Minerva Imaging ApS

Ole Maaløes Vej 3, 2200 Copenhagen N

CVR no. 34 07 77 46

Annual report
for the year 1 January - 31 December 2017

Approved at the Company's annual general meeting on 25 June 2018

Chairman:

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Carsten Haagen Nielsen

Building a better working world

Contents

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Minerva Imaging ApS for the financial year 1 January - 31 December 2017.

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 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

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.

Copenhagen, 25 June 2018
Executive Board:

Andreas Kjær Managing director	Carsten Haagen Nielsen Managing director

Independent auditor's report

To the shareholders of Minerva Imaging ApS

Opinion

We have audited the financial statements of Minerva Imaging ApS for the financial year 1 January - 31 December 2017, 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 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 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.
- 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.

Independent auditor's report

- 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, 25 June 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Christian Schwenn Johansen
State Authorised Public Accountant
MNE no.: mne33234

Management's review

Company details

Name	Minerva Imaging ApS
Address, Postal code, City	Ole Maaløes Vej 3, 2200 Copenhagen N
CVR no.	34 07 77 46
Established	8 December 2012
Registered office	Copenhagen
Financial year	1 January - 31 December
Website	www.minervaimaging.com
E-mail	info@minervaimaging.com
Telephone	+45 27 12 49 71
Executive Board	Andreas Kjær, Managing director Carsten Haagen Nielsen, Managing director
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Nordea

Management's review

Business review

Minerva Imaging is a contract research organisation specialising in molecular imaging services for accelerated and efficient drug development.

The Company helps clients to reduce the cost and risk of drug development by incorporating preclinical imaging early in the process. In collaboration with clients, the Company designs and conducts tailored molecular imaging protocols to i.e. measure drug on target effects, eliminate dead end compounds, and increase the value of lead drug candidates. The Company facilitates clinical testing and designs of adaptive clinical trials using molecular imaging to increase the speed of clinical testing.

Financial review

The income statement for 2017 shows a profit of DKK 4,369,572 against a profit of DKK 1,947,828 last year, and the balance sheet at 31 December 2017 shows equity of DKK 6,595,427.

Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2017	2016
	Gross margin	7,913,087	3,498,275
2	Staff costs	-2,080,695	-963,088
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-45,261	-4,453
	Profit before net financials	5,787,131	2,530,734
	Write-down on investments	-702	-458
	Financial expenses	-179,264	-31,714
	Profit before tax	5,607,165	2,498,562
3	Tax for the year	-1,237,593	-550,734
	Profit for the year	4,369,572	1,947,828

Recommended appropriation of profit		
Proposed dividend recognised under equity	1,500,000	0
Retained earnings	2,869,572	1,947,828
	4,369,572	1,947,828

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2017	2016
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	200,079	28,201
		200,079	28,201
5	Investments		
	Investments in group entities	72,096	72,798
		72,096	72,798
	Total fixed assets	272,175	100,999
	Non-fixed assets		
	Receivables		
	Trade receivables	3,191,055	3,190,565
	Work in progress for third parties	2,283,322	0
	Receivables from group entities	1,394,688	78,949
	Other receivables	294,917	349,680
	Prepayments	82,282	8,257
		7,246,264	3,627,451
	Cash	5,399,385	938,479
	Total non-fixed assets	12,645,649	4,565,930
	TOTAL ASSETS	12,917,824	4,666,929

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2017	2016
	EQUITY AND LIABILITIES		
	Equity		
6	Share capital	81,000	81,000
	Retained earnings	5,014,427	2,144,855
	Dividend proposed for the year	1,500,000	0
	Total equity	6,595,427	2,225,855
	Provisions		
	Deferred tax	4,148	816
	Total provisions	4,148	816
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	2,886,655	768,509
	Income taxes payable	1,234,261	549,918
	Other payables	300,779	228,411
	Deferred income	1,896,554	893,420
		6,318,249	2,440,258
	Total liabilities other than provisions	6,318,249	2,440,258
	TOTAL EQUITY AND LIABILITIES	12,917,824	4,666,929

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

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2017	81,000	2,144,855	0	2,225,855
Transfer through appropriation of profit	0	2,869,572	1,500,000	4,369,572
Equity at 31 December 2017	81,000	5,014,427	1,500,000	6,595,427

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Minerva Imaging ApS for 2017 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.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Public grants

Public grants to cover expenses are recognised in the income statement when it is deemed likely that all grant criteria have been met. Grants which must be repaid under certain circumstances are recognised only where they are not expected to be repaid.

Income statement

Revenue

Income from rendering of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (production method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross margin

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, 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/depreciation

The item comprises amortisation/depreciation of intangible assets and 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:

Other fixtures and fittings, tools and equipment	3-5 years

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income from investments in subsidiaries

The item includes dividend received from subsidiaries in so far as the dividend does not exceed the accumulated earnings in the subsidiary in the period of ownership.

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest 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.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

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 in subsidiaries

Investments in subsidiaries and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

Impairment of fixed assets

Investments in subsidiaries are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there are indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

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).

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Work in progress for third parties

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Prepayments

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

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 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other payables

Other payables are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

	DKK	2017	2016
2	Staff costs		
	Wages/salaries	1,653,584	809,670
	Pensions	234,802	123,761
	Other social security costs	21,384	11,416
	Other staff costs	170,925	18,241
		2,080,695	963,088
	Average number of full-time employees	4	2
3	Tax for the year		
	Estimated tax charge for the year	1,234,261	549,918
	Deferred tax adjustments in the year	3,332	816
		1,237,593	550,734

Financial statements 1 January - 31 December

Notes to the financial statements

4 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment
Cost at 1 January 2017	32,654
Additions in the year	217,139
Cost at 31 December 2017	249,793
Impairment losses and depreciation at 1 January 2017	4,453
Amortisation/depreciation in the year	45,261
Impairment losses and depreciation at 31 December 2017	49,714
Carrying amount at 31 December 2017	200,079

5 Investments

DKK	Investments in group entities
Cost at 1 January 2017	85,670
Cost at 31 December 2017	85,670
Value adjustments at 1 January 2017	-12,872
Impairment losses	-702
Value adjustments at 31 December 2017	-13,574
Carrying amount at 31 December 2017	72,096

Name	Domicile	Interest	Equity DKK	Profit/loss DKK
Subsidiaries				
Minerva Telenostics ApS	Copenhagen	100.00%	72,096	-702

DKK	2017	2016
6 Share capital		
Analysis of the share capital:		
81 shares of DKK 1,000.00 nominal value each	81,000	81,000
	81,000	81,000

The Company's share capital has remained DKK 81,000 over the past 5 years.

Financial statements 1 January - 31 December

Notes to the financial statements

7 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, AK 2014 Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

8 Collateral

The Company has not provided any security or other collateral for assets at 31 December 2017.

9 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
AK 2014 Holding ApS	Frederiksberg	No consolidated financial statements are issued