

Practio ApS
Dampfærgevej 7, 2.
2100 Copenhagen Ø
Business Registration No
36392576

Annual report 2017

The Annual General Meeting adopted the annual report on 29.05.2018

Chairman of the General Meeting



Name: Jonas Nilsen

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Entity details

Entity

Practio ApS
Dampfærgevej 7, 2.
2100 Copenhagen Ø

Central Business Registration No (CVR): 36392576

Registered in: Copenhagen

Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Ulrik Spork, chairman
Jonas Nilsen, vice-chairman
Morten Reignald Pedersen
Niels Hjorth Rotendahl
Mads Mikkelsen
Niels Kristensen
Christian Vinding Thomsen

Executive Board

Mads Mikkelsen
Jonas Nilsen

Auditors

Deloitte Statsautoriseret Revisionspartnersekskab
Weidekampsgade 6
Postboks 1600
0900 København C
Lead Client Service Partner: Bjørn Winkler Jakobsen

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 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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, 29.05.2018

Executive Board



Mads Mikkelsen



Jonas Nilsen

Board of Directors



Ulrik Spork
chairman



Jonas Nilsen, vice-chairman



Morten Reingald Pedersen



Niels Hjorth 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 01.01.2017 - 31.12.2017, 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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 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 exists. 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, 29.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556



Henrik Wolff Mikkelsen

State Authorised Public Accountant
Identification No (MNE) mne33747



Martin Bødker Ravn

State Authorised Public Accountant
Identification No (MNE) mne40038

Management commentary

Primary activities

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

Development in activities and finances

The loss for the year amounts to DKK 2.751k, which is as expected, considering that the company has incurred significant investments in product development, market research and commercial launch activities development, which has not fully been capitalised in the balance sheet.

Management expects increased revenues and continued investments in 2018

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 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Gross profit		2.898.222	2.032.423
Staff costs	2	(5.819.436)	(2.708.956)
Depreciation, amortisation and impairment losses		<u>(485.800)</u>	<u>(51.194)</u>
Operating profit/loss		(3.407.014)	(727.727)
Other financial expenses		<u>(97.350)</u>	<u>(174.487)</u>
Profit/loss before tax		(3.504.364)	(902.214)
Tax on profit/loss for the year	3	<u>752.905</u>	<u>227.982</u>
Profit/loss for the year		<u>(2.751.459)</u>	<u>(674.232)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(2.751.459)</u>	<u>(674.232)</u>
		<u>(2.751.459)</u>	<u>(674.232)</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Completed development projects		2.749.017	0
Development projects in progress		<u>3.049.933</u>	<u>2.125.238</u>
Intangible assets	4	<u>5.798.950</u>	<u>2.125.238</u>
Other fixtures and fittings, tools and equipment		166.628	133.019
Leasehold improvements		<u>26.737</u>	<u>0</u>
Property, plant and equipment	5	<u>193.365</u>	<u>133.019</u>
Deposits		<u>129.580</u>	<u>71.888</u>
Fixed asset investments	6	<u>129.580</u>	<u>71.888</u>
Fixed assets		<u>6.121.895</u>	<u>2.330.145</u>
Trade receivables		6.474.710	1.975.248
Receivables from group enterprises		615.538	107.699
Other receivables		360.166	210.851
Income tax receivable		899.178	617.440
Prepayments		<u>67.462</u>	<u>63.580</u>
Receivables		<u>8.417.054</u>	<u>2.974.818</u>
Cash		<u>1.985.551</u>	<u>0</u>
Current assets		<u>10.402.605</u>	<u>2.974.818</u>
Assets		<u>16.524.500</u>	<u>5.304.963</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		73.253	61.005
Reserve for development expenditure		4.523.181	1.657.686
Retained earnings		<u>2.597.049</u>	<u>(2.098.457)</u>
Equity		<u>7.193.483</u>	<u>(379.766)</u>
Deferred tax	7	<u>565.299</u>	<u>419.026</u>
Provisions		<u>565.299</u>	<u>419.026</u>
Convertible and dividend-yielding debt instruments		<u>0</u>	<u>509.692</u>
Non-current liabilities other than provisions		<u>0</u>	<u>509.692</u>
Bank loans		33.500	952.217
Trade payables		6.657.905	3.281.099
Payables to shareholders and management		2.881	3.129
Other payables		1.187.432	519.566
Deferred income		<u>884.000</u>	<u>0</u>
Current liabilities other than provisions		<u>8.765.718</u>	<u>4.756.011</u>
Liabilities other than provisions		<u>8.765.718</u>	<u>5.265.703</u>
Equity and liabilities		<u>16.524.500</u>	<u>5.304.963</u>
Going concern	1		
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Assets charged and collateral	10		

