REVISION OG SKAT

Nocitech ApS
Fredericiavej 57 A
3000 Helsingør

CVR-no: 35 40 05 40

ANNUAL REPORT
1 January - 31 December 2018

Approved at the annual General Meeting of the Company on 24/04 - 2019

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Chairman of the meeting

TimeVision
Godkendt Revisionspartnerselskab
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Statements and reports

Management commentary and other company details

Financial statements 1 January - 31 December 2018

Today the Board of Directors and the Executive Board have discussed and approved the Annual Report of Nocitech ApS for the period 1 January - 31 December 2018.

The Annual Report has been prepared in conformity with the Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, equity, liabilities and financial position at 31 December 2018 and of its financial performance for the period 1 January - 31 December 2018.

In our opinion the Management commentary includes a fair review of the matters described.

We recommend that the Annual Report be approved by the Annual General Meeting.

Helsingør, 16 April 2019

Managing director

Marianne Andersen

Board of directors

Mads Spanggaard Rasmussen Chairman	Lars Arendt-Nielsen	Thomas Graven-Nielsen

Peter Boman Samuelsen

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To the shareholders in Nocitech ApS

Auditor's report on the financial statements

Conclusion

We have audited the Financial Statements of Nocitech ApS for the period 1 January - 31 December 2018, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the 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 operations for the period 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of financial statements in conformity with the Danish Financial Statements Act. Management is also responsible for the internal control that it deems necessary for 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 responsible for auditing the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

• 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 company 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 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 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 Management's Review and, in doing so, consider whether 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 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 Financial Statements Act. We did not identify any material misstatements in the Management's review.

Frederiksberg, 16 April 2019

TimeVision
Godkendt Revisionspartnerselskab
CVR-nr.: 38267132

Jacob Louis Mogensen Statsautoriseret revisor mne34458	Torben Bille Jensen Registreret Revisor mne570

The Company	Nocitech ApS Fredericiavej 57 A 3000 Helsingør	
	CVR-no.:	35 40 05 40
	Financial year:	1 January - 31 December
Board of directors	Mads Spanggaard Rasmussen, chairman Lars Arendt-Nielsen Thomas Graven-Nielsen Peter Boman Samuelsen	
Executive board	Marianne Andersen	
Accountant	TimeVision Godkendt Revisionspartnerselskab Falkoner Allé 1, 6. 2000 Frederiksberg	

Main activities of the Company
As in previous years, the main activities of the Company were to develop, market and sell the NociTech-platform, which is an advanced medical equipment uses for pain measurement and profiling patients.

Development in the activities and the financial situation of the Company
In 2018 Nocitech has approval to sell into Research in Europe only. We sold few products in 2018. Our activities and expenses were low in 2018 as it had to match the low sales numbers.
The long term strategy remains to be to focus on the sales effort to academia, and in parallel to continue the investigation and potentially develop the product for intended use in clinical applications.

Material events after the reporting date
No events have occurred after the reporting date that may materially affect the financial position of the company.

Expected development, including special assumptions and uncertain factors
Looking forward the company will focus on selling into research while the market is still being developed. A relatively low commercial activity is expected during the year 2019 and the company's planned expenses reflect this. Therefore the 2019 result is expected to balance.

GENERAL INFORMATION

The financial statements of Nocitech ApS for the financial year 2018 have been prepared in conformity with the provisions of the Financial Statements Act on class B enterprises combined with a few rules on class C enterprises.

The accounting policies applied in the financial statements are consistent with those of the previous year. The reporting currency is Danish kroner.

Recognition and measurement in general

Income is recognised in the income statement when earned. Value adjustments of financial assets and liabilities measured at fair value or amortised cost are also recognised in the income statement. Costs incurred to generate the earnings for the year are also recognised in the income statement, including amortisation, depreciation, impairment losses and provisions as well as reversals resulting from changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future financial benefits will flow to the Company and it is possible to obtain a reliable measurement of the individual assets.

Liabilities are recognised in the balance sheet when it is probable that future financial benefits will flow from the Company and it is possible to obtain a reliable measurement of the individual liabilities.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item.

Certain financial assets and liabilities are measured at amortised cost, whereby a constant effective interest rate is recognised over the life of the individual asset or liability. Amortised cost is determined as original cost less any repayments and with the addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

Anticipated losses and risks arising before the presentation of the financial statements and confirming or disconfirming facts and circumstances known at the reporting date are taken into consideration at recognition and measurement.

The functional currency used is Danish kroner. All other currencies are considered foreign currencies.

INCOME STATEMENT

Gross profit

Gross profit is a combination of the items of 'Revenue', 'Direct costs' and 'Other external costs'.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end. Revenue is recognised exclusive of VAT and net of sales discounts.

Direct costs

Direct costs includes the cost of services purchased.

Other external expenses

Other external expenses include costs for sales, advertising, administration, premises, bad debts, rental expenses, research and development etc.

