

ANNUAL REPORT

and

CONSOLIDATED FINANCIAL STATEMENTS

January 1, 2018 -- December 31, 2018

for

Cytovac AB
559162-3318

**The Annual report and the Consolidated Financial
Statements include:**

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ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR CYTOVAC AB

The Board of Directors' and the Chief Executive Officer of Cytovac AB hereby present the Annual report and Consolidated Financial Statements for the financial year January 1, 2018–December 31, 2018.

ADMINISTRATION REPORT

Information about the operations

Cytovac is a research and development company of cell-based pharmaceuticals for treatment of cancer, which is based on the patient's own immune system (immunotherapy). The Group consists of the Parent company, Cytovac AB, which is based in Malmö, Sweden and its subsidiary, Cytovac A/S, which is registered in Hørsholm, Denmark.

Formation of The Group

December 10, 2018 Cytovac A/S established a new corporate structure for the Cytovac Group. A Swedish Parent company, Cytovac AB was formed by the former shareholders of Cytovac A/S through a non-cash issue of their shares in Cytovac A/S to Cytovac AB. The restructuring of The Group was supported by 92.5% of the shareholders in Cytovac A/S. The restructuring is reported as a group restructuring in which Cytovac A/S's assets and liabilities are reported at historical carrying amounts and are not revalued to fair value. The consolidated financial statements of Cytovac AB are a continuation of Cytovac A/S financial reports with a retrospective adjustment of equity.

December 18, 2018 Cytovac AB acquired additional 7.1% of the shares in Cytovac A/S for MSEK 5.5, which corresponds to 714,000 shares. Cytovac AB then owns 99.6% of the shares in Cytovac A/S.

Significant events during the financial year

In 2018, Cytovac has supplemented the Board of Directors' with competences within investment banking and finance. The new Board of Directors' has together with management, besides optimization of the production worked on executing the company's strategy including optimization of the ongoing study CV-006 on Glioblastoma in Sweden and planning for future studies with ALECSAT. In 2018, the management and the board of Directors' have successfully completed two new share issues and a new share issue prior to listing in Sweden, in collaboration with Vator Securities. The purpose of these issues has been to secure the Company's financing prior to the planned listing on First North Premier in 2019.

In 2019 the Company will focus on the following activities:

- preparing for the planned listing at First North Premier in Sweden,
- strengthening the competences in the organization within medical and development,
- further development of the documentation and preparation for the commercial use of ALECSAT,
- start of new phase II studies within breast cancer,
- plan for a new phase II study within soft tissue sarcoma, and
- continue our international collaboration relations.

Development of operations, earnings and financial position (The Group)

	2018	2017
(TSEK)		
Operating profit (loss)	-50.400	-24.706
Profit (loss) before tax	-50.678	-24.710
Total assets	37.645	8.714
Equity/Assets ratio ⁽¹⁾	28,9%	54,9%
Return on equity ⁽²⁾	-	-
Return on total assets ⁽³⁾	-	-
Average number of employees	18	14

⁽¹⁾ Adjusted equity / Total assets

⁽²⁾ Profit for the year / Average Adjusted equity

⁽³⁾ (Profit before tax + interest expenses) / Average total assets

Comments on operations, earnings and financial position

The loss for the year 2018 amounted 43 112 TSEK compared to a loss of 19 238 TSEK in fiscal year 2017. The increased loss is primarily due to increased research and development operations as well as costs associated with the Company's preparation for upcoming listing on First North Premier. Research and development costs totaled 37 877 TSEK in 2018 compared to 22 163 TSEK in 2017. Research and development costs relates mainly to the clinical study, Glioblastoma CV006. General and administration expenses were 12 523 TSEK in 2018 compared to 2 543 TSEK in 2017, the increase is mainly due to changes in management and board and costs related to consultants preparing for listing on First North Premier. Finance costs amounted 278 TSEK in 2018 compared to 4 TSEK in 2017. Finance expenses consist primarily of interest expenses on loans from shareholders. Income tax benefits for the year 2018 increased to TSEK 7 566 from TSEK 5 472 in 2017 and relates to tax credit for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.

As of December 31, 2018, the company had cash and cash equivalents of SEK 1 487 TSEK compared to 303 TSEK as of December 31, 2017. Equity amounted 10 891 TSEK as of December 31, 2018 compared to 4 784 TSEK as of December 31, 2017.

Cashflow

Cash flow from operating activities before changes in working capital resulted in an outflow of -38 789 TSEK in 2018 compared to -19 162 TSEK in 2017. The negative cash flow from operating activities is mainly due to the clinical development activities and administration expenses for the upcoming listing at First North Premier. Cash flow from investing activities amounted -171 TSEK in 2018 compared to -16 TSEK in 2017. Cash flow from financing activities resulted in an inflow of 40 144 TSEK in 2018 compared with 12 032 TSEK in 2017.

Development of operations, earnings and financial position (the Parent company)

The loss for the year 2018 amounted 1 361 TSEK which is due to costs in connection with the Company's preparations for future listing on First North Premier.

	2018-06-07- 2018-12-31*
(TSEK)	
Operating profit (loss)	-1.319
Profit (loss) before tax	-1.361
Total assets	41.909
Net debt/equity ⁽¹⁾	78,2%
Return on equity ⁽²⁾	-
Return on total assets ⁽³⁾	-
Average number of employees	-

⁽¹⁾ Adjusted equity / Total assets

⁽²⁾ Profit for the year / Average Adjusted equity

⁽³⁾ (Profit before tax + interest expenses) / Average total assets

* The Parent company was formed on June 7, 2018. The Parent company's financial year covers the period June 7, 2018 - December 31, 2018 (7 months).

Significant risks and uncertainties

Development projects

For development projects, management estimates on an ongoing basis whether this is likely to generate future economic benefits for the company in order to qualify for recognition as Intangible assets. The development projects are evaluated on technical as well as commercial criteria. The development of CV-006 is at an early state which means that the evaluation of the possibility of generation of future economic benefits is assessed to be to low for recognition, hence the development costs are recognised directly in the income statement when incurred.

Going concern

It is the opinion of Cytovac that the working capital available as of 31 December 2018 is not sufficient for the Company's present working capital needs for the twelve months following this date. Cytovac intends to finance its operations for the twelve months following this date using the funds from the new share issue for the listing received in Q4 2018 and Q1 2019 and the funds from the expected Initial Public Offering on First North Premier in Sweden in second quarter of 2019 or later during 2019 depending on the capital market. In case the offering is not completed, Cytovac will seek alternative methods of finance in cooperation with its existing shareholders.

Financial instruments and risk management

The Group's financial instruments, financial risks and risk management is described in Note 4.

Research and development

Designing and conduction clinical trials is complex, costly and time-consuming and the results are unpredictable. There is a risk that no matter how well -designed and diligent our preparation has been, the clinical trial resultat will not demonstrate sufficient evidence of efficacy to ensure the requisite regulatory approvals are granted. If we are nota able to successfully conduct and complete on-going and planned clinical trials, we are not able to commercialise any pharmaceutical treatment.

Personnel

Cytovac's key individuals and employees have extensive - and long experience within the company's field of business. In accordance with practice in the Danish labour market, the notice periode for several senior employees, with the exception of the CEO, CBO and CFO, to terminate the employment is only one month. Several key individuals can therefore terminate their employment with only one month's notice, which means that Cytovac may need to replace key individuals at short notice. If one or more key individuals or employees terminate their employment with the company or if the company fails to recruit new persons with relevant skill and expertise this may delay or hinder the development of the company's program, which might have a material negative effect on Cytovac's business and financial position.

