THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or as to the action you should take, you are recommended to consult a person authorised under the Financial Services and Markets Act 2000 as amended ("FSMA"), who specialises in advising on the acquisition of shares and other securities.

This Document is an AIM admission document and has been drawn up in accordance with the AIM Rules for Companies. This Document does not constitute a prospectus within the meaning of section 85 of FSMA, has not been drawn up in accordance with the Prospectus Rules and has not been approved by or filed with the UK's Financial Conduct Authority (the "FCA"). This Document does not constitute an offer of transferable securities to the public within the meaning of FSMA or otherwise.

Application has been made for the Issued Share Capital to be admitted to trading on AIM, a market operated by the London Stock Exchange. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on 17 February 2021.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

The London Stock Exchange has not itself examined or approved the contents of this Document.

The whole of the text of this Document should be read. You should be aware than an investment in the Company involves a high degree of risk. Your attention is drawn to the risk factors set out in Part II of this Document.

4basebio UK Societas

Registered in England and Wales and governed by the law of England and Wales with registered number SE000143

Admission of 12,317,473 Ordinary Shares to trading on AIM

Nominated Adviser

Cairn Financial Advisers LLP

Broker

finnCap Limited

Cairn Financial Advisers LLP ("Cairn") and finnCap Ltd ("finnCap"), which are both authorised and regulated in the UK by the FCA, are acting as the Company's nominated adviser and broker, respectively, in connection with the proposed Admission. Cairn's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers and finnCap's responsibilities as the Company's broker under the AIM Rules for Companies are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, or to any other person in respect of his decision to acquire Ordinary Shares in reliance on any part of this Document without limiting the statutory rights of any person to whom this Document is issued. No representation or warranty, express or implied, is made by Cairn or finnCap as to, and no liability whatsoever is accepted by Cairn or finnCap for, the accuracy of any information or opinions contained in this Document or for the omission of any material information from this Document for which the Company and the Directors are solely responsible. Neither Cairn nor finnCap will be offering advice and will not otherwise be responsible for providing customer protections to recipients of this Document in respect of any acquisition of Ordinary Shares.

The Directors of the Company, whose names, business addresses and functions appear on page 8 of this Document, and the Company (whose registered office appears on page 8 of this Document) accept responsibility, both collectively and individually, for all the information contained in this Document, including

individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the "Securities Act") or qualified for sale under the laws of the United States of America (or any of its territories or possessions) (together, the "US") or under the applicable laws of any of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. Neither this Document nor any copy of it may be sent to or taken into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan, nor may it be distributed directly or indirectly to any US person or to any persons with addresses in Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any country outside England and Wales where such distribution may lead to a breach of any legal or regulatory requirement.

Copies of this Document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Mills & Reeve LLP from the date of this Document for a period ending one month after Admission, and from Admission, under Rule 26 of the AIM Rules for Companies, on the Company's website www.4basebio.com.

IMPORTANT INFORMATION

General

This Document should be read in its entirety before making any decision to purchase Ordinary Shares. Prospective investors should rely only on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, Cairn, finnCap or any of their respective affiliates, officers, directors, partners, employees or agents. Without prejudice to the Company's obligations under the AIM Rules for Companies, the delivery of this Document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company or the Group since the date of this Document nor that the information contained herein is correct as at any time subsequent to its date.

Prospective investors in the Company must not treat the contents of this Document or any subsequent communications from the Company, Cairn, finnCap or any of their respective affiliates, officers, directors, partners, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media or any other person regarding Admission, the Company and/or its subsidiaries. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

As required by the AIM Rules for Companies, the Company will update the information provided in this Document by means of a supplement to it if a significant new factor that may affect the evaluation of the Company by prospective investors occurs prior to Admission or if it is noted that this document contains any mistake or substantial inaccuracy. This Document and any supplement thereto will be made public in accordance with the AIM Rules for Companies.

This Document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation, by the Company, the Directors, Cairn, finnCap or any of their respective representatives, that any recipient of this Document should purchase any of the Ordinary Shares. Prior to making any decision as to whether to purchase any Ordinary Shares, prospective investors should read the entirety of this Document and, in particular, the section headed "Risk Factors".

Prospective investors should ensure that they read the whole of this Document and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination (or an examination by the prospective investor's FSMA-authorised or other appropriate advisers) of the Company and the terms of this Document, including the risks involved. Any decision to purchase Ordinary Shares should be based solely on this Document and the prospective investor's own (or such prospective investor's FSMA-authorised or other appropriate advisers') examination of the Company.

Prospective investors who purchase Ordinary Shares will be deemed to have acknowledged that: (i) they have not relied on Cairn or finnCap or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this document for their investment decision; and (ii) they have relied only on the information contained in this Document; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares (other than as contained in this Document) and, if given or made, any such other information or representation has not been relied upon as having been authorised by or on behalf of the Company, the Directors, Cairn or finnCap.

None of the Company, the Directors, Cairn, finnCap or any of their respective representatives makes any representation to any purchaser of Ordinary Shares regarding the legality of an investment by such purchaser.

Cairn, finnCap and any of their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory or other services to the Company, for which they would have received customary fees. Cairn, finnCap and any of their respective affiliates may provide such services to the Company and any of its affiliates in the future.

Notice to prospective investors in the EEA

In relation to each Member State of the EEA, no Ordinary Shares have been offered or will be offered to the public in that Member State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Member State, all in accordance with the Prospectus Rules, except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the Prospectus Rules:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Rules;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Rules) in such Member State; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Rules,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Rules or any measure implementing the Prospectus Rules in a Member State and each person who initially acquires any Ordinary Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of the law of the Member State implementing Article 2(1)(e) of the Prospectus Rules.

For the purposes of this provision, the expression "to the public" in relation to any offer of Ordinary Shares in any Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable a prospective investor to decide to purchase Ordinary Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Rules in that Member State.

Notice to prospective investors in the United Kingdom

This Document is being distributed in the United Kingdom where it is directed only at (i) persons having professional experience in matters relating to investments, i.e., investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO"); (ii) high net-worth companies, unincorporated associations and other bodies within the meaning of Article 49 of the FPO; and (iii) persons to whom it is otherwise lawful to distribute it without any obligation to issue a prospectus approved by competent regulators. The investment or investment activity to which this Document relates is available only to such persons. It is not intended that this Document be distributed or passed on, directly or indirectly, to any other class of person and in any event, and under no circumstances should persons of any other description rely on or act upon the contents of this Document.

Rounding

The financial information and certain other figures in this Document have been subject to rounding adjustments. Therefore, the sum of numbers in a table (or otherwise) may not conform exactly to the total figure given for that table. In addition, certain percentages presented in this Document reflect calculations based on the underlying information prior to rounding and accordingly may not conform exactly to the percentages that would be derived if the relevant calculations were based on the rounded numbers.

Market, industry and economic data

Unless the source is otherwise identified, the market, industry and economic and industry data and statistics in this Document constitute the Directors' estimates, using underlying data from third parties. The Company has obtained market and economic data and certain industry statistics from internal reports, as well as from third-party sources. The Company confirms that all third-party information set out in this Document has been accurately reproduced and that, so far as the Company is aware and has been able to ascertain from information published by the relevant third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third-party information has been used in this Document, the source of such information has been identified. Such third-party information has not been audited or independently verified.

Market and industry data is inherently predictive and speculative and is not necessarily reflective of actual market conditions. Statistics in such data are based on market research, which itself is based

on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. The value of comparisons of statistics for different markets is limited by many factors, including: (i) the markets are defined differently; (ii) the underlying information was gathered by different methods; and (iii) different assumptions were applied in compiling the data. Consequently, the industry publications and other reports referred to above generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and, in some instances, these reports and publications state expressly that they do not assume liability for such information.

Specifically, neither Cairn nor finnCap has authorised the contents of, or any part of, this Document and accordingly no liability whatsoever is accepted by Cairn or finnCap for the accuracy or completeness of any market or industry data which is included in this Document.

No incorporation of websites

Without limitations, neither the contents of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated in, or forms part of, this Document.

Presentation of financial information

The financial information in this Document has been prepared as in accordance with the basis of preparation as described in the Group's historical financial information as set out in Sections A-F of Part III of this document (the "**Historical Financial Information**") and the Group's unaudited interim financial information as set out in Section G-I of Part III of this Document ("**Unaudited Interim Financial Information**"). The accounting policies applied to the financial information of the Company are applied consistently in the financial information in this Document.

The Historical Financial Information comprises, in respect of the Company and 4bb UK, the period ended and as at 31 December 2019 and, in respect of 4bb S.L.U. the years ended and as at 31 December 2017, 2018 and 2019. The Unaudited Interim Financial Information comprises, in respect of the Company and 4bb UK, the six months ended and as at 30 June 2020 and in respect of 4bb S.L.U. the six months ended and as at 30 June 2019 and 30 June 2020. The Group's significant accounting policies are set out within the notes to the Historical Financial Information and the Unaudited Interim Financial Information.

Unless otherwise stated in this document, financial information in relation to the Group referred to in this Document has been extracted without material adjustment from the Historical Financial Information and the Unaudited Interim Financial Information or has been extracted from those of the Group's accounting records and its financial reporting and management systems that have been used to prepare that financial information. Prospective investors should ensure that they read the whole of this Document and not only rely on the key information or information summarised within it.

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ADMISSION STATISTICS

Admission Price	118 pence
Number of Ordinary Shares in issue immediately following Admission	12,317,473
Market capitalisation of the Company on Admission at the Admission Price	£14.53 million
TIDM	4BB
ISIN	GB00BLD8ZL39
Legal Entity Identifier (LEI)	2138005D5SAG8FIR6G91
SEDOL	BLD8ZL3

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	12 February 2021
Expected Admission and commencement of dealings in the Issued Share Capital on AIM	8.00 a.m. on 17 February 2021

All times are London times unless otherwise stated.

The expected date of Admission is subject to change at the absolute discretion of the Company, finnCap and Cairn, without further notice.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Timothy Paul McCarthy, Independent Non-executive Chairman Dr Heikki Lanckriet, Chief Executive Officer David John Roth, Chief Financial Officer Hansjörg Plaggemars, Non-executive Director Pilar de la Huerta, Independent Non-executive Director Joseph Manuel Fernández, Non-executive Director
Company Secretary	David Roth
Registered Office of the Company and business address of the Directors	25 Norman Way Over Cambridge CB24 5QE United Kingdom
Website	**www.4basebio.com**
Nominated Adviser	**Cairn Financial Advisers LLP** Cheyne House, Crown Court 62-63 Cheapside London EC2V 6AX United Kingdom
Brokers	**finnCap Limited** One Bartholomew Close London EC1A 7BL United Kingdom
Solicitors to the Company	**Mills & Reeve LLP** Botanic House 100 Hills Road Cambridge CB2 1PH United Kingdom
Auditors and Reporting Accountants	**Crowe U.K. LLP** 55 Ludgate Hill London EC4M 7JW United Kingdom
Solicitors to the Nominated Adviser and Broker	**Irwin Mitchell LLP** 40 Holborn Viaduct London EC1N 2PZ United Kingdom
Registrars	**Computershare Investor Services PLC** The Pavilions Bridgwater Road Bristol BS13 8AE United Kingdom

DEFINITIONS

The following words and expressions shall have the following meanings in this Document, unless the context otherwise requires:

"$"	dollar, the lawful currency of the US;
"£"	UK pound sterling, the lawful currency of the UK;
"€"	Euro, the lawful currency of certain member states of the European Union;
"2004 Regulation"	European Public Limited-Liability Company Regulations 2004 (SI 2004/2326), preserved as part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 2 of the European Union (Withdrawal) Act 2018, as amended by the Limited-Liability Company (Amendment etc) (EU Exit) Regulations 2018 (SI 2018/1298);
"4bb AG"	4basebio AG, a company incorporated under the laws of Germany with registered number HRB335706;
"4bb Concert Party"	together those shareholders in the Company deemed to be acting in concert in accordance with the Takeover Code, further details of which can be found in paragraph 9 of Part V of this Document;
"4bb Discovery"	4basebio Discovery Limited, a subsidiary of 4bb UK, incorporated under the laws of England & Wales with registered number 12984957 whose registered office is at 25 Norman Way, Over, Cambridge CB24 5QE;
"4bb S.L.U."	4basebio S.L.U., a subsidiary of the Company, incorporated under the laws of Spain with registered number B85414308, having its registered office at Calle Faraday 7 (Cantoblanco), 28049, Madrid, Spain;
"4bb UK"	4basebio UK Ltd, a subsidiary of the Company, incorporated under the laws of England & Wales with registered number 12298663 whose registered office is at 25 Norman Way, Over, Cambridge CB24 5QE;
"Act"	the Companies Act 2006 (as amended);
"Admission"	the admission of the Issued Share Capital to trading on AIM becoming effective in accordance with the AIM Rules;
"Admission Price"	118 pence per Ordinary Share;
"AIM"	a market of that name operated by the London Stock Exchange;
"AIM Rules for Companies"	the rules (including without limitation, any guidance notes or practice statements), which set out the obligations and responsibilities in relation to companies whose shares are admitted to trading on AIM, as published by the London Stock Exchange from time to time;
"AIM Rules for Nominated Advisers"	the rules which set out the eligibility, obligations and certain disciplinary matters in relation to nominated advisers, as published by the London Stock Exchange from time to time;
"AIM Rules"	the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
"Articles" or "New Articles"	the articles of association of the Company, as amended from time to time;
"Board" or "Directors"	the directors of the Company as at the date of this Document, whose names are set out on page 8 or a committee of directors

	appointed by that board to carry out any of its functions under the EMI Plan;
"Cairn" or "Nomad"	Cairn Financial Advisers LLP, nominated adviser to the Company;
"certificated" or "in certificated form"	a share or other security which is not in uncertificated form (i.e. not in CREST);
"Company" or "4bb"	4basebio UK Societas, a company incorporated in England and Wales with company number SE000143 and having its registered office at 25 Norman Way, Over, Cambridge, England CB24 5QE;
"Company Options"	has the meaning ascribed to that term in paragraph 9 of Part V of this Document;
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland is the operator (as defined in the CREST Regulations);
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 no. 3755), as amended, and any applicable rules made under those regulations;
"Date of Grant"	the date on which an EMI Option is granted or is to be granted under the EMI Plan;
"Deutsche Balaton Group"	Deutsche Balaton AG, Sparta AG, and Delphi Unternehmensberatung AG, which are all German registered investment companies ultimately controlled by Wilhelm K.T. Zours;
"Disclosure and Transparency Rules"	the disclosure guidance and transparency rules issued by the FCA, acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
"Document"	this AIM admission document;
"EEA"	European Economic Area;
"EMI"	Enterprise Management Incentive scheme pursuant to Chapter 9 of Part 7 and Schedule 5, ITEPA 2003;
"EMI Options"	Options which meet the conditions of Schedule 5, ITEPA 2003;
"EMI Option Holder"	the holder of an EMI Option;
"EMI Plan"	the plan adopted immediately prior to Admission being the 4basebio UK Societas Enterprise Management Incentive Share Option Plan described in paragraph 8 of Part V of this Document;
"Exercise Price"	the price at which each Ordinary Share subject to an EMI Option may be acquired on the exercise of that Option which, if Ordinary Shares are to be newly issued to satisfy the Option, may not be less than the nominal value of an Ordinary Share;
"EU"	the European Union;
"Existing Ordinary Shares"	the 12,317,473 Ordinary Shares in issue as at the date of this Document;
"FCA"	the Financial Conduct Authority of the United Kingdom or any successor thereof, the single statutory regulator under FSMA;
"finnCap" or "Broker"	finnCap Ltd, the Company's broker;
"FSMA"	the Financial Services and Markets Act 2000, as amended;
"Group"	the Company and its subsidiaries;
"German Transformation Act"	a regulatory framework regarding mergers, by which a German company may be restructured and by which the Spin-Off was effected;

"HMRC"	HM Revenue & Customs;
"IFRS"	International Financial Reporting Standards (including international accounting standards) adopted by the UK;
"Introduction Agreement"	the conditional agreement dated 12 February 2021 between Cairn, finnCap, the Company and the Directors relating to Admission, further details of which are set out in paragraph 11 of Part V of this Document;
"ISIN"	International Securities Identification Number;
"Issued Share Capital"	the Existing Ordinary Shares;
"ITEPA 2003"	Income Tax (Earnings and Pensions) Act 2003;
"Lock-in and Orderly Market Agreement"	the conditional agreement dated 12 February 2021 between the Locked-in Persons, the Company, Cairn and finnCap, further details of which are set out in paragraph 11 of Part V of this Document;
"Locked-in Persons"	those holders of Ordinary Shares, and who have entered into the Lock-in and Orderly Market Agreement are therefore restricted from selling their Ordinary Shares for a predetermined amount of time following Admission as described in paragraph 11 of Part V of this Document;
"London Stock Exchange"	London Stock Exchange plc;
"Market Abuse Regulation"	the Market Abuse Regulation (EU) 596/2014 (as amended) as retained in law of the United Kingdom pursuant to the European Union (withdrawal) Act 2018 and as amended by the Market Abuse (Amendment) (EU Exit) Regulation 2019 (2019 No. 310);
"Material Interest"	a material interest in the Company as defined in paragraphs 28 to 33 of Schedule 5;
"Member State"	each member state of the EEA;
"Option"	a right to acquire Ordinary Shares granted under the EMI Plan;
"Ordinary Shares"	ordinary shares of €1.00 each in the capital of Company;
"Panel"	the UK Panel on Takeovers and Mergers;
"Prospectus Regulation"	Regulation (EU) no.2017/1129 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018;
"Prospectus Rules"	the Prospectus Regulation Rules of the FCA made pursuant to section 73A of the FSMA as amended;
"QCA"	Quoted Companies Alliance;
"QCA Code"	the QCA Corporate Governance Code 2018, published in April 2018 by the QCA;
"Registrar"	Computershare Investor Services PLC;
"Schedule 5"	schedule 5 of ITEPA 2003;
"SE" or "Societas Europaea"	a public company registered in accordance with the laws of the EU;
"SE Regulation"	Regulation (EC) No. 2157/2001 of the European Parliament and of the Council of 8 October 2001 on the Statute for a European Company, as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018, as amended by the Limited European Public Liability Company (Amendment etc) (EU Exit) Regulations 2018 (SI 2018/1298);

"Shareholders" or "Members"	holders of Ordinary Shares;
"Spin-Off and Transfer Agreement"	the transaction pursuant to which 4bb AG's genomics business, including the Subsidiaries, was transferred to the Company in return for 4bb AG's shareholders receiving in the region of 70 per cent. of the issued share capital of the Company at the time;
"Spin-Off"	the Spin-Off for assumption in accordance with the German Transformation Act (Umwandlungsgesetz) which was concluded by the Company and 4bb AG pursuant to the Spin-Off and Transfer Agreement;
"Subsidiaries"	together, 4bb UK and 4bb S.L.U., wholly-owned subsidiaries of the Company and 4bb Discovery, a wholly-owned subsidiary of 4bb UK;
"Takeover Code"	the UK City Code on Takeovers and Mergers published by the Panel, as amended;
"UK"	the United Kingdom of Great Britain and Northern Ireland;
"UK GDPR"	The General Data Protection Regulation (EU) 2016/679 as retained in the law of the United Kingdom pursuant to the European Union (Withdrawal) Act 2018 and the Data Protection Act 2018, each as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019;
"uncertificated" or "in uncertificated form"	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"US" or "USA"	the United States of America; and
"VCT"	Venture Capital Trust, as particularised in Part 6 of the Income Taxes Act 2007.

GLOSSARY OF TECHNICAL TERMS

96 well plate format	rectangular multi-well plates used in a variety of assays such as ELISA and PCR;
AAV	adeno-associated virus, small viruses that infect humans;
Adenovirus	a group of common viruses that infect the lining of your eyes, airways and lungs, intestines, urinary tract and nervous system. They are common causes of fever, coughs, sore throats, diarrhea, and pink eye;
Amplification	the process of copying DNA;
cDNA	is DNA synthesized from a single-stranded RNA (e.g., messenger RNA (mRNA) or microRNA (miRNA)) template in a reaction catalyzed by the enzyme reverse transcriptase. cDNA is often used to clone eukaryotic genes in prokaryotes;
Clinical Trial	trial to determine efficacy and/or safety of a treatment in man;
CMO	Contract Manufacturing Organisation;
CovCheck™	a ready to use set of endpoint PCR primers in a convenient 96 well plate format, complete with optimised PCR reagents including a premium hot start Taq polymerase;
CRO	Contract Research Organisation;
dA Tailing	the addition of non-template dAMP (dA) to the 3' end of a blunt-ended DNA fragment;
DNA	deoxyribonucleic acid, a molecule carrying genetic instructions for the development, functioning, growth and reproduction of all known organisms and many viruses;
DNA Polymerase Chimeras	genetically engineered form of DNA polymerase;
DNA vaccines	a vaccine which transfects a specific antigen-coding DNA sequence on to the cells of an immunised species;
dsDNA	double stranded DNA;
End Repair	conversion of DNA containing damaged or incompatible 5'- and/or 3'-protruding ends to 5'-phosphorylated, blunt-ended DNA;
Endotoxins	a type of pyrogen and is a component of the exterior cell wall of Gram-negative bacteria, like E. coli;
Gene therapy	the use of genes to treat or prevent disease;
Genome	all the genetic material of an organism;
GMP	Good Manufacturing Practice comprises guidelines recommended by agencies that control the authorisation and licensing of the manufacture of, *inter alia*, pharmaceutical products including their testing and quality assurance. GMP Guidelines can differ from country to country as there is not a recognised common standard internationally;
Hermes™ nanoparticles	brand name of the Company's non-viral delivery system;
Hot start Taq polymerase	type of DNA polymerase;
hpDNA™	Hairpin DNA brand name for the Company's enzymatically produced DNA;
Immunogenicity	the ability of a foreign substance, such as an antigen, to provoke an immune response in the body of a human or other animal;
immunology	the study of the immune system;

IND	Investigational New Drug Application is a request to the FDA to administer an investigational drug or biological product to humans;
IcDNA	synthetically produced DNA which demonstrates a number of advantages over plasmid DNA which is now widely used;
Isothermal DNA amplification technology	the synthesis of DNA at a fixed temperature;
Lentivirus	a genus of retroviruses that cause chronic and deadly diseases characterised by long incubation periods, in the human and other mammalian species;
Liquid Biopsy	a non-invasive method of collecting samples, whereby bodily fluids are used for early detection and monitoring of diseases such as cancer;
MDA	multi displacement amplification is a DNA amplification technique;
Oligonucleotides	short DNA or RNA molecules, oligomers;
Payloads	the active ingredient of a therapy;
PCR	Polymerase Chain Reaction a method widely used to rapidly make millions to billions of copies of a specific DNA sample;
Phase 1 Trial	the initial testing of a drug in a small group of patients or healthy volunteers to show that it is safe and well-tolerated and to find the best dose and administration schedule for future human trials of a drug or drug combination;
Plasmid DNA	a small, circular, dsDNA molecule present in bacteria;
Plasmid DNA or pDNA	small, circular, dsDNA molecules which constitutes most DNA for therapeutic purposes produced in bacteria through a biological fermentation process. Plasmids represent the simplest form of vector for transport of DNA into the cell. Purified pDNA is used as a therapeutic agent in gene therapies;
Polymerase	an enzyme that synthesizes long chains of polymers or nucleic acids;
Proteomics	research and study of proteins;
QualiPhi®	an engineered DNA polymerase with improved DNA synthesis capabilities;
Retrovirus	a type of virus that inserts a copy of its RNA genome into the DNA of a host cell that it invades, thus changing the genome of that cell;
Reverse Transcriptase	an enzyme used to generate complementary DNA (cDNA) from an RNA template, a process termed reverse transcription;
RNA	ribonucleic acid, one of the three major biological macromedicines that are essential for all known forms of life;
SIRNA	small interfering RNA, a class of double-stranded synthesised RNA;
ssDNA	Single Stranded DNA;
SunScript®	an engineered reverse transcriptase with improved cDNA synthesis capabilities;
Thermostable Primase	an enzyme that synthesizes primers and can function at high temperatures;
Transduction	viral vector-mediated transfer;
Transfection	transfer by non-viral methods;

TruPrime®	primer-free, isothermal DNA amplification technology; and
Vector	a carrier that facilities the delivery of a gene into a cell.

PART I

INFORMATION ON THE GROUP

1. INTRODUCTION

The Group is a specialist life sciences group of companies focused on supplying therapeutic DNA for gene therapies and DNA vaccines and also for providing solutions for effective and safe delivery of these DNA based products to patients. It is the intention of the Company to become a market leader in the manufacture and supply of high purity, synthetic DNA for research, therapeutic and pharmacological use. The principal objective of 4bb is to validate and scale its DNA synthesis process with a view to manufacturing GMP grade DNA, suitable for use in gene therapies and DNA vaccines. The Company intends to collaborate with partners to facilitate the functional validation of its DNA based products and gene delivery solutions and, in doing so, aspires to develop a pipeline of promising gene therapy candidates.

The number of gene therapies in development highlights the growing interest for treating diseases with gene therapy and supports the rising demand for high-grade DNA to be used in the manufacture of gene-based pharmaceuticals with supporting vectors to deliver these genes to the appropriate cells. There is also a shift in focus from orphan indications targeting small populations to mass market indications such as cancer, cardiovascular and central nervous system disorders. Existing DNA manufacturing processes typically use plasmids which are produced via bacterial fermentation. As a result of the complex production methods needed to generate the required DNA, its supply is limited, the quality can be subject to variation, there can be toxic bacteria-related contaminants and there are high processing costs in order for the manufactured DNA to be suitable for use in gene therapies. Further technical challenges exist in the design of the delivery mechanisms for gene therapies as traditional viral vectors, such as adeno associated viruses ("AAV"), are limited by the size of the payloads they can carry and efficient packaging of DNA payloads remains a significant challenge in viral vector production. This can further escalate production costs as companies seek to improve payload size and increase viral particle concentrations.

On 3 November 2020, the shareholders of 4basebio AG, a German company which continues to be listed on the Prime Standard segment of the Frankfurt Stock Exchange, approved a transaction, referred to in this Document as the Spin-Off. The Spin-Off followed the successful disposal by 4bb AG, then called Expedeon AG, of its proteomics and immunology business to AIM-quoted Abcam plc in January 2020 for €120 million. Following the disposal to Abcam plc, 4bb AG retained a genomics business which owned and licensed certain intellectual property including its proprietary, patent-protected technology, TruePrime™. This genomics business has now been transferred to the Company pursuant to the Spin-Off and represents the foundation of the Company's synthetic DNA manufacturing business. 4bb AG has also provided the Company with funding to enable the Company to continue developing its business.

On Admission, the Company will have cash reserves of approximately £14.4 million which the Directors consider will provide sufficient working capital for the development and scale-up of the business to commercialisation. The Company is further supported by a funding facility of up to €25 million from 4bb AG which the Company may use to pursue its development strategy.

The Company is seeking admission to AIM as a supportive market to further its growth strategy for its next generation DNA business.

2. INVESTMENT CASE

Whilst the Board recognises the significant risks associated with early-stage life science companies, it believes the Company represents an attractive investment opportunity as the Company is developing a range of innovative products and technologies addressing current bottlenecks and inefficiencies in the development of novel gene therapies. The Board considers the Company's key strengths to include:

- ***Scalable and efficient manufacturing processes***

  The Group's proprietary processes allows it to make synthetic DNA in higher concentrations than is be the case for commonly used bacterial driven manufacturing processes. The higher efficiency of the operation reduces capital requirements for DNA production and purification and enables easier expansion.

- ***Improved DNA quality and safety profile***

  The Group's enzymatic hpDNA™ synthesis process benefits from not having the contamination profile of plasmid DNA production through bacterial fermentation. Plasmid DNA not only includes the DNA itself but also a mix of bacterial host protein, bacterial genomic DNA, toxic bacterial contaminants and many other types of bacterial cellular debris. Additionally the Group's hpDNA™ product does not contain a bacterial backbone or antibiotic resistance genes, as is the case with plasmid DNA, both of which are undesirable for in vivo uses.

- ***Larger payload delivery***

  Popular viral vectors such as AAV are limited in the size of DNA payload they can incorporate and delivery to patients. Hermes™ nanoparticles do not suffer from such limitation and are capable of delivery a variety of payloads and payload sizes. This provides opportunity to explore novel treatments for large and otherwise undeliverable genes.

- ***Reduced immunogenicity***

  Unlike viral delivery mechanisms which generate significant immune responses, the Group's non-viral delivery system, Hermes™ nanoparticles, are non-immunogenic, allowing repeat dosing with lower associated safety risks.

- ***Enhanced cell targeting specificity***

  The Group's Hermes™ nanoparticles can be engineered to target particular cells and tissues, enhancing their specificity whilst minimising off-target effects which are desirable attributes when designing and developing novel gene therapy treatments.

3. BUSINESS OVERVIEW

The principal objective of the Group is to validate and scale synthetically produced DNA with a view to manufacturing GMP grade DNA, suitable for use in gene therapies and DNA vaccines. This will be achieved by:

- scaling and improving the Group's proprietary DNA synthesis processes;
- validating the Group's DNA product in viral and non-viral applications; and
- transferring the production processes, initially, to a third party GMP setting.

In addition to developing its core DNA synthesis platform, the Company intends to invest in non-viral gene delivery platforms such as Hermes™ nanoparticles, so that they can be combined with and optimised for delivery of the Group's proprietary hpDNA™ payloads. This combined therapeutic agent and delivery system can be used as a platform for pharmaceutical companies to develop gene therapies using a combination of synthetic DNA in existing and next generation vectors.

In the future, the Group sees an opportunity to develop and progress gene therapy candidates by identifying genes of interest or working with, and licensing intellectual property from, academic and commercial partners which have identified potential genes of interest. This may take the form of offering platform solutions to third parties or through the Group developing gene therapy candidates through proof of concept or even as far as phase 1 clinical trials, at which point further funding or co-investors could be sought or the technology sold or licensed to pharmaceutical companies or other interested parties.

4. MARKET OPPORTUNITY AND SCIENTIFIC BACKGROUND

The Group's activities encompass the manufacture of hpDNA™ using TruePrime™ and non-viral vectors using Hermes™, further details of which are provided below:

DNA

Advancements in next-generation cell and gene therapies are endeavouring to fulfil the promise of personalised medicine and attempting to cure patients who were previously untreatable rather than ameliorating their symptoms. Gene therapy encompasses the delivery of genetic material (DNA) to the patient's body through a suitable carrier called a vector. DNA is the code for cells' genes which, in turn, govern the development and relative health or disease status of individuals. Genes are the basis for heredity and many also produce proteins essential for the proper functioning of the cells in the human body. Genes vary in size from a few hundred DNA bases to more than 2 million. A diverse set of scientific platforms are driving the gene and cell therapy industry, including CAR-T, stem cells, siRNA, oligonucleotides, gene editing (CRISPR, Zinc Fingers, TALENs) and viral transduction. These advancements have led to a number of approved products being launched in global markets with the number of clinical trials continuing to grow.

Cell and gene therapy is expected to continue to grow in importance. The US Food and Drug Administration expects 200 cell and gene therapy IND applications each year from 2020 and 30-60 approvals by 2030[1]. The global cell and gene therapy market, valued at $1 billion in 2018, is projected to grow at a compound annual growth rate of over 36 per cent. from 2019-2025, to approximately $12 billion[2].

