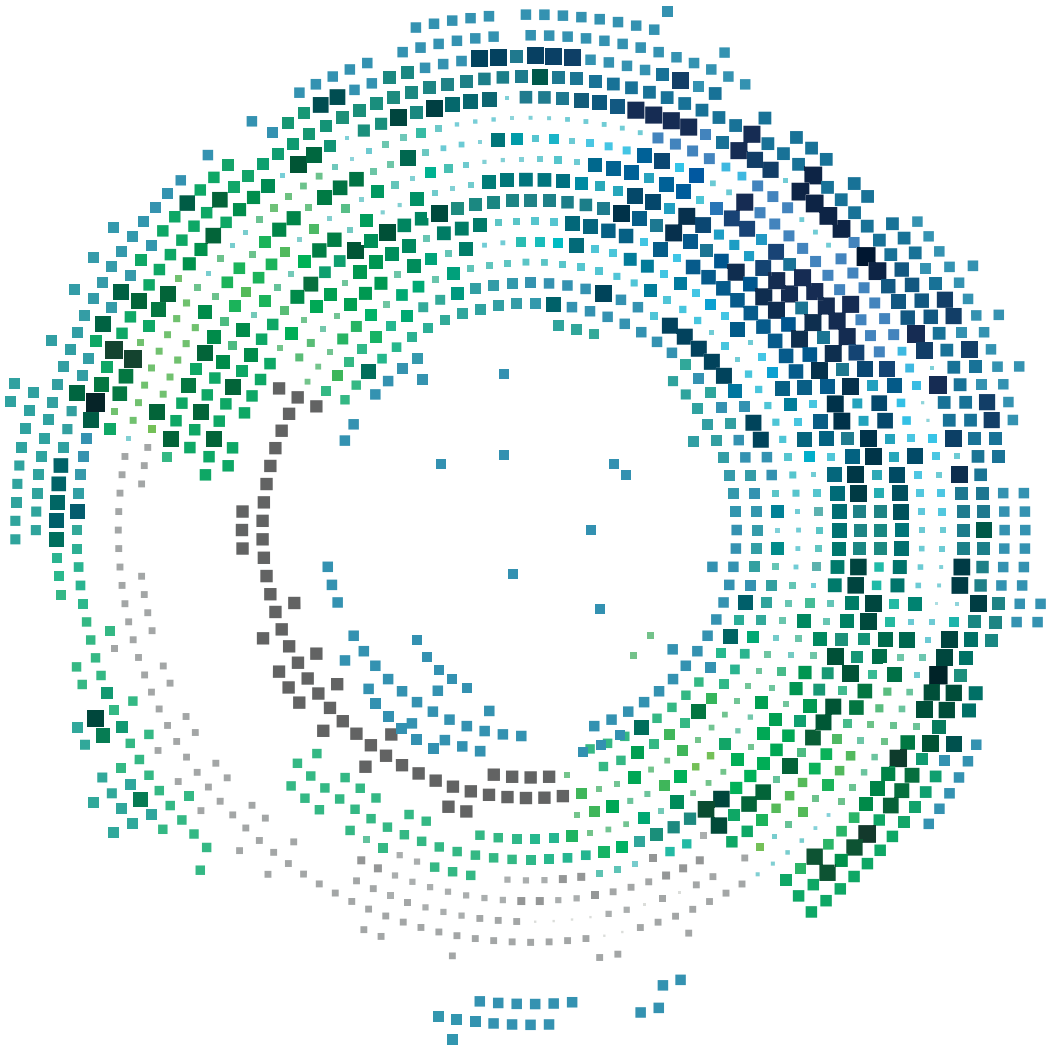
Deloitte.



Zymenex Holding ApS under frivillig likvidation

Langelinie Allé 35
2100 København Ø
CVR No. 21002348

Annual report 2019

The Annual General Meeting adopted the annual report on 24.04.2020

Lars Terp
Chairman of the General Meeting

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Entity details

Entity

Zymenex Holding ApS under frivillig likvidation

Langelinie Allé 35

2100 København Ø

CVR No.: 21002348

Registered office: København

Financial year: 01.01.2019 - 31.12.2019

Executive Board

Mark Parry-Billings

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P. O. Box 1600
0900 Copenhagen C

Statement by Liquidator

The liquidator have today considered and approved the annual report of Zymenex Holding ApS under frivillig likvidation for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

København Ø, 23.03.2020

Liquidator

Mark Parry-Billings

Independent auditor's report

To the shareholders of Zymenex Holding ApS under frivillig likvidation

Opinion

We have audited the financial statements of Zymenex Holding ApS under frivillig likvidation for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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:

- 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.

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.

København, 23.03.2020

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Flemming Larsen
State Authorised Public Accountant
Identification No (MNE) mne27790

Management commentary

Primary activities

In previous years the main activity of the group has been the development of enzyme replacement therapy for the treatment of rare genetic diseases: The R&D activity was stopped mid 2018 and in 2019 the group has been preparing for liquidation.

Description of material changes in activities and finances

The income statement for the period 01.01.19 - 31.12.19 showed a loss of t.DKK 729 against a profit of t.DKK 4,086 for the period 01.01.18 - 31.12.18. Subsequent to the closure of the R&D-activity in mid 2018, the company has had no R&D activities in 2019 and the income from the intercompany R&D services to Chiesi stopped. The balance sheet showed equity of t.DKK 164,171 as at 31.12.19.