Expected future development

Immunotherapy continues to be an area in cancer research and treatment that has high priority. Cytovac has developed the ALECSAT therapy, which potentially can improve cancer treatment by a gentle treatment method. It is the opinion of the Board of Directors and Management that the need for new products is still high and that the market continues to show a great interest in immunotherapy-based products. In this light, it is the expectation that there will be significant interest in Cytovac and its products, especially when the company gets the clinical results from the ongoing phase II trial in Glioblastoma in Sweden. These results are expected in first half of 2020.

Proposed disposition of profits (Swedish kronor)

The following profits are at the Annual General Meeting's disposal:

Share premium reserve	32.753.533
Profits carried forward	221.535
Profit for the year	-1.361.058
	<u><u>31.614.010</u></u>

The Board of Directors' proposes the following appropriation:

Profits carried forward of	31.614.010
	<u><u>31.614.010</u></u>

For more information regarding The Group's and Parent Company's earnings and financial position see the following Income Statements, Statements of Comprehensive Income, Balance Sheets, Statements of Changes in Equity, Cash Flow Statements and Notes to The Group and Parent Company. All amounts are expressed in thousand of Swedish kronor (TSEK) unless otherwise stated.

CONSOLIDATED INCOME STATEMENT (TSEK)	Note	2018-01-01 2018-12-31	01-01-2017 2017-12-31
Administrative expenses		-12.523	-2.543
Research and development costs		-37.877	-22.163
Operating profit (loss)	5, 6, 7, 8, 9	-50.400	-24.706
Finance costs	10	-278	-4
Profit (loss) before tax		-50.678	-24.710
Income tax	11	7.566	5.472
PROFIT (LOSS) FOR THE YEAR		-43.112	-19.238
Attributable to:			
Owners of the Parent company		-41.806	-19.238
Non-controlling interests	22	-1.306	-
Earnings per share, SEK	12		
Before dilution		-83,6	-38,5
After dilution		-83,6	-38,5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (TSEK)	Note	2018-01-01 2018-12-31	01-01-2017 2017-12-31
Profit (loss) for the year		-43.112	-19.238
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign exchange differences		1.799	-56
Total Items that may be reclassified to profit or loss		1.799	-56,00
Total comprehensive income for the year		-41.313	-19.294
Attributable to:			
Owners of the Parent company		-40.061	-19.294
Non-controlling interests	22	-1.252	-

CONSOLIDATED BALANCE SHEET

(TSEK)	Note	2018-12-31	2017-12-31	01-01-2017
ASSETS				
Subscribed non-paid issue proceeds		8.310	-	-
Non-current assets				
Intangible assets				
Acquired rights	14	-	13	39
		-	13	39
Property, plant and equipment				
Equipment, tools, fixtures and fittings	15	523	1.017	1.607
		523	1.017	1.607
Financial assets				
Deposits	16	723	620	587
		723	620	587
Total non-current assets		1.246	1.650	2.233
Current assets				
Current receivables				
Current tax assets		7.570	5.588	4.496
Other current receivables		18.950	1.030	977
Prepaid expenses and accrued income	17	82	143	180
		26.602	6.761	5.653
Cash and cash equivalents	18	1.487	303	7.232
Total current assets		28.089	7.064	12.885
TOTAL ASSETS		37.645	8.714	15.118

CONSOLIDATED BALANCE SHEET

(TSEK)

	Note	2018-12-31	2017-12-31	01-01-2017
EQUITY AND LIABILITIES				
Equity				
Share capital	19	50	0	0
Other paid-in capital	20	71.021	19.204	7.172
Foreign exchange translation reserve	21	1.743	-56	-
Retained earnings including profit (or loss) for the year		-61.902	-14.364	4.874
Equity attributable to owners of the Parent company		10.912	4.784	12.046
Non-controlling interests	22	-21	-	-
Total equity		10.891	4.784	12.046
Non-current liabilities				
Other provisions		0	137	0
		0	137	0
Current liabilities				
Liabilities to credit institutions	23	68	16	49
Accounts payable		4.885	2.559	706
Other current liabilities	4	21.801	1.218	2.317
		26.754	3.793	3.072
TOTAL EQUITY AND LIABILITIES		37.645	8.714	15.118

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(TSEK)

	Share- capital	Other paid-in capital	Foreign exchange translation reserve	Retained earnings including profit (or loss) for the year	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
Opening balance at January 1, 2017		7.172	0	4.874	12.046	0	12.046
Profit (or loss) for the year				-19.238	-19.238	0	-19.238
Other comprehensive income:							
Foreign exchange differences			-56		-56	0	-56
Total other comprehensive income		0	-56	0	-56	0	-56
Total comprehensive income		0	-56	-19.238	-19.294	0	-19.294
Transactions with owners:							
New share issue		12.032			12.032	0	12.032
Total transactions with owners	0	12.032	0	0	12.032	0	12.032
Closing balance at December 31, 2017	0	19.204	-56	-14.364	4.784	0	4.784

	Share- capital	Other paid-in capital	Foreign exchange translation reserve	Retained earnings including profit (or loss) for the year	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
Opening balance at January 1, 2018	0	19.204	-56	-14.364	4.784	0	4.784
Profit (or loss) for the year				-41.806	-41.806	-1.306	-43.112
Other comprehensive income:							
Foreign exchange differences			1.799		1.799	0	1.799
Total other comprehensive income			1.799	0	1.799	0	1.799
Total comprehensive income			1.799	-41.806	-40.007	-1.306	-41.313
Transactions with owners:							
Paid-in capital	50				50		50
New share issue		54.335			54.335	909	55.244
Issue costs		-2.518			-2.518	0	-2.518
Transaction with non-controlling interests				-5.952	-5.952	376	-5.576
Share-based payments				220	220		220
Total transactions with owners	50	51.817	0	-5.732	46.135	1.285	47.420
Closing balance at December 31, 2018	50	71.021	1.743	-61.902	10.912	-21	10.891

CONSOLIDATED CASH FLOW STATEMENT

(TSEK)

	2018-01-01 2018-12-31	01-01-2017 2017-12-31
Note		
Cash flow from operating activities		
Operating profit (loss)	-50.400	-24.706
Adjustments for non-cash items:		
Depreciations	719	666
Received tax credit	5.813	4.630
Interest paid	-279	-3
Warrants	221	-
Cash flow from operating activities before changes in working capital	-43.926	-19.413
Changes in working capital		
Decrease(+)/Increase(-) in current receivables	-17.859	-
Decrease(-)/Increase(+) in current liabilities	22.996	251
Cash flow from operating activities	-38.789	-19.162
Investing activities		
Purchases of property, plant and equipment	-171	-16
Cash flow from investing activities	-171	-16
Financing activities		
New share issue	40.144	12.032
Cash flow from financing activities	40.144	12.032
Cash flow for the year	1.184	-7.146
Cash and cash equivalents at beginning of year	303	7.449
Cash and cash equivalents at end of year*	1.487	303

*The cash and cash equivalents presented above in the cash flow statement includes TSEK 275 (264) restricted cash and placed as collateral for the bank engagement, and therefore not available for The Group's general use.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 General information

Cytovac AB, Corporate Registration No. 559162-3318 is a limited liability company incorporated in Sweden domiciled in Malmö. The address to the headquarter is c/o Bird&Bird Advokat KB, Norrlandsgatan 15, P.O.Box 7714, SE-103 95 Stockholm. The composition of The Group is disclosed in note 13.

