

Incyte Biosciences Denmark ApS


Arne Jacobsens Allé 7, 5., 2300 København S

Company reg. no. 35 81 87 90

Annual report

1 January - 31 December 2016

The annual report have been submitted and approved by the general meeting on the



Chairman of the meeting

Contents

	Page
Reports	
Management's report	1
Auditor's report on compilation of the annual accounts	2
Management's review	
Company data	3
Management's review	4
Annual accounts 1 January - 31 December 2016	
Profit and loss account	5
Balance sheet	6
Notes	8
Accounting policies used	10

Notes:

∞ To ensure the greatest possible applicability of this document, British English terminology has been used.

∞ Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146 940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Incyte Biosciences Denmark ApS for the financial year 1 January to 31 December 2016.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

The board of directors and the managing director considers the requirements of omission of audit of the annual accounts for 2016 as met.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

København, 15 March 2017

Managing Director

Erik Thomas Fromm

Board of directors



Jonathan Elliot Dickinson



Erik Thomas Fromm

Auditor's report on compilation of the annual accounts

To the shareholders of Incyte Biosciences Denmark ApS

We have compiled the annual accounts of Incyte Biosciences Denmark ApS for the period 1 January to 31 December 2016 based on the bookkeeping of the company and on further information you have provided.

The annual accounts comprise the accounting policies used, profit and loss account, balance sheet and notes.

We performed this engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the annual accounts in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

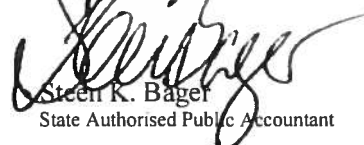
The annual accounts and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the annual accounts. Accordingly, we do not express an audit opinion or a review conclusion on whether the annual accounts are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 15 March 2017

Grant Thornton

State Authorised Public Accountants
Company reg. no. 3420 99 36



Steen K. Bager
State Authorised Public Accountant

Company data

The company

Incyte Biosciences Denmark ApS
Arne Jacobsens Allé 7, 5.
2300 København S

Company reg. no. 35 81 87 90
Financial year: 1 January - 31 December

Board of directors

Jonathan Elliot Dickinson
Erik Thomas Fromm

Managing Director

Erik Thomas Fromm

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management's review

The principal activities of the company

The principal activities are to promote medical and pharmaceutical knowledge and activities along with trade of pharmaceuticals as well as any business associated herewith.

Development in activities and financial matters

The gross profit for the year is DKK 1.494.675 against DKK 1.532.406 last year. The results from ordinary activities after tax are DKK 25.251 against DKK 26.475 last year. The management consider the results satisfactory.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Gross profit	1.494.675	1.532.406
1 Staff costs	-1.462.059	-1.492.805
Other financial costs	-1.998	-4.995
Results before tax	30.618	34.606
2 Tax on ordinary results	-5.367	-8.131
Results for the year	25.251	26.475
 Proposed distribution of the results:		
Allocated to results brought forward	25.251	26.475
Distribution in total	25.251	26.475

Balance sheet 31 December

All amounts in DKK.

Assets		
Note	<u>2016</u>	<u>2015</u>
Fixed assets		
Deposits	27.440	25.180
Financial fixed assets in total	<u>27.440</u>	<u>25.180</u>
Fixed assets in total	<u>27.440</u>	<u>25.180</u>
Current assets		
Trade debtors	602.606	267.825
Deferred expenses	37.737	34.946
Debtors in total	<u>640.343</u>	<u>302.771</u>
Available funds	<u>327.179</u>	<u>658.766</u>
Current assets in total	<u>967.522</u>	<u>961.537</u>
Assets in total	<u>994.962</u>	<u>986.717</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
Note		<u>2016</u>	<u>2015</u>
Equity			
3	Contributed capital	50.000	50.000
4	Results brought forward	57.132	31.881
	Equity in total	<u>107.132</u>	<u>81.881</u>
Liabilities			
	Trade creditors	64.661	63.145
	Debt to group enterprises	97.141	196.926
	Corporate tax	7.106	8.131
	Other debts	718.922	636.634
	Short-term liabilities in total	<u>887.830</u>	<u>904.836</u>
	Liabilities in total	<u>887.830</u>	<u>904.836</u>
	Equity and liabilities in total	<u>994.962</u>	<u>986.717</u>

5 Contingencies

Notes

All amounts in DKK.

	<u>2016</u>	<u>2015</u>
1. Staff costs		
Salaries and wages	1.310.980	1.355.964
Pension costs	130.202	125.836
Other costs for social security	1.927	6.234
Other staff costs	18.950	4.771
	<u>1.462.059</u>	<u>1.492.805</u>
2. Tax on ordinary results		
Tax of the results for the year	7.106	8.131
Adjustment of tax for previous years	-1.739	0
	<u>5.367</u>	<u>8.131</u>
3. Contributed capital		
Contributed capital 1 January 2016	50.000	50.000
	<u>50.000</u>	<u>50.000</u>
4. Results brought forward		
Results brought forward 1 January 2016	31.881	5.406
Profit or loss for the year brought forward	25.251	26.475
	<u>57.132</u>	<u>31.881</u>

Notes

All amounts in DKK.

5. Contingencies

Contingent liabilities

Leasing liabilities

The company has entered into operational leasing contracts with an average annual leasing payment of k.DKK 104. The leasing contracts have 25 months left to run, and the total outstanding leasing payment is k.DKK 219.

Accounting policies used

The annual report for Incyte Biosciences Denmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Accounting policies used

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members.

Other financial costs

Other financial costs include, interest expenses, and realised and unrealised capital losses.

Tax of the results for the year

The tax for the year comprises the current tax for the year.

The balance sheet

Debtors

Debtors are measured at amortised cost which usually corresponds to face value.

Deferred expenses

Deferred expenses recognised under assets comprise incurred costs concerning the following financial year.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Liabilities

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