



Annual report 2016

Missionpharma Properties A/S

Vassingerødvej 9, 3540 Lyngby, Denmark
CVR no. 57 17 55 16

Approved at General Meeting - 29/5/2017
Chairman: Jacob Christensen, Plesner Advokatpartnerselskab

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke at the bottom, positioned below the text of the approval.



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Missionpharma Properties A/S for the financial year 1 January - 31 December 2016.

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

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

Lynge, 30 March 2017

Executive Board:




Kim Erik Ginnerup
CEO



Poul Lindof
CFO

Board of Directors:



Jean-Marc Pierre Rene
Leccia
Chairman



Denis Georges Fernand
Maurice



Eric Pierre Jean Muris



Kim Erik Ginnerup



Independent Auditor's Report

To the Shareholders of Missionpharma Properties A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Missionpharma Properties A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, and notes, including a summary of significant accounting policies ("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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.



Independent Auditor's Report (continued)

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 judgment and maintain professional skepticism 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.
- 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 (continued)

- 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.

Copenhagen, 30 March 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 77 12 31

Rasmus Friis Jørgensen
State Authorised Public Accountant

Henrik Ødegaard
State Authorised Public Accountant



Company details

Missionpharma Properties A/S

Vassingerødvej 9
3540 Lyngø
Denmark
www.missionpharma.com

CVR no.: 57 17 55 16
Financial year: 1 January - 31 December
Established: 20 October 1981
Registered office: Allerød, Denmark

Board of Directors

Jean-Marc Pierre Rene Leccia (Chairman)
Denis Georges Fernand Maurice
Eric Pierre Jean Muris
Kim Erik Ginnerup

Executive Board

Kim Erik Ginnerup (CEO)
Poul Lindof (CFO)

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup, Denmark

Activity

The company's activity is to own and rent out real estate and other related activities.

Ultimate Danish parent company

The company's accounts are consolidated in the accounts of Missionpharma Group ApS.



Management Review

Main activity

The main activity of Missionpharma Properties A/S is to own and rent out real estate and other related activities.

Development in the year

The financial result for the year ended with a profit of DKK 1,994 thousand. The finance performance for the financial year 2016 follows the expectations of the management.

Subsequent event

The Board of Directors has decided to execute the horizontal merger of Missionpharma Properties A/S with its sister company Missionpharma A/S effective 01/01/2017. The continuing entity will be Missionpharma A/S.



Financial statements for the period 1 January - 31 December

Accounting policies

The annual report for 2016 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

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

The Annual Report for 2016 is presented in DKK.

Income statement

Revenue

Rental income is recognized as revenue upon delivery of services.

Other external expenses

Other external expenses include expenses for property tax, administration, etc.

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year. Financial income and expenses include interest income and expenses, realized and unrealized gains and losses on securities, adjustment relating to foreign currency transactions and amortization of mortgage, etc.

Tax

Income tax expense comprises current tax on the estimated taxable income and the adjustment of deferred tax less the amount of net tax related to equity movement.

Current and deferred tax relating to equity is recognized directly in equity.

The parent and all Danish group entities are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).



Financial statements for the period 1 January - 31 December

Accounting policies

Balance sheet

Property, plant and equipment

Property, plant and equipment include land and buildings. Property, plant and equipment are measured at cost less accumulated depreciation and write-downs.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Land and buildings are revalued at fair value on the basis of an external assessment. Revaluations and reversals hereof, less deferred tax, are taken directly to equity.

Property, plant and equipment are depreciated using the straight-line method, based on the cost, measured by reference to the below assessment of the useful lives and residual values of the assets.

Buildings	25 years
Installations	20 years

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognized in the income statement under "Amortization/-depreciation".

Receivables

Receivables are measured at amortized cost. Write-down is made for bad debt losses, based on an individual assessment.

Other investments

Other investments consist of unlisted shares. The shares are measured at cost.

Derivatives

Derivative financial instruments are initially recognized on the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognized as other receivables and other payables, respectively.

Changes in fair value of derivative financial instruments designated as or qualifying for recognition as a hedge of future transactions are recognized as other receivables or other payables and in equity until the realization of the hedged transaction. If the future transaction results in the recognition of assets or liabilities, amounts which were previously recognized in equity are transferred to the cost of the asset or liability. If the future transaction results in income or costs, amounts which were previously recognized in equity are transferred to the income statement for the period when the hedged item affects the income statement.



Financial statements for the period 1 January - 31 December

Accounting policies

Equity – dividends

Dividends proposed for distribution for the year is presented as a separate component of equity.

Income taxes

Current tax payables and current tax receivables are recognized in the balance sheet as the estimated tax charge in respect of the taxable income of the year, adjusted for tax on prior years' taxable income and tax paid in advance.

Provisions for deferred tax are calculated using the expected tax rate by elimination of the temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, and temporary differences on non-amortizable goodwill.

Deferred tax assets, including the tax value of deferrable taxable losses, are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings or a set-off against deferred tax liabilities within the same legal tax entity.

Liabilities

Financial liabilities are recognized upon taking the loan at the cost, corresponding to the proceeds received net of transaction costs incurred. The financial liabilities are subsequently measured at amortized cost calculated based on the effective interest rate at the time of taking the loan.

Other liabilities are measured at the net realizable value.



