

# Nanovi A/S

Diplomvej 378, st., 2800 Kongens Lyngby

CVR no. 34 88 90 31

## Annual report 2019

Approved at the Company's annual general meeting on 26 May 2020

Chairman:

A handwritten signature in blue ink, appearing to read 'Thomas H. Hansen', is written over a dotted line.



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## 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 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.



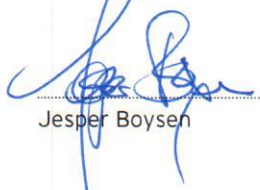
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Kgs. Lyngby, 26 May 2020  
Executive Board:

  
.....  
Jesper Boysen

Board of Directors:

  
.....  
Simon Hesse Vangsted  
Hoffmann  
Chairman  
.....  
Ole Kring  
.....  
Thomas Lars Andresen  
.....  
Jesper Boysen

.....  
Michael Sandhu



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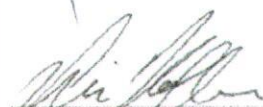

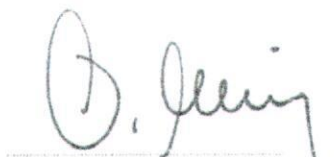

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Kgs. Lyngby, 26 May 2020  
Executive Board:

  
Jesper Boysen

Board of Directors:

  
Simon Hesse Vangsted  
Hoffmann  
Chairman  
Jesper Boysen  
Ole Kring  
Thomas Lars Andresen  
Michael Sandhu



## 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 2019, 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.

### 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:

- ▶ 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.

## Independent auditor's report

- ▶ 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, 26 May 2020

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Rasmus Blach Jespersen  
State Authorised Public Accountant  
mne35503



## Management's review

### Company details

Name	Nanovi A/S
Address, Postal code, City	Diplomvej 378, st., DK-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 Ole Kring Thomas Lars Andresen Jesper Boysen Michael Sandhu
Executive Board	Jesper Boysen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Jyske Bank



## Management's review

### Business review

Nanovi is a Danish medical device company specialized in precision marking for better cancer therapy.

It is our commitment and dedication to empower healthcare professionals with the best possible tools to support high precision radiation therapy and surgery for the benefit of cancer patients and for efficient healthcare. To attain this objective, we are building a proprietary portfolio of liquid fiducial markers for both human and veterinary use.

BioXmark® is our first liquid fiducial marker for human use, offering unique features to enhance target visibility on medical imaging and enable high precision radiation therapy across multiple cancer indications. BioXmark® was CE marked in February 2020 and is in preparation for commercialization in Europe. PetXmark, which was commercialized in the US in 2018, is a liquid fiducial marker that enables high precision radiation therapy for pets.

In early development, we have a new liquid fiducial marker to enhance target visibility and precision of cancer surgery.

All Nanovi's liquid fiducial markers are derived from a patented biomaterial platform, co-invented with the Danish Technical University's (DTU) Department of Health Technology.

### Business activities and achievements in 2019

Nanovi has made considerable achievements in 2019.

The organization has been further strengthened with the addition of new operational, clinical and commercial competences. This has helped us to accelerate the final development of BioXmark (R) and pursue operational activities leading to an EN ISO 13485: 2016 recertification of our Quality Management System.

Importantly, through 2019, we provided additional regulatory documentation for a CE marking of BioXmark for use broadly in soft tissue. The CE mark was obtained in February 2020 marking a core milestone for Nanovi. On the clinical side, two Investigator Initiated Trials in patients with rectal cancers and bladder cancers, respectively, were completed with results showing good performance and safety of BioXmark.

In 2019, we also expanded our IPR portfolio. The core patent behind BioXmark was allowed in several countries, including the US and Japan, and we signed two additional license agreements with DTU, obtaining full rights to new product options.

To fund our operational and developmental activities through the pre-marketing and commercial introduction of BioXmark, we raised DKK 21 million in new equity capital from our existing shareholders. Further, Nanovi's main shareholder, VF, opted to convert two convertible loans, totaling DKK 11.75 million, further strengthening the Company's balance sheet.

### Financial review

In 2019, Nanovi's revenue amounted to DKK 394,489, stemming from sales of PetXmark (2018: DKK 195,585).

