

Civi Biopharma A/S

Sundkrogsgade 21
2100 København Ø

CVR no. 38 02 77 94

Annual report for the period 20 September 2016 – 31 December 2017

The annual report was presented and approved at
the Company's annual general meeting on

20 June 2018

Martin Lavesen
chairman

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Company details	5
Financial statements 20 September 2016 – 31 December 2017	6
Income statement	6
Balance sheet	7
Statement of changes in equity	9
Notes	10

CiVi Biopharma A/S
Annual report 2016/17
CVR no. 38 02 77 94

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of CiVi Biopharma A/S for the financial period 20 September 2016 – 31 December 2017.

The annual report has been 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 assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial period 20 September 2016 – 31 December 2017.

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

København , 20 June 2018
Executive Board:

Henrik Ørum

Board of Directors:

Martin Lavesen
Chairman

Jess Thiersen

Henrik Ørum



Independent auditor's report

To the shareholder of CiVi Biopharma A/S

Opinion

We have audited the financial statements of CiVi Biopharma A/S for the financial period 20 September 2016 – 31 December 2017 comprising 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 Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial period 20 September 2016 – 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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

- identify and assess the risks of material misstatement of the company 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.



Independent auditor's report

- 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.
- 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.

Copenhagen, 20 June 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Klaus Rytz
State Authorised
Public Accountant
MNE no. 33205

CiVi Biopharma A/S
Annual report 2016/17
CVR no. 38 02 77 94

Company details

CiVi Biopharma A/S
Sundkrogsgade 21
2100 København Ø

CVR no.: 38 02 77 94
Established: 20 September 2016
Registered office: København
Financial period: 20 September 2016 – 31 December 2017

Board of Directors

Martin Lavesen, Chairman
Jess Thiersen
Henrik Ørum

Executive Board

Henrik Ørum

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergvej 28
DK-2100 Copenhagen

Annual general meeting

The annual general meeting will be held on 20 June 2018.

Financial statements 20 September – 31 December

Income statement

DKK	Note	20. sep 2016 – 31. dec 2017
Gross profit		4,230,107
Staff costs	2	-3,629,986
Operating profit		600,121
Financial expenses		-2,031
Profit before tax		598,090
Tax on profit/loss for the year	3	-140,492
Profit for the year		457,598
<hr/>		
Proposed profit appropriation		
Retained earnings		457,598
		<hr/> <hr/>

Financial statements 20 September – 31 December

Balance sheet

DKK	Note	2017
ASSETS		
Fixed assets		
Investments		
Deposits		24,143
		24,143
Total fixed assets		24,143
Current assets		
Receivables		
Receivables from group entities		711,228
Prepayments		131,106
		842,334
Cash at bank and in hand		1,185,321
Total current assets		2,027,655
TOTAL ASSETS		2,051,798

Financial statements 20 September – 31 December

Balance sheet

DKK	Note	<u>2017</u>
EQUITY AND LIABILITIES		
Equity		
Contributed capital		500,000
Retained earnings		<u>457,598</u>
Total equity		<u>957,598</u>
Liabilities other than provisions		
Current liabilities other than provisions		
Trade payables		279,894
Payables to group entities		360,898
Corporation tax		140,492
Other payables		<u>312,916</u>
		1,094,200
Total liabilities other than provisions		<u>1,094,200</u>
TOTAL EQUITY AND LIABILITIES		
Related party disclosures		5

Financial statements 20 September – 31 December

Statement of changes in equity

	Contributed capital	Retained earnings	Total
Equity at 20 September 2016	500,000	0	500,000
Transferred over the distribution of loss	0	457,598	457,598
Equity at 31 December 2017	500,000	457,598	957,598

Financial statements 20 September – 31 December

Notes

1 Accounting policies

The annual report of CiVi Biopharma A/S for 2016/17 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The current year is the first financial period of the Company, for which reason no comparative figures are disclosed in the income statement, balance sheet and notes.

Income statement

Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Other external costs

Other external costs comprise distribution costs and costs related to rent, administration, office premises, etc.

Staff costs

Staff costs comprise wages and salaries, including pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise transactions denominated in foreign currencies, etc.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 20 September – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Liabilities are measured at net realisable value.

Financial statements 20 September – 31 December

Notes

20. sep 2016
– 31. dec
2017

DKK

2 Staff costs

Wages and salaries	3,626,926
Other social security costs	<u>3,060</u>
	<u><u>3,629,986</u></u>

Average number of full-time employees	1
	<u><u>1</u></u>

3 Tax on profit/loss for the year

Current tax for the year	<u>140,492</u>
	<u><u>140,492</u></u>

4 Equity

The contributed capital consists of 5.000 shares of a nominal value of DKK 100 each.

All shares rank equally.

There has been no change to the share capital since the establishment

5 Related party disclosures

CiVi Biopharma A/S' related parties comprise the following:

Control

RINC Biotech, Inc., 1 Town Place, Suite 200, United States

RINC Biotech, Inc. holds the majority of the contributed capital in the Company.

Other related parties

In addition, the Company's related parties comprise the Company's Board of Directors and Executive Board, executive employees and their family members. Further, related parties comprise companies in which the above persons have substantial interests.

Related party transactions

In accordance with section 98c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift.
Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Martin Lavesen

Bestyrelsesformand

På vegne af: CiVi Biopharma

Serienummer: PID:9208-2002-2-121594590913

IP: 213.174.76.227

2018-06-20 11:19:54Z

NEM ID 

Henrik Ørum

Adm. direktør

På vegne af: CiVi Biopharma

Serienummer: PID:9208-2002-2-827487275489

IP: 77.72.48.116

2018-06-20 11:23:15Z

NEM ID 

Henrik Ørum

Bestyrelsesmedlem

På vegne af: CiVi Biopharma

Serienummer: PID:9208-2002-2-827487275489

IP: 77.72.48.116

2018-06-20 11:23:15Z

NEM ID 

Jess Thiersen

Bestyrelsesmedlem

På vegne af: CiVi Biopharma

Serienummer: PID:9208-2002-2-615567237941

IP: 213.174.76.227

2018-06-20 12:30:42Z

NEM ID 

Klaus Rytz

Statsautoriseret revisor

På vegne af: KPMG

Serienummer: CVR:25578198-RID:54473077

IP: 83.151.132.3

2018-06-20 12:32:27Z

NEM ID 

Martin Lavesen

Dirigent

På vegne af: CiVi Biopharma

Serienummer: PID:9208-2002-2-121594590913

IP: 87.49.146.248

2018-06-20 13:49:18Z

NEM ID 

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstemplet med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejet i denne PDF, tilfældet af at de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service <penneo@penneo.com>**. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejet i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validate>