SNIPR Biome ApS

Lersø Parkallé 44, 5., DK-2100 København Ø

Annual Report for 11 August 2017 - 31 December 2018

CVR No 38 87 12 77

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 16/5 2019

Christian Grøndahl
Chairman of the General Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of SNIPR Biome ApS for the financial year 11 August 2017 - 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 financial position at 31 December 2018 of the Company and of the results of the Company operations for 2017/18.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København, 16 May 2019

Executive Board

Christian Grøndahl
CEO

Board of Directors

Christian Ellebæk Elling Chairman	Joachim Günter Rothe	Jørgen Ulrik Vejlsgaard
Morten Otto Alexander Sommer	Regina Hodits	

Independent Auditor's Report

To the Shareholders of SNIPR Biome ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 11 August 2017 - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of SNIPR Biome ApS for the financial year 11 August 2017 - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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.

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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

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 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:

- 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.

- 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.

Hellerup, 16 May 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Martin Lunden	Simon Vinberg Andersen
statsautoriseret revisor	statsautoriseret revisor
mne32209	mne35458

Company Information

The Company	SNIPR Biome ApS Lersø Parkallé 44, 5. DK-2100 København Ø CVR No: 38 87 12 77 Financial period: 11 August - 31 December Municipality of reg. office: København
Board of Directors	Christian Ellebæk Elling, Chairman Joachim Günter Rothe Jørgen Ulrik Vejlsgaard Morten Otto Alexander Sommer Regina Hodits
Executive Board	Christian Grøndahl
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management’s Review

Financial Statements of SNIPR Biome ApS for 2017/18 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 rules applying to reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

Key activities

The purpose of the company is directly and / or through the holding of shares in other companies, to conduct business with technological development, production and trade, and other companies, which, in the opinion of the Board of Directors, are associated therewith.

Development in the year

The income statement of the Company for 2017/18 shows a loss of DKK 18,906,896, and at 31 December 2018 the balance sheet of the Company shows negative equity of DKK 6,266,716.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2018 of the Company and the results of the activities of the Company for the financial year for 2017/18 have not been affected by any unusual events.

Subsequent events

Subsequent to 31 December 2018, the Company signed an agreement with new investors securing the Company's capital resourses.

Income Statement 11 August - 31 December

	Note	2017/18
		DKK
Expenses for raw materials and consumables		-3.869.296
Other external expenses		-8.360.186
Gross profit/loss		**-12.229.482**
Staff expenses	2	-9.430.892
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-164.184
Profit/loss before financial income and expenses		**-21.824.558**
Financial income	4	11.711
Financial expenses	5	-1.122.686
Profit/loss before tax		**-22.935.533**
Tax on profit/loss for the year	6	4.028.637
Net profit/loss for the year		**-18.906.896**

Distribution of profit

Proposed distribution of profit

Retained earnings	-18.906.896
	-18.906.896

Balance Sheet 31 December

Assets

	Note	2017/18
		DKK
Other fixtures and fittings, tools and equipment		1.688.491
Leasehold improvements		624.560
Property, plant and equipment		**2.313.051**
Deposits		818.643
Fixed asset investments		**818.643**
Fixed assets		**3.131.694**
Receivables from group enterprises		2.286.777
Other receivables		1.153.652
Deferred tax asset		36.121
Corporation tax		3.992.516
Prepayments		300.112
Receivables		**7.769.178**
Cash at bank and in hand		**7.685.074**
Currents assets		**15.454.252**
Assets		**18.585.946**

Balance Sheet 31 December

Liabilities and equity

	Note	2017/18
		DKK
Share capital		500.000
Retained earnings		-6.766.716
Equity		**-6.266.716**
Trade payables		1.299.794
Payables to group enterprises		122.538
Payables to owners	7	21.076.615
Other payables		2.353.715
Short-term debt		**24.852.662**
Debt		**24.852.662**
Liabilities and equity		**18.585.946**
Capital Resources	1	
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Statement of Changes in Equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Incorporation at 11 August	500.000	12.140.180	0	12.640.180
Net profit/loss for the year	0	0	-18.906.896	-18.906.896
Transfer from share premium account	0	-12.140.180	12.140.180	0
Equity at 31 December	**500.000**	**0**	**-6.766.716**	**-6.266.716**

Notes to the Financial Statements

1 Capital Resources

The Company has lost more than 50% of its share capital and is thus subject to the provisions regarding capital loss. Management expects to re-establish the equity via positive results in the coming years. Subsequent to 31 December 2018, the Company signed an agreement with new investors securing the Company's capital resourses. Based on this, Management assess that the capital resources of the Company is sufficient for planned activities until December 31st 2019 so that the company is to be regarded as going concern.

2 Staff expenses

	2017/18
	DKK
Wages and salaries	8.502.246
Pensions	649.820
Other social security expenses	67.108
Other staff expenses	211.718
	9.430.892
Average number of employees	**11**

3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation of property, plant and equipment	164.184
	164.184

4 Financial income

Exchange gains	11.711
	11.711

5 Financial expenses

Other financial expenses	1.003.239
Exchange loss	119.447
	1.122.686

Notes to the Financial Statements

6 Tax on profit/loss for the year

	2017/18
	DKK
Current tax for the year	-3.992.516
Deferred tax for the year	-36.121
	-4.028.637

7 Payable to owners

	DKK
Payables to owners	21.076.615
	21.076.615

Payables to owners is a convertible loan. The equity element is not recognised and the total outstandig amount is DKK 21.076.615. The loan can converted before 31 march 2019 depending on successful outcome of investment round. The conversion price for new shares shall be equivalent to the average subscription price in the investment round less a discount of 20%

Notes to the Financial Statements

	2017/18
	DKK

8 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:	
Within 1 year	1.561.300
Between 1 and 5 years	650.000
	2.211.300

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of SNIPR Holdings ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

There are no security and contingent liabilitites at 31 December 2018.

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of SNIPR Biome ApS for 2017/18 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 rules applying to reporting class C.

The Financial Statements for 2017/18 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

9 Accounting Policies (continued)

Income Statement

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumed in connection with the company's development and research activities.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with SNIPR Holding ApS. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Notes to the Financial Statements

9 Accounting Policies (continued)

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5	years
Leasehold improvements	5	years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,500 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of .

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimi-

9 **Accounting Policies** (continued)

nation in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

For convertible loans the equity element is not recognised and the entire loan is recognised as financial debt.

Other debts are measured at amortised cost, substantially corresponding to nominal value.