The most widely used method in therapeutic gene delivery is through the use of viral vectors, which are engineered viruses modified to remove their replicating ability and designed to insert DNA in target cells. There are currently two types of gene therapy approaches:

- *In vivo*: administration of a vector carrying a gene and delivering DNA directly to the desired cells in the patient; and
- *Ex vivo:* works by removing cells from a patient, delivering the genetic material to the cells in the laboratory using a vector, and then re-injecting these modified cells into the patient. Autologous chimeric antigen receptor (CAR) T-cell therapy is an example of this approach.

Conventional gene therapy relies upon the production of plasmid DNA by bacterial fermentation. The fermentation process usually takes place in a bioreactor typically using the bacteria Escherichia coli (E. coli). This process finishes with harvesting, purification and safety testing. The final DNA product is required to demonstrate a high level of purity and be free of process-related impurities and variants in accordance with GMP.

Production of plasmid DNA is complex, requires significant capital expenditure to produce in commercial quantities and is working at technological limits. As a result of the manufacturing process, producers face challenges including batch consistency during fermentation, variability in yield and purity of the resulting product. This can provide additional complexity for manufacturers in scaling production in addition to the significant post-production processing that is required. Currently available plasmid DNA manufacturing methods are not optimal for large-scale production with purification being considered a complicated step in the process and accounting for the largest portion of the overall manufacturing cost.

Once the required DNA has been produced, it needs to be delivered to the target cells or organs which requires the use of a vector. Over the last few decades, several types of viral and non-viral vectors have been developed, optimised and standardised for carrying genes. The most used viral vectors are based on AAV, adenovirus, lentivirus and retrovirus. Manufacturing the vector is considered the most complex and resource-intensive process in the manufacturing of gene therapies and vaccines.

Addressing these issues is one of the major challenges faced by innovators active in this field. As a result, biopharmaceutical manufacturers are commiting considerable resources to improve the production process (through developing and adopting new technologies), increase production capacity and reduce manufacturing costs.

An alternative method for DNA manufacture is through enzymatic synthesis, which uses enzymes as a catalyst, and is a widely used laboratory method of amplification to rapidly make copies of a

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1 Source: Deloitte, https://www2.deloitte.com/us/en/pages/life-sciences-and-health-care/articles/challenges-in-the-emerging-cell-therapy-industry.html

2 Source: https://markets.businessinsider.com/news/stocks/global-cell-and-gene-therapy-market-to-reach-11-96-billion-by-2025-1028421352 and https://bisresearch.com/industry-report/cell-gene-therapy-market.html and https://www.abpi.org.uk/media/1458/advanced-therapies-manufacturing-taskforce-report.pdf.

specific DNA sample through a process called polymerase chain reaction ("PCR"). The PCR process uses enzymes as core catalysts to increase and control the speed of amplification. The process works exponentially and, after twenty PCR cycles, the original amount of DNA will be increased about a million-fold. A central shortcoming of this process is that the amplification of DNA is an extremely sensitive process which is subject to bias, inaccuracy and contamination. The most likely sources of contamination are the primers (synthetic oligonucleotides) used to prime the reaction. This can lead to off-target amplification products. The process is also usually not applicable to all of the genome. Despite its limitations, enzymatic synthesis is widely used in modern R&D laboratories for research purposes. Enzymatic synthesis can either be done manually in the laboratory, or utilising kits (containing enzymes) engineered to be compatible with automated PCR equipment capable of delivering high throughput performance.

In contrast to the biologic production of DNA, and to the amplification problems associated with the use of primers in the manufacture of conventional synthetic DNA, the Group has developed TruePrime™, a proprietary technology which enables accurate and reliable amplification of DNA molecules including the whole genome without the use of synthetic primers. TruePrime™ is based on the use of a proprietary and genetically enhanced DNA polymerase in combination with an innovative primase and this process is patent protected by the Group until 2037. Importantly, the Group's proprietary enzyme system as described above enables room temperature DNA synthesis which is advantageous in a large-scale manufacturing process.

TruePrime™ overcomes the shortcomings of existing enzymatic synthesis as it enables accurate and high quality amplification of the smallest amounts of DNA to large volumes. TruePrime™'s superior amplification quality is reflected in the absence of contamination in the reaction products, and low nucleotide error rates.

The Directors consider that the Group's technology offers significant benefits over conventional production methods as TruePrime™ produces DNA at a higher density, with higher purity, with shorter amplification time and with greater efficiency regarding use of DNA raw materials for manufacturing. Further, TruePrime™'s high amplification efficiency comparable production volumes can be achieved with smaller facilities and significantly reduced capital expenditure and less maintenance is required when compared to manufacture through the use of large-scale bioreactors. It is estimated that approximately 50 per cent. of traditionally manufactured products are empty protein shells containing no DNA[3], highlighting inherent manufacturing and cost inefficiencies.

Furthermore, as the Group's manufacturing process is based on enzymatic amplification and not on culturing bacteria, it is not affected by bacterial contaminants and therefore requires less purification, and associated purification expense. Plasmid DNA is frequently produced in E. coli. These bacteria have endotoxins on their cell membrane, which are recognised by the human immune system and can trigger an adverse immune reaction such as septic shock. Therefore, the plasmid DNA produced by these bacteria must be extensively purified to remove the toxic bacterial contamination before application, making the process complex and expensive.

The Directors consider that synthetically produced DNA, as developed by the Group, has significant advantages over plasmid DNA for a number of reasons including:

- *Cost*

  The Group's proprietary process allows it to make synthetic DNA at far higher concentrations than would be the case for commonly used bacterial driven manufacturing processes. The Company estimates that its DNA production process requires one thousandths of the volume compared to conventional processing techniques for the same DNA output, thereby reducing capital requirements and downstream processing.

- *Quality*

  As a result of not using bacterial fermentation, the Group's synthetic hpDNA™ does not have the contamination profile of plasmid DNA production, which, in addition to the plasmid DNA itself, includes a mix of bacterial host protein, bacterial genomic DNA, toxic bacterial contaminants and many other types of bacterial cellular debris. Furthermore, the hpDNA™ product does not contain a bacterial backbone or antibiotic resistance genes, as is the case with plasmid DNA, both of which are undesirable for *in vivo* uses.

[3] VigeneBiosiences' experience – source research note

- *Scalability*

  The enzymatic process used by the Group which generates hpDNA™ at much higher concentrations is more compact and therefore better suited to scaling and expansion.

Non-viral vectors

Particularly for gene therapy purposes, in vivo gene replacement using a viral vector system is constrained by the size of the gene that can be packaged into the virus system used, requiring 'cut down' mini-genes to be developed for certain disease situations to address this issue.

In order to tackle the constraints of viral vectors, the Company has developed Hermes™ nanoparticles, the Company's non-viral delivery solution which can be used to deliver various payloads, ranging from DNA to siRNA, as well as protein cargoes. Hermes™ nanoparticles can be engineered to target particular cells and tissues, enhancing their specificity whilst minimising off-target effects. Once taken into the target cell, the particles are designed to efficiently release their payload. The particles self-assemble into small, discrete units with favourable biophysical characteristics for scalability and clinical translation. Unlike viral delivery mechanisms, Hermes™ nanoparticles are non-immunogenic, allowing repeat dosing with lower associated safety risks. Hermes™ nanoparticles have a substantial packaging capacity and hence are ideally suited for larger genes and payloads which cannot be delivered with AAV vectors.

In combination with hpDNA™, Hermes™ provides the Group with a further important advantage over conventional gene therapy being:

- *Versatility*

  The Group's process has the ability to deliver more complex genes and to provide repeat therapies or multiple therapies from the same vectors avoiding the need for patient immunosuppressant treatment or patient specific customisation of viral vectors.

The Group's technology is, therefore, addressing a principal challenge faced in current gene therapy manufacturing methods of how to make and how to deliver bigger payloads.

5. GROUP HISTORY, BACKGROUND AND STRUCTURE

The Company, formerly called Atrium 180. Europäische VV SE, was incorporated on 8 October 2019 as a German incorporated European Company. On 20 August 2020, the Company was acquired by 4bb AG to act as the vehicle to effect the Spin-Off.

The Deutsche Balaton Group holds approximately 20.3 per cent. of the issued share capital of 4bb AG. 4bb AG, previously an operating proteomics, immunology and genomics business, expanded through an acquisitive strategy with operating subsidiaries in the UK, Germany, Spain and the USA.

In January 2020, 4bb AG completed the disposal of its proteomics and immunology business to AIM quoted Abcam plc for cash consideration of €120 million, whilst retaining its geonomics business.

Following the disposal, 4bb AG, with the approval of its shareholders, undertook a reorganisation with a view to transferring its remaining intellectual property, assets and operations and approximately €16 million of working capital to a new, wholly owned subsidiary, which would be spun-off and seek admission to AIM.

On 3 November 2020, the shareholders of 4bb AG approved a transaction, referred to in this Document as the Spin-Off, pursuant to which 4bb AG's genomics business, including the Subsidiaries, was transferred to the Company in return for 4bb AG's shareholders receiving in the region of 70 per cent. of the issued share capital of the Company at the time. Pursuant to the Spin-Off, Ordinary Shares were allocated to 4bb AG's shareholders on the basis that the relevant 4bb AG shareholders received one Ordinary Share in the Company for every six shares that they held in 4bb AG. Following the implementation of the Spin-Off, 4bb AG retained in the region of 30 per cent. of the Company's issued Ordinary Shares.

As a consequence of its legal status as a European Company, the Company was able to redomicile to any EU Member Country with the equivalent status of a local publicly traded company. The Company completed its redomicile to the UK on 22 December 2020.

On Admission, the Group will comprise the Company and the following wholly owned subsidiary companies:

- ***4basebio S.L.U. ("4bb S.L.U.")***

  4bb S.L.U. is based in Madrid, on a science park adjacent to Madrid University from which it was originally spun-out, and is primarily a research laboratory with an expertise in enzyme engineering and early-stage DNA research. It is also involved in the manufacture of enzymes and the sale of genomics kits for research purposes. The Directors believe that the enzymes it has developed are highly suitable to large-scale, accurate synthesis of DNA. Madrid University's centre for molecular biology has a highly regarded and long-established expertise in the enzymology of DNA replication and repair.

  4bb S.L.U. employs 12 staff members, mainly comprising laboratory staff and some administrative personnel, operating from leased laboratory space and offices. 4bb S.L.U. is also the registered proprietor of the Group's registered intellectual property.

- ***4basebio UK Limited ("4bb UK")***

  4bb UK is based at its laboratory and office premises near Cambridge, employs 12 staff members and has expanded in 2020 to focus on DNA validation and scaling work required as a prerequisite to moving to GMP manufacturing. It is expected that 4bb UK's operations will continue to expand as it becomes the Group's centre of large-scale production and product validation.

  The Directors further anticipate growing the operations of 4bb UK through investment in, and acquisition of, complementary technology, intellectual property and research personnel to support 4bb UK's existing capabilities.

- ***4basebio Discovery Limited ("4bb Discovery")***

  4bb Discovery was incorporated on 29 October 2020 as a wholly-owned subsidiary of 4bb UK. The Directors incorporated 4bb Discovery with the intention of it being a particle and indication research and development arm of the Group and developing intellectual property around non-viral delivery platforms and selected gene therapies. 4bb Discovery is currently dormant.

6. BUSINESS MODEL

The Directors' intention is for the long-term success of the Group to come from revenue generated by the supply of hpDNA™ and Hermes™ nanoparticles for clinical research, clinical trials or gene therapy purposes. Further development work, as set out below, is needed before the Group will be in a position to further monetise its technology in this regard, however, it is expected that modest revenue will be earnt in the meantime from discreet projects which combine consultancy services with the sale of small quantities of hpDNA™ for pre-clinical research purposes. In the near term, the Group expects to continue to produce some revenue from the bulk sales of enzymes to be used for diagnostic purposes, modest licence income from existing partners and ongoing genomics kit sales for R&D purposes, as in historic periods.

The Group recognises the importance of developing, investing in or acquiring complementary technologies, or partnering with the owners of complementary technologies, to support and accelerate the growth of the business. The Directors' ambition is to develop a CRO/CMO-style business supplying clients with custom clinical research programmes for gene therapy using hpDNA™ and/or novel proprietary non-viral vectors. In time, the Group may consider developing its own pipeline of gene therapy candidates for specific diseases with a view to future partnering or out-licensing prior to clinical studies.

7. STRATEGY, DEVELOPMENT & COMMERCIALISATION

The Directors believe that the Group is well-funded for its development phase concentrating on the commercialisation of proprietary DNA for gene therapy and vaccine applications. The principal future objective of the Group is to validate and scale its DNA synthesis technology with a view to manufacturing GMP grade DNA and DNA products, suitable for use in gene therapies and DNA vaccines. This will be achieved by:

- validating the DNA product in viral and non-viral applications;

- developing a commercial scale hpDNA™ manufacturing process; and
- transferring that process initially to a third party GMP setting.

The Group intends to be a pioneer and innovator in the rapidly growing market for pharmaceutical DNA and to work as a strategic partner with global developers of gene therapies and DNA vaccines in the future. The Group sees an opportunity to develop potential gene therapy candidates or offer platform solutions to third parties who have already identified genes of interest. It is intending to invest in gene delivery platforms, in particular in non-viral based approaches, such as Hermes™ nanoparticles, which can be combined with and optimised for its DNA products. This combined therapeutic agent and delivery system can be used with third party genes of interest to develop gene therapies for external customers; or the Group aims to work with, and licence from, academic and commercial partners potential genes of interest for gene therapy, which the Group can progress itself. The Group will look to develop these gene therapy candidates through proof of concept or even as far as phase 1 clinical trials, at which point further funding or co-investors can be sought or the technology sold on to pharma or other interested parties.

8. IP AND PRODUCT PORTFOLIO

The Group owns and is granted licences over a range of patent rights which provide customary protection over its technologies.

Owned Patents

The Group is the registered proprietor of the following granted patents and patent applications:

i. Methods and Kits for Amplification of double-stranded DNA.

This patent family consists of seven patent applications which are based on an international patent application (PCT/EP2018/081219), and claim priority from a United States application filed on November 21, 2017. These applications are pending in the United States, Australia, Singapore, Europe[1], Japan, China and Hong Kong.

As of the date of this Document, these applications are directed to methods and compositions for amplifying small amounts of dsDNA without the need for synthetic primers, including by the use of specialised hairpin adaptors and dA tailing and end repair. The inventions disclosed by these patent applications provide an efficient process for the amplification of small fragments of DNA which would be rendered unworkable or inefficient by conventional methods.

ii. Phi29 DNA Polymerase Mutants with Improved Primer Recognition.

This patent family consists of an international patent application[2] (PCT/EP2020/063740), claiming priority from a United States provisional application filed on May 17, 2019.

As of the date of this Document, this application is directed to modified and synthetic polymerases, which include mutations that confer improved properties, which are particularly desirable for DNA sequencing, DNA amplification, library preparation, DNA genotyping, and methods and kits for their use. These modified polymerases can improve performance, such as in multiple displacement DNA amplification (MDA) by using shorter random synthetic primers, which results in reduced amplification artefacts and better sequence-dependent hybridisation kinetics, and therefore result in improved coverage breadth and uniformity. The inventions disclosed by this application add to and complement the Phage 29 DNA polymerase technology (Qualiphi) licensed from CSIC, as described below.

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1 Note that the European patent system allows a patent owner to apply for patent protection centrally through the European Patent Office (the "EPO"). As part of this application, the patent owner elects which countries which are signatory to the European Patent Convention (almost all European countries, including the UK and all EU member states) it wishes to obtain a patent for. Where the application is approved by the EPO, the patent owner is able to seek national patents in each of the countries it has elected. The patent owner does not obtain Europe-wide protection but rather a number of national patents through a centralised process.

2 Note that an applicant of an international application will elect to pursue patent protection in a number of countries which are signatory to the Patent Cooperation Treaty (almost all developed nations). The patent owner does not obtain global patent protection but rather a number of national patents through this centralised process.

iii. Methods for Amplification and Sequencing Using Thermostable TthPrimPol.

This patent family consists of nine granted patents and one pending application. These are based on international application PCT/EP2014/055158, claiming priority from a United Kingdom application filed on March 15, 2013. Patents have been granted in China, Denmark, France, Germany, the Netherlands, Sweden, Switzerland, the United Kingdom and Japan. An application is pending in the United States.

These patents and application are directed to methods and kits for synthesising, amplifying and sequencing DNA through use of a thermostable primase, TthPrimPol. The inventions disclosed by these patents enable amongst other items, primer-free methods which can be useful for the amplification of fragmented and damaged DNA.

In-licensed Patents

In addition, the Group has been granted two patent licences by Consejo Superior de Investigaciones Cientificas (CSIC), Madrid, Spain:

i. Phage 29 (Phi29) Compositions and Methods for Replication, Amplification or Sequencing of DNA (Qualiphi)

This licence, dated 17 December 2010 is granted over two patent families as follows:

- those based on international patent application PCT/ES2010/070454 covering "Phage 29 DNA Polymerase Chimera" and which are granted in Australia, Canada, China, Denmark, France, Germany, Japan, South Korea, the Netherlands, Mexico, Singapore, Sweden, Switzerland, the United Kingdom and the United States, and
- those based on international patent application PCT/ES2010/070456 covering a "Method for the Replication, Amplification or Sequencing of a DNA Template", and which are granted in Denmark, France, Germany, the Netherlands, Sweden, Switzerland, and the United Kingdom.

This licence is exclusive in all fields and for all uses.

These in-licensed patents under license are directed to DNA polymerase chimeras, and methods for their use, and the use of other Phage 29 DNA polymerases in DNA amplification, replication and sequencing. These polymerases and methods have competitive advantages, such as a high processivity, a high strand detachment capacity, and a high accuracy in inserting nucleotides into a new strand.

ii. Reverse Transcriptases (Sunscript)

This licence, dated 22 July 2014, covers one patent family based on international patent application PCT/ES2014/070389 covering "HIV Type 1 Group O Reverse Transcriptases that are Active at High Temperatures". The relevant patents are granted in Denmark, France, Germany, the Netherlands, Spain, Sweden, Switzerland, the United Kingdom, and the United States. This licence is exclusive for all fields and for all uses.

The patents in question are directed to modified reverse transcriptases and methods of their use for the amplification and sequencing of DNA. These modified polymerases have higher activity and stability under certain conditions, while maintaining the copy fidelity of the native polymerases.

Registered Trademarks

The Group owns the following registered trademarks:

- 4basebio®, registered in the European Union and the United States.
- 4BB®, registered in the European Union, registration applied for in the United States.

The following additional EU trade mark registrations are owned by the Group:

- Magniphi®
- Qualiphi®
- TruePrime®

- Truescript®
- Sunscript®

9. MARKET OVERVIEW AND COMPETITION

The growing appetite of large life science and pharmaceutical companies for increased manufacturing capacity is evident from the number and value of corporate acquisitions in this space, notably; the acquisition of Brammer Bio by Thermo Fisher Scientific, Inc. for US$1.7bn; the acquisition of Paragon Bioservices, Inc. by Catalent, Inc for US$1.2bn; F. Hoffmann-La Roche AG's acquisition of Spark Therapeutics, Inc. for US$4.8bn; Novartis AG's acquisition of AveXis, Inc. for US$8.7bn and the acquisition of Asklepios BioPharmaceutical, Inc. by Bayer AG for up to US$4bn.

The current market features a mix of pharmaceutical and biotech companies choosing to have production capabilities for their therapies in-house and contract manufacturing organisations which provide outsourced manufacturing services to pharmaceutical company customers. Based on the industry's gene therapy pipeline and the limited existing capacity, developers are investing significantly to add manufacturing capabilities. The emerging gene therapy manufacturing industry is largely dominated by large CMOs using conventional bioreactor technology which chiefly reflects the large investments required to build up capacity.

According to the GlobalData Contract Service Provider's database, in 2019 there were 99 gene and cell therapy manufacturing facilities worldwide, owned by 73 companies. In the period 2018-2019 several pharmaceutical companies acquired facilities through acquisitions. Novartis acquired the CMO, CellforCure, and the gene therapy company, AveXis (developer of the approved drug Zolgensma). Gilead Sciences bought Kite Pharma. Both Novartis and Gilead now own four production facilities each.

The global viral vector manufacturing market is projected to grow at a CAGR of c.22% to reach a market size of more than US$1.4bn in 2025 from c. US$440m in 2019[4].

In 2019, there were over 930 companies developing gene therapies and over 1,000 clinical trials globally representing a portfolio of smaller, venture-backed start-ups as well as global biopharmaceutical companies[5]. The industry continues to add new players including for-profit companies as well as academic researchers, many of whom are using their institutions' translational medicine capabilities to bring innovative therapies to human use.

Furthermore, a greater understanding of gene therapy technology generally and comfort about its application are expected to further expand the number of gene therapy clinical trials in the coming years. Since vector design, production, packaging, and release testing is subject to limited capacity and faced with challenges due to the complex nature of technologies and platforms, strategic collaborations and M&A activities underline the development and growth of this industry in producing successful products.

Competition

Whilst there are a number of competitors that operate in the market for the bulk supply of DNA, these are typically represented by large CMOs which use bioreactor technology. In the market for synthetic DNA, the Directors consider that there are two companies that are active in the same space and a number of early-phase start up technology platforms, focused on research-only use in laboratories or potential DNA storage applications. A summary of these companies is included below:

i. the first was founded in 2008, operating in Europe, to develop closed, linear sections of dsDNA ('doggybone' DNA, or dbDNA). It possesses scientific and GMP production facilities to support a DNA therapeutics business, developing both prophylactic and therapeutic DNA vaccines as well as non-viral vectors, and a contract production business supplying synthetic DNA for gene and cell therapy as well as DNA vaccine applications; and

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[4] Source: Research and Markets, https://www.prnewswire.com/news-releases/global-viral-vector-manufacturing-market-2020-2025-growing-adoption-of-adenoviral-vectors-lentiviral-vectors-as-well-as-retroviral-vectors-301122912.html

[5] Source: Alliance for Regenerative Medicine, 2019 Q2 Global Regenerative Medicine Report

ii. the second was founded in 2018, operating in Japan, and focuses on the development and commercialisation of cell-free synthesis and amplification technologies of large circular DNA molecules. Proprietary technologies include cell-free amplification of large DNA molecules, with potential to replace conventional E. coli cloning, and a suite of genome manipulation technologies including the assembly of DNA fragments and genome editing. It considers applications for its technology to exist in a variety of sectors besides pharma/biotechnology, including diagnostics, food, agriculture and industrial biotechnology.

The Directors consider its technology to be more comparable with the first company above as both are focused on developing proprietary and partnered therapeutic *in vivo* gene and cell therapies as well as DNA vaccines using non-viral vector methods. The success of various synthetic DNA payloads will be complemented by the validation of the non-viral technology(s) used to facilitate gene delivery. Pre-clinical and, more significantly, clinical results are likely to determine the eventual level of differentiation between the two companies and their respective commercial successes.

The Directors are of the view that, in light of the size of the market, the current manufacturing constraints and, in their view, the benefits offered by synthetic DNA, in particular the Company's approach of hpDNA™ adding greater flexibility for interaction with delivery mechanisms, the presence of other companies operating in the same space will support the Company's development rather than provide a competitive threat.

10. REGULATORY ENVIRONMENT

Gene therapies (and nucleic acid-based vaccines) present challenges in every aspect of development. The Directors consider that the most significant challenge is product testing and characterisation that leads to safe and robust manufacturing processes. As with any GMP-manufactured product, a complete and detailed description of all steps in manufacturing is required to be designed, documented and understood.

Therefore, the need to have synthetic DNA production methods, vector design, formulation and delivery systems mapped through comprehensive 'Chemistry, Manufacturing and Control' (CMC) audits and supplemented with standard upstream and downstream processing checklists as used for conventional plasmid/viral vector gene delivery systems will be a likely prerequisite to complement technical and functional validation of any finished product[6]. Early-phase clinical trials of gene therapies often involve consideration of clinical safety issues, preclinical issues and CMC issues that are encountered less commonly or not at all in the development of other pharmaceuticals.

11. CURRENT TRADING AND PROSPECTS

The Group has historically reported modest revenue from the sales of kits and bulk enzymes and this continues consistent with recent trading. At the same time, the Group continues to invest in its DNA validation and scaling activities and nanoparticle development. Over the past six months, total staff numbers in the UK have grown from four to twelve largely to facilitate this work. As a result, the Group will continue to incur significant expenditure and operating losses to underpin this progress, funded from the cash balances held by the business.

Over the coming year, the Group expects to begin offering consultancy services associated with DNA payload development which will give rise to a modest level of further sales. It is anticipated this position to be sustained during 2021 and 2022 as it continues to commercialise its technology.

12. DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

Timothy Paul McCarthy, *Independent Non-executive Chairman (aged 64)*

Tim has more than 35 years' international senior level business experience in the healthcare, biotech and technology sectors. He is the Executive Chairman of Incanthera plc, an AQSE quoted specialist oncology company, Non-executive Chairman of ImmuPharma plc, an AIM-quoted specialist drug discovery and development company, and formerly a Supervisory Board member of 4bb AG. He is a former CEO and Finance Director of a number of public and private companies, including

[6] FDA's January 2020 CMC 'Guidance for Industry' for Human Gene Therapy (https://www.fda.gov/regulatory-information/search-fda-guidance-documents/chemistrymanufacturing-and-control-cmc-information-human-gene-therapy-investigational-new-drug).

Alizyme plc and Peptide Therapeutics Group plc. He has also co-founded a number of healthcare and biotechnology companies. He is also a Fellow of the Association of Chartered Certified Accountants, and has an MBA from Cranfield School of Management.

Dr Heikki Lanckriet, *Chief Executive Officer (aged 43)*

Heikki Lanckriet (PhD) has developed broad expertise and commercial experience in the life science tools and reagents area. In 2003, whilst at Cambridge University, Heikki co-founded Expedeon, the predecessor to 4bb AG, of which, until recently, he was an executive board member. He accumulated a deep knowledge of the many facets of business by evolving through the roles of COO, CSO and CEO at Expedeon.

Heikki holds a Bachelor's and Master's degree in Biochemical Engineering from the University of Ghent, Belgium and a PhD in Biochemical Engineering from the University of Cambridge, UK.

He has published papers in high impact peer-reviewed international scientific journals and is named inventor on a multitude of patents.

David John Roth, *Chief Financial Officer (aged 53)*

David Roth is a chartered accountant having trained with KPMG. He spent ten years in audit and advisory services, primarily with Arthur Andersen, working with small and medium sized corporates which included advising on IPOs in both the UK and US and due diligence mandates across a range of industries. Over the past twenty years, David has worked across listed and private equity backed companies primarily as CFO and with a particular focus on healthcare growth companies. He has been focussed on executing ambitious growth plans with a view to realising shareholder value. This has included several successful disposal processes. In addition to general board duties, David has also undertaken a range of debt and equity raises, often with a view to delivering buy and build strategies; consequently he has also acted on various corporate acquisitions. Most recently, David has been CFO for Expedeon AG overseeing a buy and building strategy leading to the disposal of assets for €120m to Abcam Plc in 2020, a three times return on investment. Although a German national, David has lived in the UK for 35 years; he also holds a BA in Business Studies.

Hansjörg Plaggemars, *Non-executive Director (aged 50)*

Hansjörg Plaggemars is an independent consultant (Value Consult) as well as, as part of his projects, a member of various management boards such as Enapter AG, Altech Advanced Material AG, Alpha Cleantec AG, Ming Le Sports AG and Strawtec Group AG. Until April 2018, he was a board member of Delphi Unternehmensberatung AG and, before that, Deutsche Balaton AG. Previously he was Managing Director and Chief Financial Officer at CoCreate Software GmbH, KAMPA AG, Unister Holding GmbH and Müller Holding Ltd. & CO. KG.

Hansjörg also sits on a number of boards as non-executive director or supervisory member. He holds a degree in Business Administration from the University of Bamberg.

Joseph Manuel Fernández, *Non-executive Director (aged 61)*

Joseph Fernández is the founder of Active Motif which specialises in novel tools and platform technologies for genomics-driven cell biology and epigenetic pathway elucidation. Before starting Active Motif, Joseph was a co-founder of Invitrogen (which is now part of Thermo Fisher Scientific). At Invitrogen, he saw a need for a better way to clone pieces of DNA for expression in mammalian systems, which led to the company developing the first molecular cloning kits.

Joseph holds a number of board positions including; Chairman of the Board of Directors of Active Motif Chromeon GmbH, Tegernheim, Germany; Member of the Board of Directors of Protein Fluidics Inc., Santa Clara, CA, USA; Member of the Board of Directors of Delegate Advisors, San Francisco, CA, USA; and Member of the Board of Directors of Hiram College, Hiram, Ohio, USA.

Maria Del Pilar de la Huerta, *Independent Non-executive Director (aged 52)*

Pilar de la Huerta has accumulated extensive experience in the pharma and biotech sector over the last 20 years. She joined Genetrix group as a CEO in 2010 before, moving to SYGNIS after the merger between Xpol, Genetrix subsidiary, and SYGNIS AG in October 2012. From 2006 to 2010,

she was a strategic consultant within several companies, such as Viamed Salud Group, where she was responsible for R&D and New Business and was appointed CEO of two of the most innovative companies within the Group: Araclon Biotech, SL. and Viamed Technology Investments. Before that, she was CEO at Neuropharma (Noscira, Zeltia Group) and assumed various responsibilities within the Zeltia Group, (the biggest quoted biotech holding in Spain).

Pilar is a member of the Supervisory Board and CEO of ADL Biopharma, Madrid, Spain and a member of the Supervisory Board and CEO of ADL Biopharma, Madrid, Spain.

Pilar holds a Masters Degree in Business and Administration by the Universidad Complutense de Madrid and has completed the IESE's Advanced Management Program and Program for Management Development courses in the Navarra University.

In addition to the Directors detailed above, the Group employs 22 staff in its offices and laboratories in the United Kingdom and Spain.

13. CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance. The Company will, on Admission, adopt and apply the QCA Corporate Governance Code published by the Quoted Companies Alliance. Appropriate disclosures will be made on the Company's website and in the Company's annual report and accounts as specified in the QCA code.

Following Admission, the Board will comprise six Directors of which two are executive and four are non-executive (of which two are independent), reflecting a blend of different experiences and backgrounds.

The Board will meet regularly to review, formulate and approve the Company's strategy, budgets and corporate actions and oversee the Company's progress towards its goals. The Directors intend to hold Board meetings at least six times each financial year (on a *pro-rata* basis for the first year following Admission) and at other times as and when required. The Directors will be responsible for formulating, reviewing and approving the Company's strategy, budget and major items of capital expenditure. The Board will be responsible for monitoring the Company's risks as well as for implementing other systems of control which are deemed necessary. The Directors have established an Audit Committee and a Remuneration Committee, each with formally delegated rules and responsibilities, which will comprise non-executive directors. These committees will each meet at least twice yearly. Terms of reference of each committee will be published on the Company's website on Admission.

The Audit Committee will be chaired by Timothy McCarthy and its members will include Pilar de la Huerta, Hansjörg Plaggemars and Joseph Fernández, It will, *inter alia*, determine and examine matters relating to the financial affairs of the Company, including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. It will receive and review reports from management and the Company's auditors relating to the half yearly and annual accounts and systems of accounting and internal control in use throughout the Company.

The Remuneration Committee will be chaired by Pilar de la Huerta and its members will include Timothy McCarthy, Hansjörg Plaggemars and Joseph Fernández. It will review and make recommendations in respect of the Directors' remuneration and benefits packages and that of senior employees, including share options and the terms of their appointment. The Remuneration Committee will also make recommendations to the Board concerning the allocation of share options to employees.

