

Incyte Biosciences Denmark ApS

Suomisvej 4, 1927 Frederiksberg C

Company reg. no. 35 81 87 90

Annual report

1 January - 31 December 2017

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



Jonathan Dickinson
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 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 2017.

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 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

The board of directors and the managing director considers the requirements of omission of audit of the annual accounts for 2017 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.

Frederiksberg C, 27 February 2018

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 2017 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, 27 February 2018

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Steen K. Bager

State Authorised Public Accountant
MNE-nr. 28679

Company data

The company

Incyte Biosciences Denmark ApS
Suomisvej 4
1927 Frederiksberg C

Company reg. no. 35 81 87 90
Established: 1 April 2014
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 2.043.465 against DKK 1.494.675 last year. The results from ordinary activities after tax are DKK 46.870 against DKK 25.251 last year. The management consider the results satisfactory.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2017</u>	<u>2016</u>
Gross profit	2.043.465	1.494.675
1 Staff costs	-1.980.647	-1.462.059
Operating profit	62.818	32.616
Other financial costs	-2.286	-1.707
Results before tax	60.532	30.909
2 Tax on ordinary results	-13.662	-5.658
Results for the year	46.870	25.251
Proposed distribution of the results:		
Allocated to results brought forward	46.870	25.251
Distribution in total	46.870	25.251

Balance sheet 31 December

All amounts in DKK.

Assets

	<u>2017</u>	<u>2016</u>
Fixed assets		
Deposits	72.440	27.440
Financial fixed assets in total	<u>72.440</u>	<u>27.440</u>
Fixed assets in total	<u>72.440</u>	<u>27.440</u>
Current assets		
Trade debtors	736.519	602.606
Accrued income and deferred expenses	19.330	37.737
Debtors in total	<u>755.849</u>	<u>640.343</u>
Available funds	<u>996.926</u>	<u>327.179</u>
Current assets in total	<u>1.752.775</u>	<u>967.522</u>
Assets in total	<u>1.825.215</u>	<u>994.962</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2017</u>	<u>2016</u>
Equity			
3	Contributed capital	50.000	50.000
4	Results brought forward	104.002	57.132
	Equity in total	<u>154.002</u>	<u>107.132</u>
Liabilities			
	Trade creditors	37.895	64.661
	Debt to group enterprises	355.364	97.141
	Corporate tax	10.662	7.106
	Other debts	1.267.292	718.922
	Short-term liabilities in total	<u>1.671.213</u>	<u>887.830</u>
	Liabilities in total	<u>1.671.213</u>	<u>887.830</u>
	Equity and liabilities in total	<u>1.825.215</u>	<u>994.962</u>

5 Contingencies

Notes

All amounts in DKK.

	<u>2017</u>	<u>2016</u>
1. Staff costs		
Salaries and wages	1.786.017	1.310.980
Pension costs	174.918	130.202
Other costs for social security	2.080	1.927
Other staff costs	17.632	18.950
	<u>1.980.647</u>	<u>1.462.059</u>
 Average number of employees	 <u>1</u>	 <u>1</u>
2. Tax on ordinary results		
Tax of the results for the year	13.662	7.397
Adjustment of tax for previous years	0	-1.739
	<u>13.662</u>	<u>5.658</u>
3. Contributed capital		
Contributed capital	50.000	50.000
	<u>50.000</u>	<u>50.000</u>
4. Results brought forward		
Results brought forward	57.132	31.881
Profit or loss for the year brought forward	46.870	25.251
	<u>104.002</u>	<u>57.132</u>
5. Contingencies		
Contingent liabilities		
Leasing liabilities		
The company has entered into operational leasing contracts with an average annual leasing payment of k.DKK 88. The leasing contracts have 13 months left to run, and the total outstanding leasing payment is k.DKK 131.		

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.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

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. Later, 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.

Accounting policies used

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.

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, 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. Staff costs are less public reimbursements.

Net financials

Net financials comprise interest. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next 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.