



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	982 483 131
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	OPTINOSE AS
Forretningsadresse:	Gaustadalléen 21 0349 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2018 - 31.12.2018
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

Regnskapsregler

Regler for små foretak benyttet:	Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Helena Kyttari Djupesland
Dato for fastsettelse av årsregnskapet:	12.06.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 20.08.2020



Resultatregnskap

Beløp i: USD	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Revenue	11	0	0
Intercompany revenue		50 038 000	58 000
Other operating income	8	360 000	162 000
Sum inntekter		50 398 000	220 000
Kostnader			
Payroll expenses etc	2	409 000	808 000
Depreciation	3	1 000	1 000
Other operating expenses	2	3 135 000	2 750 000
Intercompany expenses		808 000	12 043 000
Sum kostnader		4 353 000	15 602 000
Driftsresultat		46 045 000	-15 382 000
Finansinntekter og finanskostnader			
Annen renteinntekt		146 000	13 000
Other financial income		-61 000	56 000
Sum finansinntekter		85 000	69 000
Annen rentekostnad		6 383 000	3 402 000
Other financial expenses			0
Sum finanskostnader		6 383 000	3 402 000
Netto finans		-6 298 000	-3 333 000
Ordinært resultat før skattekostnad		39 747 000	-18 715 000
Tax cost	5	0	0
Ordinært resultat etter skattekostnad		39 747 000	-18 715 000
Årsresultat		39 747 000	-18 715 000
Overføringer og disponeringer			
Udekket tap	6	39 747 000	-18 715 000
Sum overføringer og disponeringer		39 747 000	-18 715 000



Resultatregnskap

Beløp i: USD	Note	2018	2017
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Balanse

Beløp i: USD	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Equipment	3	1 000	0
Sum varige driftsmidler		1 000	0
Finansielle anleggsmidler			
Investering i datterselskap	9	2 000	2 000
Sum finansielle anleggsmidler		2 000	2 000
Sum anleggsmidler		3 000	2 000
Omløpsmidler			
Varer			
Fordringer			
Trade debtors		0	0
Other receivables		170 000	63 000
Intercompany receivables		44 571 000	143 000
Konsernfordringer	9	0	0
Sum fordringer		44 741 000	206 000
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	7	969 000	49 992 000
Sum bankinnskudd, kontanter og lignende		969 000	49 992 000
Sum omløpsmidler		45 710 000	50 198 000
SUM EIENDELER		45 713 000	50 200 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: USD	Note	2018	2017
Innskutt egenkapital			
Share capital	4	43 858 000	43 858 000
Sum innskutt egenkapital		43 858 000	43 858 000
Opptjent egenkapital			
Translation reserve		2 407 000	2 407 000
Udekket tap		57 072 000	96 819 000
Sum opptjent egenkapital		-54 665 000	-94 412 000
Sum egenkapital		-10 807 000	-50 554 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Long Term Notes	12	48 794 000	48 432 000
Sum annen langsiktig gjeld		48 794 000	48 432 000
Sum langsiktig gjeld		48 794 000	48 432 000
Kortsiktig gjeld			
Leverandørgjeld		140 000	264 000
Tax payable	5	0	0
Public duties payable		40 000	40 000
Kortsiktig konserngjeld	9	6 893 000	51 176 000
Other short term liabilities		653 000	842 000
Sum kortsiktig gjeld		7 726 000	52 322 000
Sum gjeld		56 520 000	100 754 000
SUM EGENKAPITAL OG GJELD		45 713 000	50 200 000



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Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Optimose AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Optimose AS, which comprise the balance sheet as at 31 December 2018, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2018 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

The Board of Directors and General Manager (management) is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) 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 financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from



- fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
 - ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 18 June 2019
ERNST & YOUNG AS

The auditor's report is signed electronically

Tommy Romskaug
State Authorised Public Accountant (Norway)

Perfno: Dokumentnr/Net: 855DK-8EVZP-GCTBY-NFIQK-6HSWC-C08AJ



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Tommy Romskaug

Statsautorisert revisor

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OptiNose AS

Annual Report 31.12.2018

Org. nr. 982483131

**OptiNose AS**
Org nr. 982483131**Balance Sheet**

(USD)