Note 2 Significant accounting principles

The consolidated financial statements of Cytovac AB is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the interpretations of the IFRS Interpretations Committee (IFRIC). In addition, the Group applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary rules for Group accounting.

December 10, 2018 Cytovac A/S established a new corporate structure for the Cytovac Group. A Swedish Parent company, Cytovac AB was formed by the former shareholders of Cytovac A/S through a non-cash issue of their shares in Cytovac A/S. The restructuring of The Group was supported by 92.5% of the shareholders in Cytovac A/S. The restructuring is reported as a group restructuring in which Cytovac A/S's assets and liabilities are reported at historical carrying amounts and are not revalued to fair value. The consolidated financial statements of Cytovac AB are a continuation of Cytovac A/S financial reports with a retrospective adjustment of equity. The retrospective adjustment of equity is reported at the exchange rate at the time of the non-cash issue.

December 18, 2018 Cytovac AB acquired additional 7.1% of the shares in Cytovac A/S for MSEK 5.5, which corresponds to 714,000 shares. Cytovac AB then owns 99.6% of the shares in Cytovac A/S.

The consolidated financial statements for the year ending December 31, 2018 with comparative figures are the first financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the interpretations of the IFRS Interpretations Committee (IFRIC) and additional requirements according to the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary rules for Group accounting. For previous years including the year ending December 31, 2017 Cytovac A/S has prepared its financial statements in accordance with the Annual Accounts Act in Denmark, since the Company was domiciled in Denmark. Cytovac AB has prepared its consolidated financial statements in accordance with IFRS for the year ending December 31, 2018 with comparative period for the year ending December 31, 2017, which is described in the accounting principles. In preparing these consolidated financial statements, The Group's opening balance sheet is prepared at January 1, 2017, which is the Company's transition date to IFRS. The adjustments and effects of the transition to IFRS on The Group's financial position, income and cash flow compared to the financial statements for Cytovac A/S prepared in accordance with the Danish Annual Accounts Act for the year ending December 31, 2017, is described below.

Due to The Group's limited operations in 2017, the transition to IFRS has had no impact on recognition and measurement in the financial statements. As a result, a reconciliation on the transition date, January 1, 2017 is not included. IFRS 1 allows first-time adopters certain exemptions from retrospective application of certain requirements in accordance with IFRS. Due to the fact that no differences have been identified, Cytovac has not applied any exemptions.

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair value. The significant accounting principles applied are described below.

New and revised standards and interpretations not yet effective

The new and revised standards and interpretations issued but not effective until after financial year beginning on January 1, 2019 have not been adopted by the Group. The new and revised standards and interpretations that are considered to have an impact on The Group's consolidated financial statements in the period in which they are applied for the first time, are described below.

IFRS 16 Leases will replace IAS 17 Leases. IFRS 16 has a single leasing model for lessees, which means that almost all leases are to be recognised in the statement of financial position. The right-of-use asset (the lease asset) and the liability are measured to the present value of future the lease payments payable. The right-of-use asset also includes any initial direct costs incurred in obtaining the lease contract. In the income statement depreciations of the right-of-use asset and interest expenses are recognised.

The Group will recognise the right-of-use asset separately in the balance sheet or in the line item where equivalent assets would be recognised if they were owned. In subsequent periods the right-of-use asset is recognized at cost less depreciations and any impairment losses and adjusted for remeasurement of the lease liability, if any. The Group will recognise the lease liability separately from other loans. In the subsequent periods the liability will be recognized at amortised cost and deducted with lease payments made. The lease liability is remeasured whenever, among others, changes in lease period, residual value guarantees and any changes in lease payments.

Short-term leases (12 months or less) and leases for which the underlying asset is of low value are not required to be recognised in a lessee's statement of financial position. These will be recognised in the operating result as current operating leases.

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At the Balance sheet date Cytovac had limited non-cancellable operating lease commitments. Based on Cytovac's current non-cancellable operating lease commitments and a rental commitment of 6 months' rent, Cytovac only expects a limited effect from the first application of IFRS 16.

Management's assessment is that other new and amended standards and interpretations that have not yet been effective are not expected to have a material impact on The Group's financial statements when applied for the first time.

Basis of consolidation

The consolidated financial statements comprise the Parent Company and all companies over which the Parent Company has control. Control is achieved when The Group is exposed to, or has rights to, variable returns from its involvement with another company and has the ability to affect the returns through its power over that company. Control is normally achieved when the parent company direct or indirect owns shares representing more than 50% of the voting rights.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intragroup assets and liabilities, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker, and for which there is independent financial information. The Company's reporting of operating segments is consistent with the internal reporting to the chief operating decision maker. The chief operating decision-maker is the function assessing the operating segments performance and which is responsible for allocating resources of the operating segments. The Chief Executive Officer (CEO) is the entity's chief operating decision maker. The reporting principles of the reportable segments are in accordance with the principles applied by The Group as a whole. Cytovac's chief operating decision maker assesses results and decides on the allocation of resources for The Group as a whole, whereby The Group consists of one reportable operating segment.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. The Group has only material operating leases.

Foreign currencies

Items included in the financial statements of each of The Group's entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The consolidated financial statements are presented in Swedish Krona (SEK), which is the parent company's accounting currency and presentation currency.

Foreign currency transactions are, in each entity, translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences are recognised in the income statement in the period which they arise.

For the purpose of preparing the consolidated financial statement, the assets and liabilities of The Group's foreign subsidiaries are translated into Swedish crowns using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rate for the period, unless the exchange rate has fluctuated significantly during that period, in which case the exchange rates at the dates of transaction are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in The Group's translation reserve. On disposal of a foreign subsidiary, such translation differences are recognised in the income statement as a part of the capital gain or loss.

Employee benefits

Employee benefits which include salaries, bonuses, holiday pay, paid sick leave, etc. and pensions are recognised as the related service is rendered. Pensions and other post-employment benefits are classified as defined contribution or defined benefit pension plans. The Group has defined contribution retirement benefit plans.

Defined contribution retirement benefit plans

For defined contribution retirement benefit plans, The Group pays fixed contributions into a separate, independent legal entity and The Group has no legal or constructive obligations to pay further contributions. Payments are recognised as an expense when employees have rendered the services entitling them to the contributions, this usually corresponds to when the contributions are due.

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Share-based payments

Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date, which is the date when the Company enters into agreements of share-based payments. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on The Group's estimate of the number of warrants that will eventually vest. Fair value has been calculated by applying the Black-Scholes valuation model. Social fees attributable to share-based payments is accrued in the same way as the cost of the services received and the liability is revalued at each reporting period until it is settled.

Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the income statements because of items of income or expense that are taxable or deductible in other periods and items that never are taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax are recognised according to the so called balance-sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are not recognised if the temporary difference refer to goodwill or arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the accounting profit nor the taxable profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where The Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits available against which the temporary difference can be utilised and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or announced by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax asset against current tax liability and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority and The Group has an intention to settle the balances on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised in the income statement, except when the tax relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment is accounted for cost less accumulated depreciation and any impairment losses.

Cost include the purchase price, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating and estimated cost of dismantling and removing the asset and restoring the site on which it is located. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to The Group and the cost of the item can be measured reliable. All other cost for repairs and maintenance are recognised in the income statement in the period in which they are incurred.

