Nanovi A/S

Diplomvej 378, st., 2800 Kongens Lyngby

CVR no. 34 88 90 31

Annual report 2018

Approved at the Company's annual general meeting on 28 May 2019

Chairman:

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Thomas Holst Larsen

Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Nanovi A/S for the financial year 1 January - 31 December 2018.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

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

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

Kgs. Lyngby, 23 May 2019
Executive Board:

Jesper Boysen

Board of Directors:

Simon Hesse Vangsted Hoffmann Chairman	Gordon McVie	Thomas Lars Andresen
Jesper Boyesen	Flemming Carl Thorup	Ole Kring

Independent auditor's report

To the shareholders of Nanovi A/S

Opinion

We have audited the financial statements of Nanovi A/S for the financial year 1 January - 31 December 2018, which comprise 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.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Material uncertainty related to going concern

We draw attention to the fact that the Company's ability to continue as a going concern is associated with significant uncertainty. We refer to note 2 in the financial statements, which describes the uncertainty in respect of going concern and assumptions applied by Management. We have not modified our opinion in respect of this matter.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 23 May 2019
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Christian Schwenn Johansen
State Authorised Public Accountant
mne33234

Rasmus Bloch Jespersen
State Authorised Public Accountant
mne35503

Management's review

Company details

Name	Nanovi A/S
Address, Postal code, City	c/o DTU Science Park Diplomvej 378, st., 2800 Kongens Lyngby
CVR no.	34 88 90 31
Established	12 December 2012
Registered office	Lyngby-Taarbæk
Financial year	1 January - 31 December
Board of Directors	Simon Hesse Vangsted Hoffmann, Chairman Gordon McVie Thomas Lars Andresen Jesper Boysen Flemming Carl Thorup Ole Kring
Executive Board	Jesper Boysen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Jyske Bank

Management's review

Business review

Nanovi is a medical device company specialized in the development of innovative liquid fiducial markers (tissue markers) to effectively guide for higher target precision of radiotherapy and cancer surgery. The mission of the company is to enable better treatment outcomes for the benefit of cancer patients and societies worldwide.

Nanovi currently has one product on the market for veterinary use and a portfolio of products in development for both human and veterinary use, including the following:

PetXmark™ is a liquid fiducial marker that enables high precision radiosurgery, a new type of treatment for pets (dogs and cats) with cancer. In 2018, under a partnership with PetCure Oncology, Inc., PetXmark was introduced commercially in the US after having shown positive results in a clinical trial.

BioXmark®, Nanovi's lead product for human use, is a liquid fiducial marker intended to effectively guide high-precision radiotherapy. In 2018, Nanovi submitted BioXmark for regulatory approval in Europe with a broad intended use label, covering all types of soft tissue cancers. Regulatory evaluation is ongoing.

Further, novel liquid markers with unique features to guide cancer surgery are in early development.

Nanovi is founded on a patented technology platform for medical inventions, co-invented with DTU Healthtech, the Technical University of Denmark. In 2018, two new patents were filed for liquid fiducial marker inventions, adding to the company's early-stage pipeline.

Other business activities

In 2018, Nanovi matured its operational set-up and strengthened its management.

The company moved to new offices and an internal Quality Control laboratory was established to support the future commercialization of BioXmark and other products. As another core element in Nanovi's development from a research and development focused organization to a fully operational and commercial business, new competences were added to both the company's management team and the board of directors.

In May 2018, Nanovi succeeded in raising DKK 15 million in new equity capital from both existing and new investors.

Unusual matters having affected the financial statements

Going concern

On 31 December 2018, Nanovi had a cash position of approximately DKK 8.7 million. It is Management's assessment that this provides sufficient funds to meet the company's operational liquidity requirements through the end of August 2019.

The company is in the process of completing an equity financing round with pre-commitments received from existing shareholders to ensure funding of the company's operational requirements at least through the first quarter of 2020. It is Management's belief that the equity round will be completed in due time before August 2019 and provide funding for the company at least through 2019. On this basis, management presents the financial statements for 2018 on a going concern assumption.

