

PKF Munkebo Vindelev
Statsautoriseret Revisionsaktieselskab



Annual report 2015

Company reg. no. 35 40 05 40

NociTech ApS

Niels Jernes Vej 10

9220 Aalborg

The annual report has been submitted and approved by the general meeting on 28 April 2016

Kristian Hennings
Chairman of the meeting

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Contents

	<u>Page</u>
Reports	
Management's report	1
The independent auditor's reports	2
Management's review	
Company data	4
Financial highlights	5
Management's review	6
Annual accounts 1 January - 31 December 2015	
Accounting policies used	7
Profit and loss account	10
Balance sheet	11
Notes	13

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors have today presented the annual report of NociTech ApS for the financial year 1 January to 31 December 2015.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2015 and of the company's results of its activities in the financial year 1 January to 31 December 2015.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Aalborg, den 28. april 2016

Board of directors

Finn Winchler Andersen

Thomas Graven-Nielsen

Lars Arendt-Nielsen

Peter Boman Samuelsen

The independent auditor's reports

To the shareholders of NociTech ApS

Report on the annual accounts

We have audited the annual accounts of NociTech ApS for the financial year 1 January to 31 December 2015, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control as it determines necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the annual accounts.

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

The audit has not resulted in any qualification.

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January to 31 December 2015 in accordance with the Danish Financial Statements Act.

The independent auditor's reports

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 further procedures in addition to the audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Glostrup, 28 April 2016

PKF Munkebo Vindelev
State Authorised Public Accountants
Company reg. no. 14 11 92 99

Kasper Vindelev
State Authorised Public Accountant

Company data

The company	NociTech ApS Niels Jernes Vej 10 9220 Aalborg Company reg. no.: 35 40 05 40 Established: 11 July 2013 Domicile: Aalborg Kommune Financial year: 1 January 2015 - 31 December 2015 3rd financial year
Board of directors	Finn Winchler Andersen Thomas Graven-Nielsen Lars Arendt-Nielsen Peter Boman Samuelson
Managing Director	Kristian Hennings
Auditors	PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab Hovedvejen 56 2600 Glostrup
Bankers	Jyske Bank, Klampenborgvej 244, 2800 Kgs. Lyngby

Financial highlights

DKK in thousands.

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Profit and loss account:			
Gross profit	-884	-1.248	-461
Results from operating activities	-884	-1.248	-882
Net financials	0	0	1
Results for the year	-738	-1.015	-716
Balance sheet:			
Balance sheet sum	2.040	914	2.099
Equity	1.874	729	4.090

The financial highlights for 2013 only comprise the period 11 July 2013 - 31 December 2013.

Management's review

The significant activities of the company

The significant activities of the enterprise is to develop, market and sell the NociTech-platform, which is an advanced medical equipment used for pain measurement and profiling patients.

Development in activities and financial matters

The results from ordinary activities after tax are DKK -738.355 against DKK -1.014.502 last year. The management consider the results satisfactory.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for NociTech ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

THE PROFIT AND LOSS ACCOUNT

Gross loss

The gross loss comprises the external costs.

Other external costs comprise costs for, administration and development including patents, consultancy and travel costs.

Development costs, patents and similar are not capitalized.

Net financials

Net financials include interest income, interest expenses, and exchange differences. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Accounting policies used

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

THE BALANCE SHEET

Intangible fixed assets

Development projects, patents, and licences

Development costs comprise e.g. salaries, wages, and amortisation which directly and indirectly refer to the development activities.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical utilisation, sufficient resources, and a potential, future market can be demonstrated, and provided that it is the intention to produce, market, or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Capitalised development costs are measured at cost with deduction of accrued amortisation or at the recoverable value, if this is lower.

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 5 years and does not exceed 20 years.

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the realisation of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Accounting policies used

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. From 2015 to 2016, the corporate tax rate will be reduced from 23.5 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account 1 January 2015 - 31 December 2015

All amounts in DKK.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Gross loss	-884.339	-1.248.084
Other financial income	236	0
Other financial costs	0	-490
Results before tax	-884.103	-1.248.574
1 Tax on ordinary results	145.748	234.072
Results for the year	-738.355	-1.014.502
Proposed distribution of the results:		
Allocated from results brought forward	-738.355	-1.014.502
Distribution in total	-738.355	-1.014.502

Balance sheet 31 December 2015

All amounts in DKK.