The result before net financials was DKK -11,886,253 against DKK -8,354,849 in 2018. The higher loss in 2019 is a consequence of an increased development activity level and up-qualification of manufacturing processes.

Net financial items for the year amounted to DKK -1,664,275 compared to DKK -1,808,267 in 2018 as a result of lower interest expenses on the converted loans. Net loss for 2019 was DKK 11,708,528 (2018: net loss of DKK 9,046,741).

Nanovi's balance sheet as per 31 December 2019 shows a positive equity capital of DKK 12,963,292 (31 December 2018: DKK -7,067,171).



## Management's review

### Events after the balance sheet date

End February 2020, Nanovi was granted regulatory approval to CE mark BioXmark®, opening for commercialization of this new medical device across the EU.

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

### Outlook

The planning of BioXmark launch activities in 2020 has been negatively impacted by the COVID-19 crisis which has increased the pressure on hospitals and led to key medical conferences being either cancelled or postponed.

As cancer care remains a top healthcare priority across Europe, Nanovi still expects to initiate commercialization of BioXmark in 2020. Initial focus will be on high performing radiation therapy markets in the Nordics and the Netherlands, followed by commercial expansion into other European markets.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2019	2018
	Revenue	394,489	195,585
	Cost of sales	-220,226	-19,062
	Gross profit	174,263	176,523
8	Distribution costs	-912,796	-931,415
8	Administrative expenses	-2,351,602	-2,231,242
	Operating profit/loss	-3,090,135	-2,986,134
	Other operating income	0	191,750
3,8	Research and development costs	-8,796,118	-5,560,465
	Profit/loss before net financials	-11,886,253	-8,354,849
	Financial income	18,858	5,928
4	Financial expenses	-1,683,133	-1,814,195
	Profit/loss before tax	-13,550,528	-10,163,116
	Tax for the year	1,842,000	1,116,375
	Profit/loss for the year	-11,708,528	-9,046,741
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-11,708,528	-9,046,741
		-11,708,528	-9,046,741



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2019	2018
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
5	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	806,907	960,407
		<u>806,907</u>	<u>960,407</u>
	<b>Investments</b>		
	Deposits	85,526	79,603
		<u>85,526</u>	<u>79,603</u>
	<b>Total fixed assets</b>	<u>892,433</u>	<u>1,040,010</u>
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	In-process devices and raw material	681,052	0
		<u>681,052</u>	<u>0</u>
	<b>Receivables</b>		
	Trade receivables	524,879	337,335
	Income taxes receivable	1,841,999	1,116,374
	Other receivables	691,803	417,780
	Prepayments	29,054	37,993
		<u>3,087,735</u>	<u>1,909,482</u>
	<b>Cash</b>	<u>17,860,352</u>	<u>8,698,606</u>
	<b>Total non-fixed assets</b>	<u>21,629,139</u>	<u>10,608,088</u>
	<b>TOTAL ASSETS</b>	<u>22,521,572</u>	<u>11,648,098</u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2019	2018
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
6	Share capital	2,913,685	1,565,141
	Share premium account	0	0
	Retained earnings	10,049,607	-8,632,312
	<b>Total equity</b>	<b>12,963,292</b>	<b>-7,067,171</b>
	<b>Liabilities other than provisions</b>		
7	<b>Non-current liabilities other than provisions</b>		
	Lease liabilities	481,577	643,089
	Syndication loan	6,546,887	6,241,235
	Convertible debt instruments	0	10,109,766
	Other payables	223,294	0
		<b>7,251,758</b>	<b>16,994,090</b>
	<b>Current liabilities other than provisions</b>		
7	Current portion of long-term liabilities	518,120	223,585
	Prepayments received from customers	22,418	0
	Trade payables	1,171,640	1,066,173
	Other payables	594,344	431,421
		<b>2,306,522</b>	<b>1,721,179</b>
	<b>Total liabilities other than provisions</b>	<b>9,558,280</b>	<b>18,715,269</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22,521,572</b>	<b>11,648,098</b>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 9 Contractual obligations and contingencies, etc.
- 10 Contingent assets
- 11 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
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
<b>Equity at 1 January 2019</b>	<b>1,565,141</b>	<b>0</b>	<b>-8,632,312</b>	<b>-7,067,171</b>
Capital increase	1,348,544	30,798,483	0	32,147,027
Expenses, capital increase	0	-408,036	0	-408,036
Transfer through appropriation of loss	0	0	-11,708,528	-11,708,528
Transferred from share premium account	0	-30,390,447	30,390,447	0
<b>Equity at 31 December 2019</b>	<b>2,913,685</b>	<b>0</b>	<b>10,049,607</b>	<b>12,963,292</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Nanovi A/S for 2019 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.

