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Glycospot ApS

Østmarken 9
2860 Søborg

CVR no. 36 48 79 76

Annual report for 2018

Adopted at the annual general
meeting on 1 May 2019

Thomas Lacentra
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Accounting policies	7
Income statement	11
1 January 2018 - 31 December 2018	
Notes to the annual report	14

Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Glycospot ApS for the financial year 1 January - 31 December 2018.

The annual report is 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 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 1 May 2019

Executive board

Thomas Lacentra

Supervisory board

Ole Kring
chairman

Louise Heiberg

Mads Hartvig Clausen

Frank Hansen

Thomas Lacentra

Independent auditor's report

To the shareholders of Glycospot ApS

Opinion

We have audited the financial statements of Glycospot ApS for the financial year 1 January - 31 December 2018, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018 in accordance with 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' 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 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 Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the 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.

Independent auditor's report

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 skepticism 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.

Independent auditor's report

- 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 management's review

Management is responsible for management's review.

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

In connection with our audit of the financial statements, our responsibility is 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 Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review 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 management's review.

Copenhagen, 1 May 2019

Henckel & Witt

Statsautoriseret Revisionsaktieselskab
CVR no. 39 18 86 78

Gitte Henckel
state authorised public accountant
MNE no. mne32734

Company details

The company

Glycospot ApS
Østmarken 9
2860 Søborg

CVR no.: 36 48 79 76

Reporting period: 1 January - 31 December 2018

Incorporated: 31. December 2014

Domicile: Søborg

Supervisory board

Ole Kring, chairman
Louise Heiberg
Mads Hartvig Clausen
Frank Hansen
Thomas Lacentra

Executive board

Thomas Lacentra

Auditors

Henckel & Witt
Statsautoriseret Revisionsaktieselskab
Winghouse Ørestads Boulevard 73
2300 København S

General meeting

The annual general meeting is held at the company's address on 1 May 2019.

Management's review

Business activities

The company's objective is to develop, produce and market assay kits.

Business review

The Company's income statement for the year ended 31 December shows a loss of DKK 2,608,846, and the balance sheet at 31 December 2018 shows positive equity of DKK 450,805.

The result for the year is positively affected by recognised grants from three different projects in a total of DKK 2,460 thousand. (2017: DKK 2,231 thousand). Recognised grants, which are still subject to auditing amounts to DKK 5,117 thousand.

The Company is in the start-up phase and as a consequence hereof, the activities are limited and the result for the year is affected by development expenses, sales and administration costs, which have caused the loss for the year.

The Company's capital resources comprise of grants of DKK 1.5 million, which together with the positive working capital as of 31 December 2018 is expected to ensure the Company's capital resources and continued operation until the Company is self-financed.

Based on this, the financial statements have been prepared on a going concern assumption.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Glycospot ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

Some reclassifications have been made in the comparative figures to the income statement.

The accounting policies applied are consistent with those of last year.

The annual report for 2018 is presented in DKK

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 amortisation, depreciation and impairment losses, 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 the asset 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 the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Public grants

Public grants comprise grants of research and development projects. Grants are recognized against the related costs when there is reasonable assurance that they will be received.

Accounting policies

Public grants are recognised in the balance sheet, against the related asset and transferred to other external expenses and depreciation in the income statement in step with realisation, depreciation and amortisation of the assets to which the grants relate.

Received public grants are recognised as deferred income and transferred to other external expenses in the income statement in step with realisation.

Revenue

Income from the sale of finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Expenses for raw materials and consumables

Expenses for raw materials and consumables include the raw materials and consumables used in generating the year's revenue less recognised grants.