The Company has adopted, with effect from Admission, a share dealing code ("Share Dealing Code") which is appropriate for a company whose shares are admitted to trading on AIM and is compliant with Article 19 of MAR. The Share Dealing Code will apply to any person discharging management responsibility, including the Directors and the senior management as well as any closely associated persons and other applicable employees.

The Share Dealing Code imposes restrictions beyond those that are imposed by law (including by FSMA, MAR and other relevant legislation) and its purpose is to ensure that persons discharging managerial responsibility and persons connected with them do not abuse and do not place themselves under suspicion of abusing, price-sensitive information that they may have or be thought to have, especially in periods leading up to an announcement of both financial results and the

results of the Company's research trials. The Share Dealing Code sets out a notification procedure which is required to be followed prior to any dealing in the Company's securities.

14. ADMISSION BY INTRODUCTION

On Admission, the Company will have cash reserves of approximately £14.4 million which the Directors consider will provide sufficient working capital for the development and scale-up of the business to commercialisation. The Company is further supported by a funding facility of up to €25 million from 4bb AG which the Company may use to pursue its development strategy. As a result, the Company has not sought to raise additional funding on Admission.

Further, as a result of terms of the Spin-Off, the shareholder base largely replicates the shareholder base of 4bb AG, including the Deutsche Balaton Group, the Directors and approximately 5,500 other shareholders, albeit that 4bb AG itself also holds in the region of 30 per cent. of the issued share capital of the Company.

The Company may make acquisitions in the future to speed up its rate of development and, therefore, the Company may choose to raise funds in the future.

15. REASONS FOR ADMISSION

The Company believes that having the Company's Ordinary Shares admitted to a public market provides a signal of quality to prospective partners and customers, raises the profile of the business and its products and provides a supportive platform on which to grow the business further through in-licensing of additional technologies or selective acquisitions as appropriate.

16. ADMISSION, SETTLEMENT AND CREST

To be traded on AIM, securities must be able to be transferred and settled through the CREST system, which is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the CREST Regulations. The Ordinary Shares will be eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so. For more information concerning CREST, Shareholders should contact their broker or Euroclear at 33 Cannon Street, London EC4M 5SB or by telephone on +44 (0) 207 849 0000.

17. LOCK-IN AND ORDERLY MARKET ARRANGEMENT

The Lock-in and Orderly Market Agreement has been entered into by the Locked-in Persons, who in aggregate will, on Admission, hold 8,164,477 Ordinary Shares (representing 66.3 per cent. of the Issued Share Capital).

The Locked-in Persons have entered into agreements pursuant to which they have each agreed with the Company, Cairn and finnCap that for the period of 12 months following Admission, they will not dispose of any interest in Ordinary Shares except in certain specified circumstances. The Locked-in Persons, not being members of the Deutsche Balaton Group have also agreed that for a further 12 months (following the expiry of the initial 12 month period), they will only dispose of any interest in the Ordinary Shares through finnCap (or the Company's broker at the relevant time if it is not finnCap) and in such manner as finnCap (or such other broker) may reasonably require with a view to the maintenance of an orderly market in the Ordinary Shares. The members of the Deutsche Balaton Group have agreed to comparable additional restrictions for a period of 3 months (following the expiry of the initial 12 month period) with regards to 50 per cent of their aggregate shareholding.

Further details of the Lock-in and Orderly Market Arrangement are set out in paragraph 11 of Part V of this Document.

18. SHARE OPTION SCHEMES

The Company has adopted an EMI plan and approved a grant of EMI Options to senior employees and directors of the Company. The EMI Plan will, at the discretion of the Board, provide eligible officers and employees of the Company with the opportunity to participate in the equity of the

Company over a set period of time. The EMI Options will also be subject to performance conditions which mean that they will vest and become exercisable subject to meeting criterion set by the Board. The Company granted a tranche of EMI Options immediately prior to Admission and thereafter may grant further EMI Options to additional individuals at the discretion of the Board.

The EMI Plan will also include leaver provisions which limit a participant's right to exercise their EMI Option when they cease employment. Subject to these provisions, EMI Options shall lapse on the tenth anniversary of the date that they are granted.

Further detail on the EMI Plan is contained below in paragraph 8 of Part V of this Document. On Admission, a total of 597,500 EMI and non-tax advantaged Options have been granted representing approximately 4.69 per cent. of the Issued Share Capital.

19. DIVIDEND POLICY

The Company is primarily seeking to achieve capital growth for its Shareholders. As the Company anticipates using its financial resources for the development and commercialisation of its technology, the Board consider it unlikely that dividends will be paid in the foreseeable future and intends to re-invest any surplus funds in the development of the Company's business. The Board will only recommend dividends when appropriate and practicable. The declaration and payment by the Company of any future dividends on the Ordinary Shares and the amount of any such future dividends will depend on the results of the Company's operations, its financial condition, cash requirements and other factors deemed to be relevant at the time.

20. TAXATION

Information regarding taxation is set out in paragraph 16 of Part V of this Document. These details are intended only as a general guide to the current tax position in the UK. If an investor is in any doubt as to his or her tax position or is subject to tax in a jurisdiction other than the UK, he or she should consult his or her own independent financial adviser immediately.

21. COMPANY LEGAL STATUS

The Company was formed originally as a European Company (also known as Societas Europaea or SE). A European Company is a European public limited company and the Company was originally created and registered in Germany. The registered office or seat of the Company was transferred to the UK with the effective date of the transfer as 22 December 2020.

At 23:00 on 31 December 2020 ("IP Completion Day"), following the UK's exit from the European Union, any existing European Companies registered in the UK automatically converted into 'United Kingdom Societates' (each a 'UK Societas'). The name of the Company changed with the 'SE' being replaced by 'UK Societas' and the Company being re-named '4basebio UK Societas'.

Much of the existing regulation governing European Companies is preserved in relation to a UK Societas, although some amendments have been made to reflect the United Kingdom's status outside the European Union (the "New Regulations"). For example, following IP Completion Day, under the New Regulations it is now not possible for new UK Societates to be formed or for an existing UK Societas to transfer its seat to a country within the European Union.

As a result of its status as a UK Societas, the governance of the Company will have certain minor differences from a regular UK PLC, including in relation to the constitution of its board (which is termed the "administrative organ") and the rights of shareholders to add items to the agenda for a general meeting. These include:

- the administrative organ must meet at least once every three months in accordance with the statutes;
- the minimum number of members of the administrative organ is two;
- members of the administrative organ shall be appointed for the period set out in the statutes not exceeding 10 years; and
- 5 per cent. of shareholders by subscribed capital can add items to the agenda for a general meeting, rather than the holders of 5 per cent. of votes that can be cast on the resolution put to the meeting, or 100 members with a right to vote as per s. 338 CA 2006.

The Board does not consider these variations to be a material departure from the rights of shareholders of a UK PLC.

As a UK Societas, the Company will be permitted to convert into a PLC without requirement to be registered as a European Company for two years or having had two sets of annual accounts approved. This reduces the period previously applicable to the conversion of a European Company to a public limited company prior to Brexit. In order to effect conversion to a PLC the Company will be required to: (1) draw up draft terms of conversion and a report explaining and justifying the legal and economic aspects of the conversion and indicating the implications for its shareholders and employees of the conversion; (2) publish the draft terms of conversion at least one month before the general meeting referred to in (4) below; (3) procure that an independent expert certifies that the Company has assets at least equivalent to its capital; (4) convene a general meeting pursuant to which draft terms of conversion and the articles of the PLC are approved; and (5) make certain filings at Companies House.

The Company acknowledges that its current legal status as a UK Societas is transitionary. It is the Company's intention to commence the preparatory steps detailed above in the period following Admission, with the resolutions necessary to effect the conversion to a PLC, including the approval of the terms of conversion, to be put to the Shareholders of the Company for approval, at the first annual general meeting of the Company following Admission.

22. TAKEOVER CODE

The Takeover Code applies, amongst others, to all Public companies (including where appropriate UK Societas) who have their registered office in the UK, Channel Islands or Isle of Man and which are considered by the Takeover Panel to have their place as central management in the UK, Channel Islands or Isle of Man. Accordingly, the Company became subject to the Takeover Code from 22 December 2020 when it was redomiciled to the UK and, as a result, all Shareholders are entitled to the protections afforded by it.

The Takeover Code operates principally to ensure that Shareholders of the Company are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The Takeover Code provides an orderly framework within which takeovers are conducted and the Takeovers Panel has now been placed on a statutory footing.

The Takeover Code governs, amongst other things, transactions which may result in a change of control of a company to which the Takeover Code applies. Under Rule 9 of the Takeover Code, any person, together with persons acting in concert with him, who acquires, whether by a series of transactions over a period of time or not, an interest in shares (as defined in the Takeover Code) which (taken together with shares in which that person is already interested or in which persons acting with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, Rule 9 of the Takeover Code also provides that when any person, together with persons acting in concert with him, is interested in shares which, in aggregate, carry 30 per cent. or more of the voting rights of such company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interest in shares is acquired which increases the percentage of shares carrying voting rights in which he, together with persons acting in concert with him, are interested.

An offer under Rule 9 must be in cash and must be at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company in question during the 12 months prior to the announcement of the offer.

Prospective investors should be aware that, under the Takeover Code, if a person (or group of persons acting in concert) holds shares carrying more than 50 per cent. of the Company's voting rights, that person (or any person(s) acting in concert with him) will normally be able to acquire further interests in shares (as defined in the Takeover Code) without incurring any further obligations under Rule 9 to make a mandatory offer.

Certain Shareholders (the "4bb Concert Party") are deemed to be acting in concert for the purposes of the Takeover Code in relation to their shareholding in the Company on Admission, and will

together hold 8,164,477 shares representing an aggregate of approximately 66.3 per cent. of the Issued Share Capital. Accordingly, the 4bb Concert Party will be able to increase its aggregate interest in Ordinary Shares without having to make an offer for the Company, although individual members of the 4bb Concert Party will not be able to increase their percentage interests in Ordinary Shares through or between a Rule 9 threshold without Panel Consent.

Further details on the Takeover Code and the 4bb Concert Party holding are set out in paragraph 9 of Part V of this Document.

23. RELATIONSHIP AGREEMENT

At the date of Admission, 4bb AG will control the exercise of voting rights in respect of approximately 29.76 per cent. of the Issued Share Capital. Accordingly, a relationship agreement has been entered into between 4bb AG, the Company, Cairn and finnCap to ensure that the Company is able to carry on its business independently from 4bb AG and to regulate the relationship between 4bb AG and the Company on an arm's length and normal commercial basis. Further details of the Relationship Agreement are set out in paragraph 11 of Part V of this Document.

24. FURTHER INFORMATION

Before making a decision to invest in the Company, you should read the whole of this Document which provides additional information on the Company and not rely on summaries or individual parts only.

Your attention is drawn, in particular, to the Risk Factors set out in Part II of this Document and the Additional Information set out in Part V of this Document.

PART II

RISK FACTORS

There are significant risks associated with the Group. Prior to making an investment decision in respect of the Ordinary Shares, prospective investors should consider carefully all of the information within this Document, including the following risk factors. The Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. In particular, the Group's performance may be affected by changes in market or economic conditions and in legal, regulatory and/or tax requirements. The risks listed are not set out in any particular order of priority. Additionally, there may be risks not mentioned in this Document of which the Directors are not aware or believe to be immaterial but which may, in the future, adversely affect the Group's business and the market price of the Ordinary Shares.

If any of the following risks were to materialise, the Group's business, financial condition, results or future operations could be materially and adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Group. The information set out below does not purport to be an exhaustive summary of the risks affecting the Group.

Before making a final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt should consult with an independent financial adviser authorised under FSMA which specialises in advising on the acquisition of shares and other securities.

1. GENERAL RISKS

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for him or her in the light of his or her personal circumstances and the financial resources available to him or her. The investment opportunity offered in this Document may not be suitable for all recipients of this Document. Investors are therefore strongly recommended to consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest. An investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested. The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to future performance.

2. RISKS RELATING TO THE COMPANY'S BUSINESS

The regulatory environment and the Group's technology and products

The Group is, and its customers are, subject to regulatory requirements in all countries where it operates, trials or introduces its products or technologies. The development and commercialisation of the Group's proprietary technology and operations, which are at an early stage, are likely, in part or in whole, to be exposed to research and development risks and to require differing and varied forms of regulatory approval.

The Group's longer-term ambition may include becoming a clinical research organisation, supplying clients with custom clinical research programmes for gene therapy using hpDNA™ packaged in novel proprietary non-viral vectors. In order to achieve this, various regulatory approvals and significant technology validation will be required for both gene validation and the production of a functional protein, and potentially across multiple jurisdications. In addition, the development of non-viral vectors with appropriate tissue specificity for targeting gene delivery is likely to be challenging. There is no guarantee that the necessary approvals or validation will be granted in order that the Group is in a position to achieve its longer-term ambition.

The development of gene therapies (and nucleic acid-based vaccines) present significant challenges at every stage of development including the product testing and characterisation that leads to safe and robust manufacturing processes. As with any GMP-manufactured product, a complete and detailed description of all steps in the manufacturing process needs to be designed, documented and understood. Therefore, the ability to have hpDNA™ production methods, vector design, formulation and delivery systems mapped through comprehensive 'Chemistry, Manufacturing and Control' audits (CMC audits) and supplemented with standard upstream and downstream processing checklists as used for conventional plasmid/viral vector gene delivery systems is a likely prerequisite to complement technical and functional validation of any finished product (whether naked DNA, viral or non-viral gene vector system). There is no certainty that such CMC audits can be achieved or that CMC audits for hpDNA™ will not be more stringent than for conventional gene delivery systems.

There is likely to be a much higher level of regulatory scrutiny applied to non-viral vectors as these projects approach the clinic. Common gene therapy regulatory challenges (for viral vectors) include: safety (sterility, mycoplasma, toxic bacterial contamination and maybe adventitious agents); production (end product – safe and consistent product that is characterised to an appropriate extent); critical quality attributes; mechanisms of action; and developing assays unique to a specific product/process (purity, identity, impurities, residual agents, toxins, etc). For many new processes and products, these reference standards need to be developed to align with the current requirements of the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use. These may be challenging to establish and qualify.

There is inherent risk in new product development and a risk that unforeseen issues may arise and that requisite approvals and challenges take longer to be received or resolved than envisaged. There is no guarantee that the Group will be able to achieve its GMP strategy (which as at the date of this Document is unproved) or satisfy the regulatory requirements and technical validation required to commercialise its products.

The clearance and approval process from regulatory authorities can be costly, time consuming and uncertain. It can take a company several years to satisfy the substantial requirements imposed by such regulatory authorities. Delays in obtaining such clearances and/or changes in existing requirements could have a material adverse effect on the Group. Failure to obtain required regulatory approvals could require the Group to delay, curtail or cease its operations. Even if the Group invests the necessary time, money and resources required to advance through the regulatory approval process; there is no guarantee that the Group will receive approval of its products.

Complex manufacturing and need to validate the amplification process

The Group's operations, in particular the production of hpDNA™ and vectors, are complex in nature. Whilst the Group has proven efficient production and amplification in the laboratory, it is not until the drug candidate progresses into clinical development and commercialisation, that it becomes relevant to find out if the production process can achieve the required scalability and meet the mandatory manufacturing quality within the required lead-time. Large-scale production needs to meet GMP standards, which is more demanding than academic protocols. The Group may be unable to develop products that it can commercialise or meet the required standards. Further the characteristics of drug candidates will vary which will also have an impact on the complexity of the amplification process.

There may be unforeseen delays in the Group's ability to develop its technology to meet clients' requirements or to contract with, or develop, GMP capacity. Such delay may adversely affect the Group's ability to commercialise its technology.

Adoption of the Group's products and services

If the Group is unable to drive adoption of its products and services to its target audience and market, or there is a slower than expected adoption of its products and services, there could be weak penetration of the market, which might have a material adverse effect on the Group, its business, financial situation, growth and prospects. The slow adoption of its products and technologies could result in timeframes being longer than anticipated by the Group for commercialisation.

Public opinion, perception and acceptance of the use of DNA in medicine is likely to affect the adoption of product and therapies produced by potential customers of the Group which, in turn, may affect the adoption of and demand for the Group's products.

Possible side effects of the Group's technology

The possible side effects and full efficacy and safety of the technologies that the Group intends to produce are not yet fully understood. There are therefore risks that potentially serious side effects of the technology could occur or that such technology fails future efficacy or safely testing, none of which the Group can rule out and if so, this could have serious implications on the viability of the technology and the business of the Group.

Severe side effects, failures or complications in trials, or post-approval could also, in addition to having an impact on the commercial products, result in financial claims and losses against the Group as well as a high probability of significant reputational damage to the Group.

Reliance on third parties

The Group outsources certain functions, tests and services to contract research organisations, medical institutions and other specialist providers, and the Group relies on these third parties for clinical and regulatory expertise. Much of the Group's planned development programmes will be devoted to bringing new technologies, many through collaborations, to preclinical status. In order to move further into the clinic and become a Clinical Research Organisation solution provider substantial validation efforts will be required on behalf of all parties (including third party partners) to establish safety, efficacy and strategies for managing the risks of bringing hpDNA™ and non-viral vectors (on a GMP basis) to commercialisation.

In addition, the Group intends to develop a non-viral delivery strategy that is: flexible (nanoparticle structure), targeted (dialled-in for a specific tissue, on demand); has no ceiling on payload size; and possess improved transduction efficiency results. The strategy is premised on building on collaborative proprietary research and development with academic and other groups as well as acquiring/in-licensing relevant elements of technology intellectual property.

There is no guarantee that the Group will be able to build on such collaborative proprietary research and development or identify academic or other partners/form suitable arrangements or acquire/in-license relevant elements of technology intellectual property on terms that are commercially beneficial to the Group. There is no assurance that such relationships, if formed, will result in the delivery of the services as agreed upon or in sufficient quantity or quantity and the Group could suffer significant delays and unnecessary costs in the development of its products.

Dependence on key personnel

The success of the Group, in common with other businesses of a similar size, will be highly dependent on the expertise and experience of the Directors and key senior management. However, the retention of such key personnel cannot be guaranteed. Should key personnel leave, the Group business, prospects, financial condition or results of operations may be materially adversely affected.

Identifying, acquiring and developing suitable assets

The Group operates a grow, buy and build strategy and intends to acquire and develop complementary technology and intellectual property alongside its current portfolio of assets. As a result, its performance may be limited by its ability to identify, acquire and integrate suitable assets, or agree a competitive price for such assets, including intellectual property and staff and the Group's initial and future strategy may be delayed or made at a slower rate than anticipated.

The Group may consider the acquisition of other products or businesses that either complement or expand the existing business, or may enter into joint ventures. Any future acquisitions or joint ventures it pursues may involve a number of risks, including some or all of the following:

- the inability to complete acquisitions or joint ventures on favourable terms and to obtain adequate financing, which financing may not be available to the Company at times, in amounts or on terms acceptable to the Company, if at all;
- the diversion of management's attention from its core business;
- the disruption of its ongoing business;

- entry into markets in which the Company has limited or no experience;
- the inability to integrate acquisitions or enter into joint ventures without substantial costs, delays or other problems;
- unexpected liabilities for which the Company may not be adequately indemnified;
- inability to enforce indemnification and non-compete agreements;
- the failure to successfully incorporate acquired products into the Company's business;
- the failure of the acquired business or joint venture to perform as well as anticipated;
- the failure to realise expected synergies and cost savings;
- the loss of key employees or customers of the acquired business; and
- increasing demands on the Group's operational systems and the potential inability to implement adequate internal controls covering an acquired business or joint venture.

Proprietary technology

The Company relies and will rely on intellectual property laws and third party non-disclosure agreements to protect its patents and other proprietary rights. The Company's business is based upon a combination of patent applications and confidential business know-how. No assurance can be given that any currently pending patent applications or any future patent applications will result in patents being granted or that any pending or granted patent will be challenged. In addition, there can be no guarantee that the patents will be granted on a timely basis, that the scope of any patent protection will exclude competitors or provide competitive advantages to the Company, that any of the Company's patents will be held valid if challenged, or that third parties will not claim rights in, or ownership of, the patents and other proprietary rights held by the Company.

Despite precautions taken by the Company to protect its products, unauthorised third parties may attempt to copy, or obtain and use the Company's intellectual property rights and other technology that is incorporated into its pharmaceutical products. In addition, alternative technological solutions similar to the Company's products may become available to competitors or prospective competitors of the Company. It should be noted that once granted, a patent can be challenged both in the relevant patent office and in the courts by third parties. Third parties can bring material and arguments which the patent office granting the patent may not have seen at the time of granting the patent. Therefore, whilst a patent may be granted to the Company it could in the future be found by a court of law or by the patent office to be invalid or unenforceable or in need of further restriction.

The field of pharmaceutical development is highly litigious. The Company's priorities are to protect its intellectual property and seek to avoid infringing other companies' intellectual property. The Company engages reputable legal advisers to mitigate the risk of patent infringement and to assist with the protection of the Company's intellectual property. However, no guarantee can be made that infringement proceedings will not be initiated against the Company. Should the Company be required to assert its intellectual property rights, including any patents, against third parties it is likely to use a significant amount of the Company's resources as patent litigation can be both costly and time consuming. No assurance can be given that the Company will be in a position to devote sufficient resources to pursue such litigation. In addition, a defendant could counterclaim that the patent covering the Company's intellectual property rights is invalid or unenforceable. Any unfavourable outcomes in respect of patent litigation could limit the Company's intellectual property rights and activities moving forward. Any claims made against the Company's intellectual property rights by a third party, even without merit, could be time consuming and expensive to defend and could have a materially detrimental effect on the Company's resources.

A patent is limited territorially to the country or economic area in which it was granted. There are countries in which the Company has not filed patent applications. Some territories have patent applications pending and not all patent applications filed by the Company have yet been approved. There is no guarantee that any pending patents or future patent applications will be granted.

Further, the Company's operations rely on the significant experience and know-how of its Directors and staff. The Company takes precautionary measures to protect its proprietary rights and information, including the use of confidentiality agreements with its employees and consultants, as

well as with its academic and commercial relationships. There is no guarantee that agreements will not be violated or that there will be an adequate remedy available for a violation of an agreement.

Product liability

Whilst the Group will endeavour in its contractual dealings with third parties to limit its potential exposure to product liability claims, this may not always be possible and, in any event, may be of limited (if any) effect as a result of existing or future laws or regulations or unfavourable judicial decisions. The Group has not experienced any product liability claims to-date and will endeavour to ensure that appropriate measures are taken to insure against such liabilities; however, the distribution, sale and support of the Group's products may entail the risk of such claims, which is likely to be substantial in light of the use of its products in the treatment of medical conditions. A successful product liability claim could result in significant monetary liability and could seriously harm the Group's business, operations, financial position and/or reputation.

Early stage of operations

Whilst the Group does have market ready products in respect of its enzyme test kits and laboratory provisions, the core components of the Group's commercialisation strategy are at an early stage of development and the Group does not have an established trading record. There can be no guarantee that the Group will be able, or that it will be commercially advantageous for the Company, to continue to develop its proprietary technology, nor is there any guarantee that any of its core products will reach commercialisation.

The Group has limited historical financial data upon which to base its projected revenue. The Group also has limited historical financial data upon which to base its planned operating expense or upon which investors may evaluate its business and prospects. Based on the Group's limited experience in developing and marketing new products, it may not be able to effectively:

- drive adoption of its products;
- attract and retain customers for its products;
- anticipate and adapt to changes in the existing and emerging markets in which it operates;
- focus its research and development efforts in areas that generate returns on these efforts;
- maintain and develop strategic relationships with suppliers to acquire necessary materials and equipment for the production of its products on appropriate timelines, or at all;
- implement an effective marketing strategy to promote awareness of its products with potential customers;
- scale its manufacturing activities to meet potential demand at a reasonable cost;
- avoid infringement of third-party intellectual property;
- obtain licenses on commercially reasonable terms to third-party intellectual property, as needed;
- obtain valid and enforceable patents that give it a competitive advantage;
- protect its proprietary technology;
- provide appropriate levels of customer training and support for its products; and
- attract, retain and motivate qualified personnel.

In addition, a high percentage of the Group's expenses have been and will continue to be fixed. Accordingly, if the Group does not generate revenue as and when anticipated, losses may be greater than expected and operating results will suffer. Investors should consider the risks and difficulties frequently encountered by companies in new and rapidly evolving markets when making a decision to invest in the Company's Ordinary Shares.

Other licensing agreements

Some of the patents upon which the Group's technology is based are not owned by the Group but are licensed, exclusively, to it, subject to certain specific reservations and restrictions. The Group has obligations under such licence agreements. If the Group fails to perform any of its obligations

under the licence agreements, it may be in breach. Upon such a breach, licence agreements could be terminated and the intellectual property could revert to the licensor and the Group may be unable to use or further develop its products in those circumstances.

Different jurisdictions of operations

The Group has operations in the UK and Spain which have different regulatory, fiscal and legal environments. In addition, the UK's exit from the EU may mean future changes to the current regimes in place, for which the Group will need to ensure that it informs itself appropriately. There can be no guarantee that the Group will not be affected by changes in regimes in which it operates or that situations will not arise in the future from its current operating policies in either Spain or the UK which may include regulatory approval process, operating standards or licensing requirements. Such eventualities could result in costs or other consequences that could materially adversely affect the financial performance and/or prospects of the Group.

Competition

There are a number of better-established and more substantial companies than the Group engaged in the design and production of DNA. Many of these companies are more experienced than the Group and represent significant competition for the Group's products. Competitors may have in development products similar to or with properties that achieve a similar or better outcome and/or are more cost effectively delivered and/or are at a more advanced stage of development than the Group's products and/or proposed products. The success of the Group's competitors in developing, bringing to market, distributing and selling their products could negatively affect the Group's result of operations and/or general acceptance of its products and therefore its financial performance and prospects.

There are a number of companies designing and producing DNA via synthetic methods. The Board is aware of another company which appears to offer potential direct competition for the Group and of a number of other earlier-phase start up technology platforms, focused on research-only use in laboratories or potential DNA storage applications.

Competitor companies, with DNA vaccines about to move to clinic, are active in the space of non-viral vectors, in terms of technology validation (packaging DNA into a carrier particle) and functional validation (DNA enters cell and gene is expressed). Much remains to be achieved by the Group before it will be in a similar position.

Large scale supply of synthetic DNA: Competitors companies known to the Board appear to be capable of constructing synthetic double stranded DNA vectors, possess scientific and GMP production facilities to support a DNA therapeutics business (developing both prophylactic and therapeutic DNA vaccines as well as non-viral vectors) and/or supply synthetic DNA for gene and cell therapy as well as DNA vaccine applications. Such competitors may be, and may remain, in a stronger position than the Group, both in terms of financial resources and technological progress, to accelerate and capitalise on the benefits of synthetic DNA including in the area of production of research, clinical and custom sequence synthesised DNA as a starting material for AAV development.

Non-viral vector development and delivery technologies: The success of various synthesised DNA payloads will be complemented by the validation of the non-viral technology(s) used to facilitate gene delivery. Preclinical and, more significantly, clinical results are likely to determine the eventual level of differentiation between the Group and its competitors and their respective commercial successes. If competitor companies' results prove to be more effective than those of the Group this could materially adversely impact the financial performance and/or prospects of the Group.

Conventional viral vector contract development and manufacturing organisations ("CDMOs") continue to improve*:* Conventional viral vector CDMOs continue to improve yields and productivity for both upstream processing and downstream processing. An improvement in, amongst other things, the productivity for processing, the yield and the high costs associated with viral vector manufacturing could have a negative impact on the anticipated uptake of any non-viral vector technologies which the Group brings to commercialisation.

Other potential competitor activity which could have an adverse effect on the products brought to market by the Group are, *inter alia*, if:

a) conventional viral vector CDMOs develop proprietary or in-license alternatives to hpDNA™;

b) non-viral vector (NVV) platform validation is delayed and customisation opportunities do not materialise; or

c) competitor companies succeed in developing tissue-specific and transduction competent NVVs.

Time to commercialisation

Successful clinical deployment of gene therapies based on non-viral vectors are likely to be several years away and, even then, they are unlikely to displace the significant role of viral vectors in the marketplace. Moreover, increased focus on gene therapy could result in an injection of innovation into this area (similar to the very rapid emergence of lipid nanoparticles as non-viral vectors for COVID-19 mRNA vaccines) with the consequence that competing technologies could reach the market faster than those of the Group.

The Company's counterparties may become insolvent

There is a risk that the parties with whom the Company trades or has other business relationships (including partnerships or licensing arrangements) may become insolvent. In the event that a party with whom the Company trades becomes insolvent, this could have a material adverse impact on the revenues financial performance and prospects of the Company.

Future funding requirements

Whilst the Company has sufficient funding available for its current requirements, and it has further access to funding loan facility from 4bb AG, the Company may need to raise additional funding to take advantage of future opportunities. No assurance can be given that any such additional funding will be available or, if available, that it will be on terms that are favourable to the Company or Shareholders. If the Company is unable to obtain additional funding as required, it may be required to reduce the scope of its operations or anticipated expansion.

Controlling Shareholders

Following Admission approximately 66.3 per cent. of the Issued Share Capital will be beneficially owned by the 4bb Concert Party with 4bb AG holding approximately 29.8 per cent. of the Issued Share Capital on Admission.

As a result 4bb AG will have significant influence over the Company. In light of this, the Company has entered into the Relationship Agreement with 4bb AG to regulate its relationship with the Company.

Whilst the Directors believe that the Relationship Agreement will enable the Group to carry on as an independent business the interests of 4bb AG may not be aligned with those of the other Shareholders following Admission. In addition, the Deutsche Balaton Group, which forms part of the Concert Party, may hold interests in, or may make acquisitions of, or investments in, other businesses that may be, or may become, competitors of the Group.

Further details of the Relationship Agreement are set out in paragraph 11 of Part V of this Document.

General legal and regulatory issues

The Company's current legal status is that of a UK Societas. Whilst the Company intends to convert to a UK public limited company at its next general meeting, within twelve months of Admission, the conversion process requires, amongst other matters, that the terms of conversion be approved by the Shareholders of the Company. There can be no guarantee that the Shareholders of the Company will approve the conversion process, in which case the Company would remain a UK Societas, however, the government's long-term intentions for the continuation of the UK Societas structure currently remain uncertain, following the UK's recent exit from the European Union and any change in policy could have an adverse effect on the future of the Company.

Misconduct

The Company is exposed to the risk of employees, independent contractors, principal investigators, consultants, commercial partners or vendors engaging in fraud or other misconduct. Misconduct could include intentional failures to comply with regulations, or to provide accurate information to the regulators, or to comply with manufacturing, health and safety, technical and other standards the

Company has established either by law or regulation or in order to meet certain standards of good practice. Such an event may prohibit the Group from bidding for or winning certain work and may result in reputation impact with customers.

Computer system failure

Despite the implementation of security measures, any of the internal computer systems belonging to the Company or its third-party service providers and collaborators are vulnerable to damage from computer viruses, cyber attack and data breaches, unauthorised access, natural disasters, terrorism, war and telecommunication and electrical failure. Any system failure, accident or security breach that causes interruptions in its own or in third-party service providers' and collaborators' operations could result in a material disruption of its product development programmes.

