

Unibio Russia ApS
Niels Bohrs Allé 17
5230 Odense M
Business Registration No
37456136

Annual report 2018

The Annual General Meeting adopted the annual report on 15.05.2019

Chairman of the General Meeting

Name: Henrik Busch-Larsen

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Entity details

Entity

Unibio Russia ApS
Niels Bohrs Allé 17
5230 Odense M

Central Business Registration No (CVR): 37456136

Founded: 11.02.2016

Registered in: Odense

Financial year: 01.01.2018 - 31.12.2018

Executive Board

Henrik Busch-Larsen, CEO
Jakob Brix Christensen, CFO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Tværkajen 5
Postboks 10
5100 Odense C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Unibio Russia ApS for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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.

Odense, 15.05.2019

Executive Board

Henrik Busch-Larsen
CEO

Jakob Brix Christensen
CFO

Independent auditor's report

To the shareholders of Unibio Russia ApS

Opinion

We have audited the financial statements of Unibio Russia ApS for the financial year 01.01.2018 - 31.12.2018, 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations and cash flows for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 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 judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 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 audit 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 audit 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.

Independent auditor's report

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.

Odense, 15.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Lars Leopold Larsen

State Authorised Public Accountant

Identification No (MNE) mne33229

Management commentary

Primary activities

Unibio Russia ApS is a biotech company established in 2016 and focused on marketing the Company's technology in Russia.

Development in activities and finances

In 2018, Unibio's licensee completed the construction of the first full-scale plant.

Gross loss for the year amounted to DKK 341k. The post-tax loss for the year amounted to DKK 263k. Equity at the end of 2018 amounted to DKK 42k.

Outlook

In 2019, the Company expects the licensee to commission the first full-scale plant under its license agreement.

Uncertainty relating to recognition and measurement

An amount of DKK 1,956k is recognised as a receivable. The amount relates to the implementation of the full scale commercial plant currently being completed under the Company's first license agreement. The amount falls due upon completed commissioning of the plant. As this is the first full scale commercial plant, there is uncertainty related to this amount.

In Management's view, there is no other specific uncertainty about the recognition or measurement of any items in the financial statements.

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

	<u>Notes</u>	<u>2018 DKK'000</u>	<u>2017 DKK'000</u>
Gross profit/loss		(341)	94
Other financial income		24	2
Other financial expenses		<u>(21)</u>	<u>(73)</u>
Profit/loss before tax		(338)	23
Tax on profit/loss for the year	3	<u>75</u>	<u>(5)</u>
Profit/loss for the year		<u>(263)</u>	<u>18</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(263)</u>	<u>18</u>
		<u>(263)</u>	<u>18</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK'000</u>	<u>2017 DKK'000</u>
Deferred tax		75	0
Other receivables		<u>2.060</u>	<u>1.980</u>
Receivables		<u>2.135</u>	<u>1.980</u>
 Cash		 <u>116</u>	 <u>296</u>
 Current assets		 <u>2.251</u>	 <u>2.276</u>
 Assets		 <u>2.251</u>	 <u>2.276</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK'000</u>	<u>2017 DKK'000</u>
Contributed capital		50	50
Retained earnings		(8)	255
Equity		42	305
Trade payables		18	13
Payables to group enterprises		2.042	1.345
Income tax payable		0	5
Other payables		149	608
Current liabilities other than provisions		2.209	1.971
Liabilities other than provisions		2.209	1.971
Equity and liabilities		2.251	2.276
Uncertainty relating to recognition and measurement	1		
Staff costs	2		

Statement of changes in equity for 2018

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	50	255	305
Profit/loss for the year	0	(263)	(263)
Equity end of year	50	(8)	42

Notes

1. Uncertainty relating to recognition and measurement

An amount of DKK 1,956 k is recognised as a receivable. The amount relates to the implementation of the full scale commercial plant currently being completed under the Company's first license agreement. The amount falls due upon completed commissioning of the plant. As this is the first full scale commercial plant, there is uncertainty related to this amount.

In Management's view, there is no other specific uncertainty about the recognition or measurement of any items in the financial statements.

2. Staff costs

Average number of employees

2018	2017
0	0

3. Tax on profit/loss for the year

Current tax
Change in deferred tax

2018	2017
DKK'000	DKK'000
0	5
(75)	0
(75)	5

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.

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 revenue and other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Other financial income

Other financial income payables and transactions in foreign currencies etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on trade payables and payables and transactions in foreign currencies etc.

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

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 tax-based value of assets and liabilities, for which the tax-based value of assets 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.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.