

NB FP Investment II K/S
Central Business Registration No
35867899
Østergade 24A, 1
1100 Copenhagen

Annual report 2015

The Annual General Meeting adopted the annual report on

April 11, 2016

Chairman of the General Meeting



Name: *Martin Rudebek Nielsen*

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Entity details

Entity

NB FP Investment II K/S

Østergade 24A, 1

1100 Copenhagen

Central Business Registration No: 35867899

Registered in: Copenhagen

Financial year: 01.01.2015 - 31.12.2015

Executive Board

NB FP Investment General Partner ApS

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 II K/S for the financial year 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 15.02.2016

Executive Board


NB FP Investment General
Partner ApS

Independent auditor's report

To the owners of NB FP Investment II K/S

Report on the financial statements

We have audited the financial statements of NB FP Investment II K/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Copenhagen, 15.02.2016

Deloitte

Statsautoriseret Revisionspartnerselskab



Bill Haudal Pedersen
State Authorised Public Accountant

CVR-nr. 33963556

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 accounting policies applied by the company are consistent with those of last year.

Recognition and measurement

Assets are recognized 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 recognized 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 recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses.

Income statement

Fair value adjustment of other investment assets and related financial liabilities

Fair value adjustment of other investment assets comprise fair value adjustment of the entity's investments in portfolio companies for the financial year.

Other external expenses

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

Accounting policies

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and bank fees.

Balance sheet

Other investments

Other investments include investments in portfolio companies which are measured at fair value at the balance sheet date in accordance with the Danish Financial Statements Act § 38. Value adjustments are recognized in the income statement.

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

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

Income statement for 2015

	<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
Fair value adjustments of other investment assets	1	131.011	1.692.599
Other external expenses		<u>(5.676)</u>	<u>(20.075)</u>
Operating profit/loss		125.335	1.672.524
Other financial expenses		<u>(44)</u>	<u>(6)</u>
Profit/loss for the year		<u>125.291</u>	<u>1.672.518</u>
Proposed distribution of profit/loss			
Retained earnings		<u>125.291</u>	<u>1.672.518</u>
		<u>125.291</u>	<u>1.672.518</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
Other investments		10.173.423	10.042.412
Fixed asset investments		<u>10.173.423</u>	<u>10.042.412</u>
Fixed assets		<u>10.173.423</u>	<u>10.042.412</u>
Cash		<u>7.024</u>	<u>27.181</u>
Current assets		<u>7.024</u>	<u>27.181</u>
Assets		<u><u>10.180.447</u></u>	<u><u>10.069.593</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
Contributed capital		8.377.000	8.377.000
Retained earnings		<u>1.797.809</u>	<u>1.672.518</u>
Equity		<u>10.174.809</u>	<u>10.049.518</u>
Other payables		<u>5.638</u>	<u>20.075</u>
Current liabilities other than provisions		<u>5.638</u>	<u>20.075</u>
Liabilities other than provisions		<u>5.638</u>	<u>20.075</u>
Equity and liabilities		<u><u>10.180.447</u></u>	<u><u>10.069.593</u></u>
Ownership	2		
Main activity	3		

Statement of changes in equity for 2015

	Contributed capital EUR	Retained ear- nings EUR	Total EUR
Equity beginning of year	8.377.000	1.672.518	10.049.518
Profit/loss for the year	0	125.291	125.291
Equity end of year	8.377.000	1.797.809	10.174.809

Notes

1. Fair value adjustments of other investment assets

The fair value adjustment include NB FP Investment II K/S' share in the portfolio company Forward Pharma A/S. Forward Pharma A/S is listed on Nasdaq and the fair value is measured at the share price less a discount for a lock up period until April 12, 2016.

2. Ownership

The Entity has the following shareholders with more than 5 % of the voting rights or the denominations:

Vækstfonden, (76 %)

Biotechnology Value Fund, L.P. (10 %)

Biotechnology Value Fund II, L.P., (5 %)

3. Main activity

NB FP Investment II K/S was established on 30 May 2014. NB FP Investment II K/S is a venture capital company focusing on early stage investments in the biotech industry.