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

#### 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.

#### 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.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Development costs

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

##### 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.

## 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".

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

##### 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.

#### Prepayments received from customers

Prepayments received from costumors concerning income in subsequent financial years are recognized as prepayments under liabilities.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Events after the balance sheet date

End February, Nanovi was granted regulatory approval to CE mark BioXmark®, opening for commercialization of this new medical device across the EU.

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

DKK	2019	2018
<b>3 Depreciation of property, plant and equipment</b>		
Depreciation of property, plant and equipment	211,020	42,058
	<u>211,020</u>	<u>42,058</u>

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

DKK	2019	2018
Development costs	211,020	42,058
	<u>211,020</u>	<u>42,058</u>
<b>4 Financial expenses</b>		
Other interest expenses	1,677,876	1,803,080
Exchange losses	5,257	11,115
	<u>1,683,133</u>	<u>1,814,195</u>

#### 5 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment
Cost at 1 January 2019	1,002,465
Additions in the year	57,520
Cost at 31 December 2019	<u>1,059,985</u>
Impairment losses and depreciation at 1 January 2019	42,058
Amortisation/depreciation in the year	211,020
Impairment losses and depreciation at 31 December 2019	<u>253,078</u>
<b>Carrying amount at 31 December 2019</b>	<u>806,907</u>
Property, plant and equipment include finance leases with a carrying amount totalling	<u>806,907</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2019	2018
<b>6 Share capital</b>		
Analysis of the share capital:		
320,000 A- shares of DKK 1.00 nominal value each	320,000	320,000
2,593,685 B- shares of DKK 1.00 nominal value each	2,593,685	1,245,141
	<u>2,913,685</u>	<u>1,565,141</u>

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

DKK	2019	2018	2017	2016	2015
Opening balance	1,565,141	1,065,141	731,808	731,080	600,096
Capital increase	1,348,544	500,000	333,333	0	131,712
	<u>2,913,685</u>	<u>1,565,141</u>	<u>1,065,141</u>	<u>731,080</u>	<u>731,808</u>

In 2019, the Company has carried out capital increases through conversion of convertible loans, including accumulated interest, of DKK 11,750 thousand, through subscription of 506,682 B-shares and paid in cash of DKK 21,047 thousand through subscription of 841,682 B-shares.

### 7 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	700,608	219,031	481,577	0
Syndication loan	6,845,976	299,089	6,546,887	0
Other payables	223,294	0	223,294	0
	<u>7,769,878</u>	<u>518,120</u>	<u>7,251,758</u>	<u>0</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2019	2018
<b>8 Staff costs and incentive programmes</b>		
Wages/salaries	7,000,670	4,599,093
Other social security costs	54,101	39,741
Other staff costs	65,716	178,963
	<u>7,120,487</u>	<u>4,817,797</u>

Staff costs are recognised as follows in the financial statements:

Distribution	593,433	687,581
Administration	1,035,086	1,154,856
Development	5,491,968	2,975,360
	<u>7,120,487</u>	<u>4,817,797</u>

Average number of full-time employees	<u>8</u>	<u>6</u>
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### Incentive programmes

The Company has established a warrant program for current Board members and employees. The warrant program is not recognized in the financial statements.

### 9 Contractual obligations and contingencies, etc.

#### Other financial obligations

Other rent and lease liabilities:

DKK	2019	2018
Rent and lease liabilities	<u>187,278</u>	<u>257,390</u>

### 10 Contingent assets

The Company has tax loss carry-forwards totalling DKK 20,477 thousand. The nominal value thereof is 22%, totalling DKK 4,505 thousand which has not been recognized in the balance sheet due to uncertainty as to the application of tax losses.

### 11 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2019.