The Company is subject to risks associated with medical and technological change and obsolescence

Demand for the Company's products could be adversely impacted by the development of alternative technology and products. There can be no assurance that the technology and products currently being developed by the Company will not be rendered obsolete. As a result, there is the possibility that new technology or products may be superior to, or render obsolete, the technology and products that the Company is currently developing. Any failure of the Company to ensure that its products remain up to date with the latest advances may have a material adverse impact on the Company's competitiveness and financial performance. The Company's success will depend, in part, on its ability to develop and adapt to these technological changes and industry trends.

Liability and insurance

The nature of the Company's business means that the Company may be exposed to potentially substantial liability for damages in the event of product failure or side effects. Any such liability could have a materially adverse effect on the Company's business and financial condition. There can be no assurance that future insurance cover will be available to the Company at an acceptable cost, if at all, nor that in the event of any claim, the level of insurance carried by the Company now or in the future will be adequate or that a product liability or other claim would not materially and adversely affect the business of the Company.

The Company's suppliers may not have insurance in place or may have inadequate insurance to cover any liability which may arise from the products supplied therefore the Company itself may become liable in whole or in part for claims resulting from negligence of the supplier. In addition, in the case of certain existing supplier agreements the Company has indemnified the supplier for any excess liability over and above its insurance cover.

Exchange rate fluctuations

Owing to the international scope of the Group's operations, fluctuations in exchange rates, particularly between the pound sterling and the euro, may adversely affect the Group. Although the Group is now headquartered in the United Kingdom, it continues to source and undertake research and development, manufacturing, consulting and other services from the European Union (in particular through its operations in Spain) and worldwide. Further, potential future revenue may be derived from abroad, particularly from the United States. As a result, the Group's business and the price of its Ordinary Shares may be affected by fluctuations in foreign exchange rates not only between the pound sterling and the euro, but also other currencies including the US dollar, which may have a significant impact on the results of operations and cash flows from period to period. Currently, the Group does not have any exchange rate hedging arrangements in place.

Data protection issues

The collection and use of personal health data in the UK is governed by the provisions of UK GDPR. This legislation imposes several requirements relating to the consent of the individuals to whom the personal data relates, the information provided to the individuals, notification of data processing obligations to the competent national data protection authorities and the security and confidentiality of the personal data, and substantial fines for breaches of the data protection rules. UK GDPR also imposes strict rules on the transfer of personal data out of the EU and the UK. Failure to comply with the requirements of the UK GDPR may result in fines and other administrative penalties. Recent enforcement actions against multinational companies have resulted

in significant fines. UK GDPR may impose additional responsibility and liability in relation to personal data that the Group may process and it may be required to put in place additional mechanisms ensuring compliance with these and/or new data protection rules. This may be onerous and adversely affect the Group's business, financial condition, prospects and results of operations.

Failure to comply with data protection legislation (including the UK GDPR) in the countries where the Group operates may leave it open to criminal and civil sanctions. In addition, loss or unauthorised access to the Group's customer data could lead to reputational damage and loss of customer confidence in the Group which could therefore impair the volume of sales achieved by the Group.

Such failures may also be the subject of investigations by regulators which have the power to levy significant fines (in the EU up to 4 per cent. of the worldwide turnover of the Company and its group) and may be actionable by the individuals whose personal data has been processed otherwise than in compliance with data protection legislation or which has been lost or accessed illegally or without authorisation.

Company's potential liability following the Spin-Off

Under German Company law, the Company is jointly and severally liable, in addition to 4bb AG, for the fulfilment of any liabilities remaining with 4bb AG which were already established prior to the Spin-Off taking effect, if they become due within five years from the announcement of the registration of the Spin-Off in the commercial registers of 4bb AG. Although under terms of the Spin-Off and Transfer Agreement, 4bb AG has indemnified the Company for any liabilities that could accrue to the Company as a result of a claim being made against the Company in respect of such liabilities, there remains a potential risk that the Company may not be able to recoup the costs of such claim in full under the indemnity.

Economic conditions, current economic weakness and health epidemics, including the current COVID-19 pandemic

The spread of COVID-19, which has caused a broad impact globally, may materially affect the Group. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, the pandemic has resulted in significant disruption of global markets.

The global pandemic of COVID-19 continues to evolve. The ultimate impact of the COVID-19 pandemic or a similar health epidemic is highly uncertain and subject to change. The full extent of potential delays or impacts on the Group's business, healthcare systems or the global economy as a whole remains unknown. These effects could, however, have an adverse impact on the Group's business, prospects, results of operations and financial condition.

Any further economic downturn either globally, nationally or locally in any area in which the Group operates may have an adverse effect on the demand for the Group's services. A more prolonged economic downturn due to the impact of the COVID-19 pandemic (including that of further 'waves' of infections) or otherwise may lead to an overall decline in the Group's activities.

In addition, although signs of economic recovery have been perceptible in certain countries, the sustainability of a global economic upturn is not yet assured. If economic conditions remain uncertain this might have an adverse impact on the Group's business, prospects, results of operations and financial condition.

3. RISKS RELATING TO AN INVESTMENT IN THE ORDINARY SHARES

No prior market for the Ordinary Shares

Prior to Admission, there has been no public market for the Ordinary Shares. The Admission Price may not be indicative of the market price for the Ordinary Shares following Admission. The Company can give no assurance that an active trading market for the Ordinary Shares will develop or be maintained following Admission. If an active trading market is not developed or maintained, the liquidity and market price of the Ordinary Shares could be adversely affected.

The Ordinary Shares will not be admitted to the Official List

The Ordinary Shares will be traded on AIM. AIM is a market designed primarily for emerging or smaller companies. The AIM Rules are less demanding than those of the Official List, and an

investment in a company whose shares are traded on AIM is likely to carry a higher risk than an investment in a company whose shares are quoted on the Official List. Neither the London Stock Exchange nor the FCA have examined this document for the purposes of Admission.

Admission to AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares. The market for shares in smaller quoted companies, such as the Company, is generally less liquid than for larger quoted or listed companies. It may be more difficult for investors to realise their investment in a company whose shares are traded on AIM, than to realise an investment in a company whose shares are quoted on the Official List. The share price of publicly traded, early stage companies can be highly volatile. The price at which the Ordinary Shares will be traded and the price at which investors may realise these investments will be influenced by a large number of factors; some specific to the Company and its operations, and some which may affect quoted companies generally.

The value of Ordinary Shares will be dependent upon the success of the operational activities undertaken by the Company, and prospective investors should be aware that the value of the Ordinary Shares can go down as well as up. Investors may therefore realise less than their original investment or sustain a total loss of their investment.

Furthermore, there is no guarantee that the market price of an Ordinary Share will accurately reflect its underlying value.

Volatility of share price

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, certain of which are beyond the Company's control, these include:

- variations in operating results;
- announcements of innovations or new services by the Company or its competitors;
- changes in financial estimates and recommendations by securities analysts;
- the share price performance of other companies that investors may deem comparable to the Company;
- news reports relating to trends in the Company's markets;
- large purchases or sales of Ordinary Shares;
- liquidity (or absence of liquidity) in the Ordinary Shares;
- currency fluctuations;
- legislative or regulatory changes; and
- general economic conditions.

These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Company's performance.

Future sales of Ordinary Shares could adversely affect the price of the Ordinary Shares

Certain Shareholders have given lock-in undertakings that, save in certain circumstances, they will not, until twelve months following Admission, dispose of the legal or beneficial ownership of, or any other interest in, Ordinary Shares held by them. There can be no assurance that such parties will not effect transactions upon the expiry of the lock-in or any earlier waiver of the provisions of their lock-in. The sale of a significant number of Ordinary Shares in the public market, or the perception that such sales may occur, could materially adversely affect the market price of the Ordinary Shares.

Other Shareholders not subject to lock-in arrangements and, following the expiry of twelve months following Admission (or earlier in the event of a waiver of the provisions of the lock-in), Shareholders who are otherwise subject to lock-in arrangements, may sell their Ordinary Shares in the public or private market and the Company may undertake a public or private offering of Ordinary Shares. The Company cannot predict what effect, if any, future sales of Ordinary Shares will have on the market price of the Ordinary Shares. If Shareholders were to sell, or the Company was to issue a substantial number of Ordinary Shares in the public market, the market price of the Ordinary Shares could be materially adversely affected. Sales by Shareholders could also make it

more difficult for the Company to sell equity securities in the future at a time and price that it deems appropriate.

Dilution of Shareholders' interests as a result of additional equity fundraising

The Company may need to raise additional funds in the future to finance, amongst other things, working capital and expansion of the business in line with its longer term strategy. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution. The Company may also issue shares as consideration shares on acquisitions or investments which would also dilute Shareholders' respective shareholdings.

Dividends

The Company has not paid dividends to date and the nature of the Company's business means that it is unlikely that the Directors will recommend a dividend in the early years following Admission. There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Shareholders or, in the case of interim dividends to the discretion of the Directors, and will depend upon, amongst other things, the Company's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time.

There can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

Taxation

Part V of this Document contains a summary of current UK tax legislation, practice and concession and interpretation thereof. Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders or alter post tax returns to Shareholders. Furthermore, any change in the rates, manner or interpretation of taxation in overseas jurisdictions including any country in which the Company operates and to which members of a future group structure may be subject, may have an adverse effect on the Company's financial performance.

Statements in this document concerning the taxation of investors in Ordinary Shares are based on current tax law and practice which is subject to change.

Forward looking statements

This document contains forward-looking statements that involve risks and uncertainties. The Company's results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Company, which are described above and elsewhere in the document. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

The specific and general risk factors detailed above do not include those risks associated with the Company which are unknown to the Directors.

Although the Directors will seek to minimise the impact of the Risk Factors, investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult an investment adviser authorised under FSMA who specialises in investments of this nature before making any decision to invest.

PART III

FINANCIAL INFORMATION

Part III of this Document contains:

- Section A: accountants' report on the historical financial information of the Company
- Section B: historical financial information of the Company
- Section C: accountants' report on the historical financial information of 4basebio S.L.U.
- Section D: historical financial information of 4basebio S.L.U.
- Section E: accountants' report on the historical financial information of 4basebio UK Limited
- Section F: historical financial information of 4basebio UK Limited
- Section G: unaudited interim financial information of the Company
- Section H: unaudited interim financial information of 4basebio S.L.U.
- Section I: unaudited interim financial information of 4basebio UK Limited

PART III

SECTION A: ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

Crowe U.K. LLP
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12 February 2021

The Directors
4basebio UK Societas
25 Norman Way
Over
Cambridge CB24 5QE

Cairn Financial Advisers LLP
Cheyne House
62-63 Crown Ct
Cheapside
London EC2V 6AX

Dear Sirs,

Introduction

We report on the audited historical financial information of the Company as set out in this section of the Admission document dated 12 February 2021 (the "Document"). The historical financial information of the Company has been prepared for inclusion in the Document on the basis of preparation and accounting policies set out in note 2 to the historical financial information of the Company.

Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the historical financial information of the Company in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("IFRS").

It is our responsibility to form an opinion on the historical financial information of the Company as to whether it gives a true and fair view, for the purposes of the Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Document.

Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the historical financial information of the Company. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information underlying the historical financial information of the Company and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the historical financial information of the Company is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the historical financial information of the Company gives, for the purposes of the Document, a true and fair view of the state of affairs of the Company as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 2 to the historical financial information of the Company and IFRS.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully,

Crowe U.K. LLP
Chartered Accountants

SECTION B: HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

STATEMENT OF FINANCIAL POSITION

The statement of financial position of the Company as at 31 December 2019 is set out below:

	Note	Audited As at 31 December 2019 €
Current Assets		
Cash		30,000
Unpaid share capital		90,000
NET ASSETS		**120,000**
Capital and reserves		
Share Capital	4	120,000
Profit and loss reserve		—
SHAREHOLDERS FUNDS		**120,000**

STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income of the Company for the period from incorporation on 8 October 2019 to 31 December 2019 is stated below:

	Note	Audited Period ended 31 December 2019 €
Total comprehensive income attributable to equity owner		—
Earnings per share	3	
Basic and diluted (€ per share)		—

STATEMENT OF CHANGES IN EQUITY

The statement of changes in equity of the Company for period from incorporation on 8 October 2019 to 31 December 2019 is set out below:

	Audited Period ended 31 December 2019 €
On incorporation*	120,000
Result for the period	—
As at 31 December 2019	**120,000**

The share capital comprises the ordinary issued share capital of the Company. Issued share capital was 120,000 shares at €1 each.

STATEMENT OF CASH FLOWS

The statement of cash flows of the Company for the period from incorporation on 8 October 2019 to 31 December 2019 is as follows:

	Audited Period ended 31 December 2019 €
Financing activities	
Proceeds from issue of share capital	30,000
Net cash from financing activities	**30,000**
Net increase in cash and cash equivalents	**30,000**
Cash and cash equivalents at end of the period	**30,000**

Notes to the Financial Information

1. General Information

4basebio UK Societas (the "Company") was incorporated in Germany on 8 October 2019 as a private limited company. Its registered office is located at 25 Norman Way, Over, Cambridge, CB24 5QE. The primary activity of the Company is that of scientific and technical activities.

2. Accounting Policies

Basis of preparation

This financial information of the Company has been prepared on a historical basis as varied by the use of fair value in accordance with IFRS, international accounting standards in conformity with the requirements of the Companies Act 2006 ("IFRS").

The financial information of the Company is presented in Euros, being the functional and presentation currency of the Company.

Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following critical judgements have been made by the directors.

Going concern

The Company has not yet recorded any revenues. Management prepares detailed working capital forecasts which are reviewed by the Board on a regular basis. Cash flow forecasts and projections take into account sensitivities on receipts, and costs. Having made relevant and appropriate enquiries, including consideration of the Company's current cash resources and the working capital forecasts, the Directors have a reasonable expectation that the Company will have adequate cash resources to continue to meet the requirements of the business for at least the next twelve months. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

3. Earnings per share

The calculation for earnings per share (basic and diluted) for the relevant period is based on the profit after income tax attributable to equity holder for the period from incorporation on 8 October 2019 to 31 December 2019 and is as follows:

Profit attributable to equity holders (€)	—
Weighted average number of shares	120,000
Earnings per share (€)	—

4. Share capital

On incorporation, the Company issued 120,000 ordinary shares with no par value for total consideration of €120,000.

5. Ultimate controlling party

As at 31 December 2019, the ultimate controlling party of 4basebio UK Societas (formerly 4basebio SE, previously Atrium 180. Europäische VV SE) was FORIS Gründungs GmbH. The Company was acquired by 4bb AG on 20 August 2020. The ultimate controlling party of the Company is 4bb AG, a German company listed on the Prime Standard segment of the Frankfurt Stock Exchange.

6. Significant events after the balance sheet date

On 21 August 2020, the outstanding amount of €90,000 on issued capital was paid up. On 3 November 2020, 4basebio UK Societas issued 3,575,242 ordinary shares to 4bb AG in consideration for cash received of €4,361,795.24. The Company acquired the entire share capital of 4basebio Limited and 4basebio S.L.U. from 4bb AG on 8 December 2020 for consideration of 8,622,231 ordinary shares in the Company issued to the shareholders of 4bb AG in a ratio of one share for every six 4bb AG shares held.

7. Nature of financial Information

The financial information presented above does not constitute statutory accounts for the period ended 31 December 2019.

PART III

SECTION C: ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF 4BASEBIO S.L.U.

Crowe U.K. LLP
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12 February 2021

The Directors
4basebio UK Societas
25 Norman Way
Over
Cambridge CB24 5QE

Cairn Financial Advisers LLP
Cheyne House
62-63 Crown Ct
Cheapside
London EC2V 6AX

Dear Sirs,

Introduction

We report on the audited historical financial information of 4basebio S.L.U. as set out in this section of the Admission document dated 12 February 2021 (the "Document"). The historical financial information has been prepared for inclusion in the Document on the basis of preparation and accounting policies set out in note 2 to the historical financial information of the 4basebio S.L.U.

Responsibilities

The directors of 4basebio UK Societas (the "Directors") are responsible for preparing the historical financial information of 4basebio S.L.U. in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("IFRS").

It is our responsibility to form an opinion on the historical financial information of 4basebio S.L.U. as to whether it gives a true and fair view, for the purposes of the Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Document.

Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the historical financial information of 4basebio S.L.U. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information underlying the historical financial information of 4basebio S.L.U. and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the historical financial information of 4basebio S.L.U. is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the historical financial information of 4basebio S.L.U. gives, for the purposes of the Document, a true and fair view of the state of affairs of 4basebio S.L.U. as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 2 to the historical financial information of 4basebio S.L.U. and IFRS.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully,

Crowe U.K. LLP
Chartered Accountants

SECTION D: HISTORICAL FINANCIAL INFORMATION OF 4BASEBIO S.L.U.

Statement of comprehensive income

The audited statements of comprehensive income of the 4basebio S.L.U. for the three years ended 31 December 2019 are set out below:

		1 January to 31 December		
(in €'000)	**Note**	**2017**	**2018**	**2019**
Continuing operations				
Revenues	1	421	340	230
Cost of sales	2	(270)	(274)	(263)
Gross profit		**152**	**66**	**(32)**
Sales and distribution costs	2	(222)	(227)	(134)
General and administrative expenses	2	(672)	(285)	(270)
Research and non-capitalised development costs	3	(500)	(479)	(290)
Other operating expenses	4	(19)	(1)	(13)
Other operating income	5	101	96	259
Operating result		**(1,161)**	**(830)**	**(481)**
Finance income	6	11	18	—
Finance costs	6	(134)	(152)	(125)
Financial result		**(123)**	**(133)**	**(124)**
Loss before tax		**(1,284)**	**(963)**	**(603)**
Income tax	7	130	17	121
Loss after tax		**(1,154)**	**(945)**	**(483)**
Earnings per share	8	(0.15)	(0.13)	(0.06)
Total comprehensive income		**(1,154)**	**(945)**	**(483)**

Statement of financial position

The audited statements of financial position of the 4basebio S.L.U. as at 31 December 2017, 2018 and 2019 are set out below:

		31 December		
(in €'000)	**Note**	**2017**	**2018**	**2019**
Assets				
Other intangible assets	10	788	577	530
Property, plant and equipment	11	80	56	41
Other non-current assets	14	34	34	34
Non-current assets		**902**	**667**	**605**
Inventory	12	209	134	120
Trade receivables	13	371	277	91
Other current assets	14	180	274	449
Cash and cash equivalents	15	497	76	94
Current assets		**1,258**	**762**	**754**
Total assets		**2,159**	**1,429**	**1,359**
Equity and liabilities				
Issued capital	16	7,485	7,485	7,485
Capital reserves	16	1,160	1,595	1,595
Accumulated loss		(9,876)	(10,821)	(11,304)
Equity		**(1,231)**	**(1,741)**	**(2,224)**
Financial liabilities	17	1,923	1,872	2,520
Other non-current liabilities	18	474	494	396
Non-current liabilities		**2,397**	**2,366**	**2,916**
Financial liabilities	17	474	449	525
Trade payables	19	479	306	119
Other current liabilities	18	40	49	22
Current liabilities		**993**	**804**	**666**
Total equity and liabilities		**2,159**	**1,429**	**1,359**

Statement of changes in equity

The audited statements of changes in equity of the 4basebio S.L.U. for the three years ended 31 December 2019 are set out below:

(in €'000)	Issued capital	Capital reserves	Accumulated loss	Total equity
For the period from 1 January to 31 December 2017				
1 January 2017	**7,485**	**600**	**(8,721)**	**(636)**
Result for the period	–	–	(1,154)	**(1,154)**
Capital contribution	–	560	–	**560**
31 December 2017	**7,485**	**1,160**	**(9,876)**	**(1,231)**
For the period from 1 January to 31 December 2018				
1 January 2018	**7,485**	**1,160**	**(9,876)**	**(1,231)**
Result for the period	–	–	(945)	**(945)**
Capital contribution	–	435	–	**435**
31 December 2018	**7,485**	**1,595**	**(10,821)**	**(1,741)**
For the period from 1 January to 31 December 2019				
1 January 2019	**7,485**	**1,595**	**(10,821)**	**(1,741)**
Result for the period	–	–	(483)	**(483)**
31 December 2019	**7,485**	**1,595**	**(11,304)**	**(2,224)**

For further information on the composition of equity see Note 16 in the notes to the financial statements.

Statement of cash flows

The audited statements of cash flows of the 4basebio S.L.U. for the three years ended 31 December 2019 are set out below:

	1 January to 31 December		
(in €'000)	**2017**	**2018**	**2019**
Net result for the period	**(1,154)**	**(945)**	**(483)**
Tax credit	(130)	(17)	(121)
Tax receipt	130	17	—
Interest charge	123	133	119
Depreciation of property, plant and equipment and amortisation of intangible assets	300	301	280
Change in operating assets and liabilities:			
Trade receivables and other current assets	20	94	132
Trade payables	256	(165)	(190)
Inventories	(119)	75	15
Other liabilities	95	20	(121)
IFRS 16 – depreciation	–	–	49
Cash flows from operating activities	**(478)**	**(487)**	**(319)**
Investments in property, plant and equipment and intangible assets	(78)	(66)	(218)
Cash flows from investing activities	**(78)**	**(66)**	**(218)**
Cash in(out)flow due to changes in current financial liabilities (see note D)	116	(76)	717
Cash on deposit held as security against public loans	(92)	(94)	–
Interest paid	(123)	(133)	(119)
Capital increase by way of cash contribution	560	435	–
IFRS 16 – lease payments			(43)
Cash flows from financing activities	**461**	**132**	**555**
Net change in cash and cash equivalents	(96)	(421)	18
Cash and cash equivalents at the beginning of the period	**593**	**497**	**76**
Cash and cash equivalents at the end of the period	**497**	**76**	**94**

Notes to the historical financial information

Reporting entity

4basebio S.L.U. (formerly Expedeon S.L.U.; previously also Sygnis Biotech S.L.U. and X-Pol Biotech SL) is a company incorporated under Spanish law, registered at Calle Faraday 7, Cantoblanco, 28049, Madrid, Spain.

Business activities

The principal activity of 4basebio S.L.U. is research and development activities focused on synthetic DNA production, the manufacture of enzymes associated with this process and the sale of genomics kits for research purposes.

Basis of preparation

The historical financial information information of 4basebio S.L.U. for the three years ending on 31 December 2017, 2018 and 2019 has been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("IFRS"). This financial information has been prepared and approved by the directors in accordance with IFRS.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in this financial information. The historical financial information has been prepared on the basis of IFRS consistently throughout all periods.

The historical financial information has been prepared on the going concern basis, which assumes 4basebio S.L.U. will continue to meet its liabilities as they fall due for the foreseeable future, based on detailed financial projections, prepared by the Directors

The presentational currency and functional currency of the financial information of 4basebio S.L.U. is the euro (EUR, €). Unless otherwise indicated, all amounts are stated in thousands of euros (€'000). For calculation-related reasons, rounding differences of +/- one unit (€'000, % etc.) may occur in the information presented in these financial statements.

A. Significant accounting and valuation methods applied

Current and non-current classifications

The presentation in the statement of financial position distinguishes between current and non-current assets and liabilities. Assets and liabilities are classified as current if they are due within one year.

Revenues

Revenue from sale of goods and services is recognised at the point that control of the goods or services is transferred to the customer. With revenue from the sale of goods such as kits and enzymes this is generally the point of shipping.

Revenue from licences and royalties is recognised at the point that the customer utilises the goods or services, confirmed via sales reports received from licensees. Recognition amount is the amount of the consideration that 4basebio S.L.U. will likely receive in exchange for these goods or services. The usual payment period is 30 days from delivery. 4basebio S.L.U. has concluded that it acts as a principal in its sales transactions, as 4basebio S.L.U. usually has control over the goods or services before they are transferred to the customer.

Government grants

Public loans received by 4basebio S.L.U. carry either a minimal or nil interest rate, and are hence also referred to as soft loans. The benefit accruing to 4basebio S.L.U. from low interest loans has been accounted for as grant income. The fair value of loans received has been calculated on the basis of an arm's length rate of interest of 4%, with imputed interest charges being recognised over the period of the loans.

The consequential difference between funds received and the underlying fair value of the loans has been recognised as deferred grant income within financial liabilities. This benefit is amortised over the life of each loan giving rise to grant income recorded in other operating income.

Income taxes

Income taxes comprise both current taxes on income and earnings and deferred taxes.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The calculation of the amount is based on the tax rates and tax laws that apply or will shortly apply on the reporting date. Management regularly assesses individual tax matters to determine whether there is room for interpretation in light of applicable tax regulations. Provisions for taxes are set up in cases where it is probable that amounts recognised in the tax returns cannot be realised (uncertain tax positions). The amount is determined by the best possible estimate of the expected tax payment (expected value or most probable value of the tax uncertainty).

Deferred taxes are recognised using the liability method for existing temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base at the balance sheet date. Deferred tax assets and liabilities are measured using the tax rates expected to apply in the period in which an asset is realised or a liability settled. Changes in deferred tax assets and deferred tax liabilities are generally reflected in deferred taxes in the income statement. Unrecognised deferred tax assets are reviewed on each balance sheet date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Value added tax

Receivables and liabilities are recognised in the statement of financial position together with the amount of value added tax included therein. Expenses and assets are recognised net of value added tax.

Intangible assets

Intangible assets are generally recognised initially at cost. With the exception of capitalised development costs and internally generated patents, no internally generated intangible assets are recognised in the statement of financial position. Instead, the corresponding expenses are recognised as expenses in the income statement in the period in which they were incurred. Development costs are only capitalised as intangible assets if the 4basebio S.L.U. can demonstrate that the specific recognition criteria according to IAS 38.57 are met. Research and non-capitalisable development costs are recorded as expenses in the period in which they are incurred and reported in a separate line in the income statement ("Research and non-capitalised development costs").

For the purposes of subsequent measurement of intangible assets, the financial statements only contain intangible assets with a definite useful life. These are amortised over their useful economic life and tested for possible impairment if there are indications that the intangible asset may be impaired. In the case of capitalised development costs, amortisation begins upon completion of the development phase and from the point at which the asset can be used. During the development phase, an annual impairment test is carried out. Amortisation is recognised for capitalised development costs within cost of sales and for all other intangible assets within the expense category that corresponds to the function of the intangible. Depreciation periods and methods are reviewed at least at the end of each reporting period. If changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in an intangible asset necessitate changes in the amortisation method or amortisation period, these changes are treated as changes in accounting estimates and recognised prospectively in profit or loss for the period.

An intangible asset is derecognised either upon disposal or when no further economic benefit is expected from the continued use or sale of the recognised asset. Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period in which the intangible asset is derecognised.

The accounting and valuation methods applied to the intangible assets of 4basebio S.L.U. are summarised as follows:

	Licences	Patents	Capitalised development costs
Useful life	Finite	Finite	Finite
Amortisation method	Amortised on a straight-line basis over the term of the licence	Amortised on a straight-line basis over the term of the patent	Amortised on a straight-line basis over the period of expected future sales from the related project
Type of access	Acquired	Acquired / Internally generated	Internally generated

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of replacing part of an item of property, plant and equipment and borrowing costs for long-term construction projects, provided the recognition criteria are met. If significant parts of property, plant and equipment have to be replaced at regular intervals, 4basebio S.L.U. depreciates them separately based on their respective useful lives. Scheduled straight-line depreciation is based on the following useful lives of the assets:

- Office furniture and equipment: 4 to 10 years
- Laboratory equipment: 3 to 10 years

Property, plant and equipment are derecognised either upon disposal or when no further economic benefit is expected from the continued use or sale of the recognised asset. Gains or losses arising from derecognition of the asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement in the period in which the asset is derecognised. The residual values, useful economic lives and depreciation methods of classes of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively if needed.

Leases

4basebio S.L.U. adopted IFRS 16 *Leases* for the first time for the year commencing 1 January 2019, in accordance with the transition provisions in IFRS 16 the modified retrospective approach has been followed by 4basebio S.L.U. On adoption 4basebio S.L.U. recognised lease liabilities and right of use assets in relation to leases that were previously classified as operating leases under the provisions of IAS 17.

According to IFRS 16 a lease is an agreement whereby the lessor transfers to the lessee the right to use an asset for an agreed period of time in return for a payment or series of payments. 4basebio S.L.U. only acts as lessee within the framework of leasing agreements. For leasing relationships, 4basebio S.L.U. capitalises a right of use and recognises a corresponding lease liability for all lease payments to be made over the term of the contract. For leased assets of minor value and for short-term leases (less than twelve months) payments are recognised as expenses in the income statement on a straight-line basis.

The cost of the right of use is calculated as the present value of all future lease payments plus any lease payments made at or before the inception of the lease plus the initial direct costs and the estimated costs of dismantling or restoring the leased asset. When measuring the acquisition costs, 4basebio S.L.U. makes use of the option to regard payments for non-lease components as lease payments. Subsequent measurement of right of use assets reported under property, plant and equipment is at cost less accumulated amortisation and accumulated impairment losses. Amortisation of right of use assets is reported by function. As a rule, right of use assets are amortised on a scheduled basis over the term of the lease. Exceptionally, rights of use are amortised over the useful life of the underlying leased asset in those specific circumstances in

which the lease payments to be taken into account also include the transfer of ownership of the underlying asset at the end of the lease term or the exercise of a purchase option is highly probable.

The lease liabilities reported under financial liabilities are initially recognised at the present value of the outstanding lease payments. In subsequent measurement, the carrying amount of the lease liability is increased by the annual interest expense and reduced by the lease payments made. The resulting interest expenses are reported within the financial result ("financial expenses").

Impairment and reversal of impairment of non-current non-financial assets

4basebio S.L.U. determines on each reporting date whether there are any indications of impairment or reversal of impairment of non-current non-financial assets. If such indications exist or if an annual impairment test of an asset is required, 4basebio S.L.U. makes an estimate of the recoverable amount of the asset. The recoverable amount is determined for each individual asset, unless an asset does not generate cash inflows that are largely independent of those from other assets or groups of assets (cash-generating units). If the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount, an impairment loss is recognised for the difference. Impairment losses are generally recognised in the income statement in the expense categories that correspond to the function of the impaired asset in 4basebio S.L.U.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. To determine the value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market expectations regarding the interest effect and the specific risks of the asset. Recent market transactions are taken into account in determining fair value less costs to sell. If no such transactions can be identified, an appropriate valuation model is applied. This is based on valuationmultiples, quoted market prices of exchange-traded shares in companies or other available indicators of fair value.

4basebio S.L.U. bases its impairment assessments on detailed budget and forecast calculations for its single cash-generating unit ("Company"). Such budget and forecast calculations usually cover a detailed planning period of five years. From the sixth year onwards, a long-term growth rate is determined and used to forecast future cash flows.

Cash, cash equivalents and short-term investments and cash on deposit

Cash and cash equivalents comprise cash at hand and deposits with maturities of three months or less. Short-term investments comprise deposits with maturities of more than three months, but no greater than twelve months.

Cash on deposit represents amounts on deposit held directly as security against financial liabilities.

Trade and other payables

Trade and other payables are non-interest bearing and are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method.

Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments recognised as financial assets or financial liabilities are generally reported separately. Financial instruments are recognised as soon as 4basebio S.L.U. becomes a contracting party to the financial instrument. Financial instruments are initially recognised at fair value. For subsequent measurement, the financial instruments are allocated to one of the measurement categories listed in IFRS 9. Transaction costs directly attributable to the acquisition or issue are taken into account in determining the carrying amount if the financial instruments are not measured at fair value through profit or loss.