Depreciation on property, plant and equipment is recognised so as to write off the cost of the asset, less estimated residual value at the end of over their useful lives, using a straight-line method. Depreciation of an asset begins when it is available for use. The Group applies component depreciation, which means that the useful life of the components is the basis for depreciation. The useful life for categories of property, plant and equipment has been assessed to:

Equipment, tools, fixtures and fittings	3-5 years
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The assets' useful lives, residual values and depreciation methods are reviewed at the end of each reporting period. The effect of changes are recognised prospectively.

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The carrying amount of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset or the component. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment or a component is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement in the period the asset is derecognised in the balance sheet.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Internally-generated intangible assets

Expenditures on research activities, or during the research phase in an internal project, is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, The Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, The Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with an indefinite useful life or intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

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Financial instruments

Recognition and derecognition in the balance sheet

A financial asset and a financial liability is recognised when The Group becomes party to the contractual provisions of the instruments. A receivable is recognised when the company has performed and there is a contractual obligation for the counterparty to pay, even if the invoice has not yet been sent. Trade receivables are recognised in the balance sheet at the point at which it is invoiced to the customer. A liability is recognised when the counterparty has performed and the contractual obligation is payable, even if the invoice has not yet been received. Accounts payable are recognised when the invoices have been received.

A financial asset is derecognised from the balance sheet when the contractual rights are realised, when risks and rewards are transferred to another party, when the right to cash flows expires or the entity loses control of the asset. The same applies to part of a financial asset. A financial liability is derecognised from the balance sheet when the obligation in the agreement is fulfilled or otherwise terminated. The same applies to part of a financial liability. Acquisitions and disposals of financial assets are recognised on the trade date. The trade date is the date that an entity commits itself to purchase or sell the asset.

Classification and measurement

Financial assets are classified based on the entity's business model for managing the financial assets and its cash flow characteristics.

A financial asset shall be measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This business model is categorised as "hold to collect".

A financial asset shall be measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This business model is categorised as "hold to collect and sell".

All other business models where the purpose is speculation, held for trading or where the cash flow characteristics excludes other business models entails recognition at fair value through the profit or loss. This business model is categorized as "other".

The Group applies a business model "hold to collect" to cash and cash equivalent, accounts receivable and other current receivables, which imply the assets are recognised at amortised cost.

Financial liabilities are classified at fair value through profit or loss when they are a contingent consideration in the scope of IFRS 3, held for trading or they are designated as a liability at fair value through profit or loss. Other financial liabilities are classified at amortised cost.

Accounts payable are measured at amortized cost. The expected maturity of accounts payable is, however, short, which is why the liability is recognised at nominal amount without discounting. Interest-bearing bank loans, bank overdrafts and other loans are measured at amortized cost according to the effective interest method. Any differences between the loan amount received (net after transaction costs) and repayment or amortization of loans are recognised over the term of the loans. Contingent consideration is classified and measured at fair value through profit or loss.

Fair value

The fair value of financial assets and liabilities traded on an active market is determined by reference to the quoted market price. The fair value of other financial assets and liabilities is determined by generally accepted valuation models such as discounting of future cash flows and the use of information derived from current market transactions.

For all financial assets and liabilities, the carrying amount is deemed to be a good approximation of its fair value, unless otherwise specified.

Amortised cost and effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance. Financial liabilities are recognised at amortised cost using the effective interest method or at fair value through profit or loss.

The effective interest rate is the rate that exactly discounts estimated future cash through the expected life to the net carrying amount of the financial asset or the financial liability on initial recognition.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount presented in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

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Impairment

The Group recognises an allowance for expected credit losses on financial assets that are measured at amortised cost. At each balance sheet date, the change in expected credit losses is recognised since initial recognition in the profit or loss.

The purpose of the impairment requirements is to recognise the expected credit losses for 12 months for all financial assets and for the remaining maturity of all financial assets for which there has been a significant increase in the credit risk since the initial recognition, either assessed individually or collectively and given all reasonable and supportable information, including such prospective. The Group measures expected credit losses from a financial instrument in a manner that reflects an objective and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable supportable information about present conditions and forecasts for future financial conditions.

The Group's exposure to credit risk is mainly attributable to cash and cash equivalent and deposits. For cash and cash equivalent and deposits the general model is applied. For cash and cash equivalent the assumption of low credit risk is applied.

Write-down of cash and cash equivalent and deposits are recognised as financial expenses.

Provisions

Provisions are recognised when The Group has a present obligation (legal or constructive) as a result of a past event, it is probable that The Group will be required to settle the obligation, and a reliable estimate can be made of the amount.

The recognised amount is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Note 3 Critical accounting estimates and judgements

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Development projects

For development projects, management estimates on an ongoing basis whether this is likely to generate future economic benefits for the Company in order to be recognised as intangible assets. The development projects are evaluated on technical as well as commercial criteria. The development of CV-006 is at an early state which means that the evaluation of the possibility of generation of future economic benefits is assessed to be too low for recognition, hence the development costs are recognised directly in the income statement when incurred.

Going concern

Cytovac believes that the working capital available as of December 31, 2018 is not sufficient for the Company's current working capital needs for the next twelve months. Cytovac intends to finance its operations for the next twelve months from the date this annual report and consolidated financial statements are submitted, by using received funds from the share issue in the fourth quarter of 2018 and in the first quarter of 2019 as preparation for the upcoming listing, and funds from the expected listing on First North Premier in Sweden in the second quarter of 2019 or later in 2019 depending on the capital market. If the offer is not completed, Cytovac will seek alternative financing in cooperation with its existing shareholders.

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Notes 4 Financial risk management and financial instruments

The Group is exposed, through its operations, to different types of financial risks. It is the Company's policy to run the business with a low risk profile so that currency, interest and credit risks arise only in connection with commercial relations. It is the Company's policy not to participate in active speculation in financial risks. Relevant conditions regarding the company's risk management are described in the following section. In 2018, the Company's primary business continued to be research and development.

Market risk

Market risk mainly consists of interest rate risk and currency risk.

Currency risk

Currency risk refers to the risk that fair values or future cash flows fluctuates due to changes in foreign exchange rates. Exposure to currency risk mainly derives from payment flows in foreign currency, so called transaction exposure as well as translation of foreign subsidiaries income statements and balance sheets to The Group's presentation currency, Swedish Krona, so called translation exposure.

Transaction exposure

Transaction exposure is the risk that the income statement is negatively impacted by fluctuations in exchange rates of the cash flows denominated in foreign currencies. The Group's outflow consists mainly of DKK, EUR, SEK and USD and the Group's inflows consists mainly of DKK and SEK. Therefore, the Group is to a limited extent affected by changes in these exchange rates. Risk related to translation exposure is not hedged according to the Group's finance policy. The Company is primarily exposed to fluctuations in relation to the strategic investment in the subsidiary, Cytovac A/S and related to ongoing short-term activities.

The table below discloses nominal net amounts, of material transaction exposures. The exposure is based on the Group's cash flows in the most significant currencies. The Company had no significant exposures in SEK during fiscal year 2018 and 2017.

Currency	2018-12-31	2017-12-31	01-01-2017
DKK	25.180	14.812	11.666
USD	730	-	-
EUR	87	-	-

The net carrying amount on monetary assets and liabilities subject to revaluation on the balance-sheet date is:

Currency	2018-12-31	2017-12-31	01-01-2017
DKK	11.005	-2.559	707

Translation exposure

Translation exposure is the risk that the value of the Group's net investment in foreign currency is adversely impacted by changes in foreign exchange rates. The Group consolidates net assets in SEK at the balance sheet date. This risk is known as translation exposure, which isn't hedged according to the Group's finance policy. Management believes that the most likely fluctuations in these currencies are limited to a +/- 5% range.