Due to the uncertainty associated with the completion of the equity financing round, significant uncertainties regarding going concern exists, and, therefore, the company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Loss of subscribed share capital

As a consequence of Nanovi's business activities having so far been dominated by product development, more than 50% of its subscribed share capital has been used to finance operations. On the Annual General Meeting of shareholders in 2019, the Board of Directors, in accordance with section 119 of the Danish Companies Act, will propose appropriate measures to re-establish the share capital to account for the Company's financial position.

Management's review

Correction of prior year material misstatement

In 2018, it was identified that the 2017 other operating income and other receivables from grants were understated by DKK 845,165. The material misstatement is corrected by restating the comparatives and opening equity figures in the 2018 financial statements. As a result of the restatement, other operating income for 2017 increased by DKK 845,165 and other receivables at 31 December 2017 increased by DKK 845,165. The balance sheet total and total equity at 31 December 2017 increased by DKK 845,165. The opening equity at 1 January 2018 increased by DKK 845,165.

Financial review

In 2018, Nanovi's revenue amounted to DKK 195,585 from the first commercial sales of PetXmark (2017: 0 DKK). Loss before net financials was DKK 8,354,849 against a loss in 2017 of DKK 9,238,194. The lower loss in 2018 is a result primarily of lower administrative expenses. Net financial items amounted to DKK -1,808,267 (2017: DKK -1,699,201), resulting in a loss for the year of DKK 9,046,741 (2017: Loss of DKK 9,528,876). The balance sheet at 31 December 2018 shows a negative equity of DKK 7,067,171.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

As a key business event in 2019, Nanovi's management anticipate to get regulatory approval and CE marking of BioXmark to guide high-precision radiotherapy of all types of soft tissue cancers. Following from this, clinical activities are expected to be initiated to provide further evidence for BioXmark's relevance and value in radiotherapy across indications alongside commercial launch of the product in Europe.

Nanovi's operational expenses are expected to increase compared to 2018 as a consequence of expanding organizational and commercial activities to prepare for and support the expected launch of BioXmark.

The ongoing equity financing round is expected to ensure funding of Nanovi's operations through Q1 2020.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2018	2017
	Revenue	195,585	0
	Cost of sales	-19,062	-24,068
	Gross margin	176,523	-24,068
10	Distribution costs	-931,415	-1,027,856
10.4	Administrative expenses	-2,273,300	-3,411,398
	Operating profit/loss	-3,028,192	-4,463,322
	Other operating income	191,750	892,688
10	Research and development costs	-5,518,407	-5,667,560
	Profit/loss before net financials	-8,354,849	-9,238,194
	Financial income	5,928	1,895
5	Financial expenses	-1,814,195	-1,701,096
	Profit/loss before tax	-10,163,116	-10,937,395
	Tax for the year	1,116,375	1,408,519
	Profit/loss for the year	-9,046,741	-9,528,876

	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-9,046,741	-9,528,876
		-9,046,741	-9,528,876

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	ASSETS		
	Fixed assets		
6	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	960,407	0
		960,407	0
	Investments		
	Other receivables	79,603	37,095
		79,603	37,095
	Total fixed assets	1,040,010	37,095
	Non-fixed assets		
	Receivables		
	Trade receivables	337,335	0
	Income taxes receivable	1,116,374	1,606,645
	Other receivables	417,780	1,466,792
	Prepayments	37,993	0
		1,909,482	3,073,437
	Cash	8,698,606	1,699,629
	Total non-fixed assets	10,608,088	4,773,066
	TOTAL ASSETS	11,648,098	4,810,161

