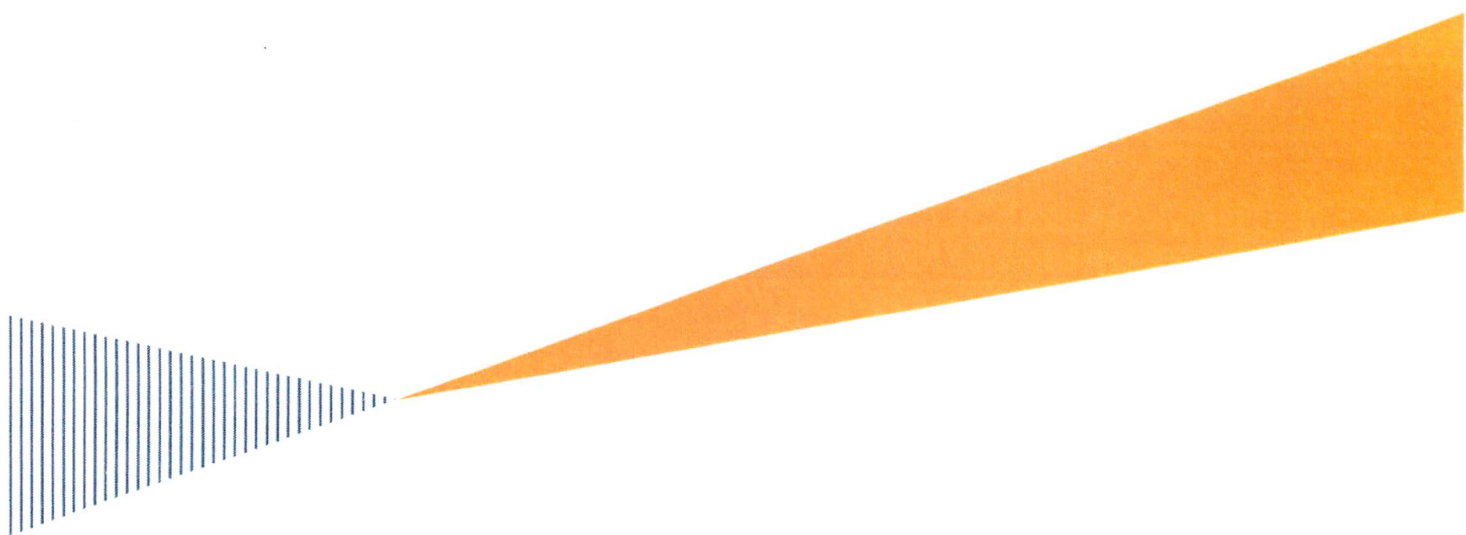


Jusmedico Advokatanpartsselskab

Kongevejen 371, 2840 Holte

CVR no. 30 72 81 06



Annual report 2016

Approved at the annual general meeting of shareholders on 31 May 2017

Chairman:


.....
Jan Bjerrum Bach

Jan Bjerrum Bach
Attorney-at-Law / Advokat (L)

EY

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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 2016.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

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

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

Holte, 31 May 2017
Executive Board:

A handwritten signature in blue ink, appearing to be 'Jan Bjerrum Bach', written over a horizontal dotted line. The signature is enclosed within a large, hand-drawn blue oval.

Jan Bjerrum Bach
Managing Director

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 2016, which comprise an 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 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 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 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 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. 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 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 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 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 skepticism 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.

Independent auditor's report

- ▶ 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 conclusion is 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 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 our procedures, 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 2017
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Robert Christensen
State Authorised Public Accountant



Management's review

Company details

Name	Jusmedico Advokatanpartsselskab
Address, Postal code, City	Kongevejen 371, 2840 Holte
CVR no.	30 72 81 06
Established	29 June 2007
Registered office	Rudersdal
Financial year	1 January - 31 December
Telephone	+45 45 48 44 48
Executive Board	Jan Bjerrum Bach, Managing Director
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Management commentary

Business review

Jusmedico Law Firm Ltd. Advokatanpartsselskab (Jusmedico Advokatanpartsselskab), "Jusmedi-co", 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 EU and/or EFTA jurisdictions providing legal services focusing on the same legal disciplines as Jusmedico. Further 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 2016 Jusmedico has continued co-operating closely with the members of its Advisory Board established in 2007. The Advisory Board comprises 8 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 co-operation across the boundaries of individual professions and enable Jusmedico involving all relevant professionals in larger and/or long term client projects.

Jusmedico is represented at the board of BioLawEurope, and has, for 2016, 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 U.S.A.

In addition to activities via the BioLawEurope Alliance and referrals from the representative office in New York, Jusmedico has established co-operations 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.



Management's review

Management commentary

Up until late 2015, the global credit crisis incurred in late 2007 continued to impact the number of clinical trials and new start-ups in the Danish life science sector negatively. However, the activity level has increased significantly during 2016 and Jusmedico's client portfolio has been increased by a number of new start-ups as well as foreign clients. Jusmedico has continued allocating extraordinary resources on participating in both international and domestic conferences and training as well as on drafting articles to international periodicals. In light hereof the 2016 turnover is satisfactory, not at least because it could easily have been increased had Jusmedico chosen to engage additional staff. Both in 2015, 2016 and 2017 Jusmedico has been granted the INTL Global award as Biotech Lawfirm of the Year in Denmark. These awards continue to produce enquiries from potential international clients, primarily from the UK and the USA.

