
FWP IP ApS

Østergade 24A, 1., DK-1100 Copenhagen K

Annual Report for 30 June - 31 December 2017

CVR No 38 75 83 57

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
24/5 2018

Morten Skjønnemann
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of FWP IP ApS for the financial year 30 June - 31 December 2017.

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 at 31 December 2017 of the Company and of the results of the Company operations for June 30 - 31 December 2017.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 24 May 2018

Executive Board

Claus Bo Søndergaard Svendsen

Board of Directors

Morten Skjønnemand
Chairman

Jann Saxtorph Haagaard

Jakob Mosegaard Larsen

Independent Auditor's Report

To the Shareholder of FWP IP ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 30 June - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of FWP IP ApS for the financial year 30 June - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 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 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 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 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

Independent Auditor's Report

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.
- 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.

Independent Auditor's Report

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the 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.

Hellerup, 24 May 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen

State Authorised Public Accountant

mne28703

Company Information

The Company

FWP IP ApS
Østergade 24A, 1.
DK-1100 Copenhagen K

CVR No: 38 75 83 57
Financial period: 30 June - 31 December
Financial year: 1st financial year
Municipality of reg. office: Copenhagen

Board of Directors

Morten Skjønnemand, Chairman
Jann Saxtorph Haagaard
Jakob Mosegaard Larsen

Executive Board

Claus Bo Søndergaard Svendsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income Statement 30 June - 31 December

	<u>Note</u>	<u>2017</u> DKK
Gross profit/loss		17,500
Depreciation, amortisation and impairment of intangible assets	3	<u>-13,440</u>
Profit/loss before financial income and expenses		4,060
Financial expenses	4	<u>-1,750</u>
Profit/loss before tax		2,310
Tax on profit/loss for the year	5	<u>-508</u>
Net profit/loss for the year		<u>1,802</u>

Distribution of profit

Proposed distribution of profit

Retained earnings	<u>1,802</u>
	<u>1,802</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2017</u> DKK
Acquired intellectual property rights		<u>322,559</u>
Intangible assets	6	<u>322,559</u>
Fixed assets		<u>322,559</u>
Trade receivables		<u>12,500</u>
Receivables		<u>12,500</u>
Cash at bank and in hand		<u>48,250</u>
Currents assets		<u>60,750</u>
Assets		<u>383,309</u>

Balance Sheet 31 December

Liabilities and equity

	Note	2017 DKK
Share capital		50,000
Retained earnings		287,801
Equity		337,801
Trade payables		32,500
Corporation tax		508
Other payables		12,500
Short-term debt		45,508
Debt		45,508
Liabilities and equity		383,309
Subsequent events	9	
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 30 June	50,000	0	50,000
Group Contribution	0	285,999	285,999
Net profit/loss for the year	0	1,802	1,802
Equity at 31 December	50,000	287,801	337,801

Notes to the Financial Statements

1 Key activities

The object of the company is to own the intellectual property rights previously owned by Forward Pharma A/S, including but not limited to be a party to and fulfill (i) the Settlement and License Agreement entered into on 17 January 2017 between Forward Pharma A/S and certain companies in the Biogen group, (ii) the IPR Services, Administration, Funding and Novation Agreement entered into on 30 June 2017 between Forward Pharma A/S, Forward Pharma Operations ApS, the company and certain companies in the Biogen group and (iii) any other agreement entered into as part of the abovementioned two agreements.

2 Staff expenses

2017
DKK

Average number of employees

0

3 Depreciation, amortisation and impairment of intangible assets

Amortisation of intangible assets

13,440

13,440

4 Financial expenses

Other financial expenses

1,750

1,750

5 Tax on profit/loss for the year

Current tax for the year

0

Deferred tax for the year

508

508

Notes to the Financial Statements

6 Intangible assets

	Acquired intellectual property rights DKK
Cost at 30 June	0
Additions for the year	335,999
Cost at 31 December	335,999
Impairment losses and amortisation at 30 June	0
Amortisation for the year	13,440
Impairment losses and amortisation at 31 December	13,440
Carrying amount at 31 December	322,559

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

None

8 Related parties

Consolidated Financial Statements

The company is part of a group structure with the parent company FWP-Fonden, no consolidated financial statements are prepared.

9 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of FWP IP ApS for 30 June - 31 December 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Financial Statements for 2017 are presented in DKK. The Financial Statements comprise the first accounting year of the Company.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

10 Accounting Policies (continued)

Income Statement

Revenue

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise administrative expenses.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Intellectual Property Rights (IPR) are measured at the lower of cost less accumulated amortisation and recoverable amount. IPR is amortised over the remaining economic life time; however not exceeding 13 years

Notes to the Financial Statements

10 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of intangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.