

Chromaviso IP ApS

Tueager 1
8200 Aarhus N
Business Registration No
32056725

Annual report 01.11.2016 - 31.10.2017

The Annual General Meeting adopted the annual report on 11.12.2017

Chairman of the General Meeting

Name: Anders Kristian Kryger Nielsen

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Entity details

Entity

Chromaviso IP ApS

Tueager 1

8200 Aarhus N

Central Business Registration No: 32056725

Registered in: Aarhus

Financial year: 01.11.2016 - 31.10.2017

Board of Directors

Steen Hvidt, Chairman

Anders Kristian Kryger Nielsen

Claus Munch Puggaard

Anne-Marie Krog

Anders Geert Jensen

Executive Board

Anders Kristian Kryger Nielsen

Claus Munch Puggaard

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Chromaviso IP ApS for the financial year 01.11.2016 - 31.10.2017.

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 Entity's financial position at 31.10.2017 and of the results of its operations for the financial year 01.11.2016 - 31.10.2017.

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

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

Aarhus, 11.12.2017

Executive Board

Anders Kristian Kryger
Nielsen

Claus Munch Puggaard

Board of Directors

Steen Hvidt
Chairman

Anders Kristian Kryger Nielsen

Claus Munch Puggaard

Anne-Marie Krog

Anders Geert Jensen

Independent auditor's reports

To the shareholders of Chromaviso IP ApS

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Chromaviso IP ApS for the financial year 01.11.2016 - 31.10.2017. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.10.2017 and of the results of its operations for the financial year 01.11.2016 - 31.10.2017 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Management is responsible for the management commentary.

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

Independent auditor's reports

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

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

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

Aarhus, 11.12.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Klaus Tvede-Jensen
State-Authorised Public Accountant
Identification number (MNE) 23304

Management commentary

Primary activities

The Company's primary activity consists of holding intellectual property rights and derived licensing income.

Development in activities and finances

Loss for the year totalled DKK 355k, which is not considered satisfactory.

The Company expects improved financial performance for the coming financial year. The share capital is expected to be reestablished over the coming year through increased licensing income and new royalty agreements.

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 2016/17

	<u>Notes</u>	<u>2016/17</u> <u>DKK</u>	<u>2015/16</u> <u>DKK</u>
Gross profit		26.307	(532.743)
Depreciation, amortisation and impairment losses	1	<u>(416.663)</u>	<u>(276.424)</u>
Operating profit/loss		(390.356)	(809.167)
Other financial income	2	362	1.966
Other financial expenses	3	<u>(64.956)</u>	<u>(110.888)</u>
Profit/loss before tax		(454.950)	(918.089)
Tax on profit/loss for the year	4	<u>100.000</u>	<u>206.000</u>
Profit/loss for the year		(354.950)	(712.089)
Proposed distribution of profit/loss			
Retained earnings		<u>(354.950)</u>	<u>(712.089)</u>
		(354.950)	(712.089)

Balance sheet at 31.10.2017

	<u>Notes</u>	<u>2016/17</u> <u>DKK</u>	<u>2015/16</u> <u>DKK</u>
Acquired patents		941.511	1.128.776
Acquired trademarks		26.407	29.454
Intangible assets	5	<u>967.918</u>	<u>1.158.230</u>
Fixed assets		<u>967.918</u>	<u>1.158.230</u>
Deferred tax		296.000	196.000
Other receivables		19.940	0
Receivables		<u>315.940</u>	<u>196.000</u>
Current assets		<u>315.940</u>	<u>196.000</u>
Assets		<u>1.283.858</u>	<u>1.354.230</u>

Balance sheet at 31.10.2017

	<u>Notes</u>	<u>2016/17</u> <u>DKK</u>	<u>2015/16</u> <u>DKK</u>
Contributed capital		125.000	125.000
Retained earnings		<u>(239.229)</u>	<u>115.721</u>
Equity		<u>(114.229)</u>	<u>240.721</u>
Bank loans		295.372	165.331
Trade payables		76.916	18.100
Payables to group enterprises		1.025.799	866.486
Other payables		<u>0</u>	<u>63.592</u>
Current liabilities other than provisions		<u>1.398.087</u>	<u>1.113.509</u>
Liabilities other than provisions		<u>1.398.087</u>	<u>1.113.509</u>
Equity and liabilities		<u>1.283.858</u>	<u>1.354.230</u>
Contingent liabilities	6		
Assets charged and collateral	7		

Statement of changes in equity for 2016/17

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125.000	115.721	240.721
Profit/loss for the year	0	(354.950)	(354.950)
Equity end of year	125.000	(239.229)	(114.229)

Notes

	2016/17	2015/16
	DKK	DKK
1. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	416.663	276.424
	416.663	276.424
2. Other financial income		
Financial income arising from group enterprises	199	0
Other financial income	163	1.966
	362	1.966
3. Other financial expenses		
Financial expenses from group enterprises	51.989	88.884
Other financial expenses	12.967	22.004
	64.956	110.888
4. Tax on profit/loss for the year		
Change in deferred tax	(100.000)	(206.000)
	(100.000)	(206.000)
5. Intangible assets		
Cost beginning of year	1.841.732	30.470
Additions	226.351	0
Cost end of year	2.068.083	30.470
Amortisation and impairment losses beginning of year	(712.956)	(1.016)
Amortisation for the year	(413.616)	(3.047)
Amortisation and impairment losses end of year	(1.126.572)	(4.063)
Carrying amount end of year	941.511	26.407

Notes

6. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Chromaviso Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

7. Assets charged and collateral

The Company has guaranteed Chromaviso A/S' debt to Nordea. The guarantee amounts to a maximum of DKK 8,500k. The debt amounts to DKK 7,011k at 31.10.2017.

The Company has also guaranteed Chromaviso A/S' debt to the Danish Growth Fund. The guarantee has no maximum. The debt to the Danish Growth Fund amounts to DKK 5,000k at 31.10.2017.

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, however with some reclassifications.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Revenue

Revenue consists of license income and is recognized in the income statement according to the accrual principle.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for administration.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and transactions in foreign currencies.

Accounting policies

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 acquired patents and trademarks.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

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.

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.