Effective 01.01.19, Zymenex Holding ApS is merged with its subsidiaries Zymenex ApS and Ace Biosciences ApS. The activity in both subsidiary companies was stopped mid 2019.
During 2019 the Swedish Branch offices of Zymenex ApS and Ace Biosciences Ap has been closed and deregistered.
On 9 december 2019 the company commenced solvent liquidation of the company. Management believes that the companies can be liquidated by means of a solvent liquidation and has therefore prepared the 2019 financial statements using the accounting policies applied in prior periods.

Events after the balance sheet date

Starting from January 2020, the national and international scenario has been characterized by the spread of Coronavirus and the consequent restrictive measures for its containment put in place by the public authorities of the countries concerned. Similarly, the Chiesi Farmaceutici Group, to which the Company belongs, has implemented a series of actions to guarantee the well-being and health of its employees on the one hand and the production and going concern on the other.
In this regard, the Group created a specific Emergency Management Team with the aim of monitoring the evolution of the situation and promptly adopting the necessary measures, such as the extensive use of smart working allowed thanks to the Group's technological equipment.
At the present notes' date, the parent company Chiesi Farmaceutici SpA, the Company's main supplier, confirms that it holds sufficient stocks of finished products, raw materials and semi-finished products to cover deliveries well beyond the "Lock down" period envisaged by the current local law issued for containing contagion by the Italian Government. At the same time, also taking into account the sector in which the Group operates, all the Group's production plants are operating with the usual production levels and there are no critical issues in the supply chain.
It should be noted, however, that the potential prospective economic and financial effects of the above described events and measures cannot be determined to date and will be subject to constant monitoring throughout the year.

Income statement for 2019

	Notes	2019 DKK'000	2018 DKK '000
Revenue		0	25,001
Gross profit/loss		**0**	**25,001**
Research and development costs		0	(14,921)
Administrative expenses		(1,409)	(8,201)
Other operating income		0	1,314
Operating profit/loss		**(1,409)**	**3,193**
Other financial income	2	3,503	3,501
Other financial expenses	3	(2,550)	(1,620)
Profit/loss before tax		**(456)**	**5,074**
Tax on profit/loss for the year	4	(273)	(988)
Profit/loss for the year		**(729)**	**4,086**
Proposed distribution of profit and loss:			
Ordinary dividend for the financial year		0	3,900
Retained earnings		(729)	186
Proposed distribution of profit and loss		**(729)**	**4,086**

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK'000	2018 DKK'000
Receivables from group enterprises		0	139,919
Other financial assets	5	**0**	**139,919**
Fixed assets		**0**	**139,919**
Receivables from group enterprises		139,794	1,654
Other receivables		64	880
Income tax receivable		0	261
Prepayments		0	3
Receivables		**139,858**	**2,798**
Cash		**24,749**	**25,018**
Current assets		**164,607**	**27,816**
Assets		**164,607**	**167,735**

Equity and liabilities

	Notes	2019 DKK'000	2018 DKK'000
Contributed capital		157,000	157,000
Retained earnings		7,171	5,552
Proposed dividend		0	3,900
Equity		**164,171**	**166,452**
Trade payables		0	253
Payables to group enterprises		0	178
Income tax payable		56	0
Other payables		380	852
Current liabilities other than provisions		**436**	**1,283**
Liabilities other than provisions		**436**	**1,283**
Equity and liabilities		**164,607**	**167,735**
Uncertainty relating to recognition and measurement	1		

Statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	157,000	5,552	3,900	166,452
Ordinary dividend paid	0	0	(3,900)	(3,900)
Exchange rate adjustments	0	2,348	0	2,348
Profit/loss for the year	0	(729)	0	(729)
Equity end of year	**157,000**	**7,171**	**0**	**164,171**

Notes

1 Uncertainty relating to recognition and measurement

Management believes that the companies can be liquidated by means of a solvent liquidation and has therefore prepared the 2019 financial statements using the accounting policies applied in prior periods.

2 Other financial income

	2019 DKK'000	2018 DKK'000
Financial income from group enterprises	3,501	3,497
Other interest income	2	0
Exchange rate adjustments	0	4
	3,503	**3,501**

3 Other financial expenses

	2019 DKK'000	2018 DKK'000
Other interest expenses	2,544	1,615
Exchange rate adjustments	6	5
	2,550	**1,620**

4 Tax on profit/loss for the year

	2019 DKK'000	2018 DKK'000
Current tax	273	988
	273	**988**

5 Financial assets

	Receivables from group enterprises DKK'000
Cost beginning of year	139,919
Disposals	(139,919)
Cost end of year	**0**
Carrying amount end of year	**0**

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.

The accounting policies applied to these financial statements are consistent with those applied last year.

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

Revenue

Revenue consist of founding from the Parent company CHIESI FARMACEUTICI S.p.A. for the research and development as well as administration cost that the company have based on a cost plus agreement.

Research and development costs

Research and development costs comprise cost related to research and development activities, including salaries and wages and other indirect cost.

Research and development cost, include ongoing cost of patent rights, recognized in the income statement as and when incurred.

Administrative expenses

Administrative costs comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies as well as amortisation, depreciation and impairment losses relating to property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity’s primary activities.

Other financial income
Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on payables and transactions in foreign currencies, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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.

Income tax payable or receivable
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.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Proposed dividend for the financial year is disclosed as a separate item in equity.

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