Other external costs

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, less recognised grants etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities and grants.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised exchange gains and losses foreign currency transactions and allowances under the advance-payment-of-tax scheme, etc.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures, tools and equipment	3 years
Plant and machinery	3 years

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

Accounting policies

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Equity

Recognition of treasury shares

Acquisition and sale of treasury shares are recognised directly in equity.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Income statement
1 January 2018 - 31 December 2018

	Note	2018 DKK	2017 DKK
Gross profit		-933,702	-449,684
Staff costs	1	<u>-1,204,343</u>	<u>-370,084</u>
Profit/loss before amortisation/depreciation and impairment losses		-2,138,045	-819,768
Depreciation, amortisation and impairment of plant and equipment	2	<u>-155,451</u>	<u>-1,523</u>
Profit/loss before net financials		-2,293,496	-821,291
Financial costs	3	<u>-315,349</u>	<u>-296,692</u>
Profit/loss before tax		-2,608,845	-1,117,983
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Profit/loss for the year		<u>-2,608,845</u>	<u>-1,117,983</u>
Retained earnings		<u>-2,608,845</u>	<u>-1,117,983</u>
		<u>-2,608,845</u>	<u>-1,117,983</u>

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> DKK
Assets			
Plant and machinery		260,851	0
Other fixtures and fittings, tools and equipment		<u>209,329</u>	<u>67,853</u>
Tangible assets	4	<u>470,180</u>	<u>67,853</u>
Total non-current assets		<u>470,180</u>	<u>67,853</u>
Raw materials and consumables		<u>141,451</u>	<u>52,744</u>
Stocks		<u>141,451</u>	<u>52,744</u>
Trade receivables		19,071	59,953
Other receivables		822,857	879,969
Prepayments		<u>27,719</u>	<u>38,975</u>
Receivables		<u>869,647</u>	<u>978,897</u>
Cash at bank and in hand		<u>5,214,187</u>	<u>581,231</u>
Total current assets		<u>6,225,285</u>	<u>1,612,872</u>
Total assets		<u><u>6,695,465</u></u>	<u><u>1,680,725</u></u>

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> DKK
Equity and liabilities			
Share capital		63,953	49,999
Retained earnings		386,852	-3,098,069
Equity	5	<u>450,805</u>	<u>-3,048,070</u>
Shareholders and management		4,510,610	3,398,102
Total non-current liabilities	6	<u>4,510,610</u>	<u>3,398,102</u>
Short-term part of long-term debt	6	200,000	150,000
Trade payables		539,234	598,345
Payables to shareholders and management		0	12,512
Other payables		994,816	569,836
Total current liabilities		<u>1,734,050</u>	<u>1,330,693</u>
Total liabilities		<u>6,244,660</u>	<u>4,728,795</u>
Total equity and liabilities		<u><u>6,695,465</u></u>	<u><u>1,680,725</u></u>
Uncertainty about the continued operation (going concern)	7		
Uncertainty in the recognition and measurement	8		
Contingencies, etc.	9		
Related parties and ownership structure	10		

Notes

	<u>2018</u>	<u>2017</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	3,068,766	1,610,059
Other social security costs	78,073	29,317
Reimbursements and grants	<u>-1,942,496</u>	<u>-1,269,292</u>
	<u>1,204,343</u>	<u>370,084</u>
Average number of employees	<u>8</u>	<u>6</u>
2 Depreciation, amortisation and impairment of plant and equipment		
Depreciation tangible assets	<u>155,451</u>	<u>1,523</u>
	<u>155,451</u>	<u>1,523</u>
	<u>2018</u>	<u>2017</u>
	DKK	DKK
3 Financial costs		
Other financial costs	312,508	295,705
Exchange loss	<u>2,841</u>	<u>987</u>
	<u>315,349</u>	<u>296,692</u>

Notes

4 Tangible assets

	Plant and machinery	Other fixtures and fittings, tools and equipment
	<u> </u>	<u> </u>
Cost at 1 January 2018	0	69,706
Additions for the year	294,263	263,184
Cost at 31 December 2018	<u>294,263</u>	<u>332,890</u>
Impairment losses and depreciation at 1 January 2018	0	1,523
Depreciation for the year	33,412	122,038
Impairment losses and depreciation at 31 December 2018	<u>33,412</u>	<u>123,561</u>
Carrying amount at 31 December 2018	<u>260,851</u>	<u>209,329</u>

Notes

5 Equity

	Share capital	Share premium account	Retained earnings	Total
Equity at 1 January 2018	49,999	0	2,678,324	2,728,323
Cash capital increase	13,954	209,873	209,873	433,700
Sale of treasury shares	0	0	107,500	107,500
Net profit/loss for the year	0	-209,873	-2,608,845	-2,818,718
Equity at 31 December 2018	63,953	0	386,852	450,805

The share capital consists of 63,953 shares of a nominal value of DKK 1.

