

EEP5 ApS
Central Business Registration No
36564024
Lautrupsgade 7, 5
2100 Copenhagen Ø

Annual report 2015

The Annual General Meeting adopted the annual report on 31.05.2016

Chairman of the General Meeting



Name: Merete Lundbye Møller

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Entity details

Entity

EEP5 ApS
Lautrupsgade 7, 5
2100 Copenhagen Ø

Central Business Registration No: 36564024

Registered in: Copenhagen

Financial year: 09.03.2015 - 31.12.2015

Executive Board

Søren Lemonius

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 EEP5 ApS for the financial year 09.03.2015 - 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 09.03.2015 - 31.12.2015.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Copenhagen, 31.05.2016

Executive Board



Søren Lemonius

Independent auditor's reports

To the owner of EEP5 ApS

Report on the financial statements

We have audited the financial statements of EEP5 ApS for the financial year 09.03.2015 - 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 09.03.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Emphasis of matter affecting the financial statements

Without qualifying our opinion, we draw attention to the fact that the Company has negative equity at 31 December 2015 and to the Management commentary and Note 1, where it is mentioned that Management has concluded that the Company is expected to have adequate cash to meet its obligations at least until 31 December 2015, whereby the financial statements have been prepared assuming that the Company is a going concern. Based on the audit performed we concur that it is appropriate to prepare the financial statements on a going concern basis.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Independent auditor's reports

Copenhagen, 31.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33963556



Kim Mücke

State Authorised Public Accountant

Management commentary

Primary activities

The Company's purpose is to conduct research and activities in biotechnology and other related services

The Company has had no employees during the year.

Development in activities and finances

The Company was established to investigate the opportunity to set up biotechnological production of opioids. During the year the investigation was put on hold and there is ongoing negotiation on how further financing can be obtained.

The Company's net loss for the financial period is DKK 182k and as a consequence of this equity is negative by DKK 132k.

Due to the negative equity, Management has assessed whether the Company can continue its activities at least until 31 December 2016. Management has concluded that with the current cash in hand, the Company has adequate funds to meet its known and expected payment obligations in 2016. Therefore, Management has concluded that it is appropriate to prepare the financial statements assuming that the Company is a going concern at least until 31 December 2016.

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.

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.

This is the Company's first financial year, and therefore, no comparative figures are included.

The annual report is presented in DKK'000.

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

Other external expenses

Other external expenses include development costs and corporate cost etc.

Other financial expenses

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

Income taxes

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.

Accounting policies

The Company is jointly taxed with Danish Group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses). Sunstone LSV Management A/S is appointed as the administration company.

Balance sheet

Receivables

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

Income tax payable or receivable

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>
Other external expenses		(201)
Operating profit/loss		(201)
Other financial expenses	2	(37)
Profit/loss from ordinary activities before tax		(238)
Tax on profit/loss from ordinary activities		56
Profit/loss for the year		(182)
Proposed distribution of profit/loss		
Retained earnings		(182)
		<u>(182)</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015</u> <u>DKK'000</u>
Other short-term receivables		42
Income tax receivable		<u>56</u>
Receivables		<u>98</u>
Cash		<u>309</u>
Current assets		<u>407</u>
Assets		<u><u>407</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>
Contributed capital	3	50
Retained earnings		<u>(182)</u>
Equity		<u>(132)</u>
Debt to group enterprises	4	530
Other payables		<u>9</u>
Current liabilities other than provisions		<u>539</u>
Liabilities other than provisions		<u>539</u>
Equity and liabilities		<u><u>407</u></u>
Going concern	1	
Contingent liabilities	5	

Statement of changes in equity for 2015

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Contribution concerning formation of entity	50	0	50
Profit/loss for the year	0	(182)	(182)
Equity end of year	50	(182)	(132)

Notes

1. Going concern

As of 31 December 2015 the equity is negative by DKK 132k. Therefore Management has assessed whether the Company can continue its activities at least until 31 December 2016. Management has concluded that with the current cash in hand, the Company has adequate funds to meet its known and expected payment obligations in 2016. Therefore, Management has concluded that it is appropriate to prepare the financial statements assuming that the Company is a going concern at least until 31 December 2016.

With respect to restoring the negative equity in the longer term this will await and depend on whether future financing can be obtained to carry-on the planned activities, or whether the Company will be closed-down. Furthermore please refer to note 4.

	2015
	DKK'000
2. Other financial expenses	
Financial expenses from group enterprises	31
Interest expenses	1
Other financial expenses	5
	<u>37</u>

3. Contributed capital

There have been no movement in contributed capital since inception. The shares have not been divided into classes.

4. Short-term debt to group enterprises

Debt to group enterprises is referring to debt to the Sunstone group. The Company has received confirmation that the debt has final repayment date 31 December 2016.

5. Contingent liabilities

The Company is jointly taxed with Danish Group enterprises. According to provisions in the Danish Companies Act governing joint taxation, the Company is liable for any liabilities to withhold tax at source regarding royalties and dividends for the jointly taxed companies and a joint and several liability exists for any income taxes incumbent on the jointly taxed companies. Apart from this the Company has no additional contingent liabilities.