Interest risk

Interest risk is the risk that fair values or future cash flows fluctuate as a result of changes in market interest rates. The Group has four loans, all at fixed rates which mature January 31, 2019 and June 30, 2019. The Group's exposure to interest risk is therefore limited.

The interest risk shall not be hedged according to The Group's finance policy.

Liquidity risk and refinancing risk

Liquidity risk refers to the risk that the Group has difficulty meeting its commitment related to the Group's financial liabilities.

Refinancing risk refers to the risk that the Group cannot obtain sufficient funding at a reasonable cost.

Management regularly evaluates whether the Company's capital structure is in accordance with the interests of the Company and its shareholders. The overall goal is to secure a capital structure that supports the business in the following year. The Company ensures sufficient liquidity resources through a combination of liquidity management and the establishment of credit facilities. However, the Group and its Parent company are dependent on additional liquidity for the year 2019. The Group has initiated a listing of its shares and new issue on First North Premier in Sweden which is expected to take place during the second quarter of 2019 or later in 2019, depending on the capital market and is expected to increase capital further, between 75-150 MSEK, which is sufficient to continue the Group's operations during the next 15-30 months. For information on management's plan to ensure sufficient capital resources, see Note 3. The Company has a loan that matures no later than January 31, 2019 of 5.5 MSEK, which relates to the acquisition of 714 000 shares in Cytovac A/S and additional short-term loans maturing June 30, 2019 by 3.4 MSEK.

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The maturity analysis of The Group's contractual obligations related to The Group's and the parent company's financial liabilities are presented in the tables below. The amounts in the tables are undiscounted cash flows including interest payments where appropriate, thus these amounts are not possible to reconcile with the balance sheet. Interest payments are based on the conditions prevailing on the balance date. Amounts in foreign currencies are converted into SEK at exchange rates prevailing on the

The Group's loan agreements do not contain any conditions that could result in significantly earlier payments than what is presented in the tables.

2018-12-31	Less than 3 months	3 - 12 months	1-5 years	Later than 5 years	Total
Liabilities to credit institutions	68	0	0	0	68
Accounts payable	4.885	0	0	0	4.885
Other current liabilities	14.859	6.942	0	0	21.801
Total	19.812	6.942	0	0	26.754

2017-12-31	Less than 3 months	3 - 12 months	1-5 years	Later than 5 years	Total
Liabilities to credit institutions	16	0	0	0	16
Accounts payable	2.559	0	0	0	2.559
Other current liabilities	1.218	0	0	0	1.218
Total	3.793	0	0	0	3.793

01-01-2017	Less than 3 months	3 - 12 months	1-5 years	Later than 5 years	Total
Liabilities to credit institutions	49	0	0	0	49
Accounts payable	706	0	0	0	706
Other current liabilities	2.317	0	0	0	2.317
Total	3.072	0	0	0	3.072

Credit risk and counterparty risk

Credit risk refers to the risk that the counterparty in a transaction causes a loss for The Group by not fulfilling its contractual obligations. The Group's exposure to credit risk is primarily attributable to receivables from the Danish tax authorities regarding VAT refunds and tax credits. The Board of Directors' established framework states that excess liquidity shall be kept on The Group's money market account in The Group's bank, Nordea A/S and SparNord A/S. The credit risk is assessed to be limited.

The Group's maximum exposure to credit risk is represented by the carrying amount of all financial assets and is disclosed in the table below.

	2018-12-31	2017-12-31	01-01-2017
Deposits	723	620	587
Other current receivables	18.950	1.030	977
Cash and cash equivalents	1487	303	7232
Maximum exposure to credit risk	21.160	1.953	8.796

Cash and cash equivalents and deposits is subject to the general model for impairment. For cash and cash equivalents application exception is made due to low credit risk. The Group's reserves for credit losses are insignificant.

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Categories of financial instruments

The carrying amounts of financial assets and liabilities per category in IFRS 9 are presented in the table below.

2018-12-31	Amortised cost	Fair value through profit or loss	Other ¹	Carrying amount
Financial assets				
Deposits	723			723
Other current receivables	18.950			18.950
Cash and cash equivalents	1.487			1.487
	21.160	0	0	21.160
Financial liabilities				
Liabilities to credit institutions, current	68			68
Accounts payable	4.885			4.885
Other current liabilities	21.801			21.801
	26.754	0	0	26.754

¹ To reconcile with the carrying amount in the balance sheet, items that are not financial instrument valued at fair value and other assets or liabilities included in the balance sheet items have been included in Other.

2017-12-31	Amortised cost	Fair value through profit or loss	Other ¹	Carrying amount
Financial assets				
Deposits	620			620
Other current receivables	1.030			1.030
Cash and cash equivalents	303			303
	1.953	0	0	1.953
Financial liabilities				
Liabilities to credit institutions, current	16			16
Accounts payable	2.559			2.559
Other current liabilities	1.218			1.218
	3.793	0	0	3.793

¹ To reconcile with the carrying amount in the balance sheet, items that are not financial instrument valued at fair value and other assets or liabilities included in the balance sheet items have been included in Other.

01-01-2017	Amortised cost	Fair value through profit or loss	Other ¹	Carrying amount
Financial assets				
Deposits	587			587
Other current receivables	977			977
Cash and cash equivalents	7.232			7.232
	8.209	0	0	8.209
Financial liabilities				
Liabilities to credit institutions, current	49			49
Accounts payable	706			706
Other current liabilities	2.317			2.317
	3.072	0	0	3.072

¹ To reconcile with the carrying amount in the balance sheet, items that are not financial instrument valued at fair value and other assets or liabilities included in the balance sheet items have been included in Other.

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Financial instruments measured at fair value

Financial assets and financial liabilities which are measured at fair value in the balance sheet, or where the fair value is disclosed, are classified in one of three levels based on the information used to measure fair value.

Level 1 - Financial instruments whose fair value is determined based on observable (unadjusted) quoted prices in an active market for identical assets or liabilities. A market is considered active if quoted prices from a stock exchange, broker, industry group, pricing service or supervisory body are readily and regularly available and those prices represent actual and regulatory occurring market transactions at arm's length.

Level 2 - Financial instruments whose fair value is determined with valuation techniques based on other observable market data than quoted prices for the asset or liability included in level 1, either directly (as prices) or indirectly (derived from prices). Examples of observable data in level 2 are:

- Quoted prices on similar assets or liabilities, and
- Data that can be the basis of a judgment of a price, like market interest rates and yield curves.

Level 3 - Financial instruments whose fair values are determined with valuation techniques where significant input is based on unobservable data.

The following summarizes the methods and assumptions used to determine the fair value of The Group's financial instruments.

Accounts Payables, Other current receivables and Other current liabilities

Accounts payable, Other current receivables and Other current liabilities normally mature less than three months, which is why the carrying amount is a good approximation of the fair value.

Deposits and Loans to credit institutions, current

Deposits and Loans to credit institutions are recognised at amortised cost. Normally these mature less than three months, which is why the carrying amount is a good approximation of the fair value.

Capital risk management

The objectives of The Group's capital management is to safeguard The Group's ability to continue its business to generate a reasonable return to shareholders and benefits to other stakeholders.