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	1,565,141	1,065,141
	Share premium account	0	0
	Retained earnings	-8,632,312	-14,010,571
	Total equity	-7,067,171	-12,945,430
	Liabilities other than provisions		
8	Non-current liabilities other than provisions		
	Lease liabilities	643,089	0
	Syndication loan	6,241,235	5,572,531
9	Convertible debt instruments	10,109,766	11,018,062
		16,994,090	16,590,593
	Current liabilities other than provisions		
8	Current portion of long-term liabilities	223,585	0
	Trade payables	1,066,173	697,423
	Other payables	431,421	467,575
		1,721,179	1,164,998
	Total liabilities other than provisions	18,715,269	17,755,591
	TOTAL EQUITY AND LIABILITIES	11,648,098	4,810,161

1 Accounting policies
2 Material uncertainty related to going concern
3 Events after the balance sheet date
11 Contractual obligations and contingencies, etc.
12 Contingent assets
13 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Share premium account	Retained earnings	Total
Equity at 1 January 2018	1,065,141	0	-14,855,736	-13,790,595
Correction of material misstatement	0	0	845,165	845,165
Adjusted equity at 1 January 2018	1,065,141	0	-14,010,571	-12,945,430
Capital increase	500,000	14,425,000	0	14,925,000
Transfer through appropriation of loss	0	0	-9,046,741	-9,046,741
Transferred from share premium account	0	-14,425,000	14,425,000	0
Equity at 31 December 2018	1,565,141	0	-8,632,312	-7,067,171

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Nanovi A/S for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Changes in accounting policies

In previous years, the Company's financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the EU. Due to administrative reasons, the Company has elected to change accounting policies and prepare the financial statement for 2018 in accordance with the Danish Financial Statements Act. As such, the Company has prepared financial statements for 2018 in accordance with the Company's accounting policies under the Danish Financial Statements Act and 'Bekendtgørelse om overgang til regnskabsaflæggelse efter årsregnskabsloven' with an opening balance at 1 January 2017.

The Company's change in accounting policies from IFRS as adopted in the EU to the Danish Financial Statements Act has impacted the principles for recognition and measuring of share-based compensation, which under IFRS has been recognised based on the principles for equity settled awards. Under the Danish Financial Statements Act, the Company does not recognise share-based compensation expenses. Due to the valuation of warrants granted in prior years, no warrant expenses was recognised under IFRS in 2017. Apart from change in the principles for recognition of share based compensation the conversion did not change the methods for recognition and measurement historically applied by the Company. The comparable amounts for 2017 have been revised to conform with the Danish Financial Statements Act.

In addition, the Company has decided to present its income statement based on function and the presentation of the comparative figures for 2017 have been restated.

The revision of the comparable amounts did not impact the opening equity at 1 January 2017 and 2018, respectively.

Material misstatements

In 2018, it was identified that the 2017 other operating income and other receivables from grants were understated by DKK 845,165. The material misstatement is corrected by restating the comparatives and opening equity figures in the 2018 financial statements. As a result of the restatement, other operating income for 2017 increased by DKK 845,165 and other receivables at 31 December 2017 increased by DKK 845,165. The balance sheet total and total equity at 31 December 2017 increased by DKK 845,165. The opening equity at 1 January 2018 increased by DKK 845,165.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and 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 rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Public grants

Public grants to cover expenses are recognised in the income statement when it is deemed likely that all grant criteria have been met. Grants which must be repaid under certain circumstances are recognised only where they are not expected to be repaid.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation.

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, general management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Research and development costs

The item includes research and development costs that do not qualify for capitalisation as well as amortisation of capitalised development costs.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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, revenue from product so external clinical trials, and gains or losses on the sale of non-current assets.

Staff costs

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

Depreciation

The item comprises depreciation of property, plant and equipment.

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, foreign exchange rate differences, as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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

Impairment losses 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.

Cash

Cash comprises cash in banks accounts.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base 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. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, 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 lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Convertible loans

Convertible loans are broken down into a liability element and an equity element based on the relevant instrument of debt. On initial recognition, the liability is recognised at the fair value of a similar liability without a conversion right. The remaining amount of the convertible loan is recognised as equity. On subsequent recognition, the liability is measured at amortised cost until converted or repaid. The equity element is not re measured after initial recognition.

