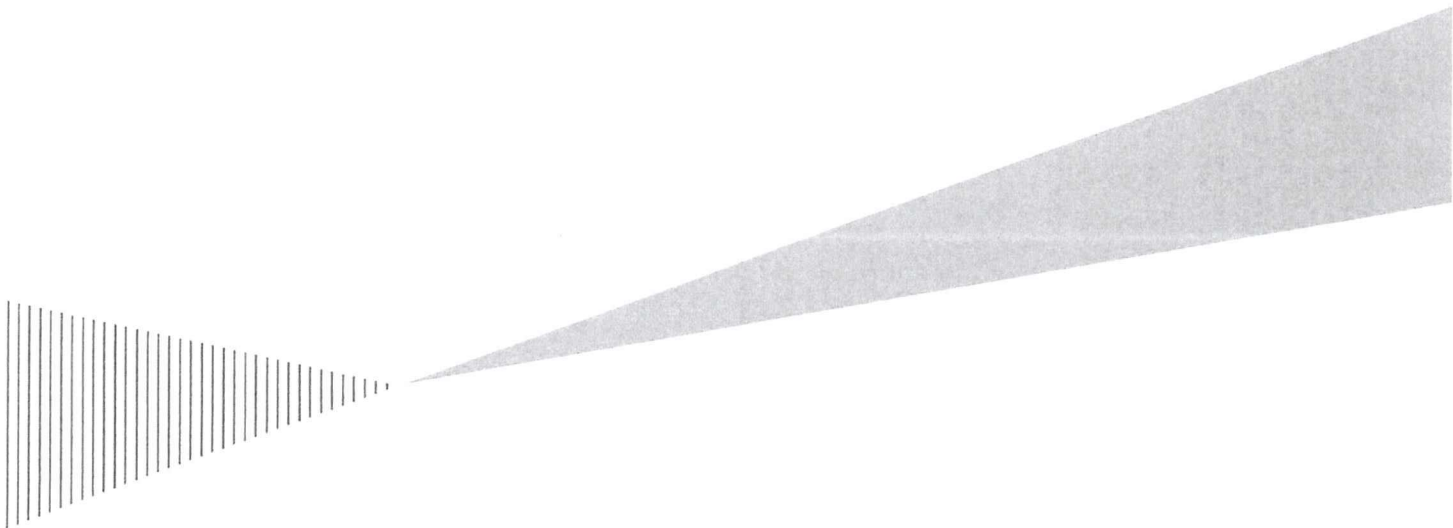


# NB Public Equity Invest ApS

Østergade 24 A, 1. tv., 1100 Copenhagen K

CVR no. 31 06 75 29



## Annual report

for the year 1 January - 31 December 2015

Approved at the annual general meeting of shareholders on *24 May 2016*

Chairman:

  
.....  
*Martin Rudbæk Nielsen*



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### Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of NB Public Equity Invest ApS for the financial year 1 January - 31 December 2015.

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 Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

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.

Copenhagen, 3 May 2016  
Executive Board:

A handwritten signature in cursive script that reads 'Cora Madsen'.

Cora Madsen

## Independent auditors' report

To the shareholders of NB Public Equity Invest ApS

### Independent auditors' report on the financial statements

We have audited the financial statements of NB Public Equity Invest ApS for the financial year 1 January - 31 December 2015, which comprise an 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.

### *Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

### *Statement on the Management's review*

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 3 May 2016  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR No. 30 70 02 28



Christian Schwenn Johansen  
State Authorised Public Accountant



## Management's review

### Company details

Name	NB Public Equity Invest ApS
Address, Postal code, City	Østergade 24 A, 1. tv., 1100 Copenhagen K
CVR No.	31 06 75 29
Registered office	Copenhagen
Financial year	1 January - 31 December
Telephone	+45 70 20 12 63
Executive Board	Cora Madsen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark
Bankers	SEB Bank
Lawyer	Mazanti-Andersen Korsø Jensen Amaliegade 10, 1256 Copenhagen, Denmark



## Management's review

### Operating review

#### Principal activities

The Company's purpose is to trade and invest in securities through its participation in the limited partnership, NB Public Equity K/S.

#### Unusual matters having affected the financial statements

In accordance with applied accounting policies, carried interest from the participation in NB Public Equity K/S should be recognised in the period to which it relates.

In 2015, based on revised legal assessment, Management found that carried interest should be recognised in the year to which it is related, rather than in the year it is received.

Accordingly, Management has treated the change in accordance with Section 52(2) of the Danish Financial Statements Act regarding corrections of fundamental errors. Consequently, comparative figures and opening equity have been restated in these financial statements.

Further reference is made to the accounting policies where the financial impact has been disclosed.

