

CHROMAVISO IP ApS

Finlandsgade 25 A

8200 Aarhus N

Business Registration No

32056725

Annual report 01.11.2018

- 31.10.2019

The Annual General Meeting adopted the annual report on 06.03.2020

Chairman of the General Meeting

Name: Anders Kristian Kryger Nielsen

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Entity details

Entity

CHROMAVISO IP ApS
Finlandsgade 25 A
8200 Aarhus N

Central Business Registration No (CVR): 32056725

Registered in: Aarhus

Financial year: 01.11.2018 - 31.10.2019

Board of Directors

Steen Hvidt
Anne-Marie Krog
Anders Kristian Kryger Nielsen
Claus Munch Puggaard
Claus Frøkjær-Lorensen

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 01.11.2018 - 31.10.2019.

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 31.10.2019 and of the results of its operations for the financial year 01.11.2018 - 31.10.2019.

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, 06.03.2020

Executive Board

Anders Kristian Kryger
Nielsen

Claus Munch Puggaard

Board of Directors

Steen Hvidt

Anne-Marie Krog

Anders Kristian Kryger Nielsen

Claus Munch Puggaard

Claus Frøkjær-Lorensen

Independent auditor's extended review report

To the shareholders of CHROMAVISO IP ApS

Conclusion

We have performed an extended review of the financial statements of CHROMAVISO IP ApS for the financial year 01.11.2018 - 31.10.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.10.2019 and of the results of its operations for the financial year 01.11.2018 - 31.10.2019 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

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

Independent auditor's extended review report

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.

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.

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 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, 06.03.2020

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Klaus Tvede-Jensen

State Authorised Public Accountant

Identification No (MNE) mne23304

Management commentary

Primary activities

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

Development in activities and finances

Loss for the year totalled DKK 621k, which is not considered satisfactory.

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 2018/19

	<u>Notes</u>	<u>2018/19</u> <u>DKK</u>	<u>2017/18</u> <u>DKK</u>
Gross profit/loss		(166.740)	240.022
Depreciation, amortisation and impairment losses		(497.171)	(443.555)
Operating profit/loss		(663.911)	(203.533)
Other financial expenses		(95.546)	(75.345)
Profit/loss before tax		(759.457)	(278.878)
Tax on profit/loss for the year	1	138.700	61.000
Profit/loss for the year		(620.757)	(217.878)
Proposed distribution of profit/loss			
Retained earnings		(620.757)	(217.878)
		(620.757)	(217.878)

Balance sheet at 31.10.2019

	<u>Notes</u>	<u>2018/19</u> <u>DKK</u>	<u>2017/18</u> <u>DKK</u>
Acquired patents		409.416	732.631
Acquired trademarks		20.313	23.360
Intangible assets	2	<u>429.729</u>	<u>755.991</u>
 Fixed assets		 <u>429.729</u>	 <u>755.991</u>
 Deferred tax		 495.700	 357.000
Receivables		<u>495.700</u>	<u>357.000</u>
 Current assets		 <u>495.700</u>	 <u>357.000</u>
 Assets		 <u>925.429</u>	 <u>1.112.991</u>

Balance sheet at 31.10.2019

	<u>Notes</u>	<u>2018/19</u> <u>DKK</u>	<u>2017/18</u> <u>DKK</u>
Contributed capital		125.000	125.000
Retained earnings		<u>(1.077.863)</u>	<u>(457.106)</u>
Equity		<u>(952.863)</u>	<u>(332.106)</u>
Bank loans		300.373	266.156
Trade payables		24.687	36.286
Payables to group enterprises		1.540.602	1.118.936
Other payables		<u>12.630</u>	<u>23.719</u>
Current liabilities other than provisions		<u>1.878.292</u>	<u>1.445.097</u>
Liabilities other than provisions		<u>1.878.292</u>	<u>1.445.097</u>
Equity and liabilities		<u>925.429</u>	<u>1.112.991</u>
Contingent liabilities	3		
Assets charged and collateral	4		

Statement of changes in equity for 2018/19

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125.000	(457.106)	(332.106)
Profit/loss for the year	0	(620.757)	(620.757)
Equity end of year	125.000	(1.077.863)	(952.863)

Notes

	2018/19	2017/18
	DKK	DKK
1. Tax on profit/loss for the year		
Change in deferred tax	(138.700)	(61.000)
	(138.700)	(61.000)
	Acquired	Acquired
	patents	trademarks
	DKK	DKK
2. Intangible assets		
Cost beginning of year	2.299.711	30.470
Additions	170.909	0
Cost end of year	2.470.620	30.470
Amortisation and impairment losses beginning of year	(1.567.080)	(7.110)
Amortisation for the year	(494.124)	(3.047)
Amortisation and impairment losses end of year	(2.061.204)	(10.157)
Carrying amount end of year	409.416	20.313

3. 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.

4. Assets charged and collateral

The Company has guaranteed Chromaviso A/S' debt to Nordea. The guarantee amounts to a maximum of DKK 12,000k. The debt amounts to DKK 5.897k at 31.10.2019.

The Company has also guaranteed Chromaviso A/S' debt to the Danish Growth Fund. The guarantee has no maximum. The debt to the Dabusg Growth Fund amounts to DKK 3,820k at 31.10.2019.

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.

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 and external expenses.

Revenue

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

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.

Accounting policies

Other financial expenses

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

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.

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.