

S-CUBED ApS
Skovbakken 1
3500 Værløse
Business Registration No
30834909

Annual report 2018

The Annual General Meeting adopted the annual report on 13.06.2019

Chairman of the General Meeting

Name: Scott McGregor

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Entity details

Entity

S-CUBED ApS

Skovbakken 1

3500 Værløse

Central Business Registration No (CVR): 30834909

Registered in: Furesø

Financial year: 01.01.2018 - 31.12.2018

E-mail: info@s-cubed.dk

Board of Directors

Niels Both

Jack Groth Jacobsen

Scott McGregor

Executive Board

Scott McGregor

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P.O. Box 1600

0900 Copenhagen 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 S-CUBED ApS for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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.

Værløse, 13.06.2019

Executive Board

Scott McGregor

Board of Directors

Niels Both

Jack Groth Jacobsen

Scott McGregor

Independent auditor's extended review report

To the shareholders of S-CUBED ApS

Conclusion

We have performed an extended review of the financial statements of S-CUBED ApS for the financial year 01.01.2018 - 31.12.2018, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity 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 requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

Independent auditor's extended review report

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

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 extended review 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 extended review 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.

Based on the work we have performed, we conclude that the management commentary is in accordance with 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, 13.06.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Ove Nielsen

State-Authorised Public Accountant

Identification No (MNE) mne16614

Management commentary

Primary activities

The Entity's activities comprise consultancy services, specialised within the pharmaceutical industry.

Development in activities and finances

The performance for the year has been satisfactory.

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 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Revenue		48.335.310	42.708
Other external expenses		<u>(12.522.911)</u>	<u>(14.994)</u>
Gross profit/loss		35.812.399	27.714
Staff costs	1	(31.682.664)	(26.362)
Depreciation, amortisation and impairment losses	2	<u>(81.365)</u>	<u>(290)</u>
Operating profit/loss		4.048.370	1.062
Income from investments in associates		(15.323)	(16)
Other financial income	3	2.459	(7)
Other financial expenses	4	<u>(92.554)</u>	<u>(19)</u>
Profit/loss before tax		3.942.952	1.020
Tax on profit/loss for the year	5	<u>(875.410)</u>	<u>(243)</u>
Profit/loss for the year		<u>3.067.542</u>	<u>777</u>
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		4.500.000	0
Retained earnings		<u>(1.432.458)</u>	<u>777</u>
		<u>3.067.542</u>	<u>777</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Other fixtures and fittings, tools and equipment		82.042	941
Property, plant and equipment	6	82.042	941
Investments in associates		0	8
Receivables from associates		342.979	0
Other receivables		355.810	317
Fixed asset investments	7	698.789	325
Fixed assets		780.831	1.266
Trade receivables		13.341.272	6.911
Contract work in progress		2.391.112	1.447
Receivables from associates		170.000	171
Other receivables		98.816	25
Prepayments		143.513	818
Receivables		16.144.713	9.372
Cash		3.662.175	421
Current assets		19.806.888	9.793
Assets		20.587.719	11.059

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Contributed capital		125.000	125
Retained earnings		23.921	1.456
Proposed dividend		4.500.000	0
Equity		4.648.921	1.581
Deferred tax		22.455	29
Provisions for investments in associates		7.083	0
Provisions		29.538	29
Bank loans		57.425	74
Prepayments received from customers		3.255.488	0
Trade payables		2.571.090	2.376
Payables to group enterprises		509.624	488
Payables to associates		741.952	742
Income tax payable		892.560	255
Other payables		7.881.121	5.514
Current liabilities other than provisions		15.909.260	9.449
Liabilities other than provisions		15.909.260	9.449
Equity and liabilities		20.587.719	11.059
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Assets charged and collateral	10		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	125.000	1.456.379	0	1.581.379
Profit/loss for the year	0	(1.432.458)	4.500.000	3.067.542
Equity end of year	125.000	23.921	4.500.000	4.648.921

Notes

	2018	2017
	DKK	DKK'000
1. Staff costs		
Wages and salaries	27.476.086	22.804
Pension costs	2.926.825	2.037
Other social security costs	70.773	58
Other staff costs	1.208.980	1.463
	31.682.664	26.362
 Average number of employees	 31	 25
	2018	2017
	DKK	DKK'000
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	140.388	239
Profit/loss from sale of intangible assets and property, plant and equipment	(59.023)	51
	81.365	290
	2018	2017
	DKK	DKK'000
3. Other financial income		
Other interest income	2.459	1
Other financial income	0	(8)
	2.459	(7)
	2018	2017
	DKK	DKK'000
4. Other financial expenses		
Other interest expenses	40.938	12
Exchange rate adjustments	7.328	7
Other financial expenses	44.288	0
	92.554	19

Notes

	2018	2017
	DKK	DKK'000
5. Tax on profit/loss for the year		
Current tax	881.486	247
Change in deferred tax	(6.076)	(4)
	875.410	243
		Other fixtures and fittings, tools and equipment DKK
6. Property, plant and equipment		
Cost beginning of year		1.426.051
Additions		31.600
Disposals		(1.114.050)
Cost end of year		343.601
Depreciation and impairment losses beginning of year		(485.244)
Depreciation for the year		(140.388)
Reversal regarding disposals		364.073
Depreciation and impairment losses end of year		(261.559)
Carrying amount end of year		82.042
	Receivables from associates DKK	Other receivables DKK
7. Fixed asset investments		
Cost beginning of year	0	316.750
Additions	342.979	68.910
Disposals	0	(29.850)
Cost end of year	342.979	355.810
Carrying amount end of year	342.979	355.810

Notes

	2018	2017
	DKK	DKK'000
8. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	454.595	172

9. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where McGregor ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, as well as secondarily liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

10. Assets charged and collateral

Bank loans are secured by way of a company charge provided by the Company of DKK 1,200 thousand nominal covering unsecured claims as well as fixtures and fittings and operating equipment.

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

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

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

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Accounting policies

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies 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.

The Entity is jointly taxed with its Danish parent. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

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 and preparation costs of the asset until the time when it is ready to be put into operation.

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	3-5 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.

Accounting policies

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates 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.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Accounting policies

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value 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 provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable

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