#### Financial review

The income statement for 2015 shows a profit of DKK 8,193,952 against a profit of DKK 7,797,493 last year, and the balance sheet at 31 December 2015 shows equity of DKK 15,803,257.

#### Events after the balance sheet date

No events have occurred after the financial year end which could significantly affect the Company's financial position.

#### Outlook

The results for the Company depend on its investment in the limited partnership. The limited partnership is focused on identifying rare investment opportunities that promise a return with limited loss potential. In 2015, the portfolio was increased by a number of companies that are believed to continue to match this profile. Returns are expected over the course of 2-4 years. However, the long-term experience of this strategy has paid off with very limited losses realised over the period from inception of 2008 to date and returns far in excess of the risk adjusted alternatives. The general partner is optimistic on the prospect of the current returns, despite high volatility in the first quarter of 2016 on the stock market.



## Financial statements for the period 1 January - 31 December

### Income statement

Note	DKK	2015	2014 restated
	Fair value adjustment of other securities and investments	104,800	-113,881
	Carried interest	10,767,627	10,546,193
	Other external expenses	-31,749	-28,250
	<b>Gross profit</b>	<b>10,840,678</b>	<b>10,404,062</b>
2	Staff costs	-336,600	-222,800
	<b>Operating profit</b>	<b>10,504,078</b>	<b>10,181,262</b>
	Financial income	0	5,172
	Financial expenses	-2,886	0
	<b>Profit before tax</b>	<b>10,501,192</b>	<b>10,186,434</b>
3	Tax for the year	-2,307,240	-2,388,941
	<b>Profit for the year</b>	<b>8,193,952</b>	<b>7,797,493</b>
	<b>Proposed profit appropriation</b>		
	Extraordinary dividend distributed in the year	3,861,120	10,620,190
	Retained earnings/accumulated loss	4,332,832	-2,822,697
		<b>8,193,952</b>	<b>7,797,493</b>



Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2015	2014 restated
	<b>ASSETS</b>		
	Non-current assets		
4	Investments		
	Other securities and investments	4,542,249	856,363
		<u>4,542,249</u>	<u>856,363</u>
	<b>Total non-current assets</b>	<u>4,542,249</u>	<u>856,363</u>
	Current assets		
	Receivables		
	Receivable carried interest	10,767,627	10,546,193
		<u>10,767,627</u>	<u>10,546,193</u>
	Cash	3,269,666	2,819,491
	<b>Total current assets</b>	<u>14,037,293</u>	<u>13,365,684</u>
	<b>TOTAL ASSETS</b>	<u><u>18,579,542</u></u>	<u><u>14,222,047</u></u>
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
5	Share capital	139,000	139,000
	Share premium account	1,198,000	1,198,000
	Retained earnings	14,466,257	10,133,425
	<b>Total equity</b>	<u>15,803,257</u>	<u>11,470,425</u>
	Provisions		
	Deferred tax	2,368,878	2,478,355
	<b>Total provisions</b>	<u>2,368,878</u>	<u>2,478,355</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Income taxes payable	38,102	21,386
	Other payables	369,305	251,881
		<u>407,407</u>	<u>273,267</u>
	<b>Total liabilities other than provisions</b>	<u>407,407</u>	<u>273,267</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>18,579,542</u></u>	<u><u>14,222,047</u></u>

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





## Financial statements for the period 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Share premium account	Retained earnings	Total
Equity at 1 January 2014	139,000	1,198,000	3,469,351	4,806,351
Correction of fundamental error	0	0	9,486,771	9,486,771
Profit/loss for the year	0	0	7,797,493	7,797,493
Extraordinary dividend distributed in the year	0	0	-10,620,190	-10,620,190
<b>Equity at 1 January 2015</b>	<b>139,000</b>	<b>1,198,000</b>	<b>10,133,425</b>	<b>11,470,425</b>
Profit/loss for the year	0	0	8,193,952	8,193,952
Extraordinary dividend distributed in the year	0	0	-3,861,120	-3,861,120
<b>Equity at 31 December 2015</b>	<b>139,000</b>	<b>1,198,000</b>	<b>14,466,257</b>	<b>15,803,257</b>

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of NB Public Equity Invest ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

#### Changes in accounting policies

In the financial statements, the presentation and classification of fair value adjustment of other securities and investments have been revised. Previously, fair value adjustment of other securities and investments were included in the gross margin. Fair value adjustment of other securities and investments is now presented separately.

Furthermore, the disclosure presentation of the investments in other securities and investments has been changed.

In Management's opinion, these changes result in a more true and fair view of the Company's activities and financial position.

The changes in presentation have not affected the results of operations, equity or balance sheet total. Comparative figures have been restated to reflect the policy change.

#### Fundamental errors

In accordance with applied accounting policies, carried interest from the participation in NB Public Equity K/S should be recognised in the period to which it relates.

