

Cortrium ApS

Erik Husfeldts Vej 7

2630 Taastrup

CVR No. 36445335

Annual Report 2018

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29 May 2019

Moustafa Mahmoud Moustafa
Chairman

Cortrium ApS

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Cortrium ApS

Management's Statement

Today, Management has considered and adopted the Annual Report of Cortrium ApS for the financial year 1 January 2018 - 31 December 2018.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

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

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Taastrup, 29 May 2019

Executive Board

Karsten Frank Rye Madsen
CEO

Jacob Eric Nielsen

Supervisory Board

Niels Erik Blangstrup Zibrandtsen

Peter Karl Jacobsen

Claus Zibrandtsen

Michael Lange

Erik Søndergaard Poulsen

Independent Auditor's Report

To the shareholders of Cortrium ApS

Opinion

We have audited the financial statements of Cortrium ApS for the financial year 1 January 2018 - 31 December 2018, which comprise an income statement, balance sheet and notes. 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 Company's financial position at 31 December 2018 and of the results of its operations for the financial year 1 January 2018 - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

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Independent Auditor's Report

Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Other reporting obligations

Contrary to the Danish Companies Act, the Company has provided a loan to a third party for the acquisition of participating interests in the Company, for which Management may be held liable. The amount has been fully repaid including interest in the period between the balance sheet date and the date of signing.

Copenhagen, 29 May 2019

**DELOITTE STATS
REVISIONSPARTNERSELSKAB**

CVR-no. 33963556

Thomas Rosquist Andersen
State Authorised Public Accountant
mne31482

Cortrium ApS

Company details

Company	Cortrium ApS Erik Husfeldts Vej 7 2630 Taastrup
CVR No.	36445335
Financial year	1 January 2018 - 31 December 2018
Supervisory Board	Niels Erik Blangstrup Zibrandtsen Peter Karl Jacobsen Claus Zibrandtsen Michael Lange Erik Søndergaard Poulsen
Executive Board	Karsten Frank Rye Madsen, CEO Jacob Eric Nielsen
Auditors	DELOITTE STATSAUTORISERET REVISIONSPARTNERSELSKAB Weidekampsgade 6 DK-2300 København S CVR-no.: 33963556

Management's Review

The Company's principal activities

The Company's aim is to pursue business within the development of medical products, services and related activities.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2018 - 31 December 2018 shows a result of DKK -5.240 and the Balance Sheet at 31 December 2018 a balance sheet total of DKK 4.769.586 and an equity of DKK 731.258.

Management finds the result in accordance with the plan for the year 2018, and is satisfied with the progress and development of the company according to the long term plan. Management believes that progress of 2018 is well within the threshold of the overall plan therefore the result is considered as satisfactory.

In connection with preparing the Annual Report Management has become aware that revenue recognition concerning a larger contract on the Balance sheet in 2017 was not presented correctly according to transfer of risk. Furthermore, holiday pay was not previously accrued in the balance sheet. This Annual Report therefore contains changes to the comparative figures correcting this misstatement. The changes are described and quantified in the Accounting Police section.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The Annual Report of Cortrium ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied to these financial statements are consistent with those applied last year, except for minor adjustments concerning classifications without effect on result and equity.

Significant misstatements in the previous reporting period

- Comparative figures have been changed. The changes are primarily related to revenue recognition concerning a larger contract, where the transfer of risk has been reassessed. Furthermore, holiday pay is included for the periods in which the obligation has been raised.

- Comparative figures regarding changes have been adjusted for last year. The changes on the comparative figures are recognized directly on equity at the beginning of the year, cf. the equity note.

- The cumulative effect of the abovementioned adjustments for 2017 represents a decrease in profit after tax of TDKK 2.859. The equity at the end of the year is decreased by TDKK 2.835, attributable to deferred income.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

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

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Accounting Policies

Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Income from delivery of services is recognised as revenue as the service is delivered.

Raw materials and consumables

Costs for raw materials and consumables comprise purchase of goods and services for resale.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0%

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under depreciation.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Prepaid expenses

prepaid expenses recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Accounting Policies

Cash and cash equivalents comprise cash at bank.

Equity

Proposed dividend for the year is recognised as a separate item in equity.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Accruals and deferred income, equity and liabilities

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2018 kr.	2017 kr.
Gross profit		1.459.997	-1.996.099
Employee benefits expense	1	-2.615.027	-3.498.308
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-18.887	-9.444
Profit from ordinary operating activities		-1.173.917	-5.503.851
Other finance income		6.960	25
Finance expences		-28.716	-22.047
Profit from ordinary activities before tax		-1.195.673	-5.525.873
Tax expense on ordinary activities	2	1.190.433	0
Profit		-5.240	-5.525.873
 Proposed distribution of results			
Retained earnings		-5.240	-5.525.873
Distribution of Profit		-5.240	-5.525.873

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Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
Assets			
Fixtures, fittings, tools and equipment		0	18.887
Property, plant and equipment		0	18.887
Fixed assets		0	18.887
Inventories		296.184	0
Inventories		296.184	0
Short-term trade receivables		68.066	99.872
Current deferred tax	3	1.190.433	0
Other short-term receivables		22.699	226.652
Short-term receivables from owners and management	4	38.600	0
Prepaid expenses		64.822	14.451
Receivables		1.384.620	340.975
Cash and cash equivalents		3.088.782	2.285.457
Current assets		4.769.586	2.626.432
Assets		4.769.586	2.645.319

Cortrium ApS**Balance Sheet as of 31 December**

	Note	2018 kr.	2017 kr.
Liabilities and equity			
Contributed capital	5	118.493	59.459
Share premium	6	0	4.995.093
Retained earnings	7	612.765	-9.690.054
Equity		731.258	-4.635.502
Trade payables		582.318	2.636.833
Payables to associates		244.781	0
Other payables		1.613.695	2.154.515
Deferred income, liabilities		1.597.534	2.489.473
Short-term liabilities other than provisions		4.038.328	7.280.821
Liabilities other than provisions within the business		4.038.328	7.280.821
Liabilities and equity		4.769.586	2.645.319

Notes

	2018	2017
1. Employee benefits expense		
Wages and salaries	2.526.403	3.440.007
Social security contributions	29.199	50.693
Other employee expense	59.425	7.608
	2.615.027	3.498.308
Average number of employees	5	6
2. Tax expense		
Adjustment of deferred tax	-1.190.433	0
	-1.190.433	0
3. Deferred tax assets		
Deferred tax assets is recognised is the balance due to its expected use in the Group. The Group's budget confirm the expentations and it is expected that the asset will be used within 3-5 years from the balance date.		
4. Receivables from owners and management		
During the year the company had a receivable against the management at the balance sheet date. Loans has been repaid before financial reporting. The loan was due for immediate payment and is interest-bearing with 10,05%. The year's attributable interest rate is DKK 2.664.		
5. Contributed capital		
Balance at the beginning of the year	59.459	59.459
Additions during the year	59.034	0
Balance at the end of the year	118.493	59.459
6. Share premium		
Balance at the beginning of the year	4.995.093	3.434.930
Additions during the year	0	1.560.163
Transferred to retained earnings	-4.995.093	0
Balance at the end of the year	0	4.995.093
7. Retained earnings		
Balance at the beginning of the year	-9.690.054	-4.188.265
Correction at the beginning of the year	0	-2.535.137
Additions during the year	-5.240	-2.966.652
Capital increase	5.312.966	0
Transferred from retained earnings	4.995.093	0
Balance at the end of the year	612.765	-9.690.054