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NB FP Investment SLP ApS
Østergade 24 A, 1.
1100 Copenhagen
Central Business Registration No
34897808

Annual report 2017

The Annual General Meeting adopted the annual report on 29.11.2017

Chairman of the General Meeting

Name: Jakob Mosegaard Larsen

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Entity details

Entity

NB FP Investment SLP ApS
Østergade 24 A, 1.
1100 Copenhagen

Central Business Registration No: 34897808

Founded: 03.01.2013

Registered in: Copenhagen

Financial year: 01.01.2017 - 30.09.2017

Executive Board

Florian Schönharting

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of NB FP Investment SLP ApS for the financial year 01.01.2017 - 30.09.2017.

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 30.09.2017 and of the results of its operations for the financial year 01.01.2017 - 30.09.2017.

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.

Copenhagen, 14.11.2017

Executive Board

Florian Schönharting

Independent auditor's report

To the shareholders of NB FP Investment SLP ApS

Opinion

We have audited the financial statements of NB FP Investment SLP ApS for the financial year 01.01.2017 - 30.09.2017, 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2017 and of the results of its operations and cash flows for the financial year 01.01.2017 - 30.09.2017 in accordance with the Danish Financial statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 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 these 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:

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 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 audit 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 audit 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.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the 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, 14.11.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Bill Haudal Pedersen

State Authorised Public Accountant

Management commentary

Primary activities

NB FP Investment SLP ApS is an investment company focusing on early stage investments in the biotech industry. The investments are made through investment funds.

Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Other external expenses	1	-90.801	-22.048
Operating profit/loss		-90.801	-22.048
Income from other fixed assets investments	2	31.090.504	-8.287.072
Other financial expenses		-10.461	-95
Profit/loss before tax		30.989.242	-8.309.215
Tax on profit/loss for the year		47.911	35.639
Profit/loss for the year		31.037.153	-8.273.576
Proposed distribution of profit/loss			
Retained earnings		31.037.153	-8.273.576
		31.037.153	-8.273.576

Balance sheet at 30.09.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Other investments		15.613.088	43.150.848
Fixed asset investments		15.613.088	43.150.848
Fixed assets		15.613.088	43.150.848
Deferred tax		126.759	78.848
Receivables		126.759	78.848
Cash		4.779.206	20.133
Current assets		4.905.965	98.981
Assets		20.519.053	43.249.829

Balance sheet at 30.09.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		233.000	233.000
Share premium		5.437.000	5.437.000
Retained earnings		<u>10.885.086</u>	<u>37.561.529</u>
Equity		<u>16.555.086</u>	<u>43.231.529</u>
Other payables		<u>3.963.967</u>	<u>18.300</u>
Current liabilities other than provisions		<u>3.963.967</u>	<u>18.300</u>
Liabilities other than provisions		<u>3.963.967</u>	<u>18.300</u>
Equity and liabilities		<u>20.519.053</u>	<u>43.249.829</u>
Contingent liabilities	3		

Statement of changes in equity for 2017

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	233.000	5.437.000	37.561.529	43.231.529
Extraordinary dividend paid	0	0	-57.713.596	-57.713.596
Profit/loss for the year	0	0	31.037.153	31.037.153
Equity end of year	233.000	5.437.000	10.885.086	16.555.086

Notes

1. Other external expenses

The company has no employees.

The management has not received remuneration.

2. Income from other fixed assets investments

The fair value adjustment is comprised of NB FP Investment SLP ApS's share in the investment funds NB FP Investment K/S and NB FP Investment II K/S. The two investment funds have invested in Forward Pharma A/S, which is listed on NASDAQ and the fair value is measured at the share price.

3. Contingent liabilities

The Entity has an outstanding investment commitment to NB FP Investment K/S and NB FP Investment II K/S, which by September 30, 2017 represents respectively EUR 11,194 and EUR 5,085.

The Entity participates in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

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 financial year has been restructured so that it follows the periode 1 October – 30 September, rather than the previous calendar year. This means that comparative figures for income statement, equity statement and notes are not comparable. The change is commercially justified.

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

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

Income from other fixed asset investments

Income from other fixed asset investments comprises fair value adjustments of investments in portfolio companies for the financial year.

Other financial expenses

Other financial expenses comprise interest expenses and bank fees.

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.

Accounting policies

The Entity is part of a joint taxation scheme. 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

Other investments

Other investments comprise investments in portfolio companies which are measured at fair value at the balance sheet date in accordance with the Danish Financial Statements Act § 37. Value adjustments are recognized in the income statement.

Deferred tax

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

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

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