Assets			
Note		2015	2014
	Fixed assets		
2	Acquired concessions, patents, licenses, trademarks and similar rights	0	0
3	Development projects in progress and prepayments for intangible fixed assets	0	0
	Intangible fixed assets in total	<u>0</u>	<u>0</u>
	Fixed assets in total	<u>0</u>	<u>0</u>
	Current assets		
4	Receivable corporate tax	145.748	234.072
	Other debtors	105.878	53.256
	Debtors in total	<u>251.626</u>	<u>287.328</u>
	Cash funds	<u>1.787.943</u>	<u>626.333</u>
	Current assets in total	<u>2.039.569</u>	<u>913.661</u>
	Assets in total	<u>2.039.569</u>	<u>913.661</u>

Balance sheet 31 December 2015

All amounts in DKK.

Equity and liabilities			
Note		2015	2014
	Equity		
5	Contributed capital	140.047	113.522
6	Share premium account	0	0
7	Results brought forward	1.734.114	615.719
	Equity in total	1.874.161	729.241
	 Liabilities		
	Trade creditors	140.408	154.420
	Other debts	25.000	30.000
	Short-term liabilities in total	165.408	184.420
	Liabilities in total	165.408	184.420
	 Equity and liabilities in total	 2.039.569	 913.661
8	Contingencies		

Notes

All amounts in DKK.

	<u>2015</u>	<u>2014</u>
1. Tax on ordinary results		
Tax of the results for the year - tax credit	-145.748	-234.072
	<u>-145.748</u>	<u>-234.072</u>
	<u>31/12 2015</u>	<u>31/12 2014</u>
2. Acquired concessions, patents, licenses, trademarks and similar rights		
Cost 1 January 2015	79.994	79.994
Cost 31 December 2015	<u>79.994</u>	<u>79.994</u>
Amortisation and writedown 1 January 2015	-79.994	-79.994
Amortisation and writedown 31 December 2015	<u>-79.994</u>	<u>-79.994</u>
Book value 31 December 2015	<u>0</u>	<u>0</u>
3. Development projekts in progress and prepayments for intangible fixed assets		
Cost 1 January 2015	340.800	340.800
Cost 31 December 2015	<u>340.800</u>	<u>340.800</u>
Amortisation and writedown 1 January 2015	-340.800	-340.800
Amortisation and writedown 31 December 2015	<u>-340.800</u>	<u>-340.800</u>
Book value 31 December 2015	<u>0</u>	<u>0</u>
4. Receivable corporate tax		
Receivable corporate tax 1 January 2015	234.072	164.795
Received corporate tax concerning last year	-234.072	-164.795
Calculated corporate tax for the present year - tax credit	145.748	234.072
	<u>145.748</u>	<u>234.072</u>

Notes

All amounts in DKK.

	<u>31/12 2015</u>	<u>31/12 2014</u>
5. Contributed capital		
Contributed capital 1 January 2015	113.522	113.522
Cash capital increase	<u>26.525</u>	<u>0</u>
	<u>140.047</u>	<u>113.522</u>

Within the latest 5 years, the following changes in the share capital have taken place:

Company capital on formation 11 July 2013	80.000
Capital increase cash- and non-cash contribution 15 July 2013	33.522
Capital increase cash contribution 17 August 2015	<u>26.525</u>
	<u>140.047</u>

	<u>31/12 2015</u>	<u>31/12 2014</u>
6. Share premium account		
Share premium account 1 January 2015	0	0
Share premium account for the year	1.856.750	0
Share premium transferred to results brought forward	<u>-1.856.750</u>	<u>0</u>
	<u>0</u>	<u>0</u>

7. Results brought forward		
Results brought forward 1 January 2015	615.719	1.630.221
Profit or loss for the year brought forward	-738.355	-1.014.502
Transferred from share premium	<u>1.856.750</u>	<u>0</u>
	<u>1.734.114</u>	<u>615.719</u>

8. Contingencies

The company has an unrecognized deferred tax asset of 172 t.dkk., as there is uncertainty as to when this may be exploited in future earnings.