

Jusmedico Advokatanpartsselskab

Klampenborgvej 284, 1. mf., 2800 Kongens Lyngby

CVR no. 30 72 81 06

Annual report 2018

Approved at the Company's annual general meeting on 31 May 2019

Chairman:

.....
Jan Bjerrum Bach





Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes to the financial statements	12



Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Jusmedico Advokatanpartsselskab for the financial year 1 January - 31 December 2018.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Lyngby, 31 May 2019
Executive Board:

.....
Jan Bjerrum Bach
Managing Director

.....
Martin Binzer Lind

Independent auditor's report

To the shareholders of Jusmedico Advokatanpartsselskab

Opinion

We have audited the financial statements of Jusmedico Advokatanpartsselskab for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for 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 rules and requirements.

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 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 in preparing the financial statements 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 as to 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 the 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:

- ▶ 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.

Independent auditor's report

- ▶ 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 31 May 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Robert Christensen
State Authorised Public Accountant
mne16653



Management's review

Company details

Name	Jusmedico Advokatanpartsselskab
Address, Postal code, City	Klampenborgvej 284, 1. mf., 2800 Kongens Lyngby
CVR no.	30 72 81 06
Established	10 May 2004
Registered office	Lyngby-Taarbæk
Financial year	1 January - 31 December
Telephone	+45 45 48 44 48
Executive Board	Jan Bjerrum Bach, Managing Director Martin Binzer Lind
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuhs Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

Jusmedico Law Firm Ltd. Advokatanpartsselskab (Jusmedico Advokatanpartsselskab), "Jusmedico", is a specialist law firm providing legal services to the biotech, pharmaceutical, medical device and dentistry industries, life science investors and to suppliers and service providers thereto. The working areas of Jusmedico include research & development, pre-clinical test and clinical trial, data protection, production & supply, labeling & packaging, licensing, co-promotion & co-marketing agreements, agent and distribution agreements, as well as advertising & promotion advice. In addition, Jusmedico renders legal advice to life science clients on third party liability insurance programs providing cover for clinical testing of investigational medicinal products and D&O programs.

Internationally, Jusmedico is a founding member of the BioLawEurope Alliance comprising a network of independent European law firms and individual attorneys licensed in the EU and/or EFTA jurisdictions providing legal services focusing on the same legal disciplines as Jusmedico. Furthermore, Jusmedico operates a representative office in New York, USA.

Jusmedico, which was established in May 2004, was transformed into a private limited company on 1 January 2007. Notwithstanding the transformation each attorney employed remained and remains personally liable for legal advice rendered under contract.

During 2018, Jusmedico has continued its cooperation with the members of its Advisory Board established in 2007. The Advisory Board comprises 9 professionals, including 6 specialists within the fields of research, patenting, clinical development, insurance, regulatory service and quality management. These areas of expertise are especially relevant to Jusmedico's client portfolio, which comprises clients operating on a private commercial basis as well as on a non-profit public basis. The BioLawEurope Alliance and the Advisory Board initiative enable cooperation across the boundaries of individual professions and enable Jusmedico to involve all relevant professionals in large and/or long-term client projects.

Jusmedico is represented at the board of BioLawEurope, and has, for 2018, designated the secretary and the treasurer of the BioLawEurope Alliance. The chairman of the Jusmedico Advisory Board is counselor at law Ira Shale Nordlicht, Esq., New York, who is also in charge of Jusmedico's representative office in the USA.

In addition to activities via the BioLawEurope Alliance and referrals from the representative office in New York, Jusmedico has established cooperations with a number of Danish law firms, which on an ad hoc basis may be involved in assignments falling outside Jusmedico's core competence areas, e.g. M&A, IPO's, banking and finance.

The number of new start-ups seems to be increasing, whereas the growth factor for clinical trials involving Denmark seems to be declining. Jusmedico has continued allocating resources to participating in international as well as domestic conferences and training as well as to drafting articles for international periodicals. Further, Jusmedico has agreed to second staff members to work directly for an EU-supported business angle activity focusing on life science, including med tech, and financial services-related investments, which entailed that revenue was generated separately. In light hereof, the 2018 turnover is satisfactory. In 2019, the activity split will continue.

Jusmedico's marketing activities primarily comprise participation in the BioLawEurope Alliance, publications in international periodicals, homepage maintenance and lecturing domestically and internationally. In 2018, participation in professional training programs was maintained at the same level as in 2017, simultaneously with time and resources being invested in international cooperations through BioLawEurope and the US representative office. In 2019, comprehensive investments will be made in further training.

Management's review

In 2017, 2018 and 2019 Jusmedico has been granted the INTL Global Award as the Biotech Law Firm of the Year in Denmark. These awards continue to produce enquiries from potential international clients, primarily from the UK and the USA.

In 2018, Jusmedico merged with another niche law firm operating in the same area as Jusmedico, and moved to new office facilities in Kgs. Lyngby, Denmark, where a somewhat bigger office has been leased, allowing the merged organizations to integrate their activities.

In light of the above, Jusmedico aims at maintaining its 2018 turnover figures also in 2019, which will also allow Jusmedico to continue a number of non-profit activities, including a membership of a non-profit organisation encouraging young people to pursue educations leading to scientific positions whether in academia or in the private sector, see <https://www.videnskabsklubben.dk/>.

