

**ANNUAL REPORT**

**1 JANUARY - 31 DECEMBER 2018**

**RETIPHARMA IVS**

**Ole Maaløes Vej 3**

**2200 København N**

**CENTRAL BUSINESS REGISTRATION no. 37 13 41 20**

Adopted at the Company's  
Annual General Meeting,  
on 31 / maj 2019



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**Morten Albrechtsen**

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Case no. 904580

Is/sp

**Company**

RetiPharma IVS  
Ole Maaløes Vej 3  
2200 København N

Central Business Registration no. 37 13 41 20

Registered in:           København N

**Board of Executives**

Henrik Vissing

**Board of Directors**

Morten Albrechtsen

David Paul Drucker Woldbye

Casper Tind Hansen

Jørgen Axel Thorball

**Company auditors**

**info**revision  
statsautoriseret revisionsaktieselskab  
Buddingevej 312  
2860 Søborg  
Central business registration no. 19263096

Sten Pedersen, statsautoriseret revisor/State Authorized Public Accountant  
Lasse Sværke, statsautoriseret revisor/State Authorized Public Accountant

**Primary activities**

The company's primary activities is development and selling treatments for eye disease.

**Development in activities and finances**

The Company's financial performance in the financial year amounted to a loss of DKK -203.870, which was as expected.

The Board of Directors and Board of Executives have today discussed and approved the annual report for the financial year 1 January - 31 December 2018 of RetiPharma IVS.

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

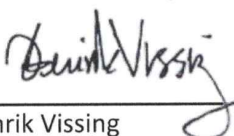
In our opinion the financial statements give a true and fair view of the Company's financial position at 31 December 2018 and of the result of the Company's operations for the financial year 1 January-31 December 2018.

In our opinion the management's review includes a fair review about the matters the review deals with.

We recommend that the Annual Report be approved at the annual general meeting.

København N, 15th May 2019


**Board of Executives**


  
\_\_\_\_\_  
Henrik Vissing  
CEO

**Board of Directors**

  
\_\_\_\_\_  
Morten Albrechtsen  
Chairman

  
\_\_\_\_\_  
Casper Tind Hansen  
Boardmember

  
\_\_\_\_\_  
David Paul Drucker Woldbye  
Boardmember

  
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Jørgen Axel Thorball  
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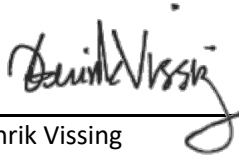
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CEO

**Board of Directors**

  
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Morten Albrechtsen  
Chairman

\_\_\_\_\_  
Casper Tind Hansen  
Boardmember

\_\_\_\_\_  
David Paul Drucker Woldbye  
Boardmember

  
\_\_\_\_\_  
Digitally signed by Jørgen Thorball  
DN: cn=Jørgen Thorball,  
o=XOventure, ou,  
email=jorgen@thorball.com, c=CH  
Date: 2019.05.23 13:09:54 +01'00'  
Jørgen Axel Thorball  
Boardmember

## To the shareholders of RetiPharma IVS

### Opinion

We have audited the financial statements of RetiPharma IVS for the financial year 1 January to 31 December 2018, which comprise the accounting policies applied, the income statement, the balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance under the Danish Financial Statements Act.

In our opinion the financial statement give a true and fair view of the Company's financial position at 31 December 2018, and of the result of the Company's operations for the financial year 1 January to 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 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 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 responsibility for the Audit of 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 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 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 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 Management's Review provides the information required under the Danish Financial Statements Act.

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

Søborg, 15th May 2019

**info**revision  
statsautoriseret revisionsaktieselskab  
(CVR-nr. 19263096)



Sten Pedersen  
State Authorized Public Accountant  
mne23408



Lasse Sværke  
State Authorized Public Accountant  
mne34318

The annual report has been prepared in accordance with Danish financial statements legislation as well as generally accepted accounting principles.

The annual report has been prepared in accordance with the reporting requirements of the Danish Financial Statements Act of class B enterprises, with addition of certain provisions for reporting class C.

The accounting policies have not been changed from last year.

### **RECOGNITION AND MEASUREMENT**

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Further to this, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Furthermore, all costs incurred to earn the profit or loss for year have been recognised in the income statement, including amortisation, depreciation, write-down and provisions as well as reversals as a consequence of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow into 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 will flow out of the Company, and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost, by which a constant redemption yield is recognised over the term. Amortised cost is calculated as original cost less instalments and addition/deduction of the accumulated amortisation of the difference between cost and the nominal amount. Thereby, capital and exchange losses or gains are allocated over the term.

On recognition and measurement, anticipated losses and risks that appear before presentation of the annual report and which confirm or invalidate affairs or conditions existing at the balance sheet date are considered.

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

**FOREIGN CURRENCY TRANSLATION**

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

**INCOME STATEMENT**

The income statement has been classified by nature.

**External expenses**

External expenses comprise facility costs and administrative expenses.

**Staff costs**

Staff costs include wages and salaries including holiday pay and pensions and other social security costs etc. to the Company's employees. Staff costs are reduced with payments received from public authorities.

**Other financial income and other financial expenses**

Financial income and expenses is recognised with amounts concerning the financial year. Financial items comprise interest.

**Tax on profit or loss for the year income taxes**

Tax on profit or loss for the year represents 22 % of the book profit or loss adjusted for non-taxable and non-deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax. Changes in deferred taxes due to adjustments of tax rates is recognised in the income statement.