The financial assets held by 4basebio S.L.U. are predominantly non-derivative financial assets with contractual payments, which consist exclusively of interest and principal payments on the outstanding nominal amount and which are held with the aim of collecting the contractually agreed cash flows ("Hold" business model). Accordingly, these financial assets, which mainly comprise trade receivables and cash and cash equivalents, are allocated to the measurement category "at amortised cost". These are measured at amortised cost using the effective interest method less accumulated impairment losses. Gains and losses are recognised in the income statement when

the financial assets are impaired or derecognised. The interest effects from the application of the effective interest method and effects from currency translation are also recognised in the income statement. The item cash and cash equivalents in the statement of financial position comprises cash on hand, bank balances and short-term deposits with a maturity of less than three months that are subject to an insignificant risk of fluctuations in value. For the purposes of the cash flow statement, cash and cash equivalents comprise the cash and short-term deposits defined above and short-term deposits less utilised overdraft facilities, as these are an integral part of 4basebio S.L.U.'s cash management.

Upon initial recognition, financial liabilities are classified either in the measurement category "at amortised cost" or "at fair value through profit or loss" (FVTPL). A financial liability is classified as FVTPL if it is held for trading, is a derivative or is designated as such upon initial recognition. In addition, liabilities from contingent consideration (earn-out liabilities) recognised as liabilities in the context of business combinations in accordance with IFRS 3 must be classified as FVTPL. Financial liabilities at FVTPL are measured at fair value and net gains or losses, including interest expenses, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. These include in particular trade payables, which are generally non-interest-bearing and due between 30 and 60 days. Interest expenses and foreign currency translation differences are recognised in the income statement. Financial liabilities are derecognised when the obligation underlying a liability is discharged, cancelled or expires. Gains or losses from derecognition are recognised in the result for the period.

Inventories

Inventories are stated at the lower of historical cost or net realisable value. The net realisable value is the estimated selling price less estimated costs of completion and estimated selling expenses. The cost of inventories is generally determined using the individual allocation method and includes the cost of acquisition and the costs incurred in bringing the inventories to their present location and condition. In the case of raw materials and supplies, acquisition or production costs are allocated using the moving average method. In the case of internally generated work in progress and finished goods, the cost of production also includes directly attributable material and production costs as well as appropriate portions of production overheads based on the normal capacity of the production facilities, excluding borrowing costs.

Provisions

Provisions are recognised if 4basebio S.L.U. has a current (legal or *de facto*) obligation as a result of a past event, the outflow of resources with economic benefits to settle the obligation is probable, and a reliable estimate of the amount of the obligation is possible. The amount recognised as a provision represents the best possible estimate of the obligation as of the balance sheet date. If the interest effect resulting from discounting is material, provisions are discounted at a pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in provisions due to the passage of time is recognised as a financial expense. If the recognition criteria for provisions are not met and the possibility of an outflow of cash upon settlement is not unlikely, disclosure is made as a contingent liability. Provisions and contingent liabilities are regularly reviewed and adjusted in the light of new information or changed circumstances. Reimbursement claims (e.g. based on insurance contracts) are only capitalised as a separate asset if the inflow of the reimbursement is virtually certain. In the income statement, the expense resulting from the recognition of a provision as a liability is shown net of reimbursements.

If there is an onerous contract in 4basebio S.L.U., the current contractual obligation is recognised as a provision. An onerous contract is a contract in which the unavoidable costs (i.e. the costs that 4basebio S.L.U. cannot avoid because it has entered into the contract) of fulfilling the contractual obligations exceed the expected economic benefit. The unavoidable costs from a contract reflect the minimum amount of net costs incurred when the contract is terminated. These represent the lower of the cost of settlement and any compensation or penalties resulting from non-performance. However, before a provision for an onerous contract is recognised in the statement of financial position, 4basebio S.L.U. first recognises the impairment loss on assets associated with the contract.

Measurement of fair value

4basebio S.L.U. measures certain financial instruments at fair value on each reporting date. The fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants on the measurement date. In measuring fair value, the transaction involving the sale of the asset or transfer of the liability is assumed to take place either on the the main market for the asset or the liability or, if there is no main market, on the most advantageous market for the asset or the liability.

The fair value of an asset or liability is measured on the basis of the assumptions that market participants would use to price the asset or liability. This is based on the assumption that market participants act in their best economic interest.

4basebio S.L.U. uses valuation techniques that are appropriate in the respective circumstances and for which sufficient data is available to measure the fair value. The use of relevant observable input factors should be kept as high as possible and non-observable input factors as low as possible. All assets and liabilities for which fair value is determined or reported in the financial statements are classified into the measurement hierarchy described below, based on the lowest level input factor that is significant to fair value measurement overall:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques where the lowest level input that is significant to the fair value measurement is observable, directly or indirectly, in the market
- Level 3: Valuation techniques where the lowest level input that is significant to the fair value measurement is not observable in the market.

In the case of assets and liabilities that are recognised in the financial statements on a recurring basis at fair value, 4basebio S.L.U. determines whether reclassifications between levels of the hierarchy have taken place by reviewing the classification (based on the input factor of the lowest level that is material for the fair value measurement overall) at the end of each reporting period.

External valuers are consulted as needed for the valuation of significant assets and significant liabilities, e.g. contingent consideration.

In order to meet the disclosure requirements for the fair values, 4basebio S.L.U. has defined classes of assets and liabilities based on their nature, characteristics and risks as well as the levels of the measurement hierarchy explained above. Information on the fair value of financial instruments that are measured at fair value or for which a fair value is reported is provided in note 19.

Use of estimates and judgements

In the historical financial information, discretionary assumptions and estimates must be made to a limited extent, which have an impact on the recognition, amount and disclosure of the assets and liabilities, income and expenses and contingent liabilities in the statement of financial position. In assessing these discretionary exercises and estimation uncertainties, management is guided by past experience, estimates by experts (lawyers, rating agencies, associations, etc.) and the result of careful consideration of various scenarios. Actual results and developments beyond the control of the director may differ materially from the developments and assumptions expressed. 4basebio S.L.U. therefore continually reviews the estimates and assumptions made. Changes in estimates are recognised in profit or loss at the time of better knowledge. Significant discretionary exercises by management and estimation uncertainties relate in particular to:

- **Development costs (Note 10):** 4basebio S.L.U. capitalises the costs of product development projects if the recognition criteria according to IAS 38.57 are met. The capitalisation of development costs is based on management's assessment that the technical and economic feasibility has been demonstrated. For the purpose of determining the amounts to be capitalised, management makes assumptions about the amount of expected future cash flows from the project, the discount rates to be applied and the timing of inflow of the expected future benefit. As of 31 December 2019 the carrying amount of capitalised development costs amounted to €1,845 thousand (31 December 2018: €1,956 thousand).
- **Measurement of the fair value of financial instruments (Note 19):** If the fair value of recognised financial instruments cannot be measured using quoted prices in active markets they are determined using valuation techniques, including the discounted cash flow method.

The input factors used in the model are based as far as possible on observable market data. If this is not available, the determination of fair values is based to a large extent on management's discretionary decisions. Discretionary decisions relate to input factors such as liquidity risk, default risk and volatility.

B. Notes to the statement of comprehensive income

1. Revenues

Revenue by type

(in €'000)	**2017**	**2018**	**2019**
Revenue from sale of goods	**371**	**267**	**197**
Revenue from licences and royalties	**50**	**73**	**33**
Total revenue	**421**	**340**	**230**

Geographic markets

(in €'000)	**2017**	**2018**	**2019**
Europe	392	289	128
USA	29	51	102
Total revenue	**421**	**340**	**230**

Timing of revenue recognition

(in €'000)	**2017**	**2018**	**2019**
At a point in time	421	340	230
Over a period of time	—	—	—
Total revenue	**421**	**340**	**230**

2. Cost of sales, selling and general administrative expenses

(in €'000)	**2017**	**2018**	**2019**
Cost of sales	**(270)**	**(274)**	**(263)**

(in €'000)	**2017**	**2018**	**2019**
Staff costs	(182)	(201)	(114)
Royalties expense	(21)	(17)	(9)
Other	(19)	(9)	(10)
Sales and distribution costs	**(222)**	**(227)**	**(134)**

(in €'000)	2017	2018	2019
Staff costs	(130)	(53)	(61)
Severance costs	(186)	—	—
Management recharge	(152)	(48)	(54)
Legal consulting costs	(39)	(25)	(16)
Audit and tax costs	(58)	(44)	(44)
Other occupancy costs	(50)	(39)	(49)
Depreciation of property, plant and equipment and amortisation of intangible assets	(14)	(11)	(10)
Introduction of IFRS 9	—	(12)	—
Introduction of IFRS 16	—	—	(1)
Other	(43)	(52)	(36)
General and administrative expenses	**(672)**	**(285)**	**(270)**

3. Research and non-capitalised development costs

Research and non-capitalised development costs for the 2019 financial year amount to €290 thousand (2018: €479 thousand; 2017: €770 thousand). Amortisation of capitalised development costs amounting to €263 thousand (2018: €274 thousand; 2017: €270 thousand) is included in cost of sales (Note 2). Research and development costs consist of:

(in €'000)	2017	2018	2019
Total research and development expendtiure	(560)	(529)	(495)
Development expenditure capitalised under IAS 38	60	50	206
Research and development costs	**(500)**	**(479)**	**(290)**

4. Other operating expenses

(in €'000)	2017	2018	2019
Loss on disposal	—	(1)	(6)
Impairment of fixed asset held	(19)	—	—
Other	—	—	(6)
Other operating expenses	**(19)**	**(1)**	**(13)**

5. Other operating income

(in €'000)	2017	2018	2019
Government grants	100	96	116
Profit on disposal	1	—	—
Intercompany recharge	—	—	125
Reversal of provision	—	—	11
Other	—	1	8
Other operating income	**101**	**96**	**259**

6. Financial result

(in €'000)	2017	2018	2019
Interest and similar income	11	18	—
Finance income	**11**	**18**	**—**
Interest expense on loans	(134)	(152)	(119)
IFRS 16	—	—	(6)
Finance expenses	**(134)**	**(152)**	**(125)**
Financial result	**(123)**	**(133)**	**(124)**

7. Income taxes

(in €'000)	2017	2018	2019
Current tax expense	**—**	**—**	**—**
Current tax income	**130**	**17**	**121**
Deferred tax expense (-) or income (+)	**—**	**—**	**—**
Total tax expense (-) or income (+)	**130**	**17**	**121**

The tax credit for the year can be reconciled to the Statement of Comprehensive Income as follows:

(in €'000)	2017	2018	2019
Loss on ordinary activities before taxation	**(1,284)**	**(963)**	**(603)**
Tax at 25% (2018: 25%, 2017: 25%)	(321)	(241)	(151)
Permanent timing differences	1	1	2
Tax losses carried forward but not recognised	320	240	149
R&D tax credit	130	17	121
Tax as per the statement of comprehensive income	**130**	**17**	**121**

The net result for each period is a loss, therefore taxable income is nil. Tax credits are recognised as income.

Tax losses carried forward stand at €10,282 thousand as at 31 December 2019 (31 December 2018: €9,510 thousand; 31 December 2017: €8,816 thousand). These losses are based on statutory tax losses before IFRS adjustments.

A deferred tax asset of €1,206 thousand as at 31 December 2019 (31 December 2018: €1,206 thousand; 31 December 2017: €1,206 thousand) has not been recognised in respect of these losses on the grounds that there is uncertainty over the ability to utilise these deferred tax assets.

8. Earnings per share

	2017	2018	2019
Numerator (in €'000)			
Result for the period	(1,154)	(945)	(483)
Denominator (number of shares)			
Weighted average number of ordinary shares	7,485	7,485	7,485
Earnings per share	**(0.15)**	**(0.13)**	**(0.06)**

9. Additional information on expense categories

Staff costs and headcount

(in €'000)	**2017**	**2018**	**2019**
Salaries	(494)	(417)	(400)
Social security	(118)	(96)	(104)
Severance pay	(186)	—	—
Staff costs	**(798)**	**(513)**	**(505)**

Average FTE headcount by function	**2017**	**2018**	**2019**
Sales and marketing	2.0	1.0	1.0
GF&A	2.0	2.0	2.0
R&D	6.0	6.0	6.8
Total	**10.0**	**9.0**	**9.8**

Depreciation, amortisation, and impairment

(in €'000)	**2017**	**2018**	**2019**
Amortisation	(273)	(86)	(461)
Depreciation	(30)	(26)	(18)
Impairment of tangible assets	(19)	—	—
Total depreciation, amortisation, and impairment	**(323)**	**(112)**	**(479)**

C. Notes to the statement of financial position

10. Intangible assets

(in €'000)	Development costs	Software and other licences	Total
Cost or acquisition value			
01.01.2017	**1,371**	**68**	**1,439**
Additions	60	10	**69**
Disposals	—	—	**—**
31.12.2017	**1,431**	**77**	**1,508**
01.01.2018	**1,431**	**77**	**1,508**
Additions	50	18	**68**
Disposals	—	**—**	**—**
31.12.2018	**1,481**	**95**	**1,576**
01.01.2019	**1,481**	**95**	**1,576**
Additions	206	22	**228**
Disposals	—	(15)	**(15)**
31.12.2019	**1,687**	**102**	**1,789**
Cumulative amortisation and impairment			
01.01.2017	**431**	**16**	**447**
Amortisation	270	4	**273**
Disposals	—	—	**—**
31.12.2017	**701**	**20**	**720**
01.01.2018	**701**	**20**	**720**
Amortisation	274	5	**279**
Disposals	—	—	**—**
31.12.2018	**975**	**24**	**999**
01.01.2019	**975**	**24**	**999**
Amortisation	263	6	**268**
Disposals	—	(9)	**(9)**
31.12.2019	**1,237**	**22**	**1,259**
Net book value			
31.12.2017	**730**	**58**	**788**
31.12.2018	**506**	**71**	**577**
31.12.2019	**449**	**81**	**530**

Development costs

The development costs relate to development work undertaken in relation to enzyme formulation and application.

11. Property, plant and equipment

(in €'000)	Plant and machinery	Other operating equipment	Total
Cost or acquisition value			
01.01.2017	**221**	**94**	**315**
Additions	8	4	**12**
Disposals	—	(30)	**(30)**
31.12.2017	**229**	**68**	**297**
01.01.2018	**229**	**68**	**297**
Additions	3	—	**3**
Disposals	(5)	(11)	**(16)**
31.12.2018	**227**	**57**	**284**
01.01.2019	**227**	**57**	**284**
Additions	2	1	**3**
Disposals	—	—	**—**
31.12.2019	**228**	**58**	**286**
Cumulative amortisation and impairment			
01.01.2017	**147**	**50**	**197**
Depreciation	20	10	**30**
Impairment	—	—	**—**
Disposals	—	**(11)**	**(11)**
31.12.2017	**167**	**49**	**216**
01.01.2018	**167**	**49**	**216**
Depreciation	19	7	**26**
Impairment	—	—	**—**
Disposals	(5)	(10)	**(15)**
31.12.2018	**182**	**46**	**228**
01.01.2019	**182**	**46**	**228**
Depreciation	14	4	18
Impairment	—	—	—
Disposals	—	—	—
31.12.2019	**196**	**50**	**246**
Net book value			
31.12.2017	**62**	**19**	**80**
31.12.2018	**45**	**11**	**56**
31.12.2019	**32**	**8**	**41**

12. Inventories

(in €'000)	31.12.2017	31.12.2018	31.12.2019
Raw materials	23	18	40
Finished goods	186	116	80
Inventories	**209**	**134**	**120**

The amount of inventory recognised as an expense for the year was €15 thousand (31 December 2018: €75 thousand and 31 December 2017: €93 thousand.

13. Trade receivables

(in €'000)	31.12.2017	31.12.2018	31.12.2019
Third party trade receivables	270	189	40
Intercompany trade receivables	101	88	52
Trade receivables	**371**	**277**	**91**

Trade receivables do not bear interest and generally fall due within 30 to 90 days.

Expected credit loss provision was introduced on 1 January 2018, the implementation date of IFRS 9. See also Note 19 for details on the expected credit loss provision and trade receivables net book value.

Expected credit loss provision (in €'000)	2017	2018	2019
Impairment as at 1 January	N/A	N/A	13
Movement in provision	N/A	13	(11)
Impairment as at 31 December	**N/A**	**13**	**2**

14. Other assets

(in €'000)	31.12.2017	31.12.2018	31.12.2019
Cash on deposit	178	271	271
Income tax receivable	—	—	121
Usage rights from leases (IFRS 16)	—	—	51
Other	3	3	6
Other current assets	**180**	**274**	**449**
Deposit	34	34	34
Other non-current assets	**34**	**34**	**34**

Usage rights from leases

(in €'000)	Land and buildings	Total
31.12.2019		
Acquisition cost – introduction of IFRS 16	88	**88**
of which additions (FY 2019)	—	**—**
Depreciation (FY 2019)	(37)	**(37)**
Net book value	**51**	**51**

15. Cash and cash equivalents

(in €'000)	31.12.2017	31.12.2018	31.12.2019
Bank balances and cash in hand	497	76	94
Cash and cash equivalents	**497**	**76**	**94**

Bank balances bear interest at variable rates for daily callable deposits.

16. Equity

The share capital of 4basebio S.L.U. as of 31 December 2019 amounts to a total of €7,484,975 (31 December 2018: €7,484,975; 31 December 2017: €7,484,975), divided into 7,484,975 (31 December 2018: 7,484,975; 31 December 2017: 7,484,975) no-par value bearer shares. These are all registered ordinary shares without exception. There are no shares with special rights or other restrictions on voting rights.

In 2017 4bb AG, the parent company, made a capital contribution of €560,000, which went to the capital reserve. In 2018 4bb AG made a capital contribution of €435,000, which went to the capital reserve. The closing capital reserve as of 31 December 2019 amounts to €1,594,999 (31 December 2018: €1,594,999; 31 December 2017: €1,159,999).

17. Financial liabilities

	31.12.2017			31.12.2018		
(in €'000)	Current	Non-current	Total	Current	Non-current	Total
Soft loans	474	1,923	**2,397**	449	1,872	**2,322**
Intercompany loans	—	—	**—**	—	—	**—**
Lease liability (IFRS 16)	—	—	**—**	—	—	**—**
Financial liabilities	**474**	**1,923**	**2,397**	**449**	**1,872**	**2,322**

	31.12.2019		
(in €'000)	Current	Non-current	Total
Soft loans	329	1,661	**1,990**
Intercompany loans	138	860	**998**
Lease liability (IFRS 16)	57	—	**57**
Financial liabilities	**525**	**2,520**	**3,045**

Soft loans are public low interest loans. See Section A for accounting policies on soft loans. See Note 19 for undiscounted schedule of repayments. The final repayments are scheduled for 2028.

18. Other liabilities

(in €'000)	31.12.2017	31.12.2018	31.12.2019
Provision for debtors	4	—	—
Expected credit loss provision	—	13	2
Audit provision	16	19	11
Provision for royalties	20	17	9
Other current liabilities	**40**	**49**	**22**
Grant income not yet recognised	474	494	396
Other non-current liabilities	**474**	**494**	**396**

Provisions on trade receivables

With the implementation of IFRS 9 on 1 January 2018, the provision for creditors was replaced with the expected credit loss provision, see Note 13.

D. Notes to the statement of cash flows

Changes in financial liabilities for which cash flows have been or will be presented in the cash flow statement as cash flows from financing activities

	Financial year 2017		Financial year 2018		Financial year 2019	
(in €'000)	short-term interest-bearing loans	non-current interest-bearing loans	short-term interest-bearing loans	non-current interest-bearing loans	short-term interest-bearing loans	non-current interest-bearing loans
1 January	**386**	**1,895**	**474**	**1,923**	**449**	**1,872**
Loans received	—	116	—	—	—	1,048
Loans repaid	—	—	—	(76)	(332)	—
IFRS 16	—	—	—	—	7	—
Reclassification	88	(88)	(25)	25	401	(401)
31 December	**474**	**1,923**	**449**	**1,872**	**525**	**2,520**

The loans received in the year ended 31 December 2019 related to monies received from related parties. €138,387 was received from the parent company, 4bb AG (then Expedeon AG), and €859,862 was received from Expedeon Ltd, which throughout 2019 and as of 31 December 2019 was another subsidiary of 4bb AG. The interest rate on these loans was set at 1% per annum and the loan with Expedeon Ltd was settled early on 1 January 2020 as Expedeon Ltd left the 4bb AG group on this date.

The loans repaid in the year ended 31 December 2019 related to soft loans.

The loans received and repaid in the years ended 31 December 2017 and 2018 related to soft loans.

E. Other explanatory notes

19. Additional information on financial instruments

Financial risks

The financial liabilities of 4basebio S.L.U. consist primarily of soft loans, intercompany loans and trade payables. The main purpose of these financial liabilities is to finance the business activities of 4basebio S.L.U. The financial assets of 4basebio S.L.U. essentially consist of trade receivables, cash and cash equivalents, and short-term deposits that result directly from its business activities.

4basebio S.L.U. is exposed to various financial risks in the course of its business activities. These include default, liquidity and market risks. The management of these risks is the responsibility of the management of 4basebio S.L.U.

Default risks

Default risk is the risk that a business partner fails to meet its obligations under a financial instrument or customer contract and this leads to a financial loss. 4basebio S.L.U. is exposed to default risks in the course of its operating activities (in particular with regard to trade receivables) as well as risks in the course of its financing activities, including those from deposits with banks and financial institutions, foreign exchange transactions, and other financial instruments. On the basis of the positive experience to date, 4basebio S.L.U. estimates the probability of occurrence to be medium, but the financial impact to be extremely low.

The default risk from receivables from customers is managed by the respective business units based on the guidelines, procedures and controls of 4basebio S.L.U. for default risk management for customers. Outstanding receivables from customers and contract assets are monitored regularly.

The need for impairment is analysed at each balance sheet date using an impairment matrix to determine the expected credit losses. The impairment rates are determined on the basis of the number of days past due for various customer segments (grouped together according to criteria such as geographic region, product type, customer type, and credit rating) with similar default patterns. The calculation includes the probability-weighted result, taking into account the interest effect as well as appropriate and reliable information on past events, current circumstances and expected future economic conditions available at the balance sheet date. Trade receivables are generally impaired if they are more than one year overdue and not subject to enforcement action.

The maximum default risk at the balance sheet date corresponds to the carrying amount of each class of financial assets reported. 4basebio S.L.U. holds no collateral.

4basebio S.L.U. assesses the risk concentration in trade receivables and contract assets as moderate, as its customers are also moderately concentrated in the USA and Europe.

Information on the credit risk of trade receivables and contract assets of 4basebio S.L.U. using an impairment matrix is shown below:

Impairment matrix (simplified approach)	**Trade receivables**					
(in €'000)	**31.12.2018**	**Not overdue**	**< 30 days overdue**	**30 to 60 days overdue**	**61 to 90 days overdue**	**> 90 days overdue**
Expected credit loss rate		0.21%	0.03%	0.03%	2.04%	35.26%
Net book value	**277**	—	73	153	15	37
Expected credit loss	**13**	—	—	—	—	13

Impairment matrix (simplified approach)	**Trade receivables**					
(in €'000)	**31.12.2019**	**Not overdue**	**< 30 days overdue**	**30 to 60 days overdue**	**61 to 90 days overdue**	**> 90 days overdue**
Expected credit loss rate		0.03%	0.03%	0.03%	2.00%	18.93%
Net book value	**91**	22	18	2	42	7
Expected credit loss	**2**	—	—	—	1	1

Liquidity risk

4basebio S.L.U. monitors the risk of a possible liquidity bottleneck using regular budget and planning measures. The aim of 4basebio S.L.U. is to ensure adequate liquidity in order to bridge short-term liquidity bottlenecks.

The following table shows the financial liabilities by maturity class based on the remaining time to maturity at the respective balance sheet date. A reconciliation of the amounts shown in the statement of financial position is not possible, as the table shows non-discounted cash flows.

	31.12.2017				31.12.2018			
(in €'000)	**Maturity <1 year**	**Maturity >1 < 5 years**	**Maturity > 5 years**	**Total**	**Maturity <1 year**	**Maturity >1 < 5 years**	**Maturity > 5 years**	**Total**
Trade payables	479	—	—	**479**	306	—	—	**306**
Soft loans	474	1,573	1,245	**3,292**	449	1,481	883	**2,813**
Intercompany loans	—	—	—	**—**	—	—	—	**—**
Lease liability (IFRS 16)	—	—	—	**—**	—	—	—	**—**
Other current liabilities	40	—	—	**40**	49	—	—	**49**
Total	**993**	**1,573**	**1,245**	**3,811**	**804**	**1,481**	**883**	**3,168**

	31.12.2019			
(in €'000)	**Maturity <1 year**	**Maturity >1 < 5 years**	**Maturity > 5 years**	**Total**
Trade payables	119	—	—	**119**
Soft loans	329	1,474	581	**2,384**
Intercompany loans	138	860	—	**998**
Lease liability (IFRS 16)	57	—	—	**57**
Other current liabilities	22	—	—	**22**
Total	**665**	**2,334**	**581**	**3,580**

Categories of financial instruments as at 31.12.2017

	Carrying amount per valuation category (IFRS 9)					
	Financial assets		Financial liabilities			
(in €'000)	**At fair value through profit or loss**	**At amortised cost**	**At fair value through profit or loss**	**At amortised cost**	**Uncategorised *)**	**Total**
Current assets						
Trade receivables	—	371	—	—	—	**371**
Other financial assets	—	178	—	—	—	**178**
Cash and cash equivalents	—	497	—	—	—	**497**
Non-current liabilities						
Financial liabilities	—	—	—	1,923	—	**1,923**
Current liabilities						
Financial liabilities	—	—	—	474	—	**474**
Trade payables	—	—	—	479	—	**479**

Categories of financial instruments as at 31.12.2018

	Carrying amount per valuation category (IFRS 9)					
	Financial assets		Financial liabilities			
(in €'000)	**At fair value through profit or loss**	**At amortised cost**	**At fair value through profit or loss**	**At amortised cost**	**Uncategorised *)**	**Total**
Current assets						
Trade receivables	—	277	—	—	—	**277**
Other financial assets	—	271	—	—	—	**271**
Cash and cash equivalents	—	76	—	—	—	**76**
Non-current liabilities						
Financial liabilities	—	—	—	1,872	—	**1,872**
Current liabilities						
Financial liabilities	—	—	—	449	—	**449**
Trade payables	—	—	—	306	—	**306**

*) no scope of IFRS 7

Categories of financial instruments as at 31.12.2019	Carrying amount per valuation category (IFRS 9)					
	Financial assets		Financial liabilities			
(in €'000)	At fair value through profit or loss	At amortised cost	At fair value through profit or loss	At amortised cost	Uncategorised *)	Total
Current assets						
Trade receivables	—	91	—	—	—	**91**
Other financial assets	—	449	—	—	—	**449**
Cash and cash equivalents	—	94	—	—	—	**94**
Non-current liabilities						
Financial liabilities	—	—	—	2,520	—	**2,520**
Current liabilities						
Financial liabilities	—	—	—	467	—	**467**
Trade payables	—	—	—	119	—	**119**

*) no scope of IFRS 7

Measurement of fair value (fair value hierarchy)

The following table contains a breakdown of financial assets and liabilities measured at fair value according to the measurement levels described in IFRS 13 (the so-called "fair value hierarchy"). The valuation levels shown in the table are defined as follows:

- *Level 1:* Financial instruments traded on active markets, whose prices were used unchanged for valuation purposes.
- *Level 2:* Valuation is based on valuation methods in which the input factors are derived directly or indirectly from observable market data.
- *Level 3:* Valuation is based on valuation techniques in which the input factors are not exclusively based on observed market data.

Fair value hierarchy as of 31.12.2017 (in €'000)	Level 1	Level 2	Level 3	Total
Debts				
Financial liabilities measured at fair value through profit or loss				
Soft loans	—	—	2,397	**2,397**

Fair value hierarchy as of 31.12.2018 (in €'000)	Level 1	Level 2	Level 3	Total
Debts				
Financial liabilities measured at fair value through profit or loss				
Soft loans	—	—	2,321	**2,321**

Fair value hierarchy as of 31.12.2019 (in €'000) Debts	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value through profit or loss				
Soft loans	—	—	1,661	**1,661**

Management has determined that the carrying amounts in all measurement categories are reasonable approximations of the fair value of the respective financial instruments. 4basebio S.L.U. has used the following methods and assumptions to determine fair values:

- Long-term fixed and variable interest receivables/loans are evaluated by 4basebio S.L.U. based on parameters such as interest rates, country-specific risk factors, creditworthiness of individual customers, and the risk characteristics of the financed project. Based on this valuation, allowances are made to reflect the estimated default of these receivables.
- The fair values of the interest-bearing loans of 4basebio S.L.U. are determined on the basis of the discounted cash flow method. A discount rate is used which reflects the borrowing rate of the issuer at the end of the reporting period. As of 31 December 2019, 4basebio S.L.U.'s own non-performance risk was classified as low, as in the previous financial years 2018 and 2017.

Deposits

The default risk from credit balances with banks and financial institutions is managed is managed at Board level. Investments with liquidity surpluses are only made with approved business partners and within the credit limit allocated to the respective party.

Disproportionately high concentration of risk

Concentrations of risk arise when several counterparties engage in similar business activities or activities in the same geographic region or have economic characteristics that cause them to be equally affected in their ability to meet their contractual obligations in the event of changes in the economic or political situation or other conditions. 4basebio S.L.U. reacts sensitively to changes in the life science sector and the associated changes in demand.

20. Contingent liabilities and other financial obligations

4basebio S.L.U. is occasionally involved in legal disputes in the course of its business activities. Management is not aware of any events that would have a material adverse effect on earnings, liquidity, or financial position. Any risks from legal disputes are taken into account by setting up appropriate provisions.

21. Ultimate controlling party

The ultimate controlling party of 4basebio S.L.U. is 4bb AG, a German company listed on the Prime Standard segment of the Frankfurt Stock Exchange.

22. Related parties

Related parties as defined by IAS 24 are legal or natural persons that can exert influence on 4basebio S.L.U. or are subject to control, joint management or significant influence by 4basebio S.L.U. Related parties are also members of management in key positions, their close family members and companies that are controlled, jointly controlled or significantly influenced by this group of persons.

With regard to 4basebio S.L.U., transactions with related parties concern business transactions with the companies included in the financial statements. All transactions are completely eliminated in the preparation of the financial statements. In this respect, there are no effects on the asset, financial or earnings situation of 4basebio S.L.U.

Dr Heikki Lanckriet has pledged 400,000 of his shares in 4bb AG for security on a public low-interest loan that 4basebio S.L.U. receives from Spanish institutions for its research and development activities in Spain. In accordance with the agreement between 4basebio S.L.U. and Dr Heikki Lanckriet, it was agreed that 4basebio S.L.U. would make a compensation payment to Dr Heikki Lanckriet for 4basebio S.L.U. to use this pledge as security for the fulfilment of its obligation from the public loan received from the Spanish institution by paying a so-called share pledge fee. This fee amounts to €10 thousand per year. The pledged shares were released on 25 June 2020.

Directors

During the financial years 2017, 2018 and 2019 4bb AG (formerly Expedeon AG, previously Sygnis AG) was the Administrator of 4basebio S.L.U. 4basebio S.L.U. was represented by Mrs Pilar de la Huerta until 31 October 2017 and by Dr Heikki Lanckriet from 21 February 2017 onwards, on behalf of 4bb AG.

Mrs Pilar de la Huerta received remuneration in 2017 of €33,000 from 4basebio S.L.U., in addition to remuneration from 4bb AG. Dr Heikki Lanckriet received remuneration from 4bb AG in 2017, 2018 and 2019 but did not receive remuneration directly from 4basebio S.L.U.

