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Incyte Biosciences Denmark ApS

Suomisvej 4, 1927 Frederiksberg C

Company reg. no. 35 81 87 90

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 5/18/2020

DocuSigned by:

A handwritten signature in black ink, appearing to read "Jonathan Dickinson", enclosed within a blue DocuSign signature box.

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Jonathan Dickinson
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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 presented the annual report of Incyte Biosciences Denmark ApS for the financial year 1 January - 31 December 2019 of Incyte Biosciences Denmark ApS.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 1 January – 31 December 2019.


The board of directors and the managing director board of directors and the executive board consider the conditions for audit exemption of the 2019 financial statements to be met.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting..

Frederiksberg C, 14 May 2020


Managing Director

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Erik Thomas Fromm

Board of directors

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Jonathan Elhøt Dickinson

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Erik Thomas Fromm

Auditor's report on compilation of the financial statements

To the shareholders of Incyte Biosciences Denmark ApS

We have compiled the financial statements of Incyte Biosciences Denmark ApS for the financial year 1 January - 31 December 2019 based on the company's bookkeeping and on further information provided by you.

The financial statements comprise the accounting policies, income statement, statement of financial position and notes.

We performed this engagement in accordance with the international standard ISRS 4410 applying to compilation engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the financial statements 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.

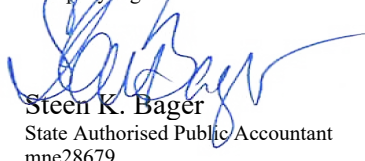
The financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

As 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 in order to compile the financial statements. Accordingly, we express neither an audit opinion nor a review opinion as to whether the financial statements have been compiled in accordance with the Danish Financial Statements Act.

Copenhagen, 14 May 2020

Grant Thornton

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



Steen K. Bager
State Authorised Public Accountant
mne28679

Company information

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 commentary

The principal activities of the company

Like previous years, 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 totals DKK 4.829.925 against DKK 3.153.118 last year. Income from ordinary activities after tax totals DKK 285.661 against DKK 87.321 last year. Management considers the net profit for the year satisfactory.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross profit	4.829.925	2.978.589
1 Staff costs	-4.449.004	-2.860.964
Operating profit	380.921	117.625
Other financial income	71	0
Other financial costs	-14.767	-5.686
Pre-tax net profit	366.225	111.939
2 Tax on net profit for the year	-80.564	-24.618
Net profit for the year	285.661	87.321
 Proposed appropriation of net profit:		
Transferred to retained earnings	285.661	87.321
Total allocations and transfers	285.661	87.321

Statement of financial position at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2019</u>	<u>2018</u>
Non-current assets		
Deposits	23.175	45.000
Total investments	23.175	45.000
Total non-current assets	23.175	45.000
Current assets		
Receivables from group enterprises	1.623.841	100.000
Other receivables	36.041	60.258
Prepayments and accrued income	44.439	26.397
Total receivables	1.704.321	186.655
Cash on hand and demand deposits	696.919	1.075.185
Total current assets	2.401.240	1.261.840
Total assets	2.424.415	1.306.840

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		<u>2019</u>	<u>2018</u>
<u>Note</u>			
Equity			
3	Contributed capital	50.000	50.000
4	Retained earnings	476.984	191.323
	Total equity	<u>526.984</u>	<u>241.323</u>
Liabilities other than provisions			
	Trade payables	7.294	27.046
	Payables to group enterprises	500.000	180.075
	Income tax payable	74.570	21.257
	Other payables	1.315.567	837.139
	Total short term liabilities other than provisions	<u>1.897.431</u>	<u>1.065.517</u>
	Total liabilities other than provisions	<u>1.897.431</u>	<u>1.065.517</u>
	Total equity and liabilities	<u>2.424.415</u>	<u>1.306.840</u>

5 Contingencies

Notes

All amounts in DKK.

	<u>2019</u>	<u>2018</u>
1. Staff costs		
Salaries and wages	4.071.146	2.599.212
Pension costs	370.676	260.606
Other costs for social security	<u>7.182</u>	<u>1.146</u>
	<u>4.449.004</u>	<u>2.860.964</u>
Average number of employees	<u>3</u>	<u>2</u>
2. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	<u>80.564</u>	<u>24.618</u>
	<u>80.564</u>	<u>24.618</u>
3. Contributed capital		
Contributed capital 1 January 2019	<u>50.000</u>	<u>50.000</u>
	<u>50.000</u>	<u>50.000</u>
4. Retained earnings		
Retained earnings 1 January 2019	191.323	104.002
Retained earnings for the year	<u>285.661</u>	<u>87.321</u>
	<u>476.984</u>	<u>191.323</u>
5. Contingencies		
Contingent liabilities		
Lease liabilities:		
In addition to finance leases, the company has entered into operational leases with an average annual lease payment of k.DKK 207. The leases have 39 months to maturity and total outstanding lease payments total k.DKK 642.		
Other contingent liabilities:		
The company has entered into a contract regarding houserent. There is a minimum payment of k.DKK 31 and a minimum of three months left of the contract.		

Accounting policies

The annual report for Incyte Biosciences Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

Changes in the accounting policies

The item “Staff costs” has been reclassified so that certain types of expenses previously recognised under “Staff costs” will, in the future, be recognised under the item “Other external charges”.

The change in classification has no effect on the net profit or loss for the year, nor on the statement of financial position, neither for the current financial year, nor the previous financial year. The comparative figures have been adjusted in accordance with the reclassification.

Except for the above, the accounting policies for the financial statements remain unchanged from last year.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Financial income and expenses

Financial income and expenses comprise interest. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Leases

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Accounting policies

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with 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 receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

Liabilities other than provisions

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