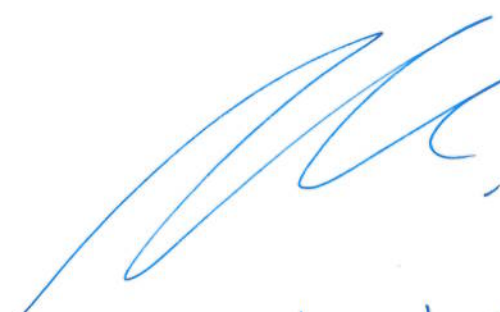


Financial Statements

for the year ended 31 December 2018

RepoCeuticals ApS

Registered number: 36 49 44 33



advokat Klaus H. Lindblad
14/6. -19

Contents

Company information	2
Management's review	3
Management's report	4
Independent auditor's report	5
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Cash flow statement	10
Notes to the company financial statements	11

Company information

Director	Torsten Bjørn
Registered number	36 49 44 33
Registered office	Slotsmarken 12, 1. th. 2970 Hørsholm Denmark
Independent auditor	Grant Thornton Denmark Stockholmsgade 45 2100 København Ø Denmark

The Company's principal activities

RepoCeuticals ApS is a clinical stage biopharmaceutical company dedicated to the development of new, effective prophylactic and treatment applications for diseases that have significant patient and social impact and for which current therapy is lacking or in need of improvement. The main focus is cancer and the development of new local treatments of the side effects from the most common conventional treatments, primarily the severe side effects of radiation and cytotoxic therapy for breast cancer and cancers in the pelvic region. There is a continuing medical need to improve the treatment of these severe and difficult conditions.

Unusual circumstances

No unusual circumstances are recorded in this annual report.

Uncertainties as to recognition or measurement

During the financial year there has been no uncertainty in recognition or measurement.

Development in activities and financial matters

The result for the year is a deficit of DKK -383 thousand, which is in line with expectations in view of the Company's level of activity.

During the financial year, RepoCeuticals continued its ongoing clinical studies in the development of medicinal products for use in the prevention and treatment of radiation injuries to tissues in the treatment of cancer.

During the financial year, RepoCeuticals received provisional notice of issuance of patents within several of the Company's core clinical focus areas and within its geographical focus area.

RepoCeuticals filed new patent applications during the financial year.

Events after the end of the financial year

After the end of the financial year, RepoCeuticals performed and completed the pharmacokinetic study on its medicinal products. The study had a very satisfactory course, in line with expectations.

After the end of the financial year, RepoCeuticals completed a successful issue of new shares that was subscribed to by the Company's existing shareholders.

Management's report

The managing director has today considered and approved the annual report of RepoCeuticals ApS for the financial year 1 January - 31 December 2018.

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The Financial Statements of the Company, are prepared in accordance with the Danish Financial Statement Act (Årsregnskabsloven).

I consider the accounting policies used appropriate, and in my opinion the Financial Statements provide a true and fair view of the Company's assets and liabilities and its financial position at 31 December 2018 and of the Company's results of its activities in the financial year 1 January to 31 December 2018.

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

The annual report is submitted for adoption by the general meeting.

Hørsholm, 31.05.2019

Managing Director

Torsten Bjørn



Independent auditor's report

To the shareholders of RepoCeuticals ApS

Our Opinion

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 and cash flows for the financial year 1 January to 31 December 2018 in accordance with the International Financial Reporting Standards and in accordance with International Financial Reporting Standards as endorsed by the European Union and further requirements in the Danish Financial Statements Act.

What we have audited

The Financial Statement of RepoCeuticals ApS for the financial year 1 January to 31 December 2018, comprise income statement and statement of comprehensive income, cash flow statement, balance sheet, equity statement and notes including accounting policies.

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 below section "Auditor's responsibilities for the audit of the Financial Statements section of our report".

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

Independence

We are independent of the Company in accordance with International Ethics Standards for Accountants`Code of Ethics for Professional Accountants (IESBA's Code) and the additional requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board and in accordance with International Financial Reporting Standards endorsed by EU and further requirements in the Danish Financial Statements Act, and for such internal control as the 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, the 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 unless the Management either intends to liquidate the company or to cease operations, or if it

Auditor's responsibilities for the audit of the annual accounts

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 including an 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 may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the Financial Statements. As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit.