Total capital consists of total equity of 10 891 TSEK.

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Note 5 Remunerations to auditors

	2018	2017
Deloitte		
Audit	302	78
Audit-related	-	-
Tax services	195	-
Other services	150	-
Total	647	78

Audit refers to the auditor's reimbursement for execution of the statutory audit. The work includes the audit of the annual report and consolidated financial statements and the accounting, the administration of the Board of Directors and the CEO and remunerations for audit advice offered in connection with the audit assignment.

Tax services include consultations relating to restructuring of The Group.

Other services consists of consultations during the conversion to IFRS.

Note 6 Leases

Operationella leasingavtal - leasetagare

The Group has operating lease agreements related to rental agreements and office equipment. Lease payments recognised as an expense during the year amounted 1 720 TSEK (1 564 TSEK) and are recognised as an administrative expenses.

Future minimum lease payments under non-cancellable leases, matures as follow:

Maturity of non-cancellable leases	2018	2017
<i>Future minimum lease payments</i>		
Within one year	919	791
Later than one year but within five years	-	-
Later than five years	-	-
	919	791

Note 7 Depreciations/amortizations of intangible assets and property, plant and equipment

	2018	2017
Administrative expenses	-	-
Research and development costs	14	26
Total	14	26

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Note 8 Number of employees, personnel expenses, senior executives and share-based payments

Average number of employees 2018	Women	Men	Total
Parent company			
Sweden	-	-	-
Total in Parent company	-	-	-
Subsidiaries			
Denmark	4	14	18
Total in subsidiaries	4	14	18
Total in Group	4	14	18
Average number of employees 2017	Women	Men	Total
Parent company			
Sweden	-	-	-
Total in Parent company	-	-	-
Subsidiaries			
Denmark	10	4	14
Total in subsidiaries	10	4	14
Total in Group	10	4	14
Board of Directors and other senior executives		2018	2017
Parent company			
Women:			
Board of Directors		-	-
Other senior executives		-	-
Men:			
Board of Directors		-	-
Total in Parent company		-	-
Group			
Women:			
Board of Directors		-	-
Other senior executives including CEO		-	-
Men:			
Board of Directors		5	-
Other senior executives including CEO		1	-
Total in Group		6	-
Salaries and remunerations			
Employee benefit expenses		2018	2017
Parent company			
Salaries and other remunerations		-	-
Social security contributions		-	-
Pension expenses		-	-
Subsidiaries			
Salaries and other remunerations		16.793	8.619
Social security contributions		158	105
Pension expenses		677	414
<i>Total salaries and other remunerations in Group</i>		16.793	8.619
<i>Total social security contributions in Group</i>		158	105
<i>Total pension expenses in Group</i>		677	414
Total in Group		17.628	9.138

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Salaries and other remunerations allocated between senior executives and other employees

	2018	2017
Parent company		
Salaries and other remuneration, senior executives (0 persons)	-	-
Salaries and other remuneration, other employees	-	-
Koncernen		
Salaries and other remuneration, senior executives (1 person in Group management and remuneration to board members)	6.570	1.872
Pension expenses, senior executives	314	140
Total salaries, other remunerations and pensions expenses, senior executives in Group	6.884	2.012

Pensions

The pension plan consists of individual defined contribution pension plans where The Group pays fees of between 5-15% of the monthly gross salary according to the employment contract.

Severance pay agreements

The company and the CEO has agreed that the employment contract cannot be terminated by any of the two parties before June 1 2020. After June 1 2020 the Company may terminate the service relationship subject to 12 months' written notice.

Share-based payments

At Cytovac A / S 'Annual General Meeting May 29, 2017, it was decided that the Board of Directors for the period up to the year 2023, may issue and convert 1.45 million warrants.

To motivate and retain employees and other related parties, Cytovac A/S has issued equity-related share-based payments to the Board of Directors, employees, consultants and to the Company's advisors. The share-based payments consist of warrants.

50 warrants were issued in 2017, originally in Cytovac A/S, but in connection with the share exchange, the warrants were transferred to Cytovac AB, corresponding to 50 000 warrants in Cytovac AB.

Exercise price (SEK per share) 22,5
Grant date's market price (SEK per share) 16,0
Expected volatility (%) 50
Risk free rate (%) 0,0

The cost of equity-settled equity instruments amounted to 221 TSEK in The Group, which in total effect's The Group's equity.

As at 31.12.2018 no warrants have been granted to Management.

Share-based payments - warrants	2018	2017
The Group		
Outstanding at beginning of year	50.000	0
Granted during the year	0	50.000
Outstanding at the end of the year	50.000	50.000
Exercisable at the end of the year	0	0
Parent company		
Outstanding at beginning of year	50.000	0
Granted during the year	0	50.000
Outstanding at the end of the year	50.000	50.000
Exercisable at the end of the year	0	0

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Note 9 Costs allocated by nature of expense

	2018	2017
External research and development costs	17.770	7.410
Personnel costs	17.628	9.138
Rental costs	2.620	2.377
Business development costs, traveling costs	1.074	545
Administrative expenses	6.340	3.640
Listing costs	3.722	0
Depreciations/amortizations and write-downs of intangible assets and property, plant and equipment	718	640
Total	50.401	24.706

Note 10 Finance costs

	2018	2017
Interest expenses	278	4
Total	278	4

Note 11 Income tax

	2018	2017
<i>Current tax</i>		
Current tax on profit for the year	7.566	5.472
Total	7.566	5.472

Reconciliation of income tax expense for the year

	2018	2017
Profit (loss) before tax	-50.678	-24.710
Income tax expense, Swedish tax rate 22%	-11.149	-5.436
Unutilized loss carryforwards for which no deferred tax asset has been recognised	3.104	-224
Tax effect of expenses that are not deductible in determining taxable profit (loss)	479	188
Total	-7.566	-5.472
Income tax expense for the year	-7.566	-5.472

Note 12 Earnings per share

Earnings per share before dilution

The profit (loss) and weighted average number of ordinary shares used in the calculation of earnings per share before dilution:

	2018	2017
Profit (loss) for the year attributable to the owners of the Parent company	-41.806	-19.238
Weighted average number of shares outstanding during the year, before dilution	500.000	500.000
Earnings per share before dilution, SEK	-83,6	-38,5

Earnings per share after dilution

Profit (loss) per share after dilution is the same as before dilution in 2018 (and 2017).

Note 13 Composition of The Group

The Group has the following subsidiaries at December 31, 2018:

Name and Corporate registration number	Principal activities and place of business	Ownership (%) ¹
Cytovac A/S corp.reg.no 31 26 26 66	Research and development, Denmark	99,60%

¹ Ownership interests and voting rights held by the Parent company.