In the financial year, the company acquired 2,500 treasury shares of a nominal value of DKK 1, and sold 750 treasury shares, of a nominal value of DKK 1, whereafter, treasury shares consists of DKK 1,750 shares (2.7% of total share capital) of a nominal value of DKK 1.

The total payment for the shares amounted to DKK 0. The total sales price amounts to DKK 107,500. These shares have not been cancelled and are therefore held as treasury shares. The company may choose to sell these shares at a later time. The shares have been acquired as part of the company's strategy.

The shareholder Fonden Capnova Invest Zealand has veto rights regarding a number of administrative and financial decisions as long as the loan from the shareholder exists.

The share capital has developed as follows:

	2018 DKK	2017 DKK	2016 DKK	2015 DKK
Share capital at 1 January 2018	49,999	49,999	49,999	5,000
Additions for the year	13,954	0	0	44,999
Disposals for the year	-1,750	0	0	0
Share capital at 31 December 2018	63,953	49,999	49,999	49,999

Notes

6 Long term debt

	Debt at 1 January 2018	Debt at 31 December 2018	Instalment next year	Debt outstanding after 5 years
Shareholders and management	<u>3,548,102</u>	<u>4,710,610</u>	<u>200,000</u>	<u>4,510,610</u>
	<u>3,548,102</u>	<u>4,710,610</u>	<u>200,000</u>	<u>4,510,610</u>

7 Uncertainty about the continued operation (going concern)

The Company's income statement for the year ended 31 December shows a loss of DKK 2,608,845 and the balance sheet at 31 December 2018 shows equity of DKK 450,805.

The Company is in the start-up phase and as a consequence the activities are limited and the result for the year is affected by development expenses, sales and administrations costs, which have caused the loss for the year.

The Company's capital reserves comprise of grants of DKK 1.5 million, which together with the positive working capital as of 31 December 2018 is expected to ensure the Company's capital resources and continued operation until the Company is self-financed.

Based on this, the financial statements have been prepared on a going concern assumption.

8 Uncertainty in the recognition and measurement

Public grants comprise grants of research and development projects. Public grants are granted on the basis of a number of assumptions, and the grantor is entitled to audit project accounts and granted costs up to 5 years after completion of projects. Recognized grants, which are still subject to auditing amounts to DKK 5,117 thousand.

Public grants amounting to a total of DKK 2,460 thousand has been recognized in the financial statements for 2018 (2017: 2,231 thousand). Public grants have been recognized in Gross Profit with DKK 189 thousand (2017: DKK 961 thousand) in Staff Costs with DKK 1,858 thousand (2017 DKK: 1,270 thousand) in Administration Costs with DKK 303 thousand (2017 DKK: 0) and in Depreciation Costs with DKK 110 thousand (2017 DKK: 0).

Notes

9 Contingencies, etc.

Public grants are granted on the basis of a number of assumptions, and the grantor is entitled to audit project accounts and granted costs up to 5 years after completion of projects.

Recognized grants, which are still subject to auditing amounts to DKK 5,117 thousand.

10 Related parties and ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Fonden Capnova Invest Zealand
Universitetsparken 7
Himmelev
4000 Roskilde

RTL Holding ApS
Højgaards Alle 75
2900 Hellerup

Styrelsen for Forskning og Uddannelse
Bredgade 40-42
1260 København K

2200 Holding IVS
c/o Mads Clausen
Fafnersgade 3, 2. t.v.
2200 København N

SOMO Management ApS
P M Møllers Vej 9
3460 Birkerød

Glycospot Invest ApS
Adelgade 12, 3.
1304 København K