Independent auditor's report

We also:

- Identify and assess the risks of material misstatement in the Financial Statements, whether due to fraud or error, design and perform audit procedures in response 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting 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 reflect the underlying transactions and events in a manner that achieves fair presentation.

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 the internal control that we identify during our audit.

Statement on the management's review

The 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 Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Moreover, we consider whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the Financial Statements and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen,

Grant Thornton

Company reg. no. 34 20 99 36



Ulrik Bloch-Sørensen

State Authorised Public Accountant

mne2913

Statement of comprehensive income

Note	2018	2017
Revenue	0	0
Cost of sales	0	0
Gross profit	0	0
Other operating expenses	-199.285	-78.081
3 Employee remuneration	-60.000	0
Profit before depreciation, amortisation and impairment losses (EBITDA)	-259.285	-78.081
Depreciation and amortisation of plant and equipment and intangible assets	-45.079	-5.533
Operating profit (EBIT)	-304.364	-83.614
Financial income	0	0
4 Financial expenses	-187.049	-16.235
Profit before tax	-491.414	-99.849
5 Tax on profit for the year	108.103	21.968
Net profit for the year	-383.311	-77.881
Total comprehensive income	-383.311	-77.881
Distribution of comprehensive income		
Company's shareholders	0	0
Total	0	0

Statement of financial position

ASSETS		31-12-2018	31-12-2017	01-01-2017
Note				
Non-current assets				
6	Intangible assets	4.309.627	2.032.344	639.848
9	Equipment	5.532	11.065	0
Total non-current assets		4.315.158	2.043.409	639.848
Current assets				
9	Inventories	38.001	38.001	38.001
10	Other receivables	93.105	53.860	18.378
10	Prepaid expenses	0	48.397	10.730
5	Current tax receivable	563.634	327.179	122.969
11	Cash and cash equivalents	26.313	4.501	22.733
Total current assets		721.053	471.937	212.811
Total assets		5.036.211	2.515.346	852.659
EQUITY AND LIABILITIES				
Note				
	Share capital	50.000	50.000	50.000
	Reserve for capitalised development costs	3.268.164	1.309.790	137.790
	Retained earnings	-3.674.553	-1.332.868	-82.987
12	Total equity	-356.389	26.922	104.803
13	Subordinated loan capital	800.000	300.000	0
5	Provision for deferred tax	900.709	445.177	139.966
Total provisions		900.709	445.177	139.966
Total long-term liabilities		1.700.709	745.177	139.966
14	Trade payables	143.249	342.215	138.090
15	Other liabilities	3.548.642	1.401.033	469.800
Total current liabilities		3.691.891	1.743.248	607.890
Total equity and liabilities		5.036.211	2.515.346	852.659

Statement of changes in equity

	Share capital	Reserve for capitalised developemnt costs	Retained earnings	Total equity
<i>Statement of changes in equity</i>				
<i>01-01-2017 - 31-12-2017</i>				
Equity as at 01-01-2017	50.000	137.790	-82.987	104.803
Net profit for the year	0	0	-77.881	-77.881
Capitalised development costs	0	1.172.000	-1.172.000	0
Comprehensive income	0	1.172.000	-1.249.881	-77.881
Dividends	0	0	0	0
Transactions with owners	0	0	0	0
Equity as at 31-12-2017	50.000	1.309.790	-1.332.868	26.922

Statement of changes in equity
01-01-2018 - 31-12-2018

Equity as at 01-01-2018	50.000	1.309.790	-1.332.868	26.922
Net profit for the year	0	0	-383.311	-383.311
Adjustment as at 01-01-2018	0	59.987	-59.987	0
Capitalised development costs	0	1.898.387	-1.898.387	0
Comprehensive income	0	1.958.374	-2.341.685	-383.311
Dividends	0	0	0	0
Transactions with owners	0	0	0	0
Equity as at 31-12-2018	50.000	3.268.164	-3.674.553	-356.389

