

Better Insect Solutions A/S

Agro Food Park 15, 8200 Aarhus N
CVR no. 43 98 46 08

Annual report for the financial year 13.04.23 - 30.09.23

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 11.12.23

Henning Jensen
Dirigent



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The company

Better Insect Solutions A/S
Agro Food Park 15
8200 Aarhus N
Registered office: Aarhus
CVR no.: 43 98 46 08
Financial year: 01.10 - 30.09

Executive Board

CEO Lars Brodersen

Board of Directors

Robert Jean Nicolas Didier Lousberg
Leo Østergaard
Hugo Styrbæk Holm

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 13.04.23 - 30.09.23 for Better Insect Solutions A/S.

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 company's assets, liabilities and financial position as at 30.09.23 and of the results of the company's activities for the financial year 13.04.23 - 30.09.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Aarhus N, December 11, 2023

Executive Board

Lars Brodersen
CEO

Board of Directors

Robert Jean Nicolas Didier
Lousberg
Chairman

Leo Østergaard

Hugo Styrbæk Holm

To the shareholder of Better Insect Solutions A/S**Opinion**

We have audited the financial statements of Better Insect Solutions A/S for the financial year 13.04.23 - 30.09.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including 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 company's financial position at 30.09.23 and of the results of the company's operations for the financial year 13.04.23 - 30.09.23 in accordance with the the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the company 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 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company 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 judgment and maintain professional scepticism 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 company'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 company'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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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's review

Management is responsible for the management's review.

Our opinion on the financial statements does not cover the management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, it is our responsibility to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the the Danish Financial Statements Act. We did not identify any material misstatement of the management's review.

Skive, December 11, 2023

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Martin Olesen Furbo
State Authorized Public Accountant
MNE-no. mne32204

Allan Aakmann Christensen
State Authorized Public Accountant
MNE-no. mne35463

Primary activities

The company's purpose is to conduct business within trade and industry and other related business.

Development in activities and financial affairs

The income statement for the period 13.04.23 - 30.09.23 shows a profit/loss of DKK -2,831,475. The balance sheet shows equity of DKK 1,168,525.

Information on going concern

The share capital is expected to be re-established within a few years through positive earnings. Reference is also made to note 1 for further explanation.

	13.04.23	30.09.23
Note	DKK	
Gross loss		-1,544,028
2 Staff costs		-2,108,394
Operating loss		-3,652,422
Financial income		33,032
Financial expenses		-5,231
Loss before tax		-3,624,621
Tax on loss for the year		793,146
Loss for the year		-2,831,475
Proposed appropriation account		
Retained earnings		-2,831,475
Total		-2,831,475

ASSETS		30.09.23
		DKK
Note		
	Receivables from group enterprises	706,918
	Other receivables	56,766
	Total receivables	763,684
	Cash	753,456
	Total current assets	1,517,140
	Total assets	1,517,140

EQUITY AND LIABILITIES		30.09.23
		DKK
Note		
	Share capital	4,000,000
	Retained earnings	-2,831,475
	Total equity	1,168,525
	Trade payables	33,523
	Payables to group enterprises	1,498
	Other payables	313,594
	Total short-term payables	348,615
	Total payables	348,615
	Total equity and liabilities	1,517,140

3 Contingent liabilities

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Total equity
Statement of changes in equity for 13.04.23 - 30.09.23			
Capital contributed on establishment	4,000,000	0	4,000,000
Net profit/loss for the year	0	-2,831,475	-2,831,475
Balance as at 30.09.23	4,000,000	-2,831,475	1,168,525

1. Information as regards going concern

The company has lost more than half of the share capital. The shortened financial year 2023 is the company's first financial year, which is why it has been affected by a number of start-up costs. In addition, the company's activities also consist of research within agriculture, which is why costs have also been incurred for this. There has been no actual revenue-generating operating activity yet. Overall, a deficit has therefore been realized for the financial year.

It is the management's assessment that the company's capital will be re-established through positive earnings in the coming years. However, the company is still mainly financed through equity. The annual report has been filed with continued operations in mind. A positive development is expected for the coming years.

13.04.23
30.09.23
DKK

2. Staff costs

Wages and salaries	1,951,596
Pensions	91,629
Other social security costs	1,937
Other staff costs	63,232
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Total	2,108,394
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Average number of employees during the year	3
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3. Contingent liabilities

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

4. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

No comparative figures have been provided as this is the company's first financial year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

INCOME STATEMENT

Gross loss

Gross loss comprises other external expenses.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

4. Accounting policies - continued -

Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Cash

Cash includes deposits in bank account.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

4. Accounting policies - continued -

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.