

# Clovis Oncology Denmark ApS

Amerika Plads 37, 2100 København Ø

CVR no. 38 72 16 82

## Annual report 2018

Approved at the Company's annual general meeting on 8 July 2019

Chairman:

A handwritten signature in blue ink, written over a dotted line. The signature is stylized and appears to be 'W. L. ...'.

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Clovis Oncology Denmark ApS for the financial year 1 January - 31 December 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 8 July 2019  
Executive Board:



Daniel Walter Muehl

Board of Directors:



Daniel Walter Muehl  
Chairman



Paul Edward Gross



Grant Alan Pius

## Independent auditor's report

To the shareholders of Clovis Oncology Denmark ApS

### Opinion

We have audited the financial statements of Clovis Oncology Denmark ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for 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 rules and requirements.

### 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 the 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:

- 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 Company's internal control.

## Independent auditor's report

- 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 8 July 2019  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

  
Christian Schwenn Johansen  
State Authorised Public Accountant  
mne39234

  
Allan Norgaard  
State Authorised Public Accountant  
mne35501

## Management's review

### Company details

Name	Clovis Oncology Denmark ApS
Address, Postal code, City	Amerika Plads 37, 2100 København Ø
CVR no.	38 72 16 82
Established	14 June 2017
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Daniel Walter Muehl, Chairman Paul Edward Gross Grant Alan Pius
Executive Board	Daniel Walter Muehl
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

### Management commentary

#### Business review

Clovis Oncology Denmark ApS has been founded in 2017 and is a sales entity regarding the cancer treatments of the Clovis Oncology Group covering the Scandinavian market.

#### Financial review

The income statement for 2018 shows a profit of DKK 21,308 against a profit of DKK 54,355 last year, and the balance sheet at 31 December 2018 shows equity of DKK 150,689. The result before financial items is in line with management's expectations.

#### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2018 12 months	2017 7 months
	Gross margin	4,455,865	1,656,316
2	Staff costs	-4,279,435	-1,597,590
	Profit before net financials	176,430	58,726
3	Financial income	0	14,818
4	Financial expenses	-140,493	-3,858
	Profit before tax	35,937	69,686
5	Tax for the year	-14,629	-15,331
	Profit for the year	21,308	54,355
	Recommended appropriation of profit		
	Retained earnings	21,308	54,355
		21,308	54,355

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2018</u>	<u>2017</u>
	<b>ASSETS</b>		
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	981,835	1,883,785
	Other receivables	45,367	53,850
		<u>1,027,202</u>	<u>1,937,635</u>
	Cash	80,647	731,182
	Total non-fixed assets	<u>1,107,849</u>	<u>2,668,817</u>
	<b>TOTAL ASSETS</b>	<u>1,107,849</u>	<u>2,668,817</u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2018</u>	<u>2017</u>
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	Share capital	50,000	50,000
	Retained earnings	<u>100,689</u>	<u>54,355</u>
	<b>Total equity</b>	<u><b>150,689</b></u>	<u><b>104,355</b></u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	71,450	139,358
	Payables to group enterprises	162,941	1,928,439
	Corporation tax payable	9,174	15,331
	Other payables	<u>713,595</u>	<u>481,334</u>
		<u>957,160</u>	<u>2,564,462</u>
	<b>Total liabilities other than provisions</b>	<u><b>957,160</b></u>	<u><b>2,564,462</b></u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>1,107,849</b></u>	<u><b>2,668,817</b></u>

- 1 Accounting policies
- 6 Collateral
- 7 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2018	50,000	54,355	104,355
Transfer through appropriation of profit	0	21,308	21,308
Adjustment of investments through foreign exchange adjustments	0	25,026	25,026
Equity at 31 December 2018	50,000	100,689	150,689

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Clovis Oncology Denmark A/S for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

##### Gross margin

The items revenue and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

##### Balance sheet

##### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

2	Staff costs		
	Wages/salaries	3,144,122	1,157,807
	Pensions	443,185	177,226
	Other staff costs	692,128	262,557
		<u>4,279,435</u>	<u>1,597,590</u>
		2018	2017
	Average number of full-time employees	<u>2</u>	<u>2</u>
3	Financial income		
	Exchange gain	0	8,294
	Other financial income	0	6,524
		<u>0</u>	<u>14,818</u>
4	Financial expenses		
	Exchange losses	115,750	0
	Other financial expenses	24,743	3,858
		<u>140,493</u>	<u>3,858</u>
5	Tax for the year		
	Estimated tax charge for the year	9,174	15,331
	Tax adjustments, prior years	5,455	0
		<u>14,629</u>	<u>15,331</u>

6 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2018.

7 Related parties

Information about consolidated financial statements

Parent	Domicile
Clovis Oncology Inc	Boulder, Colorado, USA