Cash flow statement

	31-12-2018	31-12-2017
Loss before tax	-491.414	-99.849
Adjustment of non-cash transactions:		
Depreciation, amortisation and impairment losses	45.079	5.533
Financial income	0	0
Financial expenses	187.049	16.235
Change in working capital:		
Receivables	-39.245	-35.482
Trade payables	-198.966	204.125
Prepaid expenses	48.401	-37.667
Other liabilities	15.700	0
Corporate tax	327.179	122.969
Net cash from operating activities before net financials	-106.217	175.865
Financial income received	0	0
Financial expenses paid	-187.049	-16.235
Net cash from operating activities	-293.266	159.629
Purchase of property, plant and equipment	0	-16.598
Purchase of other intangible assets	-2.316.829	-1.392.496
Net cash used in investing activities	-2.316.829	-1.409.094
Loans from shareholders	2.631.907	1.231.233
Net cash received from financing activities	2.631.907	1.231.233
Total cash flows for the year	21.812	-18.232
Cash equivalents beginning of year	4.501	22.733
Cash equivalents end of year	26.313	4.501
Cash and cash equivalents, end of year, comprises:		
Cash and cash equivalents	26.313	4.501
Total	26.313	4.501

1. Accounting policies
2. Nature of operations
3. Employee remuneration
4. Financial expenses
5. Tax
6. Intangible assets
7. Equipment
8. Financial assets and liabilities
9. Inventories
10. Prepayments and other receivables
11. Cash and cash equivalent
12. Equity
13. Subordinated loan capital
14. Trade payables
15. Other liabilities
16. Contingent liabilities
17. Operating lease commitments
18. Financial risks and financial instruments
19. Events occurring after the balance sheet date
20. The Company's transition to IFRS
21. New accounting regulations

1. Accounting policies

1.1 Basis of preparation

The Financial Statements of RepoCeuticals ApS have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the EU, IFRIC interpretations and with those parts of the Danish Financial Statements Act applicable to companies reporting under IFRS.

The Company has adopted IFRS for the first time in these Financial Statements. The Company's transition date to IFRS is 1 January 2017. The rules for first-time adoption of IFRS are set out in IFRS 1, First-time Adoption of International Financial Reporting Standards ("IFRS 1").

IFRS 1 allow certain exemptions and mandates certain accounting treatments in the application of particular standards to prior periods in order to assist companies with the transition process.

The Company has applied a number of the exemptions available under IFRS 1 for the purposes of preparing the Financial Statements, and these are explained below.

The policies have changed from the previous published Financial Statements which were prepared under Danish Financial Statements Act. The financial information has been restated in accordance with IFRS. The changes to accounting policies are explained in note 20 together with the reconciliation of opening balances and comparative results in note 20.

IFRS is subject to amendment and interpretation by the IASB and the IFRS Interpretations Committee, and there is an on-going process of review and endorsement by the European Commission. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 31 December 2018.

The Financial Statements have been prepared on the going concern basis and have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities including derivative financial instruments. The principal accounting policies set out below have been consistently applied to all periods

1.2 Foreign currency translation

Functional and presentation currency

The Financial Statements are presented in currency DKK, which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

1.3 Revenue

Revenue is measured at the fair value of consideration received or receivable.

1.4 Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

1. Accounting policies - continued -

1.5 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

1.6 Intangible assets

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 feasibility, sufficient resources, and a potential market or a development opportunity 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.

Development costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown.

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 10 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

Gain and loss from the sale 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. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

1.7 Property, Plant and Equipment

IT equipment and other equipment

IT equipment and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management. IT equipment and other equipment are subsequently measured using the cost model, cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of IT equipment and other equipment. The following useful lives are applied:

- Other equipment: 3-5 years.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

1. Accounting policies - continued -

1.8 Leased assets

Operating leases

Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

1.9 Impairment testing of intangible assets and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Cash-generating are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

1.10 Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

1.11 Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent

1. Accounting policies - continued -

1.11 Financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at fair value through profit or loss (FVTPL)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at FVTPL

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. The Company currently holds listed bonds designated in to this category. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Company has the intention and ability to hold them until maturity. The Company do not currently hold any items designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

1. Accounting policies - continued -

1.12 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the Financial Statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income, or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

1.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1.14 Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:

- Reserve for capitalised development costs - comprises other development projects.

Retained earnings includes all current and prior period retained profits and share-based employee remuneration.

1. Accounting policies - continued -

1.14 Equity, reserves and dividend payments

All transactions with owners are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

1.15 Provisions, contingent assets and contingent liabilities

Provisions for legal disputes, onerous contracts or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

1.16 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the Financial Statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the Financial Statements.