In 2015, Based on revised legal assessment, Management found that carried interest should be recognised in the year to which it is related, rather than in the year it is received.

Accordingly, Management has treated the change in accordance with Section 52(2) of the Danish Financial Statements Act regarding corrections of fundamental errors. Consequently, comparative figures and opening equity have been restated in these financial statements.

The change has led to the following changes:

- Carried interest income has been positively affected by DKK 221 thousand in 2015 and negatively affected by DKK 2,019 thousand 2014
- Results for the year have been positively affected by DKK 331 thousand in 2015 and negatively affected by DKK 1,419 thousand in 2014
- Receivable carried interest has increased by DKK 10,768 thousand at 31 December 2015 and DKK 10,546 thousand at 31 December 2014
- Deferred tax liability has increased by DKK 2,369 thousand at 31 December 2015 and DKK 2,478 thousand at 31 December 2014
- Total equity has increased by DKK 8,399 thousand at 31 December 2015 and DKK 8,068 thousand at 31 December 2014
- Equity at 1 January 2014 has increased by DKK 9,487 thousand

Comparative figures have been restated to reflect the change in time of recognition.

Reference is furthermore made to the comments in the Management's review.

Except for mentioned above, the accounting policies are consistent with those applied last year.

#### Reporting currency

The financial statements are presented in Danish kroner.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

##### Income statement

###### Carried interest

Carried interest comprises the Company's carried interest for the year. The Company earns carried interest from its participation in NB Public Equity K/S.

###### Other external expenses

Other external expenses include the year's expenses to the auditor.

###### Staff costs

Staff costs include wages and salaries as well as other social security contributions, etc. made to the entity's employees.

###### Fair value adjustment of other securities and investments

The item includes the year's fair value adjustment of other securities and investments.

###### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. The items 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.

Surcharges, deductions and allowances, etc. concerning tax payments are shown as financial income and expenses.



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Other securities and investments

On initial recognition, securities and investments are measured at cost. Other securities and investments are subsequently measured at fair value. The fair value is made up at the market value at the balance sheet date if the securities are listed and at a value made up using generally recognised valuation principles if the securities are unlisted.

##### Receivables

Receivables are measured at amortised cost.

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

##### Cash

Cash comprises bank balances.

##### Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Other payables

Other payables are measured at net realisable value.



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

	2015	2014
DKK		
<b>2 Staff costs</b>		
Wages/salaries	300,000	200,000
Other staff costs	36,600	22,800
	<u>336,600</u>	<u>222,800</u>
<b>3 Tax for the year</b>		
Estimated tax charge for the year	2,416,717	2,989,074
Deferred tax adjustments in the year	-109,477	-600,133
	<u>2,307,240</u>	<u>2,388,941</u>
<b>4 Investments</b>		
DKK		<u>Other securities and investments</u>
Cost at 1 January 2015		7,172,774
Additions in the year		4,293,194
Cost at 31 December 2015		<u>11,465,968</u>
Value adjustments at 1 January 2015		-6,316,411
Revaluations for the year		104,800
Disposal for the year (distributions received)		-712,108
Value adjustments at 31 December 2015		<u>-6,923,719</u>
Carrying amount at 31 December 2015		<u>4,542,249</u>
	<u>Legal form</u>	<u>Domicile</u>
Other investments in limited partnerships or partnerships		
NB Public Equity	K/S	Copenhagen

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

DKK	2015	2014
<b>5 Share capital</b>		
The share capital consists of the following:		
87,014 A shares of DKK 1.00 each	87,014	87,014
17,375 B shares of DKK 1.00 each	17,375	17,375
34,611 C shares of DKK 1.00 each	34,611	34,611
	<u>139,000</u>	<u>139,000</u>

Each share of DKK 1 carries one voting right.

Analysis of changes in the share capital over the past 5 years:

DKK	2015	2014	2013	2012	2011
Opening balance	139,000	139,000	138,000	137,000	137,000
Capital increase	0	0	1,000	1,000	0
	<u>139,000</u>	<u>139,000</u>	<u>139,000</u>	<u>138,000</u>	<u>137,000</u>

### 6 Collateral

The Company has not placed any assets for loans at 31 December 2015.

### 7 Contractual obligations and contingencies, etc.

#### Contingent liabilities

The Company is a limited partner in NB Public Equity K/S and at the time of signing the agreement pledged to inject DKK 5,000,000. At 31 December 2015, the Company had contributed net DKK 380,188.

### 8 Related parties

NB Public Equity Invest ApS' related parties comprise the following:

#### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

Name	Domicile
Tech Growth Invest ApS	Copenhagen, Denmark
C. Hansen Invest ApS	Vedbaek, Denmark
BVF / NexGen Biotech, L.P.	Chicago, USA