Management is satisfied with the Company's revenue amounting to DKK 3 million in 2018, against DKK 2 million in 2017 and will propose to the general meeting dividend distribution of DKK 713,785 to share class A and DKK 425,873 to share class B among holders of A and B shares, respectively, as per the ratio in which A and B shares are held.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2018	2017
	Revenue	3,017,345	2,041,313
	Other external expenses	-856,789	-645,489
	Gross margin	2,160,556	1,395,824
2	Staff costs	-1,060,500	-1,392,865
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-57,034	0
	Profit before net financials	1,043,022	2,959
	Financial income	443,102	588,862
	Financial expenses	-22,393	-29,448
	Profit before tax	1,463,731	562,373
3	Tax for the year	-324,073	-127,336
	Profit for the year	1,139,658	435,037
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	1,139,658	105,800
	Extraordinary dividend distributed in the year	3,586,127	0
	Retained earnings/accumulated loss	-3,586,127	329,237
		1,139,658	435,037

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	338,610	0
	Leasehold improvements	157,737	0
		<u>496,347</u>	<u>0</u>
	Investments		
	Deposits, investments	101,863	14,708
		<u>101,863</u>	<u>14,708</u>
	Total fixed assets	<u>598,210</u>	<u>14,708</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	1,208,413	1,481,998
	Other receivables	30,832	1,025,617
	Prepayments	49,982	48,939
		<u>1,289,227</u>	<u>2,556,554</u>
	Securities and investments		
	Other securities and investments	0	2,611,825
		<u>0</u>	<u>2,611,825</u>
5	Cash	<u>2,973,722</u>	<u>512,209</u>
	Total non-fixed assets	<u>4,262,949</u>	<u>5,680,588</u>
	TOTAL ASSETS	<u>4,861,159</u>	<u>5,695,296</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	625,000	507,500
	Other reserves	7,500	0
	Retained earnings	1,108,539	4,394,567
	Dividend proposed	1,139,658	105,800
	Total equity	<u>2,880,697</u>	<u>5,007,867</u>
	Provisions		
	Deferred tax	42,018	0
	Total provisions	<u>42,018</u>	<u>0</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	66,457	240,386
	Payables to group enterprises	1,237,700	0
	Corporation tax payable	240,008	121,336
	Payables to shareholders and management	0	50,000
	Other payables	394,279	275,707
		<u>1,938,444</u>	<u>687,429</u>
	Total liabilities other than provisions	<u>1,938,444</u>	<u>687,429</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>4,861,159</u></u>	<u><u>5,695,296</u></u>

- 1 Accounting policies
- 6 Contractual obligations and contingencies, etc.
- 7 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Other reserves	Retained earnings	Dividend proposed	Total
Equity at 1 January 2018	507,500	0	4,394,567	105,800	5,007,867
Additions on merger/corporate acquisition	125,000	0	300,099	0	425,099
Capital reduction	-7,500	7,500	0	0	0
Transfer through appropriation of profit	0	0	0	1,139,658	1,139,658
Dividend distributed	0	0	0	-105,800	-105,800
Proposed extraordinary dividend recognised under equity	0	0	-3,586,127	0	-3,586,127
Equity at 31 December 2018	625,000	7,500	1,108,539	1,139,658	2,880,697

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Jusmedico Advokatanpartsselskab for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to sale, advertising, administration, premises, bad debts, etc.

Staff costs

Staff costs include wages and salaries as well as other social security contributions, etc.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	10 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Investments

Investments comprise deposits related to the Company's rentals. Investments are measured at cost.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash comprise bank deposits, which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to deferred tax liabilities. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2018	2017	
2 Staff costs			
Wages/salaries	1,053,076	679,600	
Pensions	0	709,400	
Other social security costs	7,424	3,865	
	<u>1,060,500</u>	<u>1,392,865</u>	
Average number of full-time employees	<u>2</u>	<u>1</u>	
3 Tax for the year			
Estimated tax charge for the year	<u>324,073</u>	<u>127,336</u>	
	<u>324,073</u>	<u>127,336</u>	
4 Property, plant and equipment			
	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
DKK			
Additions on merger/corporate acquisition	386,943	0	386,943
Additions	0	166,438	166,438
Cost at 31 December 2018	<u>386,943</u>	<u>166,438</u>	<u>553,381</u>
Revaluations at 1 January 2018	<u>0</u>	<u>0</u>	<u>0</u>
Revaluations at 31 December 2018	<u>0</u>	<u>0</u>	<u>0</u>
Depreciation	<u>48,333</u>	<u>8,701</u>	<u>57,034</u>
Impairment losses and depreciation at 31 December 2018	<u>48,333</u>	<u>8,701</u>	<u>57,034</u>
Carrying amount at 31 December 2018	<u>338,610</u>	<u>157,737</u>	<u>496,347</u>
Depreciated over	<u>3-5 years</u>	<u>10 years</u>	
5 Cash			

Client funds entrusted to the Company (klienttilsvar), DKK 452 thousand, are offset against cash.

Financial statements 1 January - 31 December

Notes to the financial statements

6 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	<u>2018</u>	<u>2017</u>
Rent and lease liabilities	594,198	0

7 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2018.

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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Martin Binzer Lind

Medlem af direktionen

På vegne af: Jusmedico Advokatanpartsselskab

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Jan Bjerrum Bach

Adm. direktør

På vegne af: Jusmedico Advokatanpartsselskab

Serienummer: PID:9208-2002-2-075525445032

IP: 31.31.xxx.xxx

2019-05-31 12:31:45Z

NEM ID 

Jan Bjerrum Bach

Dirigent

På vegne af: Jusmedico Advokatanpartsselskab

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IP: 31.31.xxx.xxx

2019-05-31 12:31:45Z

NEM ID 

Robert Christensen

Statsautoriseret revisor

På vegne af: Ernst & Young P/S

Serienummer: CVR:30700228-RID:92401186

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