Capitalisation of development costs

RepoCeuticals ApS is confident it will obtain approval of its pipeline products, as the products are based on an existing approved drug, and hold the evidence to support this. RepoCeuticals ApS is also confident, that it will acquire the necessary resources through installments, pay off's or milestone payment to complete its development projects. Thus, management judge that the technical feasibility criterion in IAS 38,57 is met.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially

Notes to the Financial Statements

1. Accounting policies - continued -

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see note 1.9).

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software application systems (development projects).

2. Nature of operations

RepoCeuticals ApS is a clinical stage biopharmaceutical company dedicated to the development of new, effective prophylactic and treatment applications for diseases that have significant patient and social impact and for which current therapy is lacking or in need of improvement. The main focus is cancer and the development of new local treatments of the side effects from the most common conventional treatments, primarily the severe side effects of radiation and cytotoxic therapy for breast cancer and cancers in the pelvic region. There is a continuing medical need to improve the treatment of these severe and difficult conditions.

	2018	2017
3. Employee remuneration		
Wages and salaries	360.000	0
- hereof allocated to other intangible assets	-300.000	0
Pensions	-	0
Social security costs	-	0
Total	60.000	0

	2018 Number	2017 Number
Average number of employees in the year		
Directors	1	1
Total	1	1

	2018	2017
Remuneration of Directors		
Remuneration	360.000	0
Total remuneration for Directors	360.000	0

	2018	2017
4. Financial expenses		
Interest expenses on liabilities measured at cost	187.049	16.235
Total	187.049	16.235

Notes to the Financial Statements

	2018	2017
5. Tax		
Tax on profit for the year:		
Current tax	-563.634	-327.179
Change in deferred tax	455.531	305.211
Total	-108.103	-21.968

Reconciliation of effective tax rate:

Loss before tax	-491.414	-99.849
Tax computed on the profit before tax at a tax rate of 22%	-108.111	-21.967
Permanent differences	8	(1)
Total - Effective tax rate (22%)	-108.103	-21.968

	31-12-2018	31-12-2017	01-01-2017
--	------------	------------	------------

Deferred tax is made up as follows:

Deferred taxes arising from temporary differences are summarised below:

Intangible assets	948.118	447.116	140.767
Equipment	1.217	2.434	0
Taxable loss carried forward	-48.626	-4.373	-801
Total deferred tax	900.709	445.177	139.966

which is categorised as follows:

Non-current deferred tax	900.709	445.177	139.966
---------------------------------	----------------	----------------	----------------

Current tax asset

Tax reimbursement, calculated for the year	-563.634	-327.179	-122.969
Current tax asset, total	-563.634	-327.179	-122.969

Notes to the Financial Statements

6. Intangible assets

	Patents and licenses	Develop- ment projects in progress	Total
<i>Financial year 2017</i>			
Cost as at 01-01-2017	274.810	365.038	639.848
Additions during the year	190.304	1.202.192	1.392.496
Cost as at 31-12-2017	465.114	1.567.230	2.032.344
Amortisation and impairment losses as at 01-01-2017	0	0	0
Amortisation during the year	0	0	0
Amortisation and impairment losses as at 31-12-2017	0	0	0
Carrying amount as at 31-12-2017	465.114	1.567.230	2.032.344
Carrying amount as at 01-01-2017	274.810	365.038	639.848
<i>Financial year 2018</i>			
Cost as at 01-01-2018	465.114	1.567.230	2.032.344
Additions during the year	418.046	1.898.783	2.316.829
Cost as at 31-12-2018	883.160	3.466.013	4.349.173
Amortisation and impairment losses as at 01-01-2018	0	0	0
Amortisation during the year	39.546	0	39.546
Amortisation and impairment losses as at 31-12-2018	39.546	0	39.546
Carrying amount as at 31-12-2018	843.614	3.466.013	4.309.627

Impairment test of development projects

Development projects are tested for impairment individually. The carrying amount of development projects is DKK 4m at 31 December 2018 and DKK 2m at 31 December 2017. The recoverable amount of development projects relates to development of RepoCeuticals ApS' portfolio of projects within the reposition strategy of already approved drugs. Based on value-in-use calculations no impairment was identified. Management has assessed that reasonably probable changes in the key assumptions will not lead to impairment.

