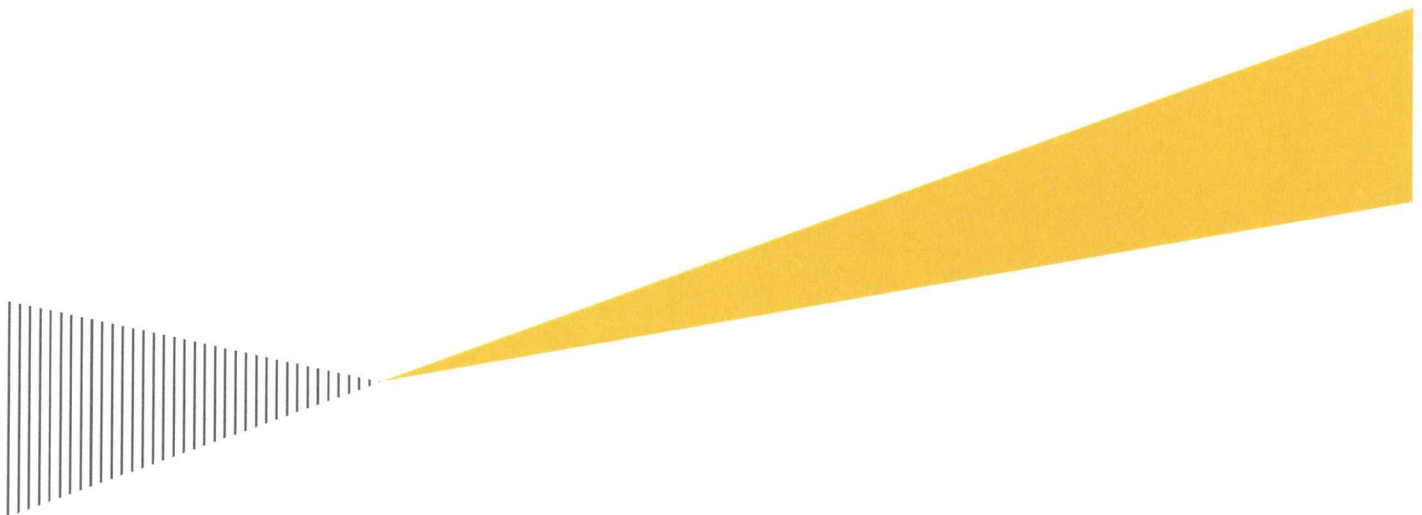


# Nanovi Radiotherapy A/S

c/o DTU-Scion, Diplomvej 373, 2800 Kgs. Lyngby, Denmark

CVR no. 34 88 90 31



## Annual report 2015

Approved at the annual general meeting of shareholders on 30 March 2016

Chairman:

Anders Rubinstein



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### Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Nanovi Radiotherapy A/S for the financial year 1 January - 31 December 2015.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend the adoption of the annual report at the annual general meeting.

Kgs. Lyngby, 30 March 2016  
Executive Board:



Morten Albrechtsen

Board of Directors:



Flemming Carl Thorup  
Chairman

Gordon McVie

Jesper Roested



Thomas Lars Andresen

Marie-Louise Little

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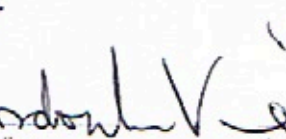
Morten Albrechtsen

Board of Directors:

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Morten Albrechtsen

Board of Directors:

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Kgs. Lyngby, 30 March 2016  
Executive Board:



Morten Albrechtsen

Board of Directors:

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Flemming Carl Thorup  
Chairman

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Gordon McVie

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Jesper Roested

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Thomas Lars Andresen

  
.....  
Marie-Louise Little



## Independent auditors' report

To the shareholders of Nanovi Radiotherapy A/S

### Independent auditors' report on the financial statements

We have audited the financial statements of Nanovi Radiotherapy A/S for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Further, Management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by Management as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

### Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

### Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 30 March 2016  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR No. 30 70 02 28



Eskild N. Jakobsen  
state authorised public accountant



Alex Nissov  
state authorised public accountant



## Management's review

### Company details

Name	Nanovi Radiotherapy A/S
Address, Postal code, City	c/o DTU-Scion, Diplomvej 373, 2800 Kgs. Lyngby, Denmark
CVR No.	34 88 90 31
Registered office	Kgs. Lyngby
Financial year	1 January - 31 December
Board of Directors	Flemming Carl Thorup, Chairman Gordon McVie Jesper Roested Thomas Lars Andresen Marie-Louise Little
Executive Board	Morten Albrechtsen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark
Bankers	Bank Nordic and Jyske Bank



## **Management's review**

### **Operating review**

#### **The Company's business review**

The Company's activity is to develop and sell products to improve the treatment of cancer. The most advanced product - BioXmark® - is an injectable liquid soft tissue marker that can be used to guide radiotherapy resulting in more precise radiation.

#### **Financial review**

The development in 2015 has been as expected.

#### **Post balance sheet events**

The Company's secured a conversable loan that is expected to bring the Company to a stage where it can sell BioXmark®.

No other significant events have occurred since the end of the fiscal year and until this report was approved.

#### **Outlook**

The Company expects approval of BioXmark® in at least one of European or USA during 2016.