23. Significant events after the balance sheet date

The effects of the Coronavirus (COVID-19) pandemic, which is ongoing at the time of preparation of the financial statements, on the European and global economy in general and on 4basebio S.L.U. in particular cannot be confidently estimated at the present time due to the current dynamics and the unforeseeable duration. However, as of time of writing the direct impact on 4basebio S.L.U. has been minimal and at the time of preparation of the financial statements Management does not consider the economic situation of 4basebio S.L.U. to be at risk beyond the end of the 2019 financial year. Furthermore, on 11 November 2020 4bb AG made a capital contribution to 4basebio S.L.U. of €13,082,117. This was used to settle 4basebio S.L.U.'s outstanding intercompany loans payable, with the remaining funds available as cash. 4basebio S.L.U. therefore has sufficient liquid funds to cope with the negative consequences of this pandemic.

In an Extraordinary General Meeting on 3 November 2020 the shareholders of 4bb AG approved the Spin-Off of the group's remaining business operations into a legally separate group to be listed on the Alternative Investment Market (AIM), London/UK. This spun-out group would include 4basebio S.L.U. On 8 December 2020, the Spin-Off was formally registered by the German Commercial Register with the effect that 4basebio S.L.U. became a subsidiary of 4basebio UK Societas, the ultimate controlling party, from that date.

24. Nature of financial Information

The financial information presented above does not constitute statutory accounts for the period ended 31 December 2019.

PART III

SECTION E: ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF 4BASEBIO UK LIMITED

Crowe U.K. LLP
Chartered Accountants
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12 February 2021

The Directors
4basebio UK Societas
25 Norman Way
Over
Cambridge CB24 5QE

Cairn Financial Advisers LLP
Cheyne House
62-63 Crown Ct
Cheapside
London EC2V 6AX

Dear Sirs,

Introduction

We report on the audited historical financial information of 4basebio UK Limited as set out in this section of the Admission document dated 12 February 2021 (the "Document"). The historical financial information has been prepared for inclusion in the Document on the basis of preparation and accounting policies set out in note 2 to the historical financial information of the 4basebio UK Limited.

Responsibilities

The directors of the 4basebio UK Societas (the "Directors") are responsible for preparing the historical financial information of the 4basebio UK Limited in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("IFRS").

It is our responsibility to form an opinion on the historical financial information of 4basebio UK Limited as to whether it gives a true and fair view, for the purposes of the Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Document.

Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the historical financial information of 4basebio UK Limited. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information underlying the historical financial information of 4basebio UK Limited and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the historical financial information of 4basebio UK Limited is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the historical financial information of 4basebio UK Limited gives, for the purposes of the Document, a true and fair view of the state of affairs of 4basebio UK Limited as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 2 to the historical financial information of 4basebio UK Limited and IFRS.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully,

Crowe U.K. LLP
Chartered Accountants

SECTION F: HISTORICAL FINANCIAL INFORMATION OF 4BASEBIO UK LIMITED

STATEMENT OF FINANCIAL POSITION

The statement of financial position of 4basebio UK Limited as at 31 December 2019 is set out below:

	Note	Audited As at 31 December 2019 £
Current Assets		
Cash		1
Net Assets		**1**
Capital and reserves		
Share Capital	*3*	1
Profit and loss reserve		—
Shareholders' Funds		**1**

STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income of 4basebio UK Limited for the period from incorporation on 5 November 2019 to 31 December 2019 is stated below:

	Note	Audited Period ended 31 December 2019 £
Total comprehensive income attributable to equity owner		—
Earnings per share	*3*	
Basic and diluted (£ per share)		—

STATEMENT OF CHANGES IN EQUITY

The statement of changes in equity of 4basebio UK Limited for period from incorporation 5 November 2019 to 31 December 2019 is set out below:

	Audited Period ended 31 December 2019 £
On incorporation	1
Result for the period	—
As at 31 December 2019	**1**

The share capital comprises the ordinary issued share capital of 4basebio UK Limited. Issued share capital on incorporation was 1,000 shares at £0.001.

STATEMENT OF CASH FLOWS

The statement of cash flows of 4basebio UK Limited for the period from incorporation on 5 November 2019 to 31 December 2019 is as follows:

	Audited Period ended 31 December 2019 £
Financing activities	
Proceeds from issue of share capital	1
Net cash from financing activities	**1**
Net increase in cash and cash equivalents	**1**
Cash and cash equivalents at end of the period	**1**

Notes to the Financial Information

1. General Information

4basebio UK Limited was incorporated in England and Wales on 5 November 2019 as a private limited company. Its registered office is located at 25 Norman Way, Over, Cambridge, CB24 5QE. The primary activity of 4basebio UK Limited is that of scientific and technical activities.

2. Accounting Policies

Basis of preparation

This financial information of 4basebio UK Limited has been prepared on a historical basis as varied by the use of fair value in accordance with IFRS, international accounting standards in conformity with the requirements of the Companies Act 2006 ("IFRS").

The financial information has been presented in British pound sterling (GBP), being the functional and presentation currency of 4basebio UK Limited.

Critical Accounting Judgements and key sources of estimation uncertainty

In the application of 4basebio UK Limited's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following critical judgements have been made by the directors.

Going concern

4basebio UK Limited has not yet recorded any revenues. Management prepares detailed working capital forecasts which are reviewed by the Board on a regular basis. Cash flow forecasts and projections take into account sensitivities on receipts, and costs. Having made relevant and appropriate enquiries, including consideration of the 4basebio UK Limited's current cash resources and the working capital forecasts, the Directors have a reasonable expectation that 4basebio UK Limited will have adequate cash resources to continue to meet the requirements of the business for at least the next twelve months. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

3. Earnings per share

The calculation for earnings per share (basic and diluted) for the relevant period is based on the profit after income tax attributable to equity holder for the period from incorporation on 5 November 2019 to 31 December 2019 and is as follows:

Profit attributable to equity holders (£)	—
Weighted average number of shares	1,000
Earnings per share (£)	—

4. Share capital

On incorporation, 4basebio UK Limited issued 1000 ordinary share with a par value of £0.001 for total consideration of £1.

5. Ultimate controlling party

The ultimate controlling party of 4basebio UK Limited is 4bb AG, a German company listed on the Prime Standard segment of the Frankfurt Stock Exchange.

6. Events after the balance sheet date

4bb Discovery Limited was incorporated on 29 October 2020 as a £1 share capital 100% subsidiary of 4bb UK. The entity was created as a particle and indication research and development arm of the group with the intention of developing intellectual property around non-viral delivery platforms and selected gene therapies.

In an Extraordinary General Meeting on 3 November 2020 the shareholders of 4bb AG approved the Spin-Off of the group's remaining business operations into a legally separate group to be listed on the Alternative Investment Market (AIM), London/UK. This spun-out group would include 4basebio UK Limited. On 8 December 2020, the Spin-Off was formally registered by the German Commercial Register with the effect that 4basebio UK Limited became a subsidiary of 4basebio UK Societas, the ultimate controlling party, from that date.

7. Nature of financial Information

The financial information presented above does not constitute statutory accounts for the period ended 31 December 2019.

PART III

SECTION G: UNAUDITED INTERIM FINANCIAL INFORMATION OF THE COMPANY

STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2020

	Six months ended 30 June 2020 (Unaudited) €'000
Net result and total comprehensive income	**—**

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note	As at 30 June 2020 (Unaudited) €'000
Current Assets		
Cash	*5*	30
Unpaid share capital		90
Net assets		**120**
Equity and liabilities		
Issued capital	*6*	120
Accumulated loss		—
Equity		**120**

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

	No. of shares	Amount €'000	Accumulated loss €'000	Total equity €'000
1 January 2020	**120,000**	**120**	**—**	**120**
Result for the period	—	—	—	—
30 June 2020	**120,000**	**120**	**—**	**120**

1. GENERAL INFORMATION

4basebio UK Societas (formerly 4basebio SE, previously Atrium 180. Europäische VV SE) was incorporated in Bonn, Germany on 8 October 2019. An Extraordinary General Shareholder Meeting on 5 November 2020 approved its relocation to Cambridge, England. The change in registered seat was formally registered with Companies House on 22 December 2020.

On 3 November 2020, an Extraordinary General Meeting of its then parent, 4bb AG, Heidelberg, approved the spin out of the Company from the 4bb AG group. It was further approved that 4basebio Limited and 4basebio S.L.U., two other subsidiaries of 4bb AG, would be contributed to 4basebio UK Societas in consideration for the issue of 8,622,231 shares to 4bb AG shareholders. The spin out was formally registered by the Duesseldorf, Germany Commercial Register on 8 December 2020.

In addition, on 3 November 2020, 4bb AG made a capital contribution of €4,361,795 to 4basebio UK Societas in consideration for the issue of 3,575,242 shares.

4basebio UK Societas is now a company based in Cambridge, England focused on the continued growth and success of the genomics business acquired through the spin out of 4basebio UK Limited and 4basebio S.L.U.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The unaudited interim financial information has been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("IFRS").

This unaudited interim financial information is prepared in accordance with IFRS under the historical cost convention, as modified by the use of fair value for financial instruments measured at fair value. The interim financial information is presented in Euros ("€") except where otherwise indicated. Unless otherwise indicated, all amounts are stated in thousands of Euros (€'000). For calculation related reasons, rounding differences of +/- one unit (€'000, % etc.) may occur in the information presented in these financial statements.

The principal accounting policies adopted in the preparation of the interim financial information are as set out in the historical financial information of the Company. The policies have been consistently applied to all the periods presented, unless otherwise stated.

(b) Going concern

This interim financial information relating to the Company has been prepared on the going concern basis.

The directors of 4basebio UK Societas (the "Directors") have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of this interim financial information. For these reasons, they continue to adopt the going concern basis in preparing the Company's interim financial information.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's interim financial information under IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities.

The Directors do not consider there to be any material estimates or judgements in preparing the financial information.

4. TAXATION

There were no charges to current corporate taxation during the period.

5. CASH AND CASH EQUIVALENTS

	As at 30 June 2020 €'000
Cash at bank and in hand	30

6. CALLED UP SHARE CAPITAL

Allotted and called up

	As at 30 June 2020 (Number)
Ordinary shares of no par value issued	120,000
Ordinary shares of no par value paid up	30,000

On incorporation, the Company issued 120,000 ordinary shares with no par value for total consideration of €120,000. On 21 August 2020, the remaining unpaid issued share capital of €90,000 was paid up.

7. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On 3 November 2020, an Extraordinary General Meeting of its then parent, 4bb AG, Heidelberg, approved the spin out of the Company from the 4bb AG group. It was further approved that 4basebio UK Limited and 4basebio S.L.U., two other subsidiaries of 4bb AG, would be contributed to 4basebio UK Societas in consideration for the issue of 8,622,231 shares to 4bb AG shareholders. The spin out was formally registered by the Duesseldorf, Germany Commercial Register on 8 December 2020.

In addition, on 3 November 2020, 4bb AG made a capital contribution of €4,361,795 to 4basebio UK Societas in consideration for the issue of 3,575,242 shares.

At an Extraordinary General Shareholder Meeting on 5 November 2020 the relocation of the Company was approved to Cambridge, England. The change in registered seat was formally registered with Companies House on 22 December 2020.

8. NATURE OF THE UNAUDITED FINANCIAL INFORMATION

The unaudited financial information presented above does not constitute statutory financial statements for the period under review.

PART: III

SECTION H: UNAUDITED INTERIM FINANCIAL INFORMATION OF 4BASEBIO S.L.U.

STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	Note	Six months ended 30 June 2019 (Unaudited) €'000	Six months ended 30 June 2020 (Unaudited) €'000
Revenues	*4*	100	182
Cost of goods sold		(139)	(99)
Gross profit		**(39)**	**83**
Sales and distribution costs		(68)	(90)
Administration expenses		(102)	(187)
Research and non-capitalised development costs		(161)	(158)
Other operating expenses		(7)	(89)
Other operating income		75	18
Operating result		**(302)**	**(423)**
Finance costs		(4)	(13)
Financial result		**(4)**	**(13)**
Earnings before taxes from continuing operations		**(307)**	**(437)**
Income tax	*5*	—	—
Total comprehensive income for the period		**(307)**	**(437)**

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note	As at 30 June 2019 (Unaudited) €'000	As at 30 June 2020 (Unaudited) €'000
Assets			
Property, plant and equipment	*10*	48	163
Other intangible assets	*6*	517	604
Other non-current assets		34	24
Non-current assets		**599**	**791**
Inventory	*8*	135	158
Trade receivables	*7*	92	259
Other current assets		276	367
Cash and cash equivalents	*9*	123	600
Current assets		**625**	**1,384**
Total assets		**1,224**	**2,175**
Equity and liabilities			
Issued capital	*11*	7,485	7,485
Capital reserves		1,595	1,595
Accumulated loss		(11,128)	(11,741)
Equity		**(2,048)**	**(2,661)**
Financial liabilities	*13*	1,872	4,169
Other non-current liabilities		506	411
Non-current liabilities		**2,378**	**4,579**
Financial liabilities	*13*	682	218
Trade payables	*12*	176	12
Other current liabilities		35	26
Current liabilities		**894**	**256**
Total equity and liabilities		**1,224**	**2,175**

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

	No. of shares	Amount €'000	Capital reserves €'000	Accumulated profit €'000	Total equity €'000
1 January 2019	**7,484,975**	**7,485**	**1,595**	**(10,821)**	**(1,741)**
Result for the period	—	—	—	(307)	(307)
30 June 2019	**7,484,975**	**7,485**	**1,595**	**(11,128)**	**(2,048)**
1 January 2020	**7,484,975**	**7,485**	**1,595**	**(11,304)**	**(2,224)**
Result for the period	—	—	—	(437)	(437)
30 June 2020	**7,484,975**	**7,485**	**1,595**	**(11,741)**	**(2,661)**

STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

	Note	Six months ended 30 June 2019 (Unaudited) €'000	Six months ended 30 June 2020 (Unaudited) €'000
Result for the period		(307)	(437)
Interest charge		4	3
Add back non-cash expenses			
Depreciation of property, plant and equipment and amortisation of intangible assets		10	12
Amortisation of capitalised development		152	99
Other non-cash items		—	14
Change in operating assets and liabilities:			
Inventory	*8*	(1)	(39)
Trade receivables	*7*	184	(158)
Trade payables	*12*	(143)	(103)
Introduction of IFRS 9		12	—
Cash flows from operating activities		**(88)**	**(609)**
Investments in property, plant and equipment and intangible assets		(15)	(144)
Investments in capitalised development		(79)	(162)
Cash flows from investing activities		**(95)**	**(306)**
Cash in(out)flow due to changes in financial liabilities		233	1,341
Restricted cash held as security against public loans		—	82
Interest paid		(4)	(3)
Cash flows from financing activities		**229**	**1,421**
Net change in cash and cash equivalents		46	506
Cash and cash equivalents at the beginning of the period		76	94
Cash and cash equivalents at the end of the period		**123**	**600**

1. GENERAL INFORMATION

4basebio S.L.U. (formerly Expedeon S.L.U.; previously also Sygnis Biotech S.L.U. and X-Pol Biotech SL) is a life sciences company based in Madrid, Spain. Its principal activity is research and development activities focused on synthetic DNA production, the manufacture of enzymes associated with this process and the sale of genomics kits for research purposes. 4basebio S.L.U. was incorporated in Madrid, Spain, and is a company incorporated under Spanish law, registered at Calle Faraday 7, Cantoblanco, 28049, Madrid, Spain.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The unaudited interim financial information has been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("IFRS").

This unaudited interim financial information is prepared in accordance with IFRS under the historical cost convention, as modified by the use of fair value for financial instruments measured at fair value. The interim financial information is presented in Euros ("€"). Unless otherwise indicated, all amounts are stated in thousands of Euros (€'000). For calculation related reasons, rounding differences of +/- one unit (€'000, % etc.) may occur in the information presented in these financial statements.

The principal accounting policies adopted in the preparation of the interim financial information are as set out in the historical financial information of 4basebio S.L.U. The policies have been consistently applied to all the periods presented, unless otherwise stated.

(b) Going concern

This interim financial information relating to 4basebio S.L.U. has been prepared on the going concern basis.

The directors of 4basebio S.L.U. (the "Directors") have a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of this interim financial information. For these reasons, they continue to adopt the going concern basis in preparing the interim financial information.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the interim financial information under IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The Directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the financial information.

Carrying value of intangible assets

In determining whether there are indicators of impairment of the 4basebio S.L.U.'s intangible assets, the director takes into consideration various factors including the economic viability and expected future financial performance of the asset and when it relates to the intangible assets arising on a business combination, the expected future performance of the business acquired.

4. SEGMENT ANALYSIS

The chief operating decision maker has determined that 4basebio S.L.U. has one operating segment, which includes administration and research and development.

See revenue analysis below.

Revenue by geography

	Six months ended 30 June 2019 (Unaudited) €'000	Six months ended 30 June 2020 (Unaudited) €'000
Europe	64	85
USA	36	97
	100	**182**

Revenue by type

	Six months ended 30 June 2019 (Unaudited) €'000	Six months ended 30 June 2020 (Unaudited) €'000
Revenue from sales of kits and enzymes	88	157
Revenue from licences and royalties	12	25
	100	**182**

5. TAXATION

There were no charges to current corporate taxation due to the losses incurred by 4basebio S.L.U. in the period. No deferred tax assets have been recognised due to the uncertainty of reversal being dependant on future taxable profits.

6. INTANGIBLE ASSETS

	Development costs €'000	Software and other licences €'000	Total €'000
Cost			
At 1 January 2019	**1,481**	**95**	**1,576**
Additions at cost of fair value	79	—	79
At 30 June 2019	**1,561**	**95**	**1,656**
At 1 January 2020	**1,687**	**102**	**1,789**
Additions at cost of fair value	162	14	176
At 30 June 2020	**1,849**	**116**	**1,966**
Accumulated amortisation			
At 1 January 2019	**975**	**24**	**999**
Additions at cost of fair value	139	—	139
At 30 June 2019	**1,114**	**24**	**1,138**
At 1 January 2020	**1,237**	**22**	**1,259**
Additions at cost of fair value	99	4	103
At 30 June 2020	**1,336**	**25**	**1,362**
Net book value			
At 30 June 2019	**447**	**71**	**517**
At 30 June 2020	**513**	**91**	**604**

7. TRADE AND OTHER RECEIVABLES

Amounts falling due within one year:

	As at 30 June 2019 (Unaudited) €'000	As at 30 June 2020 (Unaudited) €'000
Trade receivables	92	259
Deposits	271	281
Right of use asset (IFRS 16)	—	77
Other current assets	5	9
	368	**626**

Amounts falling due after one year:

	As at 30 June 2019 (Unaudited) €'000	As at 30 June 2020 (Unaudited) €'000
Other non-current assets	34	24
	34	**24**

8. INVENTORY

	As at 30 June 2019 (Unaudited) €'000	As at 30 June 2020 (Unaudited) €'000
Raw materials	51	87
Finished goods	84	71
	135	**158**

9. CASH AND CASH EQUIVALENTS

	As at 30 June 2019 (Unaudited) €'000	As at 30 June 2020 (Unaudited) €'000
Cash at bank and in hand	123	600
	123	**600**

All cash balances are denominated in Euros (EUR).

10. PROPERTY, PLANT AND EQUIPMENT

	As at 30 June 2019 (Unaudited) €'000	As at 30 June 2020 (Unaudited) €'000
Plant and machinery	39	152
Other operating equipment	8	6
Other fixtures and fittings	1	5
	48	**163**

11. CALLED UP SHARE CAPITAL

	As at 30 June 2019 (Unaudited) €'000	As at 30 June 2020 (Unaudited) €'000
Ordinary shares	7,485	7,485
Capital reserve	1,595	1,595
	9,080	**9,080**

The share capital of 4basebio S.L.U. as of 30 June 2020 amounts to a total of €7,484,975 (30 June 2019: €7,484,975), divided into 7,484,975 (30 June 2019: 7,484,975) no-par value bearer shares. These are all registered ordinary shares without exception. There are no shares with special rights or other restrictions on voting rights.

12. TRADE AND OTHER PAYABLES

Amounts falling due within one year:

	As at 30 June 2019 (Unaudited) €'000	As at 30 June 2020 (Unaudited) €'000
Trade payables	176	12
Other current liabilities	35	26
	211	**38**

Amounts falling due after one year:

	As at 30 June 2019 (Unaudited) €'000	As at 30 June 2020 (Unaudited) €'000
Grant income not yet recognised	506	411
	506	**411**

13. BORROWINGS

	As at 30 June 2019			As at 30 June 2020		
	Current €'000	Non-current €'000	Total €'000	Current €'000	Non-current €'000	Total €'000
Soft loans	182	1,872	**2,054**	137	2,525	**2,661**
Intercompany loans	500	—	**500**	—	1,644	**1,644**
Lease liability (IFRS 16)	—	—	**—**	81	—	**81**
	682	**1,872**	**2,554**	**218**	**4,169**	**4,386**

14. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In an Extraordinary General Meeting on 3 November 2020 the shareholders of 4bb AG approved the Spin-Off of the group's genomics business operations into a legally separate group to be listed on the Alternative Investment Market (AIM), London/UK. This spun-out Group would include 4basebio S.L.U. At the time of preparation of the interim financial information the spin-out process was not yet completed. On 8 December 2020, the Spin-Off was formally registered by the German Commercial Register with the effect that 4basebio S.L.U. became a subsidiary of 4basebio UK Societas, the ultimate controlling party, from that date.

In addition, on 11 November 2020 4bb AG made a capital contribution to 4basebio S.L.U. of €13,082,117. This was partly used to settle 4basebio S.L.U.'s outstanding intercompany liabilities, with the remaining cash available to fund future development costs.

15. NATURE OF THE UNAUDITED FINANCIAL INFORMATION

The unaudited financial information presented above does not constitute statutory financial statements for the period under review.

PART: III

SECTION I: UNAUDITED INTERIM FINANCIAL INFORMATION OF 4BASEBIO UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	Note	Six months ended 30 June 2020 (Unaudited) £'000
Revenues		—
Cost of goods sold		—
Gross profit		**—**
Administration expenses		(3,106)
Other operating expenses		(362)
Other operating income		98
Operating result		**(3,369)**
Finance costs		—
Earnings before taxes from continuing operations		**(3,369)**
Income tax	*5*	—
Net result and total comprehensive income		**(3,369)**

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note	As at 30 June 2020 (Unaudited) £'000
Assets		
Property, plant and equipment	*8*	1,098
Non-current assets		**1,098**
Trade receivables	*6*	54
Other current assets		14
Cash and cash equivalents	*7*	1,194
Current assets		**1,262**
Total assets		**2,360**
Equity and liabilities		
Issued capital	*9*	0
Accumulated loss		(3,369)
Equity		**(3,369)**
Trade payables	*10*	5
Intercompany payables		5,691
Other current liabilities		32
Current liabilities		**5,729**
Total equity and liabilities		**2,360**

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

	No. of shares	Amount £'000	Accumulated loss £'000	Total equity £'000
1 January 2020	**1,000**	**0**	**—**	**0**
Result for the period	—	—	(3,369)	(3,369)
30 June 2020	**1,000**	**0**	**(3,369)**	**(3,369)**

STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

	Note	Six months ended 30 June 2020 (Unaudited) £'000
Result for the period		(3,369)
Depreciation of property, plant and equipment and amortisation of intangible assets	*8*	17
Change in operating assets and liabilities:		
Trade receivables	*6*	(68)
Trade payables	*10*	5
Intercompany payables		5,691
Other current liabilities		32
Cash flows from operating activities		**2,308**
Investments in property, plant and equipment and intangible assets		(1,115)
Investments in capitalised development		
Cash flows from investing activities		**(1,115)**
Cash flows from financing activities		**—**
Net change in cash and cash equivalents		1,194
Cash and cash equivalents at the beginning of the period		—
Cash and cash equivalents at the end of the period		**1,194**

1. GENERAL INFORMATION

4basebio UK Limited is a company based in Cambridge, UK operating in the life sciences sector. The Subsidiary was incorporated in Cambridge, UK under the laws of England and Wales on 5 November 2019.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The unaudited interim financial information has been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("IFRS").

This unaudited interim financial information is prepared in accordance with IFRS under the historical cost convention, as modified by the use of fair value for financial instruments measured at fair value. The interim financial information is presented in British pounds ("£"). Unless otherwise indicated, all amounts are stated in thousands of pounds (£'000). For calculation related reasons, rounding differences of +/- one unit (£'000, % etc.) may occur in the information presented in these financial statements.

The principal accounting policies adopted in the preparation of the interim financial information are as set out in the historical financial information of 4basebio UK Limited. The policies have been consistently applied to all the periods presented, unless otherwise stated.

(b) Going concern

This interim financial information relating to 4basebio UK Limited has been prepared on the going concern basis.

The directors of 4basebio UK Limited (the "Directors") have a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of this interim financial information. For these reasons, they continue to adopt the going concern basis in preparing 4basebio UK Limited's interim financial information.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of 4basebio UK Limited's interim financial information under IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The Directors do not consider that any estimates and judgements are likely to have a significant effect on the amounts recognised in the financial information.

4. SEGMENT ANALYSIS

The chief operating decision maker has determined that 4basebio UK Limited has one operating segment, which includes administration and research and development.

There were no revenues within this segment.

5. TAXATION

There were no charges to current corporate taxation due to the losses incurred in the period. No deferred tax assets have been recognised due to the uncertainty of reversal being dependant on future taxable profits.

6. TRADE AND OTHER RECEIVABLES

	As at 30 June 2020 £'000
Trade receivables	54
Other current assets	14
	68

7. CASH AND CASH EQUIVALENTS

	As at 30 June 2020 £'000
Cash at bank and in hand	1,194
	1,194

All cash balances are denominated in British pounds (GBP).

8. PROPERTY, PLANT AND EQUIPMENT

	As at 30 June 2020 £'000
Land and freehold building	1,095
Office furniture and equipment	2
Fixtures and fittings	1
	1,098

9. CALLED UP SHARE CAPITAL

	As at 30 June 2020		
	Number	**£**	**£'000**
Ordinary shares	1,000	0	0
	1,000	**0**	**0**

10. TRADE AND OTHER PAYABLES

	As at 30 June 2020 £'000
Intercompany payable to 4bb AG	5,691
Trade payables	5
Accrued expense	25
VAT liability	8
	5,728

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

4bb Discovery Limited was incorporated on 29 October 2020 as a £1 share capital 100% subsidiary of 4basebio UK Limited. The entity was created as a particle and indication research and development arm of the group with the intention of developing intellectual property around non-viral delivery platforms and selected gene therapies.

In an Extraordinary General Meeting on 3 November 2020 the shareholders of 4bb AG approved the Spin-Off of the group's genomics business operations into a legally separate group to be listed on the Alternative Investment Market (AIM), London/UK. This spun-out group would include 4basebio UK Limited. At the time of preparation of the interim financial information the spin-out process was not yet completed. On 8 December 2020, the Spin-Off was formally registered by the German Commercial Register with the effect that 4basebio UK Limited became a subsidiary of 4basebio UK Societas, the ultimate controlling party, from that date.

In addition, on 6 November 2020 4bb AG made a capital contribution to 4basebio UK Limited of €8,132,991 in consideration for the issue of 1,000 ordinary shares in 4basebio UK Limited. This was used to settle 4basebio UK Limited's outstanding intercompany liabilities at that time.

12. NATURE OF THE UNAUDITED FINANCIAL INFORMATION

The unaudited financial information presented above does not constitute statutory financial statements for the period under review.

PART IV

UNAUDITED *PRO FORMA* FINANCIAL INFORMATION

ACCOUNTANT'S REPORT ON THE UNAUDITED *PRO FORMA* STATEMENT OF NET ASSETS OF THE GROUP

Crowe U.K. LLP
Chartered Accountants
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12 February 2021

The Directors
4basebio UK Societas
25 Norman Way
Over
Cambridge CB24 5QE

Cairn Financial Advisers LLP
Cheyne House
62-63 Crown Ct
Cheapside
London EC2V 6AX

Dear Sirs,

Introduction

We report on the unaudited *pro forma* statement of net assets of the Group (the "*Pro Forma* Financial Information") set out in this section of Part IV of the Company's AIM admission document dated 12 February 2021 (the "Admission Document"). The *Pro Forma* Financial Information has been prepared on the basis of the notes thereto, for illustrative purposes only, to provide information about how the acquisition of the entire share capital of 4basebio S.L.U. and 4basebio UK Limited, the capital contributions from 4bb AG and transaction costs might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing its interim financial information as at 30 June 2020. This report is required by Schedule Two of the AIM Rules for Companies (the "AIM Rules") and is given for the purpose of complying with that schedule and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the *Pro Forma* Financial Information. It is our responsibility to form an opinion on the *Pro Forma* Financial Information as to the proper compilation of the *Pro Forma* Financial Information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the *Pro Forma* Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting 4000 as issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the *Pro Forma* Financial information with the Directors. We planned and performed our work so as to obtain

all the information and explanations we considered necessary in order to provide us with reasonable assurance that the *Pro Forma* Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- the *Pro Forma* Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully,

Crowe U.K. LLP
Chartered Accountants

UNAUDITED *PRO FORMA* NET ASSETS OF THE GROUP

Set out below is an unaudited pro-forma statement of net assets of the Group (the "*Pro Forma* Financial Information) which has been prepared on the basis of the financial information of the Company as at 30 June 2020, as adjusted for:

- the acquisition of 4basebio S.L.U.;
- the acquisition of 4basebio UK Limited;
- capital contributions from 4bb AG to 4basebio S.L.U. and 4basebio UK Limited; and
- transaction costs.

as set out in the notes below. The *Pro Forma* Financial Information has been prepared for illustrative purposes only and because of its nature will not represent the actual financial position of the Company as at the date of Admission.

Unaudited pro-forma net assets

£'000	*(Unaudited)* The Company **(Note 1)**	*(Unaudited)* 4basebio S.L.U. **(Note 2)**	*(Unaudited)* 4basebio UK Limited **(Note 3)**	**Adjustment: Capital contributions (Note 4)**	**Adjustment: Transaction costs (Note 5)**	*(Unaudited)* ***Pro forma* net assets of the Group**
Non-current assets						
Intangible assets	—	549	—	—	—	**549**
Tangible assets	—	148	1,098	—	—	**1,246**
Other non-current assets	—	22	—	—	—	**22**
Total non-current assets	**—**	**719**	**1,098**	**—**	**—**	**1,817**
Current assets						
Inventory	—	144	—	—	—	**144**
Trade receivables	—	235	54	—	—	**289**
Other current assets	—	334	14	—	—	**348**
Cash and cash equivalents	27	545	1,194	13,610	(374)	**15,003**
Unpaid share capital	82	—	—	(82)	—	**—**
Total current assets	**109**	**1,258**	**1,262**	**13,528**	**(374)**	**15,783**
Total assets	**109**	**1,977**	**2,360**	**13,528**	**(374)**	**17,601**
Current liabilities						
Trade payables	—	11	5	—	—	**16**
Loans and borrowings	—	198	5,691	(5,174)	—	**716**
Other current liabilities	—	24	32	—	—	**56**
Total current liabilities	**—**	**233**	**5,728**	**(5,174)**	**—**	**787**
Non-current liabilities						
Loan and borrowings	—	3,790	—	(1,495)	—	**2,295**
Other non-current liabilities	—	374	—	—	—	**374**
Total non-current liabilities	**—**	**4,164**	**—**	**(1,495)**	**—**	**2,669**
Total liabilities	**—**	**4,396**	**5,728**	**(6,668)**	**—**	**3,456**
Net assets	**109**	**(2,419)**	**(3,368)**	**20,196**	**(374)**	**14,144**

Notes:

1. The financial information of the Company as at 30 June 2020 has been extracted from Part III, section G of this Document "Unaudited interim financial information of the Company" and translated from Euros into Great British Pounds at a rate of £1/€1.10. No account has been taken of the activities of the Company subsequent to 30 June 2020, except for those set out in the notes below.
2. The financial information of 4basebio S.L.U. as at 30 June 2020 has been extracted from Part III, section H of this Document "Unaudited interim financial information of 4BB S.L.U." and translated from Euros into Great British Pounds at a rate of £1/€1.10. No account has been taken of the activities of the 4basebio S.L.U. subsequent to 30 June 2020, except for those set out in the notes below.