Notes to the Financial Statements

7. Equipment

	Equipment	Total
<i>Financial year 2017</i>		
Costs as at 01-01-2017	0	0
Additions during the year	16.598	16.598
Disposals during the year	0	0
Costs as at 31-12-2017	16.598	16.598
Depreciation and impairment losses at 01-01-2017	0	0
Depreciation during the year	5.533	5.533
Depreciation on disposals during the year	0	0
Depreciation and impairment losses at 31-12-2017	5.533	5.533
Carrying amount as at 31-12-2017	11.065	11.065
Carrying amount as at 01-01-2017	0	0
<i>Financial year 2018</i>		
Costs as at 01-01-2018	16.598	16.598
Additions during the year	0	0
Disposals during the year	0	0
Costs as at 31-12-2018	16.598	16.598
Depreciation and impairment losses at 01-01-2018	5.533	5.533
Depreciation during the year	5.533	5.533
Depreciation on disposals during the year	0	0
Depreciation and impairment losses at 31-12-2018	11.066	11.066
Carrying amount as at 31-12-2018	5.532	5.532

Notes to the Financial Statements

8. Financial assets and liabilities

Note 1.11 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

31 December 2018

	Held for trading (FVTPL) (carried at fair value)	Loans and other receivables (carried at amortised cost)	Total
Financial assets			
Cash and cash equivalents	0	26.313	26.313
Other short term financial assets	0	26.313	26.313
Total financial assets	0	26.313	26.313

	Derivatives measured at fair value (carried at fair value)	Other liabilities (carried at amortised cost)	Total
Financial liabilities			
Trade and other payables	0	4.491.891	4.491.891
Financial liabilities	0	4.491.891	4.491.891

31 December 2017

	Held for trading (FVTPL) (carried at fair value)	Loans and other receivables (carried at amortised cost)	Total
Financial assets			
Cash and cash equivalents	0	4.501	4.501
Other short term financial assets	0	4.501	4.501
Total financial assets	0	4.501	4.501

Notes to the Financial Statements

8. Financial assets and liabilities - continued -

31 December 2017

	Other liabilities (carried at amortised cost)	Total
Financial liabilities		
Trade and other payables	2.043.248	2.043.248
Financial liabilities	2.043.248	2.043.248

1 January 2017

	Held for trading (FVTPL) (carried at fair value)	Loans and other receivables (carried at amortised cost)	Total
Financial assets			
Cash and cash equivalents	0	22.733	22.733
Other short term assets	0	22.733	22.733
Total financial assets	0	22.733	22.733

	Other liabilities (carried at amortised cost)	Total
Financial liabilities		
Trade and other payables	747.856	747.856
Financial liabilities	747.856	747.856

Financial assets and liabilities measured at fair value, the methods used to measure fair value are described in note 1.11.

All of the above financial assets and liabilities carrying values are approximate to their fair values due to their short term nature as at 31 December 2018, 31 December 2017 and 1 January 2017 with the exception of held for trading assets and derivative financial instruments which are carried at their fair values.

Notes to the Financial Statements

9. Inventories

	31-12-2018	31-12-2017	01-01-2017
Raw materials and stores	38.001	38.001	38.001
Total inventories	38.001	38.001	38.001

costs

No write-down have been made during the financials years.

10. Prepayments and other receivables

	31-12-2018	31-12-2017	01-01-2017
Prepayments	0	48.397	10.730
Other receivables	93.105	53.860	18.378
Financial assets	93.105	102.256	29.108

All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the Company's trade and other receivables have been reviewed for indications of impairment. No such indications was found.

11. Cash and cash equivalent

	31-12-2018	31-12-2017	01-01-2017
Cash	26.313	4.501	22.733
Total	26.313	4.501	22.733

Notes to the Financial Statements

12. Equity

Share capital

The Company's share capital consists of 500.000 ordinary shares of DKK 0,10 each. The shares are fully paid in. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting.

As of May 2019, a capital increase of 300.000 ordinary shares of DKK 0,10 each were conducted. Hereafter the share capital consists of 800.000 ordinary shares of DKK 0,10 each with a share premium reserve of DKK 7.143.820.

Retained earnings

Retained earnings represent retained profits.

Reserve for capitalised development costs

Reserve for capitalised development costs represent the activated development costs from January 1, 2016.

Capital management policies and procedures

The Company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders.

The Company monitors capital on the basis of the carrying amount of equity plus borrowings, less cash and cash equivalents as presented on the statement of financial position.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

31-12-2018 31-12-2017 01-01-2017

13. Subordinated loan capital

Between 1-5 years	800.000	300.000	0
After 5 years	0	0	0
Total subordinated loan capital	800.000	300.000	0

The subordinated loan capital have been given by one shareholder. The loan including interests are due no later than 30 June 2020.