Statement of changes in equity for 2017

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK	Retained earnings DKK
Equity beginning of year	61.005	0	1.657.686	(2.098.457)
Increase of capital	12.248	10.508.182	0	0
Transferred from share premium	0	(10.508.182)	0	10.508.182
Costs related to equity transactions	0	0	0	(195.722)
Transfer to reserves	0	0	2.865.495	(2.865.495)
Profit/loss for the year	0	0	0	(2.751.459)
Equity end of year	73.253	0	4.523.181	2.597.049
				Total DKK
Equity beginning of year				(379.766)
Increase of capital				10.520.430
Transferred from share premium				0
Costs related to equity transactions				(195.722)
Transfer to reserves				0
Profit/loss for the year				(2.751.459)
Equity end of year				7.193.483

Notes

1. Going concern

The Company's plans for 2018 entails a need for a further improvement of the capital reserves. In 2018 the company has obtained loan commitments, of which one payment remains. The remaining payment is subject to conditions, however management has a justified expectation, that the remaining loan will be paid out.

	2017	2016
	DKK	DKK
2. Staff costs		
Wages and salaries	5.742.338	2.690.750
Other social security costs	77.098	18.206
	5.819.436	2.708.956
Average number of employees	12	6

	2017	2016
	DKK	DKK
3. Tax on profit/loss for the year		
Current tax	(899.178)	(617.440)
Change in deferred tax	146.273	419.026
Adjustment concerning previous years	0	(29.568)
	(752.905)	(227.982)

	Completed develop- ment projects DKK	Develop- ment projects in progress DKK
4. Intangible assets		
Cost beginning of year	0	2.125.238
Transfers	3.162.476	(3.162.476)
Additions	0	4.087.171
Cost end of year	3.162.476	3.049.933
Amortisation for the year	(413.459)	0
Amortisation and impairment losses end of year	(413.459)	0
Carrying amount end of year	2.749.017	3.049.933

Notes

Development projects

The Company's development projects comprise new products based on the Company's software. It is Management's expectation, that the new projects 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	Leasehold improve- ments DKK
5. Property, plant and equipment		
Cost beginning of year	195.879	0
Additions	116.201	28.248
Disposals	(13.008)	0
Cost end of year	299.072	28.248
Depreciation and impairment losses beginning of year	(62.860)	0
Depreciation for the year	(72.836)	(1.511)
Reversal regarding disposals	3.252	0
Depreciation and impairment losses end of year	(132.444)	(1.511)
Carrying amount end of year	166.628	26.737
		Deposits DKK
6. Fixed asset investments		
Cost beginning of year		71.888
Additions		130.660
Disposals		(72.968)
Cost end of year		129.580
Carrying amount end of year		129.580

Notes

	2017	2016
	DKK	DKK
7. Deferred tax		
Intangible assets	1.273.883	465.667
Property, plant and equipment	(28.204)	(12.289)
Liabilities other than provisions	(188.625)	(9.787)
Tax losses carried forward	(491.755)	(24.565)
	565.299	419.026

	2017	2016
	DKK	DKK
8. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	1.634.608	287.550

9. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where J. Nilsen Holding IVS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc. for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, as well as for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

10. Assets charged and collateral

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 13.708k.

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.

Income statement

Gross profit or loss

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

Revenue

The Company's revenue consists of sale of vaccination services and education and training fees for pharmacies etc.

Revenue from the sale of vaccination services is recognised in the income statement when the vaccination has been administered. Revenue from education and training fees is recognised in the income statement when the participants are ready to render vaccinations 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.

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

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation 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.

Accounting policies

Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on 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

Intellectual property rights etc

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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 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 and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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. The amortisation periods used are 3 - 5 years.

Property, plant and equipment

Other fixtures and fittings as well as leasehold improvements 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.

Accounting policies

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	3 - 5 years
Leasehold improvements	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.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

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.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.