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Practio ApS
Kompagnistræde 21 1. th.
1208 København K
Central Business Registration No
36392576

Annual report 2016

The Annual General Meeting adopted the annual report on 31.05.2017

Chairman of the General Meeting

Name: Jonas Nilsen

Contents

Entity details

Entity
Practio ApS
Kompagnistræde 21 1. th.
1208 København K

Central Business Registration No: 36392576
Registered in: Copenhagen
Financial year: 01.01.2016 - 31.12.2016

Board of Directors
Jonas Nielsen, chairman
Niels Hjort Rotendahl
Mads Mikkelsen
Niels Kristensen
Christian Vinding Thomsen

Executive Board
Mads Mikkelsen
Jonas Nilsen

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Practio ApS for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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, 31.05.2017

Executive Board

Mads Mikkelsen	Jonas Nilsen

Board of Directors

Jonas Nielsen chairman	Niels Hjort Rotendahl	Mads Mikkelsen
Niels Kristensen	Christian Vinding Thomsen	

Independent auditor's report

To the shareholders of Practio ApS

Opinion

We have audited the financial statements of Practio ApS for the financial year 01.01.2016 - 31.12.2016, 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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 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 exits. 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, 31.05.2017

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Jacob Simonsen	Martin Bødker Ravn
State Authorised Public Accountant	State Authorised Public Accountant

Management commentary

Primary activities
The Company's primary activities are to render vaccination services directly or indirectly through medical partners, as well as perform medical consultancy.

Development in activities and finances
The los for the year amounts to DKK 674k, which is as expected, considering that the Company has incurred significant startup and development costs through the year.

Management expects increased revenues and a profit for 2017.

Capital reserves
The Company's plans for 2017 entails a need for a further improvement of the capital reserves, either through Equity contributions, external financing or a combination of these. Management has a justified expectation that such an increase will be completed within a short timeline.

Events after the balance sheet date
No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2016

	Notes	2016 DKK	2015 DKK
Gross profit		**2.032.423**	**76.952**
Staff costs	2	(2.708.956)	(524.260)
Depreciation, amortisation and impairment losses	3	(51.194)	(21.666)
Operating profit/loss		**(727.727)**	**(468.974)**
Other financial expenses		(174.487)	(12.062)
Profit/loss before tax		**(902.214)**	**(481.036)**
Tax on profit/loss for the year	4	227.982	78.131
Profit/loss for the year		**(674.232)**	**(402.905)**
Proposed distribution of profit/loss			
Retained earnings		(674.232)	(402.905)
		(674.232)	**(402.905)**

Balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK
Goodwill		0	0
Development projects in progress		2.125.238	0
Intangible assets	5	**2.125.238**	**0**
Other fixtures and fittings, tools and equipment		133.019	16.332
Property, plant and equipment	6	**133.019**	**16.332**
Deposits		71.888	0
Fixed asset investments	7	**71.888**	**0**
Fixed assets		**2.330.145**	**16.332**
Trade receivables		1.975.248	278.646
Receivables from group enterprises		107.699	0
Other receivables		210.851	11.260
Income tax receivable		617.440	78.131
Prepayments		63.580	0
Receivables		**2.974.818**	**368.037**
Cash		**0**	**116.666**
Current assets		**2.974.818**	**484.703**
Assets		**5.304.963**	**501.035**

Balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK
Contributed capital		61.005	59.615
Reserve for development expenditure		1.657.686	0
Retained earnings		(2.098.457)	(165.149)
Equity		**(379.766)**	**(105.534)**
Deferred tax	8	419.026	0
Provisions		**419.026**	**0**
Convertible and dividend-yielding debt instruments		509.692	0
Non-current liabilities other than provisions		**509.692**	**0**
Bank loans		952.217	0
Trade payables		3.281.099	344.823
Payables to shareholders and management		3.129	78.227
Other payables		519.566	183.519
Current liabilities other than provisions		**4.756.011**	**606.569**
Liabilities other than provisions		**5.265.703**	**606.569**
Equity and liabilities		**5.304.963**	**501.035**
Going concern	1		
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Mortgages and securities	11		