3. The financial information of 4basebio UK Limited as at 30 June 2020 has been extracted, without further adjustment, from Part III, section I of this Document "Unaudited interim financial information of 4BB UK". No account has been taken of the activities of the 4basebio UK Limited subsequent to 30 June 2020, except for those set out in the notes below.
4. On 21 August 2020, the remaining issued share capital in 4basebio UK Societas was paid up, giving rise to a cash inflow of €90,000. In addition, the Group made capital contributions totalling €25,576,903 and settlement of intercompany liabilities of €10,695,956, which resulted in net cash contribution of €14,970,917 to fund future development costs, as described below:
   - On 3 November 2020, a capital contribution of €4,361,795 to 4basebio UK Societas in consideration for the issue of 3,695,242 shares in the company.
   - On 6 November 2020 4bb AG made a capital contribution to 4basebio UK Limited of €8,132,991 in consideration for the issue of 1,000 ordinary shares in 4basebio UK Limited. This was used to settle 4basebio UK Limited's outstanding intercompany liabilities amounting to €8,132,991 (30 June 2020: €6,260,100)
   - On 11 November 2020 4bb AG made a capital contribution to 4basebio S.L.U. of €13,082,117. This was partly used to settle 4basebio S.L.U.'s outstanding intercompany liabilities amounting to €2,562,995 (30 June 2020: €1,644,000), with the remaining cash available to fund future development costs.

   These contributions have been translated from Euros into Great British Pounds at a rate of £1/€1.10.
5. Associated transaction costs of the Admission were £374,000 (excluding VAT).
6. No account has been taken of any movement in the net assets of the Company, 4basebio S.L.U. and 4basebio UK Limited since 30 June 2020, nor of any other event save as disclosed above.

PART V

ADDITIONAL INFORMATION

1. The Company

1.1. The Company was incorporated as a Societas Europaea in Germany on 8 October 2019 with its registered office in Düsseldorf with the name Atrium 180. Europaeische VV SE. The Company was registered with the Commercial Register at the Local Court of Düsseldorf on 11 October 2019.

1.2. The Company changed its name from Atrium 180. Europaeische VV SE to 4basebio SE effective on 11 November 2020.

1.3. Effective 22 December 2020, the corporate seat of the Company was moved from Düsseldorf, Germany to Cambridge, United Kingdom.

1.4. On 31 December 2020, following the UK's exit from the European Union, the Company automatically converted into a 'United Kingdom Societas' and the name of the Company changed to 4basebio UK Societas.

1.5. The Company is and its securities are governed by a combination of the SE Regulation, the 2004 Regulation and the Act. Consequently there are certain differences between the governance that is applied to a UK Societas and a UK public limited company as further detailed in paragraph 21 of Part I.

1.6. The Company's registered office and principal place of business is at 25 Norman Way, Over, Cambridge, CB24 5QE. The telephone number of its registered office is 01223 967943 and its website is www.4basebio.com. The Company is domiciled in England and Wales.

1.7. The principal activities of the Company are to act as the holding company for the Group whose principal activities are operating a specialist life sciences business focused on the supply of therapeutic DNA for gene therapies and DNA vaccines and providing solutions for safe and effective delivery of these DNA based products to patients.

1.8. The Company has a one-tier monistic management structure and no administrative, management or supervisory bodies other than its Board, the Remuneration Committee and the Audit Committee, such committees having no members other than Directors of the Company.

1.9. The liability of the members of the Company is limited.

2. Subsidiaries

The Company is the holding company of the Group. The following table contains details of the Company and the Company's subsidiaries.

Company name	Principal activity	Country of incorporation	Percentage ownership (%)
4basebio UK Societas	Holding Company	Germany (domiciled in England)	—
4basebio UK Ltd	Operational head office for the Group and DNA validation and scaling	England and Wales	100
4basebio Discovery Limited	Dormant	England and Wales	100*
4basebio S.L.U.	Enzyme engineering and early-stage DNA research	Spain	100

* *4basebio Discovery Limited is a 100% owned subsidiary of 4basebio UK Ltd which is itself a 100% owned subsidiary of the Company.*

On 3 November 2020, 4bb AG and the Company concluded the Spin-Off. Pursuant to the Spin-Off, 4bb AG transferred all shares in its subsidiaries 4basebio S.L.U. (Sociedad Limitada Unipersonal), with registered seat in Madrid, Spain, and 4basebio UK Ltd., with registered seat in Cambridge, England, to the Company. This transfer was conducted by way of a Spin-Off for assumption in

accordance with the German Transformation Act (Umwandlungsgesetz) in return for the distribution of Ordinary Shares in the Company to the shareholders of 4bb AG.

3. Share Capital

3.1. The Company was incorporated in Germany on 8 October 2019 with a share capital of EUR120,000 divided into 120,000 registered nil-par value shares fully paid. On incorporation, 30,000 shares were fully paid and 90,000 shares were unpaid. The unpaid shares were paid up in full on 21 August 2020. The currency of the Company's share capital is the Euro.

3.2. Pursuant to a resolution passed at a general meeting of the Company on 5 November 2020 4bb AG carried out a capital increase in the Company against a cash contribution of EUR 4,361,795. The share capital was increased by EUR 3,575,242.00, from EUR 120,000.00 to EUR 3,695,242.00. The capital increase was registered with the Commercial Register at the Local Court of Düsseldorf on 11 November 2020.

3.3. Pursuant to the terms of the Spin-Off, the share capital of the Company was increased by EUR 8,622,231.00 from EUR 3,695,242.00 to EUR 12,317,473.00, such increase being in consideration for the transfer of assets other than cash pursuant to the Spin-Off. The Spin-Off and the concurring capital increase of the Company became effective upon registration of the Spin-Off with the Commercial Registers of the Company and 4bb AG on 8 December 2020.

3.4. On 5 November 2020, the Company passed a resolution to adopt new articles of association in substitution for and to the exclusion of the then existing articles of association (the "**New Articles**"), effective upon the Company's transfer to the United Kingdom. A summary of the New Articles is included at section 10 below.

3.5 Upon the Company's transfer to the UK, the New Articles became effective and the Company became subject to English law in matters pertaining to its share capital. As the Act does not permit the Company to issue shares of no par value and the Company's existing shares are denominated in EUR 1 amounts, following the Company's transfer to the United Kingdom and the New Articles becoming effective, the Ordinary Shares are treated as having a nominal value of EUR 1 each. Accordingly, upon the Company's transfer to the United Kingdom on 22 December 2020 the Company had a share capital of EUR 12,317,473.00 divided into 12,317,473.00 shares of EUR 1 each.

3.6 Accordingly, the issued share capital before transfer to the UK, at the date of this Document and on Admission is (and will be) as follows:

	Class of share	**Number of shares**	**Aggregate value (EUR)**	**Issued and fully paid number of shares**
Before transfer to UK	Registered no par value shares	12,317,473	12,317,473.00	12,317,473

	Class of share	**Number of shares**	**Aggregate nominal value (EUR)**	**Issued and fully paid number of shares**
Existing	Ordinary Share	12,317,473	12,317,473.00	12,317,473
At Admission	Ordinary Share	12,317,473	12,317,473.00	12,317,473

3.7. The Company has no issued Ordinary Shares that are not fully paid up.

3.8. The Ordinary Shares are in registered form. They may be held in certificated form or under the CREST system, which is a paperless settlement procedure enabling securities to be evidenced and transferred otherwise than by a written instrument in accordance with the CREST Regulations. The Company's registrars, Computershare, are responsible for keeping the Company's register of members.

3.9. Save as disclosed in this Document and as at the date of this Document:

3.9.1. no share or loan capital of the Company has been issued or is proposed to be issued;

3.9.2. there are no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;

3.9.3. there are no shares in the Company not representing capital;

3.9.4. there are no shares in the Company held by the Company itself or by its subsidiaries;

3.9.5. there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company or undertakings to increase the share capital of the Company;

3.9.6. no person has any preferential subscription rights for any share capital of the Company;

3.9.7. no commissions, discounts, brokerages or other special items have been granted by the Company since its incorporation in connection with the issue or sale of any Ordinary Shares or loan capital of the Company; and

3.9.8. no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option and no commissions, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company.

3.10. The Ordinary Shares have no redemption or conversion provisions.

3.11. The Ordinary Shares all rank *pari passu* with one another, having equal right to participate in any dividend, distribution or return of capital and having equal voting rights.

3.12. No person has made a public takeover bid for the Company's Issued Share Capital since the Company's incorporation on 8 October 2019.

4. Substantial Shareholder(s)

4.1. As at the date of this Document, save for the persons set out below, the Directors are not aware of any beneficial holding of Ordinary Shares representing three per cent. or more of the Company's issued share capital nor, so far as the Directors are aware, are there any persons who, directly or indirectly, jointly or severally, exercise control over the Company:

	% holding of the Company before Admission		**% holding of the Company after Admission**	
Significant Shareholders	**Number of Ordinary Shares**	**Percentage shareholding**	**Number of Ordinary Shares**	**Percentage shareholding**
4bb AG	3,665,242	29.76%	3,665,242	29.76%
Sparta AG[1]	1,351,718	10.97%	1,351,718	10.97%
Heikki Lanckriet (Director)[2]	1,237,003	10.04%	1,237,003	10.04%
Delphi Unternehmensberatung AG[1]	638,436	5.18%	638,436	5.18%
Deutsche Balaton AG[1]	506,779	4.11%	506,779	4.11%
Joseph Fernández (Director)[3]	448,244	3.64%	448,244	3.64%

1 – members or associates of the Deutsche Balaton Group, which is under the ultimate control of Wilhelm K.T. Zours, and holds in aggregate 20.3% of the Company's Issued Share Capital.

2 – Aggregate shareholding of Dr Heikki Lanckriet and persons closely associated with him.

3 – The shareholding of Joseph Fernández is held by Fernández Family Trust.

4.2. There are no arrangements of which the Directors are aware which may result in a change of control of the Company.

4.3. The Ordinary Shares held by the Shareholders set out in paragraph 4.1 above rank *pari passu* with all other Ordinary Shares and, in particular, have no different voting rights than other Shareholders. Following Admission, no Shareholder will have different voting rights to any other Shareholder.

5. Directors' Interests

5.1. The beneficial interests of the Directors and their connected persons (within the meaning of sections 252 and 253 of the Act) in the Ordinary Share capital of the Company both before and immediately following Admission are expected to be as follows:

	% holding of the Company before Admission			% holding of the Company immediately following Admision		
Significant Shareholders	**Number of Ordinary Shares**	**Percentage shareholding**	**Options over Ordinary Shares**	**Number of Ordinary Shares**	**Percentage shareholding**	**Options over Ordinary Shares**
Heikki Lanckriet[1]	1,237,003	10.04%	238,000	1,237,003	10.04%	238,000
Joseph Manuel Fernández[2]	448,244	3.64%	—	448,244	3.64%	—
David Roth	308,000	2.50%	179,000	308,000	2.50%	179,000
Timothy McCarthy	2,388	0.02%	—	2,388	0.02%	—
Hansjörg Plaggemars[3]	6,667	0.05%	—	6,667	0.05%	—
Maria del Pilar de la Huerta Martinez	—	—	—	—	—	—

1 – Aggregate shareholding of Dr Heikki Lanckriet and persons closely associated with him.
2 – Aggregate shareholding of Joseph Fernández is held by a Fernández Family Trust.
3 – Aggregate shareholding of Hansjörg Plaggemars is held by a person closely associated with him.

5.2 Further details on the options held by Directors is set out in paragraph 8 below.

5.3. Save as described in this Document, none of the Directors (nor any member of their families) have a related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares.

5.4. The voting rights of the Directors set out in paragraph 5.1 above do not differ from the voting rights held by other Shareholders.

6. Directors' Service Agreements and Letters of Appointment

6.1. Set out below are details of the terms and conditions governing the engagement by the Company of the Directors:

6.1.1. Heikki Lanckriet was appointed as a director of the Company on 9 September 2020. The terms of his engagement as chief executive officer are set out in the service agreement entered into between Heikki Lanckriet and the Company's wholly owned subsidiary, 4bb UK, on 31 December 2019. Under the agreement, he is entitled to an annual salary of £267,000 for the first 12 months of his employment and his salary shall be reviewed annually and be increased by at least the Retail Prices Index (UK) published by the Office for National Statistics. Heikki Lanckriet is also entitled to a bonus of up to 60 per cent. of his annual salary which is payable at the discretion of the Remuneration Committee together with reimbursement for reasonable expenses incurred in the course of his appointment. Either party may terminate the agreement on 12 months' notice. Subject to certain exceptions and/or with prior written approval, the agreement restricts Heikki Lanckriet from being engaged or employed in any capacity in any other business, profession or occupation. However, he may hold an investment by way of shares or other securities in any company where such company does not carry on a business which is similar to or competitive with any business being carried on by the Company or the Group. There are also provisions which, in the event of termination, restrict Heikki Lanckriet from being engaged or employed by a competitor and which restrict him from having business dealings with 4bb UK's customers (and prospective customers) and soliciting key employees of 4bb UK. Each of these restrictions apply for a period of 6 months following the termination of employment. The agreement contains provisions protecting the Group's confidential information and intellectual property. Heikki Lanckriet has entered into an appointment letter with the Company to document his appointment as a director of the Company.

6.1.2. David Roth was appointed as a director of the Company on 2 November 2020. The terms of his engagement as chief financial officer are set out in the service

agreement entered into between David Roth and the Company's wholly owned subsidiary, 4bb UK, on 31 December 2019. Under the agreement, he is entitled to an annual salary of £192,250 for the first 12 months of his employment and his salary shall be reviewed annually and be increased by at least the Retail Prices Index (UK) published by the Office for National Statistics. David Roth is also entitled to a bonus of up to 60 per cent. of his annual salary which is payable at the discretion of the Remuneration Committee together with reimbursement for reasonable expenses incurred in the course of his appointment. Either party may terminate the agreement on 12 months' notice. Subject to certain exceptions and/or with prior written approval, the agreement restricts David Roth from being engaged or employed in any capacity in any other business, profession or occupation. However, he may hold an investment by way of shares or other securities in any company where such company does not carry on a business which is similar to or competitive with any business being carried on by the Company or the Group. There are also provisions which, in the event of termination, restrict David Roth from being engaged or employed by a competitor and which restrict him from having business dealings with the Group's customers (and prospective customers) and soliciting key employees of 4bb UK. Each of these restrictions apply for a period of 6 months following the termination of employment. The agreement contains provisions protecting the Group's confidential information and intellectual property. David Roth has entered into an appointment letter with the Company to document his appointment as director of the Company.

6.1.3. Tim McCarthy was appointed by the Company on 3 November 2020. The Company entered into a letter of appointment, effective 22 December 2020, with Tim McCarthy on 10 February 2021. This letter sets out the terms of Tim McCarthy's appointment as a non-executive director and Chairman of the Company for an initial fixed term of 3 years, save that either party may terminate the appointment on 3 months' notice. Under the letter of appointment, Tim McCarthy is entitled to an annual fee of £36,000 in aggregate including in respect of roles taken on the Company's committees together with the reimbursement of reasonable expenses. The letter includes additional provisions which are relevant to Tim McCarthy's appointment, including restrictions in relation to the disclosure of the Company's confidential information.

6.1.4. Pilar de la Huerta was appointed by the Company on 3 November 2020. The Company entered into a letter of appointment, effective 22 December 2020, with Pilar de la Huerta on 10 February 2021. This letter sets out the terms of Pilar de la Huerta's appointment as a non-executive director of the Company for an initial fixed term of 3 years, save that either party may terminate the appointment on 3 months' notice. Under the letter of appointment, Pilar de la Huerta is entitled to an annual fee of £18,000, together with further fees in the aggregate amount of £9,000 in respect of the role undertaken as the Chairperson of the Remuneration Committee together with reimbursement of reasonable expenses. The letter includes additional provisions which are relevant to Pilar de la Huerta's appointment, including restrictions in relation to the disclosure of the Company's confidential information.

6.1.5. Joseph Fernández was appointed by the Company on 3 November 2020. The Company entered into a letter of appointment, effective 22 December 2020, with Joseph Fernández on 10 February 2021. This letter sets out the terms of Joseph Fernández's appointment as a non-executive director of the Company for an initial fixed term of 3 years, save that either party may terminate the appointment on 3 months' notice. Under the letter of appointment, Joseph Fernández is entitled to an annual fee of £18,000 in aggregate including in respect of roles undertaken on the Company's committees together with the reimbursement of reasonable expenses. The letter includes additional provisions which are relevant to Joseph Fernández's appointment, including restrictions in relation to the disclosure of the Company's confidential information.

6.1.6. Hansjörg Plaggemars was appointed by the Company on 20 August 2020. The Company entered into a letter of appointment, effective 22 December 2020, with Hansjörg Plaggemars on 10 February 2021. This letter sets out the terms of Hansjörg Plaggemars' appointment as a non-executive director of the Company for an initial

fixed term of 3 years, save that either party may terminate the appointment on 3 months' notice. Under the letter of appointment, Hansjörg Plaggemars is entitled to an annual fee of £18,000 in the aggregate including in respect of roles undertaken on the Company's committees together with the reimbursement of reasonable expenses. The letter includes additional provisions which are relevant to Hansjörg Plaggemars' appointment, including restrictions in relation to the disclosure of the Company's confidential information.

6.2. Save as disclosed in this Part V, there are no service contracts, existing or proposed, between any Director and the Company and no service contract has been entered into or amended by the Company in the six months prior to the date of this Document.

6.3. There are no outstanding loans or guarantees provided by the Company for the benefit of any of the Directors:

6.4. As at 10 February 2021, being the latest practicable date before the date of this Document, the Group had a total workforce of 24 employees. As at the end of 2020 (being the last whole financial period prior to publication of this Document), the Group had 24 employees, as follows:

	4bb UK Ltd	**4bb S.L.U.**	**Group total**
Management	4	1	**5**
Office	2	3	**5**
On site workforce	5	8	**13**
Part time	1	—	**1**
Total	**12**	**12**	**24**

7. Additional Information on the Board

7.1. The Directors hold or have held the following directorships in companies (other than the Company) incorporated in the United Kingdom and overseas (as the case may be) or have been partners in the following partnerships within the five years prior to the date of this Document:

Full Name	**Current directorships and partnerships**	**Past directorships and partnerships**
Dr Heikki Lanckriet	4basebio Discovery Ltd 4basebio S.L.U. 4basebio UK Ltd	4basebio Inc 4bb AG Amintra Ltd Astranet Systems Ltd Expedeon Asia Pte. Ltd. Expedeon Ltd Expedeon Holdings Ltd Innova Biosciences Ltd Tgr Biosciences Pty Ltd
David Roth	4basebio UK Ltd 4basebio Discovery Ltd 4basebio Verwaltungs GmbH	4bb AG Expedeon Holdings Ltd Expedeon Ltd Innova Biosciences Ltd
Timothy Paul McCarthy	Dropped Limited Frangipani Dreams Ltd Immupharma Plc Incanthera Plc Incanthera Therapeutics Ltd Incanthera Research & Development Ltd	4bb AG Ark Analytics Solutions Ltd BBN International Ltd Expedeon Holdings Ltd Harvard Healthcare Ltd Wise Old Owl Limited

Full Name	Current directorships and partnerships	Past directorships and partnerships
	Unnamed Ltd	
Hansjörg Plaggemars	4bb AG Alpha Cleantec AG Altech Advanced Materials AG Azure Minerals Ltd Balaton Agro Invest AG BCT bio cleantec AG Davenport Resources Ltd Davenport Resources Ltd Decheng Technology AG Enapter AG Investunity AG Ming Le Sports AG OOC CTV Verwaltungs GmbH Snowbird AG Strawtec Group AG	DELPHI Unternehmensberatung AG Deutsche Balaton AG Eurohaus Frankfurt AG Kalte Eckert GmbH MARNA Beteiligungen AG Stellar Diamonds Ltd
Pilar de la Huerta		ADL Biontaur – 466 AG
Joseph Manuel Fernández	Active Motif, INC. Delegate Advisors, LLC Branch J & J Fernández Ventures L.P. Joan & Joseph Fernández Family Foundation Jmjv Management Corp. Protein Fluidics, INC. Structures On The Green LLC The Land Of Oz LLC	Expedeon Holdings Ltd

Tim McCarthy was a director of Alizyme plc and its subsidiary Alizyme Therapeutics Limited, both of which entered into administration in July 2009. Both companies have now been dissolved (plc – 21 May 2020; Limited – 18 February 2020) with the agreed creditors paid in full and a distribution to shareholders having been completed.

Tim McCarthy was director of Harvard Healthcare Limited, which entered into a creditors' voluntary liquidation in March 2018. The deficiency to creditors was circa £200,000 and the Company was dissolved on 17 July 2020.

Tim McCarthy was a director of Retail Service Team Limited, which entered into a creditors' voluntary liquidation in December 2013, 8 months following his resignation. The deficiency to creditors was circa £800,000 and the Company was dissolved on 4 June 2015.

Mr Plaggemars was appointed to the board of KAMPA AG, one of Europe's leading prefabricated house manufactures, as Chief Restructuring Officer and Chief Financial Officer in January 2009. Due to the financial position of the company and excessive liabilities owned to third parties, Mr Plaggemars filed for insolvency a few weeks after his appointment. The liabilities owed to third parties were approximately Euro 30 million.

The Cologne Local Court appointed Mr. Plaggemars as a member of the Supervisory Board of Youbisheng Green Paper AG by resolution dated 22 April 2015, following the opening of preliminary insolvency proceedings against the Company's assets on 13 August 2018. In his function as a member of the Supervisory Board, Mr. Plaggemars assisted in the preparation and implementation of an insolvency plan. The insolvency plan was filed with the competent court on 17 October 2017, approved by the creditors on 24 November 2017 and became

legally binding on 15 January 2018. The insolvency was cancelled by court order on 22 February 2018. Creditors as at 30 June 2015 were approximately Euro 1.5 million.

In April 2015, Mr Plaggemars was appointed to the supervisory board of Ultrasonic AG, by exercise of an appointment right of DELPHI Unternehmensberatung AG after the company filed for insolvency on 11 March 2015. Ultrasonic AG was guarantor under a bank credit facility to Cathay United Bank for an amount of US$60 million. The company was dissolved by the opening of insolvency proceedings against its assets on 10 August 2016.

In December 2017, Mr. Plaggemars was appointed to the management board of S&O Beteiligungen AG (formerly S&O Agrar AG). Insolvency proceedings for S&O Agrar AG had been opened on 2 August 2016. Mr. Plaggemars was appointed to the management board of the former S&O Agrar AG in order to rescue the company within the framework of an insolvency plan. The insolvency plan was filed with the competent courts on 19 November 2018, approved by the creditors on 17 January 2019 and by the competent courts on 10 May 2019. The insolvency proceedings were terminated by court order on 14 June 2019.

In January 2018, Mr. Plaggemars was a member of the supervisory board of Biofrontera AG and was also on the management board of DELPHI Unternehmensberatung AG ("DELPHI"). At the request of the Regional Court of Cologne (Landgericht), Mr. Plaggemars had submitted in November 2018 a written statement in his capacity as member of the supervisory board of Biofrontera AG in a proceeding pending at the court in which DELPHI Unternehmensberatung AG ("DELPHI") had applied for the appointment of a special auditor pursuant to Section 142 (2) AktG. In January 2019, the supervisory board of Biofrontera AG filed an application with the Cologne Local Court for Mr Plaggemars to be removed from its supervisory board on the grounds that solely the supervisory board of Biofrontera AG would have been authorised to issue a statement in November 2018. The application was upheld and consequently Mr Plaggemars was dismissed as a member of the supervisory board of Biofrontera AG in March 2019.

On 5 September 2018, Mr. Plaggemars was appointed to the management board of Snowbird AG following which a review was undertaken by the management board of the economic situation of the company, in particular the assets and liabilities of the company. The management board determined that the company was insolvent and over-indebted and therefore filed for insolvency on 10 October 2018. The insolvency proceedings were opened by court order on 1 January 2019. The aim was to save the company by implementing an insolvency plan, but due to a major creditor voting against the insolvency plan, it could not be implemented and the company is currently being wound up by the insolvency administrator.

Mr. Plaggemars was appointed to the management board of Decheng Technology AG on 10 April 2019 with effect of 2 May 2019, following which a review was undertaken by the management board of the economic situation of the company, in particular the assets and liabilities of the company. The management board determined that the company was insolvent and over-indebted and therefore filed for insolvency on 27 May 2019. The insolvency proceedings were opened by court order on 10 October 2019. The aim is to rescue the company by implementing an insolvency plan, which has been approved by the creditor committee on 14 October 2020 but is still subject to certain conditions.

7.2. Save as set out above, none of the Directors are, nor have been within the five years prior to the publication of this Document, partners in any partnerships.

7.3. Save as disclosed in this Document, no Director has:

7.3.1. any unspent convictions in relation to indictable offences;

7.3.2. had a bankruptcy order made against him or entered into an individual voluntary arrangement;

7.3.3. been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangement or which entered into any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceases to be a director of that company;

7.3.4. been a partner in any partnership placed into compulsory liquidation, administration or partnership voluntary arrangement where such director was a partner at the time of or within the 12 months preceding such event;

7.3.5. been subject to the receivership of any asset of such director or of a partnership of which the director was a partner at the time of or within 12 months preceding such event; or

7.3.6. received public criticisms by statutory or regulatory authorities (including designated professional bodies) and no director has been disqualified from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

7.4. Save as disclosed in this Document, no Director has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company during the current financial year which remains outstanding or unperformed.

8. Employee and Executive Share Incentives

8.1. Overview

Prior to Admission, the Company adopted a new Enterprise Management Incentive ("**EMI**") plan, which will enable share options to be granted to specific officers and employees. The EMI is a statutory tax-advantaged share scheme which benefits from generous tax reliefs but must adhere to the requirements set out in Schedule 5 of the Income and Tax (Earnings and Pensions) Act 2003. Under this plan, the Company will also have the flexibility to grant non-tax advantaged share options.

8.2. Settlement and dilution limits

When the EMI Options are exercised, they shall be satisfied using newly issued Ordinary Shares. The number of Ordinary Shares which may be issued pursuant to the settlement of the EMI Options and any future share-based schemes adopted by the Company following Admission shall be limited to a maximum of 10 per cent. of the Company's total issued share capital over the period of 10 years from Admission including share awards made on but not prior to Admission.

8.3. Administration and amendments

Any amendments to the EMI Plan may not apply to EMI Options granted before the amendment was made and materially adversely affect the interests of the EMI Option Holders but may only be made subject to the agreement of the EMI Option Holder.

8.4. Termination

Subject to the discretion of the Board the EMI Option will lapse immediately where an EMI Option Holder ceases office or employment. A general waiver by the Board of performance conditions on cessation of employment is not permitted. Except in the case of the EMI Option Holder's death, the Board may permit an EMI Option Holder to exercise their EMI Option, following cessation of their office or employment for a period of up to 90 days beginning with the date of cessation after which point the EMI Option will lapse. In the case of the death of the EMI Option Holder, the Board may permit the personal representatives of an EMI Option Holder to exercise their EMI Option to the extent that it has vested, for a period of up to 12 months beginning with the date of death after which point the EMI Option will lapse.

8.5. The Enterprise Management Incentive Plan (EMI)

Prior to Admission, the Company adopted an EMI Plan for the purposes of recruiting and retaining members of the employee workforce, senior management and the Board. The EMI Plan will satisfy the statutory conditions of Chapter 9, Part 7 and Schedule 5 ITEPA 2003. Under the terms of the EMI Plan the Board shall, on a discretionary basis, grant EMI Options to eligible participants. EMI Options are UK tax-advantaged options which entitle the EMI Option Holder to acquire Shares in the Company for the Exercise Price. EMI Options must be granted for the purpose of recruiting and retaining staff and must not be granted for the purposes of avoiding tax. In order to qualify as EMI Options, restrictions apply to the

Company, the EMI Option Holder and the EMI Option. In particular, there are restrictions on the:

8.5.1 period of time within which the options can be exercised;

8.5.2 maximum number of EMI Options which can be granted across the Group as measured by the value of the Shares to which the unexercised EMI Options pertain and as valued at the Date(s) of Grant;

8.5.3 maximum number of EMI Options which can be granted for each eligible participant as measured by the value of the Shares to which the EMI Option(s) pertain(s) and as valued at the Date(s) of Grant; and

8.5.4 the eligibility of the participant with each participant being required to spend a minimum amount of time working for the Company or Group and have a limit on the number of shares that they may hold or be entitled to hold.

In addition, the Company may grant non-tax advantaged Options to employees of the Group who do not meet the statutory conditions of Schedule 5 or who are not resident in the UK and therefore will not be eligible to be granted EMI Options.

8.6. Eligibility

The EMI Plan will provide incentives to eligible participants who are selected at the discretion of the Board. In particular and at the Date of Grant, eligible participants will meet the statutory working time requirements under paragraphs 26 and 27 of Schedule 5 which mean that they must spend at least:

8.6.1 25 hours per week; or if lower

8.6.2 75% of their working time per week on the business of the Company or Group.

In addition, participants will not be eligible to be granted EMI Options where they have a Material Interest in the Company.

8.7. Grant policy

The Company granted EMI Options to eligible participants shortly before Admission as set out in 8.8 below. Thereafter, the Board may adopt an annual grant policy.

8.8. Participants

Shortly before Admission, Directors and other eligible participants will be granted EMI Options:

Participant	Date of Grant	Exercise Price	Number of Ordinary Shares under EMI Option	Latest Exercise Date
Heikki Lanckriet	25/01/2021	£1.18	211,863	24/01/2031
David Roth	25/01/2021	£1.18	179,000	24/01/2031
Others	25/01/2021	£1.18	107,000	24/01/2031

In addition and shortly before Admission, Directors and other participants will be granted non-tax advantaged options:

Participant	Date of Grant	Exercise Price	Number of Ordinary Shares under Option	Latest Exercise Date
Heikki Lanckriet	25/01/2021	£1.18	26,137	24/01/2031
Others	25/01/2021	£1.18	73,500	24/01/2031

8.9. Quantum and individual limits

At no point may the Company have more than £3 million of unexercised EMI Options, as valued at the Date(s) of Grant, subsisting. Furthermore, an eligible participant may not at any time, hold unexercised EMI Options exceeding £250,000 as valued at the Date(s) of Grant. Where an eligible participant holds EMI Options which exceed this limit, the option shall be a non-tax advantaged option to the extent that this limit has been exceeded.

8.10. Limits on time

The EMI Options will only vest and become exercisable within 10 years of the Date of Grant subject to the satisfaction of performance conditions specified by the Board.