Staff costs
Staff costs include wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement from the Government.

Financial income and expenses
Financial income and expenses are recognised in the income statement based on the amounts which relate to the financial year. Financial income and expenses include interest revenue and expenses.

Tax on net profit for the year
Tax for the year comprises current tax and changes in deferred tax. The share attributable to the profit or loss for the year is recognised in the income statement, and the share attributable directly to equity is recognised directly in equity.

BALANCE SHEET

Intangible assets
Development projects
Development costs comprise costs, including wages, salaries and amortisation, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalised development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortisation and the recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated economic life after completion of the development work. The amortisation period is usually 5 years, but not more than 10 years.

Gains or losses arising from the disposal of capitalised development costs are determined as the difference between the selling price less selling costs and the carrying amount at the time of sale. Gains or losses are recognised in the income statement as other operating income or other operating expense.

Impairment losses relating to non-current assets
The carrying amounts of intangible assets are tested annually to determine whether there is any indication of impairment other than what is expressed by amortisation and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts. An impairment test is carried out annually of ongoing development projects, whether or not there is any indication of impairment.

Receivables
Receivables are measured at amortised cost, which normally corresponds to the nominal value. The value is reduced by an allowance for expected impairment losses.

Impairment of accounts receivable past due is established on individual assessment of receivables.

Prepayments
Prepayments recognised under assets include costs already defrayed but relating to the subsequent financial year.

Equity
Development cost reserve includes recognised development costs. The reserve is not available for the payment of dividends or losses. The reserve is reduced or dissolved by depreciation of the recognised development costs or abandonment of the activity. Such reduction or dissolution is made by means of a transfer to distributable reserves.

Corporate income tax and deferred tax
Current tax liabilities and current tax receivable are recognised in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured using the balance-sheet liability method on temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases. In cases where the tax base can be determined under alternative taxation rules, such as in relation to shares, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are measured at their anticipated net realisable value, either by elimination in tax on future earnings or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at their net realisable values.

Deferred tax is measured based on the tax rules and tax rates applicable when the deferred tax is expected to crystallise as current tax according to the legislation in force at the reporting date. Any change in deferred tax as a result of changes in the tax rates is recognised in the income statement.

Payables
Other payables, comprising trade payables and other accounts payable, are measured at amortised cost, which normally corresponds to the nominal value.

	2018 DKK	2017 DKK
GROSS PROFIT	**-31.700**	**105.220**
Staff costs	0	-33.080
Amortisation, depreciation and impairment losses - intangible assets and property, plant and equipment	-126.374	-84.603
OPERATING PROFIT OR LOSS	**-94.674**	**-12.463**
Other financial expenses	-266	-1.178
PROFIT OR LOSS BEFORE TAX	**-94.940**	**-13.641**
Tax on net profit for the year	-122.094	105.958
Other taxes	22.060	124.084
PROFIT OR LOSS FOR THE YEAR	**-194.974**	**216.401**
PROPOSED DISTRIBUTION OF NET PROFIT		
Annual transfer to other statutory reserves	5.377	373.944
Retained earnings	-200.351	-157.543
SETTLEMENT OF DISTRIBUTION TOTAL	**-194.974**	**216.401**

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ASSETS

	2018 DKK	2017 DKK
Research and development costs	486.309	479.416
Intangible assets	**486.309**	**479.416**
NON-CURRENT ASSETS	**486.309**	**479.416**
Trade receivables	142.924	175.000
Other receivables	61.977	178.013
Deferred tax asset	0	105.958
Accruals	0	1.264
Receivables	**204.901**	**460.235**
Cash	**92.604**	**24.265**
CURRENT ASSETS	**297.505**	**484.500**
ASSETS	**783.814**	**963.916**

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EQUITY AND LIABILITIES

		2018 DKK	2017 DKK
	Contributed capital	140.047	140.047
	Reserve for development costs	379.321	373.944
	Retained earnings	222.484	422.834
1	**EQUITY**	**741.852**	**936.825**
	Trade creditors	41.962	27.091
	Short-term payables	**41.962**	**27.091**
	PAYABLES	**41.962**	**27.091**
	EQUITY AND LIABILITIES	**783.814**	**963.916**

2 Contractual obligations and contingent items, etc.
3 Charges and securities

		Opening balance	Transfer	Proposed distribution of net profit	Closing balance
1	**Equity**				
	Contributed capital	140.047	0	0	140.047
	Reserve for development costs	373.944	5.377	0	379.321
	Retained earnings	422.835	0	-200.351	222.484
		936.826	**5.377**	**-200.351**	**741.852**

The share capital is divided as follows:

80.000 A-shares and 60.047 B-shares all issued in shares of DKK 1 or multiple hereof	140.047
	140.047

2 Contractual obligations and contingent items, etc.

The company has contingent assets in form of deferred tax, which at the date of balance sheet amounts to TDKK 121.

3 Charges and securities

None.

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Peter Boman Samuelsen
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