

# FermBiotics Holding ApS

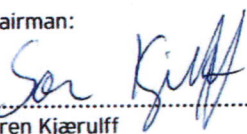
Vorbassevej 12, 6622 Bække

CVR no. 37 56 66 24

## Annual report 2017

Approved at the Company's annual general meeting on 1 June 2018

Chairman:

  
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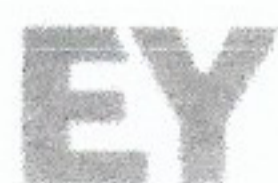
Søren Kjærulff





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### Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of FermBiotics Holding ApS for the financial year 1 January - 31 December 2017.

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 financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Aarhus, 1 June 2018  
Executive Board:

Søren Kjerulff

Board of Directors

Marnus Wilhelmus  
Adrianus Schepens  
Chairman

Anders Legarth

Kasper Legarth

## Independent auditor's report

To the shareholders of FermBiotics Holding ApS

### Opinion

We have audited the financial statements of FermBiotics Holding ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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 rules and requirements.

### 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 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 as to 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 the 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:

- ▶ 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.

## Independent auditor's report

- ▶ 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 note 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.

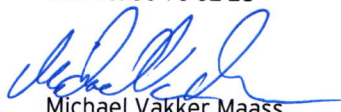
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under 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 Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Kolding, 1 June 2018  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Michael Vækker Maass  
State Authorised Public Accountant  
MNE no.: mne32772



## Management's review

### Company details

Name	FermBiotics Holding ApS
Address, Postal code, City	Vorbassevej 12, 6622 Bække
CVR no.	37 56 66 24
Established	16 March 2016
Registered office	Vejen
Financial year	1 January - 31 December
Board of Directors	Marinus Wilhelmus Adrianus Schepens, Chairman Anders Legarth Kasper Legarth
Executive Board	Søren Kjærulff
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Kolding Åpark 1, 3. sal, 6000 Kolding, Denmark



## **Management's review**

### **Business review**

The Company's main activities is to be knowledge and servicebase in relation to fermentation-processes and to enter into license- and service agreements with partners in this area.

### **Financial review**

The income statement for 2017 shows a loss of DKK 57,289 against a loss of DKK 9,847 last year, and the balance sheet at 31 December 2017 shows a negative equity of DKK 11,580.

### **Events after the balance sheet date**

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2017 12 months	2016 10 months
	Gross margin	-56,331	-9,670
	Financial expenses	-958	-177
	Profit/loss for the year	<u>-57,289</u>	<u>-9,847</u>
	Recommended appropriation of profit/loss	-57,289	-9,847
	Retained earnings/accumulated loss	<u>-57,289</u>	<u>-9,847</u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2017</u>	<u>2016</u>
	<b>ASSETS</b>		
	Fixed assets		
2	Intangible assets		
	Patents	294,624	141,398
		<u>294,624</u>	<u>141,398</u>
3	Investments		
	Investments in group enterprises	50,000	0
		<u>50,000</u>	<u>0</u>
	<b>Total fixed assets</b>	<u>344,624</u>	<u>141,398</u>
	<b>Non-fixed assets</b>		
	Receivables		
	Other receivables	27,489	36,350
		<u>27,489</u>	<u>36,350</u>
	<b>Cash</b>	<u>19,976</u>	<u>2,540</u>
	<b>Total non-fixed assets</b>	<u>47,465</u>	<u>38,890</u>
	<b>TOTAL ASSETS</b>	<u><u>392,089</u></u>	<u><u>180,288</u></u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2017</u>	<u>2016</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	55,556	50,000
	Retained earnings	-67,136	-9,847
	<b>Total equity</b>	<u>-11,580</u>	<u>40,153</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Trade payables	115,526	0
	Payables to group enterprises	44,330	0
	Payables to shareholders and management	11,942	6,457
	Other payables	231,871	133,678
		<u>403,669</u>	<u>140,135</u>
	<b>Total liabilities other than provisions</b>	<u>403,669</u>	<u>140,135</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>392,089</u></u>	<u><u>180,288</u></u>

- 1 Accounting policies
- 4 Collateral



## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2017	50,000	-9,847	40,153
Capital increase	5,556	0	5,556
Transfer through appropriation of loss	0	-57,289	-57,289
<b>Equity at 31 December 2017</b>	<b>55,556</b>	<b>-67,136</b>	<b>-11,580</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of FermBiotics Holding ApS for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Income statement

##### Gross margin

The items revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration etc.

##### Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Patents	5-8 years
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#### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

#### Balance sheet

##### Intangible assets

Other intangible assets include patents.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

##### Investments in subsidiaries

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Equity investments in subsidiaries and associates are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

#### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Equity

##### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

#### Liabilities

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Intangible assets

DKK	Patents
Cost at 1 January 2017	141,398
Additions	153,226
Cost at 31 December 2017	294,624
<b>Carrying amount at 31 December 2017</b>	<b>294,624</b>

#### 3 Investments

DKK	Investments in group enterprises
Cost at 1 January 2017	0
Additions	50,000
Cost at 31 December 2017	50,000
<b>Carrying amount at 31 December 2017</b>	<b>50,000</b>

#### 4 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2017.