Corporation tax relating to the financial year which has not been settled at the balance sheet date is to be classified as corporation tax in receivables or liabilities other than provisions.

The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

**BALANCE SHEET**

The balance sheet has been presented in account form.

**ASSETS****Intangible assets**

Intangible assets are measured at cost less accumulate amortisation.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation. For own-developed development projects, production costs are also included. Indirect production costs include indirect materials and payroll as well as maintenance of and depreciation of production equipment applied for the development.

Assets are amortised on a straight-line basis over their estimated useful lives:

	Useful lives	Residual value
Completed development Projects	5 y.	0%

As the intangible assets are not being traded in an active and effective market, no residual values after end of use are included when determining the depreciation period.

**Impairment of intangible assets**

The carrying amount of intangible assets is reviewed annually for indication of impairment for losses, apart from what is expressed by usual amortisation and depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount.

As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the anticipated cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for loss of intangible assets.

**Receivables**

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down for bad debt according to an individual assessment.

**EQUITY AND LIABILITIES****Equity**

Management's proposed dividends for the financial year is disclosed as a separate item in equity.

Expenses related to capital increases is recognised directly in equity.

**Provision for deferred tax**

Deferred tax is measured according to the liability method. Provision has been made for deferred tax by 22 % on all temporary differences between carrying amount and tax-based value of assets and liabilities.

Deferred tax is also measures with respect of the planned use of the asset and the settlement of the liability. The tax value of the tax losses to be carried forward are included in the calculation of deferred taxes if it is probable that the losses can be used.

The tax-based values of tax losses carried forward are included in the statement of deferred tax if it is probable that the losses can be utilised.

Deferred tax assets which are not expected utilised within a few years have been disclosed in notes under contingent assets.

**Financial liabilities**

Other liabilities other than provisions have been measured at amortised cost which corresponds to nominal value.

**Deferred income**

Deferred income comprises income received relating to subsequent years.



**BALANCE SHEET AT 31 DECEMBER 2018**  
**ASSETS**

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<u>Note</u>	<u>31/12 2018</u>	<u>31/12 2017</u>
1	Development projects in progress	0
	<u>1.222.448</u>	<u>0</u>
	INTANGIBLE ASSETS	0
	<u>1.222.448</u>	<u>0</u>
	FIXED ASSETS	0
	<u>1.222.448</u>	<u>0</u>
	Other receivables	0
3	Corporate tax receivables	0
	<u>27.791</u>	<u>0</u>
	<u>272.973</u>	<u>0</u>
	RECEIVABLES	0
	<u>300.764</u>	<u>0</u>
	CASH	1
	<u>5.059.144</u>	<u>1</u>
	CURRENT ASSETS	1
	<u>5.359.908</u>	<u>1</u>
	TOTAL ASSETS	1
	<u><u>6.582.356</u></u>	<u><u>1</u></u>

**BALANCE SHEET AT 31 DECEMBER 2018**  
**EQUITY AND LIABILITIES**

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<u>Note</u>	<u>31/12 2018</u>	<u>31/12 2017</u>
Share capital	6.816	1
Reserve for development expenditure	953.509	0
Retained earnings	<u>-1.150.762</u>	<u>0</u>
<b>EQUITY</b>	<u>-190.437</u>	<u>1</u>
Provision for deferred tax	<u>212.555</u>	<u>0</u>
<b>PROVISIONS</b>	<u>212.555</u>	<u>0</u>
Convertible loan	<u>6.089.589</u>	<u>0</u>
<b>LONG-TERM LIABILITIES OTHER THAN PROVISIONS</b>	<u>6.089.589</u>	<u>0</u>
Trade payables	135.179	0
Other payables	213.970	0
Deferred income	<u>121.500</u>	<u>0</u>
<b>SHORT-TERM LIABILITIES OTHER THAN PROVISIONS</b>	<u>470.649</u>	<u>0</u>
<b>LIABILITIES OTHER THAN PROVISIONS</b>	<u>6.560.238</u>	<u>0</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>6.582.356</u></u>	<u><u>1</u></u>

1 Significant uncertainty relating to recognition and measurement



## STATEMENT OF CHANGES IN EQUITY

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	Share capital	Reserve for development expenditure	Retained earnings	TOTAL
Equity at 1/1 2017	1	0	0	1
Transferred from distribution of profit/loss	0	0	0	0
Equity at 1/1 2018	1	0	0	1
Capital increase	6.815	0	6.617	13.432
Transferred from distribution of profit/loss	0	953.509	-1.157.379	-203.870
Equity at 31/12 2018	6.816	953.509	-1.150.762	-190.437

1 Significant uncertainty relating to recognition and measurement

The development costs are related to treatments for eye disease.

The intention for the company is to capitalise on the development projects by offering the treatments to patients which is expected to occur in the year 2020.

The development is proceeding as planned, but until the revenue base is established there is an uncertainty associated with the valuation of the company's development projects.

2 Staff costs	2018	2017
Wages and salaries	679.553	0
Other social security costs	3.229	0
Capitalised salary costs	-806.707	0
Other staff costs	135.231	0
TOTAL	11.306	0

The average number of full-time employees has represented 1 in this financial year against 0 in the previous financial year.

3 Corporation tax and deferred tax

	Income taxes	Deferred tax	Acc. to the inc. statement	2017
Payable at 1/1 2018	0	0	0	0
Tax for the year	-272.973	212.555	-60.418	0
PAYABLE AT 31/12 2018	-272.973	212.555		
TAX ON PROFIT/LOSS FOR THE YEAR			-60.418	0