	Note	2018	2017
Assets			
Fixed Assets			
Property, Plant, & Equipment	3	\$ 1,213	\$ 409
Financial Fixed Assets			
Investments in Subsidiaries	9	2,267	2,267
Total Fixed Assets		3,480	2,676
Current Assets			
Debtors			
Other Receivables		169,785	62,946
Intercompany Receivables	9	44,571,477	143,005
Total Debtors		44,741,262	205,951
Investments			
Cash and Bank Deposits	7	968,828	49,991,517
Total Current Assets		968,828	49,991,517
Total Assets		\$ 45,713,570	\$ 50,200,144
Equity and Liabilities			
Equity			
Restricted Equity			
Share Capital	4	\$ 43,857,527	\$ 43,857,527
Total Restricted Equity		43,857,527	43,857,527
Other Equity			
Uncovered Loss		(57,071,600)	(96,818,834)
Translation reserve		2,407,169	2,407,169
Total Other Equity		(54,664,430)	(94,411,665)
Total Equity		(10,806,903)	(50,554,138)
Liabilities			
Current liabilities			
Trade Creditors		140,448	263,899
Public duties payable		39,655	40,263
Tax payable	5	-	-
Other Short-Term Liabilities		653,380	842,480
Intercompany Liabilities	9	6,893,176	51,175,773
Total Current Liabilities		7,726,660	52,322,415
Long-Term Notes Payable	12	48,793,813	48,431,867
Total Liabilities		56,520,473	100,754,282
Total Equity and Liabilities		\$ 45,713,570	\$ 50,200,144

Board of Directors of Optinose AS

Peter Miller
Chairman
Per Gisle Djupesland
Board MemberHelena Kyttari Djupesland
Board Member/General ManagerMichael Marino
Board Member



OptiNose AS
Org nr. 982483131
Profit and Loss Statement
(USD)

	Note	2018	2017
Intercompany Revenue	11	\$ 50,038,270	\$ 57,693
Other Operating Income	8	360,230	162,209
Total Operating Income		50,398,499	219,902
Payroll Expenses etc.	2	408,765	807,678
Other Operating Expenses	2	3,135,333	2,750,477
Depreciation	3	814	421
Intercompany Expenses		808,360	12,043,317
Operating Profit (Loss)		46,045,226	(15,381,991)
Interest Income		(145,935)	(13,144)
Interest Expense		6,382,771	3,402,266
Other Financial (Income)/Expense		61,154	(56,372)
Operating Result Before Tax		39,747,235	(18,714,741)
Tax Cost	5	-	-
Net Profit (Loss) of the year		\$ 39,747,235	\$ (18,714,741)
To Uncovered Profit (Loss)	6	\$ 39,747,235	\$ (18,714,741)
Total Allocations		\$ 39,747,235	\$ (18,714,741)



OptiNose AS
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Cash Flow Statement

(USD)

	2018	2017
Cash Flow from Operations		
Profit (Loss) Before Tax	\$ 39,747,235	\$ (18,714,741)
Tax Paid	-	-
Depreciation of Fixed Assets	814	421
Change in Debtors	(44,535,312)	170,084
Change in Creditors	(44,233,808)	17,982,827
Net Cash Flow from Operations	\$ (49,021,071)	\$ (561,409)
Cash Flow from Investing Activities		
Investments in Tangible Fixed Assets	(1,618)	-
Net Cash Flow from Investment Activities	\$ (1,618)	\$ -
Cash Flow from Financing Activities		
Issuance of New Shares	-	-
Net Proceeds from Debt Facility	-	48,431,867
Translation Reserve	-	-
Net Cash Flow from Financing Activities	\$ -	\$ 48,431,867
Net Change in Liquid Assets for the Year	\$ (49,022,689)	\$ 47,870,458
Liquid Assets at 1 January	\$ 49,991,517	\$ 2,121,059
Liquid Assets as of 31 December	\$ 968,828	\$ 49,991,517



OptiNose AS

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Notes to the Financial Statements for 2018

Note 1 - Accounting Principles

The Financial Statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted principles in Norway for Small Companies (SME). OptiNose AS does not prepare consolidated accounts in line with the special rules regulating Small Companies.

Operations

The Company's business purpose is to license and/or develop, commercialize and distribute drug delivery devices based on a patented principle. The Company realized income in certain years between 2013 and 2018 due to the out-licensing of its products utilizing the patented drug delivery system. The Company continues to rely on licensing revenues as well as equity and debt financing to fund its operations. To date, the Company's expenses, including salaries, have been comprised of research and development expenses relating to carrying out research activities and ongoing work to secure the Company's patent protection. These expenses are expensed as they incur.