8.11. Performance conditions

Subject to a Change of Control as defined in the EMI Plan, the EMI Options will vest on the following basis:

1. a proportion will vest immediately on the Date of Grant;
2. a proportion will vest subject to length of service;
3. a proportion will vest subject to a share price performance condition; and
4. a proportion will vest subject to a time and share price performance condition.

A performance measurement date will apply for length of service with a proportion vesting annually beginning on the first anniversary following the Date of Grant. The proportion of the Option will have vested in full on the fourth anniversary of the Date of Grant. End of Year 1 shall mean the 1st anniversary of the Date of Grant of the EMI Option and End of Year 2, End of Year 3 and End of Year 4 shall be construed accordingly.

A performance measurement date will apply for the share price performance condition. On each performance measurement date, the length of service and the share price performance shall be measured and within seven days the EMI Option holder shall be notified of the number of option shares in respect of which their EMI Option has vested.

The proportion of an EMI Option which vests subject to the time and performance condition, will vest in full upon the achievement of a weighted average share price as measured following the third anniversary of the Date of Grant.

8.12. Change of control, reconstruction or winding-up

In the event of a takeover, change of control or winding up of the Company, Options shall become exercisable or immediately vest based on the extent to which the Board determines that performance conditions have been met.

8.13. Variation of share capital

In the event of any variation of share capital of the Company or any capitalisation of profits or reserves by way of consolidation, sub-division, bonus issue or reduction of the Company's share capital or in respect of any discount element in any rights issue or in the event that a special dividend is paid, the number of Shares subject to an EMI Option and/or the Exercise Price of any EMI Option may be varied in such manner as the Board considers to be appropriate subject to obtaining the agreement of the EMI Option Holders where such amendments adversely affect their rights under such EMI Options.

8.14. Malus and clawback

The Remuneration Committee may exercise discretion to reduce the number of shares and/or impose conditions if any of the prescribed events occur.

The occurrence of any of the following events will trigger malus and clawback provisions:

8.14.1 conduct resulting in significant losses to the group;

8.14.2 failure to meet standards of fitness and propriety;

8.14.3 incidents of fraud or material dishonesty;

8.14.4 material wrongdoing;

8.14.5 action which is likely to bring a group company into disrepute or is materially adverse to the interest of a group company;

8.14.6 breach of a term of employment contract giving reason to potential termination of office/employment; or

8.14.7 where a former officer/employee was found to have been in breach of their employment contract or fiduciary duty and the Company was not aware of such breach(es) prior to cessation of office/employment.

9. CITY CODE, MANDATORY BIDS, SQUEEZE-OUT AND SELL-OUT RULES, AND CONCERT PARTIES

Mandatory takeover bids

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate interest in Ordinary Shares of the acquirer and any parties acting in concert with it to shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties would be required (except with the consent of the Takeover Panel) to make a cash offer for the Ordinary Shares not already owned by the acquirer and its concert parties at a price not less than the highest price paid for Ordinary Shares by the acquirer or its concert parties during the previous 12 months. A similar obligation to make such a mandatory cash offer would also arise on the acquisition of Ordinary Shares by a person already holding together with its concert parties Ordinary Shares carrying at least 30 per cent., but not more than 50 per cent., of the voting rights in the Company if the effect of such acquisition were to increase the percentage of the aggregate voting rights held by the acquirer and its concert parties.

The Takeover Code defines persons "acting in concert" as comprising persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. "Control" means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give *de facto* control. A person and each of its affiliated persons will be deemed to be acting in concert with each other. There is a non-exhaustive list of persons who will be presumed to be acting in concert with other persons in the same category unless the contrary is established.

4bb Concert Party

The Company has agreed with the Panel that the following Shareholders are deemed to be acting in concert for the purposes of the Takeover Code in relation to their shareholdings in the Company: (1) 4bb AG; (2) the Deutsche Balaton Group; (3) Dr Heikki Lanckriet; (4) David Roth; (5) Joseph Fernández; (6) Timothy McCarthy; (7) and Hansjörg Plaggemars; (together the "4bb Concert Party").

On Admission, the 4bb Concert Party will be interested in 8,164,477 Ordinary Shares representing approximately 66.3 per cent. of the Issued Share Capital, and so any further increase in its interest in Ordinary Shares will no longer be subject to the provisions of Rule 9 of the City Code. The 4bb Concert Party will therefore be able to increase its aggregate interest in Ordinary Shares without having to make an offer for the Company, although individual members of the Concert Party will not be able to increase their percentage interests in Ordinary Shares through or between a Rule 9 threshold without Panel consent.

The table below shows the holdings of the members of the 4bb Concert Party:

	As at the date of this Document and on Admission			
Shareholder	**No. of Ordinary Shares**	**Issued Share Capital (%)**	**No. of Options over Ordinary Shares**	**Enlarged[4] Issued Share Capital (%)**
4bb AG	3,665,242	29.76%	—	28.78%
Deutsche Balaton Group[1]	2,496,933	20.27%	—	19.61%
Dr Heikki Lanckriet[2]	1,237,003	10.04%	238,000	11.58%
Joseph Fernández	448,244	3.64%	—	3.52%
David Roth	308,000	2.50%	179,000	3.82%
Hansjörg Plaggemars[3]	6,667	0.05%	—	0.05%
Timothy McCarthy	2,388	0.02%	—	0.02%
Total	8,164,477	66.28%	417,000	67.39%

Note

1 – Members or associates of the Deutsche Balatan Group, which is under the ultimate control of Wilhelm K.T. Zours and includes Sparta AG (10.97%), Delphi Unternehmensberatung AG (5.18%) and Deutsche Balaton AG (4.11%).

2 – Aggregate shareholding of Dr Heikki Lanckriet and persons closely associated with him.

3 – Aggregate shareholding of Hansjörg Plaggemars and persons closely associated with him.

4 – The Enlarged issued share capital shows the maximum position of the Concert Party and only includes options issued to members of the 4bb Concert Party.

Squeeze Out

Under the Act, if an offeror were to acquire 90 per cent of the Ordinary Shares within four months of making the offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their Ordinary Shares and then, six weeks later, it would execute a transfer of the outstanding Ordinary Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose Ordinary Shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

Sell out

The Act also gives minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of Ordinary Shares to which the offer relates who has not accepted the offer can require the offeror to acquire his Ordinary Shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises its rights, the offeror is bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

10. New Articles

The New Articles, which were adopted on 5 November 2020 to take effect on Admission, contain, amongst other things, provisions to the following effect.

10.1. Objects

Pursuant to section 31 of the Act, the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by law.

10.2. Voting rights

Subject to any special terms as to voting upon which any shares may, for the time being, be held, at any general meeting on a show of hands every member who (being an individual) is present in person or by proxy or who (being a corporation) is present by a duly authorised representative shall have one vote and on a poll every member present in person or by proxy or by a representative shall have one vote for every ordinary share in the capital of the Company held by him. A proxy need not be a member of the Company.

10.3. Variation of rights

If at any time the capital of the Company is divided into different classes of shares or any other rights or privileges attached to any class of shares in the Company and subject to the provisions of the Act and of the New Articles, the special rights attached to any class of share in the Company may be varied or abrogated either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or while the Company is or is about to be in liquidation. At every such separate general meeting (except an adjourned meeting) the quorum shall be at least two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the relevant class.

10.4. Changes in share capital

The Company may alter its share capital as follows:

a. subject to the provisions of the Act it may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger nominal value, sub-divide all or any of its shares into shares of a smaller nominal value and cancel any shares which have not been taken or agreed to be taken by any person;

b. subject to the provisions of the Act and to any rights for the time being attached to any shares, it may by special resolution reduce or cancel its share capital, any capital redemption reserve, any share premium account or other undistributable reserve in any manner; and

c. subject to the provisions of the Act and to any rights for the time being attached to any shares, it may purchase its own shares (including any redeemable shares), provided that the Company shall not purchase any of its shares unless such purchase has been sanctioned by a special resolution passed at a separate meeting of the holders of any class of shares convertible into equity share capital of the Company.

10.5. Transfer of shares

A member may transfer all or any of his shares, save for those shares held in uncertificated form title to which may be transferred by means of a relevant system such as CREST without a written instrument, by an instrument of transfer in writing in any usual form or in any other form approved by the Board. The instrument of transfer of a certificated share shall be executed by or on behalf of the transferor and, except in the case of fully paid shares, by or on behalf of the transferee. The Board may, in its absolute discretion, refuse to register a transfer of any share held in certificated form unless it is:

a. in respect of a share which is not fully paid up;

b. in respect of only one class of share;

c. in favour of a single transferee or not more than four joint transferees;

d. duly stamped (if required); and

e. lodged at the registered office together with the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer, provided that the Board does not exercise such

discretion to prevent dealings in the shares from taking place on an open and proper basis.

The Board may also refuse to register a transfer of shares (whether fully paid or not) which is in favour of more than four persons jointly.

If the Board refuses to register a transfer it must, within 2 months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee along with its reasons for refusal.

10.6. Uncertificated shares

The Company may issue shares and other securities which do not have certificates and permit existing shares and other securities to be held without certificates.

A member may transfer all or any of his uncertificated shares by means of a relevant system, as defined in the CREST Regulations, which includes CREST. The Directors may refuse to register any transfer of an uncertificated share where permitted by the Uncertificated Securities Regulations. If the Directors refuse to register a transfer of an uncertificated share they shall, within two months of the date on which the transfer instruction relating to such a transfer was received by the Company, send to the transferee notice of the refusal.

10.7. Dividends

Subject to the provisions of the Act and of the New Articles and to any special rights attaching to any shares, the Company may by ordinary resolution in a general meeting declare dividends, provided that no dividend shall be paid otherwise than out of profits and no dividend shall exceed the amount recommended by the Board. The Board may from time to time pay such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of the Company.

Except as otherwise provided by the New Articles, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. Generally, all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

No amount paid or credited as paid in advance of calls shall be regarded as paid on shares for this purpose. Unless otherwise provided by the rights attached to any share, no dividends in respect of a share shall bear interest.

The Board may, with the prior authority of an ordinary resolution of the Company, offer the holders of Ordinary Shares the right to elect to receive Ordinary Shares credited as fully paid instead of cash in respect of all or part of any dividend. The Board may, at its discretion, make the right to participate in any such elections subject to restrictions necessary or expedient to deal with legal, regulatory or other difficulties in respect of overseas shareholders.

Any dividend unclaimed for a period of 12 years after the payment date for such dividend shall (if the Board so resolves) be forfeited and cease to remain owing by the Company and shall thereafter revert to the Company absolutely.

10.8. Return of Capital

On a winding-up or other return of capital of the Company, the members will be entitled to share in any surplus assets. A liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or in kind the whole or any part of the assets to be set at such value and in such manner as shall be deemed fair by the liquidator. A liquidator, with the sanction of a special resolution, may also vest the whole or any part of the assets of the Company in trustees on trusts for the benefit of the members.

10.9. Pre-emption rights

There are no rights of pre-emption under the New Articles in respect of transfers of issued Ordinary Shares.

In the majority of circumstances (unless dis-applied by special resolution), the Shareholders will have statutory pre-emption rights under the Act in respect of the allotment of new equity securities in the Company. These statutory pre-emption rights require the Company to offer new equity securities for allotment to existing shareholders on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such equity securities would be offered to the Shareholders.

10.10. Shareholder Meetings

The Company must hold a general meeting as its annual general meeting within six months following the end of each financial year (in addition to any other meetings in that year), unless it is permitted by the Act to extend the period for holding its annual general meeting. The Board must decide the time and place for each annual general meeting. Other general meetings may be called whenever the Directors think fit or when one has been requisitioned in accordance with the Act. Two members present in person or by proxy (or being a corporation, present by a duly appointed representative) at the meeting and entitled to vote shall be a quorum for all purposes.

Annual general meetings are called on at least 21 days' notice in writing, exclusive of the day of which the notice is served or deemed to be served and of the day on which the meeting is to be held. Other general meetings are to be called on 14 days' notice in writing exclusive of the day on which the notice is served or deemed to be served and the day on which the meeting is to be held. Subject to the provisions of the New Articles and to any restrictions imposed on any shares, every notice of meeting shall be given to all the members, all other persons who are at the date of the notice entitled to receive notices from the Company and to the Directors and auditors.

In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote or a person nominated pursuant to the New Articles is entitled to appoint one or more proxies to attend and, on a poll vote instead of him/her, and that a proxy need not be a member.

10.11. Untraceable shareholders

The Company is entitled to sell, at the best price reasonably obtainable, any share, of a member who is untraceable, provided that:

a. all cheques or warrants for any sums payable in cash to the holder of such shares have remained uncashed and each attempt to make a payment in respect of the shares by means of bank transfer or other method for the payment of dividends has failed for a period of 12 years;

b. during the 12 year period, at least three dividends (whether interim or final) in respect of the shares in question have become payable and no dividend during that period has been claimed by the member;

c. the Company has not during that time or before the expiry of the three-month period referred to in paragraph (d) below received any communication in respect of such share from such member or person entitled; and

d. upon expiry of the 12 year period, the Company has caused an advertisement to be published in newspapers in the manner stipulated by the Articles, giving notice of its intention to sell these shares, and a period of three months has elapsed since such advertisement and the London Stock Exchange has been notified of such intention.

The net proceeds of any such sale shall belong to the Company and when the Company receive these net proceeds the Company shall become indebted to the former member for an amount equal to such net proceeds and the Company shall enter the name of such former or other person in the books of the Company as a creditor for such amount.

10.12. Directors

Directors may be appointed by the Company by an ordinary resolution of the Board, either to fill a vacancy or as an addition to the existing Board. If appointed by the Board, that Director holds office until the next annual general meeting, at which he shall be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at the meeting.

At every annual general meeting one third of the Directors shall retire from office, or if their number is not three or a multiple of three, the number nearest to but not exceeding one third shall retire from office by rotation.

At the meeting at which a Director retires under any provision of the New Articles, the retiring Director shall be deemed to have been re-appointed except where:

a. that Director has given notice to the Company that he is unwilling to be elected; or

b. at such meeting it is expressly resolved not to fill such vacated office or a resolution for the re-appointment of such Director shall have been put to the meeting and not passed.

No Director shall vacate his office or be ineligible for appointment or re-appointment as a Director by reason only of his having attained any particular age, nor will special notice be required of any resolution appointing or approving the appointment of such a Director or any notice be required to state the age of the person to whom such resolution relates.

As is usual for quoted companies, the New Articles contain a cap on the aggregate fees which the Directors shall be entitled to receive for their services in the office of director (other than remuneration for executive directors). The New Articles state that these fees shall not exceed £400,000 per annum (exclusive of VAT if applicable), or such other sum as may from time to time be determined by an ordinary resolution of the Company. The actual fees paid (unless otherwise directed by any resolution of the Company by which a limit is approved) shall be determined by the Directors and shall be paid in such proportions and in such manner as the Board may determine.

All the Directors (including alternate directors) are entitled to be repaid out of the funds of the Company all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors, including their expenses of travelling to and from meetings of the Directors, committee meetings or general meetings.

If by arrangement with the Board any Director performs any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration which may be by a lump sum or by way of salary, commission, participation in profits or otherwise as the Board may determine.

A Director may act by himself or his firm in a professional capacity (other than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

The remuneration and other terms and conditions of appointment of a Director appointed as managing director or to chief executive office of the Company shall from time to time (without prejudice to the provisions of any agreement between him and the Company) be fixed by the Board on such terms as the Board thinks fit.

Any statutory provision which, subject to the provisions of the New Articles, would have the effect of rendering any person ineligible for appointment as a director or liable to vacate office as a director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment of any director over a specified age shall not apply to the Company.

10.13. Directors' interests in contracts

Save as provided in the New Articles or by the terms of any authorisation given by the Directors, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or any committee of the Board in respect of any contract,

arrangement, transaction or any proposal whatsoever in which he has any material interest or duty which (otherwise than by virtue of an interest in shares or debentures or other securities of or otherwise in or through the Company) conflicts or may conflict with the interests of the Company and if he shall do so his vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting.

If a question arises as to the right of a Director to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, the question may, before the conclusion of the meeting, be referred to the chairman (or alternate chairman should the question concern an interest of the chairman) of the meeting and his ruling shall be final and conclusive, except in a case where the nature or extent of the interest has not been fairly disclosed and provided that any such question shall, for the purposes of disclosure of the interest in the accounts of the Company, be finally and conclusively decided by a majority of the Board.

A Director shall (in the absence of some other interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution at such meeting if his duty or interest arises only because the resolution relates to one of the following matters:

i. the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;

ii. the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

iii. where the Company or any of its subsidiary undertakings is offering shares or debentures or other securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;

iv. relating to another company in which he or any persons connected with him has a direct or indirect interest (whether as an officer or shareholder or otherwise) provided that he and any persons connected with him are not to his knowledge the holder (otherwise than as a nominee for the Company or any of its subsidiary undertakings) of or beneficially interested in one per cent, or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of the relevant article to be a material interest in all circumstances);

v. relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or

vi. concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.

Where proposals are under consideration concerning the appointments (including fixing or varying the terms of the appointment) of two or more Directors, such proposals may be divided and a separate resolution considered in relation to each Director. In each case, each such Director (if not otherwise debarred from voting) is entitled to vote (and be counted in the quorum) in respect of each resolution except that resolution concerning his own appointment.

10.14. Indemnity

Subject to the provisions of any relevant legislation, the Company may indemnify any Director, alternate director and other officer of the Company (other than an auditor) against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation to those duties.

10.15. Borrowing powers

The Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present or future) and uncalled capital, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

10.16. Disclosure of interests in shares

Section 793 of the Act provides a public company with the statutory means to ascertain the persons who are, or have within the last three years been, interested in its relevant share capital and the nature of such interests.

Where notice is served by the Company under section 793 of the Act ("section 793 notice") on a member, or on another person appearing to be interested in shares held by that member, and that member or other person has failed to give the Company the information required within the period set out in the section 793 notice, certain sanctions may apply (as determined by the Board) including:

a. the member shall not be entitled to be present or vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll in respect of the default shares; and

b. where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class:

   i. the member shall not be entitled to receive any dividend or other distribution, or shares in place of a dividend; and

   ii. no transfer of the shares shall be registered except in certain specified circumstances.

Subject to certain restrictions, the above sanctions shall cease to apply with effect from the date that the Company receives notice of an excepted transfer (but only in respect of the shares transferred) or seven days after receipt by the Company of all the information required in the section 793 notice.

The New Articles do not restrict in any way the provisions of section 794 of the Companies Act.

11. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and/or any of its subsidiaries in the two years immediately preceding the date of this Document and are, or may be, material:

11.1. Nominated adviser agreement

The Company and Cairn entered into a nominated adviser agreement dated 12 February 2021 pursuant to which the Company has appointed Cairn to act as nominated adviser to the Company for the purposes of the AIM Rules for Companies.

The agreement contains certain undertakings and indemnities given by the Company in favour of Cairn. There is a minimum initial period of engagement of 12 months and thereafter either party may terminate the services of Cairn by giving 3 months' written notice. Either party may terminate the agreement with immediate effect if the other party is in material breach of its obligations under the agreement.

11.2. Introduction Agreement

The Company, the Directors, Cairn and finnCap entered into the Introduction Agreement on 12 February 2021, pursuant to which Cairn has agreed (conditionally, *inter alia*, on Admission taking place no later than 9.00 a.m. on 28 February 2021) to perform those matters in relation to the Company's application for Admission required under the AIM Rules to be carried out by a nominated adviser including making the AIM Nominated Adviser Declaration.

The Introduction Agreement contains customary warranties given by the Company and the Directors to Cairn, as to the accuracy of the information contained in this Document and

other matters relating to the Group's business. The agreement also contains an indemnity from the Company in favour of Cairn.

Cairn has the right to terminate the Introduction Agreement prior to Admission in certain specified circumstances that are customary in an agreement of this nature.

11.3. Broker agreement

A broker agreement between finnCap and the Company dated 17 December 2020 pursuant to which the Company has appointed finnCap to act as broker to the Company for the purposes of the AIM Rules for Companies.

The Company has agreed to pay finnCap an annual retainer of £50,000 increasing to £60,000 after the first year and to £70,000 on the second anniversary, thereafter it increases by an amount equal to the UK price index. The agreement contains certain undertakings and indemnities given by the Company in respect of, amongst other things, compliance with all applicable regulations. The agreement continues until terminated by either party on not less than three months' prior written notice provided that in the case of termination by the Company, such prior written notice is not to expire earlier than 17 December 2021.

11.4. Relationship Agreement

The Company entered into a relationship agreement dated on 12 February 2021 with 4bb AG, Cairn and finnCap the principal terms of which shall cease to have effect if Admission does not occur by 28 February 2021. Pursuant to the agreement 4bb AG provides certain undertakings to the Company, Cairn and finnCap to ensure, *inter alia*, (as far as it is able) that (i) the Group is capable of carrying on its business independently of 4bb AG and the Deutsche Balaton Group; (ii) any arrangements or agreements between 4bb AG and the Deutsche Balaton Group and the Group are on arms-length terms; and (iii) a majority of independent Directors approve all board decisions requiring approval of transactions or arrangements with 4bb AG and the Deutsche Balaton Group. In addition 4bb AG covenants (i) to comply with the AIM Rules in relation to the Company; (ii) to comply with the Company's articles of association; (iii) not to acquire shares in any other Group member (other than the Company); (iv) not to make or cause public announcements to be made relating to the Group; (v) not to carry out any insider dealing activities in respect of its holding of Ordinary Shares; (vi) other than in limited circumstances not to use the Company's confidential information for its own benefit; (vii) not to recruit any Group employees; and (viii) not to use its shareholding to de-list the Ordinary Shares from trading on AIM. The terms of the Relationship Agreement continue to apply for a period of two years following Admission plus a further period for so long as 4bb AG and certain connected persons are interested in at least ten per cent. of the Ordinary Shares then in issue plus any subsequent period during which the aggregate number of Ordinary Shares in which 4bb AG and certain connected persons are interested is at least ten per cent. of the Ordinary Shares then in issue so long as the first day of such a period is no more than one year after a date on which 4bb AG and certain connected persons were previously interested in at least ten per cent. of the Ordinary Shares then in issue.

11.5. Lock-in and Orderly Market Agreement

On 12 February 2021, the Locked-in Persons entered into a lock-in agreement and orderly marketing with the Company, Cairn and finnCap pursuant to which they have agreed to be subject to a twelve month lock-in period, during which time, subject to certain exceptions, they may not offer, sell or contract to sell, or otherwise dispose of any Ordinary Shares or enter into any transaction with the same economic effect as the foregoing (each a "Disposal''). In addition, the Locked-in Persons (other than certain members of the Deutsche Balaton Group) have agreed that any disposal in the subsequent twelve month period will be undertaken through finnCap and, save in certain circumstances, only in accordance with Cairn's and finnCap's reasonable requirements. The Locked-in Persons who represent certain members of the Deutsche Balaton Group have agreed that any disposal in the subsequent three month period (following the initial twelve) will be undertaken through finnCap and, save in certain circumstances, only in accordance with Cairn's and finnCap's reasonable requirements. The Deutsche Balaton Group has in place certain banking arrangements which include general security over its portfolio of investments from time to time. These

arrangements were put in place prior to Admission and the Deutsche Balaton Group has agreed not to put in place any specific future security arrangements in respect of the Company's Ordinary Shares during the initial 12 month lock-in period.

11.6 Spin-Off and Transfer Agreement

4bb AG and the Company entered into the Spin-Off agreement (the "**Spin-Off and Transfer Agreement**") on 29 September 2020. Pursuant to the Spin-Off and Transfer Agreement, 4bb AG transferred its genomics and DNA business by way of a Spin-Off (referred to as a "Spin-Off for assumption" in accordance with certain German legislation). The Spin-Off completed and became effective with the registration in the relevant commercial register of 4bb AG on 8 December 2020. For purposes of the Spin-Off, the Company increased its share capital from EUR 3,695,242 by EUR 8,622,231 to EUR 12,317,473 by issuing a further 8,622,231 shares. These new shares were then distributed to the shareholders of 4bb AG fully paid as consideration for the Spin-Off. Under the terms of the Spin-Off and Transfer Agreement, an allotment ratio of 6:1 was established, in other words, for each six (6) shares held by a shareholder in 4bb AG, one new share in the Company was issued. As a result of the Spin-Off, as at Admission in the region of 70 per cent. of the Company's shares are held by the shareholders of 4bb AG, while around 30 per cent. of the Company's shares are held by 4bb AG. There is no anticipated ongoing liability or obligations for the Company pursuant to the Spin-Off and Transfer Agreement as 4bb AG has indemnified the Company for certain liabilities that could accrue to the Company as a result of certain mandatory German legislation.

11.7 4bb AG Loan Agreement

On 2 November 2020, the Company entered into a loan agreement with 4bb AG. Pursuant to such loan agreement, the Company can draw down up to €25 million at any time prior to 31 October 2026. Any amounts drawn down carry a commercial rate of interest. All amounts drawn down, together with any accrued but unpaid interest, are due for repayment no later than 31 October 2027. The loan facility can only be terminated by 4bb AG in limited circumstances, such as the insolvency of the Company. The loan agreement is governed by German law. At the time of Admission, the Company has not taken advantage of this facility and has no current plans to do so.

12. Related Party Transactions

Save as disclosed in this Document, the Company has not entered into any related party transaction in the financial period covered by the report in Part III of this Document or from the end of that period to the date of this Document.

13. Premises

The Group's key sites are set out below.

Property	Tenure	Term or Lease expiry (if applicable)
25 Norman Way Industrial Estate, Norman Way, Over, Cambridge CB24 5QE	Freehold	N/A
C/ Faraday 7 Cantoblanco 28049 Madrid	Leasehold	31 December 2020

14. Working Capital

The Directors (having made due and careful enquiry) are of the opinion that, taking into account existing cash available to the Group, the working capital available to the Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

15. Litigation

The Group is not involved nor has been involved in any legal or arbitration proceedings in the previous 12 months which have or may have had in the recent past, a significant effect on the Group's financial position or profitability nor, so far as the Directors are aware are any such proceedings pending or threatened against any member of the Group.

16. Taxation

16.1. Taxation in the United Kingdom

The following information is based on UK tax law and HM Revenue and Customs ("**HMRC**") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

16.1.1. Tax treatment of UK investors

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

(i) who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent. of any of the classes of shares in the Company; or

(ii) who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or

(iii) who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

16.2. Dividends

Where the Company pays dividends no UK withholding taxes are deducted at source, Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals will have a £2,000 annual dividend tax allowance. A Dividend receipt in excess of £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent for higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

16.3. Disposals of Ordinary Shares

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10 per cent. and for upper rate and additional rate taxpayers is 20 per cent..

For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 19 per cent. falling to 17 per cent. after 1 April 2020. But in the Budget on 11 March 2020 it was announced that the rate would remain at 19 per cent, after 1 April 2020.

16.4. *Further information for Shareholders subject to UK income tax and capital gains tax*

"Transactions in securities"

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel "tax advantages" derived from certain prescribed "transactions in securities".

16.5. *Stamp Duty and Stamp Duty Reserve Tax ("**SDRT**")*

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

No stamp duty or SDRT will generally be payable on the issue of Ordinary Shares.

Neither UK stamp duty nor SDRT should arise on transfers of Ordinary Shares on AIM (including instruments transferring Ordinary Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

(i) the Ordinary Shares are admitted to trading on AIM, but are not listed on any market (with the term "listed" being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and

(ii) AIM continues to be accepted as a "recognised growth market" as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions does not apply, stamp duty or SDRT may apply to transfers of Ordinary Shares in certain circumstances.

Any transfer of Ordinary Shares for consideration prior to admission to trading on AIM is likely to be subject to stamp duty or SDLT.

The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY OR WHICH MAY IMPACT ANY INCOME RECEIVED FROM THE COMPANY'S SECURITIES. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS TAX POSITION OR WHERE HE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS PROFESSIONAL ADVISER.

17. Other Information

17.1. The accounting reference date of the Company is 31 December.

17.2. The fees and expenses of, and incidental to, the Admission are estimated at approximately £500,000 inclusive of VAT. These include (but are not limited to) accountancy fees, solicitors fees and the fees of the Company's nominated adviser and the Company's broker.

17.3. Except for the Material Contracts referred to in paragraph 11 of this Part VI, there are no contracts or agreements outside of the ordinary course of business which are of fundamental importance to the Company's business.

17.4. Save as disclosed in this Document, the Company is not dependent on any patents, licences, industrial or commercial or financial contracts or new manufacturing processes which have a material effect on the Company's business or profitability.

17.5. Save as disclosed in this paragraph, none of the Directors perform any principal activities outside the Company that are significant with respect to the Company. Hansjörg Plaggemars is on the management board of 4bb AG and Joe Fernández is on the supervisory board of 4bb AG.

17.6. Except as stated in this Document, there have been no principal investments made by the Company during the last three financial years and there are no principal future investments on which firm commitments have been made.

17.7. Except as otherwise stated in this Document and save as set out below, no person (excluding professional advisers named in this Document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding the Company's application to AIM, or has entered into any contractual arrangements with the Company to receive, directly or indirectly, from the Company on or after Admission fees totalling £10,000 or more, securities which have a value of £10,000 or more or any other benefit with a value of £10,000 or more at the date of Admission.

17.7.1. Each of the following persons being professional advisers to the Group has received those fees detailed below from the Group within the 12 months prior to the date of this document.

Name	Fees paid by the Company
KPMG SA	£120,000
KPMG LLP	£10,000

17.8. Crowe U.K. LLP, as Reporting Accountants has given and not withdrawn its written consent to the inclusion in this Document of its report in Part III and references to its name in the form and context in which they respectively appear.

17.9. Crowe U.K. LLP is registered with the Institute of Chartered Accountants in England and Wales to carry out audit work.

17.10. Crowe U.K. LLP of 55 Ludgate Hill, London EC4M 7JW has been appointed as the Company's auditors and are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

17.11. Cairn Financial Advisers LLP, as nominated adviser to the Company, has given and not withdrawn its written consent to the issue of this Document with the inclusion in it of references to its name in the form and context in which it appears.

17.12. finnCap Ltd, as broker to the Company, has given and not withdrawn its written consent to the issue of this Document with the inclusion in it of references to its name in the form and context in which it appears.

17.13. Save as disclosed in this Document, there has been no significant change in the financial or trading position of the Company since incorporation.

17.14. Save as disclosed in this Document there are no environmental issues that the Directors have determined may affect the Company's utilisation of tangible fixed assets and the Directors have not identified any events that have occurred since the end of the last financial year and which are considered to be likely to have a material effect on the Company's prospects for the current financial year.

17.15. The financial information relating to the Company contained in this Document does not comprise statutory accounts for the purposes of section 431 of the Act.

18. Documents Available for Inspection

Copies of the following documents will be available for inspection at the offices of Mills & Reeve LLP at Botanic House, 100 Hills Road, Cambridge, CB2 1PH during normal business hours on any weekdays (Saturdays and Public Holidays excepted) for 30 days from the date of Admission:

18.1. memorandum and articles of association of the Company;

18.2. the Accountants' reports set out in Parts III and IV of this Document;

18.3. the service agreements and appointment letters referred to in paragraph 6 of this Part V; and

18.4 the consent letters from the Company's advisers.

19. Availability of this Document

Copies of this Document will be available free of charge to the public on any weekday (Saturdays, Sundays and public holidays excepted) for a period of one month from the date of Admission at the Company's offices and the offices of Mills & Reeve LLP, the Company's legal advisers, the addresses of which are disclosed on page 8 of this Document.