## Financial statements for the period 1 January - 31 December

### Income statement

Notes	DKK	2015	2014
	Other operating income	843,095	1,129,744
	Other external expenses	-5,540,242	-3,868,157
	<b>Gross profit/loss</b>	<b>-4,697,147</b>	<b>-2,738,413</b>
2	Staff costs	-3,021,912	-1,444,308
	<b>Operating profit/loss</b>	<b>-7,719,059</b>	<b>-4,182,721</b>
	Financial income	1,048	2,463
	Financial expenses	-436,862	-61,610
	<b>Profit/loss before tax</b>	<b>-8,154,873</b>	<b>-4,241,868</b>
3	Tax for the year	985,586	1,048,151
	<b>Profit/loss for the year</b>	<b>-7,169,287</b>	<b>-3,193,717</b>
	<b>Proposed profit appropriation/distribution of loss</b>		
	Retained earnings/accumulated loss	-7,169,287	-3,193,717
		<b>-7,169,287</b>	<b>-3,193,717</b>

## Financial statements for the period 1 January - 31 December

### Balance sheet

Notes	DKK	2015	2014
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
	Investments		
	Other receivables	30,739	13,526
		<u>30,739</u>	<u>13,526</u>
	<b>Total non-current assets</b>	<u>30,739</u>	<u>13,526</u>
	<b>Current assets</b>		
	<b>Receivables</b>		
	Income taxes receivable	985,586	1,048,151
	Other receivables	641,138	558,074
	Prepayments	75,769	0
		<u>1,702,493</u>	<u>1,606,225</u>
	<b>Cash</b>	<u>1,040,525</u>	<u>3,112,284</u>
	<b>Total current assets</b>	<u>2,743,018</u>	<u>4,718,509</u>
	<b>TOTAL ASSETS</b>	<u>2,773,757</u>	<u>4,732,035</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
4	Share capital	731,808	600,096
	Share premium account	0	0
	Retained earnings	-4,356,120	894,879
	<b>Total equity</b>	<u>-3,624,312</u>	<u>1,494,975</u>
	<b>Liabilities other than provisions</b>		
5	<b>Non-current liabilities other than provisions</b>		
	Other credit institutions	4,442,388	2,060,493
		<u>4,442,388</u>	<u>2,060,493</u>
	<b>Current liabilities other than provisions</b>		
	Trade payables	1,577,104	851,881
	Other payables	378,577	324,686
		<u>1,955,681</u>	<u>1,176,567</u>
	<b>Total liabilities other than provisions</b>	<u>6,398,069</u>	<u>3,237,060</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,773,757</u>	<u>4,732,035</u>

1 Accounting policies

6 Contractual obligations and contingencies, etc.

7 Related parties

## Financial statements for the period 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Share premium account	Retained earnings	Total
Equity at 1 January 2015	600,096	0	894,879	1,494,975
Capital increase	131,712	1,918,288	0	2,050,000
Profit/loss for the year	0	0	-7,169,287	-7,169,287
Transferred from share premium account	0	-1,918,288	1,918,288	0
Equity at 31 December 2015	731,808	0	-4,356,120	-3,624,312

## Financial statements for the period 1 January - 31 December

### Notes

#### 1 Accounting policies

The annual report of Nanovi Radiotherapy A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the Company are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner.

#### Currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Public grants

Public grants given to cover expenses are recognised in the income statement once it is probable that all criteria for being given the grant are satisfied. Grants which must be repaid under certain circumstances are recognised only in so far as they are not expected to be repaid. Public grants earned are presented as other operating income.

### Income statement

#### Other operating income

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including public grants, gains or losses on the sale of non-current assets.

#### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to research and development, patents, administration, premises, bad debts, payments under operating leases, etc.

#### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

#### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.



## Financial statements for the period 1 January - 31 December

### Notes

#### 1 Accounting policies - continued

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

##### Balance sheet

##### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

##### Corporation tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.



## Financial statements for the period 1 January - 31 December

### Notes

#### 1 Accounting policies - continued

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

DKK	2015	2014
<b>2 Staff costs</b>		
Wages/salaries	2,867,111	1,423,761
Other social security costs	9,713	6,808
Other staff costs	145,088	13,739
	<u>3,021,912</u>	<u>1,444,308</u>

##### Incentive programmes

The Company has established a warrant programme for present board members and certain employees. The warrant programme entitles the board members and certain employees to subscribe for 36,665 class A shares worth nominally DKK 1 each.

DKK	2015	2014
<b>3 Tax for the year</b>		
Estimated tax charge for the year	-985,586	-1,048,151
	<u>-985,586</u>	<u>-1,048,151</u>

Estimated tax charge for the year comprises tax credit for research and development costs.

DKK	2015	2014
<b>4 Share capital</b>		
The share capital consists of the following:		
320,000 A- shares of DKK 1.00 each	320,000	320,000
411,808 B- shares of DKK 1.00 each	411,808	280,096
	<u>731,808</u>	<u>600,096</u>

Analysis of changes in the share capital over the past 3 years:

DKK	2015	2014	2013
Opening balance	600,096	116,916	80,000
Capital increase	131,712	483,180	36,916
	<u>731,808</u>	<u>600,096</u>	<u>116,916</u>

## Financial statements for the period 1 January - 31 December

### Notes

#### 5 Long-term liabilities

Of the long-term liabilities, DKK 4,442,388 falls due for payment after more than 5 years after the balance sheet date.

#### 6 Contractual obligations and contingencies, etc.

##### Other financial obligations

Other rent and lease liabilities:

DKK	2015	2014
Rent and lease liabilities	25,502	11,511

#### 7 Related parties

Nanovi Radiotherapy A/S' related parties comprise the following:

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
NR Holding-Jun 2010 ApS	Charlottenlund, Denmark
Pre-Seed Innovation A/S	Kgs. Lyngby, Denmark
Vækstfonden	Hellerup, Denmark