Subsidiaries

Subsidiaries are valued at cost.

Sales revenue

Revenues are recognized in accordance with the earned income principle. Milestone revenues related to product licensing payments owed from third parties are recognized once the related milestone is achieved. Royalty revenues are recognized as commercial sales of the product are realized by the licensor.

Fixed assets / Long term liabilities

Fixed assets are comprised of assets intended for long term ownership and use. Fixed assets are valued at cost. Fixed assets are recorded in the balance sheet and depreciated over the estimated useful economic lives. Fixed assets are written down to recoverable amounts when decreases in value are expected to be permanent. Write-downs are reversed when the basis for the write-down is no longer evident.

Current assets / liabilities

Current assets and liabilities are comprised of items receivable/due within one year. Current assets are valued at the lower of cost or market.

Receivables

Accounts receivable and other receivables are recorded in the balance sheet at face value less a provision for doubtful accounts. Provisions for doubtful accounts are determined on the basis of an assessment of the individual receivables.

Taxes

Tax expense in the profit and loss statement is comprised of tax payable for the period. Deferred tax is calculated at 22% in 2018 and 23% in 2017 and is determined on the basis of existing temporary differences between accounting net income and tax net income, including year-end loss and carry-forwards. The Company has chosen not to account for the deferred tax asset in the balance sheet.

Pensions

The Company provides a defined contribution pension plan for its employees in accordance with the legal requirements for pension schemes. Yearly pension costs equal the yearly premium.

Currency

Assets and liability account balances are valued at the exchange rate at the end of the financial year and equity accounts are valued using historical exchange rates. Profit and Loss accounts are valued using the exchange rate in effect on the date of the transaction.

Stock Compensation

Included in payroll expenses in 2018 and 2017 is \$98,368 and \$89,386, respectively, relating to stock compensation expense for stock options granted to OptiNose AS employees by the parent company, OptiNose Inc.

Additionally, as of December 31, 2018, \$61,975 in payroll taxes were accrued for employee compensation that may be realized in the future relating to vested stock options granted in connection with employment arrangements that are not yet exercised.



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Note 2 – Employees, Compensation, Loans to Employees etc.

2.1 Specification of payroll expenses

	2018	2017
Regular salaries	\$ 380,206	\$ 368,631
Bonus	33,300	32,705
Stock compensation expense	98,368	89,386
Payroll taxes	(119,991)	301,083
Pension costs	8,669	8,556
Other employee costs	8,214	7,318
Total payroll expenses	\$ 408,765	\$ 807,678

Number of employees (fulltime equivalents) 1.6 1.6

2.2 Specification of remuneration to the management and the Board of Directors

	2018	2017
Managing Director		
Salary	\$ 213,563	\$ 198,687
Pension	5,958	5,801
Bonus	17,861	17,767
Total Managing Director	\$ 237,383	\$ 222,255
Chairman of the Board		
Salary	\$ -	\$ -
Pension	-	-
Other Compensation	-	-
Total Chairman of the Board	\$ -	\$ -
Other Fees, The Board of Directors		
Non-Executive Directors	\$ -	\$ -

There are no loan or security arrangements in favor of the managing director, Chairman of the Board, or other related parties.

2.3 Specification Audit Fee

	2018	2017
Audit fee	\$ 37,000	\$ 20,000
Other assurance services	-	-
Other services	-	-
Total Audit Fee	\$ 37,000	\$ 20,000



OptiNose AS
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Note 3 – Tangible Fixed Assets

	2018	2017
Office Equipment		
Investments as of 1 January	\$ 13,754	\$ 13,754
Additions	1,618	-
Disposals	-	-
Investments as of 31 December	\$ 15,372	\$ 13,754
Accumulated Depreciation as of 31 December	\$ (14,159)	\$ (13,345)
Net recorded Value as of 31 December	\$ 1,213	\$ 409
Depreciation for the Year	\$ 814	\$ 421
Depreciation Plan	33% / Linear	

Note 4 – Shares and Shareholders etc.

The Company's share capital as of 31 December 2018 and 31 December 2017 consisted of 2,553,511,040 shares, par value USD \$0.01718 per share, total USD \$43,857,527.