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Note 14 Acquired rights

	2018-12-31	2017-12-31
Cost balance at beginning of year	264	264
Exchange differences	11	0
Accumulated cost balance at end of year	275	264
Amortization balance at beginning of year	251	225
Exchange differences	10	0
Amortization for the year	14	26
Accumulated amortization balance at end of year	275	251
Carrying amount	0	13

Note 15 Equipment, tools, fixtures and fittings

	2018-12-31	2017-12-31
Cost balance at beginning of year	5.226	5.210
Additions	171	16
Exchange differences	212	0
Accumulated cost balance at end of year	5.609	5.226
Depreciation balance at beginning of year	4.209	3.569
Exchange differences	172	0
Depreciation for the year	705	640
Accumulated depreciation balance at end of year	5.086	4.209
Carrying amount	523	1.017

Note 16 Deposits

	2018-12-31	2017-12-31
Cost balance at beginning of year	620	604
Additions	77	16
Settled	0	0
Reclassifications	0	0
Exchange differences	26	0
Accumulated cost balance at end of year	723	620
Carrying amount	723	620

Note 17 Prepaid expenses and accrued income

	2018-12-31	2017-12-31	01-01-2017
Prepaid insurances	82	143	180
Carrying amount	82	143	180

Note 18 Cash and cash equivalents

	2018-12-31	2017-12-31	01-01-2017
Bank balances, gross amount	1.487	303	7.232
Loss allowance for cash and cash equivalents (note 4)	0	0	0
Carrying amount	1.487	303	7.232

Note 19 Share capital

As of December 31, 2018, the share capital consists of 500 000 shares with a quota value of 0,1 SEK.

Note 20 Other paid-in capital

Other paid-in capital as of December 31, 2018, December 31, 2017 and January 1, 2017 consists of subscribed new share issue.

Note 21 Foreign exchange translation reserve

The foreign exchange translation reserve relates to currency exchange differences on translation of foreign operations to SEK, these are recognized in other comprehensive income.

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Note 22 Non-controlling interests

Subsidiaries that have material non-controlling interests

Name and Corporate registration number	Ownership/voting proportion held by non-controlling interests		
	2018-12-31	2017-12-31	01-01-2017
Cytovac A/S corp.reg.no 31 26 26 66	0,40%	0%	0%
		2018-12-31	2017-12-31
Balance at beginning of year		0	0
Restructuring corporate structure		1.306	0
Acquisition from non-controlling interests		-1.285	0
Balance at end of year		21	0

Non-controlling interests arose in connection with the share exchange and was subsequently reduced by the acquisition of additional shares in Cytovac A/S from a minority shareholder.

Financial information - Cytovac A/S

The summarised financial information below represents amounts before intragroup eliminations.

	2018-12-31	2017-12-31
Current assets	11.928	7.064
Non-current assets	1.247	1.650
Current liabilities	18.395	3.793
Non-current liabilities	0	137
Profit (loss) for the year	-41.773	-19.644
Total comprehensive income for the year	-41.773	-19.644

Note 23 Liabilities to credit institutions

	2018-12-31	2017-12-31	01-01-2017
<i>Current interest bearing liabilities</i>			
Liabilities to credit institutions	68	16	49
Carrying amount	68	16	49

Note 24 Pledged assets and contingent liabilities

Pledged assets	2018-12-31	2017-12-31	01-01-2017
Restricted cash*	275	264	257
Total	275	264	257

*The cash and cash equivalents includes TSEK 275 (264) restricted cash, which is placed as collateral for the bank engagement, and therefore not available for the Group's business.

Contingent liabilities

Total	-	-	-
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Note 25 Related party transactions

Balances and transactions between the company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and related parties are disclosed below.

Purchase of goods and services	2018	2017
Frelo Invest AB	44	-
Arvid Consulting	151	103
Total	195	103

Transactions between the Parent company and its subsidiaries are based on market terms.

December 10, 2018 Cytovac A/S established a new corporate structure for the Cytovac Group. A Swedish Parent company, Cytovac AB was formed by the former shareholders of Cytovac A/S through a non-cash issue of their shares in Cytovac A/S to Cytovac AB. The restructuring of the Group was supported by 92.5% of the shareholders in Cytovac A/S.

Frelo Invest AB, a company controlled by independent board member Lars Bjerrek, has provided consulting services related to the issues and the planned listing on First North Premier.

Arvid Consulting ApS, a company controlled by Kim Arvid Nielsen, has provided consulting services related to the raising of capital during 2017/2018.

Disclosures regarding remuneration to senior executives are disclosed in note 8.

Note 26 Events after the reporting period

During the first quarter of 2019, Cytovac AB completed a new share issue and received additional funds of 7.6 MSEK after issue costs. Withdrawal of shares for repayment to shareholders amounting 50 TSEK was made in January 2019.

Further, on February 12, 2019, the Parent company announced that it was looking for a listing on First North Premier in Sweden during the second quarter of 2019 or later in 2019, depending on the capital market.

**PARENT COMPANY
INCOME STATEMENT**

(TSEK)

Note 07-06-2018
2018-12-31
(7 months)

Administrative expenses		-1.319
Operating profit (loss)	2, 3, 4	-1.319
Profit (loss) from financial items		
Interest expense and similar loss items		-42
Profit (loss) from financial items		-1.361
Tax on profit (loss) for the year	5	-
PROFIT (LOSS) FOR THE YEAR		-1.361

**PARENT COMPANY CONSOLIDATED
STATEMENT OF COMPREHENSIVE
INCOME**

(TSEK)

Note 07-06-2018
2018-12-31
(7 months)

Profit (loss) for the year	-1.361
Other comprehensive income	-
Total comprehensive income for the year	-1.361

**PARENT COMPANY
BALANCE SHEET**

(TSEK)

Note 2018-12-31

ASSETS

Subscribed non-paid issue proceeds 8.310

Non-current assets

Financial assets

Participations in group companies 6 16.677

16.677

Total non-current assets

16.677

Current assets

Current receivables

Paid issue proceeds on external client account 16.872

16.872

Cash and bank balances

7 50

Total current assets

16.922

TOTAL ASSETS

41.909

**PARENT COMPANY
BALANCE SHEET**

Note 2018-12-31

EQUITY AND LIABILITIES

Equity

Restricted equity

Share capital	8	50
New share issue/Non-cash issue in progress		1.124
		1.174

Non-restricted equity

Share premium reserve		32.753
Profit or loss brought forward		221
Profit (loss) for the year		-1.361
		31.613

Total equity **32.787**

Current liabilities

Liabilities to Group companies		812
Other current liabilities		8.310
		9.122

TOTAL EQUITY AND LIABILITIES **41.909**

PARENT COMPANY
STATEMENT OF CHANGES IN EQUITY
(TSEK)

	<i>Restricted equity</i>		<i>Non-restricted equity</i>		Profit (loss) for the year	Total equity
	Share capital	New share issue/ Non-cash issue in progress	Share premium reserve	Profit or loss brought forward		
Opening balance June 7, 2018	0			0	0	0
Profit (loss) for the year					-1.361	-1.361
Other comprehensive income:						0
Total other comprehensive income	0			0	0	0
Total comprehensive income	0			0	-1.361	-1.361
Transactions with owners:						
Contributed capital	50					50
Approved not yet registered non-cash issue		930	10.283			11.213
Subscribed not yet registered new share issue		194	24.988			25.182
Issue costs			-2.518			-2.518
Share-based payments				221		221
Total transactions with owners	50	1.124	32.753	221	0	34.148
Closing balance, December 31, 2018	50	1.124	32.753	221	-1.361	32.787

PARENT COMPANT

STATEMENT OF CASHFLOW (TSEK)

2018-06-07-
-2018-12-31
(7 months)

	Note	
Cash flow from operating activities		
Operating profit (loss)		-1.319
warrants		221
Interest paid		-42
Cash flow from operating activities before changes in working capital		-1.140
Changes in working capital		
Decrease(+)/Increase(-) in current receivables		-16.872
Decrease(-)/Increase(+) in current liabilities		9.122
Cash flow from operating activities		-8.890
Investing activities		
Acquisition of subsidiary		-5.463
Cash flow from investing activities		-5.463
Financing activities		
New share issue		14.403
Cash flow from financing activities		14.403
Cash flow for the year		50
Cash and cash equivalents at beginning of year		-
Cash and cash equivalents at end of year	7	50

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PARENT COMPANY NOTES

Note 1 Accounting principles

The Parent Company has prepared its financial statements in accordance with the Swedish Annual Accounts Act and RFR 2 *Accounting for legal entities*. According to RFR 2, the Parent Company shall apply all the International Financial Standards endorsed by the EU as far as this is possible within the framework of the Swedish Annual Accounts Act (1995:1554).

