

BioPhero ApS
Lersø Parkallé 42, 4., 2100 København Ø
Company reg. no. 38 10 93 40
Annual report
1 July 2019 - 30 June 2020

The annual report was submitted and approved by the general meeting on the 23 October 2020.

Kristian Bitsch Ebbensgaard
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management commentary	
Company information	5
Management commentary	6
Financial statements 1 July 2019 - 30 June 2020	
Accounting policies	7
Income statement	11
Statement of financial position	12
Notes	14

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the board of directors and the executive board have presented the annual report of BioPhero ApS for the financial year 1 July 2019 - 30 June 2020.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 June 2020 and of the company's results of activities in the financial year 1 July 2019 – 30 June 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Copenhagen, 23 October 2020

Executive board

Irina Borodina

Kristian Bitsch Ebbensgaard

Board of directors

Hadyn St Pierre Parry

Michael James Lee

Irina Borodina

Helge Holm-Larsen

Thomas Grotkjær

Independent auditor's report

To the shareholders of BioPhero ApS

Opinion

We have audited the financial statements of BioPhero ApS for the financial year 1 July 2019 - 30 June 2020, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 30 June 2020 and of the results of the company's activities for the financial year 1 July 2019 - 30 June 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the 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 express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Frederiksberg, 23 October 2020

Revisionshuset Tal & Tanker

Statsautoriseret revisionspartnerselskab
Company reg. no. 37 31 56 64

Mikkel Thomsen

State Authorised Public Accountant
mne34535

Company information

The company

BioPhero ApS
Lersø Parkallé 42, 4.
2100 København Ø

Company reg. no. 38 10 93 40
Established: 4 October 2016
Domicile: København Ø
Financial year: 1 July - 30 June

Board of directors

Hadyn St Pierre Parry
Michael James Lee
Irina Borodina
Helge Holm-Larsen
Thomas Grotkjær

Executive board

Irina Borodina
Kristian Bitsch Ebbensgaard

Auditors

Revisionshuset Tal & Tanker, Statsautoriseret revisionspartnerselskab
Roskildevej 37A, 3. sal
2000 Frederiksberg

Management commentary

The principal activities of the company

BioPhero's vision is to make agriculture more sustainable by enabling the application of pheromones for effective pest control in large-scale row crops. We are an industrial biotechnology company and our main activities are (1) development of efficient biological processes for fermentation-based production of insect pheromones, and (2) large-scale production and sale of biologically produced and nature-identical insect pheromones sold as concentrated active ingredients.

Development in activities and financial matters

The gross profit for the year totals DKK 5.136.048 against DKK 1.655.281 last year. Income or loss from ordinary activities after tax totals DKK -3.047.901 against DKK -4.721.556 last year. The management considers the results as expected.

Accounting policies

The annual report for BioPhero ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Income statement

Gross profit

Gross profit comprises the revenue, Cost of sales, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Interest and other costs concerning loans to finance the production of intangible assets and property, plant, and equipment, and relating to production periods are not recognised in the cost of non-current assets.

Accounting policies

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately when the useful lives of each individual components differ.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Accounting policies

Leases

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible assets as well as equity investments in subsidiaries and associates are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation, respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Accounting policies

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium. The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Liabilities other than provisions

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Income statement 1 July - 30 June

All amounts in DKK.

<u>Note</u>	<u>2019/20</u>	<u>2018/19</u>
Gross profit	5.136.048	1.655.281
1 Staff costs	-8.569.399	-5.819.665
Depreciation and impairment of property, land, and equipment	-660.286	-501.705
Operating profit	-4.093.637	-4.666.089
Other financial income	660	0
2 Other financial costs	-71.041	-55.467
Pre-tax net profit or loss	-4.164.018	-4.721.556
3 Tax on net profit or loss for the year	1.116.117	0
Net profit or loss for the year	-3.047.901	-4.721.556
Proposed appropriation of net profit:		
Allocated from retained earnings	-3.047.901	-4.721.556
Total allocations and transfers	-3.047.901	-4.721.556

Statement of financial position at 30 June

All amounts in DKK.

Assets		
<u>Note</u>	<u>2020</u>	<u>2019</u>
Non-current assets		
Other fixtures and fittings, tools and equipment	3.782.853	1.818.007
Total property, plant, and equipment	3.782.853	1.818.007
Total non-current assets	3.782.853	1.818.007
Current assets		
Other receivables	2.408.779	370.885
Total receivables	2.408.779	370.885
Cash on hand and demand deposits	21.552.991	10.684.496
Total current assets	23.961.770	11.055.381
Total assets	27.744.623	12.873.388

This document has esignatur Agreement-ID: 8976f3a6yzQ240836560

Statement of financial position at 30 June

All amounts in DKK.