14. Trade payables

31-12-2018 31-12-2017 01-01-2017

Trade payables	143.252	342.215	138.090
Trade and other payables - current	143.252	342.215	138.090

Notes to the Financial Statements

15. Other liabilities

	31-12-2018	31-12-2017	01-01-2017
Taxes and other social securities	14.602	0	0
Loan from shareholders	3.502.730	1.370.823	439.590
Other liabilities	31.310	30.210	30.210
Other liabilities - current	3.548.642	1.401.033	469.800

16. Contingent liabilities

The Company has no contingent liabilities.

17. Operating lease commitments

The Company has no operating lease commitments.

18. Financial risks and financial instruments

Risk management policy

Management manages the Company's financial risks. The management of the Company's risks is included in the management's day-to-day monitoring of the Company. The Company is exposed to few financial risks, which result from its operating activities. The company does not actively engage in the trading of financial assets and financial derivatives.

Credit risk

Due to the nature of the business, credit risk is deemed minimal. The maximum credit risk relating to receivables corresponds to the carrying amount.

Interest rate risks

The Company is only exposed to interest rate risks in connection with deficit liquidity, as the Company only have loans from shareholders, the risk is deemed minimal.

Foreign currency risk

The Company is subject to currency risks on payables and receivables in foreign currency, and purchases of services in foreign currency. The Company's foreign trade is minimal.

Notes to the Financial Statements

18. Financial risks and financial instruments - continued -

Liquidity risk

The Company liquidity risks covers the risk that the Company is not able to meet its liabilities as they fall due. The Company is not subject to material liquidity risks.

The maturities of financial liabilities appear from the tables below. All amounts are contractual cash flows, i.e. inclusive of interest.

	Within 1 year	1-2 year(s)	2-5 years	Over 5 years	Total
As at 1 January 2017					
Loan from shareholders	439.590	0	0	0	439.590
Trade payables	138.090	0	0	0	138.090
Other payables	30.210	0	0	0	30.210
Total	168.300	0	0	0	607.890

All financial liabilities as at 1 January 2017 are measured at amortised cost.

As at 31 December 2017

Loan from shareholders	1.370.823	0	300.000	0	1.670.823
Trade payables	342.215	0	0	0	342.215
Other payables	30.210	0	0	0	30.210
Total	372.425	0	0	0	2.043.248

All financial liabilities as at 31 December 2017 are measured at amortised cost.

	Within 1 year	1-2 year(s)	2-5 years	Over 5 years	Total
As at 31 December 2018					
Loan from shareholders	3.502.730	800.000	0	0	4.302.730
Trade payables	143.249	0	0	0	143.249
Other payables	45.912	0	0	0	45.912
Total	189.161	0	0	0	4.491.891

All financial liabilities as at 31 December 2018 are measured at amortised cost.

Notes to the Financial Statements

19. Events occurring after the balance sheet date

There were no post balance sheet events required adjustment to the Financial Statements.

As of May 2019, a capital increase of 300.000 ordinary shares of DKK 0,10 each were conducted. Hereafter the share capital consists of 800.000 ordinary shares of DKK 0,10 each with a share premium reserve of DKK 7.143.820.

20. The Company's transition to IFRS

The Financial Statements for 2018 are the first Financial Statements to be prepared in accordance with IFRS as approved by the EU. The IFRS opening balance sheet as at 1 January 2017 and the comparative figures for 2017 have been prepared in accordance with IFRS, including the transitional provisions of IFRS 1 "First-time adoption of IFRS". The accounting policies are based on the accounting standards and interpretations in effect at 31 December 2018. The IFRS opening balance sheet as at 1 January 2017 has been prepared as if IFRS had always been applied, except for the transitional provisions in IFRS.

The conversion to IFRS has led to a number of changes in respect of the descriptions used and wording of accounting policies.

The main changes are in respect to the primary statements. The profit and loss account and the Statement of Recognised Gains and Losses has been replaced with a Statement of Comprehensive Income.

The cash flow statement is not affected by the transition to IFRS.