Statement of changes in equity for 2016

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK	Retained earnings DKK
Equity beginning of year	59.615	0	0	(165.149)
Increase of capital	1.390	398.610	0	0
Transferred from share premium	0	(398.610)	0	398.610
Transfer to reserves	0	0	1.657.686	(1.657.686)
Profit/loss for the year	0	0	0	(674.232)
Equity end of year	**61.005**	**0**	**1.657.686**	**(2.098.457)**

	Total DKK
Equity beginning of year	(105.534)
Increase of capital	400.000
Transferred from share premium	0
Transfer to reserves	0
Profit/loss for the year	(674.232)
Equity end of year	**(379.766)**

Notes

1. Going concern

The Company's plans for 2017 entails a need for a further improvement of the capital reserves, either through Equity contributions, external financing or a combination of these. Management has a justified expectation that such an increase will be completed within a short timeline.

	2016 DKK	2015 DKK
2. Staff costs		
Wages and salaries	2.659.951	519.171
Pension costs	1.532	0
Other social security costs	47.473	5.089
	2.708.956	**524.260**
Average number of employees	**6**	**2**

	2016 DKK	2015 DKK
3. Depreciation, amortisation and impairment losses		
Impairment losses on intangible assets	0	10.000
Depreciation of property, plant and equipment	51.194	11.666
	51.194	**21.666**

	2016 DKK	2015 DKK
4. Tax on profit/loss for the year		
Tax on current year taxable income	(617.440)	(78.131)
Change in deferred tax for the year	419.026	0
Adjustment concerning previous years	(29.568)	0
	(227.982)	**(78.131)**

Notes

	Goodwill DKK	Development projects in progress DKK
5. Intangible assets		
Cost beginning of year	10.000	0
Additions	0	2.125.238
Disposals	(10.000)	0
Cost end of year	**0**	**2.125.238**
Amortisation and impairment losses beginning of year	(10.000)	0
Reversal regarding disposals	10.000	0
Amortisation and impairment losses end of year	**0**	**0**
Carrying amount end of year	**0**	**2.125.238**

Development projects in progress
The Company's development projects comprise new products based on the Company's software. It is Management's expectation, that the new functions will incur a level of revenue and earnings, which will recoup the cost of development in the coming 3 – 5 years.

	Other fixtures and fittings, tools and equipment DKK
6. Property, plant and equipment	
Cost beginning of year	27.998
Additions	167.881
Cost end of year	**195.879**
Depreciation and impairment losses beginning of the year	(11.666)
Depreciation for the year	(51.194)
Depreciation and impairment losses end of the year	**(62.860)**
Carrying amount end of year	**133.019**

Notes

	Deposits DKK
7. Fixed asset investments	
Additions	71.888
Cost end of year	**71.888**
Carrying amount end of year	**71.888**

	2016 DKK
8. Deferred tax	
Intangible assets	465.667
Property, plant and equipment	(12.289)
Tax losses carried forward	(9.787)
Other deductible temporary differences	(24.565)
	419.026

	2016 DKK	2015 DKK
9. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	**287.550**	**0**

10. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which J. Nilsen Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore alternatively liable from the financial year 2014/15 for income taxes etc for the jointly taxed entities, but only for the share by which the Entity is included in the Group, and from 29 September 2014 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

11. Mortgages and securities

Bank loans are secured by way of a floating charge of DKK 2.000k nominal on intangible assets, property, plant and equipment, inventories and receivables. The carrying amount of covered assets is DKK 5.212k.

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 with addition of certain provisions for reporting class C.

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
Gross profit or loss
Gross profit or loss comprises revenue, own work capitalised, cost of sales and external expenses.

Revenue
The Company's revenue consists of sale of vaccinations and onboarding fees for pharmacies etc.

Revenue from the sale of vaccinations is recognised in the income statement, when the patient has received the vaccination. Revenue from onboarding fees is recognised in the income statement when the participants are ready to render vaccination services. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised
Own work capitalised comprises staff costs and other in-house costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Accounting policies

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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.

Balance sheet
Goodwill
Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 3 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc
Intellectual property rights etc comprise development projects completed and in progress, which are measured at cost less less accumulated amortisation and impairment losses.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise

Accounting policies

can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects, protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

Property, plant and equipment
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	2-5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Income tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Accounting policies

Cash
Cash comprises cash in hand and bank deposits.

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.

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