The Company is a fully owned subsidiary of OptiNose Inc., 1020 Stony Hill Road, Suite #300 Yardley, PA 19067 USA.



OptiNose AS
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Note 5 – Taxes

5.1 Specification of temporary differences

	2018		2017		Change
Tangible fixed assets	\$ (2,280)	\$	(1,690)	\$	(590)
Accrued expenses	61,975		242,540		(180,565)
Share based compensation	277,178		195,331		81,847
Temporary differences	\$ 336,873	\$	436,181	\$	(99,308)
<hr/>					
Accumulated taxable loss (carry-forward) at 31 December	49,210,374		96,576,561		(47,366,187)
Accumulated interest expense (carry-forward) at 31 December	5,205,219		5,507,077		(301,858)
<hr/>					
Net temporary differences	\$ 54,752,466	\$	102,519,819	\$	(47,767,353)
<hr/>					
Deferred tax asset at 22% (2018) / 23% (2017)	\$ 12,045,543	\$	23,579,558	\$	(11,534,015)
<hr/>					
<i>Accumulated taxable loss (carry-forward) in NOK at 31 December</i>	<i>NOK 427,186,400</i>		<i>NOK 792,410,687</i>		<i>(NOK 365,224,287)</i>
<hr/>					
<i>Accumulated interest expense (carry-forward) in NOK at 31 December*</i>	<i>NOK 45,185,570</i>		<i>NOK 45,185,570</i>		<i>NOK 0</i>
<hr/>					

The company has chosen not to account for the deferred tax asset in the balance sheet.

*Prior period interest expense potentially available to offset future profit:
expires in year 2025 NOK 17,259,126
expires in year 2027 NOK 27,926,444



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5.2 Specification of tax payable

	2018	2017
Operating result before tax	\$ 39,747,235	\$ (18,714,741)
Currency exchange differences	-	-
Permanent differences	-	-
SkatteFUNN*	(122,950)	(46,388)
Non-deductible interest expense	6,236,837	3,389,122
Change in temporary differences	(83,001)	332,347
Utilized tax loss carryforwards from previous years	(45,778,121)	-
Taxable Income (Loss)	\$ -	\$ (15,039,660)
Tax Payable	\$ -	\$ -

*SkatteFUNN is a public grant to companies having R&D costs. The amount is an estimate.

5.3 Specification of tax on ordinary result

	2018	2017
Tax payable	\$ -	\$ -
Tax on ordinary result	\$ -	\$ -

Note 6 – Equity

	Share capital	Uncovered Loss	Sum Equity
Equity 1 January 2018	\$ 43,857,527	\$ (94,411,665)	\$ (50,554,138)
Net Income for the Year	-	39,747,235	39,747,235
Equity 31 December 2018	\$ 43,857,527	\$ (54,664,430)	\$ (10,806,903)

Uncovered loss includes translation reserves of USD 2,407,169 from 2013, when the accounting and presentation currency was changed from NOK to USD.

Note 7 – Restricted Bank Deposits

	2018	2017
Tax withholdings 31 December	\$ 20,252	\$ 20,231



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Note 8 – Other Operating Income

Other operating income consists of public grants received. In relation to the company's activity, the amounts received are considered to be material and are classified as income rather than a reduction of the R&D costs, given the Company relies on this grant funding.

	2018	2017
Skatte FUNN, 1,011,278 NOK in 2018 and 380,616 NOK in 2017	\$ 122,950	\$ 46,388
Norwegian Research Council, 1,844,005 NOK in 2018 and 1,006,814 NOK in 2017 * see note 5	237,280	115,821
Total Other Operating Income	\$ 360,230	\$ 162,209

Note 9 – Intercompany Investments Receivables and Payables

Investment in Subsidiary

	2018	2017
Optinose UK Ltd. Investment	\$ 2,267	\$ 2,267
Berkeley House, Hunts Rise, Net Profit for Year	106,046	9,643
South Martson Park, Wiltshire, Equity	(50,692)	(156,738)
SN3 4TG England		

Intercompany Receivables

	2018	2017
OptiNose US, Inc. (USA)	\$ 43,538,586	\$ -
OptiNose UK Ltd. **	1,032,891	143,005
Total Inter-Company Receivables	\$ 44,571,477	\$ 143,005

Intercompany Payables

	2018	2017
OptiNose, Inc. (USA)***	\$ 6,893,176	\$ 6,642,250
OptiNose US, Inc. (USA)	-	44,533,523
Total Inter-Company Payables	\$ 6,893,176	\$ 51,175,773