Effect of transition to IFRS to the income statement for the year ended 31 December 2017

Note	DKK ÅRL	Effect of transition to IFRS	IFRS
Revenue	0	0	0
Cost of sales	0	0	0
Gross profit	0	0	0
Other external costs	-78.081	0	-78.081
Staff expenses	0	0	0
Profit before depreciation, amortisation and impairment losses (EBITDA)	-78.081	0	-78.081
Depreciation and amortisation of property, plant and equipment and intangible assets	-5.533	0	-5.533
Operating profit (EBIT)	-83.614	0	-83.614
Financial income	0	0	0
Financial expenses	-16.235	0	-16.235
Loss before tax	-99.849	0	-99.849
Tax on loss for the year	21.968	0	21.968
Net profit for the year	-77.881	0	-77.881

Notes to the Financial Statements

20. The Company's transition to IFRS - continued

Effect of transition to IFRS for the balance sheet as at 1 January 2017

Note	DK ÅRL	Effect of transition to IFRS	IFRS
ASSETS			
Non-current assets			
Other intangible assets	639.848	0	639.848
Total non-current assets	639.848	0	639.848
Current assets			
Inventory	38.001	0	38.001
Tax receivables	122.969	0	122.969
Other receivables	18.378	0	18.378
Prepaid expenses	10.730	0	10.730
Cash and cash equivalents	22.733	0	22.733
Total current assets	212.811	0	212.811
Total assets	852.659	0	852.659
EQUITY AND LIABILITIES			
Share capital	50.000	0	50.000
Reserve for capitalised development costs	137.790	0	137.790
Retained earnings	-82.987	0	-82.987
Total equity	104.803	0	104.803
Provision for deferred tax	139.966	0	139.966
Total provisions	139.966	0	139.966
Total long-term liabilities	139.966	0	139.966
Trade payables	138.090	0	138.090
Other payables	469.800	0	469.800
Total current liabilities	607.890	0	607.890
Total equity and liabilities	852.659	0	852.659

Notes to the Financial Statements

20. The Company's transition to IFRS - continued

Effect of transition to IFRS for the balance sheet as at 31 December 2017

	DK ÅRL	Effect of transition	IFRS
ASSETS			
Non-current assets			
Other intangible assets	2.032.344	0	2.032.344
Property, plant and equipment	11.065	0	11.065
Total non-current assets	2.043.409	0	2.043.409
Current assets			
Inventory	38.001	0	38.001
Trade receivables	0	0	0
Tax receivables	327.180	0	327.180
Other receivables	53.860	0	53.860
Prepaid expenses	48.397	0	48.397
Cash	4.501	0	4.501
Total current assets	471.938	0	471.938
Total assets	2.515.347	0	2.515.347
EQUITY AND LIABILITIES			
Share capital	50.000	0	50.000
Reserve for capitalised development costs	1.309.790	0	1.309.790
Retained earnings	-1.332.868	0	-1.332.868
Total equity	26.922	0	26.922
Sudordinated loan capital	300.000	0	300.000
Provision for deferred tax	445.177	0	445.177
Total provisions	445.177	0	445.177
Total long-term liabilities	745.177	0	745.177
Trade payables	342.215	0	342.215
Other payables	1.401.033	0	1.401.033
Total current liabilities	1.743.248	0	1.743.248
Total equity and liabilities	2.515.347	0	2.515.347

21. New accounting regulations

The IASB has issued a number of new standards and amendments to standards, which are effective for accounting periods beginning on 1 January 2019 or later. Therefore, they are not incorporated in the Financial Statements. Standards and interpretations issued before 31 December 2018, of relevance for the Company, and expected to change current accounting regulation are described below.

IFRS 16 Leases. The IASB has issued IFRS 16 "Leasing", with an effective date of 1 January 2019.

The EU has endorsed IFRS 16. The Company plans to adopt the new standard on the required effective date. The standard requires that all leases be recognized in the balance sheet with a corresponding lease liability, except for short term assets and minor assets. Leased assets are amortized over the lease term, and payments are allocated between instalments on the lease liabilities and interest expense, classified as financial items. The Company is currently evaluating the impact on the Financial Statements and the most significant impact will be the recognition of new assets and liabilities for its operating lease of office facilities. In addition, the nature of the expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right of use assets and interest expense on lease liabilities. Upon implementation on 1 January 2019, assuming that no new material leases are entered into and no amendments to existing leases are made, the Company is expected not to recognize significant lease assets or liabilities. However, IFRS 16 requires the Company to make more extensive disclosures than under IAS 17.