Equity and liabilities		<u>2020</u>	<u>2019</u>
<u>Note</u>			
	Equity		
4	Contributed capital	109.523	92.819
5	Share premium	7.433.298	11.144.960
6	Retained earnings	7.160.430	-936.629
	Total equity	<u>14.703.251</u>	<u>10.301.150</u>
	Liabilities other than provisions		
	Prepayments received from customers	8.897.128	0
	Trade payables	2.680.402	39.697
	Other payables	1.463.842	1.078.767
	Accruals and deferred income	0	1.453.774
	Total short term liabilities other than provisions	<u>13.041.372</u>	<u>2.572.238</u>
	Total liabilities other than provisions	<u>13.041.372</u>	<u>2.572.238</u>
	Total equity and liabilities	<u>27.744.623</u>	<u>12.873.388</u>
7	Contingencies		

Notes

All amounts in DKK.

	<u>2019/20</u>	<u>2018/19</u>
1. Staff costs		
Salaries and wages	7.950.827	5.353.683
Pension costs	535.610	403.615
Other costs for social security	48.661	22.762
Other staff costs	34.301	39.605
	<u>8.569.399</u>	<u>5.819.665</u>
Average number of employees	<u>14</u>	<u>10</u>
2. Other financial costs		
Other financial costs	71.041	55.467
	<u>71.041</u>	<u>55.467</u>
3. Tax on net profit or loss for the year		
Adjustment of tax for previous years	-83.818	0
The tax credit scheme	-1.032.299	0
	<u>-1.116.117</u>	<u>0</u>
4. Contributed capital		
Contributed capital opening balance	92.819	62.779
Cash capital increase	16.704	30.040
	<u>109.523</u>	<u>92.819</u>
5. Share premium		
Share premium opening balance	11.144.960	3.791.569
Share premium account for the year	7.433.298	11.144.960
Transferred to results brought forward	-11.144.960	-3.791.569
	<u>7.433.298</u>	<u>11.144.960</u>

Notes

All amounts in DKK.

	<u>30/6 2020</u>	<u>30/6 2019</u>
6. Retained earnings		
Retained earnings opening balance	-936.629	-6.642
Profit or loss for the year brought forward	-3.047.901	-4.721.556
Share premium opening balance transferred til results brought forward	<u>11.144.960</u>	<u>3.791.569</u>
	<u>7.160.430</u>	<u>-936.629</u>

7. Contingencies

Contingent assets

The company has a deferred tax asset of t.DKK 834 which is not recognized in the annual report for 2019-20 as there is uncertainty associated with its future use.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Irina Borodina

Som Direktør NEM ID
PID: 9208-2002-2-888376809498
Tidspunkt for underskrift: 23-10-2020 kl.: 20:31:27
Underskrevet med NemID

Kristian Bitsch Ebbensgaard

Som Direktør NEM ID
PID: 9208-2002-2-952531286982
Tidspunkt for underskrift: 26-10-2020 kl.: 09:11:19
Underskrevet med NemID

Kristian Bitsch Ebbensgaard

Som Dirigent NEM ID
PID: 9208-2002-2-952531286982
Tidspunkt for underskrift: 26-10-2020 kl.: 09:11:19
Underskrevet med NemID

Irina Borodina

Som Bestyrelsesmedlem NEM ID
PID: 9208-2002-2-888376809498
Tidspunkt for underskrift: 26-10-2020 kl.: 09:30:22
Underskrevet med NemID

Helge Holm-Larsen


Som Bestyrelsesmedlem NEM ID
PID: 9208-2002-2-032350506595
Tidspunkt for underskrift: 26-10-2020 kl.: 09:28:50
Underskrevet med NemID

Thomas Grotkjær

Som Bestyrelsesmedlem NEM ID
PID: 9208-2002-2-736644054984
Tidspunkt for underskrift: 26-10-2020 kl.: 15:43:42
Underskrevet med NemID

Mikkel Thomsen

Som Revisor NEM ID
RID: 82261879
Tidspunkt for underskrift: 27-10-2020 kl.: 11:35:39
Underskrevet med NemID

DocuSigned by:

4BA596253E454DC...
Hadyn Parry

DocuSigned by:

817E6EFC085420...
Michael Lee

This document is signed with esignatur. Embedded in the document is the original agreement document and a signed data object for each signatory. The signed data object contains a mathematical hash value calculated from the original agreement document, which secures that the signatures is related to precisely this document only. Prove for the originality and validity of signatures can always be lifted as legal evidence.

The document is locked for changes and all cryptographic signature certificates are embedded in this PDF. The signatures therefore comply with all public recommendations and laws for digital signatures. With esignatur's solution, it is ensured that all European laws are respected in relation to sensitive information and valid digital signatures. If you would like more information about digital documents signed with esignatur, please visit our website at www.esignatur.dk.

This document has esignatur Agreement-ID: 8976f3a6yzQ240836560