As it was the case in 2016, 2017 is expected to become a year in which Jusmedico is so privileged that Jusmedico for all practical purposes has the ability to pursue and obtain such turnover numbers that Jusmedico may deem appropriate. Maintaining the 2016 numbers will be the goal, as Jusmedico has undertaken a number of non-profit activities, including a membership of a non-profit organization encouraging young people to pursue educations leading to scientific positions whether in academia or in the private sector.

Jusmedico's marketing activities primarily comprise participation in the BioLawEurope Alliance, publications in international periodicals, homepage maintenance and lecturing domestically and internationally. In 2016 participation in professional training programs was maintained at the high 2015 level, simultaneously with time and resources being invested in international co-operations through BioLawEurope and the US representative office.

Considering Jusmedico's strategic choices, management is satisfied with the results achieved for the financial year of 2016 and proposes to the general meeting to dividend out DKK 51,700 per shareholder and per share class.

Financial review

In 2016, the Company's revenue amounted to DKK 2,246,763 against DKK 1,765,763 last year. The income statement for 2016 shows a profit of DKK 813,743 against DKK 283,969 last year, and the balance sheet at 31 December 2016 shows equity of DKK 4,676,230.



Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2016	2015
	Revenue	2,246,763	1,765,763
	Other external expenses	-748,451	-539,649
	Gross margin	1,498,312	1,226,114
2	Staff costs	-706,796	-672,615
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-235,998	-236,000
	Profit before net financials	555,518	317,499
	Income from investments in associates	0	62,486
	Financial income	570,317	148,053
	Write-down on investments	0	-71,000
	Financial expenses	-7,128	-13,762
	Profit before tax	1,118,707	443,276
3	Tax for the year	-304,964	-159,307
	Profit for the year	813,743	283,969
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	103,400	101,200
	Retained earnings	710,343	182,769
		813,743	283,969

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2016</u>	<u>2015</u>
	ASSETS		
	Fixed assets		
4	Intangible assets		
	Goodwill	0	235,998
		<u>0</u>	<u>235,998</u>
	Investments		
	Deposits, investments	14,708	14,708
		<u>14,708</u>	<u>14,708</u>
	Total fixed assets	<u>14,708</u>	<u>250,706</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	1,314,283	833,618
	Receivables from associates	0	518,000
	Other receivables	750,435	351,464
	Prepayments	134,297	76,990
		<u>2,199,015</u>	<u>1,780,072</u>
	Securities and investments		
	Other securities and investments	2,920,181	1,889,210
		<u>2,920,181</u>	<u>1,889,210</u>
5	Cash	233,030	310,724
	Total non-fixed assets	<u>5,352,226</u>	<u>3,980,006</u>
	TOTAL ASSETS	<u><u>5,366,934</u></u>	<u><u>4,230,712</u></u>



Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2016</u>	<u>2015</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	507,500	507,500
	Retained earnings	4,065,330	3,354,987
	Dividend proposed	103,400	101,200
	Total equity	<u>4,676,230</u>	<u>3,963,687</u>
	Liabilities		
	Current liabilities		
	Trade payables	91,271	48,804
	Corporation tax payable	272,421	40,840
	Other payables	327,012	177,381
		<u>690,704</u>	<u>267,025</u>
	Total liabilities other than provisions	<u>690,704</u>	<u>267,025</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>5,366,934</u></u>	<u><u>4,230,712</u></u>

- 1 Accounting policies
- 6 Collateral

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2016	507,500	3,354,987	101,200	3,963,687
Transfer through appropriation of profit	0	710,343	103,400	813,743
Dividend distributed	0	0	-101,200	-101,200
Equity at 31 December 2016	507,500	4,065,330	103,400	4,676,230

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Jusmedico Advokatanpartsselskab for 2016 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.

Changes to presentation and disclosures only

Effective 1 January 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

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, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation

The item comprises amortisation of intangible assets.

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

Goodwill	10 years
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Income from investments in associates

The item includes the Company's proportionate share of the profit/loss for the year in associates after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years.

Investments in subsidiaries and associates

On initial recognition, investments in subsidiaries and associates are measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies minus or plus any residual value of positive or negative goodwill calculated in accordance with the purchase method of accounting. Subsidiaries and associates with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such entities are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the entity's deficit. Net revaluations of investments in subsidiaries and associates are transferred to the net revaluation reserve according to the equity method where the carrying amount exceeds the acquisition cost.

Newly acquired or formed entities are recognised in the financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised up to the date of disposal.

Corporate acquisitions are accounted for using the purchase method according to which the acquired entity's identifiable assets and liabilities are measured at fair value at the date of acquisition. In connection with the acquisition, a provision is made for expenses related to adopted plans to restructure the acquired entity. The tax effect of revaluations made is taken into account.

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Cash

Cash comprise cash and short term securities 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".

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

DKK	2016	2015
2 Staff costs		
Wages/salaries	702,866	668,620
Other social security costs	3,930	3,995
	706,796	672,615
 Average number of full-time employees	 1	 1
 3 Tax for the year		
Estimated tax charge for the year	304,964	80,840
Deferred tax adjustments in the year	0	78,467
	304,964	159,307
 4 Intangible assets		
DKK		Goodwill
Cost at 1 January 2016		2,360,000
Cost at 31 December 2016		2,360,000
Impairment losses and amortisation at 1 January 2016		2,124,002
Amortisation for the year		235,998
Impairment losses and amortisation at 31 December 2016		2,360,000
Carrying amount at 31 December 2016		0
 5 Cash		
Cash are offset by client responses (klienttilsvar), 18.008 t.DKK.		
 6 Collateral		
The Company has not provided any security or other collateral in assets at 31 December 2016.		