** OptiNose AS owns 100% of the shares in OptiNose UK Ltd.

*** OptiNose AS is a 100% owned subsidiary of OptiNose Inc.

Note 10 – Functional Currency

NRS 20 describes functional currency as the currency of the primary economic environment in which an entity operates. The Company has a significant majority of its revenues and costs sourced and incurred in United States Dollars (USD). The choice of functional currency reflects those factors which are the main determinants of functional currency such as:

- primary cash income and expenditure currency;
- main currency for the entity's sales prices;
- main currency of the market place of the reporting entity;
- main currency for labor, material and other costs of goods and services (i.e. the currency in which such transactions are settled).



OptiNose AS

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Having considered the aggregate effect of all relevant factors, the directors determined that a change in functional currency was warranted and as such, changed the functional and reporting currency to USD effective January 1, 2013.

In accordance with NRS 20, this change was accounted for prospectively from this date. The year-end exchange rate at December 31, 2018 and 2017 was 8.6808 and 8.2050 Norwegian Kroner (NOK) per USD, respectively. The 2018 and 2017 average exchange rate for the year was 8.1338 and 8.2630 NOK per USD, respectively.

Note 11 – Revenue

AVP-825 License Agreement

On July 1, 2013, OptiNose AS entered into a license agreement (the AVP-825 License Agreement) with an unrelated publicly-traded US pharmaceutical company for the exclusive right to sell the Company's sumatriptan product and any follow-on products under development that nasally deliver a triptan specifically. Under the terms of the agreement, during 2013, the Company received an upfront cash payment of US \$20 million along with an additional US \$2.0 million in joint development cost revenue. During Q1 2016, the Company received US \$47.5 million as a result of the U.S. Food and Drug Administration approval of the product for sale in the United States and as a result, the Company recognized \$47,515,062 in licensing and development cost sharing revenues in 2016. No revenues were recognized under this License Agreement in 2017 or in 2018. On December 10, 2018, the Company received written notice from the Licensee of its election to terminate the AVP-825 License Agreement. As a result, the AVP-825 License Agreement terminated on March 10, 2019. The Company is currently evaluating options with respect to the future of this product.

XHANCE License Agreement

During 2018, OptiNose AS entered into a license agreement (the XHANCE License Agreement) with an affiliate, OptiNose US, Inc. to sell XHANCE, the Company's fluticasone propionate product on a non-exclusive basis. The license agreement also gives OptiNose US, Inc. rights to further develop the product. Under the terms of the license agreement, the Company received an upfront payment of US \$50 million. During 2018, the Company also entered into a service agreement with OptiNose US, Inc. in which the Company agreed to provide services to support XHANCE. The Company generated revenue of \$38,270 in 2018 under the service agreement.

Note 12 - Long Term Debt

On December 29, 2017, OptiNose AS entered into a Senior Secured Note Purchase Agreement (the Senior Secured Notes) with Athyrium Opportunities III Acquisition LP in the amount of \$50,000,000. The Senior Secured Notes bear interest at 9.0% plus the three-month London Inter-bank Offered Rate (LIBOR). The interest rate at December 31, 2018 was 11.8125%. Interest is payable quarterly, and no principal repayment is due until maturity on June 29, 2023. Interest expense related to the Senior Secured Notes was \$6,083,849 and \$31,876 in 2018 and 2017, respectively.

A front-end fee of 1% of the principal amount was paid at issuance. An exit fee of 2% is payable on the repayment of any principal amount along with a prepayment premium in certain cases.

Note 13 – Subsequent Events

On January 31, 2019, the Company entered into a License Agreement (the Inexia License Agreement) in which the Company granted a license to its EDS and other intellectual property for the development, sale, import and manufacture of products containing orexin receptor agonist and/or orexin receptor positive modulator molecule(s) as the sole active pharmaceutical ingredient(s) for the treatment, diagnosis or prevention of human diseases or conditions associated primarily with orexin receptor agonism and orexin receptor positive modulation. Inexia is solely responsible for all costs and activities related to its identification, development and commercialization of products under the Inexia License Agreement.

