

Nordic Biotech Advisors ApS

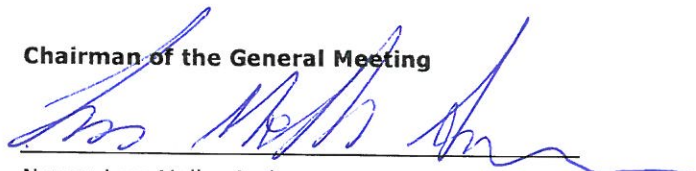
Østergade 24 A, 1. tv.
1100 Copenhagen
Central Business Registration No
26123925

Annual report 2016

The Annual General Meeting adopted the annual report on

14/6-2017

Chairman of the General Meeting



Name: Lars Møller Andersen

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Entity details

Entity

Nordic Biotech Advisors ApS
Østergade 24 A, 1. tv.
1100 Copenhagen

Central Business Registration No: 26123925

Founded: 29.06.2001

Registered in: Copenhagen

Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Matthew Daniel Perry
Florian Schönharting
Jakob Mosegaard Larsen

Executive Board

Florian Schönharting

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
2300 Copenhagen

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Nordic Biotech Advisors 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, 25.05.2017

Executive Board



Florian Schönharting

Board of Directors



Matthew Daniel Perry



Florian Schönharting



Jakob Mosegaard Larsen

Independent auditor's report

To the shareholders of Nordic Biotech Advisors ApS

Opinion

We have audited the financial statements of Nordic Biotech Advisors 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

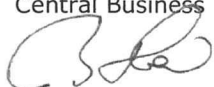
Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 25.05.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556



Bill Haudal Pedersen

State Authorised Public Accountant

Management commentary

Primary activities

Nordic Biotech Advisors ApS is an advisory and management Entity for investment funds in connection with their investments in portfolio companies. Florian Schönharting, who is Partner of Nordic Biotech Advisors ApS, is assuming an active role on the Boards of Directors of the portfolio companies, when relevant.

Development in activities and finances

The development in the financial year's activities is as expected.

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>
Gross profit		3,717,818	3,618,211
Staff costs	1	-2,852,936	-2,913,478
Depreciation, amortisation and impairment losses		<u>-124,036</u>	<u>-250,599</u>
Operating profit/loss		740,846	454,134
Income from investments in group enterprises		32,628	7,193
Other financial income		-4,028	1,067
Other financial expenses		<u>-22,867</u>	<u>-16,870</u>
Profit/loss before tax		746,579	445,524
Tax on profit/loss for the year	2	<u>-177,255</u>	<u>-171,822</u>
Profit/loss for the year		<u>569,324</u>	<u>273,702</u>
Proposed distribution of profit/loss			
Retained earnings		<u>569,324</u>	<u>273,702</u>
		<u>569,324</u>	<u>273,702</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Other fixtures and fittings, tools and equipment		110,220	140,678
Property, plant and equipment		110,220	140,678
Investments in group enterprises		178,760	178,761
Other receivables		308,439	299,530
Fixed asset investments		487,199	478,291
Fixed assets		597,419	618,969
Receivables from group enterprises		562,237	527,003
Deferred tax		24,578	24,479
Other receivables		141,001	37,551
Prepayments		166,331	121,679
Receivables		894,147	710,712
Cash		1,314,424	739,027
Current assets		2,208,571	1,449,739
Assets		2,805,990	2,068,708

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		125,000	125,000
Retained earnings		<u>1,931,085</u>	<u>1,361,761</u>
Equity		<u>2,056,085</u>	<u>1,486,761</u>
Payables to shareholders and management		57,831	78,252
Income tax payable		119,533	67,070
Other payables		<u>572,541</u>	<u>436,625</u>
Current liabilities other than provisions		<u>749,905</u>	<u>581,947</u>
Liabilities other than provisions		<u>749,905</u>	<u>581,947</u>
Equity and liabilities		<u>2,805,990</u>	<u>2,068,708</u>
Contingent liabilities	3		
Mortgages and securities	4		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125,000	1,361,761	1,486,761
Profit/loss for the year	0	569,324	569,324
Equity end of year	125,000	1,931,085	2,056,085

Notes

	2016	2015
	DKK	DKK
1. Staff costs		
Wages and salaries	2,723,198	2,781,424
Other social security costs	19,268	1,611
Other staff costs	110,470	130,443
	2,852,936	2,913,478

Average number of full-time employees	1.5	1.5
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	2016	2015
	DKK	DKK
2. Tax on profit/loss for the year		
Tax on current year taxable income	177,354	149,981
Change in deferred tax for the year	-99	-479
Adjustment concerning previous years	0	22,320
	177,255	171,822

3. Contingent liabilities

The Entity serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

There are no other guarantees or contingent liabilities of the Entity.

4. Mortgages and securities

The Entity has not placed any assets or other security for loans at 31.12.2016.

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.

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

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Revenue

Revenue from the sale of advisory services is recognised in the income statement when delivery is made and risk has passed to the buyer, provided that the income can be made up reliably. VAT and indirect taxes are excluded from the revenue.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and

Accounting policies

useful lives of the individual assets and impairment testing as well as gains and losses from the sale of plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividend etc received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, bank charges as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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.

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Accounting policies

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.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

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

Income tax receivable or payable

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