baylund Management ApS

Income Statement

	Note	2021 kr.
Revenue	1	317.102
Other external expenses		-752.773
Profit from ordinary operating activities	2	<u>-435.671</u>
Finance expenses	3	-51.893
Profit from ordinary activities before tax		<u>-487.565</u>
Tax expense on ordinary activities		106.896
Profit		<u>-380.669</u>
 Proposed distribution of results		
Retained earnings		-380.669
Distribution of profit		<u>-380.669</u>

Baylund Management ApS

Balance Sheet as of 31 December

	Note	2021 kr.
Assets		
Long-term investments in group enterprises	4	108.240
Long-term receivables from group enterprises		4.044.578
Deposits		75.360
Investments		4.228.178
Fixed assets		4.228.178
Short-term trade receivables		71.320
Short-term tax receivables from group enterprises		106.896
Other short-term receivables		147.051
Receivables		325.266
Cash and cash equivalents		225.056
Current assets		550.323
Assets		4.778.501

Baylund Management ApS

Balance Sheet as of 31 December

	Note	2021 kr.
Liabilities and equity		
Contributed capital		40.000
Retained earnings		-380.669
Equity		-340.669
Payables to group enterprises		5.001.767
Long-term liabilities other than provisions	5	5.001.767
Trade payables		100.001
Other payables		12.000
Payables to shareholders and management		5.402
Short-term liabilities other than provisions		117.402
Liabilities other than provisions within the business		5.119.169
Liabilities and equity		4.778.501
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1. Revenue

Revenue, Denmark	171.081
Revenue, EU	146.021
	<u>317.102</u>

2. Profit from ordinary operating activities

Revenue	317.102
Direct costs	-190.000
Gross profit before other costs	<u>127.102</u>
Other costs	562.773
Other costs	<u>562.773</u>
Profit from ordinary operating activities	<u>-435.671</u>

3. Finance expenses

Finance expenses arising from group enterprises	51.767
Other finance expenses	126
	<u>51.893</u>

4. Disclosure in long-term investments in group enterprises

Group enterprises

Name	Registered office	Share held in %	Equity	Profit
BikeRunners Friends ApS	Lyngby-Taarbaek	100,00	38.160	-1.170
Biowatch Friends ApS	Lyngby-Taarbaek	70,60	37.045	-2.955
BlueJay Friends ApS	Lyngby-Taarbaek	100,00	36.917	-2.609
			<u>112.122</u>	<u>-6.734</u>

5. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to group enterprises	5.001.767	0	0
	<u>5.001.767</u>	<u>0</u>	<u>0</u>

Notes

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6. Uncertainties relating to going concern

The company has lost more than 50% of its equity and is therefore comprehend by the capital provisions ind section 119 of the Danish Companies Act.

The company expects to reestablish the capital either though normal activities or debt conversion.

The parent company Baylund & Co. ApS supports the running activities of the Company and will provide sufficient cash to cover existing and future liabilities until 31 December 2022.

Thus, the annual report is presented on the assumption of continued operation.

7. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears from the annual report of Baylund & Co. ApS which is the administration company in the joint taxation.

8. Collaterals and securities

No securities or mortgages exist at the balance sheet date.