

Stamholmen ApS
Kay Fiskers Plads 11
DK-2300 København S
Central Business Registration No
10092116

Annual report 2016

The Annual General Meeting adopted the annual report on 28.03.2017

Chairman of the General Meeting

Name: Bolette Wildt

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Entity details

Entity

Stamholmen ApS
Kay Fiskers Plads 11
DK-2300 København S

Central Business Registration No: 10092116

Founded: 24.09.2002

Registered in: Registreret i (Sted)

Financial year: 01.01.2016 - 31.12.2016

Executive Board

Finn Jessen
Bolette Wildt

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Stamholmen ApS for the financial year 01.01.2016 - 31.12.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 28.03.2017

Executive Board

Finn Jessen

Bolette Wildt

Independent auditor's report

To the shareholders of Stamholmen ApS

Opinion

We have audited the financial statements of Stamholmen ApS for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent auditor's report

- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 28.03.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Flemming Larsen

State Authorised Public Accountant

Management commentary

Primary activities

The company's object is trade and investment, including acquisition and management of real property.

Development in activities and finances

The income statement of the property shows a loss of DKK 400,478, and at 31 December 2016 the balance sheet of the company shows equity of DKK 16,198,851.

The performance for the year is considered satisfactory.

Since its establishment in the autumn of 2002, the company has incurred projecting expenses relating to the company's plot of land of app. 18,800 sq m. The expenses have not presently resulted in the initiation of any final project.

The company will continue in the coming year to make efforts to negotiate a property project for long-term lease purposes.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Fair value adjustments of investment property		0	2.700.000
Other external expenses		<u>(446.574)</u>	<u>(432.324)</u>
Operating profit/loss		(446.574)	2.267.676
Other financial income		0	1.155
Other financial expenses	1	<u>(66.861)</u>	<u>(33.949)</u>
Profit/loss before tax		(513.435)	2.234.882
Tax on profit/loss for the year	2	<u>112.956</u>	<u>(487.303)</u>
Profit/loss for the year		(400.479)	1.747.579
Proposed distribution of profit/loss			
Retained earnings		<u>(400.479)</u>	<u>1.747.579</u>
		(400.479)	1.747.579

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Investment property		<u>19.300.000</u>	<u>19.300.000</u>
Property, plant and equipment	3	<u>19.300.000</u>	<u>19.300.000</u>
Fixed assets		<u>19.300.000</u>	<u>19.300.000</u>
Other receivables		21.674	13.811
Joint taxation contribution receivable		<u>112.957</u>	<u>47.752</u>
Receivables		<u>134.631</u>	<u>61.563</u>
Cash		<u>326.469</u>	<u>1.926.994</u>
Current assets		<u>461.100</u>	<u>1.988.557</u>
Assets		<u>19.761.100</u>	<u>21.288.557</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		1.000.000	1.000.000
Share premium		14.000.000	14.000.000
Retained earnings		<u>1.198.850</u>	<u>1.599.329</u>
Equity		<u>16.198.850</u>	<u>16.599.329</u>
Deferred tax		<u>1.473.705</u>	<u>1.473.722</u>
Provisions		<u>1.473.705</u>	<u>1.473.722</u>
Trade payables		61.175	10.056
Payables to group enterprises		2.000.870	3.188.949
Other payables		<u>26.500</u>	<u>16.501</u>
Current liabilities other than provisions		<u>2.088.545</u>	<u>3.215.506</u>
Liabilities other than provisions		<u>2.088.545</u>	<u>3.215.506</u>
Equity and liabilities		<u>19.761.100</u>	<u>21.288.557</u>
Contingent liabilities	4		
Group relations	5		

Statement of changes in equity for 2016

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1.000.000	14.000.000	1.599.329	16.599.329
Profit/loss for the year	0	0	(400.479)	(400.479)
Equity end of year	1.000.000	14.000.000	1.198.850	16.198.850

Notes

	2016	2015
	DKK	DKK
1. Other financial expenses		
Financial expenses from group enterprises	66.861	33.949
	66.861	33.949
	2016	2015
	DKK	DKK
2. Tax on profit/loss for the year		
Tax on current year taxable income	(112.956)	(47.752)
Change in deferred tax for the year	0	545.536
Adjustment concerning previous years	0	(10.481)
	(112.956)	487.303
		Investment
		property
		DKK
3. Property, plant and equipment		
Cost beginning of year		12.284.666
Cost end of year		12.284.666
Fair value adjustments beginning of year		7.015.334
Fair value adjustments for the year		(0)
Fair value adjustments end of year		7.015.334
Carrying amount end of year		19.300.000

The Entity's investment property consists of a plot of land subsequently to be developed for production and industrial purposes. The land is approx 18,800 square metres with a maximum building density of 40%. Fair value of building rights has been stated at an average price per square metre of DKK 2,550 (remains unchanged from 2015). An external valuer has assisted in the valuation of the building rights. The public land assessment of the property at 1 October 2015 was DKK 9.4 million.

Notes

4. Contingent liabilities

The Entity participates in a new Danish joint taxation arrangement in which Ferring Pharmaceuticals A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore alternatively liable from the financial year 2016 for income taxes etc for the jointly taxed entities, but only for the share by which the Entity is included in the Group. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements. Previously, the Entity participated in another Danish joint taxation arrangement and is thus still liable for obligations that have arisen in the joint taxation period of this joint taxation unit.

5. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Ferring B.V., The Netherlands

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Fair value adjustments of investment property

Fair value adjustment of investment property comprises adjustments for the financial year of the Entity's investment properties measured at fair value at the balance sheet date.

Other external expenses

Other external expenses include expenses relating to the administration of the property, real property tax, maintenance, etc.

Other financial income

Other financial income comprises interest income.

Other financial expenses

Other financial expenses comprise interest expenses on payables to group enterprises.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Accounting policies

Balance sheet

Investment property

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus directly related acquisition costs.

Subsequent to initial recognition, investment properties are measured at fair value which is equivalent to the amount at which the individual property may be sold to an independent buyer at the balance sheet date.

The fair value of made up by the management together with real property advisors. For the purpose of estimating the market value of building rights per sqm floor space the residual value is calculated, i.e. the estimated sales price less costs relating to construction, development, hook-up, marketing, various advisory fees, interest during construction as well as a developer's fee.

The financial year's adjustments of the properties' fair value are recognised in the income statement.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.