2 Material uncertainty related to going concern

On 31 December 2018, Nanovi had a cash position of approximately DKK 8.7 million. In Management's assessment, this provides the company with sufficient funds to meet its operational liquidity requirements through the end of August 2019.

Management is in the process of completing an equity financing round with current shareholders to ensure funding of Nanovi's operational requirements at least though the first quarter of 2020. Management believes that the equity financing round will be completed in due time before August 2019 and secure funding to meet the Company's operational liquidity requirements at least through 2019. On this basis, Management presents the financial statements for 2018 on a going concern assumption.

Due to the uncertainty associated with the completion of the equity financing round, significant uncertainties regarding going concern exists, and, therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Financial statements 1 January - 31 December

Notes to the financial statements

3 Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

	DKK	2018	2017
4	Depreciation of property, plant and equipment		
	Depreciation of property, plant and equipment	42,058	0
		42,058	0

Depreciation of property, plant and equipment is recognised in the income statement under the following items:

DKK	2018	2017
Administrative expenses	42,058	0
	42,058	0

	DKK	2018	2017
5	Financial expenses		
	Other interest expenses	2,056,544	1,694,381
	Exchange losses	11,115	6,715
	Other financial expenses	-253,464	0
		1,814,195	1,701,096

6 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment
Additions in the year	1,002,465
Cost at 31 December 2018	1,002,465
Amortisation/depreciation in the year	42,058
Impairment losses and depreciation at 31 December 2018	42,058
Carrying amount at 31 December 2018	960,407
Property, plant and equipment include finance leases with a carrying amount totalling	960,407

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2018	2017
7 Share capital		
Analysis of the share capital:		
320,000 A- shares of DKK 1.00 nominal value each	320,000	320,000
1,245,141 B- shares of DKK 1.00 nominal value each	1,245,141	745,141
	1,565,141	1,065,141

Analysis of changes in the share capital over the past 5 years:

DKK	2018	2017	2016	2015	2014
Opening balance	1,065,141	731,808	731,808	600,096	116,916
Capital increase	500,000	333,333	0	131,712	483,180
	1,565,141	1,065,141	731,808	731,808	600,096

In connection with the capital increase, the Company incurred expenses totalling DKK 75,000, recognised i share premium.

The Company has lost more than 50% of its subscribed share capital. On the annual general meeting of shareholders in 2019, the Board of Directors plans, in accordance with section 119 of the Danish Companies Act, to account for the Company's financial position and to propose any appropriate measures to re-establish the share capital.

8 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2018	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	866,674	223,585	643,089	0
Syndication loan	6,241,235	0	6,241,235	0
Convertible debt instruments	10,109,766	0	10,109,766	0
	17,217,675	223,585	16,994,090	0

9 Convertible debt instruments or corresponding rights issued by the Company

	Exchange deadline	Exchange rate	2018
			DKK
Convertible debt instrument 1	11-02-2021	22.69	3,149,387
Convertible debt instrument 2	30-03-2021	22.69	6,960,379
			10,109,766

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK	2018	2017
10	Staff costs and incentive programmes		
	Wages/salaries	4,680,850	5,473,788
	Other social security costs	12,812	25,587
	Other staff costs	8,602	54,133
		4,702,264	5,553,508

Staff costs are recognised as follows in the financial statements:

	2018	2017
Distribution	769,338	731,696
Administration	1,090,066	1,808,713
Research	1,724,383	2,993,852
Development	1,118,477	19,247
	4,702,264	5,553,508
Average number of full-time employees	6	6

Incentive programmes

The Company has established a warrant programme for present board members and certain employees. The warrant program is not recognized in the financial statements.

11 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	2018	2017
Rent and lease liabilities	257,390	46,950

12 Contingent assets

The Company has tax loss carry-forwards totalling DKK 15,585 thousand. The nominal value thereof is 22%, totalling DKK 3,428 thousand which has not been recognised in the balance sheet due to uncertainty as to the application of tax losses.

13 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2018.