Financial statements for the period 1 January - 31 December

Income statement

DKK	Note	2016	2015
Revenue		2,961,712	2,889,476
Other external expenses		<u>-894,565</u>	<u>-864,505</u>
Operating result before net financials and tax		2,067,147	2,024,971
Depreciation of buildings and equipment		<u>-1,313,527</u>	<u>-1,303,399</u>
Ordinary operating profit		753,620	721,572
Other financial income	1	1,835,782	1,784,711
Other financial expenses		<u>-40,915</u>	<u>-59,578</u>
Profit before tax		2,548,487	2,446,705
Tax on profit	2	<u>-554,834</u>	<u>-578,921</u>
Profit for the year		<u>1,993,653</u>	<u>1,867,784</u>
Proposed profit appropriation			
Retained earnings		<u>1,993,653</u>	<u>1,867,784</u>



Financial statements for the period 1 January - 31 December

Balance sheet

DKK	Note	2016	2015
ASSETS			
Non-current assets			
Property, plant and equipment			
Land, buildings and equipment	3	<u>28,397,995</u>	<u>29,711,521</u>
		<u>28,397,995</u>	<u>29,711,521</u>
Financial assets			
Other investments		<u>20,000</u>	<u>20,000</u>
		<u>20,000</u>	<u>20,000</u>
Total non-current assets		<u>28,417,995</u>	<u>29,731,521</u>
Current assets			
Receivables			
Receivables from group entities		41,232,013	39,263,578
Other receivables		<u>7,899</u>	<u>27,051</u>
		<u>41,239,912</u>	<u>39,290,629</u>
Cash		<u>508,745</u>	<u>296,615</u>
Total current assets		<u>41,748,657</u>	<u>39,587,244</u>
TOTAL ASSETS		<u>70,166,652</u>	<u>69,318,765</u>



Financial statements for the period 1 January - 31 December

Balance sheet

DKK	Note	2016	2015
EQUITY AND LIABILITIES			
Equity	4		
Share capital		1,000,000	1,000,000
Reserve for revaluation		6,399,972	10,434,739
Retained earnings		51,347,181	45,318,761
Total equity		<u>58,747,153</u>	<u>56,753,500</u>
Provisions			
Deferred tax		4,811,089	4,987,392
Non-current liabilities			
	5		
Mortgage debt		3,222,615	4,797,839
Deposit payable		704,750	704,750
		<u>3,927,365</u>	<u>5,502,589</u>
Current liabilities			
Current part of the non-current debt		1,406,520	1,406,520
Payables to group entities		1,259,525	613,946
Other payables		15,000	54,818
		<u>2,681,045</u>	<u>2,075,284</u>
Total liabilities		<u>6,608,410</u>	<u>7,577,873</u>
TOTAL EQUITY AND LIABILITIES		<u>70,166,652</u>	<u>69,318,765</u>
Contingent liabilities and other financial items			
	6		
Consolidated accounts	7		



Notes to the Annual Report

DKK	2016	2015
1 Other financial income		
Interests, group entities	1,615,983	1,553,625
Other interests	219,799	231,086
	<u>1,835,782</u>	<u>1,784,711</u>
2 Tax for the year		
The tax for the year consists of:		
Calculated company income tax, excl. interests	736,970	636,786
Correction previous year	-5,833	0
Change in deferred tax	-176,303	-57,865
	<u>554,834</u>	<u>578,921</u>
3 Property, plant and equipment		
DKK		
		Land, buildings and equipment
Cost at 1 January		<u>34,371,135</u>
Cost at 31 December		<u>34,371,135</u>
Revaluation at 1 January		<u>13,377,871</u>
Depreciation at 1 January		18,037,484
Depreciation during the year		<u>1,313,527</u>
Depreciation at 31 December		<u>19,351,011</u>
Carrying amount at 31 December		<u>28,397,995</u>
Carrying amount at 31 December without revaluation		<u>20,192,902</u>



Notes to the Annual Report

4 Equity

	Share capital	Revaluation reserve	Retained earnings	Total
Equity at 1 January	1,000,000	10,434,739	45,318,761	56,753,500
Transfer depreciation on revaluation current year	0	-417,390	417,390	0
Transfer depreciation on revaluation prior year	0	-3,617,377	3,617,377	0
Profit for the year	0	0	1,993,653	1,993,653
Equity at 31 December	1,000,000	6,399,972	51,347,181	58,747,153

The share capital is divided into 1,000 shares each DKK 1,000.
No shares have separate privileges.

5 Non-current liabilities

Out of the long-term debt, DKK 705 thousand fall due more than 5 years after the reporting date (deposit).

6 Contingent liabilities and other financial obligations

Contingent liabilities

The company is jointly taxed with the other Danish entities in the Missionpharma Group. As a wholly-owned subsidiary, the company is jointly and severally liable, together with the other jointly taxed entities, for Danish income taxes and withholding taxes on dividends, interest and royalties within the group of jointly taxed entities. Any subsequent adjustments of the joint taxable income or withholding taxes may result in an increase of the company's liability.

Guarantees

The land and buildings carrying amount of DKK 28,398 thousand are provided as collateral for the mortgage (DKK 4,629 thousand).

The Group companies (Missionpharma Properties A/S, Mifamed ApS, Missionpharma Group ApS, PharmaDanica A/S, and Missionpharma A/S) are jointly and severally liable for a total credit and facility line of DKK 237 million.

7 Consolidated accounts

The company's immediate parent company at 31 December 2016, which prepares consolidated accounts in which the Company is a subsidiary, is Missionpharma Group ApS, Denmark. The consolidated financial statements are available at the following address:
Missionpharma Group ApS, Vassingerødvej 9, 3540 Lyngø.