Amendments to RFR 2 not yet effective

The new and revised standards and interpretations issued but not effective until after financial year beginning on January 1, 2019 have not been adopted by the parent company. The new amendments to RFR 2 which are considered to impact the Parent company's financial reports when applied for the first time are described below.

IFRS 16 Leases is effective from January 1, 2019. RFR 2 will from now on include an exception which implies that all leases are recognised as operating leases when the Parent company is a lessee. The changes due to IFRS 16 compared to IAS 17 Leases will not have any material impact on the Parent company.

The accounting principles for the Parent Company have been applied consistently to all periods presented in the Parent company's financial statements.

The main differences between the accounting policies applied by the Group and the Parent company are described below:

Classification and presentation

The financial statements of the Parent company has been prepared in accordance with the Swedish Annual Accounts Act. The difference compared to IAS 1 Presentation of Financial Statements which is applied for the Group's financial statements is mainly the presentation of work performed by the Company for its own use and capitalised, financial income/expenses, non-current assets and equity.

Subsidiaries

Shares in subsidiaries are recognised at cost. Dividends from subsidiaries are recognised in the Income Statement when the right to receive the dividend is considered certain and can be measured reliably.

Financial instruments

The Parent company applies the exception in RFR 2, thus the rules regarding financial instruments in IFRS 9 Financial Instruments is not fully applied. Non-current financial assets are measured at cost less any impairment. Current financial assets are measured at the lower of cost and net realizable value. Financial liabilities are recognised at amortized cost.

Shareholders' contribution

Distributed shareholders' contributions are recognised as an increase in shares in Group companies. At the recipient, shareholders' contributions are recognised directly in non-restricted equity.

Note 2 Remunerations to auditors

	07-06-2018
	2018-12-31
Deloitte AB	185
Audit	-
Audit-related	-
Tax services	150
Other services	335
Total	

Note 3 Personnel expenses

See Note 8 in the Group's notes to the consolidated financial statements for information on the average number of employees, salaries and remuneration and distribution between women and men in the Board of Directors and senior executives. There are no employees in the Parent company.

Note 4 Costs allocated by nature of expense

	07-06-2018
	2018-12-31
Other external expenses	-1.319
Total	-1.319

Cytovac AB
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Note 5 Tax on profit (loss) for the year

	2018
Current tax	-
Deferred tax	-
Tax on profit (loss) for the year	-
Reconciliation of income tax expense for the year	
	07-06-2018
	2018-12-31
Profit (loss) before tax	-1.361
Income tax expense, Swedish tax rate (22 %)	-299
Tax effect of expenses that are not deductible in determining taxable profit	299
Total	-
Income tax expense for the year	-

Note 6 Participations in group companies

	2018-12-31
Cost balance at beginning of year	-
Acquisition of shares in Cytovac A/S	16.677
Accumulated cost balance at end of year	16.677
Carrying amount	16.677

The company's holdings of shares in group companies

			Carrying amount
Company name	Holding of shares ¹	Number of shares	2018-12-31
Cytovac A/S	99,60%	10.014	16.677
Total			16.677

¹ The holding of shares corresponds to the voting power.

Company name	Corporate Registration No.	Place of incorporation
Cytovac A/S	31.262.666	Copenhagen

Note 7 Cash and bank balances

	2018-12-31
Bank balances	50
Carrying amount	50

Note 8 Share capital

As of December 31, 2018, the share capital consists of 500 000 shares with a quota value of 10 öre SEK.

Cytovac AB
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Note 9 Pledged assets and contingent liabilities

	2018-12-31
Pledged assets	
Restricted funds	50
Total	50
Contingent liabilities	2018-12-31
Total	0

Note 10 Related party transactions

Transactions between the Parent company and it's subsidiaries and other related parties are disclosed below.

	07-06-2018 2018-12-31
Purchase of goods and services	
Cytovac A/S	762
Total	762
Amounts owed to related parties	2018-12-31
Cytovac A/S	812
Total	812

Transactions between the Parent company and it's subsidiaries are based on current market terms and conditions.

Information regarding shares in subsidiaries are disclosed in note 6.

Note 11 Events after the reporting period

During the first quarter of 2019, Cytovac AB completed a new share issue and received additional funds of 7.6 MSEK after issue costs. Withdrawal of shares for repayment to shareholders amounting 50 TSEK was made in January 2019.

Further, on February 12, 2019, the Parent company announced that it was looking for a listing on First North Premier in Sweden during the second quarter of 2019 or later in 2019, depending on the capital market.

Note 12 Disposition of parent company's profit

The following profit are at the Annual General Meeting's disposal, thousand swedish kronor (TSEK): 31.614

The Board of Directors proposes that profits of TSEK 31 614 are carried forward.

Cytovac AB
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The financial statements for the Parent company and the Group have been approved for issuance by the Board of Directors on April 15 2019. The income statements and balance sheets for the Group and Parent company are subject for adoption at the Annual General Meeting April 2019.

The Board of Directors and the Chief Executive Officer hereby certify that the Annual Report has been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for legal entities, that it gives a fair view of the Parent Company's financial position and earnings and that the administration report gives a fair overview of the development of the Parent Company's operations, financial position and earnings, and describes the significant risks and uncertainties facing the Parent Company. The Board of Directors and the Chief Executive Officer hereby certify that the Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, that it gives a fair view of the Group's financial position and earnings and that the administration report gives a fair overview of the development of the Group's operations, financial position and earnings, and describes the significant risks and uncertainties facing the Group.

Malmö April 15, 2019

Jan Kuhlmann Andersen
Chairman of the Board

Lars Peter Bjerrek

Lars-Christian Brask

Peter Bonne Eriksen

Per Falholt

Kim Arvid Nielsen
Chief Executive Officer

Our audit report has been issued on

Deloitte AB

Jeanette Roosberg
Authorized Public Accountant

AUDITOR'S REPORT

**To the general meeting of the shareholders of Cytovac AB
corporate identity number 559162-3318**

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Cytovac AB for the financial year 2018-01-01 - 2018-12-31.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2018 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Disclosure of particular importance regarding going concern

Without effect on our conclusion above, we would like to draw the attention to the statement by the Board of Directors on page 3 "Significant risks and uncertainties" in the Administration report. In case the company fails to obtain financing, it might have a material impact on the company's ability to continue its operations.

Other information

The establishment of the group in 2018 is described in the Administration report. The audit of the annual accounts for Cytovac A/S 2017-01-01 - 2017-12-31 was performed by another auditor who submitted an auditor's report dated May 2, 2018, with unmodified opinions in the Report on the annual accounts.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, 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 opinions. 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 the company's internal control relevant to our 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 the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any 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 annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. 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 content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Cytovac AB for the financial year 2018-01-01 - 2018-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our

responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Malmö 15 / 4 2019

Deloitte AB

Signature on Swedish original

Jeanette Roosberg
Authorized Public Accountant