Under the terms of the Inexia License Agreement, the Company received a US \$0.5 million upfront payment. For each product developed under the Inexia License Agreement, the Company is eligible to receive up to US \$8.0 million of development milestone payments and up to US \$37.0 million of sales milestone payments. In addition, the Company is eligible to receive tiered, low-to-mid single digit royalties based on net sales of any products successfully developed and commercialized under the Inexia License Agreement. Other than the upfront payment received in 2019, the Company does not anticipate the receipt of any milestone or royalty payments from Inexia in the near term.



OptiNose AS
Org nr. 982483131

Note 14 – Going Concern

During 2019, OptiNose AS expects to continue to explore the out-licensing of its product candidates as well as continue early research and development efforts for new products. Additionally, the Company is focused on the on-going management of its existing intellectual property portfolio and product License agreements. While the Company realized a profit in 2018 resulting from the out-licensing of the XHANCE product, the Board of Directors is aware that it will need to rely on additional licensing revenues, collection of receivables from its affiliates, and/or equity or debt financing in order to continue its operations. As of December 31, 2018, OptiNose AS had approximately US \$1.0 million in cash and US \$44.6 million in receivables from affiliated companies. As collection is deemed probable, no allowance for doubtful accounts was recorded as of December 31, 2018. The Board has a positive view on the Company's progress and the likelihood that future license revenues will be realized from its products, including the XHANCE product that is marketed for sale in the United States. As a result, the Board confirms that the assumption of going concern is valid in their opinion, and that the Financial Statements for 2018 have been prepared accordingly.


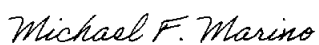


PROTOKOLL FRA ORDINÆR GENERALFORSAMLING I OPTINOSE AS (Org. nr. 982 483 131)	MINUTES FROM ORDINARY GENERAL MEETING IN OPTINOSE AS (Reg. no. 982 483 131)
<p>Denne protokollen er utarbeidet både på norsk og engelsk. Ved uoverensstemmelser mellom de to versjonene, skal den norske protokollen ha forrang.</p> <p>Generalforsamling i Optinose AS ("Selskapet") ble avholdt på Hotel Bristol, Kristian IVs gate 7, 0164 Oslo, Norway, Decennium Meeting Room den 12. juni 2019. Generalforsamlingen ble avholdt uten at kravene til innkallingen som følger av aksjeloven § 5-10 ble fulgt, da Selskapets eneste aksjeeier ikke hadde motsatt seg dette, jf. aksjeloven § 5-7, jf. § 5-10. For øvrig ble generalforsamlingen avholdt i henhold til reglene i aksjeloven § 5-8 til § 5-16.</p>	<p>These minutes have been prepared in both Norwegian and English. In case of variation in the content of the two versions, the Norwegian version shall prevail.</p> <p>A general meeting was held at Optinose AS (the "Company") at Hotel Bristol, Kristian IVs gate 7, 0164 Oslo, Norway, Decennium Meeting Room on 12 June 2019. The general meeting was held without observing the requirements to the notice for a general meeting as set out in the Norwegian Private Limited Liability Companies Act ("PLLCA") Section 5-10, as the Company's sole shareholder had not raised any objections to such procedure, cf. the PLLCA Section 5-7. The general meeting was held in accordance with the other rules as set out in the PLLCA Section 5-8 to Section 5-16.</p>
<p>Tilstede var OptiNose Inc, representert ved Michael Marino and Peter Miller. 100 % av aksjene og den samlede aksjekapital var dermed representert på generalforsamlingen.</p>	<p>Present was OptiNose Inc, represented by Michael Marino and Peter Miller. 100% of the shares and share capital were as such represented at the General Meeting.</p>
<p>1. Valg av møteleder og minst en person til å signere protokollen sammen med møteleder</p>	<p>1. Election of chairman of the meeting and at least one person to co-sign the minutes with the chairman</p>
<p>Som møteleder ble valgt Peter Miller og Michael Marino ble valgt til å medundertegne protokollen sammen med møteleder.</p>	<p>Peter Miller was elected to chair the meeting, and Michael Marino was elected to co-sign the minutes.</p>
<p>2. Godkjenning av dagsorden</p>	<p>2. Approval of the agenda</p>
<p>Dagsorden ble enstemmig godkjent.</p>	<p>The agenda for the meeting was approved unanimously.</p>
<p>3. Godkjenning av årsregnskap og årsberetning for 2018</p>	<p>3. Approval of annual accounts and annual report of 2018</p>
<p>Styrets forslag til årsregnskap og årsberetning med revisors beretning for 2018 ble fremlagt.</p>	<p>The Board's proposal regarding the Company's annual accounts and annual report for 2018, including the auditor's report, were presented.</p>
<p>Generalforsamlingen besluttet å godkjenne det fremlagte årsregnskapet og årsberetningen for 2018.</p>	<p>The general meeting resolved to approve the presented annual accounts and the annual report of 2018.</p>
<p>4. Godkjenning av revisors honorar for 2018</p>	<p>4. Approval of remuneration to the auditor for 2018</p>
<p>I henhold til styrets forslag vedtok generalforsamlingen at godtgjørelsen til revisor for 2018 fastsettes og dekkes i henhold til regning.</p>	<p>In accordance with the proposal from the board, the general meeting resolved that the remuneration to the auditor for 2018 shall be determined and paid in accordance with the invoiced amounts.</p>
<p>5. Valg av revisor</p>	<p>5. Election of auditor</p>
<p>I henhold til styrets forslag vedtok generalforsamlingen at Ernst & Young AS skal fortsette som revisor for Selskapet.</p>	<p>In accordance with the proposal from the board, the general meeting resolved that Ernst & Young AS shall continue as auditor of the Company.</p>



<p>6. Godtgjørelse til styrets medlemmer</p> <p>Generalforsamlingen vedtok etter styrets forslag at det ikke utbetales styregodtgjørelse.</p> <p>7. Valg av styremedlemmer</p> <p>Etter forslag fra styret vedtok generalforsamlingen å gjenvelge det sittende styret.</p> <p>***</p> <p>Det var ingen flere saker til behandling. Alle vedtak var enstemmige. Møtet ble deretter hevet.</p>	<p>6. Remuneration of the board of directors</p> <p>The general meeting resolved in accordance with the proposal from the board that no remuneration was to be paid to the board.</p> <p>7. Election of directors</p> <p>The general meeting re-elected the existing board of directors as proposed by the board.</p> <p>***</p> <p>No further matters were submitted for consideration. All resolutions were unanimous. The meeting was adjourned.</p>
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12 June 2019

 _____ Peter Miller Chairperson	 _____ Michael Marino Co-signatory
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Skattedirektoratet

Saksbehandler Jeanette Munkvold Skovholt	Deres dato 30.01.2017	Vår dato 16.02.2017
Telefon 90076012	Deres referanse Hans Petter Tjeldflaa	Vår referanse 2017/100241

OPTINOSE AS
Gaustadalléen 21
0349 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for OptiNose AS, org.nr. 982 483 131

Vi viser til deres brev av 30. januar 2017 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for OptiNose AS.

Skattedirektoratet gir på bakgrunn av en konkret helsevurdering OptiNose AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra deres søknad gjengis:

OptiNose AS er et bioteknologiselskap med en patentert, proprietær teknologiplattform for utvikling av medikamenter og vaksiner. Selskapets første produkt er en behandling for migrene og ble lansert i USA i juni 2016. Selskapet opererer således innen et felt der det er påkrevet å innrette virksomheten globalt fra etableringstidspunktet - for det første med tanke på produktene selskapet skal utvikle (legemidler), men også i øvrige sammenhenger som eksterne tjenesteleverandører og akademiske samarbeidsparter, personell, investorer, offentlige tilskudd (EU) og industriellesamarbeidsparter og -lisenstakere.

OptiNose AS er heleiet av morselskapet OptiNose Inc. All kommunikasjon til eneksjonæren foregår på engelsk.

Selskapet har ett godkjent produkt i salg i markedet. En typisk parallell forretningsmodell for små bioteknologiselskaper er å generere inntekter gjennom å lisensiere ut teknologi, der større industrielle aktører kjøper rettigheter til å benytte selskapets teknologi og/eller produkter.

OptiNose AS har foreløpig inngått én slik lisensavtale, med Avanir Pharmaceuticals Ltd/Otsuka, et internasjonalt konsern innen farmasi. Fremtidige lisensavtaler vil med tilnærmet 100 % sannsynlighet også være med utenlandske aktøren.

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E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er heleid av et utenlandsk selskap, og at eierkretsen er begrenset. Videre er det vektlagt at selskapet opererer innen en internasjonal bransje og at det antas at ingen mulige brukere av årsregnskapet blir negativt påvirket av at regnskapet kun utarbeides på engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer